

Q4 2024 Consensus Financial Estimates

NatWest Group Investor Relations

20 November 2024



NatWest
Group

NatWest Group – Q4 2024 Consensus Financial Estimates (Average)

Models as at 20 November 2024



	Quarter		Full year			
	Q3'24	Q4'24E	2023	2024E	2025E	2026E
Analysts included in consensus	11		12		11	11
NatWest Group						
Group income statement, £m						
Net interest income	2,899	2,934	11,049	11,238	11,990	12,836
Non-interest income	845	777	3,703	3,340	3,384	3,483
Total income	3,744	3,711	14,752	14,578	15,374	16,319
Other operating expenses	(1,784)	(2,054)	(7,641)	(7,788)	(8,019)	(8,229)
Litigation and conduct	(41)	(83)	(355)	(225)	(256)	(250)
Operating expenses	(1,825)	(2,137)	(7,996)	(8,014)	(8,275)	(8,479)
Operating profit before impairment losses	1,919	1,575	6,756	6,564	7,099	7,840
Impairment losses	(245)	(199)	(578)	(491)	(929)	(1,058)
Operating profit/(loss) before tax	1,674	1,376	6,178	6,073	6,170	6,782
Tax (charge)/credit	(431)	(388)	(1,434)	(1,615)	(1,686)	(1,861)
Profit/(loss) for the period for continuing operations	1,243	988	4,744	4,458	4,484	4,920
Profit/(loss) from discontinued operations, net of tax	1	(12)	(112)	1	(0)	0
Profit/(loss) for the period	1,244	976	4,632	4,459	4,483	4,920
Attributable to:						
Ordinary shareholders	1,172	906	4,394	4,176	4,189	4,626
Other owners	73	71	242	273	288	288
Non-controlling interests	(1)	(1)	(4)	10	6	6
Notable items						
Notable items in income	(28)	2	413	106	6	5
Net interest income notable items	0	0	(32)	0	0	0
Non-interest income notable items	(28)	2	445	106	6	5
Memo: Net interest income excluding notable items	2,899	2,934	11,081	11,238	11,990	12,836
Memo: Non-interest income excluding notable items	873	775	3,258	3,234	3,378	3,478
Memo: Total income excluding all notable items	3,772	3,710	14,339	14,472	15,368	16,314
Memo: Ulster direct costs	(14)	(23)	(275)	(92)	(50)	0

	Quarter		Full year			
	Q3'24	Q4'24E	2023	2024E	2025E	2026E
Analysts included in consensus	11		12		11	11
Group balance sheet and capital, £bn						
Net loans to customers (amortised cost)	386.7	389.3	381.4	389.1	400.8	410.9
Group average interest-earning assets (AIEAs)	529.8	532.4	520.6	527.5	538.3	549.5
Total assets	711.9	707.7	692.7	707.4	720.1	732.1
Customer deposits	431.1	433.4	431.4	434.0	442.3	450.5
<i>Customer deposits across the 3 business segments*</i>	<i>427.4</i>	<i>428.3</i>	<i>419.1</i>	<i>428.3</i>	<i>436.5</i>	<i>444.6</i>
Risk-weighted assets**	181.7	183.5	183.0	183.6	199.9	204.7
Tangible equity	26.2	26.5	25.7	26.4	28.2	30.2
Average tangible equity (denominator for RoTE)	25.6	26.3	24.7	26.0	27.3	29.3
Number of ordinary shares in issue (m) - period end	8,293	8,115	8,792	8,112	7,794	7,485
Number of ordinary shares in issue (m) - average	8,295	8,227	9,164	8,437	7,947	7,627
Key metrics and ratios						
Group net interest margin	2.18%	2.19%	2.12%	2.13%	2.23%	2.33%
Cost:income ratio	47.6%	55.3%	51.8%	53.4%	52.2%	50.4%
Loan impairment rate	0.25%	0.20%	0.15%	0.13%	0.23%	0.26%
Return on tangible equity	18.3%	13.9%	17.8%	16.0%	15.4%	15.8%
Earnings/(loss) per ordinary share (p)	14.1p	11.0p	47.9p	49.5p	52.7p	60.7p
Ordinary DPS (p)	-	13.5p	17.0p	19.5p	20.8p	24.6p
Total buy-backs (£m)***	-	914	2,059	2,166	1,414	1,400
Tangible net asset value (TNAV) per ordinary share (p)	316p	327p	292p	326p	362p	404p
Common Equity Tier 1 (CET1) ratio - transitional basis**	13.9%	13.6%	13.4%	13.6%	13.1%	13.4%
Interest rate expectations						
UK base rate (end of period)	5.00%	4.65%	5.25%	4.68%	3.72%	3.52%
UK base rate (average for the period)	5.08%	4.81%	4.69%	5.06%	4.15%	3.62%

*Customer deposits across the 3 businesses reflect Retail Banking, Private Banking and Commercial and Institutional deposits. Group customer deposits also include Ulster Bank Rol and Treasury.

**Consensus estimates for FY'25 RWA and CET1 are pro forma for B3.1 implementation on 1 Jan'26. Guidance per Q3'24 outlook statement, page 3 Q3'24 NWW IMS: - "We continue to expect RWAs to be around £200 billion at the end of 2025, including the impact of Basel 3.1 on a pro-forma basis. We expect the impact of Basel 3.1 to be an uplift of around £8 billion on 1 January 2026."

***On 11th November 2024 NatWest Group announced a Directed Buyback of £1bn (RNS link). This is not incorporated into all the analysts' forecasts included in this consensus since some models were published before the announcement.

NatWest Group – Q4 2024 Consensus Financial Estimates (High & Low)

Models as at 20 November 2024



	Quarter			Full year								
	Q4'24E			2024E			2025E			2026E		
	11			12			11			11		
Analysts included in consensus	11			12			11			11		
NatWest Group	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Group income statement, £m												
Net interest income	2,901	2,934	3,020	11,205	11,238	11,327	11,665	11,990	12,882	12,204	12,836	14,068
Non-interest income	703	777	819	3,249	3,340	3,390	3,200	3,384	3,637	3,274	3,483	3,723
Total income	3,639	3,711	3,798	14,454	14,578	14,676	14,986	15,374	16,387	15,542	16,319	17,666
Other operating expenses	(2,106)	(2,054)	(1,916)	(7,846)	(7,788)	(7,656)	(8,095)	(8,019)	(7,899)	(8,383)	(8,229)	(8,088)
Litigation and conduct	(118)	(83)	(38)	(260)	(225)	(180)	(300)	(256)	(200)	(300)	(250)	(200)
Operating expenses	(2,214)	(2,137)	(1,991)	(8,096)	(8,014)	(7,873)	(8,395)	(8,275)	(8,139)	(8,639)	(8,479)	(8,348)
Operating profit before impairment losses	1,440	1,575	1,807	6,436	6,564	6,803	6,716	7,099	8,023	7,122	7,840	9,064
Impairment losses	(257)	(199)	(60)	(550)	(491)	(353)	(1,017)	(929)	(820)	(1,159)	(1,058)	(872)
Operating profit/(loss) before tax	1,190	1,376	1,747	5,893	6,073	6,450	5,699	6,170	7,035	6,073	6,782	7,919
Tax (charge)/credit	(541)	(388)	(290)	(1,773)	(1,615)	(1,522)	(2,179)	(1,686)	(1,461)	(2,445)	(1,861)	(1,546)
Profit/(loss) for the period for continuing operations	826	988	1,207	4,297	4,458	4,678	4,033	4,484	4,856	4,303	4,920	5,474
Profit/(loss) from discontinued operations, net of tax	(87)	(12)	0	(75)	1	12	(3)	(0)	0	0	0	0
Profit/(loss) for the period	826	976	1,207	4,309	4,459	4,690	4,033	4,483	4,856	4,303	4,920	5,474
Attributable to:												
Ordinary shareholders	740	906	1,131	4,011	4,176	4,402	3,702	4,189	4,552	3,971	4,626	5,170
Other owners	52	71	82	254	273	284	260	288	316	255	288	320
Non-controlling interests	(14)	(1)	5	(4)	10	15	(4)	6	15	(4)	6	15
Notable items												
Notable items in income	0	2	18	102	106	132	0	6	65	0	5	50
Net interest income notable items	0	0	0	0	0	0	0	0	0	0	0	0
Non-interest income notable items	0	2	18	102	106	132	0	6	65	0	5	50
Memo: Net interest income excluding notable items	2,901	2,934	3,020	11,205	11,238	11,327	11,665	11,990	12,882	12,204	12,836	14,068
Memo: Non-interest income excluding notable items	703	775	813	3,117	3,234	3,282	3,200	3,378	3,572	3,274	3,478	3,673
Memo: Total income excluding all notable items	3,639	3,710	3,798	14,322	14,472	14,574	14,986	15,368	16,387	15,542	16,314	17,666
Memo: Ulster direct costs	(25)	(23)	(20)	(100)	(92)	(69)	(100)	(50)	0	0	0	0

NatWest Group – Q4 2024 Consensus Financial Estimates (High & Low)

Models as at 20 November 2024



	Quarter			Full year								
	Q4'24E			2024E			2025E			2026E		
	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Analysts included in consensus	11			12			11			11		
Group balance sheet and capital, £bn												
Net loans to customers (amortised cost)	385.5	389.3	398.7	385.5	389.1	398.7	394.3	400.8	407.2	398.5	410.9	417.7
Group average interest-earning assets (AIEAs)	523.5	532.4	537.9	524.5	527.5	529.1	529.1	538.3	546.9	529.1	549.5	565.3
Total assets	692.4	707.7	716.1	692.4	707.4	716.1	698.7	720.1	740.6	704.8	732.1	752.1
Customer deposits	428.5	433.4	440.0	428.5	434.0	440.0	429.0	442.3	448.8	429.0	450.5	459.7
<i>Customer deposits across the 3 business segments*</i>	<i>424.8</i>	<i>428.3</i>	<i>429.9</i>	<i>424.8</i>	<i>428.3</i>	<i>429.9</i>	<i>427.9</i>	<i>436.5</i>	<i>441.2</i>	<i>427.8</i>	<i>444.6</i>	<i>456.4</i>
Risk-weighted assets**	180.5	183.5	186.9	180.5	183.6	186.9	197.3	199.9	203.0	201.0	204.7	208.0
Tangible equity	25.6	26.5	27.5	25.6	26.4	27.5	27.2	28.2	29.4	28.3	30.2	32.0
Average tangible equity (denominator for RoTE)	25.9	26.3	26.7	25.6	26.0	26.6	26.6	27.3	28.2	27.8	29.3	30.8
Number of ordinary shares in issue (m) - period end	7,891	8,115	8,293	7,891	8,112	8,293	7,701	7,794	8,018	7,306	7,485	7,702
Number of ordinary shares in issue (m) - average	8,092	8,227	8,543	8,293	8,437	8,543	7,820	7,947	8,086	7,504	7,627	7,712
Key metrics and ratios												
Group net interest margin	2.15%	2.19%	2.24%	2.12%	2.13%	2.14%	2.16%	2.23%	2.36%	2.19%	2.33%	2.49%
Cost:income ratio	50.4%	55.3%	57.6%	52.2%	53.4%	54.0%	49.2%	52.2%	53.5%	47.0%	50.4%	52.6%
Loan impairment rate	0.06%	0.20%	0.26%	0.09%	0.13%	0.14%	0.21%	0.23%	0.26%	0.22%	0.26%	0.28%
Return on tangible equity	11.3%	13.9%	16.8%	15.4%	16.0%	16.6%	14.6%	15.4%	16.5%	14.2%	15.8%	17.0%
Earnings/(loss) per ordinary share (p)	9.1p	11.0p	13.6p	47.7p	49.5p	52.4p	47.1p	52.7p	57.0p	52.9p	60.7p	67.3p
Ordinary DPS (p)	12.0p	13.5p	15.8p	18.0p	19.5p	21.8p	18.7p	20.8p	22.0p	20.0p	24.6p	29.0p
Total buy-backs (£m)***	451	914	1,550	1,692	2,166	2,791	1,000	1,414	2,000	-	1,400	2,250
Tangible net asset value (TNAV) per ordinary share (p)	324p	327p	332p	316p	326p	332p	353p	362p	374p	383p	404p	427p
Common Equity Tier 1 (CET1) ratio - transitional basis**	13.3%	13.6%	14.2%	13.2%	13.6%	14.2%	12.8%	13.1%	14.0%	13.0%	13.4%	14.6%
Interest rate expectations												
UK base rate (end of period)	4.50%	4.65%	4.75%	4.50%	4.68%	4.84%	3.25%	3.72%	4.12%	3.00%	3.52%	3.87%
UK base rate (average for the period)	4.75%	4.81%	4.88%	4.75%	5.06%	5.13%	4.00%	4.15%	4.48%	3.03%	3.62%	4.13%

*Customer deposits across the 3 businesses reflect Retail Banking, Private Banking and Commercial and Institutional deposits. Group customer deposits also include Ulster Bank Rol and Treasury.

**Consensus estimates for FY'25 RWA and CET1 are pro forma for B3.1 implementation on 1 Jan'26. Guidance per Q3'24 outlook statement, page 3 Q3'24 NWG IMS: - "We continue to expect RWAs to be around £200 billion at the end of 2025, including the impact of Basel 3.1 on a pro-forma basis. We expect the impact of Basel 3.1 to be an uplift of around £8 billion on 1 January 2026."

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NatWest Group – Q4 2024 Consensus Financial Estimates (High & Low income excluding notable items)

Models as at 20 November 2024



	Quarter			Full year											
	Q4'24E			2024E			2025E			2026E					
Analysts included in consensus	11			12			11			11					
Group*	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High			
Net interest income excluding notable items	2,901	2,934	3,020	11,205	11,238	11,327	11,665	11,990	12,882	12,204	12,836	14,068			
Non-interest income excluding notable items	703	775	813	3,117	3,234	3,282	3,200	3,378	3,572	3,274	3,478	3,673			
Total income excluding all notable items	3,639	3,710	3,798	14,322	14,472	14,574	14,986	15,368	16,387	15,542	16,314	17,666			
Analysts included in consensus	9			11			10			10					
Retail Banking, Private Banking and Commercial & Institutional combined	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High			
Net interest income excluding notable items	2,901	2,944	3,033	11,116	11,158	11,248	11,687	11,992	12,803	12,170	12,733	13,989			
Non-interest income excluding notable items	720	772	828	3,180	3,275	3,330	3,234	3,343	3,425	3,359	3,450	3,533			
Total income excluding all notable items	3,639	3,716	3,807	14,320	14,433	14,524	14,981	15,335	16,228	15,542	16,183	17,507			
Analysts included in consensus	9			11			10			10					
Central items & other	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High			
Net interest income excluding notable items	(64)	(8)	18	28	82	110	(152)	(9)	99	(153)	(9)	99			
Non-interest income excluding notable items	(26)	4	31	(157)	(42)	(2)	(99)	45	175	(99)	44	170			
Total income excluding all notable items	(90)	(4)	31	(47)	40	90	0	35	159	0	35	159			

*The sum of 'Retail Banking, Private Banking and Commercial & Institutional combined' and 'Central items & other' does not equal 'Group' as not all analysts provide forecasts of business segments

NatWest Group – Q4 2024 Consensus Financial Estimates



Models as at 20 November 2024

Disclaimer

The consensus information has been calculated using average estimates received from research analysts.

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