



NatWest  
Group

# Q1 2025 Results

2 May 2025



# NatWest

## **Paul Thwaite Chief Executive Officer**



NatWest  
Group

# Our business has delivered Q1'25 RoTE of 18.5%

Disciplined growth  
across our businesses

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**£375bn**

Customer Loans<sup>1</sup>  
+0.9% vs Dec'24

**£433bn**

Customer Deposits<sup>2</sup>  
+0.5% vs Dec'24

**£48.5bn**

AUMA  
+£0.8bn AUM net  
inflows in Q1'25

Strong returns with  
attributable profit of  
£1.3bn

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**£4.0bn**

Income ex notable items<sup>3</sup>  
vs £3.4bn in Q1'24

**£1.9bn**

Costs<sup>4</sup>  
vs £2.0bn in Q1'24

**18.5%**

Return on Tangible Equity  
vs 14.2% in Q1'24

Delivering EPS and  
TNAVps growth  
underpinned by strong  
capital position

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**15.5p**

EPS  
+48% vs Q1'24

**347p**

TNAV per share  
+15% vs Q1'24

**13.8%**

CET1 ratio  
49bps capital generation pre  
distributions in Q1'25





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# **Katie Murray Chief Financial Officer**

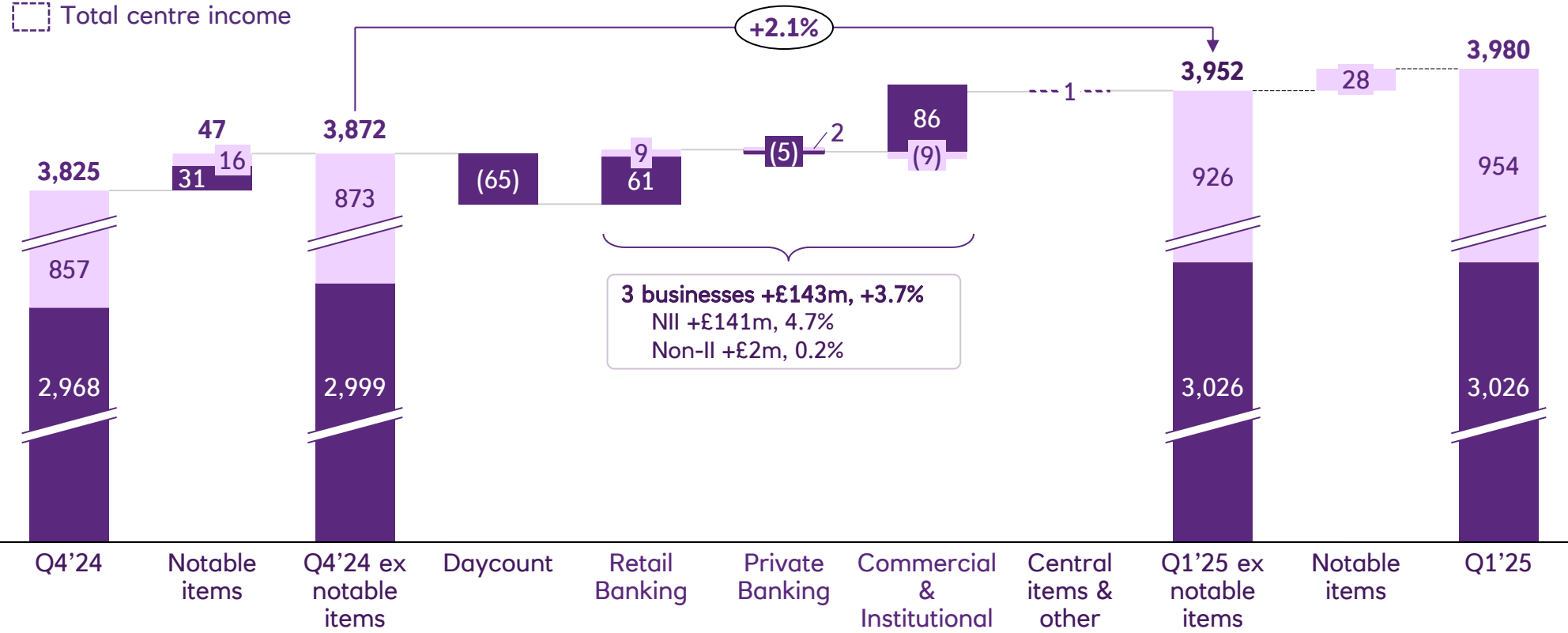
# Strong financial performance

Group, £m	Q1'25	Q4'24	Q1'24	Q1'25 vs Q4'24	Q1'25 vs Q1'24
Net interest income, ex notable items <sup>1</sup>	3,026	2,999	2,651	0.9%	14.1%
Non-interest income, ex notable items <sup>1</sup>	926	873	763	6.1%	21.4%
<b>Total income, ex notable items<sup>1</sup></b>	<b>3,952</b>	<b>3,872</b>	<b>3,414</b>	<b>2.1%</b>	<b>15.8%</b>
<b>Total income</b>	<b>3,980</b>	<b>3,825</b>	<b>3,475</b>	<b>4.1%</b>	<b>14.5%</b>
Other operating expenses	(1,935)	(2,114)	(2,028)	(8.5%)	(4.6%)
Litigation and conduct costs	(44)	(153)	(24)	(71.2%)	83.3%
<b>Operating expenses</b>	<b>(1,979)</b>	<b>(2,267)</b>	<b>(2,052)</b>	<b>(12.7%)</b>	<b>(3.6%)</b>
<b>Operating profit before impairments</b>	<b>2,001</b>	<b>1,558</b>	<b>1,423</b>	<b>28.4%</b>	<b>40.6%</b>
Impairment (losses)	(189)	(66)	(93)	186.4%	103.2%
<i>Loan impairment rate</i>	<i>19bps</i>	<i>7bps</i>	<i>10bps</i>	<i>12bps</i>	<i>9bps</i>
<b>Operating profit</b>	<b>1,812</b>	<b>1,492</b>	<b>1,330</b>	<b>21.4%</b>	<b>36.2%</b>
<b>Attributable profit</b>	<b>1,252</b>	<b>1,248</b>	<b>918</b>	<b>0.3%</b>	<b>36.4%</b>
<b>Return on Tangible Equity</b>	<b>18.5%</b>	<b>19.0%</b>	<b>14.2%</b>	<b>(0.5)ppts</b>	<b>4.3ppts</b>

# Strong income momentum: £4.0bn +2.1% in Q1'25

Income excl. notable items<sup>1</sup>, £m

- Net interest income
- Non interest income
- Total centre income



3 businesses +£143m, +3.7%  
NII +£141m, 4.7%  
Non-II +£2m, 0.2%

**FY'25 total income excl. notable items to be at the upper end of £15.2-15.7bn range**  
  
Assumes UK Bank rate of 3.75% at end of 2025

Q4'24  
219bps  
  
538.8

**NIM<sup>2</sup>: 8bps in Q1'25**  
• Lending margins +2bps  
• Deposit margins +4bps  
• Funding & other +1bps

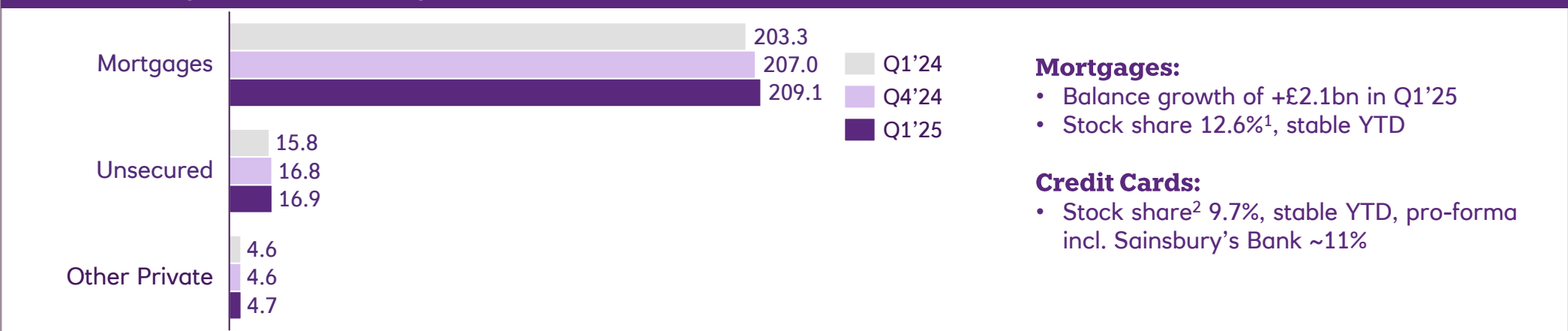
Q1'25  
227bps  
  
541.6

Average interest-earning assets (AIEAs), £bn

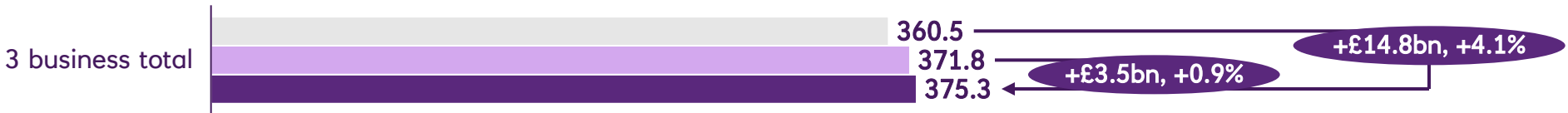
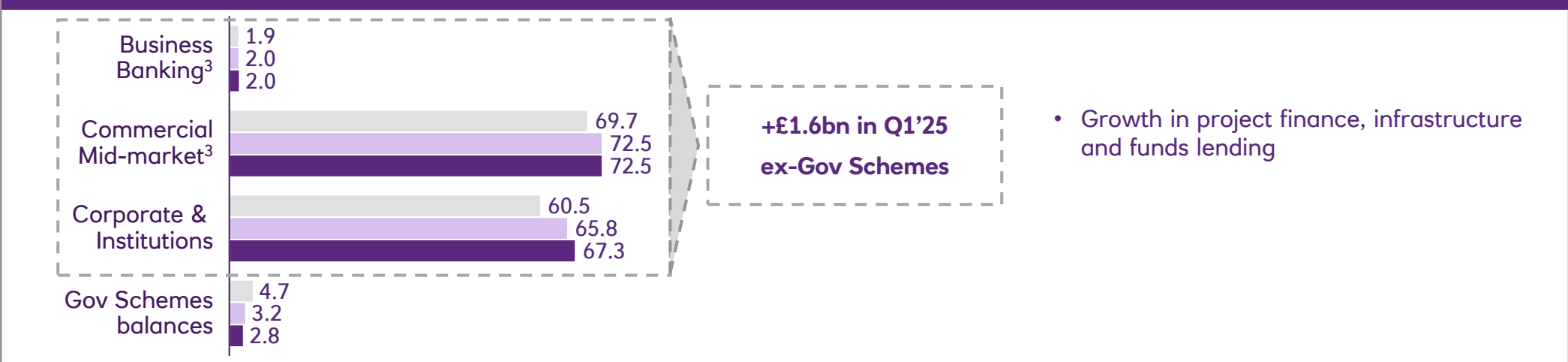
# Disciplined approach to loan growth: +£3.5bn, +0.9% in Q1'25

Gross loans to customers (amortised cost) at Q1'25, £bn

## Retail Banking & Private Banking £230.7bn, +£2.3bn in Q1'25

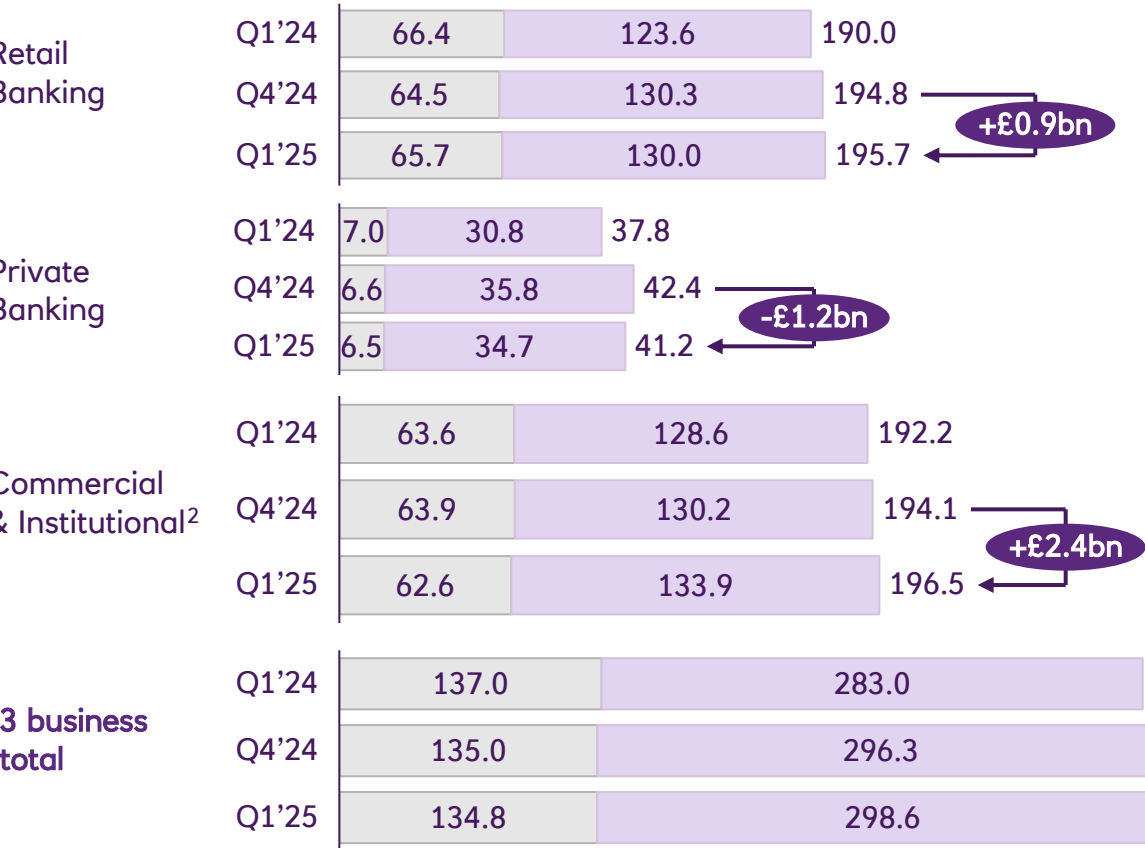


## Commercial and Institutional £144.6bn, +£1.2bn in Q1'25



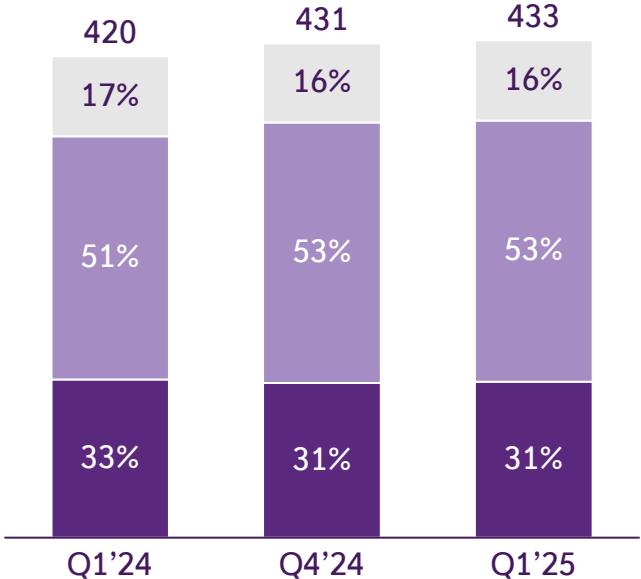
# Good deposit growth in Q1'25: +£2.1bn, +0.5% in Q1'25

Customer deposits across the 3 customer businesses, £bn



Non-interest-bearing balances <sup>3</sup>  
Interest-bearing balances <sup>4</sup>

Deposit mix by interest type across the 3 customer businesses<sup>1</sup> %, £bn



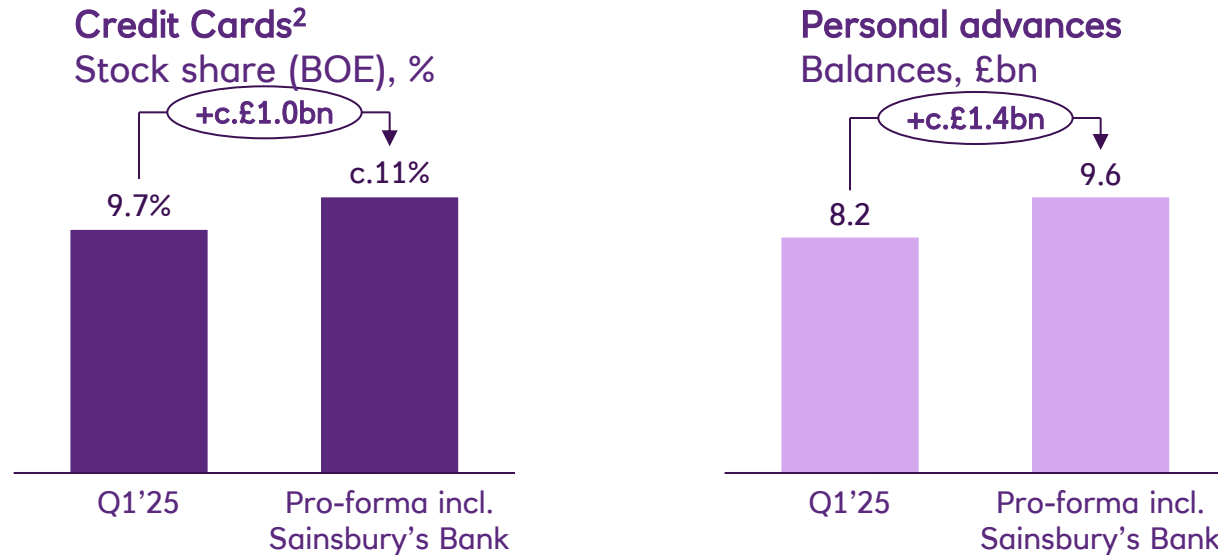
Term  
Instant Access  
Non-interest-bearing balances



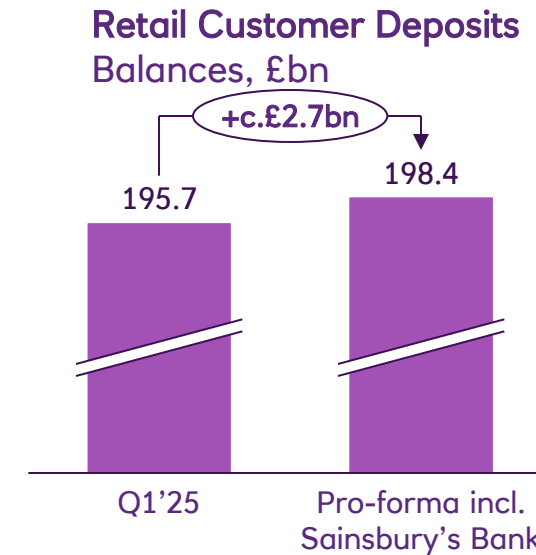
# Sainsbury's Bank transaction brings ~1m customer accounts

## Completed 1st May 2025<sup>1</sup>

~£2.5bn of gross customer loans



~£2.7bn of customer deposits

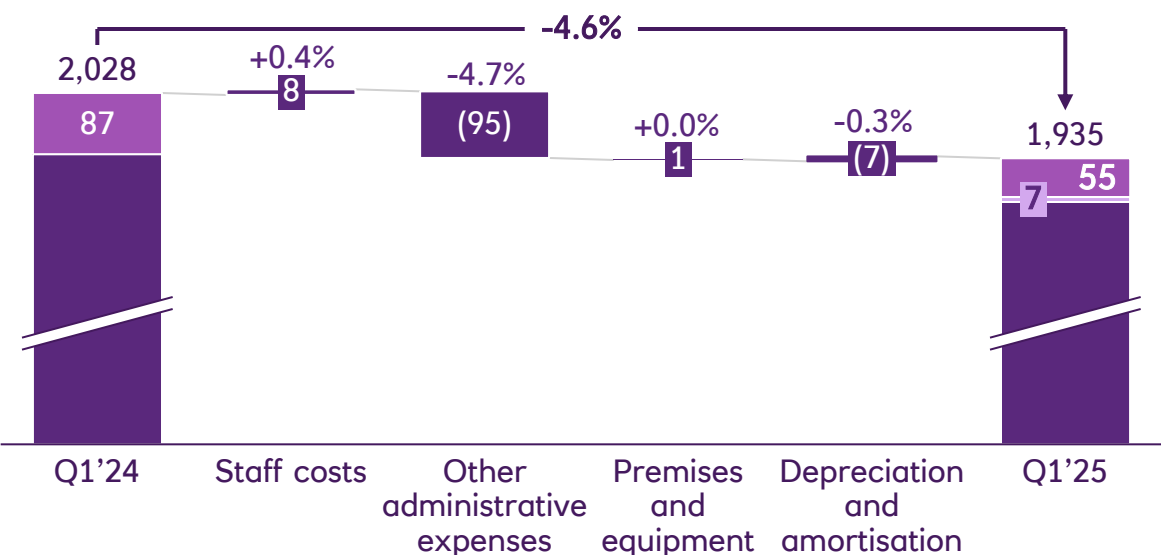
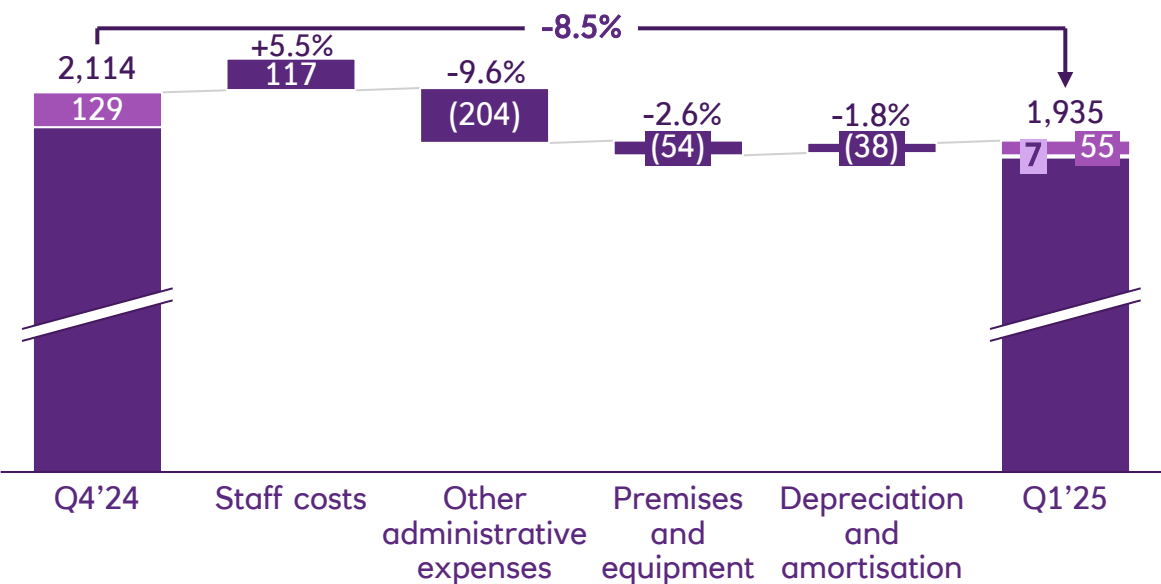


We will provide a broader multi-channel proposition to our new customers  
Brings scale to our highly digitalised platform, increasing share and profitability in unsecured lending

- c.£0.1bn **Income** contribution in FY'25 across May-December
- c.£0.1bn **one-time integration costs** in FY'25, weighted to H2'25
- c.£0.1bn **Day 1 ECL charge**
- c.£1.8bn **Day 1 RWA increase**
- c.16bps **Day 1 impact on Group's CET1 ratio**

# Other operating expenses on track

Other operating expenses, £m



## 2025 cost drivers and guidance

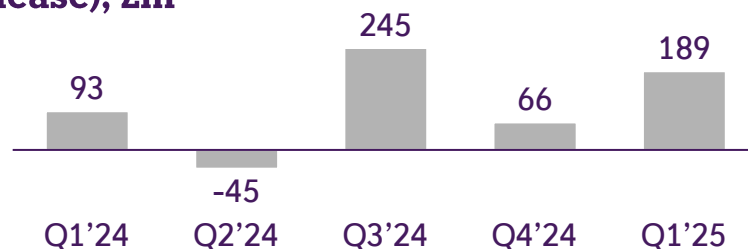
- Staff costs: 3.3% average annual wage increase plus £45m additional NIC from 1st April
- Bank-wide simplification: ongoing investment to deliver savings
- One-time integration costs ~£0.1bn, of which £7m incurred in Q1'25

**In 2025 we expect Group operating costs, excluding litigation and conduct costs, to be around £8.1bn including around £0.1bn of one-time integration costs**

- Bank levies
- One-time integration costs
- Other operating expenses

# 19bps impairment charge in Q1'25

## Impairment charge/(release), £m



## Loan impairment rate, bps<sup>1</sup>

Retail Banking	12	12	28	3	21
Private Banking	(13)	(11)	(7)	7	2
Commercial & Institutional	11	(28)	31	13	22
<b>Group</b>	<b>10</b>	<b>(5)</b>	<b>25</b>	<b>7</b>	<b>19</b>
<i>of which, stage 3<sup>2</sup></i>	<i>14</i>	<i>9</i>	<i>17</i>	<i>5</i>	<i>15</i>

FY'25  
Guidance

Below  
20bps

## Well provisioned balance sheet

ECL<sup>3</sup> Provision

£3.5bn

ECL<sup>3</sup> Coverage

0.86%

PMA<sup>4</sup> for Economic uncertainty  
remained broadly stable

£305m

Stage 3 as % of loans

1.5%

## Macroeconomic assumptions

	Weighted average		Moderate Downside		Extreme Downside	
Scenario weighting			19%		13%	
	2025	2026	2025	2026	2025	2026
UK GDP - annual growth	0.6	1.3	0.4	(0.5)	(4.1)	(0.3)
UK Unemployment - annual avg.	4.5	4.8	4.8	5.5	5.4	8.0
UK House Price Index <sup>5</sup>	2.2	1.1	(1.2)	(2.8)	(7.6)	(14.7)
UK Consumer price index <sup>5</sup>	2.9	2.4	5.8	4.2	0.6	1.1

## Change in Stage 1&2 ECL at 100% weighting Balance sheet as at 31 December 2024

Base Case

£(100)m

-2bps

Moderate Downside

£66m

2bps

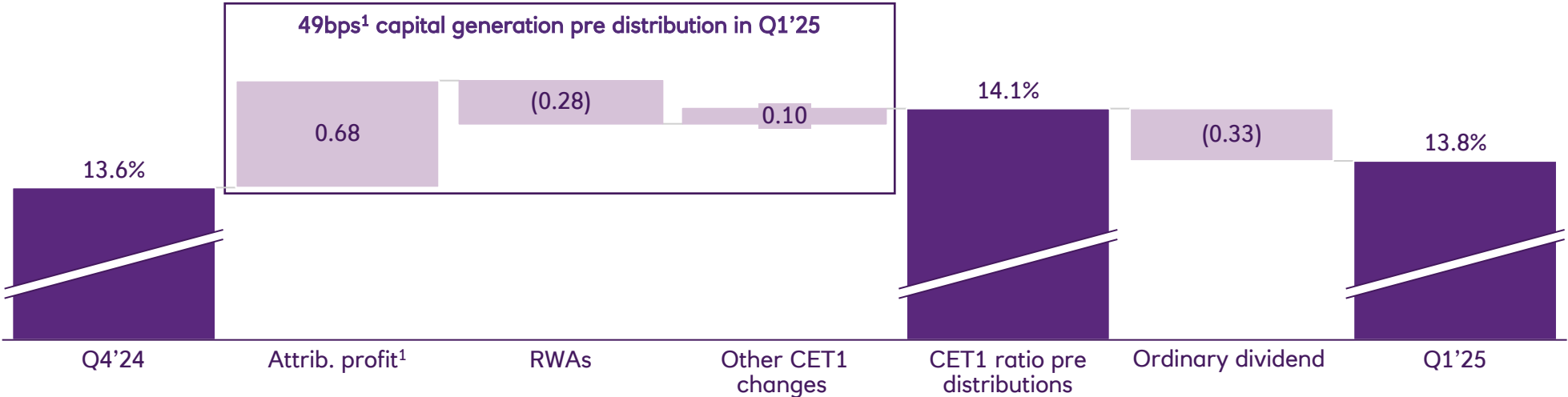
Extreme Downside

£842m

21bps

# Another quarter of strong capital generation

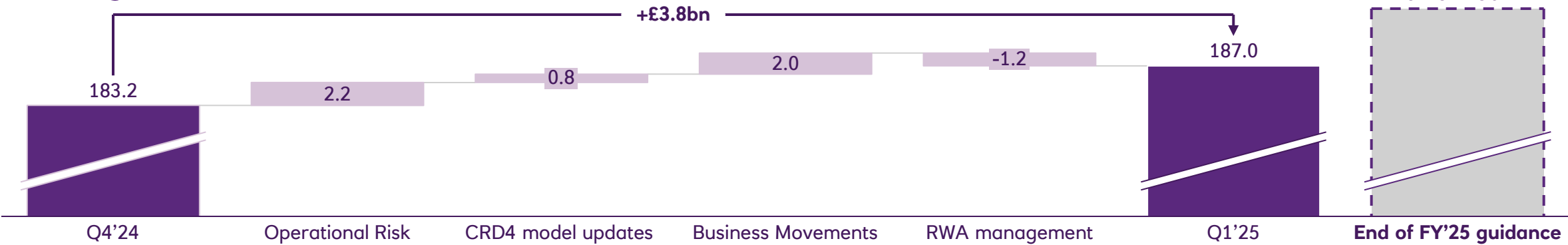
CET1 ratio, %



Target CET1 ratio in 13-14% range

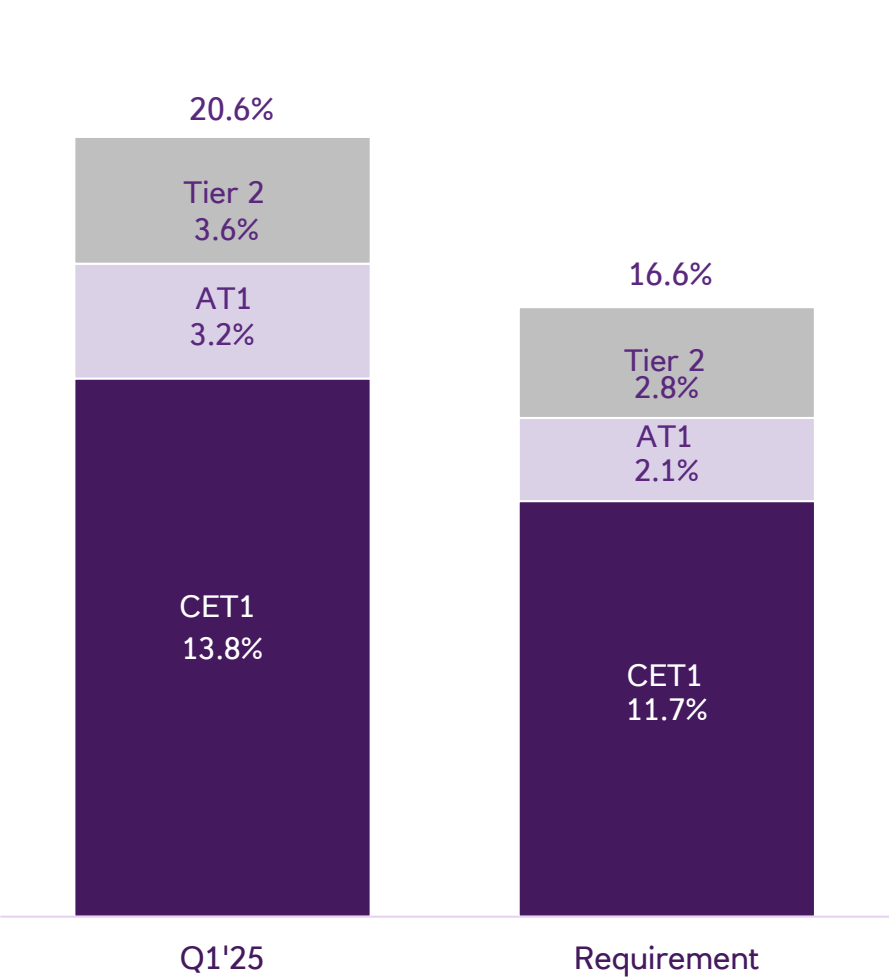


Risk-weighted assets (RWAs), £bn



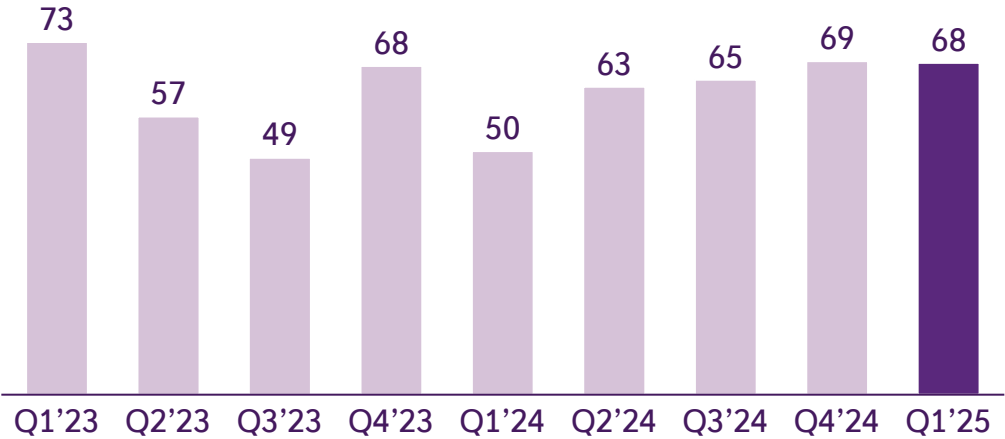
# Strong capital position, consistent CET1 generation from earnings, good progress on capital issuance

Total capital minimum requirements, % RWA

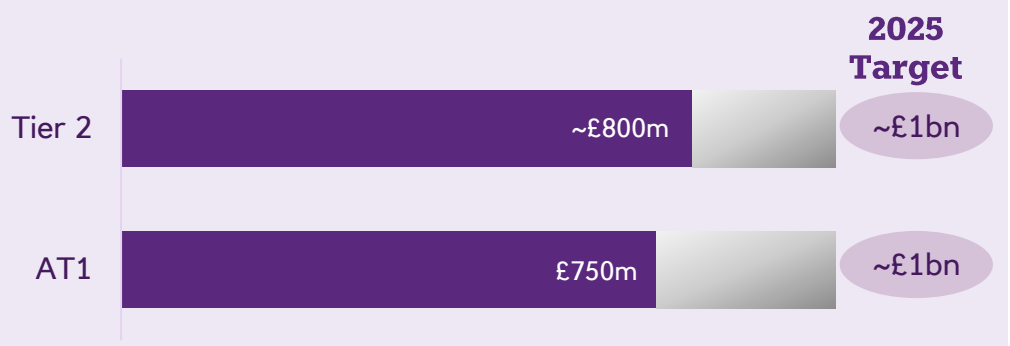


Capital generation from earnings

Attributable profits as a percentage of the opening RWA, bps



AT1 and Tier 2 Issuance well progressed





# Summary of guidance<sup>1</sup>

## 2025 Guidance

Total Income	Other operating expenses	Loan impairment rate	Risk Weighted Assets	Return on Tangible Equity
Upper end of £15.2-15.7bn <sup>2</sup>	~£8.1bn, incl. ~£0.1bn one-time integration costs	Below 20bps	£190-195bn	Upper end of 15-16%

## Targets

2027 Return on Tangible Equity Target of >15%

Target an ordinary dividend payout ratio ~50%

Surplus capital returned via buybacks

CET1 ratio in the range of 13-14%

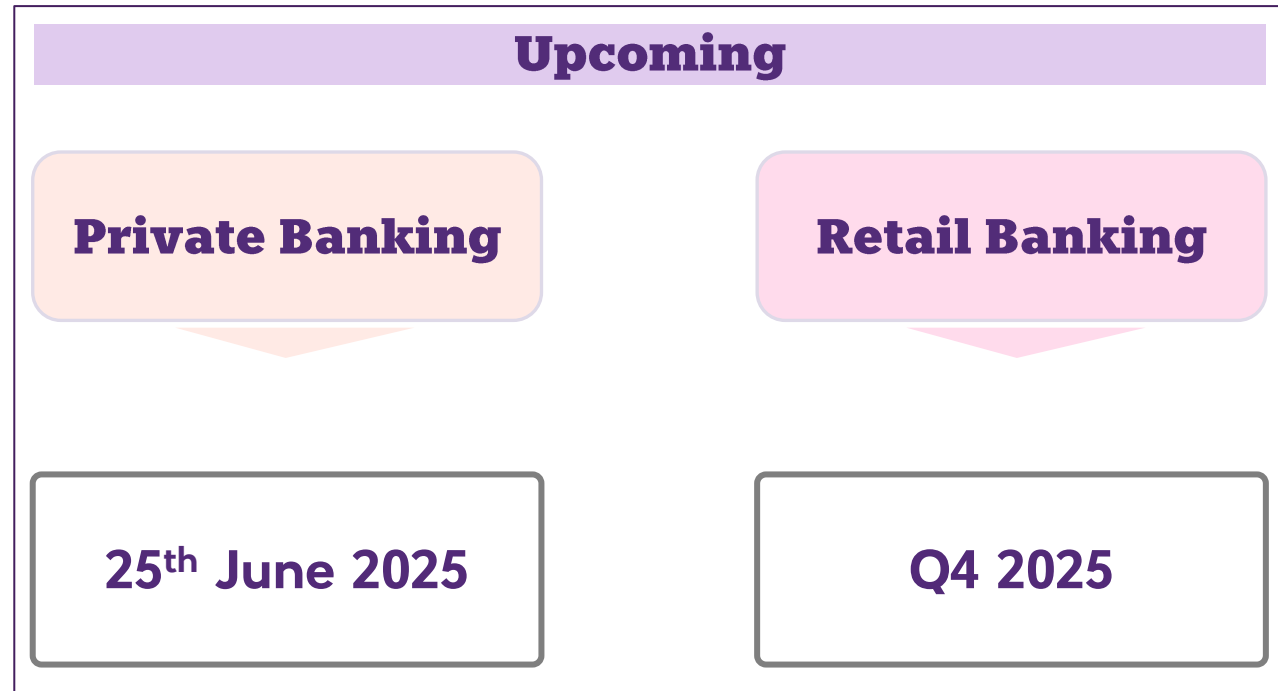


# Q&A



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# Investor spotlights on our 3 customer businesses



# Outlook statements<sup>1</sup>

## Outlook

The following statements are based on our current expectations for interest rates and economic conditions. We recognise increased global economic uncertainty and will monitor and react to market conditions and refine our internal forecasts as the economic position evolves.

### In 2025 we expect:

- to achieve a return on tangible equity at the upper end of our previously guided range of 15-16%
- income excluding notable items to be at the upper end of our previously guided range of £15.2-15.7 billion.
- Group operating costs, excluding litigation and conduct costs, to be around £8.1 billion including around £0.1 billion of one-time integration costs.
- our loan impairment rate to be below 20 basis points.
- RWAs to be in the range of £190-195 billion at the end of 2025, dependent on final CRD IV model outcomes.

### In 2027 we expect:

- to achieve a return on tangible equity for the Group of greater than 15%.

## Capital

- we continue to target a CET1 ratio in the range of 13-14%.
- we expect to pay ordinary dividends of around 50% of attributable profit from 2025 and will consider buybacks as appropriate.

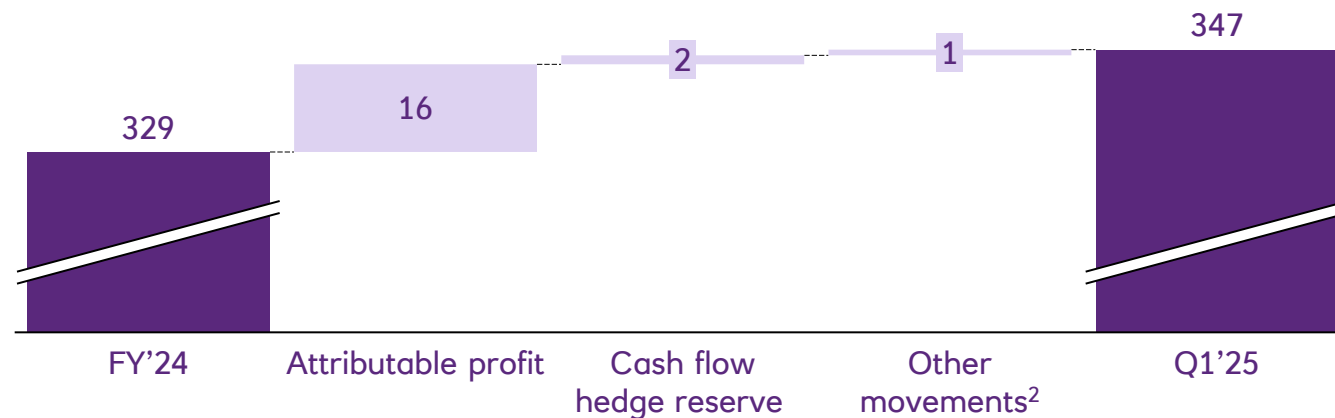
# Notable items

	Q1'24	Q2'24	Q3'24	Q4'24	FY'24	Q1'25
Group income	3,475	3,659	3,744	3,825	14,703	3,980
Notable items in Income, £m	Q1'24	Q2'24	Q3'24	Q4'24	FY'24	Q1'25
<b>Commercial and Institutional</b>						
Own credit adjustments (OCA)	(5)	(2)	2	(4)	(9)	6
<b>Central items &amp; other</b>						
Interest and FX risk management derivatives not in accounting hedge relationships	59	67	5	19	150	7
Share of associate profits/(losses) for Business Growth Fund	7	4	11	(1)	21	15
FX recycling gains / (losses)	--	--	(46)	(30)	(76)	--
Tax interest on prior periods (Net Interest Income)	--	--	--	(31)	(31)	--
<b>Total notable items in Group income</b>	<b>61</b>	<b>69</b>	<b>(28)</b>	<b>(47)</b>	<b>55</b>	<b>28</b>
<b>Group income excluding notable items</b>	<b>3,414</b>	<b>3,590</b>	<b>3,772</b>	<b>3,872</b>	<b>14,648</b>	<b>3,952</b>



# Tangible net asset value<sup>1</sup>

	GBP, m	Share count, m	Pence
As at 31 December 2024	26,482	8,043	329
Attributable profit	1,252		16
Cash flow hedge reserve (net of tax)	129		2
FVOCI	42		1
Other movements	120	24	0
Net change	1,543	24	18
As at 31 March 2025	28,025	8,067	347



- -£1.3bn balance as at end of Q1'25, equivalent to -16p<sup>3</sup>
- +2p movement in the quarter, of which:
  - £212m or +3p benefit from decay in Q1'25
  - Partly offset by yield curve steepening

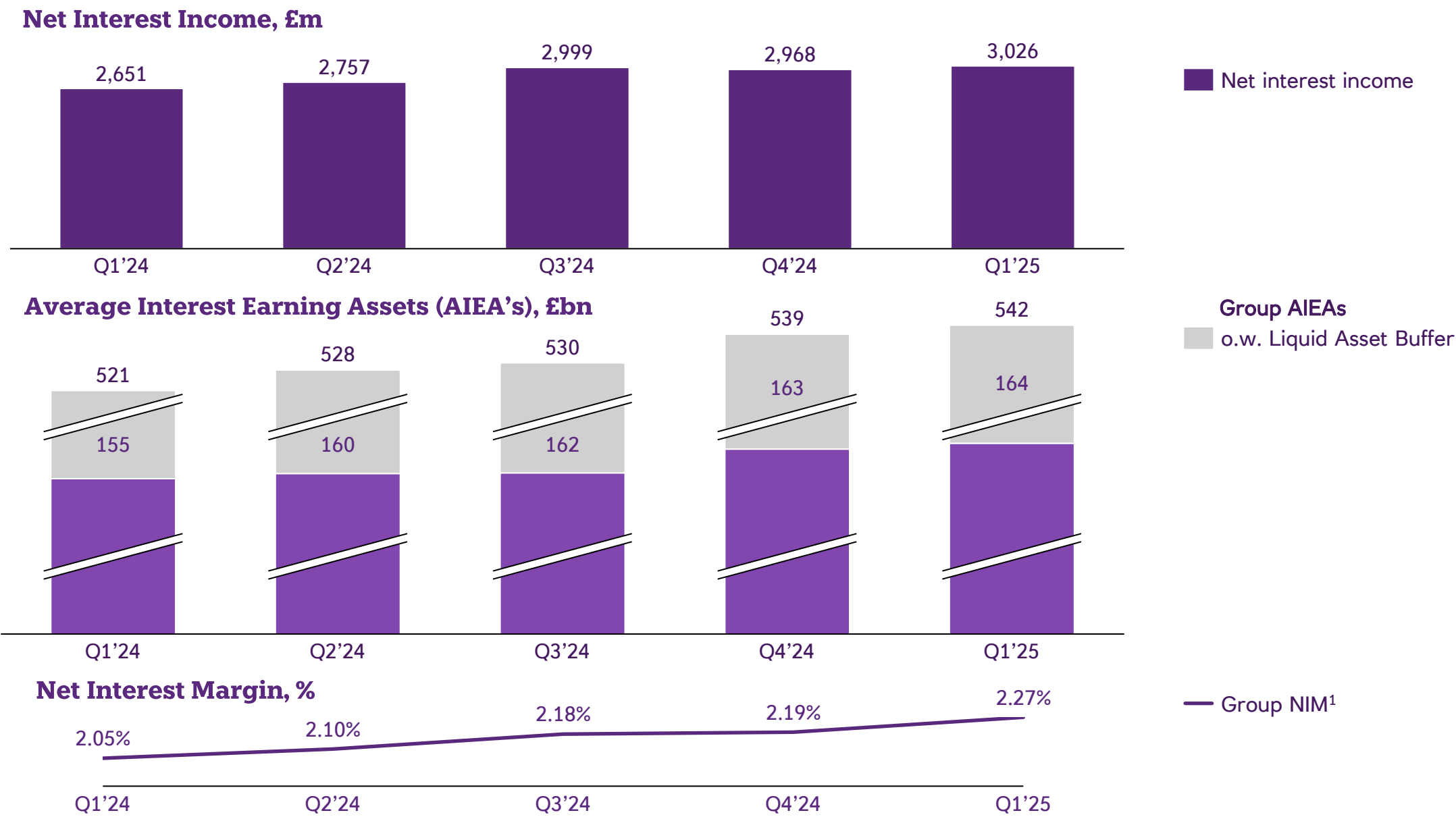
# Segmental summary<sup>1</sup>

Group Q1'25, £bn	Retail Banking	Private Banking	Commercial & Institutional	Central items & other <sup>2</sup>	Group
Net interest income	1.4	0.2	1.5	(0.1)	3.0
Non-interest income	0.1	0.1	0.7	0.1	1.0
<b>Total income</b>	<b>1.5</b>	<b>0.3</b>	<b>2.1</b>	<b>0.0</b>	<b>4.0</b>
<i>Income ex-notable items</i>	<i>1.5</i>	<i>0.3</i>	<i>2.2</i>	<i>(0.0)</i>	<i>3.9</i>
Other operating expenses	(0.7)	(0.2)	(1.0)	(0.1)	(1.9)
Litigation and conduct	(0.0)	--	(0.0)	(0.0)	(0.0)
<b>Operating expenses</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>(2.0)</b>
<b>Operating profit/(loss) before impairment (losses)</b>	<b>0.9</b>	<b>0.1</b>	<b>1.1</b>	<b>(0.0)</b>	<b>2.0</b>
Impairment (losses)	(0.1)	(0.0)	(0.1)	(0.0)	(0.2)
<b>Operating profit/(loss)</b>	<b>0.8</b>	<b>0.1</b>	<b>1.0</b>	<b>(0.0)</b>	<b>1.8</b>

£bn					
Net loans to customers - amortised cost	210.4	18.4	143.1	26.9	398.8
Customer Deposits	195.7	41.2	196.5	1.2	434.6
Loan: deposit ratio	108%	45%	71%	nm	85%
RWAs	66.8	11.3	107.3	1.6	187.0

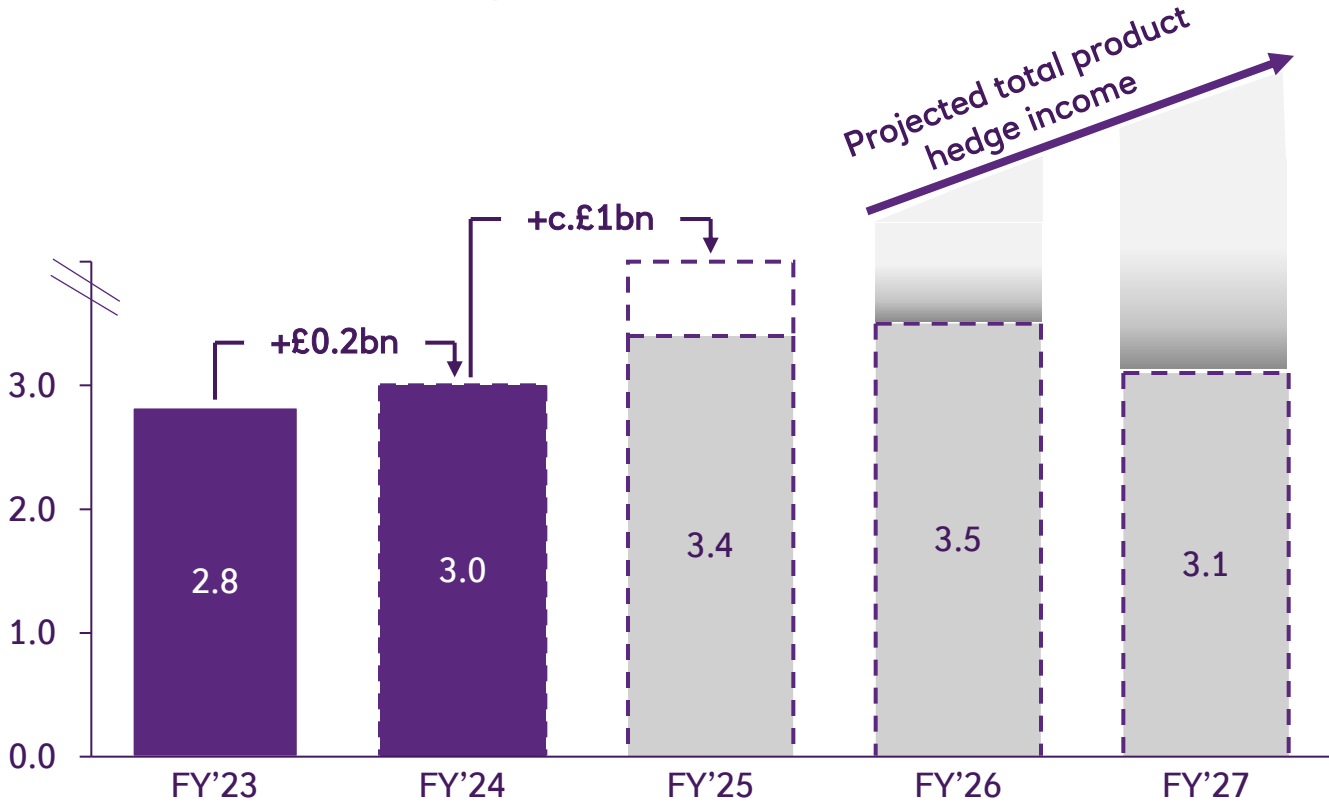
<b>Return on equity / tangible equity</b>	<b>24.5%</b>	<b>17.1%</b>	<b>19.3%</b>	<b>nm</b>	<b>18.5%</b>
<b>Cost:income ratio (excl. litigation and conduct)</b>	<b>44.0%</b>	<b>70.6%</b>	<b>47.4%</b>	<b>nm</b>	<b>48.6%</b>

# Net Interest Income, margin and AIEAs



# Structural hedging provides a multi-year income tailwind

Product structural hedge income outlook as at 31 December 2024, £bn



■ Product hedge gross income  
■ Gross income already written as at Dec'24

- We expect the **product structural hedge income in 2025 to be ~£1bn greater than 2024.**
- Beyond 2025, we expect annual growth in product structural hedge income each year through to 2027.
- We expect the product hedge **notional to be broadly stable in 2025.**
- **Annual maturities** are one fifth of the period end balance which is **equivalent to ~£35bn** in FY'25.

% of hedges already written\*

~80%

~60%

~40%

Average redemption yield<sup>1</sup>

~0.0%

~0.4%

~2.8%

Average reinvestment yield<sup>2</sup>

3.6%

3.5%

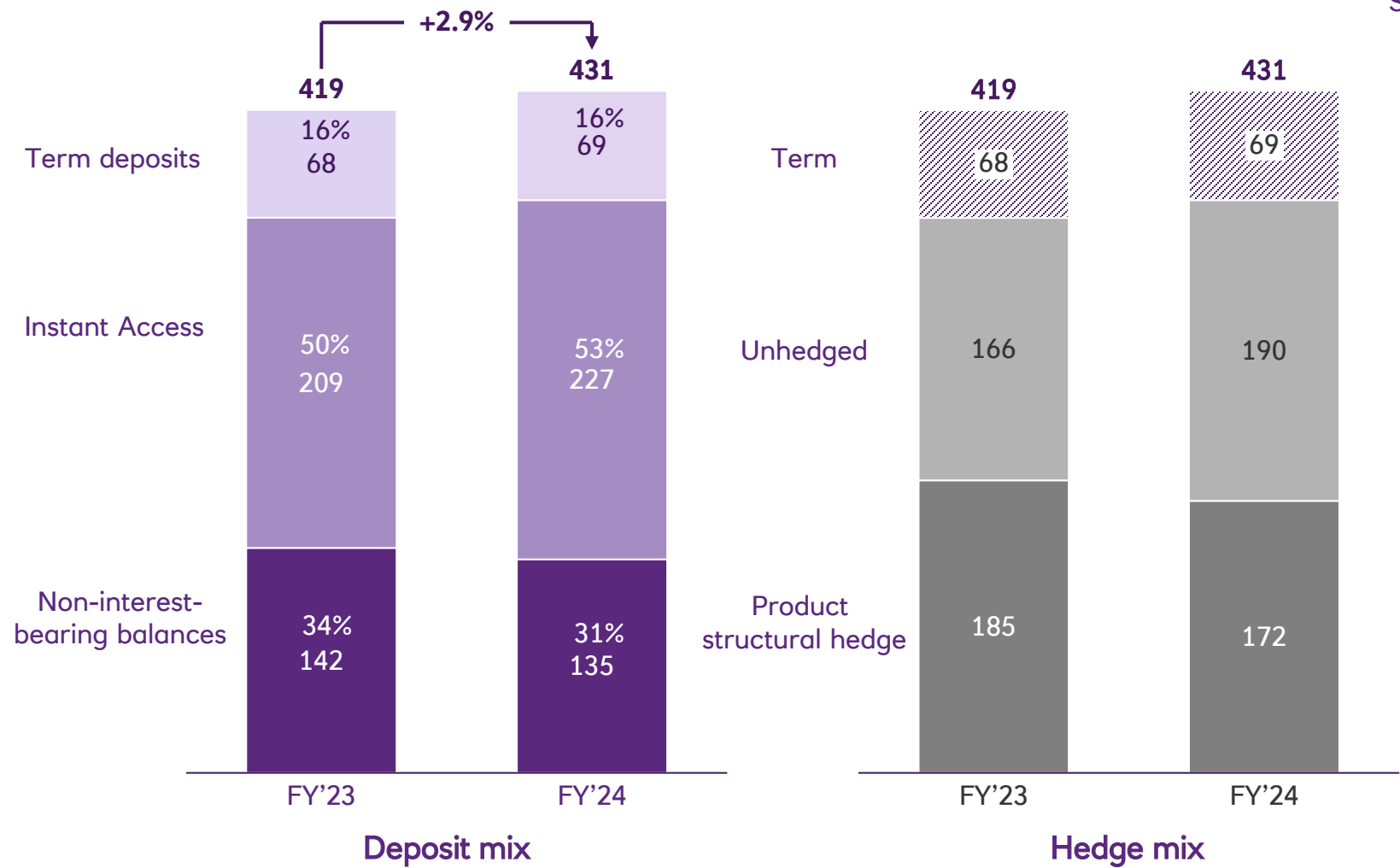
3.5%

Product structural hedge	FY'23	FY'24
Notional end of period	£185bn	£172bn
Notional average	£199bn	£174bn
Yield	1.42%	1.75%

\*Average duration 2.5 years with mechanistic reinvestment

# Deposit income drivers

Deposit mix by interest and hedge type<sup>1</sup>, £bn



## 2025 deposit income drivers year-on-year

Subject to customer and market dynamics

**Term Deposit Income:**

- **Volume:** subject to customer behaviour
- **Margin:** broadly stable

**Unhedged Deposit Income:**

- **Volume:** subject to mix
- **Margin:** decreasing, subject to deposit passthrough

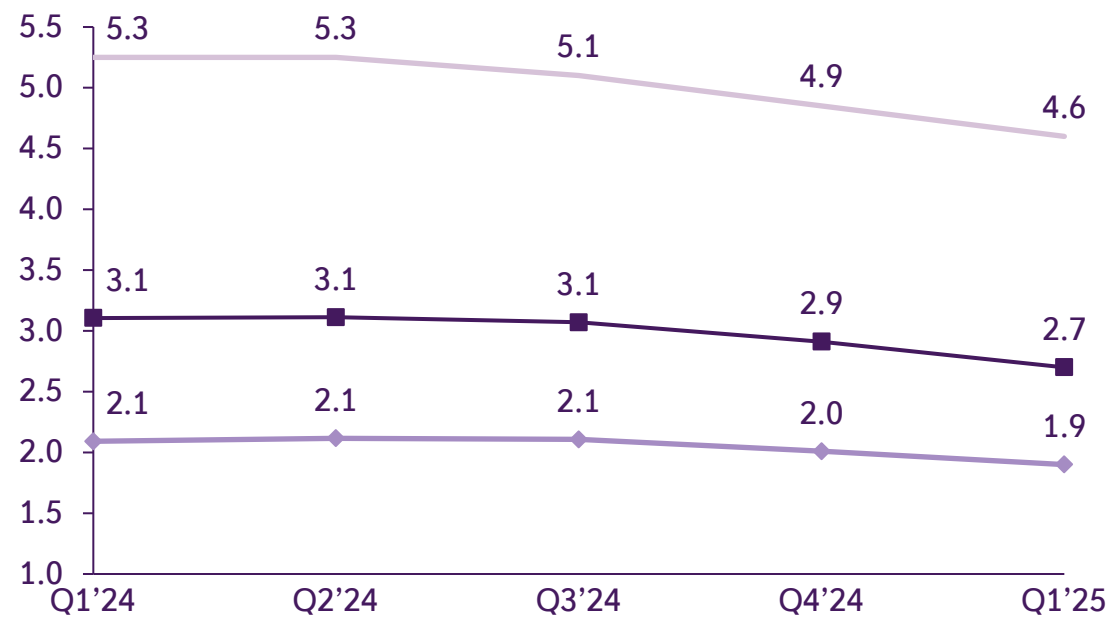
**Product Hedge Income: +c.£1bn vs 2024**

- **Volume:** broadly stable notional
- **Margin:** increasing due to higher reinvestment rate



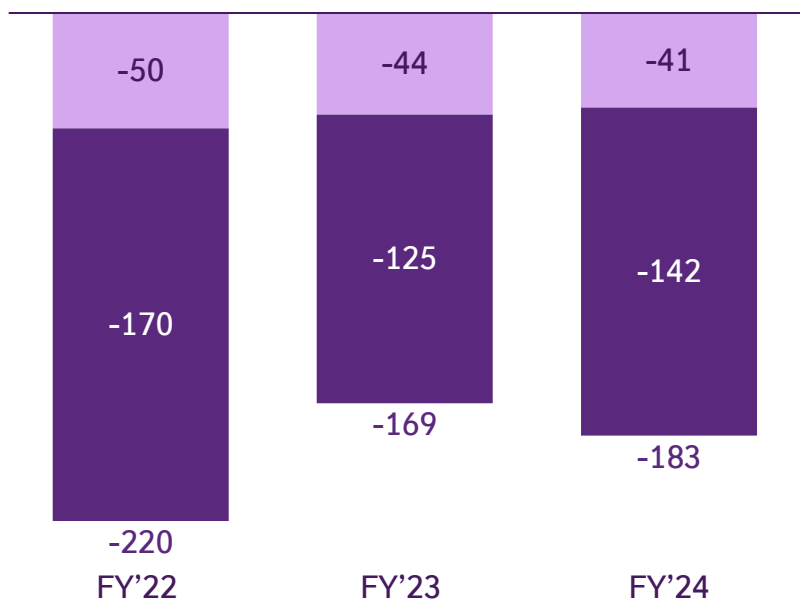
# Our sensitivity to interest rates

Third party customer deposit rate and UK Base Rate, %<sup>1</sup>



- Average base rate
- Average cost of interest bearing customer deposits across 3 businesses<sup>2,3</sup>
- Average cost of total deposits across 3 businesses

Illustrative Year 1 Income impact of -25bps downward shift in yield curve, (£m)



- Structural Hedge
- Managed Margin

## Sensitivity considerations

- Static balance sheet** – sensitivity illustration is based on end 2024 balance sheet.
- Passthrough** – illustration assumes ~60% passthrough but the actual passthrough will depend on market dynamics

# Interest rate sensitivity<sup>1</sup>

**Assumes constant balance sheet as at 31 December 2024**

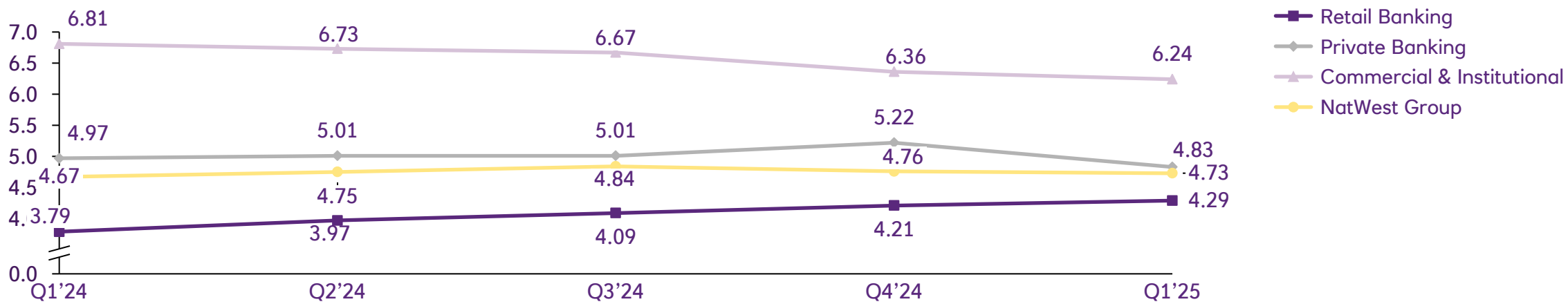
FY 2024	-25 basis points parallel downward shift			+25 basis points parallel upward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	(41)	(125)	(212)	41	125	212
Managed Margin	(142)	(120)	(125)	121	116	124
Total	(183)	(245)	(337)	162	241	336

H1 2024	-25 basis points parallel downward shift			+25 basis points parallel upward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	(42)	(129)	(216)	42	129	216
Managed Margin	(125)	(107)	(110)	93	97	110
Total	(167)	(236)	(326)	135	226	326

FY 2023	-25 basis points parallel downward shift			+25 basis points parallel upward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	(44)	(138)	(227)	44	138	227
Managed Margin	(125)	(121)	(105)	120	117	114
Total	(169)	(259)	(332)	164	255	341

# Customer lending and deposit rates

Gross yields of interest earning banking assets, %<sup>1</sup>



Cost of interest-bearing and non-interest-bearing banking liabilities, %<sup>2</sup>



# Structural Hedge

	FY 2024			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	440	22	22	1.98
Product	3,039	172	174	1.75
Total	3,479	194	196	1.77

	H1 2024			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	218	22	22	1.95
Product	1,392	175	176	1.58
Total	1,610	197	198	1.62

	FY 2023			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	418	22	22	1.87
Product	2,822	185	199	1.42
Total	3,240	207	221	1.47

# UK Economic Assumptions<sup>1,2</sup>

## Our economic assumptions and weightings updated in FY'24

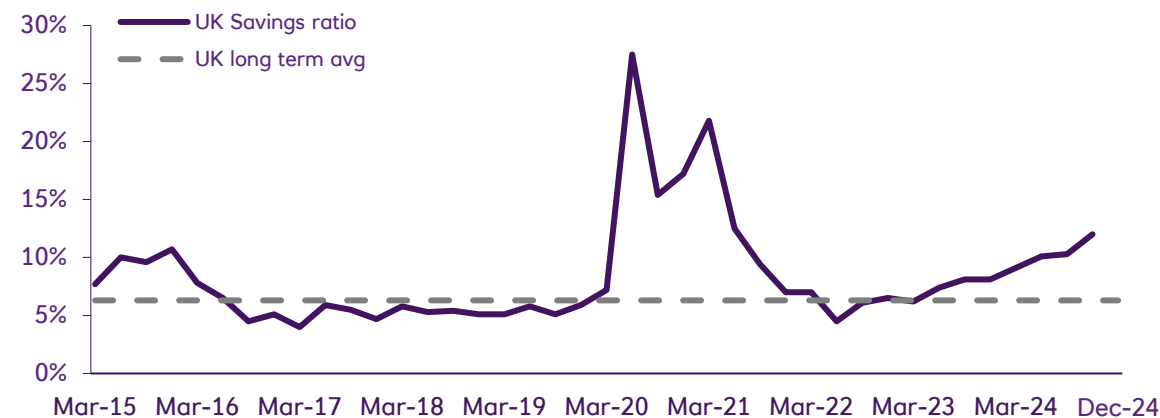
	FY'24					H1'24					FY'23				
Scenario	Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside	
Weighting	23%	45%	19%	13%	Weighted average	22%	45%	19%	14%	Weighted average	21%	45%	20%	13%	Weighted average
UK GDP – Annual Growth (%)															
2025	2.0	1.4	0.4	(4.1)	0.6	3.9	1.2	(0.9)	(4.0)	0.7	2.3	1.3	0.4	(1.6)	1.0
2026	3.2	1.5	(0.5)	(0.3)	1.3	1.4	1.4	1.1	0.9	1.3	1.2	1.6	1.2	1.2	1.4
5 year - CAGR <sup>2</sup>	2.0	1.3	0.5	(0.2)	1.1	1.9	1.2	0.6	(0.2)	1.1	1.8	1.0	0.5	(0.3)	0.9
UK Unemployment rate – annual average (%)															
2025	3.9	4.4	4.8	5.4	4.5	3.4	4.4	5.7	7.8	4.9	3.2	4.7	5.8	8.4	5.1
2026	3.3	4.4	5.5	8.0	4.8	3.2	4.3	5.7	8.3	4.9	3.2	4.6	5.6	8.0	5.0
5 year average <sup>2</sup>	3.6	4.3	5.0	6.7	4.6	3.5	4.3	5.4	7.1	4.7	3.5	4.6	5.2	6.8	4.8
UK House Price Index – four quarter growth (%)															
2025	7.8	3.5	(1.2)	(7.6)	2.2	8.9	3.1	(6.0)	(13.2)	0.6	9.4	3.1	(3.1)	(14.2)	1.2
2026	7.2	3.4	(2.8)	(14.7)	1.1	4.5	3.4	1.0	(14.5)	1.3	2.8	3.4	5.5	(5.8)	2.7
5 year - CAGR <sup>2</sup>	5.8	3.5	0.8	(4.3)	2.7	5.3	3.3	1.0	(4.2)	2.5	3.9	0.3	(0.4)	(5.7)	0.3
UK Commercial Real Estate Price – four quarter growth (%)															
2025	14.1	2.4	(6.8)	(23.7)	0.1	5.5	1.7	(8.0)	(30.8)	(3.4)	3.5	2.7	(2.0)	(20.0)	(0.5)
2026	4.4	1.5	(2.5)	(12.7)	0.2	4.6	2.0	3.1	3.3	3.0	4.6	2.0	3.8	6.7	3.4
5 year - CAGR <sup>2</sup>	5.4	1.2	(1.0)	(5.7)	1.1	4.4	1.2	(0.7)	(5.1)	0.8	3.1	(0.2)	(2.0)	(6.8)	(0.6)
Consumer price index - four quarter growth (%)															
2025	2.9	2.3	5.8	0.6	2.9	0.5	2.1	6.7	0.5	2.5	0.7	2.0	5.3	1.7	2.4
2026	2.4	2.1	4.2	1.1	2.4	1.3	2.0	4.4	2.0	2.4	1.1	1.9	3.8	2.0	2.1
5 year - CAGR <sup>2</sup>	2.4	2.2	3.5	1.6	2.4	1.1	2.1	4.8	1.3	2.3	1.7	2.6	5.2	1.8	2.8



# Customers are resilient

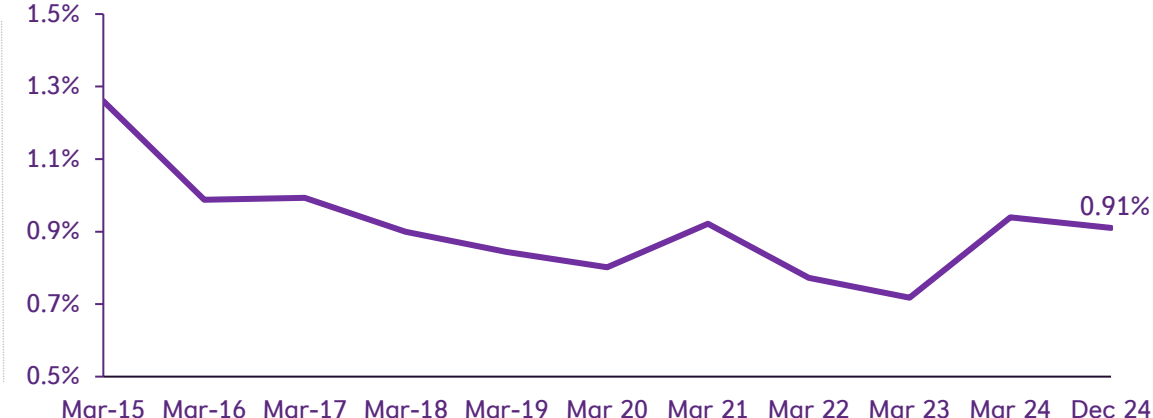
## UK household savings ratio remains above long-term average

Households savings ratio<sup>1</sup>



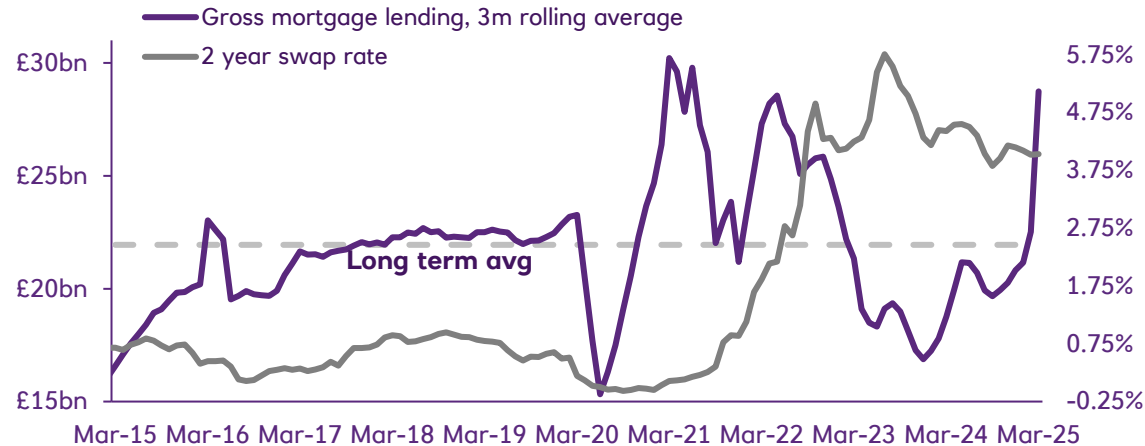
## Arrears levels remain low

Number of UK mortgages >3 months in arrears<sup>2</sup>



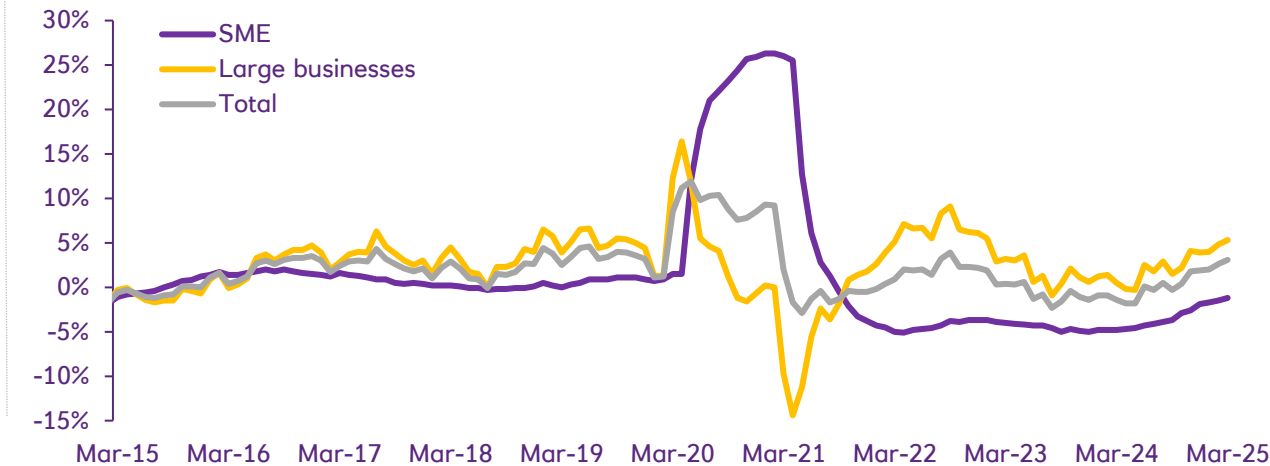
## UK mortgage demand is back above its long-term average

Secured lending seasonally adjusted<sup>3</sup>



## UK corporate demand for lending improving<sup>4</sup>

Corporate lending seasonally adjusted, monthly annual growth rate of loans



# Well diversified, high-quality loan book

Arrears levels remain stable and low

Personal: £228.7bn, 56% of group

Wholesale: £180.7bn, 44% of group

## Group mortgages £211.9bn

52% of the group lending

Loan-to-value of 56%<sup>1</sup> stable year-on-year

63% 5Y, 28% 2Y, 1% 10Y, 6% Tracker<sup>2</sup>, 2% SVR

£39bn or 20% of fixed book expires in 2025<sup>3</sup>

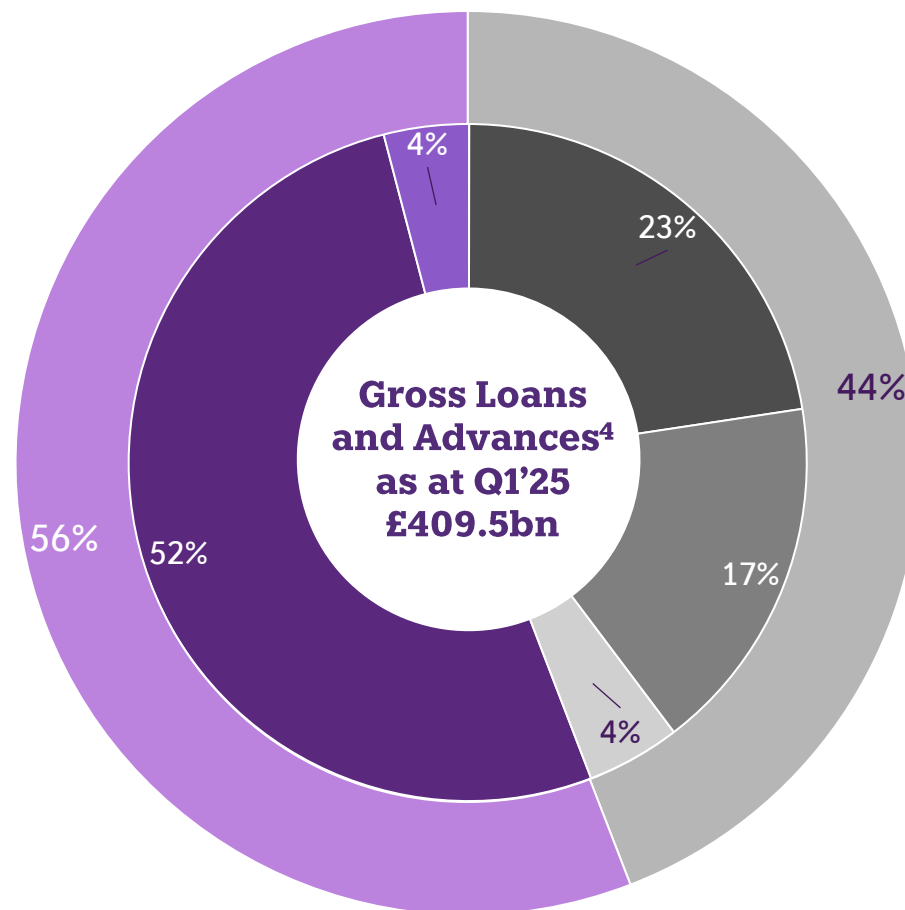
Arrears levels remain low

## Credit cards and other unsecured £16.8bn

4% of group lending

Portfolio default rates remain low

New to book arrears remain stable and low



## Corporate and other ex CRE £92.5bn

23% of the group lending

Diverse corporate loan book, with exposure across a broad range of sectors

Default levels remain below historic trends

Includes:

- £16.0bn Consumer industries
- £16.4bn Mobility and logistics

## Sovereign & FI £70.1bn

17% of the group lending

Includes reverse repos

~82% with less than 12-month maturities

## Commercial Real Estate (CRE) £18.1bn

~4% of group lending

Loan-to-value of 48%<sup>1</sup>

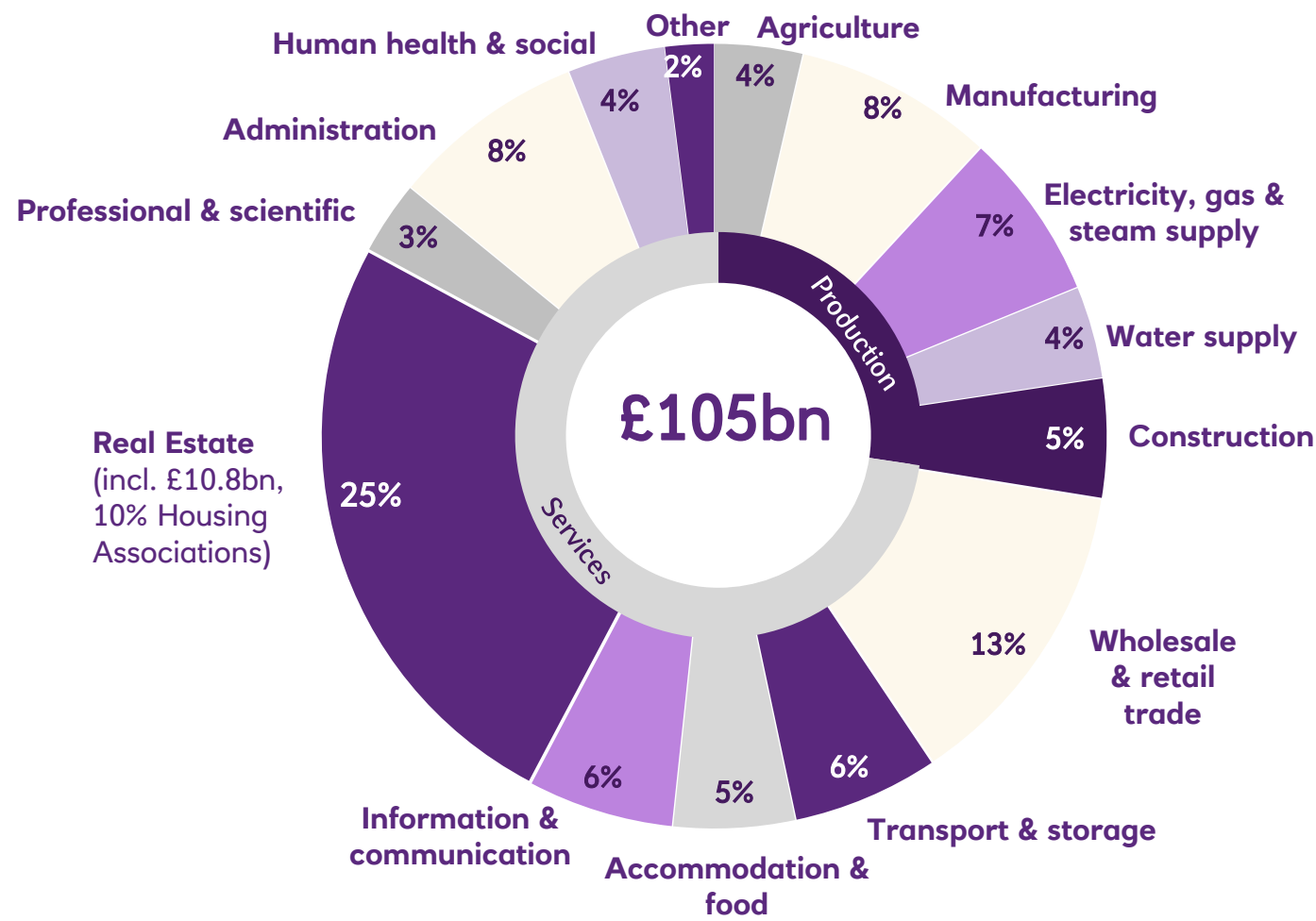
Credit quality remained stable with very limited instances of specific cases deteriorating

■ Mortgages ■ Credit Cards & Other ■ Corporate and other ex CRE ■ Sovereign & FI's ■ CRE

# Corporate loan book exposure is diversified across a wide range of sectors

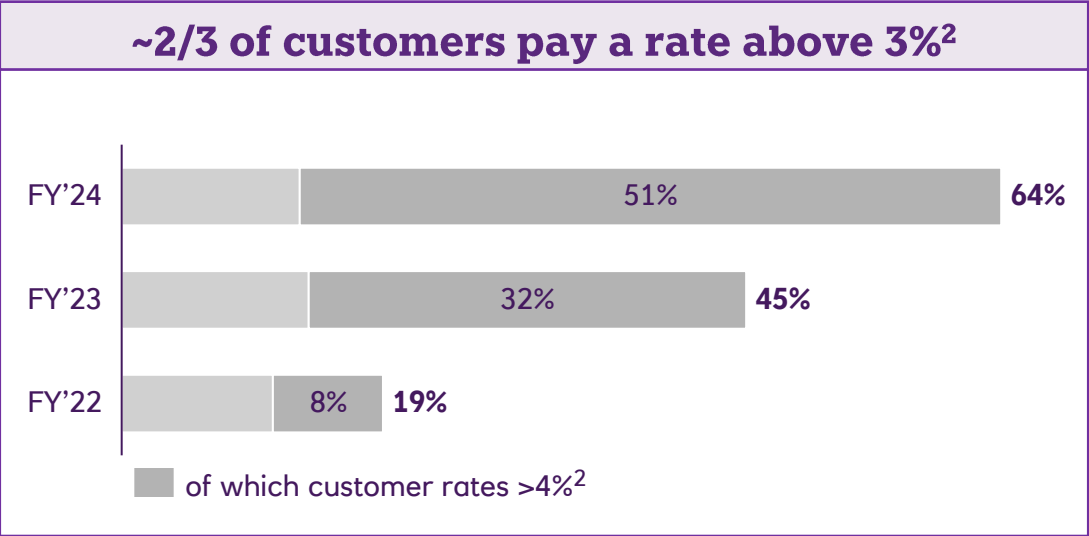
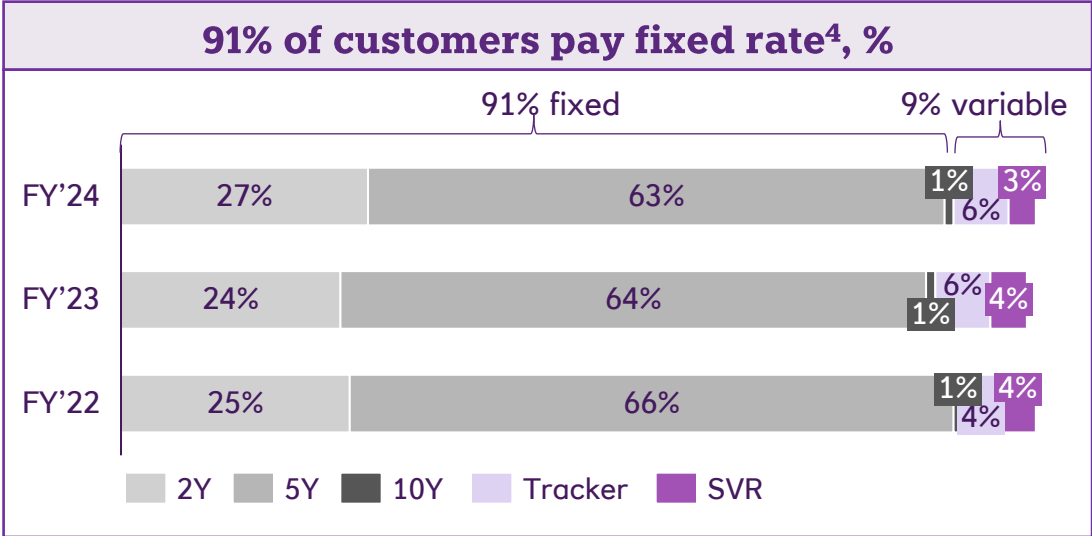
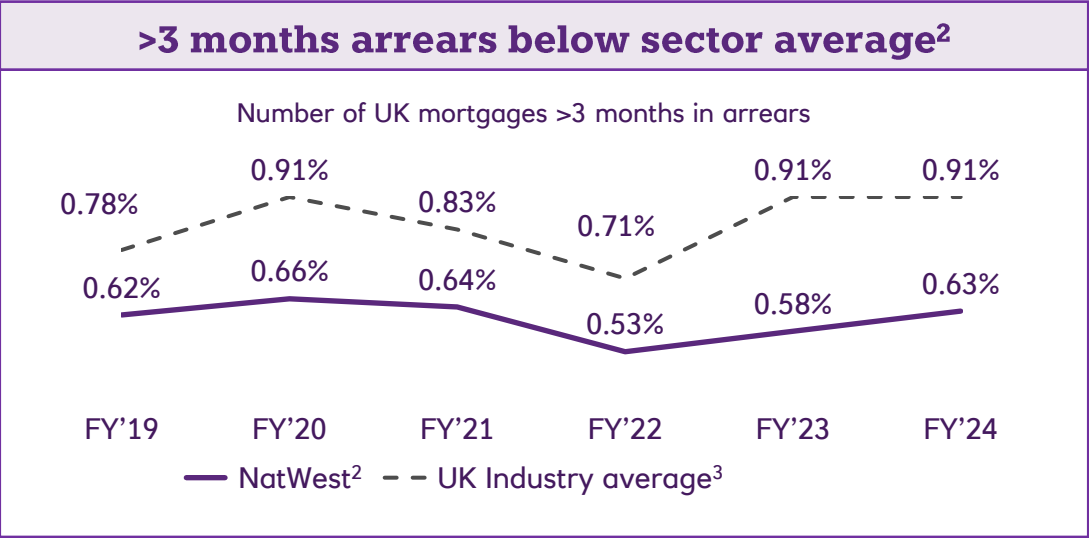
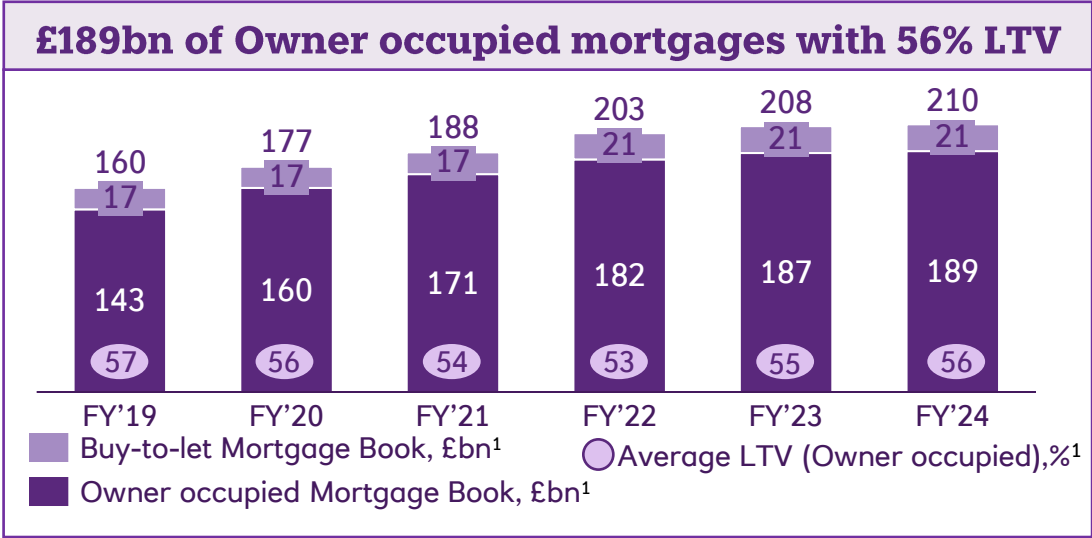
## Corporate credit exposure reflects the broader UK economy

Source: NWG Pillar 3 FY 2024<sup>1</sup>



- Portfolio quality remains robust, coverage levels remain appropriate, with the book well positioned for a weaker macro environment
- Portfolio is weighted towards service sectors at ~70% of total exposure, with ~30% of exposure in production sectors
- Exporting sectors more sensitive to tariff increases, are a smaller proportion of the corporate loan book
  - Manufacturing sector is 8% of total corporate exposure 2% of total group

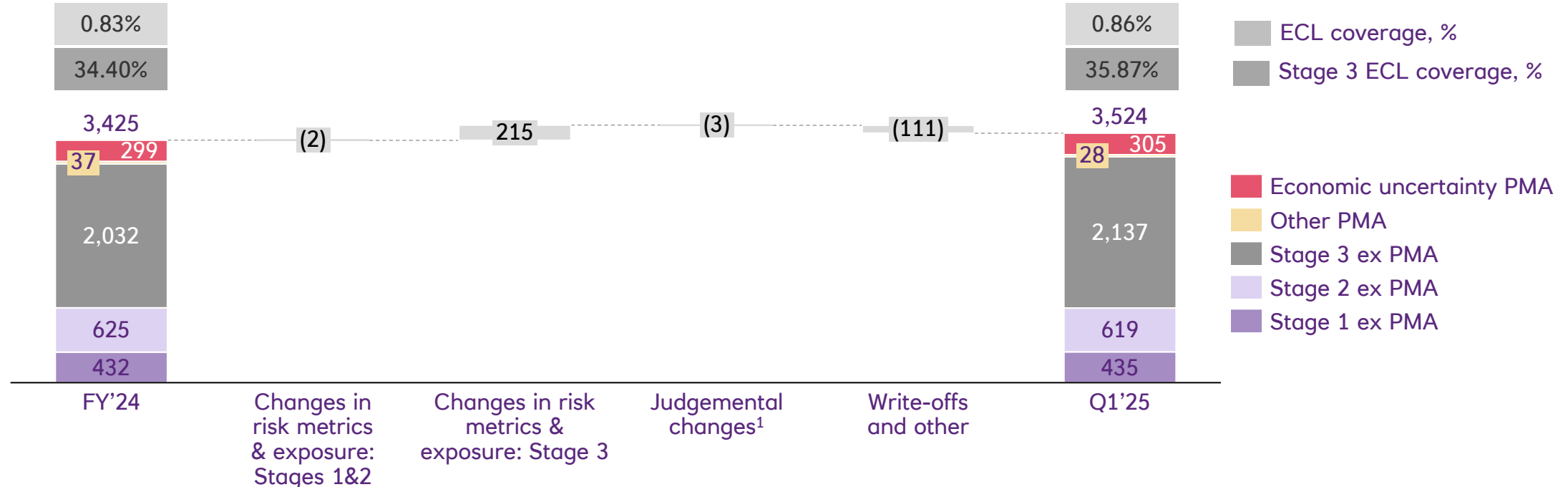
# Prime mortgage book with low LTV



# Impairment charge/(release) by customer businesses

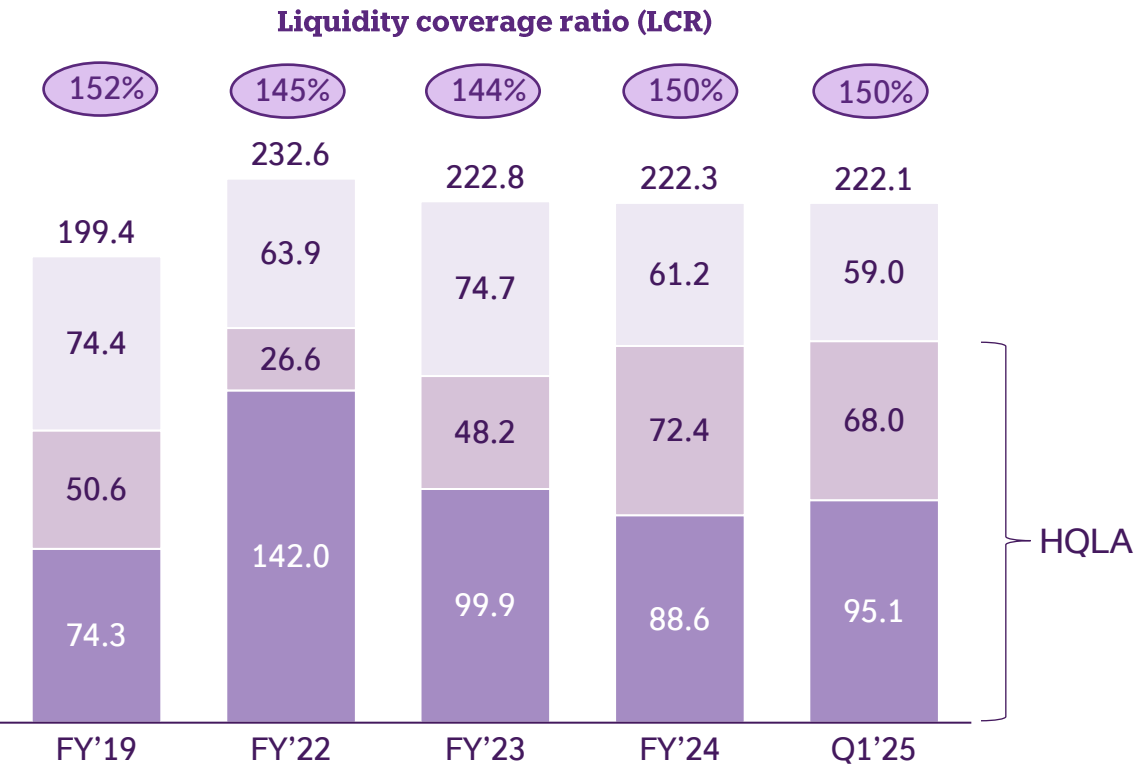
	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
Q1'25 (£m)	109	1	78	1	189
Q1'25(bps)	21bps	2bps	22bps	nm	19bps
Q4'24 (£m)	16	3	46	1	66
Q4'24 (bps)	3bps	7bps	13bps	nm	7bps
Q1'24 (£m)	63	(6)	39	(3)	93
Q1'24 (bps)	12bps	(13)bps	11bps	nm	10bps

## ECL walk and impairment details by sector



# Strong liquidity metrics and a high-quality portfolio

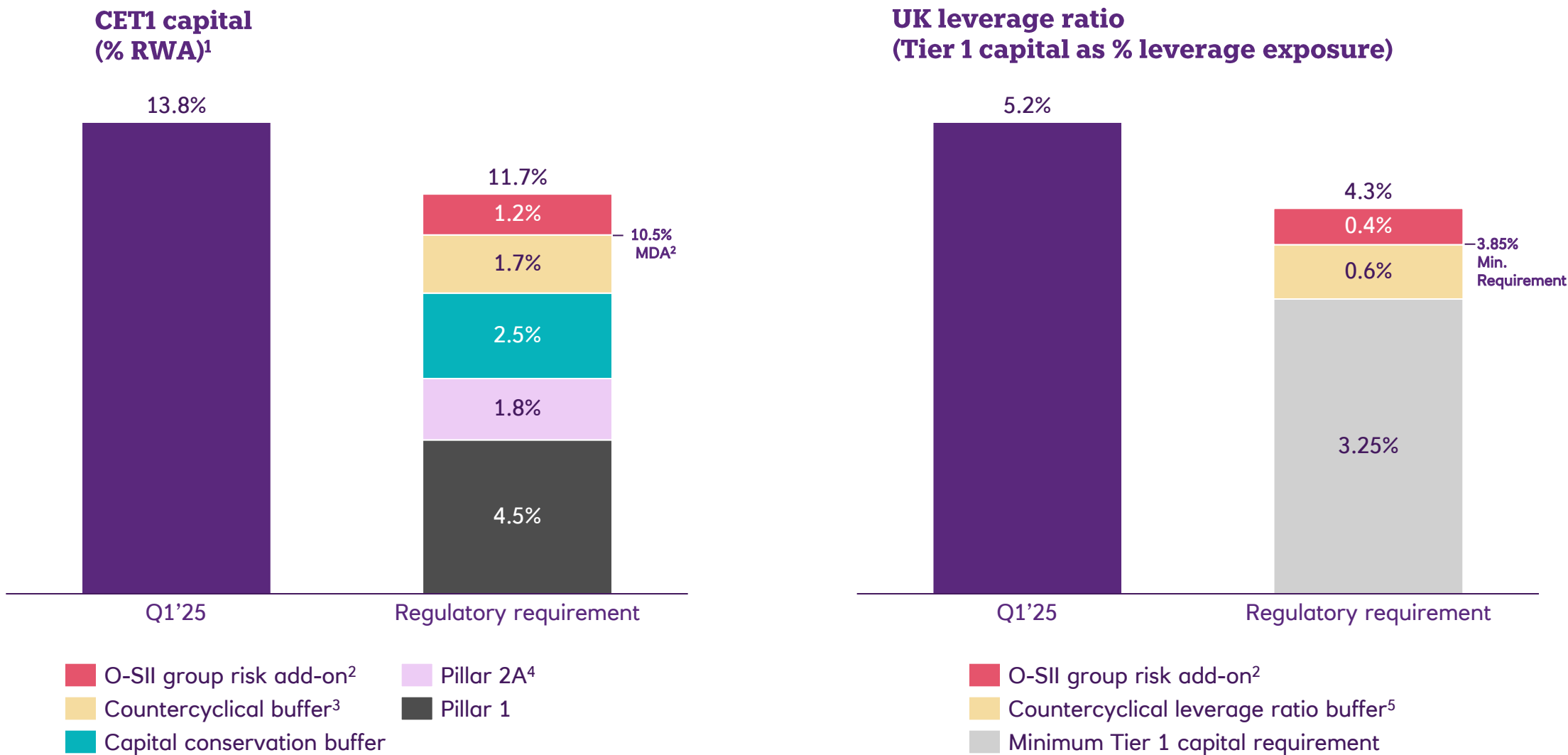
Liquidity portfolio composition, £bn<sup>1</sup>  
Headroom of £54.2bn at Q1'25



- High Quality Liquid Assets (HQLA) are primarily held in cash and central bank reserves and high quality securities.
- Majority of securities held in the liquidity portfolio hedged for interest rate risk; asset swap spread volatility is captured through Fair Value through Other Comprehensive Income (FVOCI)
- FVOCI movement (post-tax) £42m in Q1'25 with reserve largely unchanged to 30 April 2025
- FVOCI reserve sensitivity to a 25bps parallel shift in rates is £9m as at 31 December 2024<sup>2</sup>

Secondary liquidity  
Securities including reverse repos  
Cash

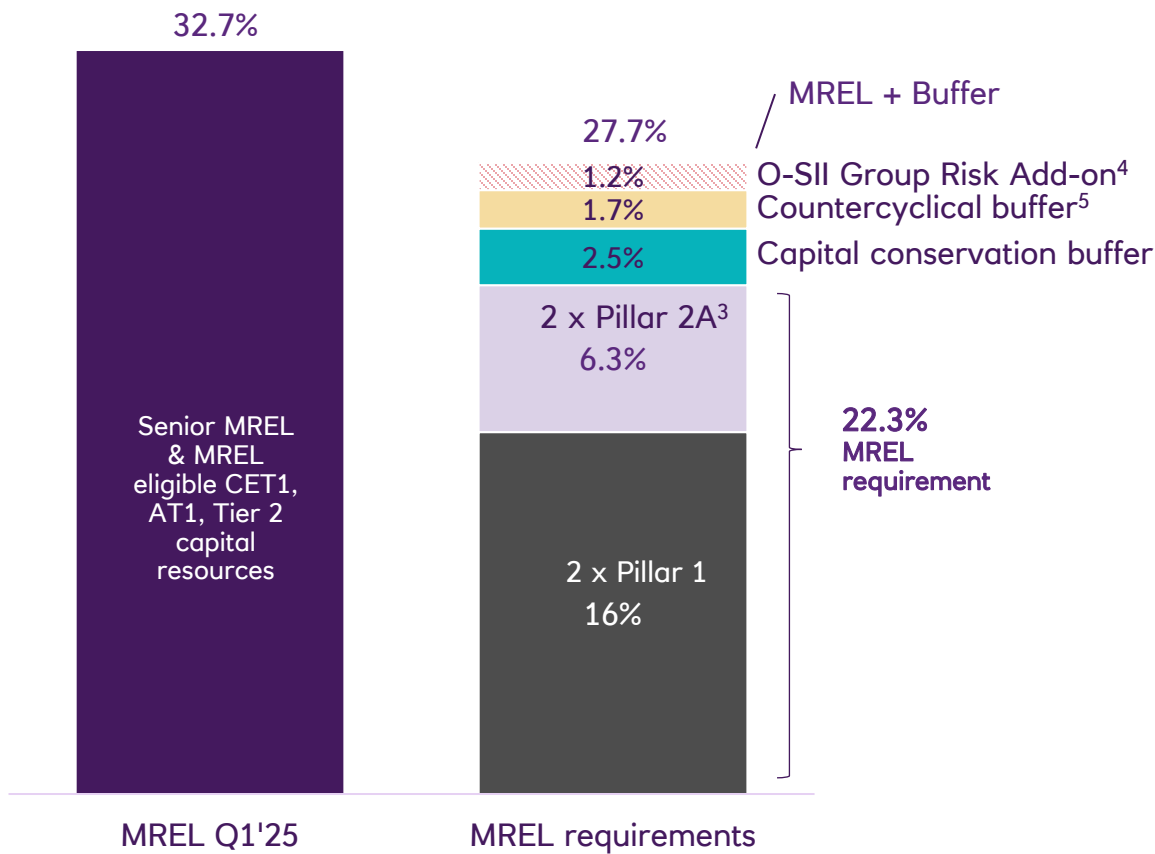
# Capital and leverage positions comfortably above minimum requirements



# MREL position well established<sup>1</sup>

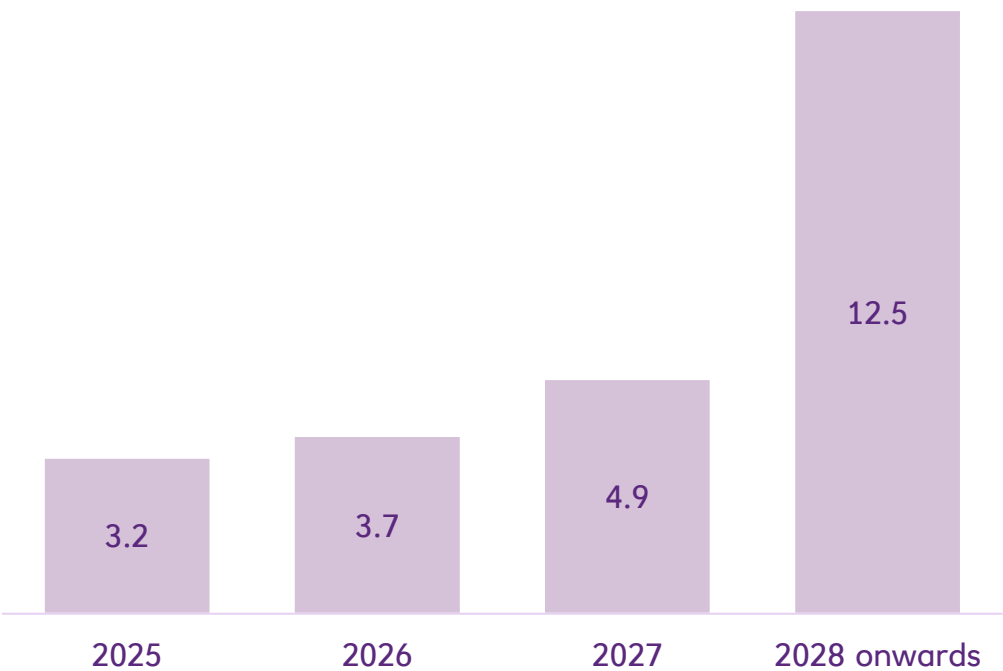
Minimum requirements of own funds and eligible liabilities (MREL)<sup>1,2</sup>  
(%RWA)

As at 31<sup>st</sup> March 2025, £bn







Call profile of senior MREL stock  
Refinancing driven by funding requirements

Senior debt roll-off profile, first call date, £bn<sup>6</sup>





# Good progress on HoldCo AT1 and Tier 2 capital and OpCo senior unsecured issuance plans

Group holding company		2025 guidance	2025 issuance <sup>1</sup>	
NatWest Group plc	Senior unsecured (MREL)	£4bn to £5bn	-	-
	Tier 2 capital	~£1bn	~£0.8bn	 • €1.0bn 10NC5
	Additional Tier 1	~£1bn	£0.75bn	 • £750m PerpNC7
Group operating companies				
NatWest Markets Plc	Senior unsecured (non-MREL)	£4bn to £5bn	£2.8bn	 • €1.0bn 5Yr FXD  • \$500m 3Yr FRN • \$750m 3Yr FXD • \$350m 5Yr FRN • \$900m 5Yr FXD

# Credit ratings

Senior ratings			Moody's	S&P	Fitch
Group holding company	NatWest Group plc		A3 Stable	BBB+ Stable	A Positive
Ring-fenced bank operating companies	NatWest Bank Plc		A1 Stable <sup>1</sup>	A+ Stable	A+ Positive
	Royal Bank of Scotland plc		A1 Stable <sup>1</sup>	A+ Stable	A+ Positive
	NatWest Bank Europe GMBH		Not rated	A+ Stable	A+ Positive
Non ring-fenced bank operating companies	NatWest Markets Plc		A1 Stable	A Stable	A+ Positive
	NatWest Markets N.V.		A1 Stable	A Stable	A+ Positive
	NatWest Markets Securities Inc		Not rated	A Stable	A Positive
	RBSI Ltd		A1 Stable <sup>2</sup>	A Stable	A Positive
Capital ratings					
Group holding company	NatWest Group plc	Tier 2 <sup>3</sup>	Baa1	BBB-	BBB+
		AT1 <sup>3</sup>	Baa3	BB-	BBB-

# Footnotes

**Slide 3:** 1. Gross loans across 3 businesses. 2. Customer deposits across 3 businesses. 3. Excludes notable items per slide 18. 4. Costs excluding litigation and conduct.

**Slide 5:** 1. Excludes notable items per slide 18.

**Slide 6:** 1. Excluding notable income items per slide 18. 2. Group Net Interest Margin = Reported Group Net Interest Income / Group Average Interest Earning Assets.

**Slide 7:** 1. Stock share of Retail Banking and Private Banking mortgages, calculated as a percentage of balances outstanding of total sterling net secured lending to individuals not seasonally adjusted as per Mar'25 BoE data. 2. Stock share of Retail Banking credit cards management estimate calculated as a percentage of total sterling net credit card lending to individuals not seasonally adjusted as per Mar'25 BoE data. 3. C&I total figure for Q4'24 will not cast to Financial Supplement due to rounding.

**Slide 8:** 1. May not cast due to rounding. 2. The Non-interest-bearing and Interest-bearing split for Commercial & Institutional is implied from the Total for the three businesses and the disclosures for Retail Banking and Private Banking. 3. Non-Interest-bearing balances for Retail Banking and Private Banking are current accounts per Financial Supplement. 4. Interest-bearing balances for Retail Banking and Private Banking are savings per Financial Supplement.

**Slide 9:** 1. Balances on this slide are based on estimated gross closing balances for 1st May 2025 provided by Sainsbury's Bank on 24th April 2025. 2. Gross customer assets acquired of £1.1bn for Cards. The value recognised on balance sheet of £1.0bn reflects a reduction for Purchase Originated Credit Impaired assets.

**Slide 11:** 1. Loan impairment rate is the annualised loan impairment charge divided by gross customer loans. 2. Q1'24, Q2'24, Q3'24, Q4'24 and Q1'25 stage 3 impairment charge annualised for quarterly calculations. 3. Expected Credit Loss. 4. Post Model Adjustments. 5. Four quarter growth.

**Slide 12:** 1. May not cast due to rounding.

**Slide 14:** 1. This page contains forward-looking statements. See p.40 of this presentation. 2. Total Income ex notable items.

**Slide 17:** 1. The guidance, targets, expectations and trends discussed in this presentation represent NatWest Group management's current expectations and are subject to change, including as a result of the factors described in the "Risk Factors" in the NWG 2024 Annual Report and Accounts on Form 20-F. These statements constitute forward-looking statements.

**Slide 19:** 1. May not cast due to rounding. 2. FVOCI and other movements. 3. Based on 8,067m shares as at end of Q1'25.

**Slide 20:** 1. May not cast due to rounding. 2. Centre Net loans primarily comprises reverse repos.

**Slide 21:** 1. Net Interest Margin (NIM) = Reported Group Net Interest Income / Group Average Interest Earning Assets.

**Slide 22:** 1. Average redemption yield reflects the average yield on maturities in the year. These are dynamic given changes in notional. 2. Average 5-year swap rate forecasts across 2024-2027 per NatWest Group IFRS 9 base case.

**Slide 23:** 1. May not cast due to rounding.

**Slide 24:** 1. Refer to page 403 of NWG FY'24 ARA for the definition of third-party rates. 2. Interest-bearing balances Retail Banking and Private Banking are savings.

**Slide 25:** 1. page 257 of FY'24 ARA, page 74 of NWG H1'24 IMS, Page 266 of NWG FY'23 ARA.

**Slide 26:** 1. For NatWest Group plc this is the gross yield on the IEAs of the banking business; for Retail, Commercial & Institutional and Private it represents the third-party customer asset rate. 2. For NatWest Group plc this is the cost of interest-bearing liabilities of the banking business plus the benefit from free funds; for Retail Banking and Commercial & Institutional it represents the third-party customer funding rate which includes both interest-bearing and non-interest-bearing deposits.

**Slide 28:** 1. Full details of the economic assumptions can be found on pages 190-193 of NWG FY'24 ARA, pages 18 - 21 of H1'24 IMS, 191-196 of NWG FY'23 ARA. 2. The average for the parameters are based on: Five calendar year CAGR for GDP; Five calendar year average for Unemployment rate; Q4 to Q4 five-year CAGR for other parameters.

**Slide 29:** 1. Source: Office for National Statistics, UK savings ratio latest available is as per Dec'24. 2. Source: UK Finance, data latest available as at Dec'24. 3. Source: BOE Database - Gross mortgage lending, 3monthly moving average. 4. Source: - BOE Database - Monthly 12-month growth rate of monetary financial institutions' sterling and all foreign currency loans to small and medium sized enterprises, large businesses and total industrial sectors (in percent) seasonally adjusted.

**Slide 30:** 1. Total portfolio average LTV% as at FY'24. 2. This includes ~2% of other off-sale mortgage products. 3. Does not include any GNL assumption, but only based on contractual maturity. 4. Loans at amortised cost and FVOCI.

**Slide 31:** 1. Page 68 NWG Pillar 3 FY'24

**Slide 32:** 1. FY19-FY21 balances reflect 3 businesses, excluding Ulster. 2. Based on Retail Banking mortgages, which make up c.95% of the group mortgage balances. 3. UK industry average source is UK Finance, data latest available as at Dec'24. 4. Including Retail and Private.

**Slide 33:** 1. Judgemental changes: changes in post model adjustments for Stage 1, Stage 2 and Stage 3.

**Slide 34:** 1. May not cast due to rounding. 2. page 258 of FY'24 ARA.

**Slide 35:** 1. Based on assumption of static regulatory capital requirement. 2. O-SII buffer of 1.5% applies to the ring-fenced bank holding company. The equivalent O-SII Group Risk Add-on' is ~1.2%. The O-SII Group Risk Add-on is included in the Group's minimum supervisory minimum. 3. Countercyclical buffer -The UK CCyB rate increased from 0% to 1% effective from 13 December 2022. A further increase from 1% to 2% was announced on 5 July 2022, effective 5 July 2023. Foreign exposures may be subject to different CCyB rates depending on the rate set in those jurisdictions. 4. Pillar 2A requirements are expected to vary over time and are subject to at least annual review. 56.25% of the total Pillar 2A requirement must be met from CET1 capital. 5. The countercyclical leverage ratio buffer is set at 35% of NatWest Group's CCyB.

**Slide 36:** 1. "MREL" = Minimum requirement for own funds and eligible liabilities. MREL eligible liabilities excludes securities issued from operating subsidiaries. 2. Illustration, based on assumption of static regulatory capital requirements. MREL requirement is set at 2x (Pillar 1+ Pillar 2A) per Bank of England guidance. 3. Pillar 2A requirement held constant over the period for illustration purposes. Pillar 2A requirements are expected to vary over time and are subject to at least an annual review. 56.25% of the total Pillar 2A requirement must be met from CET1 capital. 4. O-SII buffer of 1.5% applies to the ring-fenced bank holding company. The equivalent O-SII Group Risk Add-on' is ~1.2%. The O-SII Group Risk Add-on is included in the Group's minimum supervisory minimum. 5. The UK CCyB rate increased from 1% to 2%, effective 5 July 2023. 6. The roll-off profile is based on sterling-equivalent balance sheet value, and first call date of instrument, however this does not indicate NatWest Group's strategy on capital and funding management.

**Slide 37:** 1. Includes primary/benchmark transactions only. Does not include private placements

**Slide 38:** 1. Moody's long-term Issuer and Deposit Rating. The ring-fenced bank operating companies do not issue rated senior unsecured debt. Nevertheless, Moody's assigns an Issuer Rating. The outlook on both ratings is Stable. 2. Moody's Deposit rating. Senior Unsecured Debt rating is A2. The outlook on both ratings is Stable. 3. Ratings are based on outstanding instruments issued by NatWest Group.

# Disclaimer

## Forward-looking statements

The guidance, targets, expectations and trends discussed in this presentation represent NatWest Group management’s current expectations and are subject to change, including as a result of the factors described in the “Risk Factors” in the NatWest Group plc 2024 Annual Report and Accounts on Form 20-F.

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This presentation may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to NatWest Group’s financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets described herein. Statements that are not historical facts, including statements about NatWest Group’s beliefs and expectations, are forward-looking statements. Words, such as ‘expect’, ‘estimate’, ‘project’, ‘anticipate’, ‘commit’, ‘believe’, ‘should’, ‘intend’, ‘will’, ‘plan’, ‘could’, ‘target’, ‘goal’, ‘objective’, ‘may’, ‘outlook’, ‘prospects’ and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this presentation may include forward-looking statements relating , but not limited to: NatWest Group’s outlook, guidance and targets (including in relation to RoTE, total income, other operating expenses, loan impairment rate, CET1 ratio, RWA levels, payment of dividends and participation in directed buybacks), its financial position, profitability and financial performance, the implementation of its strategy, its access to adequate sources of liquidity and funding, its regulatory capital position and related requirements, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, future growth initiatives (including acquisitions, joint ventures and strategic partnerships), the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, exposure to third party risk, operational risk, conduct risk, cyber, data and IT risk, financial crime risk, key person risk and credit rating risk and the impact of climate-related risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or NatWest Group plc's actual results are discussed in the NWG 2024 Annual Report and Accounts on Form 20-F and its other public filings. The forward-looking statements contained in this presentation speak only as of the date of this presentation and NatWest Group plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, except to the extent legally required.

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NatWest Group prepares its financial statements in accordance with UK-adopted International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). This presentation may contain financial measures and ratios not specifically defined under IAS or IFRS (‘Non-IFRS’) and/or alternative performance measures (‘APMs’) as defined in European Securities and Markets Authority (‘ESMA’) guidelines. Non-IFRS measures and APMs are adjusted for notable and other defined items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison. Non-IFRS and APMs measures provide users of the financial statements with a consistent basis for comparing business performance between financial periods and information on elements of performance that are one-off in nature. Any Non-IFRS measures and/or APMs included in this presentation, are not measures within the scope of IFRS, are based on a number of assumptions that are subject to uncertainties and change, and are not a substitute for IFRS measures.

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