



NatWest
Group

NatWest Group

FY 2022 Results

Fixed income investors

17 February 2023



NatWest
Group

Katie Murray Chief Financial Officer

Strong 2022 performance

Strong earnings

£5.1bn

Operating profit before tax
vs £3.8bn in FY'21

£3.3bn

Attributable profit
vs £3.0bn in FY'21

12.3%

Return on Tangible Equity
vs 9.4% in FY'21

Continued focus on growth, efficiency and capital

29.7%

Income growth¹
of £3.0bn vs FY'21

(2.9)%

Cost¹ reduction of £201m
C:I ratio² (14.4)ppts to 55.5%

14.2%

CET1 ratio

£5.1bn of distributions, or 290bps of capital, paid and accrued in FY'22

£1.3bn

Ordinary dividend
including 10p final dividend

£1.75bn

Special dividend
paid, with share
consolidation

£2.0bn

Buybacks
£1.2bn DBB³ in Q1'22 and
£0.8bn on-market buyback⁴

1. Go-forward group excluding notable items. 2. Cost:Income ratio is total Group income and costs, excluding litigation and conduct. 3. Directed buy back completed March 2022. 4. On-market buyback announced 17 February 2023 and accrued in 14.2% CET1 ratio.

We have delivered on our strategy and met our 2022 objectives

Objectives		FY'22 results	Status
Targeted growth	2022 Income above £11.0 billion in the Go-forward group ^{1,2} (<i>upgraded to £12.8bn³</i>)	£13.1bn	✓
	Provide an additional £100 billion of Climate and Sustainable Funding and Financing ⁴	£24.5bn	On track
Expense and investment discipline	Around 3% cost reduction in 2022 ^{1,5}	2.9%	✓
	Invest ~£1bn per year between 2021 and 2023 in our ongoing transformation	~£1bn invested	✓
Effective capital deployment	Refocusing of NatWest Markets	Complete	✓
	Phased withdrawal from the Republic of Ireland	Significant progress	On track
	CET1 ratio of 13-14% by 2023, ~14% by the end of 2022	14.2%	✓
Sustainable returns and distributions	Achieve a return on tangible equity of above 10% for the Group in 2023 (<i>revised to 14-16%³</i>)	12.3%	On track
	Distribute a minimum of £1 billion in 2022 alongside capacity to participate in directed buybacks	£5.1bn paid and accrued	✓

1. Go-forward group excludes Ulster Bank Rol. 2. Income excluding notable items. 3. Income guidance updated to £12.5bn at H1 2022 then £12.8bn at Q3 2022 results and RoTE revised target of 14-16% updated at H1 2022 results. 4. Between 1 July 2021 and the end of 2025, cumulative £32.6bn provided since 1 July 2021 with £24.5bn in 2022. 5. Other operating expenses defined as operating expenses less litigation and conduct costs.

Our purpose enables us to support the economy and our stakeholders



Category	Examples
Supporting our customers	<ul style="list-style-type: none"> • 6.7% growth in lending since FY'21¹ • 8.1% growth in Retail and Private Banking lending in FY'22, including £45bn of gross new mortgage lending • 4.4% growth in C&I lending in FY'22, with £20.3bn of new CSFF in 2022² • 90,000 customers now invest digitally through our wealth businesses
Managing through uncertainty	<ul style="list-style-type: none"> • Proactive contacts to our retail and business customers offering support and information on cost of living • ~0.7m financial health checks carried out • £9.7m hardship & active forbearance funding made available through charities and strategic partners³
Supporting Colleagues	<ul style="list-style-type: none"> • Comprehensive package of pay support for colleagues to help with the cost of living • Leading parental leave policy launched Jan 2023 • 96% of colleagues used the NatWest Academy since launch – with 35% of elective learning focussed on future skills in 2022

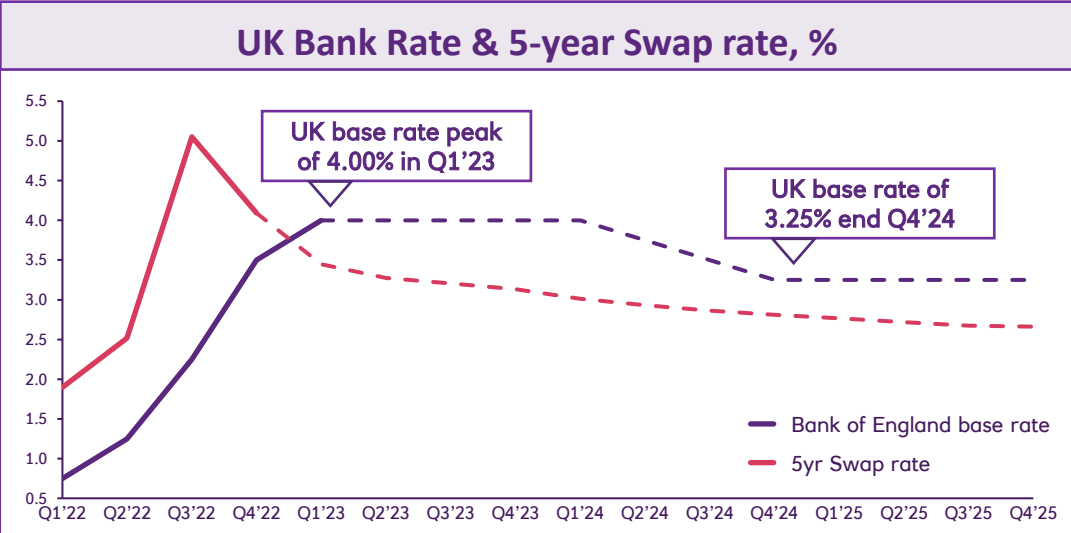
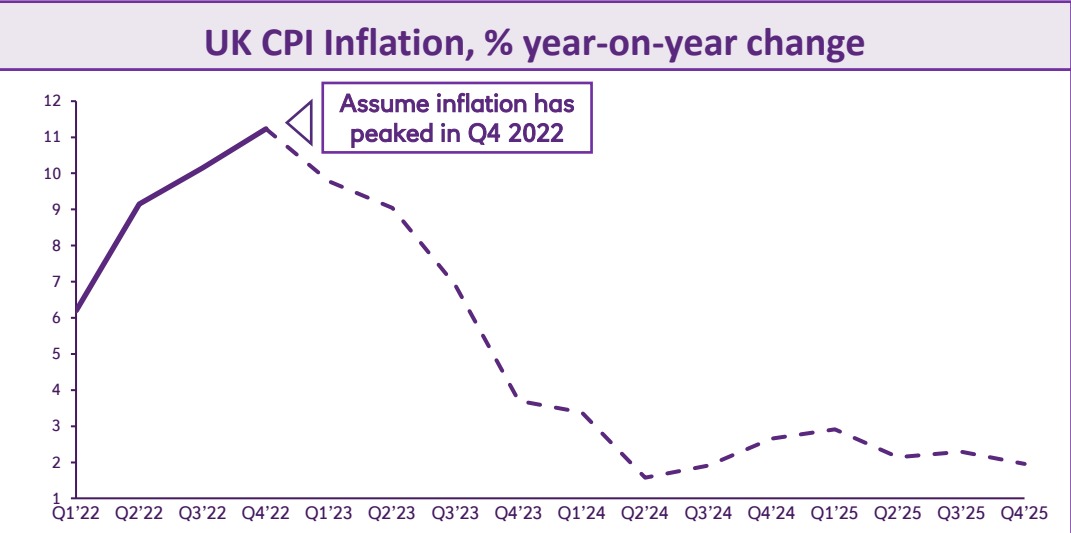
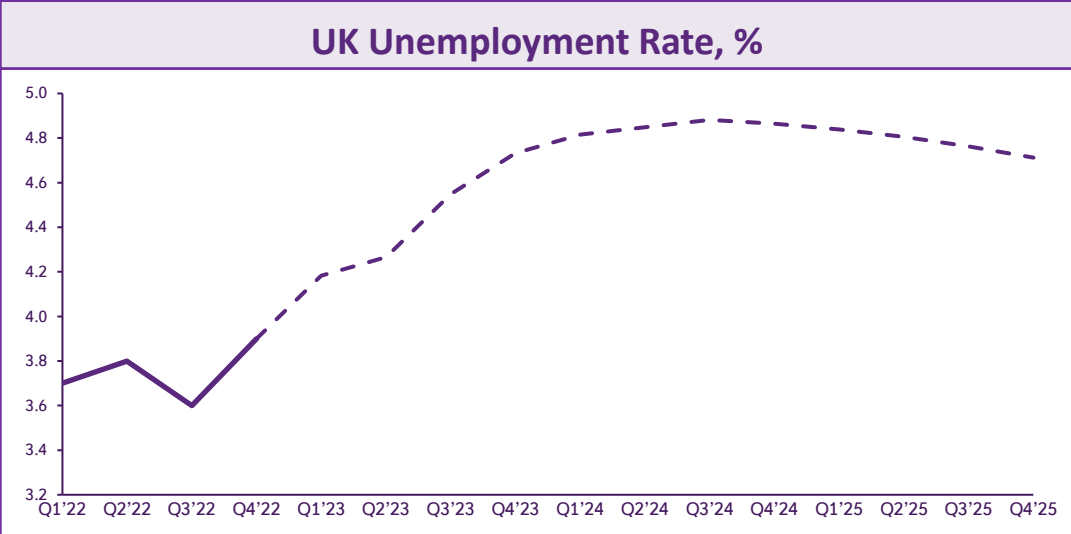
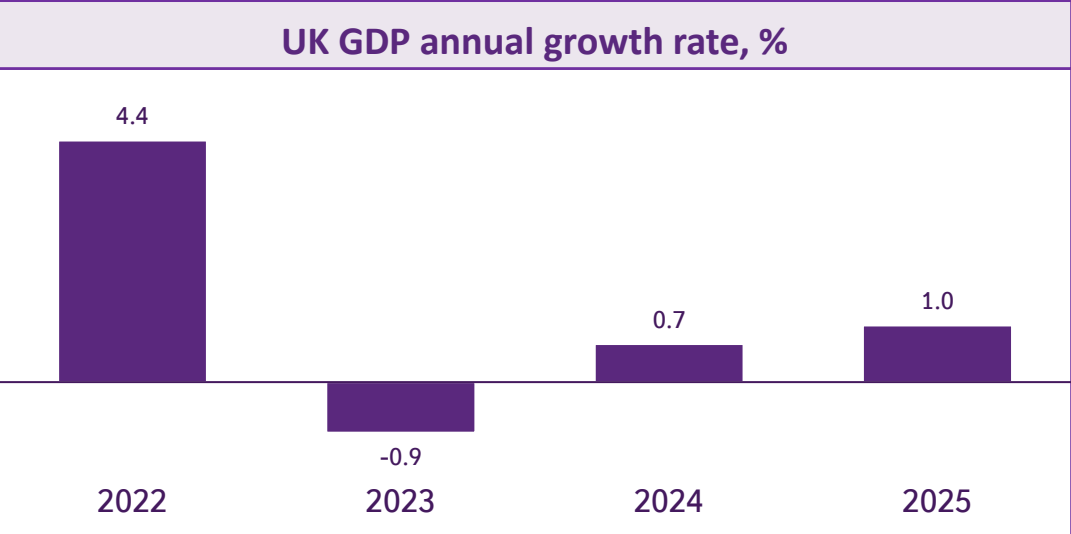
1. Group gross loans at amortised cost excluding central items and other. 2. Climate and Sustainable Funding and Financing. 3. £5.7m announced in January 2023 in addition to £4m in H2'22.

Strong Q4'22 and FY'22 operating performance

Group, £m	Q4'22	Q3'22	Q4'21	Q4'22 vs Q3'22	Q4'22 vs Q4'21	FY'22	FY'21	FY'22 vs FY'21
Net interest income, ex notable items ¹	2,909	2,640	1,922	10.2%	51.4%	9,883	7,503	31.7%
Non-interest income, ex notable items ¹	857	757	618	13.2%	38.6%	3,178	2,681	18.5%
Total income, ex notable items¹	3,766	3,397	2,540	10.9%	48.3%	13,061	10,184	28.2%
Total income	3,708	3,229	2,602	14.8%	42.5%	13,156	10,429	26.1%
Other operating expenses	(2,047)	(1,771)	(2,138)	15.6%	(4.3%)	(7,302)	(7,292)	0.1%
Litigation and conduct costs	(91)	(125)	(190)	(27.2%)	(52.1%)	(385)	(466)	(17.4%)
Operating expenses	(2,138)	(1,896)	(2,328)	12.8%	(8.2%)	(7,687)	(7,758)	(0.9%)
Operating profit before impairments	1,570	1,333	274	17.8%	4.7x	5,469	2,671	104.8%
Impairment (losses)/releases	(144)	(247)	269	(41.7%)	nm	(337)	1,173	(128.7%)
<i>Loan impairment rate</i>	<i>0.16%</i>	<i>0.26%</i>	<i>(0.30%)</i>	<i>(0.10%)</i>	<i>0.46%</i>	<i>0.09%</i>	<i>(0.32%)</i>	<i>0.41%</i>
Operating profit / (loss)	1,426	1,086	543	31.3%	162.6%	5,132	3,844	33.5%
Attributable profit / (loss), £m	1,262	187	434	5.7x	1.9x	3,340	2,950	13.2%
Return on Tangible Equity	20.6%	2.9%	5.6%	18ppts	15ppts	12.3%	9.4%	3ppts

1. Excluding Ulster Bank Rol and related Ulster Bank Rol notable items, income growth was 29.7% in line with slide 3

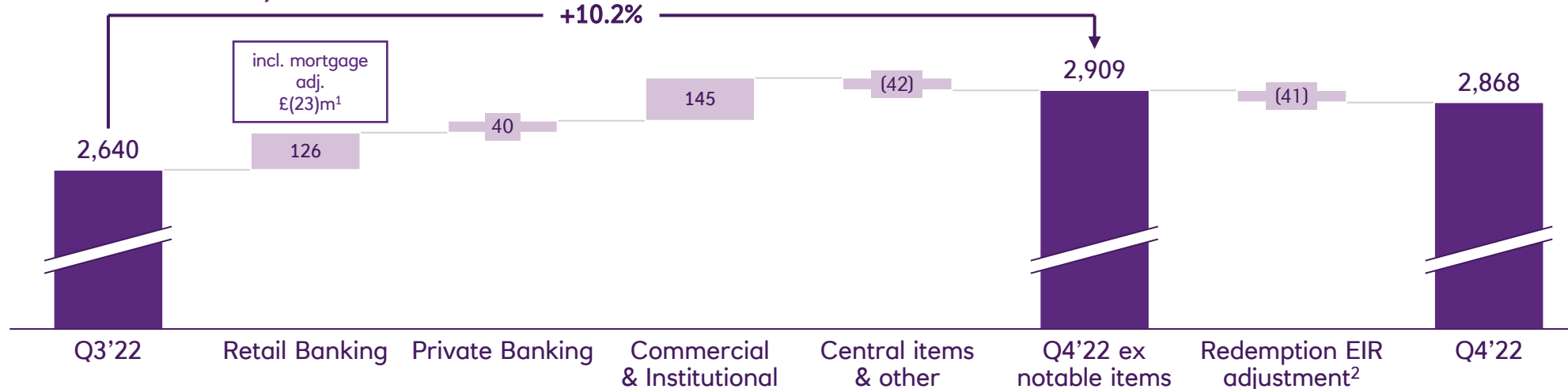
UK macro-economic context and outlook¹



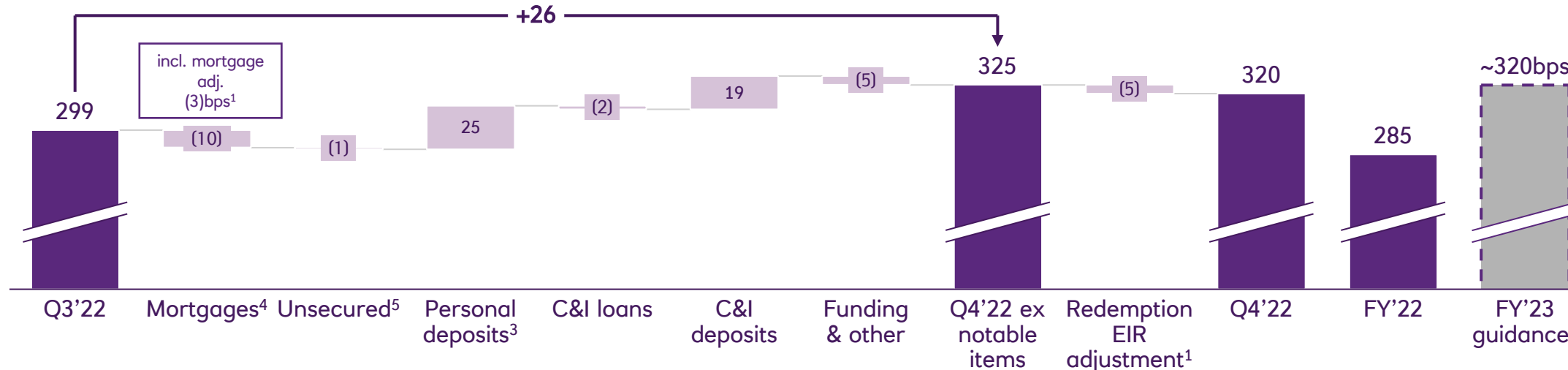
1. 2023-2025 Forecasts per NatWest Group IFRS 9 base case – see ARA p. 196.

Continued income momentum in the fourth quarter

Net Interest Income, £m



Bank Net Interest Margin², bps



350.7

Bank Average Interest Earning Assets (AIEAs)³, £bn

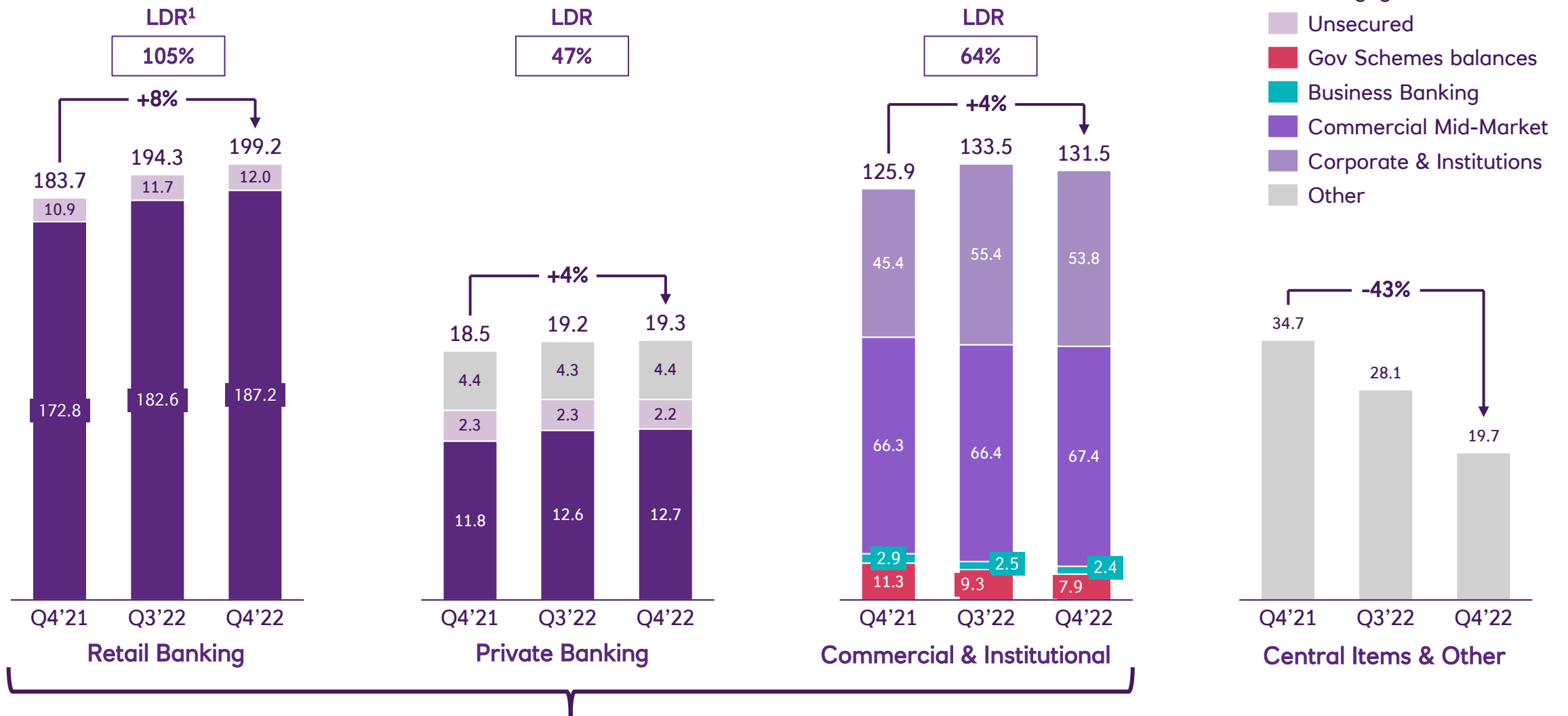
355.8

345.2

1. Mortgage behavioural life adjustment. 2. Effective Interest Rate (EIR) adjustment as a result of redemption of own debt. 3. NatWest Group excluding liquid asset buffer 4. Includes Retail Banking and Private Banking. 5. Includes all non-mortgage lending in Retail Banking and Private Banking. 6. Based on a Bank of England base rate of 4.00% through the remainder of 2023

Balanced loan growth across the Group in 2022

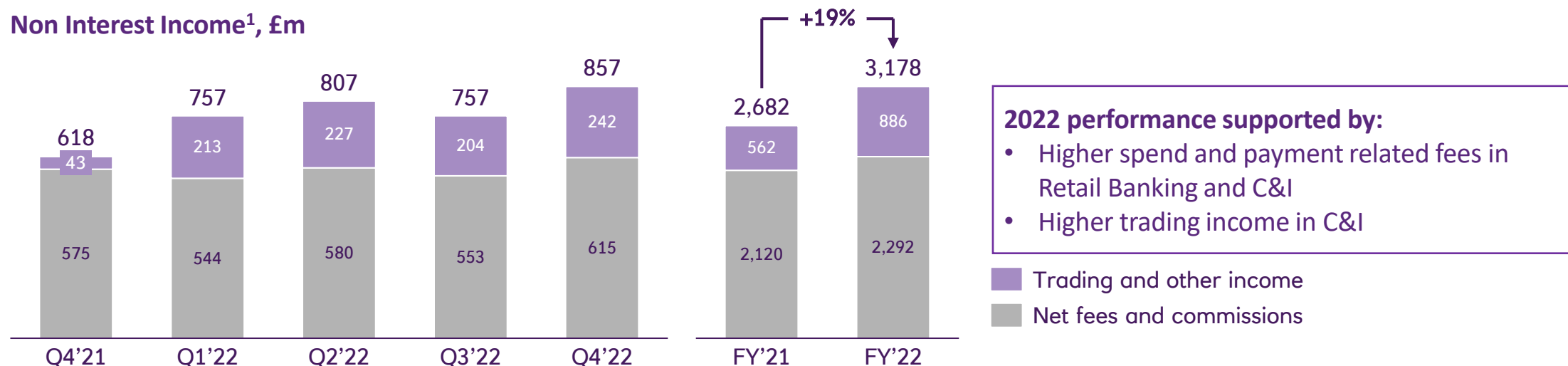
Gross customer loans by products and segments, £bn



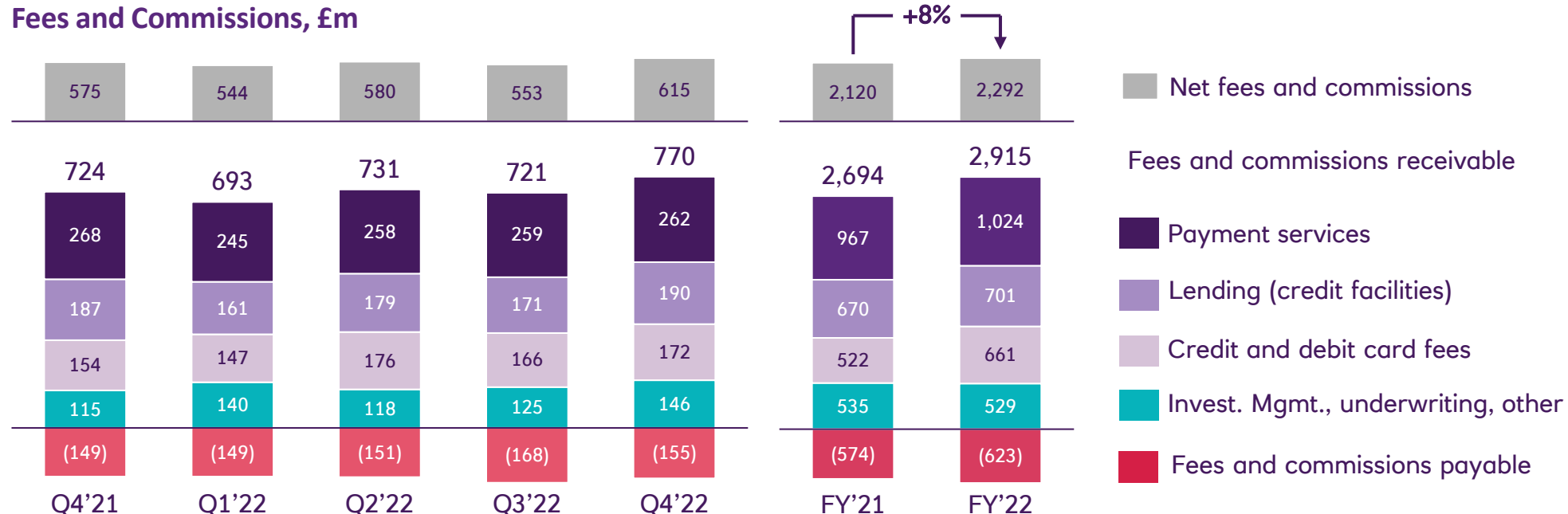
1. Loan:deposit ratio.

Non interest income supported by new lending fees in Q4

Non Interest Income¹, £m



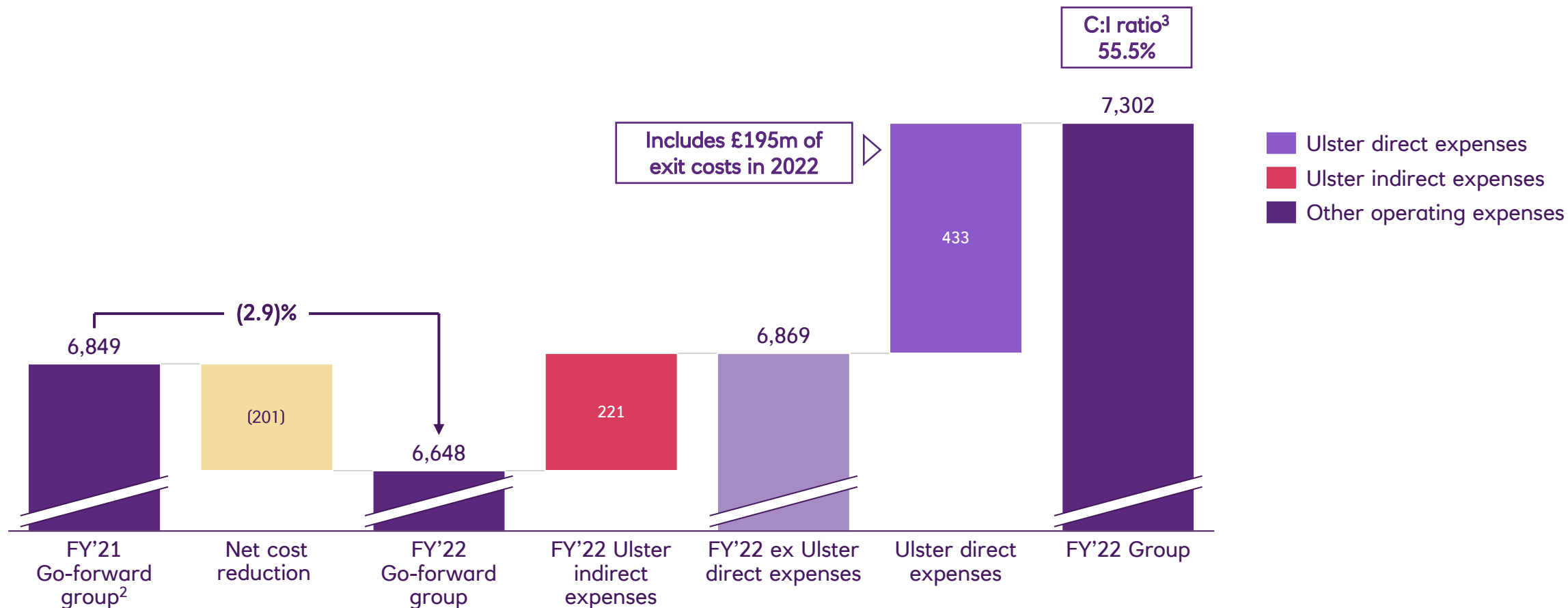
Fees and Commissions, £m



1. Excluding relevant notable income items.

Delivered target reduction of around 3% for 2022

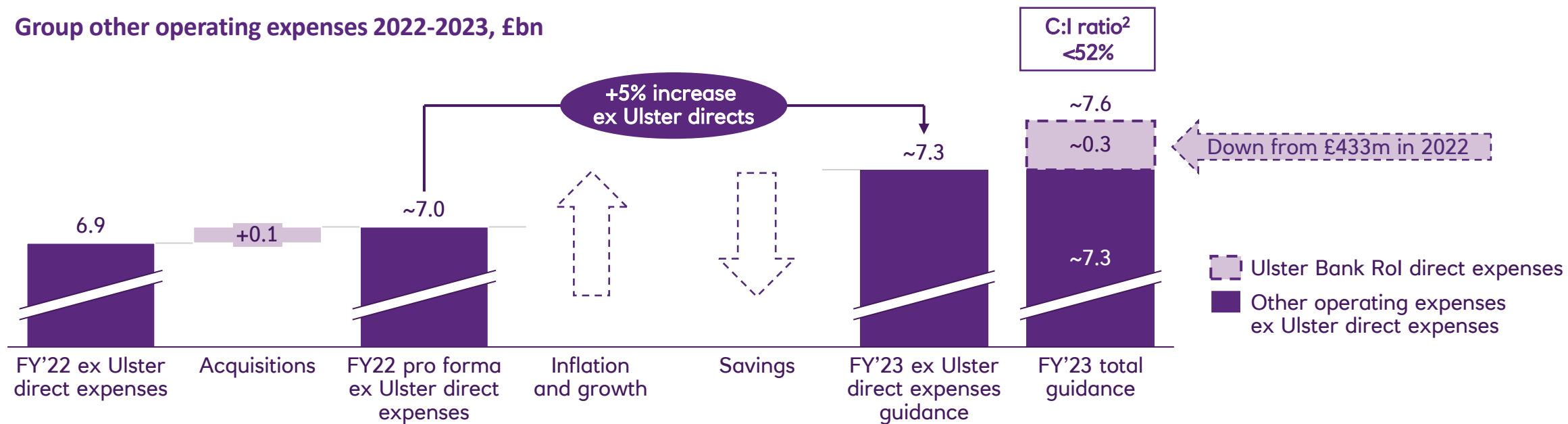
Group other operating expenses¹ 2021-2022, £m



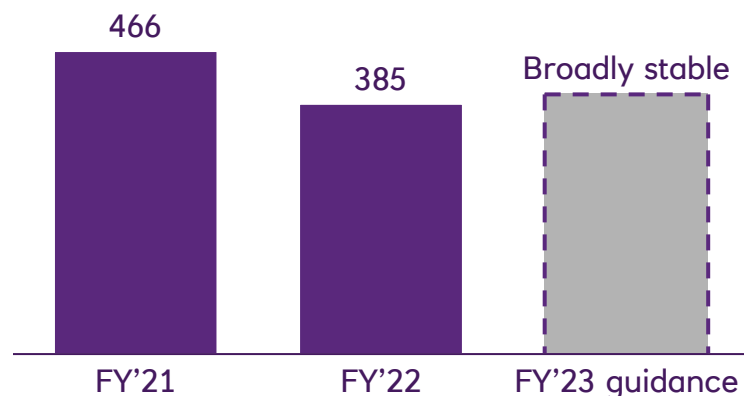
1. 2022 cost target based on other operating expenses (total expenses excluding litigation and conduct). 2. Go-forward group excludes Ulster Bank RoI. 3. Cost:Income ratio is total Group income and costs, excluding litigation and conduct. 11

Expect other operating expenses of around £7.6bn in 2023 and litigation and conduct costs to be broadly stable

Group other operating expenses 2022-2023, £bn



Litigation and conduct costs, £m



1. 2022 cost target based on other operating expenses (total expenses excluding litigation and conduct). 2. Cost:Income ratio is total Group income and costs, excluding litigation and conduct.

Well diversified, de-risked, high-quality loan book

Arrears levels remain broadly stable

Mortgages

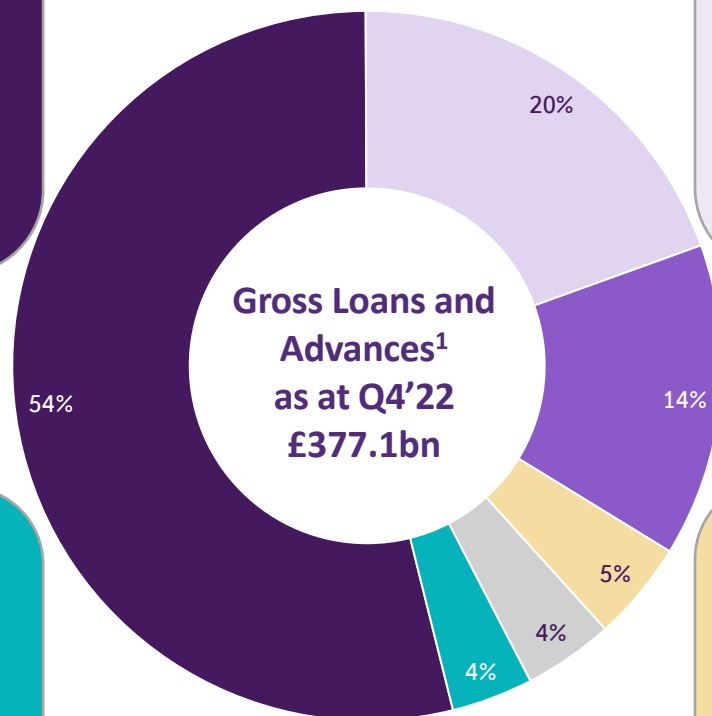
- Customer rates reducing from October peak
- Mortgage LTV of 53%²
- Balances: 66% 5Y, 25% 2Y, 4% Tracker, 4% SVR
- c.£41bn or ~22% of fixed rates expire by the end of 2023
- 17% interest only, including BTL (10% of all mortgages)
- Low levels of arrears and lower forbearance flows than 2021

Credit cards and other unsecured

- Unsecured lending increased during 2022, with resilient customer demand after the easing of COVID-19 restrictions
- <4% of Group loans
- ECL coverage of 9.2%
- Stage 3 inflows remained subdued in 2022
- Inflows to arrears have been stable in 2022, having normalised in line with expectations

Corporate

- Diversified £73.6bn corporate loan book
- Low exposure to in focus areas such as Retail £8.4bn, Automotive £7.3bn and Leisure £7.5bn
- Limited exposure to Oil and Gas £1.2bn
- Retail & leisure, property and services sectors represented the largest share of forbearance flow in 2022



- Mortgages
- Corporate
- Sov & FI's
- CRE
- Property ex-CRE
- Credit Cards & Other

Commercial Real Estate (CRE)

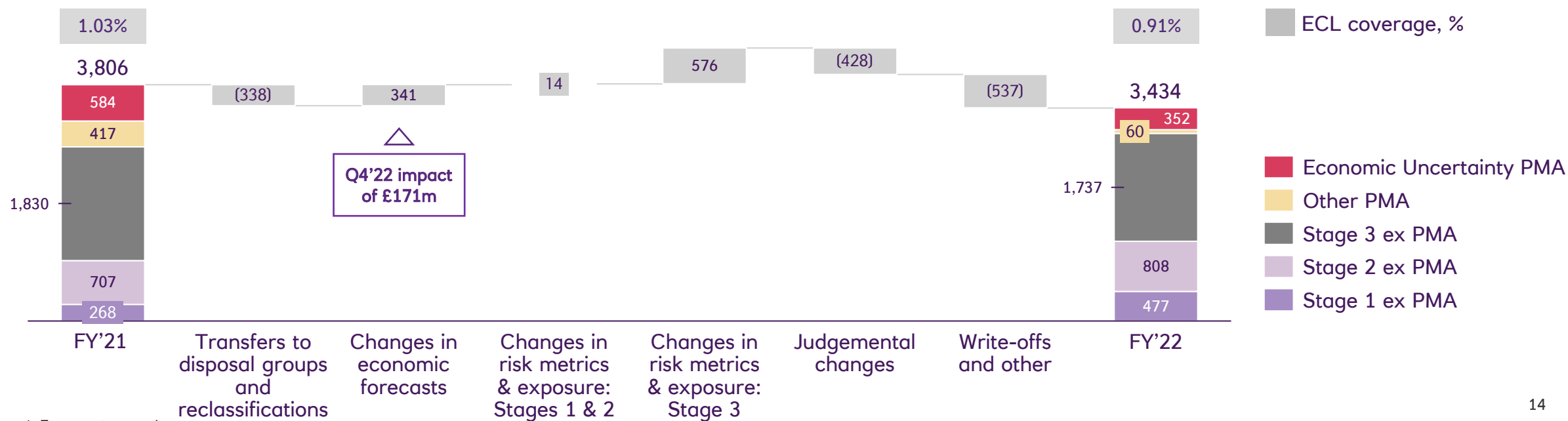
- <5% of Group lending
- CRE average LTV of 47%²
- Property ex-CRE of £15.4bn, majority of which is housing associations
- Inflows into heightened risk categories increased in Q4 but remained relatively low in volume terms compared to previous downturns

Well provided for the economic cycle and have revised the economic scenarios

Economic scenarios and weightings

	Q3'22				FY'22			
	Upside	Base Case	Downside	Extreme downside	Upside	Base Case	Downside	Extreme downside
	10%	35%	30%	25%	19%	45%	21%	16%
Additional Stage 1 and 2 ECL at 100% weighting					445	216	(193)	(1,565)
Weighted-average variables	Q3'22		FY'22		Change		FY'22 Extreme Downside	
	2023	2024	2023	2024	2023	2024	2023	2024
UK GDP - annual growth	(1.4)	1.4	(1.1)	0.4	0.3	(1.0)	(3.1)	(1.6)
UK Unemployment - annual avg.	4.5	5.3	4.7	5.4	0.1	0.1	6.0	8.4
UK House Price Index ¹	(7.2)	0.2	(6.6)	(3.2)	0.6	(3.4)	(10.4)	(15.2)
UK Consumer price index ¹	6.2	2.7	6.0	3.1	(0.2)	0.4	17.0	8.8

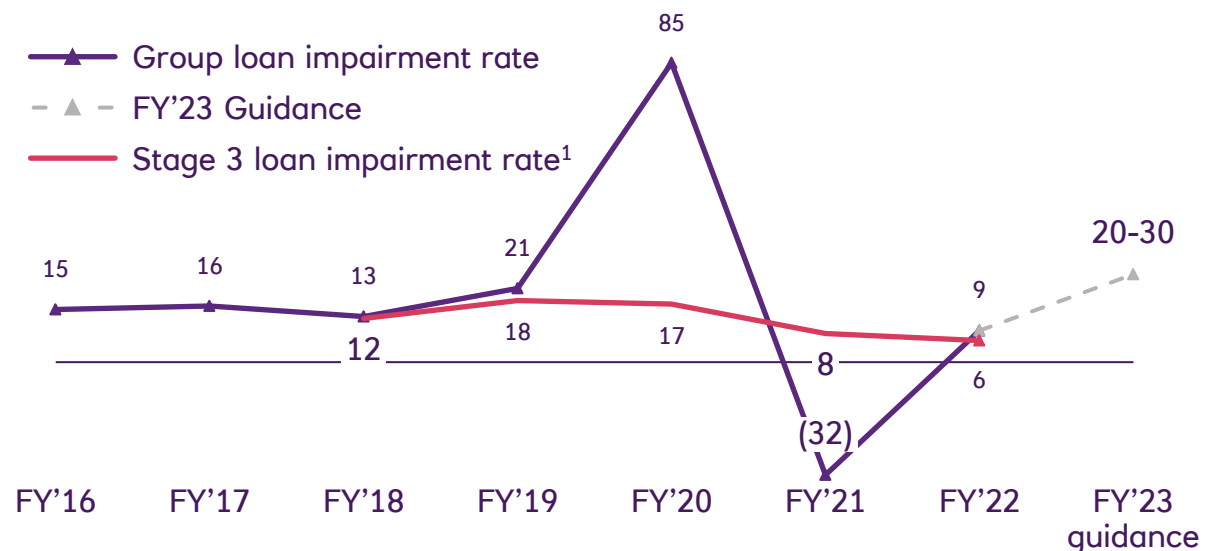
Group ECL provisions, £bn, and coverage



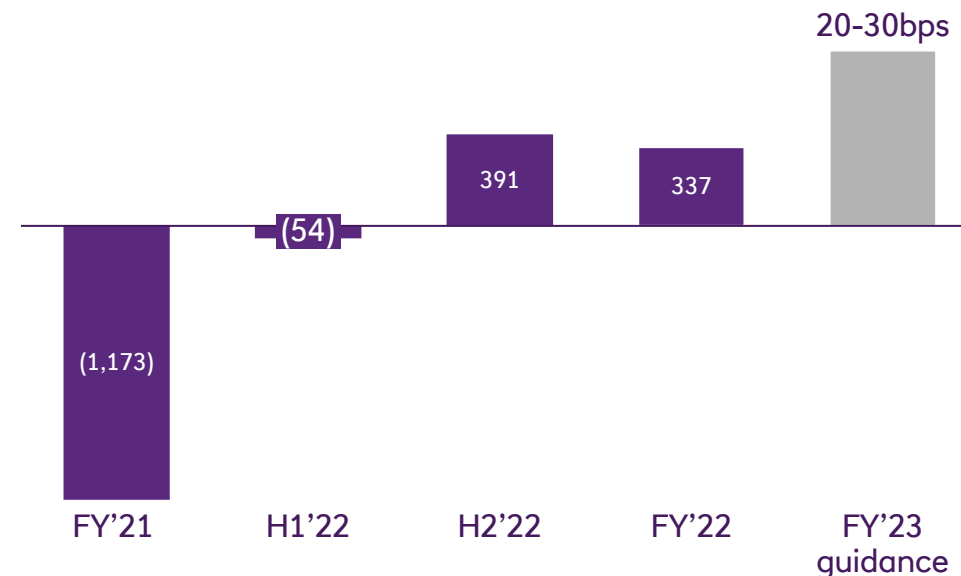
1. Four quarter growth.

Our impairment guidance remains unchanged with 20-30bps in 2023

History of loan impairment rates, bps



Impairment charge / (release), £m



Group impairment details by lending sector

FY'22	Personal			Wholesale			Group
	Mortgages	Unsecured		Property	Corporate	Sovereign and FI	
		Credit cards	Other personal				
Impairment charge/(release),	(74)	56	259	126	(47)	17	337
Loan impairment rate, bps	-4 bps	126 bps	271 bps	39 bps	-6 bps	3 bps	9 bps
Gross loans to customers ² , £bn	203.0	4.5	9.5	32.6	73.8	53.8	377.1
ECL coverage ratio, %	0.19%	5.76%	10.82%	1.35%	1.67%	0.15%	0.91%
ECL coverage ratio - FY'19, %	0.55%	5.83%	8.25%	1.36%	1.66%	0.09%	1.12%

1. 2016 and 2017 did not have IFRS 9 staging disclosure.



NatWest
Group

Donal Quaid Treasurer

Strong capital, MREL and leverage positions in 2022

Capital and leverage

14.2%
CET1 ratio

19.3%
Total capital ratio

31.5%
Loss absorbing
capital ratio

5.4%
UK leverage ratio

£176.1bn
Risk weighted
assets

Robust liquidity and diversified funding

Liquidity and funding

145%
Liquidity coverage
ratio

145%
Net stable funding
ratio

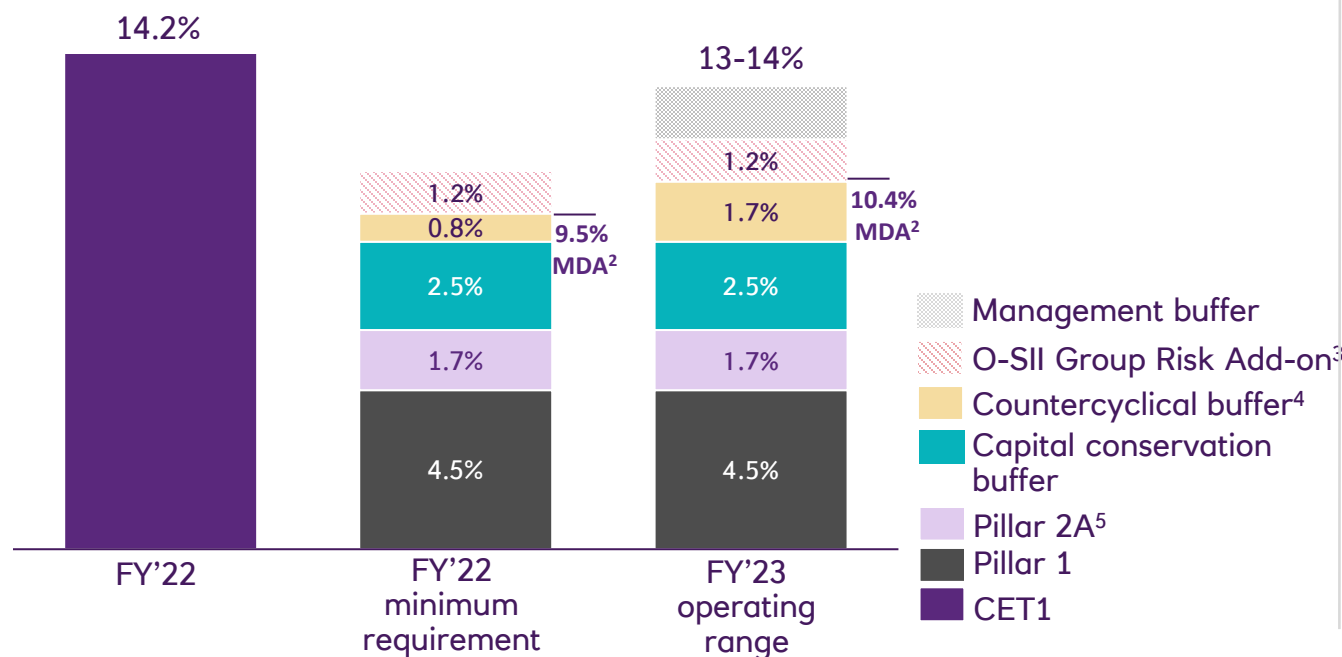
79%
Loan to deposit
ratio

£450.3bn
Customer
deposits

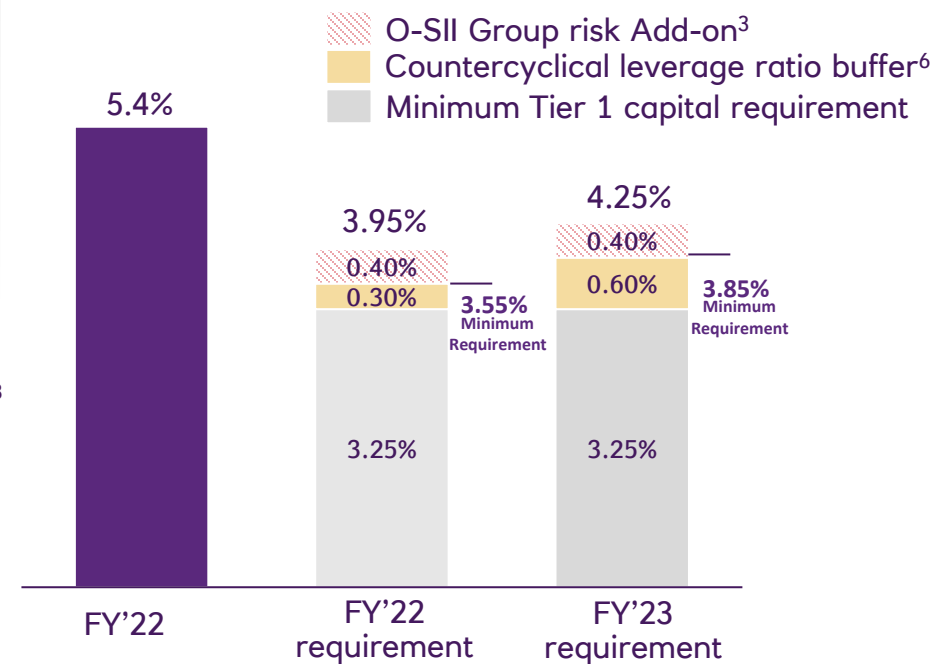
£74.4bn
Wholesale funding

Strong capital and leverage positions

CET1 capital (%RWA)^{1, 2}



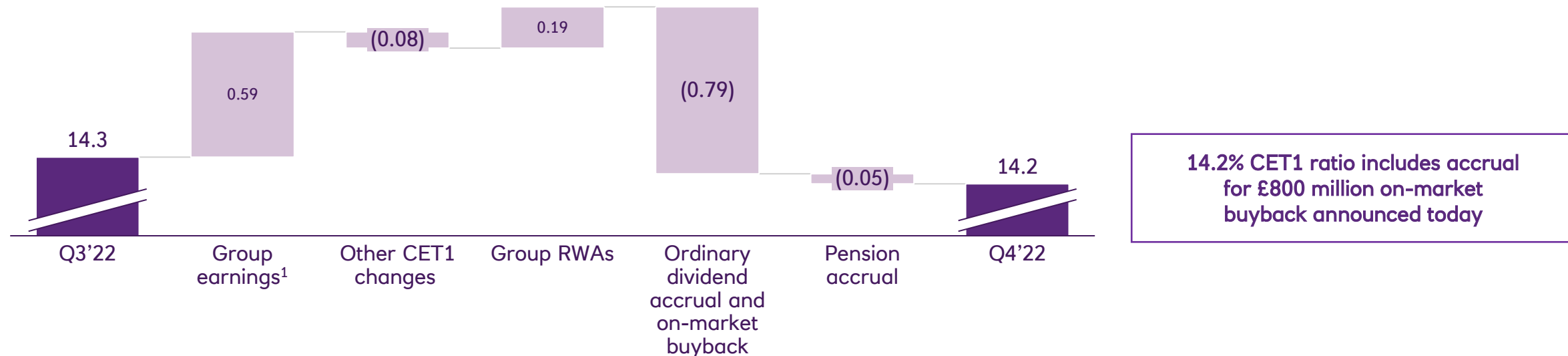
UK leverage ratio (% leverage exposure)



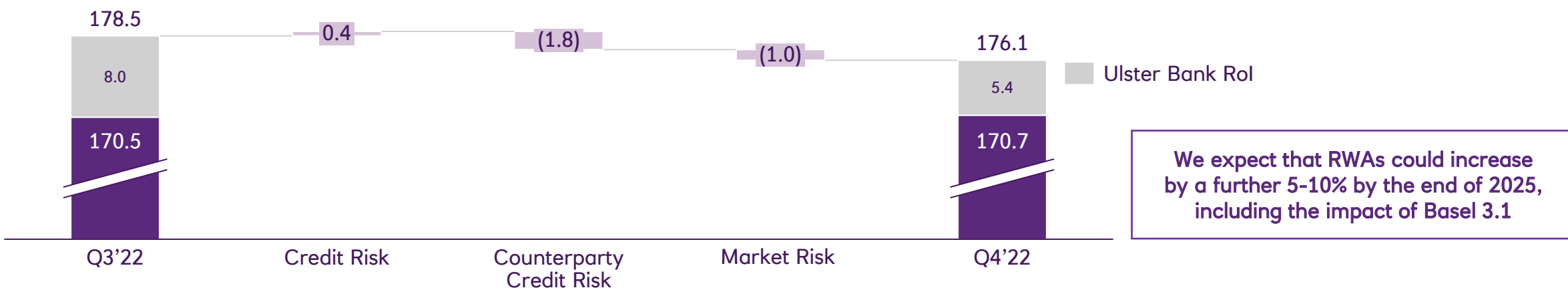
1. Operating range in 2023 reflects medium term CET1 of 13-14. 2. Based on assumption of static regulatory capital requirement 3.O-SII buffer of 1.5% applies to the ring-fenced bank holding company. The equivalent O-SII Group Risk Add-on' is ~1.2%. The O-SII Group Risk Add-on is included in the Group's minimum supervisory minimum. . 4. 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. 5. 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. 6. The countercyclical leverage ratio buffer is set at 35% of NatWest Group's CCyB. As noted above the UK CCyB is anticipated to increase from 1% to 2% from 5 July 2023. Foreign exposures may be subject to different CCyB rates depending on the rate set in those jurisdictions.

Continued sustainable capital generation and distribution with progress towards CET1 ratio of 13-14%

CET1 ratio, %



Risk Weighted Assets, £bn¹

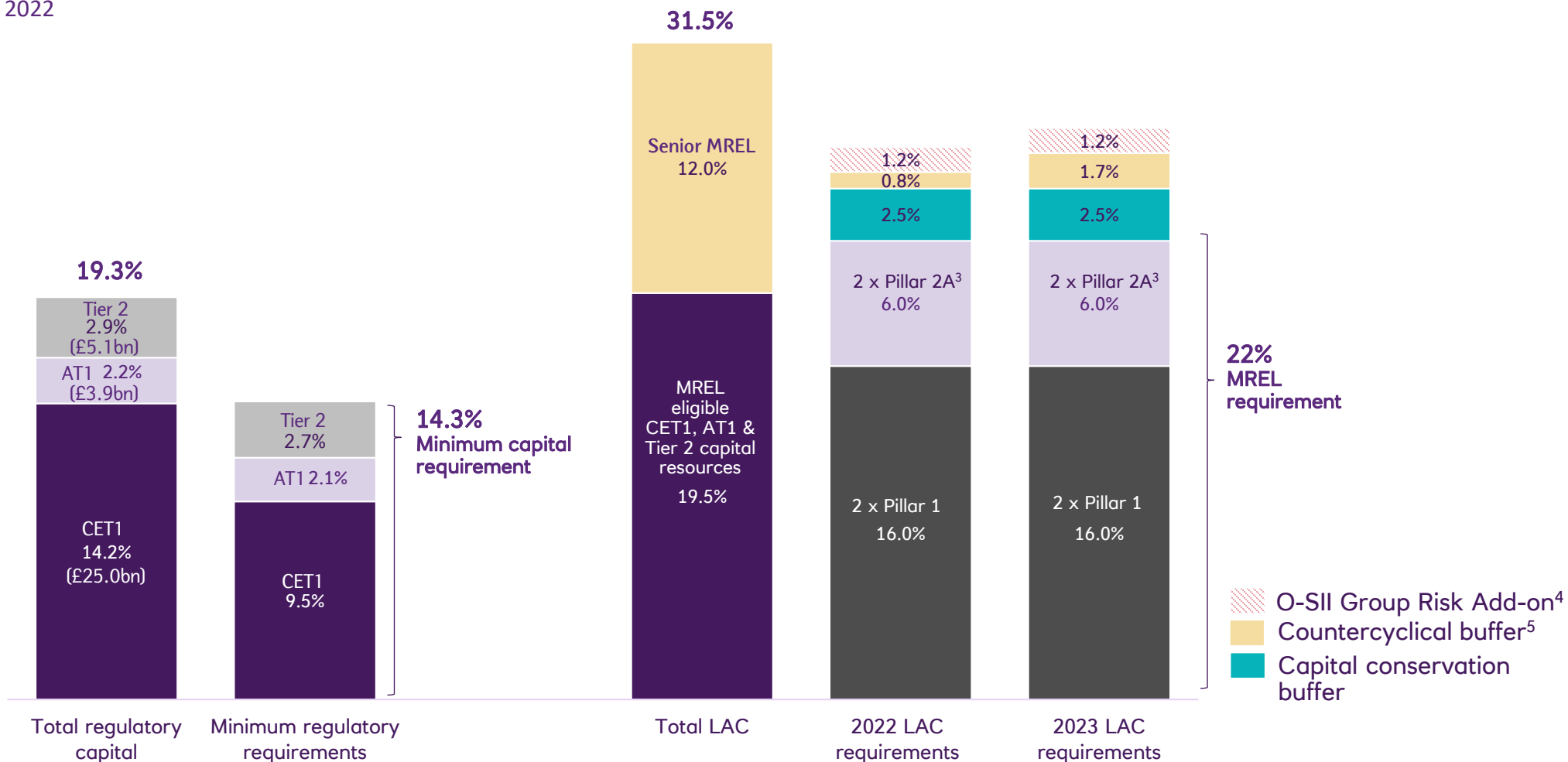


1. Attributable profit net of IFRS transitional relief and adjusted for deferred tax asset movements.

Total MREL resources comfortably above requirements¹

Total Loss Absorbing Capital (LAC)^{1,2}

£bn as at 31 December 2022



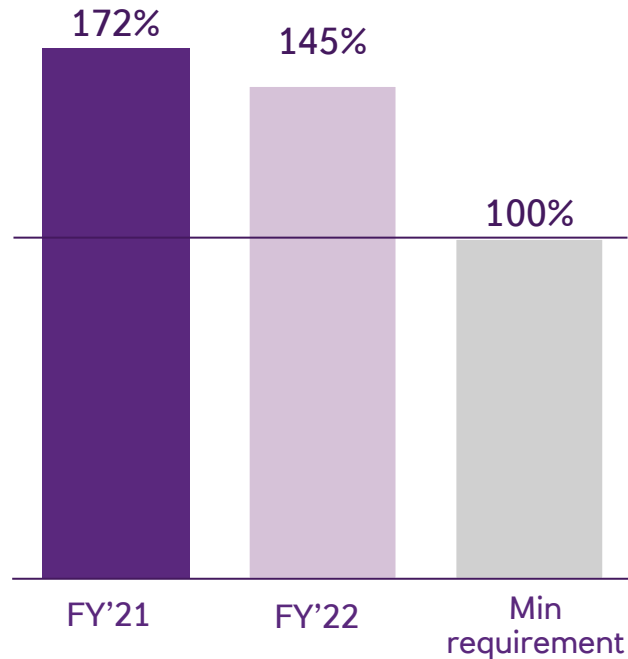
1. "MREL" = Minimum requirement for own funds and eligible liabilities. 2. Illustration, based on assumption of static regulatory capital requirements. MREL requirement is set at 2x (Pillar 1+ Pillar 2A) per Bank of England guidance. 3. Pillar 2A requirement held constant over the period for illustration 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-on⁴ 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 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.

Liquidity coverage ratio remains well above minimum UK requirement

Liquidity coverage ratio

£52bn

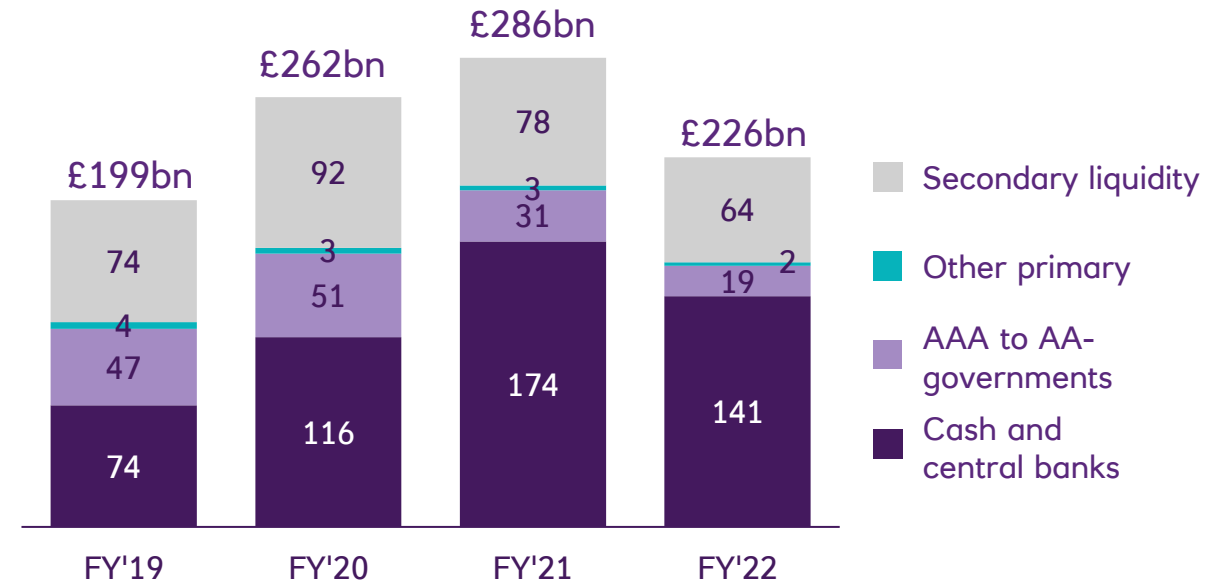
surplus liquidity over minimum requirement



High quality liquidity pool

£162bn

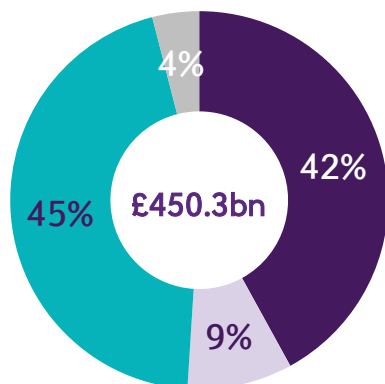
of primary liquidity with a mix of cash and high quality sovereign bonds



Strong customer deposit franchise

Group customer deposit composition

As at 31st December 2022

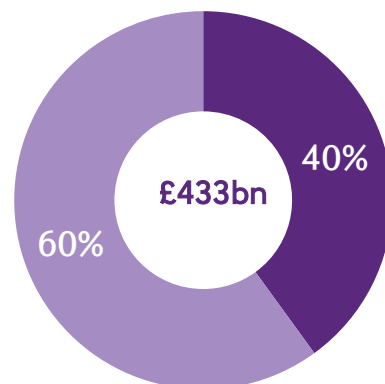


- Retail Banking
- Private Banking
- C&I
- UBIDAC & Treasury

Franchise customer deposit mix

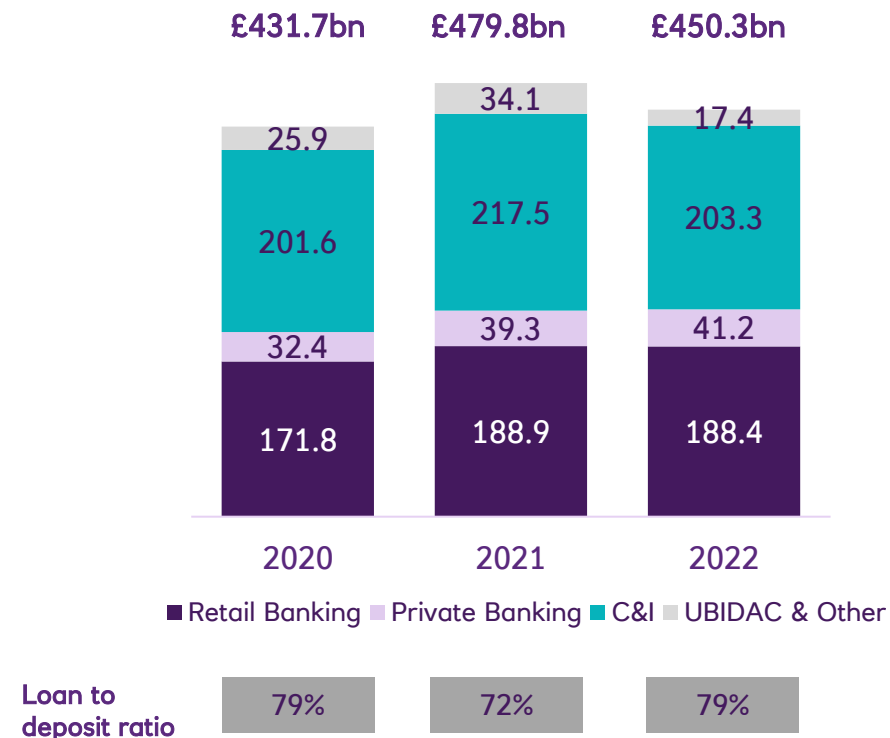
(ex UBIDAC and Treasury)

As at 31st December 2022



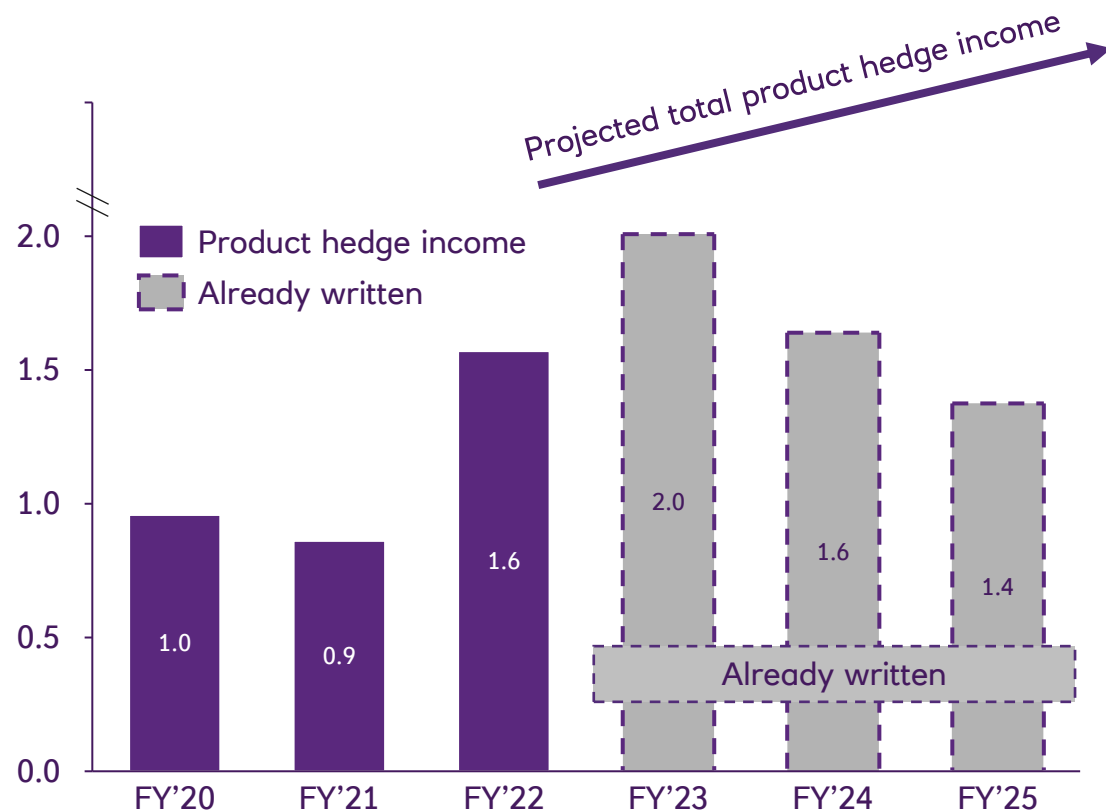
- Non interest-bearing balances
- Interest bearing-balances

Group Customer deposit trends



Structural hedging provides a multi-year tailwind

Product structural hedge income statement outlook, £bn



Considerations for product structural hedge income

£184bn product hedge notional at year end 2022

- We model 3.3% average 5-year swap rate on reinvestment versus c.1.1% average redemption yield for 2023¹
- Annual maturities are c.£40bn. Reinvestment volume will be influenced by the mix and flows of customer deposits
- Assuming no change to deposit balances or mix versus year end 2022, we would expect the hedge notional to reduce steadily by £5bn over the course of the next 12 months from £184bn

Structural hedge	FY'20	FY'21	FY'22
Period end notional	£169bn	£206bn	£230bn
<i>of which product hedge notional</i>	<i>£125bn</i>	<i>£161bn</i>	<i>£184bn</i>
Annual yield - product hedge	0.83%	0.59%	0.89%
Q4 yield - product hedge	0.72%	0.59%	1.16%

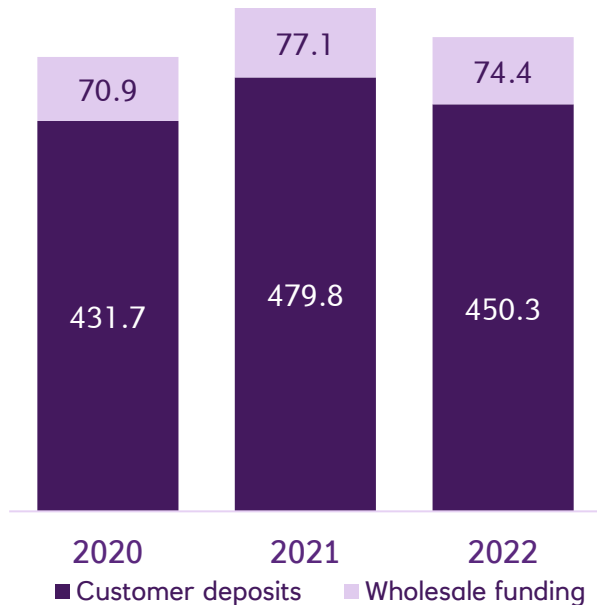
Sensitivity ²	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
£m						
Structural Hedge	50	158	260	(50)	(158)	(260)
Managed Margin	148	141	136	(170)	(140)	(129)
Total	198	299	396	(220)	(298)	(389)

1. Balances mature fairly evenly throughout the year, so around half of the annualised reinvestment benefit will occur in calendar year 2023. 2. Of the Year 1 sensitivity ~80% relates to product structural hedge

Stable and diversified funding sources

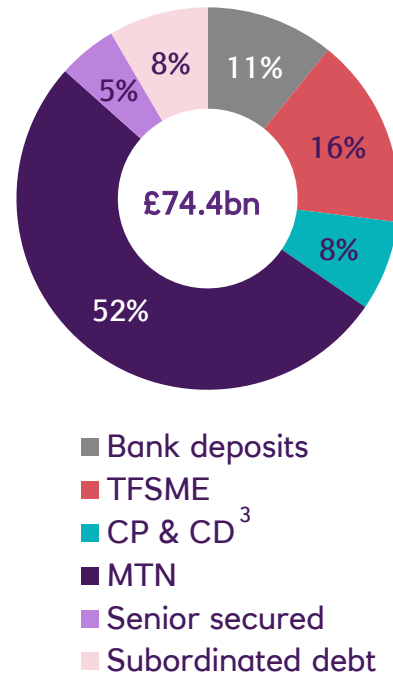
Funding composition (£bn)^{1,2}

Customer deposits provide ~86% of funding supply



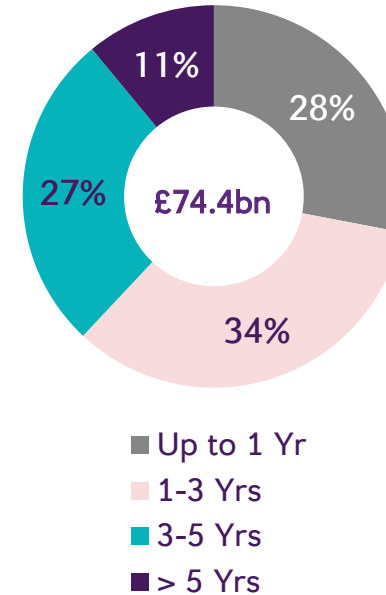
Wholesale funding mix¹

Access to diverse wholesale funding products



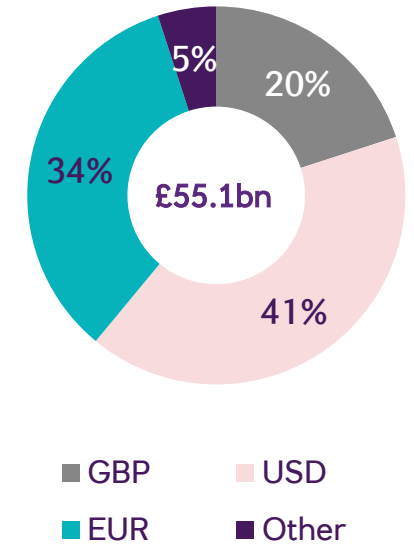
Wholesale funding by maturity

Longer term funding ~70% of total wholesale funding



Senior notes and subordinated liabilities by currency






Access to diverse currency markets



1. Wholesale funding excluding repos, derivative cash collateral. 2. Customer deposits includes NBFIs repo balances. 3. MTN issuance includes Group issued senior unsecured MREL securities and OpCo issued senior unsecured.

Strong support for wholesale funding transactions in 2022¹

Across multiple currencies and tenors

		2022 guidance	2022 actual						
NatWest Group plc (HoldCo)	Senior unsecured (MREL)	~£3bn to £5bn	~£3.7bn	<ul style="list-style-type: none"> • \$1bn 6NC5 • \$1.5bn 4NC3 	• £750m 7NC6	• €1bn 6NC5 Green	-	-	
	Tier 2 capital	-	£650m ²	-	• £650m 10.5NC5.5	-	-	-	
NatWest Markets Plc (OpCo)		Senior unsecured (non-MREL) public benchmark issuance	~£4bn to £5bn	~£4.6bn	<ul style="list-style-type: none"> • \$1.5bn 3yr dual-tranche 	• £750m 5yr	<ul style="list-style-type: none"> • €1bn 5Yr • €1.25bn 3Yr dual-tranche 	<ul style="list-style-type: none"> • CHF300m 3Yr • CHF220m 5Yr 	• \$A600m 3yr

1. Includes primary/benchmark transactions only. Does not include private placements. 2. £650m Tier 2 issuance in December 2022 represents part pre-financing of 2023 requirement.

In 2023, expect to be active from HoldCo and OpCo, across multiple asset classes

		2023 guidance
NatWest Group plc (HoldCo)	Senior unsecured MREL	~£3bn to £5bn
	Tier 2 capital	Up to £1bn
<hr/>		
NatWest Markets Plc (OpCo)	Senior unsecured (non-MREL) ¹	~£3bn to £5bn
<hr/>		
NatWest Markets NV (OpCo)	Senior unsecured (non-MREL) ²	Up to £1bn

1. Includes primary/benchmark transactions only. Does not include private placements. 2. Includes a mix of public benchmark issuance and private placements.

Ratings progress in 2022

	Moody's	S&P	Fitch
Group holding company			
NatWest Group plc	A3/Sta	BBB/Sta	A/Sta
Ring-fenced bank operating companies			
NatWest Bank Plc	A1/Sta ¹	A/Sta	A+/Sta
Royal Bank of Scotland plc	A1/Sta ¹	A/Sta	A+/Sta
NatWest Bank Europe GMBH	NR	A/Sta	A+/Sta
Ulster Bank Ireland DAC	A1/Sta ¹	A-/Sta	BBB+/Sta
Non ring-fenced bank operating companies			
NatWest Markets Plc	A1/Sta	A-/Sta	A+/Sta
NatWest Markets N.V.	A1/Sta	A-/Sta	A+/Sta
NatWest Markets Securities Inc	NR	A-/Sta	A/Sta
RBSI Ltd	A1/Sta ¹	A-/Sta	A/Sta

1. Moody's long-term Deposit Rating. The ring-fenced bank operating companies do not issue rated senior unsecured debt. Nevertheless Moody's assigns an Issuer Rating and the outlook was changed to Negative from Stable on 25/10/22, after the Moody's UK Sovereign Rating outlook was changed to Negative from Stable.



NatWest
Group

Katie Murray Chief Financial Officer

Medium-term group targets and 2023 guidance

SUSTAINABLE MEDIUM-TERM GROUP TARGETS

Sustainable RoTE

14-16%

Cost:Income ratio¹

<50% by 2025

Payout ratio

40%

+ capacity for buybacks

Provide £100 billion of Climate and Sustainable Funding and Financing by 2025

Operating with a CET1 ratio in the range of 13-14%

2023 GUIDANCE

Total Income

~£14.8bn
NIM: ~3.20%

**Other operating costs
and C:I ratio¹**

~£7.6bn
<52%

Loan impairment rate

20-30bps

RoTE

14-16%

Distributions

Payout ratio 40%
+ capacity for buybacks²

1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct. 2. We have permission from the PRA to participate in a direct buyback from the UK government of up to 4.99% of issued share capital and we will execute the £800m on-market buyback announced today



Q&A



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Appendices

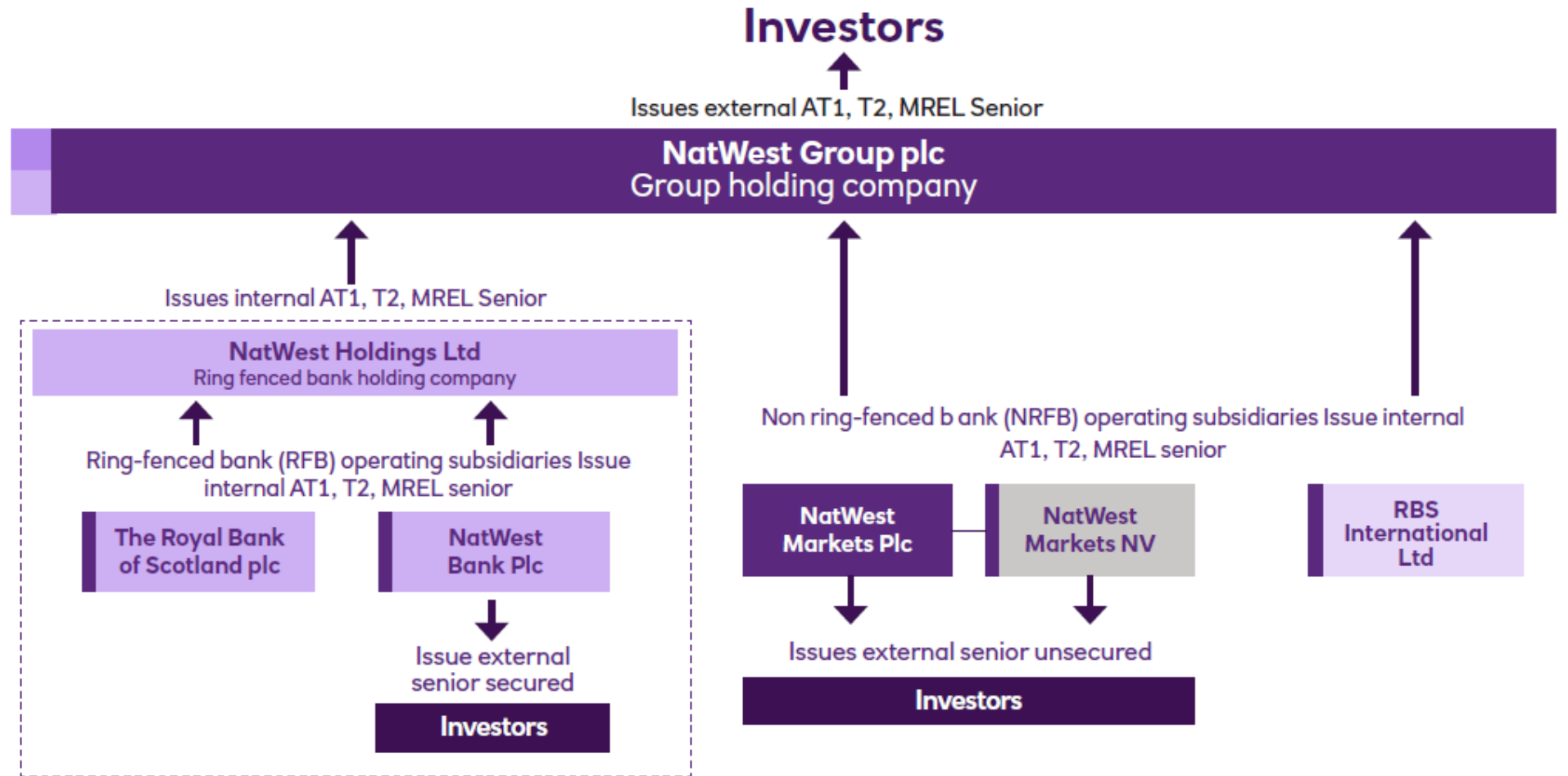
Issuing entity structure

External issuance of AT1, Tier 2 and MREL is only from NatWest Group plc, the group holding company.

Subsidiary operating companies will only issue internal AT1, Tier 2 and MREL.

NatWest Bank Plc issues senior secured securities externally.

Natwest Markets Plc issues senior unsecured securities externally.



Legal entity capital positions

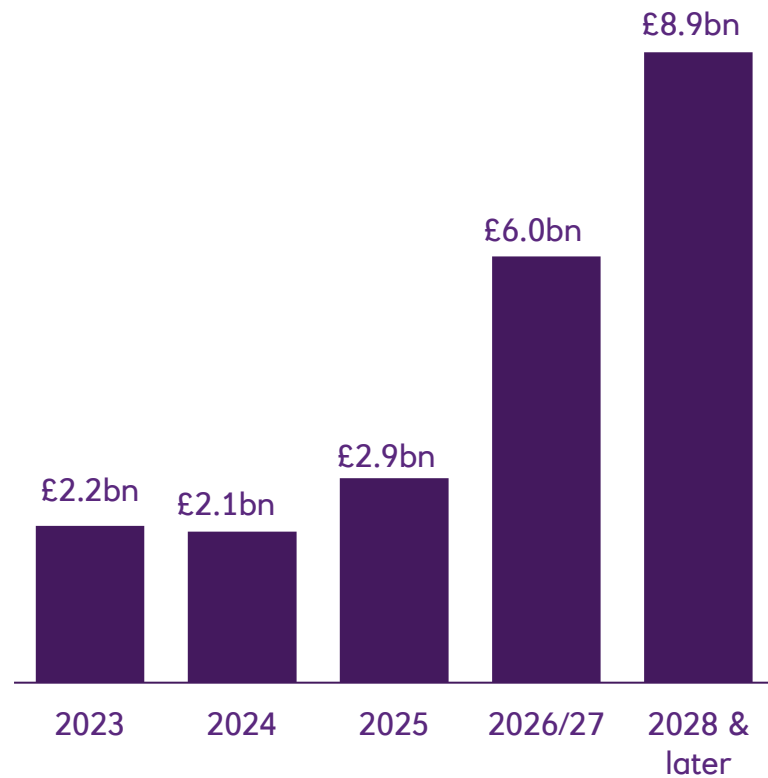
FY 2022	NatWest Holdings Limited	NatWest Bank Plc	Royal Bank of Scotland plc	Ulster Bank Ireland DAC	NatWest Markets Plc	NatWest Markets NV	RBSI
Capital and leverage metrics							
CET1 ratio	12.8%	11.3%	11.6%	38.6%	17.2%	21.0%	18.5%
Tier 1 ratio	15.4%	13.3%	16.8%	38.6%	20.4%	24.0%	22.4%
Total Capital ratio	18.9%	15.9%	25.4%	39.9%	25.7%	25.9%	22.5%
RWA	£143.6bn	£112.4bn	£18.5bn	€6.4bn	£21.4bn	€8.1bn	£7.6bn
Leverage ratio ¹	5.4%	4.4%	6.4%	17.5%	5.4%	9.1%	4.0%
Internal MREL issuance							
Tier 1	£3.7bn	£2.5bn	£1.0bn	-	£0.9bn	£0.2bn	£0.3bn
Tier 2	£4.6bn	£2.9bn	£1.5bn	-	£1.5bn	£0.1bn	-
Senior unsecured	£10.4bn	£6.4bn	£0.4bn	£0.5bn	£3.2bn	-	£0.3bn
Total internal issuance	£18.7bn	£11.8bn	£2.9bn	£0.5bn	£5.6bn	£0.3bn	£0.6bn

1. The leverage ratio for December 2022 has been calculated in accordance with current PRA rules except for UBIDAC and NatWest Markets NV which are calculated in accordance with the EU Capital Requirements Regulation. For RBSI, the Leverage ratio is calculated in line with Jersey Financial Services Commission (JFSC) guidance.

NatWest Group plc run-off profile

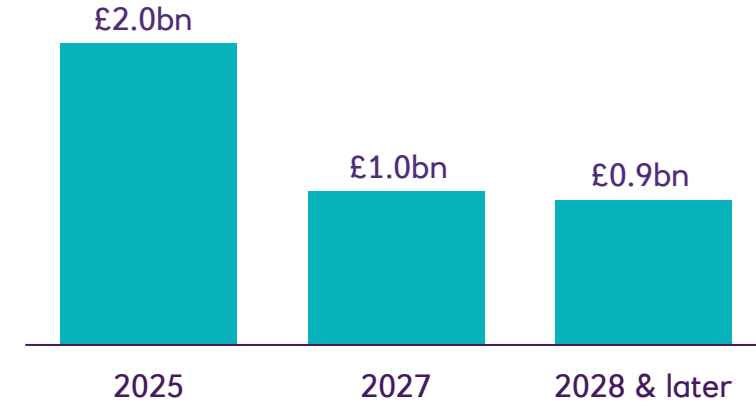
Senior MREL run-off profile

Contractual maturity, balance sheet value
£billion equivalent



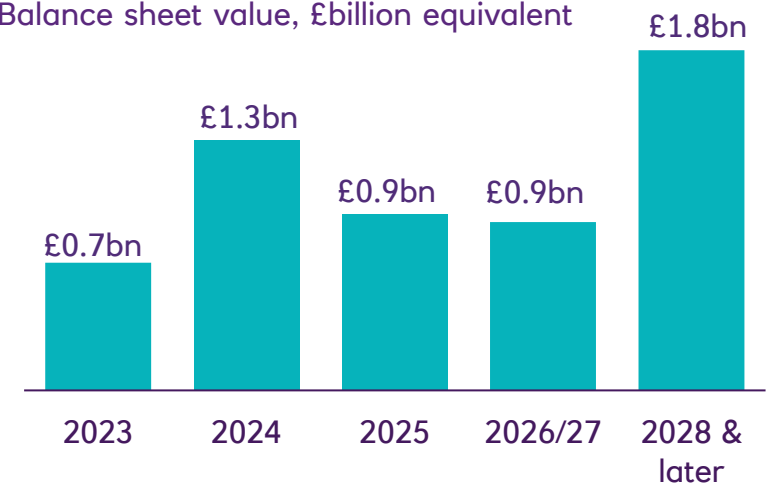
NWG plc AT1 call profile

Balance sheet value, £billion equivalent



NWG plc Tier 2 roll-off profile¹

Balance sheet value, £billion equivalent



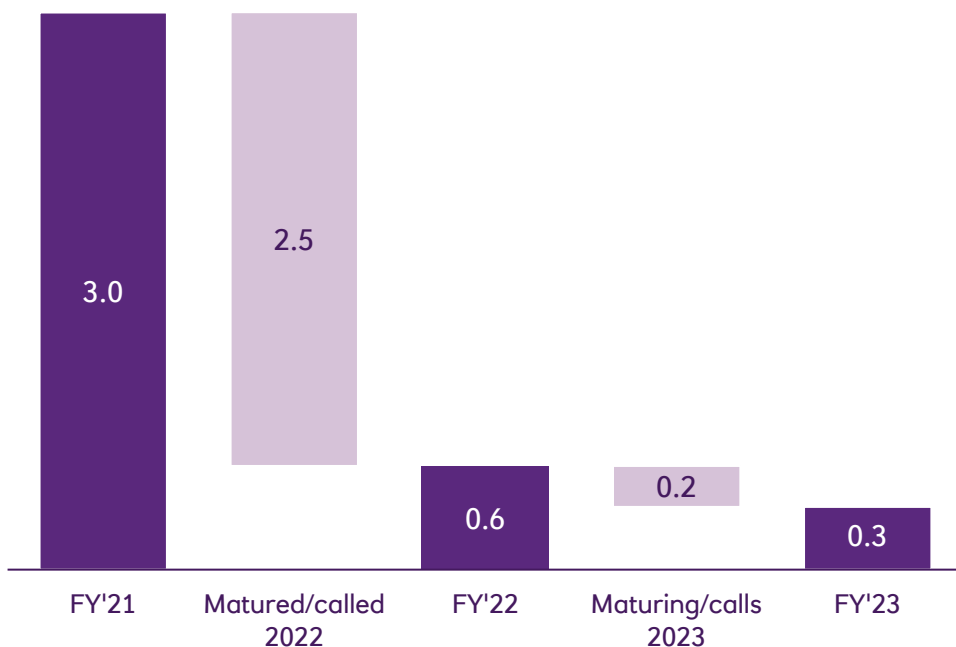
1. Based on first call date of instrument, however this does not indicate NatWest Group's strategy on capital and funding management

Legacy capital stack

Low residual balance of legacy capital following capital optimisation actions

Legacy capital actions 2022-23

Nominal value, £billion equivalent¹



1. Based on FX as at 31.12.2022

Security	Nominal value
Tier 1	
GB0006227051 NWB plc 9% Perp	£116m
Tier 2	
XS0041078535 NWB plc 11.5% Perp ²	£31m
GB0007548026 NWG plc 5.5% Perp	£0.2m
GB0007548133 NWG plc 11% Perp	£0.2m
US00077TAA25 NWM NV 7.75% May 2023	\$101m
XS0123050956 NWM NV February 2041	€170m
US00077TAB08 NWM NV 7.125% October 2093	\$21.6m
XS0357281046 NWM Plc April 2023	€123m
XS0154144132 NWM Plc 5.625% September 2026	£16m
XS0138939854 NWM Plc 5.625% June 2032	£0.1m
XS0116447599 NWM Plc 3.09% Perp	£1.4m
IE0004325282 UBIDAC SONIA + 2.8266% Perp	£1.1m
IE0004325514 UBIDAC 11.75% Perp	£11.5m
IE0004325399 UBIDAC 11.375% Perp	€31m

2. XS0041078535 NWB plc 11.5% call was announced on 12/12/2022 and redeemed on the 19/01/2023.

Fixed Income investor contacts



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Useful links

- Fixed Income Investor Relations website
[NatWest Group – Fixed income investors](#)
- Green, Social and Sustainability Bonds framework
[NatWest Group – Green, Social and Sustainability Bonds](#)
- ESG Disclosures
[NatWest Group – ESG Disclosures](#)
- Results Disclosures
[NatWest Group – Results centre](#)

Cautionary and 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 NWG’s 2022 Annual Report and Accounts, as well as the Risk Factors in the NWM 2022 Annual Report and Accounts.

Cautionary statement regarding forward-looking statements

Certain sections in this document contain ‘forward-looking statements’ as that term is defined in the United States Private Securities Litigation Reform Act of 1995, such as statements that include the words ‘expect’, ‘estimate’, ‘project’, ‘anticipate’, ‘commit’, ‘believe’, ‘should’, ‘intend’, ‘will’, ‘plan’, ‘could’, ‘probability’, ‘risk’, ‘Value-at-Risk (VaR)’, ‘target’, ‘goal’, ‘objective’, ‘may’, ‘endeavour’, ‘outlook’, ‘optimistic’, ‘prospects’ and similar expressions or variations on these expressions. In particular, this document includes forward-looking targets and guidance relating to financial performance measures, such as income growth, operating expense, RoTE, ROE, discretionary capital distribution targets, impairment loss rates, balance sheet reduction, including the reduction of RWAs, CET1 ratio (and key drivers of the CET1 ratio including timing, impact and details), Pillar 2 and other regulatory buffer requirements and MREL and non-financial performance measures, such as NatWest Group’s initial area of focus, climate and ESG-related performance ambitions, targets and metrics, including in relation to initiatives to transition to a net zero economy, Climate and Sustainable Funding and Financing (CSFF) and financed emissions. In addition, this document includes forward-looking statements relating, but not limited to: implementation of NatWest Group’s purpose-led strategy and other strategic priorities (including in relation to: phased withdrawal from ROI, cost-controlling measures, the NatWest Markets refocusing, the creation of the CeI franchise and the progression towards working as One Bank across NatWest Group to serve customers); the timing and outcome of litigation and government and regulatory investigations; direct and on-market buy-backs; funding plans and credit risk profile; managing its capital position; liquidity ratio; portfolios; net interest margin and drivers related thereto; lending and income growth, product share and growth in target segments; impairments and write-downs; restructuring and remediation costs and charges; NatWest Group’s exposure to political risk, economic assumptions and risk, climate, environmental and sustainability risk, operational risk, conduct risk, financial crime risk, cyber, data and IT risk and credit rating risk and to various types of market risk, including interest rate risk, foreign exchange rate risk and commodity and equity price risk; customer experience, including our Net Promotor Score (NPS); employee engagement and gender balance in leadership positions.

Limitations inherent to forward-looking statements

These statements are based on current plans, expectations, estimates, targets and projections, and are subject to significant inherent risks, uncertainties and other factors, both external and relating to NatWest Group’s strategy or operations, which may result in NatWest Group being unable to achieve the current plans, expectations, estimates, targets, projections and other anticipated outcomes expressed or implied by such forward-looking statements. In addition, certain of these disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations, including assumptions and estimates made by management. By their nature, certain of these disclosures are only estimates and, as a result, actual future results, gains or losses could differ materially from those that have been estimated. Accordingly, undue reliance should not be placed on these statements. The forward-looking statements contained in this document speak only as of the date we make them and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein, whether to reflect any change in our expectations with regard thereto, any change in events, conditions or circumstances on which any such statement is based, or otherwise, except to the extent legally required.

Important factors that could affect the actual outcome of the forward-looking statements

We caution you that a large number of important factors could adversely affect our results or our ability to implement our strategy, cause us to fail to meet our targets, predictions, expectations and other anticipated outcomes or affect the accuracy of forward-looking statements described in this document. These factors include, but are not limited to, those set forth in the risk factors and the other uncertainties described in NatWest Group plc’s Annual Report and its other filings with the US Securities and Exchange Commission. The principal risks and uncertainties that could adversely NatWest Group’s future results, its financial condition and/or prospects and cause them to be materially different from what is forecast or expected, include, but are not limited to: economic and political risk (including in respect of: political and economic risks and uncertainty in the UK and global markets, including due to high inflation, supply chain disruption and the Russian invasion of Ukraine); uncertainty regarding the effects of Brexit; changes in interest rates and foreign currency exchange rates; and HM Treasury’s ownership as the largest shareholder of NatWest Group plc); strategic risk (including in respect of the implementation of NatWest Group’s purpose-led Strategy; future acquisitions and divestments; phased withdrawal from ROI and the transfer of its Western European corporate portfolio); financial resilience risk (including in respect of: NatWest Group’s ability to meet targets and to make discretionary capital distributions; the competitive environment; counterparty and borrower risk; prudential regulatory requirements for capital and MREL; liquidity and funding risks; changes in the credit ratings; the requirements of regulatory stress tests; model risk; sensitivity to accounting policies, judgments, assumptions and estimates; changes in applicable accounting standards; the value or effectiveness of credit protection; the adequacy of NatWest Group’s future assessments by the Prudential Regulation Authority and the Bank of England; and the application of UK statutory stabilisation or resolution powers); climate and sustainability risk (including in respect of: risks relating to climate change and the transitioning to a net zero economy; the implementation of NatWest Group’s climate change strategy, including publication of an initial climate transition plan in 2023 and climate change resilient systems, controls and procedures; climate-related data and model risk; the failure to adapt to emerging climate, environmental and sustainability risks and opportunities; changes in ESG ratings; increasing levels of climate, environmental and sustainability related regulation and oversight; and climate, environmental and sustainability-related litigation, enforcement proceedings and investigations); operational and IT resilience risk (including in respect of: operational risks (including reliance on third party suppliers); cyberattacks; the accuracy and effective use of data; complex IT systems; attracting, retaining and developing senior management and skilled personnel; NatWest Group’s risk management framework; and reputational risk); and legal, regulatory and conduct risk (including in respect of: the impact of substantial regulation and oversight; compliance with regulatory requirements; the outcome of legal, regulatory and governmental actions and investigations; the transition of LIBOR other IBOR rates to replacement risk-free rates; and changes in tax legislation or failure to generate future taxable profits).

Climate and ESG disclosures

Climate and ESG disclosures in this document are not measures within the scope of International Financial Reporting Standards (‘IFRS’), use a greater number and level of judgements, assumptions and estimates, including with respect to the classification of climate and sustainable funding and financing activities, than our reporting of historical financial information in accordance with IFRS. These judgements, assumptions and estimates are highly likely to change over time, and, when coupled with the longer time frames used in these disclosures, make any assessment of materiality inherently uncertain. In addition, our climate risk analysis and net zero strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time. The process we have adopted to define, gather and report data on our performance on Climate and ESG measures is not subject to the formal processes adopted for financial reporting in accordance with IFRS and there are currently limited industry standards or globally recognised established practices for measuring and defining Climate and ESG related metrics. As a result, we expect that certain climate and ESG disclosures made in this document are likely to be amended, updated, recalculated or restated in the future. Please also refer to the cautionary statement in the section entitled ‘Climate-related and other forward-looking statements and metrics’ of the NatWest Group 2021 Climate-related Disclosures Report.

Cautionary statement regarding Non-IFRS financial measures and APMs

NatWest Group prepares its financial statements in accordance with generally accepted accounting principles (GAAP). This document may contain financial measures and ratios not specifically defined under GAAP or IFRS (‘Non-IFRS’) and/or alternative performance measures (‘APMs’) as defined in European Securities and Markets Authority (‘ESMA’) guidelines. 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 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 document, 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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