

# NatWest Group plc

# Investor Factbook

Q3 Results 2024



NatWest  
Group

## Our focus is on creating sustainable long-term value

- Our business is performing well, delivering a strong 9M'24 RoTE of 17.0%
- Disciplined growth across lending, deposits and AUMA
- Good income momentum during 9M'24, delivering £10.8 billion ex notable items<sup>1</sup>
- Strong asset quality with defaults remaining low, reflected in 10bps charge for 9M'24
- Active RWA management delivered £5.6bn reduction in 9M'24, supporting 197bps capital generation
- TNAV per share increased 24p to 316p year-to-date

1. Excludes notable items per slide 18 of NWG's Q3 2024 Results Presentation.

## Our business is performing well with 9M'24 RoTE of 17.0%

Disciplined growth across lending, deposits and AUMA

**£367bn**  
Customer Loans<sup>1</sup>  
+£8.1bn incl. Metro acquisition vs Dec'23

**£427bn**  
Customer Deposits<sup>2</sup>  
+£8.3bn vs Dec'23

**£46.5bn**  
AUMA  
+£5.7bn vs Dec'23

Strong returns with attributable profit of £3.3bn in 9M'24

**£10.8bn**  
Income ex notable items<sup>3</sup>  
vs £10.9bn for 9M'23

**£5.7bn**  
Costs<sup>4</sup>  
vs £5.6bn for 9M'23

**17.0%**  
Return on Tangible Equity  
vs 17.1% at 9M'23

Strong capital generation, 8% share count reduction supports EPS growth<sup>5</sup>

**13.9%**  
CET1 ratio  
197 bps capital generation in 9M'24

**316p**  
TNAV per share  
+24p vs Dec'23

**38p**  
EPS  
+12% vs. 9M'23

1. Gross loans across 3 businesses. 2. Customer deposits across 3 businesses. 3. Excludes notable items per slide 18 of NWG's Q3 2024 Results Presentation. 4. Costs excluding litigation and conduct. 5. Average number of ordinary shares reduced in 9M'24 vs 9M'23.

### 2024 guidance

Total Income

**~£14.4bn<sup>1</sup>**

Other operating expenses

**Broadly stable vs 2023<sup>2</sup>**

Loan impairment rate

**Below 15 bps**

RoTE

**>15%**

### Targets

**2026 RoTE target of >13%**

**Ordinary dividend payout ratio ~40%**

**Capacity for buybacks**

**CET1 ratio in the range of 13-14%**

1. Total Income ex notable items. 2. In 2024, we expect other operating expenses to be broadly stable compared with 2023, excluding around £0.1 billion increase in bank levies and £24m Retail offer costs in H1'24.

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 2023 Annual Report and Accounts and Form 20-F, the "Risk Factors" in NWM 2023 Annual Report, and the Summary Risk Factors in the NWG H1 2024 IMS and the NWM Plc H1 2024 IMS. These statements constitute forward-looking statements.

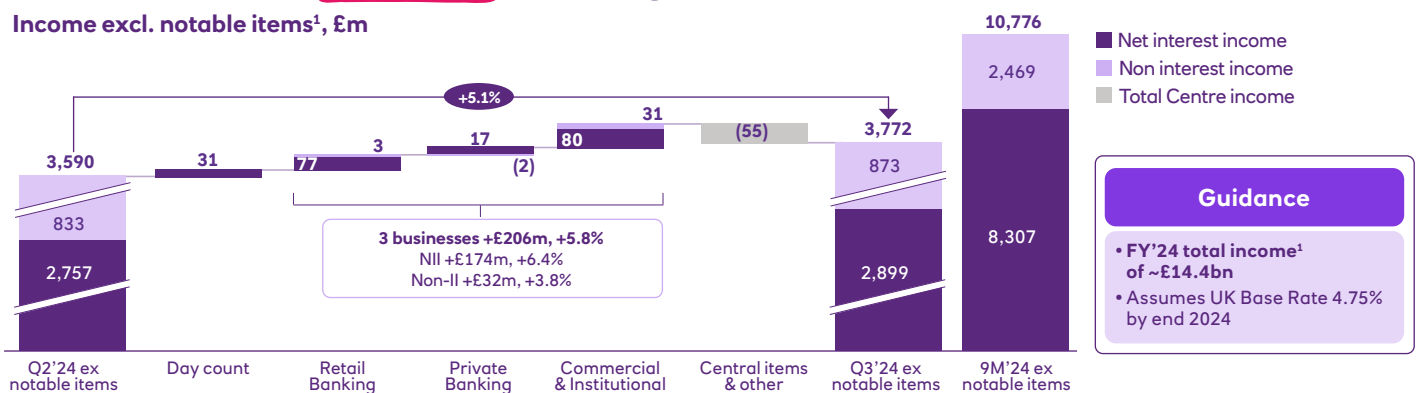
# Segmental summary<sup>1</sup>

Group Q3'24, £bn	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
Net interest income	1.4	0.2	1.4	(0.0)	2.9
Non-interest income	0.1	0.1	0.7	(0.0)	0.8
<b>Total income</b>	<b>1.5</b>	<b>0.3</b>	<b>2.1</b>	<b>(0.0)</b>	<b>3.7</b>
<b>Income ex-notable items</b>	<b>1.5</b>	<b>0.3</b>	<b>2.1</b>	<b>(0.0)</b>	<b>3.8</b>
Other operating expenses	(0.7)	(0.2)	(0.9)	(0.1)	(1.8)
Litigation and conduct	(0.0)	-	(0.0)	(0.0)	(0.0)
<b>Operating expenses</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(1.8)</b>
<b>Operating profit/(loss) before impairment releases/(losses)</b>	<b>0.8</b>	<b>0.1</b>	<b>1.1</b>	<b>(0.1)</b>	<b>1.9</b>
Impairment releases/(losses)	(0.1)	0.0	(0.1)	0.0	(0.2)
<b>Operating profit/(loss)</b>	<b>0.7</b>	<b>0.1</b>	<b>1.0</b>	<b>(0.1)</b>	<b>1.7</b>
<b>£bn</b>					
Net loans to customers – amortised cost	207.4	18.2	138.1	23.0	386.7
Customer Deposits	192.0	39.7	195.7	3.7	431.1
RWAs	64.8	11.0	104.0	1.9	181.7
<b>Return on equity / tangible equity</b>	<b>21.4%</b>	<b>19.7%</b>	<b>19.9%</b>	<b>nm</b>	<b>18.3%</b>
<b>Cost:income ratio</b>	<b>45.0%</b>	<b>65.6%</b>	<b>44.0%</b>	<b>nm</b>	<b>47.6%</b>

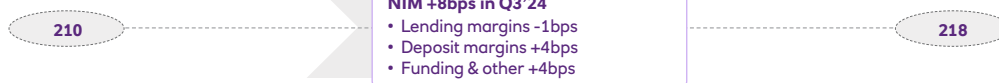
1. May not cast due to rounding.

## Q3'24 Income up 5.1%, FY'24 guidance updated to ~£14.4bn

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



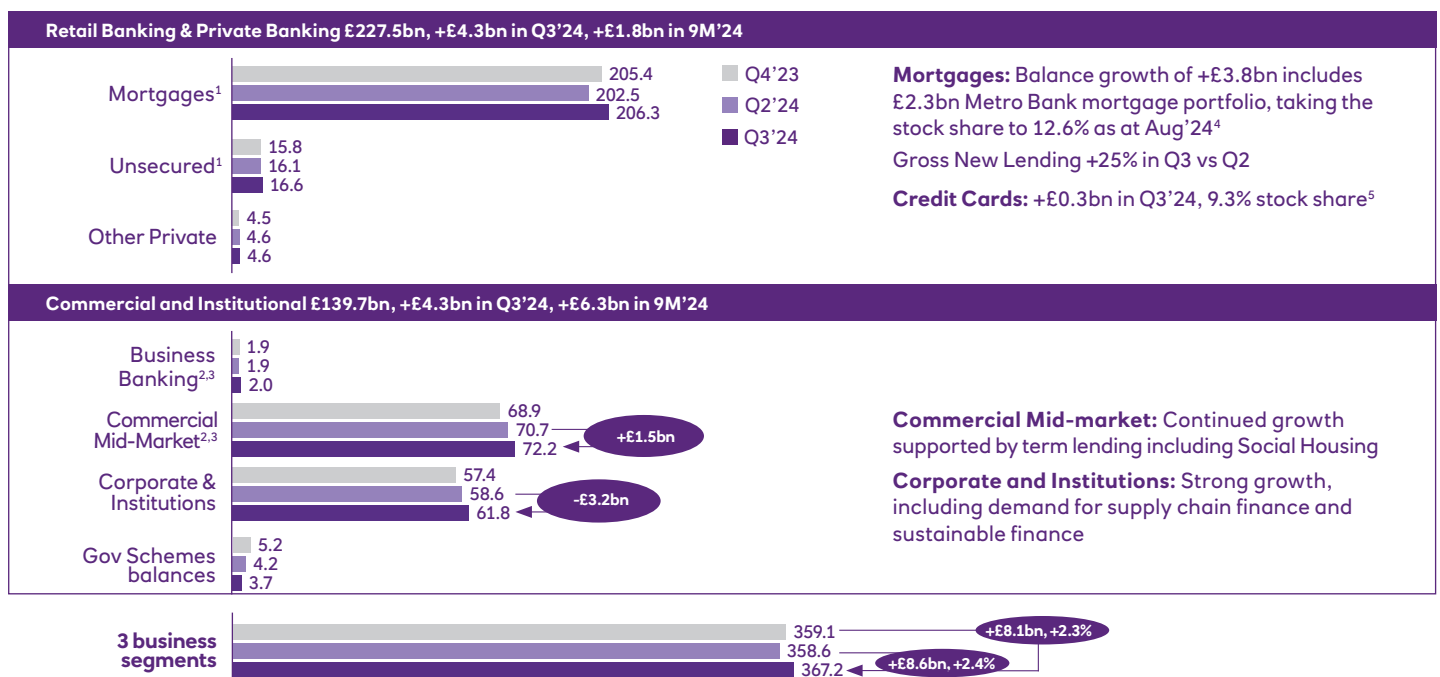
Net interest margin<sup>2</sup>, bps



1. Total Income ex notable items. 2. Net Interest Margin (NIM) = Reported Group Net Interest Income / Group Average Interest Earning Assets.

## Disciplined approach to growth in targeted areas

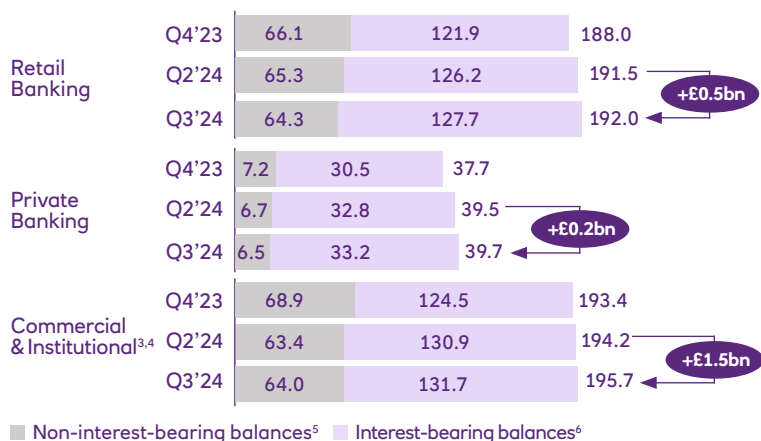
Gross loans to customers (amortised cost) at Q3'24, £bn



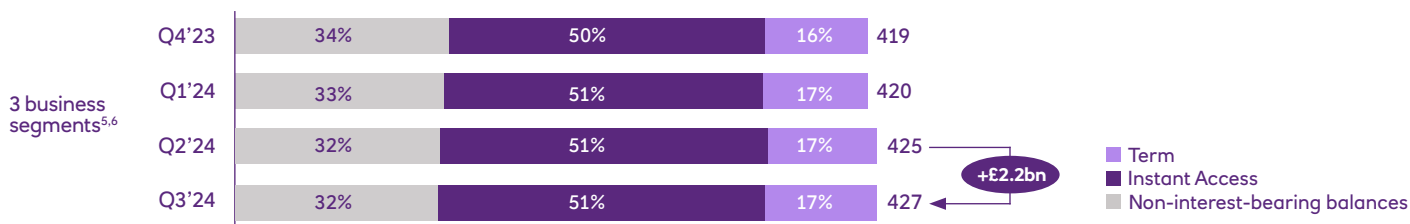
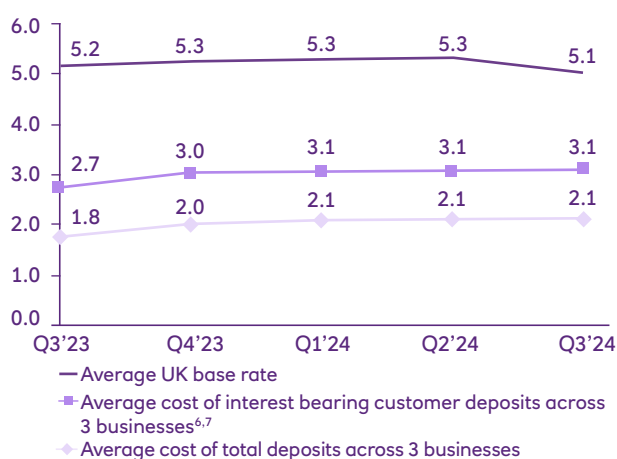
1. Across Retail and Private Banking 2. All sub-segments in Commercial & Institutional exclude government schemes 3. Totals may not cast due to rounding. 4. Stock share of Retail Banking and Private Banking mortgages, calculated as a percentage of monthly amounts outstanding of total sterling net secured lending to individuals (in sterling millions) not seasonally adjusted as per Dec'23 and August'24 BoE data. This includes 0.2% from Metro transaction which completed in September. Underlying stock share is 12.4%. 5. Stock share of Retail Banking and Private Banking credit cards management estimate calculated as a percentage of total sterling net credit card lending to individuals (in sterling millions) not seasonally adjusted as per August'24 BoE data.

# Deposit growth across all 3 businesses and migration slowing

Customer deposits by type across the 3 customer businesses<sup>1</sup>, £bn



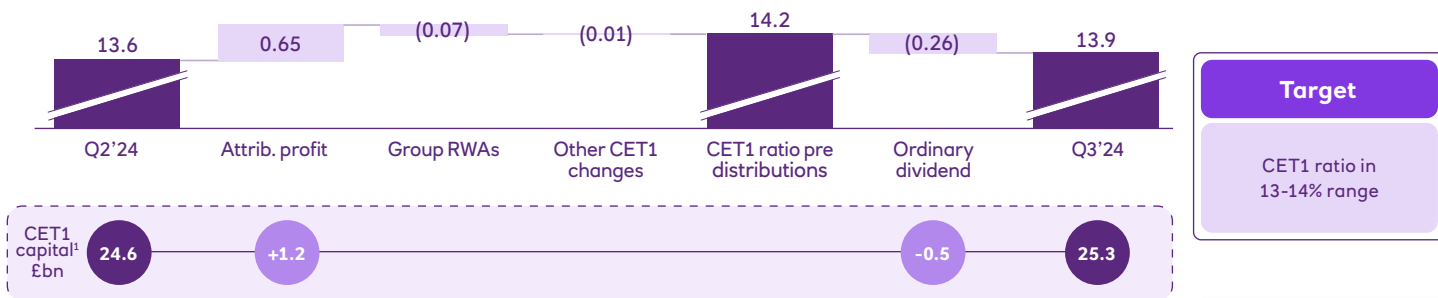
Third party customer deposit rate and UK Base Rate, %<sup>2</sup>



1. May not cast due to rounding. 2. Refer to page 43 of NWG Q3'24 IMS for the definition of third-party rates. 3. 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. 4. Q2'24 C&I mix restated following reclassification of c.£0.6bn balances from non-interest bearing to interest-bearing. 5. Non-Interest-bearing balances for Retail Banking and Private Banking are current accounts. 6. Interest-bearing balances Retail Banking and Private Banking are savings. 7. Q4'23 numbers were restated to reflect updated methodology.

## CET1 13.9%, RWA guidance reiterated, B3.1 estimate of ~£8bn

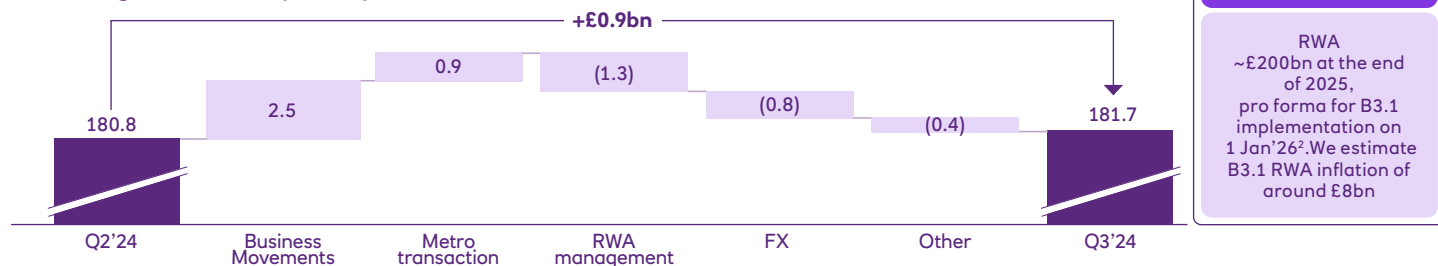
Common Equity Tier 1 (CET1) ratio, %



**Target**

CET1 ratio in 13-14% range

Risk-weighted assets (RWAs), £bn



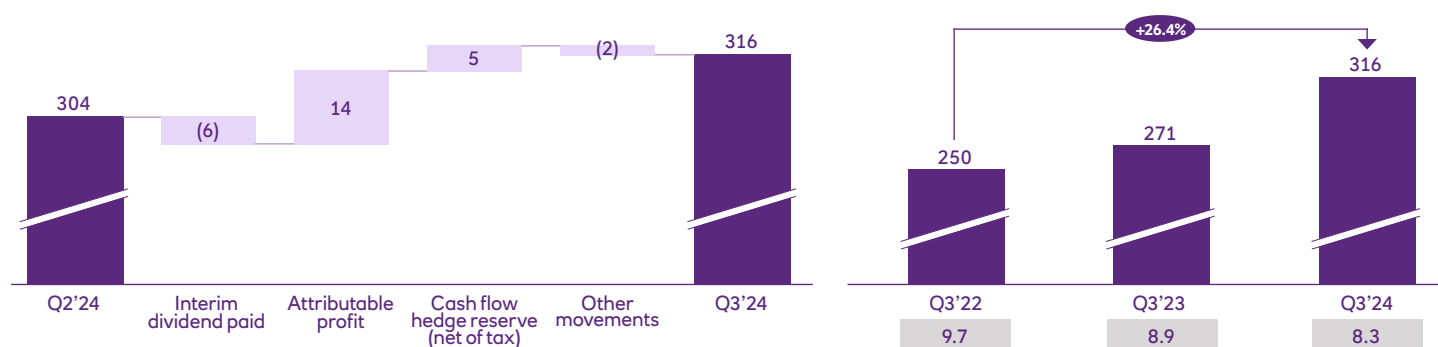
**Guidance**

RWA ~£200bn at the end of 2025, pro forma for B3.1 implementation on 1 Jan'26. We estimate B3.1 RWA inflation of around £8bn

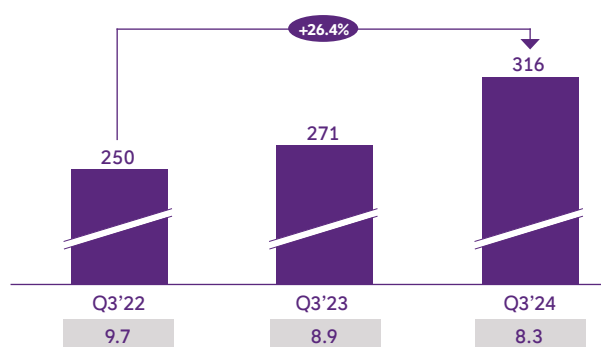
1. May not cast due to rounding 2. Guidance includes the impact of Basel 3.1, subject to final rules and approval.

## Strong growth in TNAV per share

Tangible Net Asset Value (TNAV) per share, pence

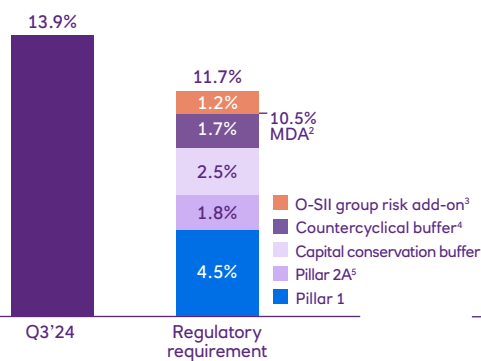


TNAVps Ordinary shares outstanding at period end (bn)

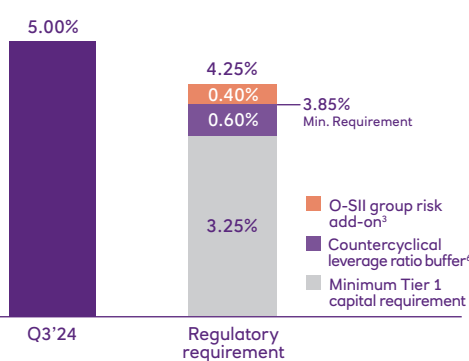


# Strong capital and liquidity positions provide confidence and flexibility

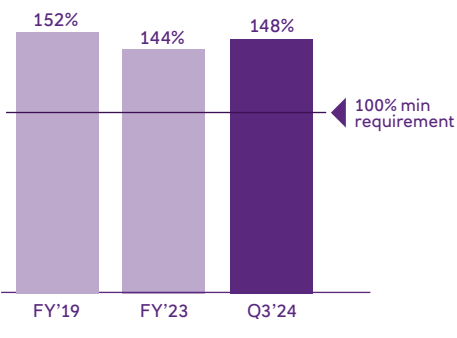
**CET1 capital**  
(% RWA)<sup>1,2</sup>



**UK leverage ratio**  
(Tier 1 capital as % leverage exposure)



**Liquidity coverage ratio (LCR)**  
as at Q3'24  
Headroom of £52.7bn



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 increased 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.

Credit ratings	Moody's	S&P	Fitch
<b>Group holding company</b>			
NatWest Group plc	A3/Sta	BBB+/Sta	A/Sta
Tier 2 <sup>1</sup>	Baa1	BBB-	BBB+
AT1 <sup>1</sup>	Baa3	BB-	BBB-
<b>Ring-fenced bank operating companies</b>			
NatWest Bank Plc	A1/Sta <sup>2</sup>	A+/Sta	A+/Sta
NatWest Bank Europe GMBH	NR	A+/Sta	A+/Sta
Royal Bank of Scotland plc	A1/Sta <sup>2</sup>	A+/Sta	A+/Sta
<b>Non ring-fenced bank operating companies</b>			
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 <sup>3</sup>	A/Sta	A/Sta

1. Ratings are based on outstanding instruments issued by NatWest Group. 2. 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. 3. Moody's Deposit rating. Senior Unsecured Debt rating is A2. The outlook on both ratings is Stable.

ESG Rating <sup>1</sup>	Scale:	2021:	2022:	2023:	Oct 2024:
MSCI	AAA to CCC	▲ AA	AA	AA	AA

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