

NatWest Group plc

Investor Factbook

H1 Results 2024



NatWest Group

Our focus is on creating sustainable long-term value

- Resilient income¹ at £7.0bn in H1'24
- Asset quality remains strong
- £6.1bn deposit growth with mix stabilisation
- CET1 ratio 13.6% post directed buy back
- Leading positions across our three businesses with capacity for disciplined growth

Attractive returns to shareholders

£1.7bn total distributions
to shareholders²

6p interim dividend
+9% vs H1'23

£1.24bn buyback
<20% Government shareholding
vs 38% at FY'23

1. Excludes notable items per slide 22 of the H1'24 Results Slides. 2. £1.7bn includes £1.2bn Directed Buyback executed in May'24 and £0.5bn interim dividend announced at H1'24.

Our business has delivered H1'24 RoTE of 16.4%

Strong returns with attributable profit of £2.1bn, EPS 24.2p

£7.0bn
Income ex notable items¹
vs £7.4bn in H1'23

£4.0bn
Costs²
vs £3.8bn in H1'23

16.4%
Return on Tangible Equity
vs 18.2% in H1'23

Strong funding and risk management: 3bps Loan impairment rate

83%
Loan to Deposit Ratio
£72bn surplus deposits³

151%
Liquidity Coverage Ratio
£54.5bn headroom⁴

13.6%
CET1 ratio
vs 13.4% at FY'23

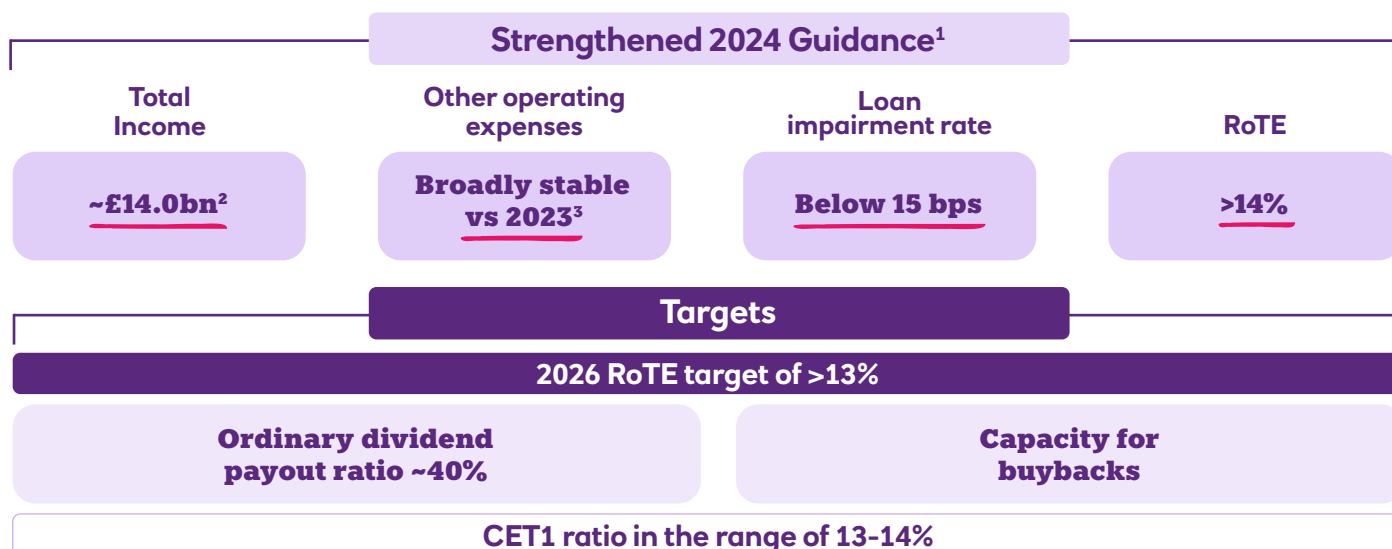
Continued capital generation and £1.7bn distributions⁵

~30bps
RWA management benefit to CET1 ratio

6p
Ordinary dividend per share +9% vs H1'23

£1.2bn
Directed Buyback May 2024

1. Excludes notable items per slide 22 of H1'24 Results Slides. 2. Costs excluding litigation and conduct. 3. The loan:depositratio (LDR) (excl. repos and reverse repos) was 83% at Q2 2024, with customer deposits exceeding net loans to customers by around £72 billion. 5. £1.7bn includes £1.2bn Directed Buyback executed in May'24 and £0.5bn interim dividend announced at H1'24.



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'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. 2. Total Income ex notable items. 3. Broadly stable vs 2023 ex +£0.1bn levies and -£24m Retail Offer costs.

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Progress against our strategic priorities in H1'24

Disciplined growth

- **Growing our customer base:** +220k¹
- **Accretive growth in target segments:**
Loans to Commercial Mid-market customers + £1.8bn²
AUMA growth of £4.3bn, +11%
Credit cards share to 9.0%³, +0.5%
- **Accelerated by inorganic activity:**
Sainsbury's Bank transaction
Metro Bank mortgage portfolio

Building stable income streams

Bank-wide simplification

- **Strategic hubs from 3 to 2:**
Poland exit by end 2025 announced
- **Platforms and Channels:**
Telephony systems from 20 to 5
FX spot onboarding from 7 to 1 day
- **Scaling and embedding AI:**
Launched Generative AI enabled digital assistant Cora+
Increased fraud prevention, reducing losses

Improving productivity and efficiency

Active balance sheet and risk management

- **Active liquidity management:**
£6.1bn deposit growth with mix stabilisation
- **£4.3bn RWA Management** including Significant Risk Transfers and Credit Risk Insurance
- **£1.7bn distributions** including £1.24bn directed buyback and £0.5bn interim dividend, 6p DPS

Driving capital generation and distribution capacity

1. Net new customers added across NatWest Group between FY'23 and H1'24. 2. Gross loans in Commercial Mid-market excluding government schemes. 3. 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 Dec'23 and May'24 BoE data.

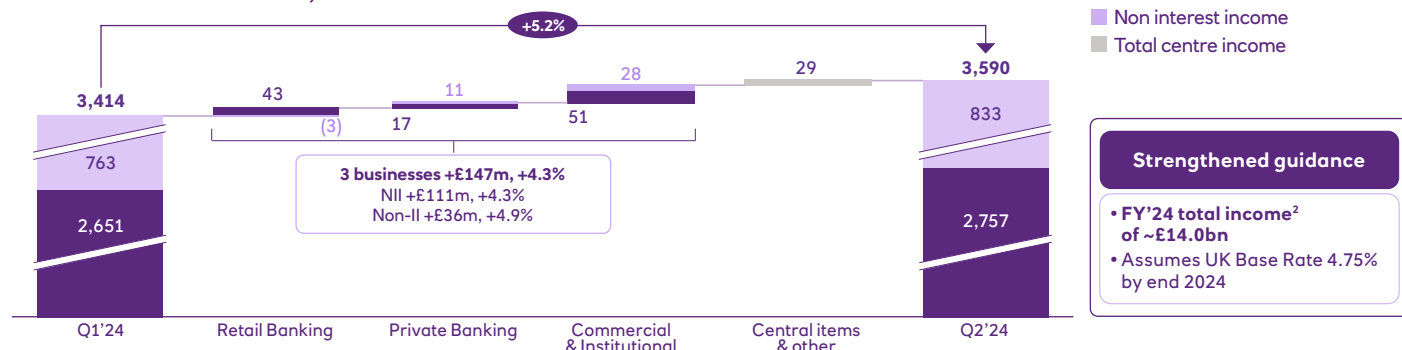
Segmental summary¹

Group Q2'24, £bn	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
Net interest income	1.3	0.2	1.3	0.1	2.8
Non-interest income	0.1	0.1	0.6	0.1	0.9
Total income	1.4	0.2	1.9	0.1	3.7
Income ex-notable items	1.4	0.2	1.9	0.0	3.6
Other operating expenses	(0.7)	(0.2)	(1.1)	(0.0)	(1.9)
Litigation and conduct	(0.0)	-	(0.0)	(0.0)	(0.1)
Operating expenses	(0.7)	(0.2)	(1.1)	(0.0)	(2.0)
Operating profit/(loss) before impairment releases/(losses)	0.7	0.1	0.8	0.1	1.7
Impairment releases/(losses)	(0.1)	0.0	0.1	0.0	0.0
Operating profit/(loss)	0.6	0.1	0.9	0.1	1.7
£bn					
Net loans to customers – amortised cost	203.3	18.1	133.9	24.0	379.3
Customer Deposits	191.5	39.5	194.2	7.8	433.0
RWAs	62.3	11.0	104.9	2.6	180.8
Return on equity / tangible equity	20.3%	14.4%	17.8%	nm	18.5%
Cost:income ratio	50.5%	74.2%	54.3%	nm	52.7%

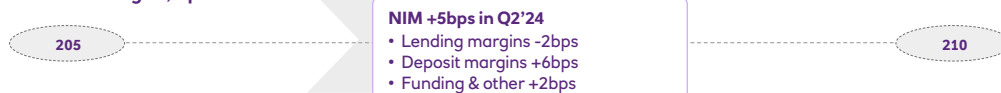
1. May not cast due to rounding.

Q2'24 Income up 5.2% to £3.6bn

Income excl. notable items, £m



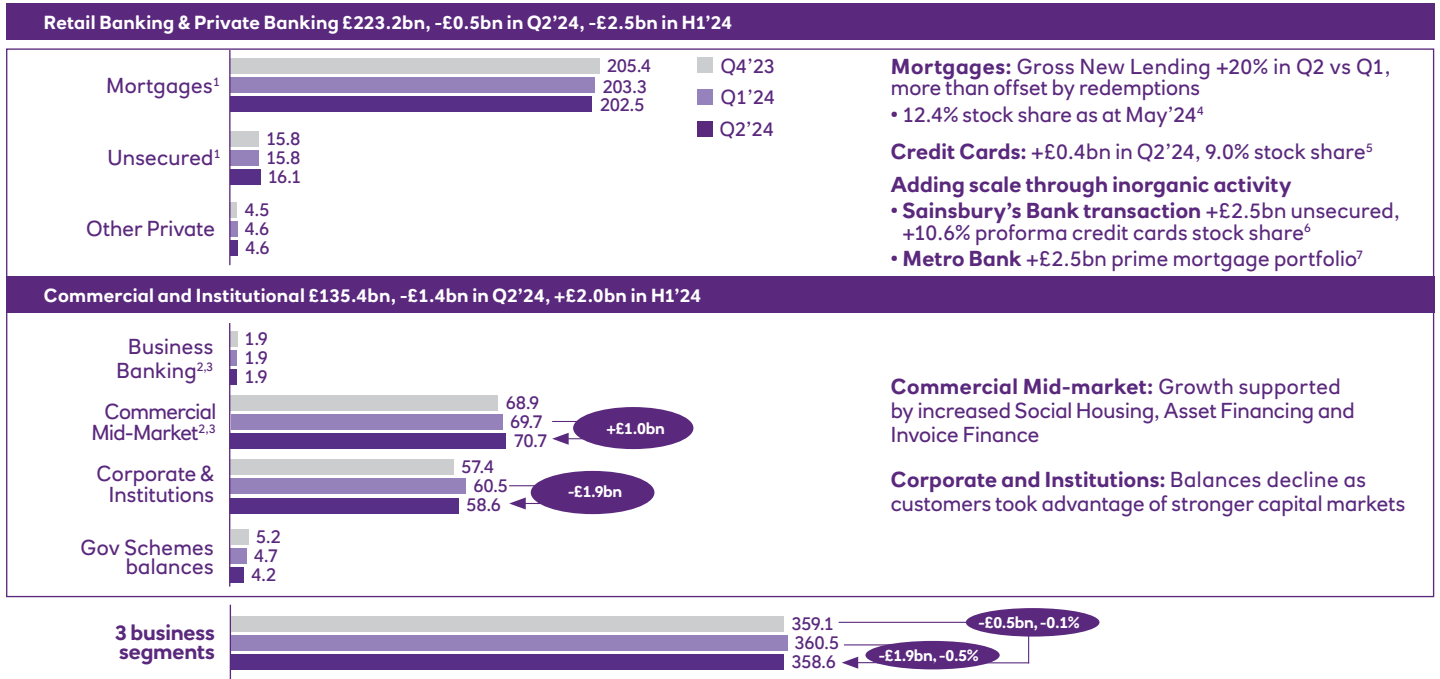
Net interest margin¹, bps



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

Disciplined approach to growth in targeted areas

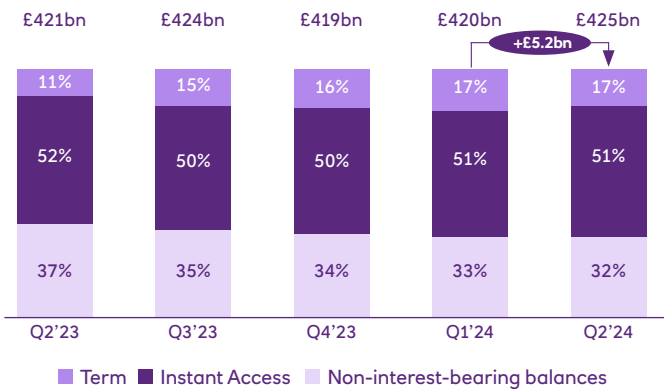
Gross loans to customers (amortised cost) at Q2'24, £bn



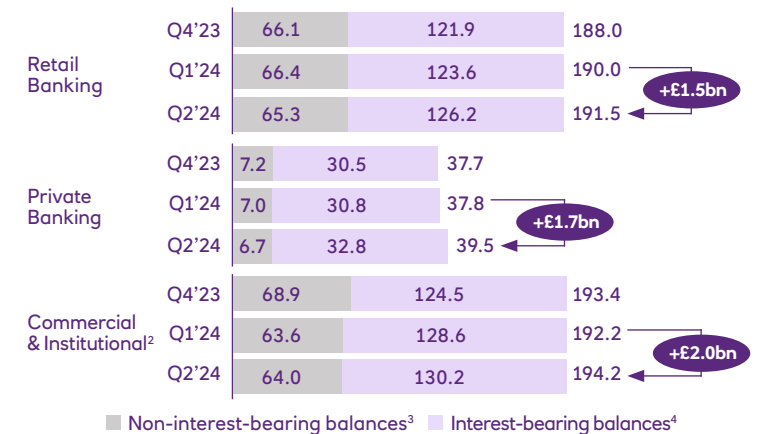
1. Across Retail and Private Banking 2. All sub-segments in Commercial & Institutional are ex government schemes 3. Totals may not cast due to rounding. 4. Stock share of Retail Banking and Private Banking mortgages, calculated as a percentage of monthly amounts outstanding of total sterling net secured lending to individuals (in sterling millions) not seasonally adjusted as per Dec'23 and May'24 BoE data. 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 May'24 BoE data. 6. Forecast balance sheet and account values disclosed are at completion which is assumed to be 31 March 2025. Under the terms of the transaction, the gross customer assets and liabilities and associated cash at completion will transfer to NatWest Group and an agreed £125M consideration will be payable from Sainsbury's Bank to NatWest Group. The forecast utilises values which are based on management information provided by Sainsbury's Bank. Actual gross customer assets, balances and customer accounts to be acquired may vary at completion. The final consideration will reflect the value of assets and liabilities transferred at completion of the transaction and will be subject to certain customary adjustments. 7. Completion of the transaction is conditional on a satisfactory response from the Competition & Markets Authority.

£5.2bn deposit growth across all businesses and migration slowing

Deposit mix by interest type across the 3 customer businesses¹ %, £bn



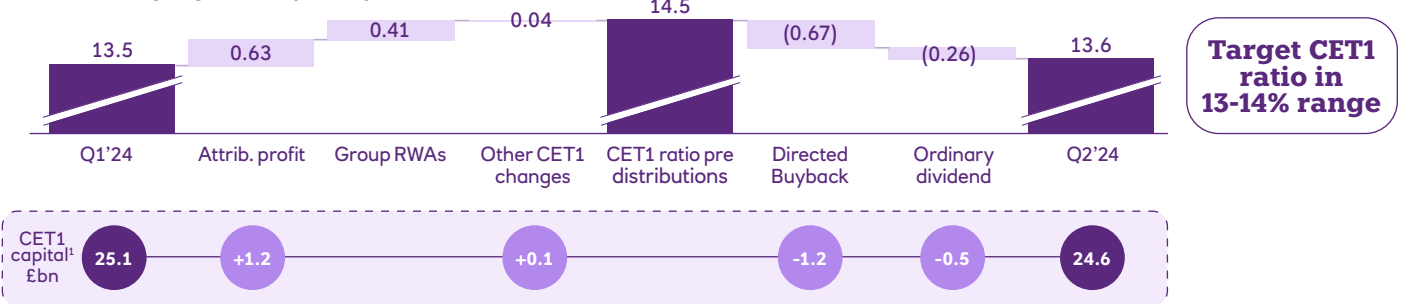
Customer deposits by type across the 3 customer businesses¹, £bn



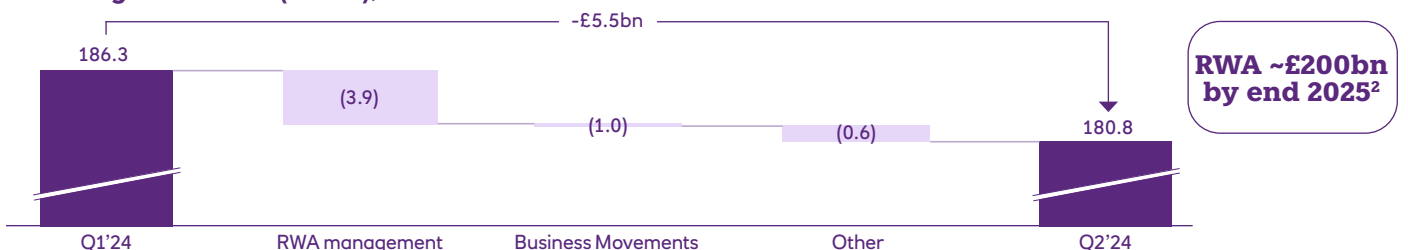
1. May not cast due to rounding. 2. The Non-interest-bearing and Interest-bearing split for Commercial & Institutional is implied from the Total for the three businesses and the disclosures for Retail Banking and Private Banking. 3. Non-Interest-bearing balances for Retail Banking and Private Banking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

CET1 13.6% post Directed Buyback

Common Equity Tier 1 (CET1) ratio, %



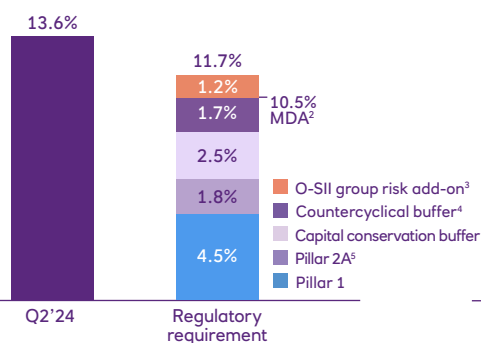
Risk-weighted Assets (RWAs), £bn



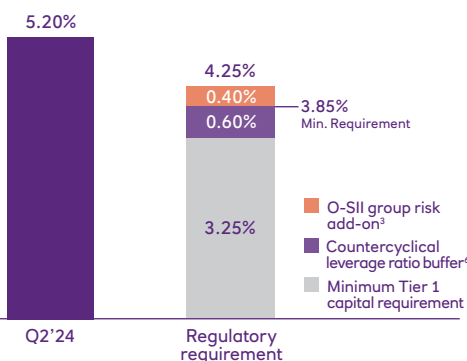
1. May not cast due to rounding 2. Guidance includes the impact of Basel 3.1, subject to final rules and approval.

Strong capital and liquidity positions provide confidence and flexibility

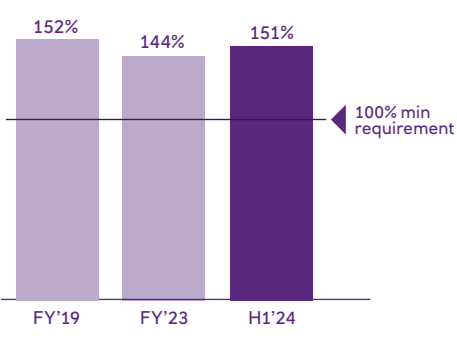
CET1 capital (% RWA)^{1,2}



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



Liquidity coverage ratio (LCR) as at Q2'24



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
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
NatWest Bank Europe GMBH	NR	A+/Sta	A+/Sta
Royal Bank of Scotland plc	A1/Sta ¹	A+/Sta	A+/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 ²	A/Sta	A/Sta

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.

ESG Rating ¹	Scale:	2021:	2022:	2023:	July 2024:
MSCI	AAA to CCC	AA	AA	AA	AA

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Legal entity issuing structure

Investors

