



NatWest
Group

NatWest Group FY 2022 Results

17 February 2023



NatWest
Group

Howard Davies Chairman



NatWest
Group

Alison Rose

Chief Executive 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 RoI. 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.

We have built an all-weather balance sheet and are well positioned to support stakeholders and navigate through uncertainty

Strong Capital, Funding & Liquidity

14.2%
CET1
Ratio

5.4%
Leverage
Ratio

145%
Liquidity Coverage
Ratio

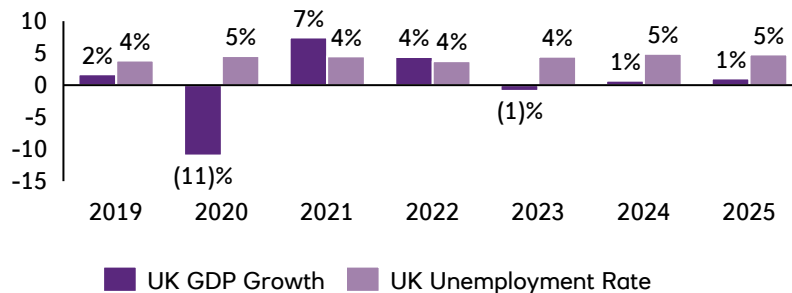
High quality loan book

93%
Secured personal
lending

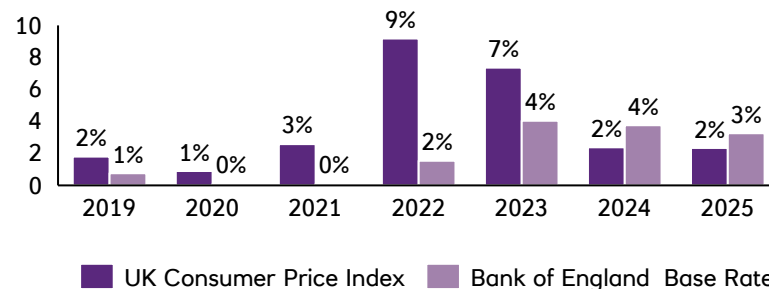
53%
Average Mortgage
LTV

47%
Average
Commercial Real
Estate LTV

UK macro outlook is challenging, however we remain well provided
Annual average, %¹



Our customers face higher inflation and interest rate environment
Annual average, %¹



1. 2019-2022 per ONS, Bank of England. 2023-2025 Forecasts are annual average calculations, for base case scenarios refer to NatWest Group IFRS 9 disclosure on ARA p.198.

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

Our purpose-led strategy is delivering and we are strongly placed for future growth

Transformation progress

Strategic priorities	Metrics	FY'19	FY'22	
Supporting customers at every stage of their lives	Retail Net Promoter Score ¹	+4	+22	↑
	Affluent Net Promoter Score ¹	-2	+25	↑
	Commercial Net Promoter Score ²	+23	+22	→
Simple to deal with	Retail current and savings account opening straight through processing	14%	72%	↑
	Retail customer needs met digitally	53%	88%	↑
	Commercial customers digitally active	76%	83%	↑
Sharpened capital allocation	RWA density ³	53%	47%	↓
	NatWest Markets plc & UBIDAC RWA (£bn)	47.9	27.1	↓
	CRE loan balances (£bn)	23.1	17.3	↓
Powered by innovation and partnerships	Mettle accounts opened ('000s)	<1	44	↑
	Tyl volume of transactions, millions	1.0	69.5	↑

NatWest today

A relationship bank for a digital world
<ul style="list-style-type: none"> • 19m customers across the Group • No.1 UK Commercial bank⁴ • 3rd largest UK mortgage lender⁵ and No.1 UK private bank⁶ • Enhanced youth proposition from Rooster Money acquisition
<ul style="list-style-type: none"> • Operating at scale with strong digital engagement • Leveraging the latest AI techniques to support customers • Instant decision for Business Banking loans up to £50,000
<ul style="list-style-type: none"> • Positioned for growth across our 3 business segments • Active capital and risk management with a diversified loan book • Returning capital to shareholders
<ul style="list-style-type: none"> • Banking-as-a-Service strategic partnership with Vodeno • BlackRock collaboration with Coutts

1. Strategic NPS benchmarking study run through InMoment, England & Wales. In December 2021, a methodology change was made allowing respondents to complete the survey on a mobile device. It caused an uplift in NPS scores across all brands in 2022, rank performance remained unaffected. 2. As measured by MarketVue Business Banking from Savanta at Q4 2022. This is a survey of 2,738 businesses with a turnover over £2m in Great Britain. 3. RWA density calculated as total RWAs divided by Gross Loans (incl. Disposal groups) minus ECL provision. 4. Based on NatWest Group having the highest main-bank market share (28.7%) and the highest net-promoter score for businesses with a turnover over £2m as measured by MarketVue Business Banking from Savanta at Q4 2022. 5. Based on our latest available Balance Sheet position relative to other UK banks. 6. Measured by investment and deposit balances according to the latest available data.

We will build on our purpose led strategy, amplifying our approach in three key growth areas whilst maintaining expense and capital discipline



Deliver sustainable RoTE of 14-16%

Build on our core strengths across Retail Banking

Our Focus for Growth

Retail Banking 43% of Group Income, 54% of Group loans¹ and 31% of RWA's

Key achievements (2019 vs 2022)

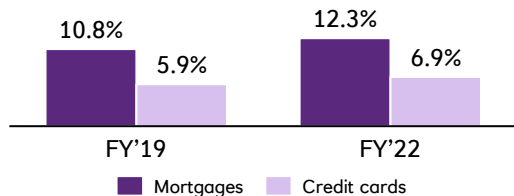
Driving customer satisfaction, NPS

- Supporting 17m retail customers to thrive



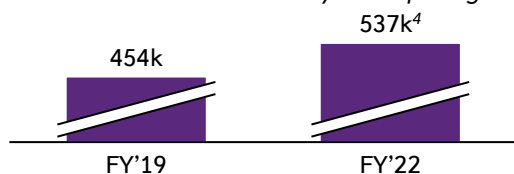
Growing stock share in mortgages² and credit cards

- Personal current account stock share³ of ~16%



Growing number of youth and family accounts

- c.90k NatWest Rooster Money card openings in 2022



Strategic focus (2023 onwards)

a

Delivering personalised solutions across customers' lifecycles

- Supporting customers to achieve their financial goals through personalised, data-driven engagement
- Strengthening our youth and family offering, and creating a simple and compelling affluent proposition
- Enhancing our proposition to make financial wellbeing accessible and tailored for our customers

b

Supporting customers' sustainability transitions

- Develop home retrofit service to help customers improve the energy efficiency of their properties
- Intend to make available at least £10 billion in lending related to residential properties with an EPC A or B rating from 1 January 2023 to the end of December 2025⁵
- Engage customers through climate education to help to track their carbon footprint

c

Embedding our services in our customers' digital lives

- Increase share of the digital-only mortgage market through an end-to-end proposition
- Make our credit scoring solution available to the whole of market

1. FY'22 Income and net loans and advances to customers - at amortised cost. 2. Stock share of Retail Banking and Private Banking mortgages, based on Dec'22 BoE data. 3. Current account stock, FY'22 share based on Dec'22 CACI data.

4. Includes NatWest Rooster Money and NatWest adapt/revolve current accounts age 11-17. 5. As part of our existing £100bn Climate and Sustainable Funding and Financing target.

Grow AUM and scale our wealth offering

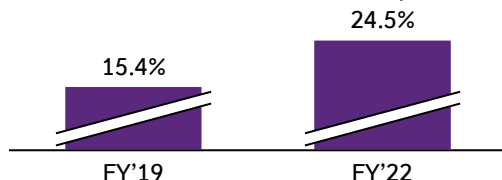
Our Focus for Growth

Private Banking 8% of Group Income, 5% of Group loans¹ and 6% of RWA's

Key achievements (2019 vs 2022)

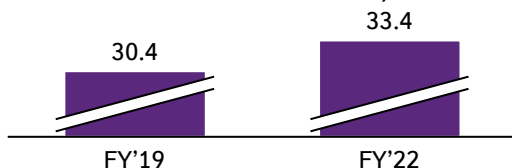
No.1 UK Private Bank² with strong Return on Equity

➤ *Coutts and Co. certified as a B Corp in 2021*



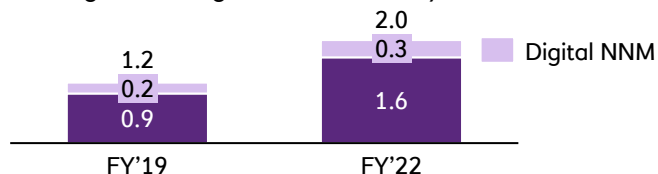
Growing AuMA³, £ billion

➤ *Includes £6.5bn Net New Money since 2019*



Growing Net New Money⁴, £ billion

➤ *60% growth in digital Net New Money since 2019*



Strategic focus (2023 onwards)

a

Delivering personalised solutions across customers' lifecycles

- Grow AuMA through unlocking the value of Group referrals and build on our affluent NPS of +25
- Scale our wealth offering and deepen customer engagement through personalisation

b

Supporting customers' sustainability transitions

- Reach net zero across our discretionary managed investments by 2050
- Increase sustainable investing capabilities to support our clients' climate transition
- Help and incentivise customers to improve the energy efficiency of their properties

c

Embedding our services in our customers' digital lives

- Enhance capabilities and distribution of our Asset Management platform through digital and hybrid investment journeys
- Acquisition of a majority shareholding in Cushon following a successful pilot to offer Workplace Pensions, building new long term fee income⁵

1. FY'22 Income and net loans and advances to customers - at amortised cost. 2. Measured by investment and deposit balances according to the latest available data. 3. AUMA comprises both assets under management (AUMs) and assets under administration (AUAs) serviced through Private Banking. £1.8bn AuMA reduction in Q4 2021 due to the sale of Adam & Company Investment Management Ltd 4. Net New Money is reported and tracked to monitor the business performance of new business inflows and management of existing client withdrawals across Retail Banking, Private Banking and Commercial & Institutional Banking. 5. Acquisition announcement on 13th of February 2023.

Broaden offering and deepen relationships across C&I

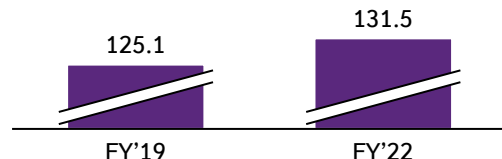
Our Focus for Growth

Commercial & Institutional 49% of Group Income, 35% of Group loans¹ and 59% of RWA's

Key achievements (2019 vs 2022)

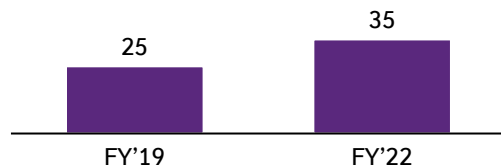
Supporting our customers, loans £bn²

- £27.2bn of CSFF³ delivered towards the £100bn target



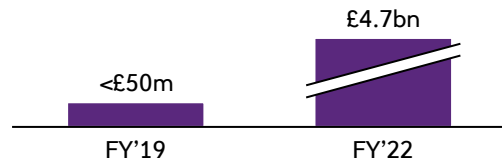
Growing our successful funds business⁴, commitments £bn

- Collaboration across C&I to better serve customers



Scaling our merchant acquiring, Tyl & Payit value processed

- 77 million transactions processed in 2022



Strategic focus (2023 onwards)

a Delivering personalised solutions across customers' lifecycles

- Build on position as the leading high street bank for start-ups, market share of 16.4% in Q4'22 up from 10.8% in Q4'21⁵
- Develop full lifecycle support for entrepreneurs and high growth customers
- Invest in a new trade finance platform to transform our capability and improve customer experience

b Supporting customers' sustainability transitions

- Expand leading ESG and Sustainability capabilities⁶ to provide transition finance at scale, delivered £27.2bn of CSFF target³
- Build out Carbonplace platform to enable customers to easily buy, sell and settle carbon credits
- Roll-out Carbon Planner to support SME customers to understand their carbon footprint

c Embedding our services in our customers' digital lives

- Deepen penetration with existing customers through targeted FX and Rates products
- Scale Tyl and Payit as a holistic payments offering for our business customers
- Strategic partnership with Vodeno for pan-UK/EU Banking-as-a-Service proposition

1. FY'22 Income and net loans and advances to customers - at amortised cost. 2. Gross loans as at 31 December 2019 and 31 December 2022. 3. C&I provided £27.2bn to date of the £100bn of Climate and Sustainable Funding and Financing target between 1 July 2021 and end 2025 (includes on and off balance sheet). 4. Refers to increased lending volume with our funds customers (mid-market and global fund managers and sector specific funds e.g. ESG) drawn and undrawn commitments.

5. Based on NatWest Group having the highest main-bank market share (16.4%) among businesses younger than 2 years old. Compared to other banks with a presence on the high street. Source: MarketVue Business Banking from Savanta at Q4 2022.

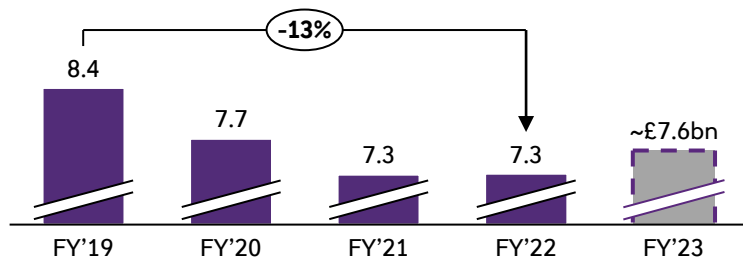
This is a survey of 791 start-ups across Great Britain. Excludes businesses using personal bank accounts. 6. In 2022, NatWest Markets ranked first among bookrunners for supporting UK Financial Institutions Group (FIG) and UK corporate green, social, sustainability and sustainability-linked (GSS/S) debt issuance. Source: Dealogic, 31 December 2022 – excludes money market and short-term debt.

Maintain expense and investment discipline

We target further efficiency improvements

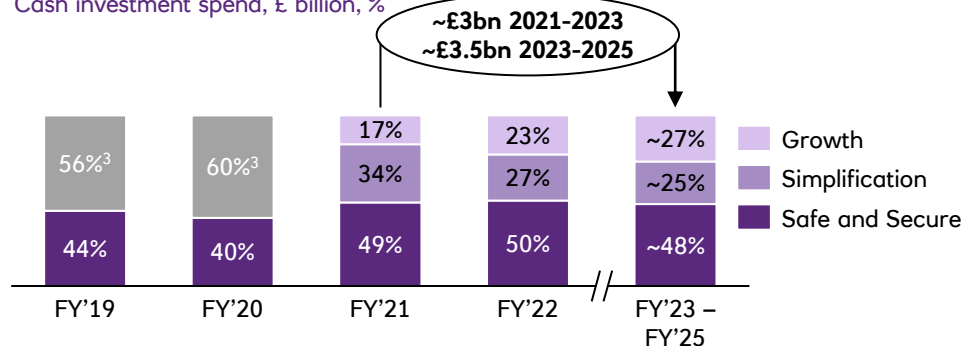
Other operating expenses, £ billion

Cost:Income ratio ¹				FY23 target	Medium-term target
60% ²	74%	70%	56%	<52%	<50%



Our investment spend will increasingly focus on growth

Cash investment spend, £ billion, %



Our approach to investment

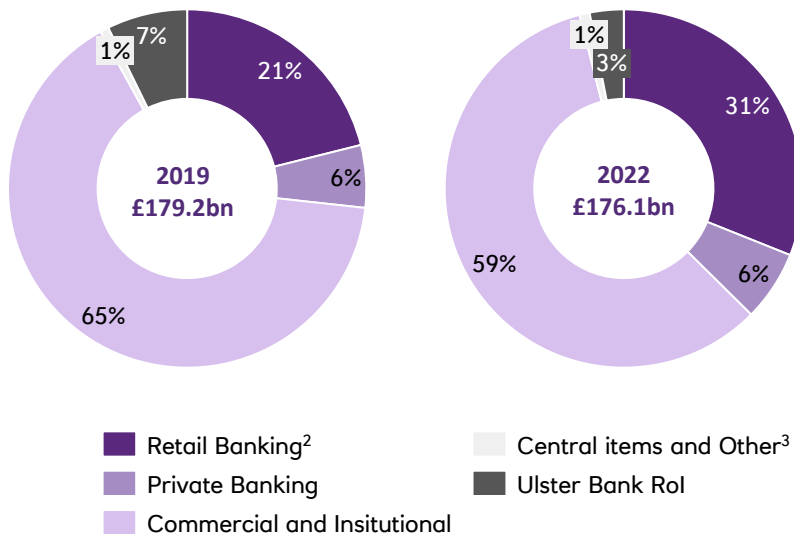
Growth	<ul style="list-style-type: none"> Enhance data analytics to deliver highly personalised, targeted messaging Finance and facilitate the transition to a sustainable economy, expanding green product offering Continue transformation of group-wide capabilities, including digital mortgages, payments, finance and risk solutions
Simplification	<ul style="list-style-type: none"> Further optimise end-to-end customer journeys Increase use of data and AI to generate automated insights and enable low touch remote support Continue migration to cloud, simplifying architecture and reducing long-term cost
Safe and Secure	<ul style="list-style-type: none"> Continued investment in Fraud and Financial Crime capabilities, keeping customers safe and secure Accelerate the improvement and automation of controls

1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct. 2. FY'19 cost income ratio benefited from FX recycling gains through income following Alawwal bank merger. 3. 2019/20 relates to all discretionary spend.

3 Effective capital deployment: maintaining pay-out ratio of 40%¹

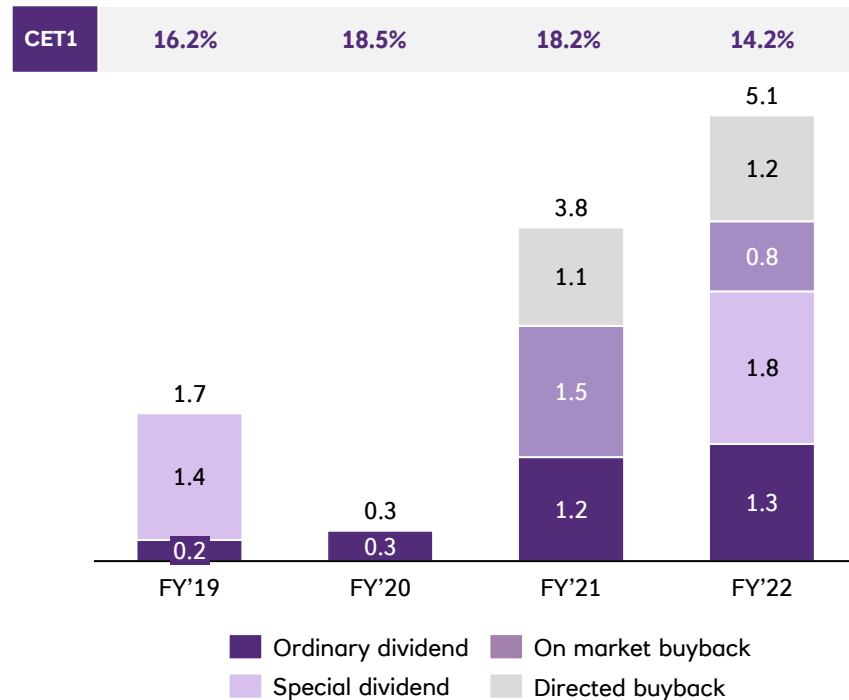
Optimising capital allocation across the group

RWAs by business segments in 2019 versus 2022, %



£10.9bn shareholder distributions 2019-2022

Paid and accrued, £ billion



1. Sustainable medium term target. 2. Retail Banking RWAs increased by £14.8bn due to regulatory changes on 1 Jan 2022. 3. Central items and Other in 2022 includes £5.4bn of remaining Ulster Bank Rol RWAs.

Delivering sustainable value creation and strong distributions

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%

1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct.



NatWest
Group

Katie Murray

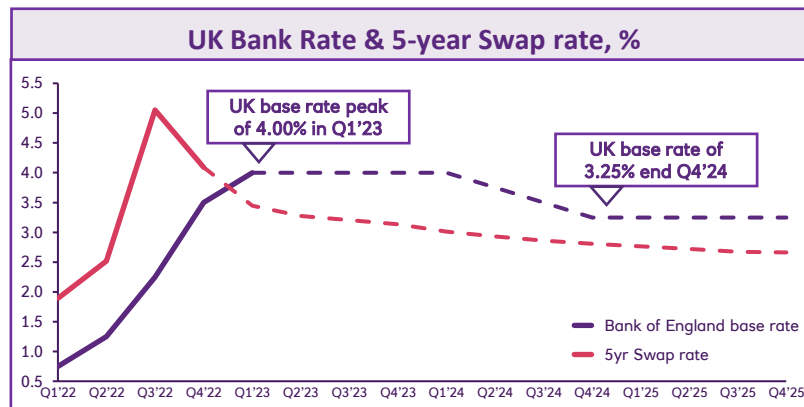
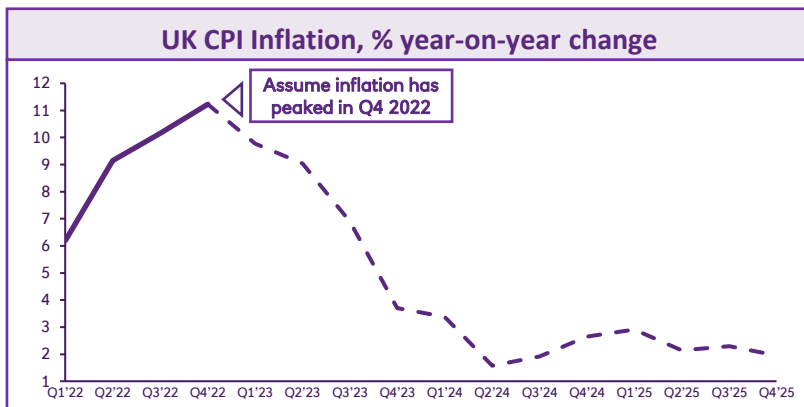
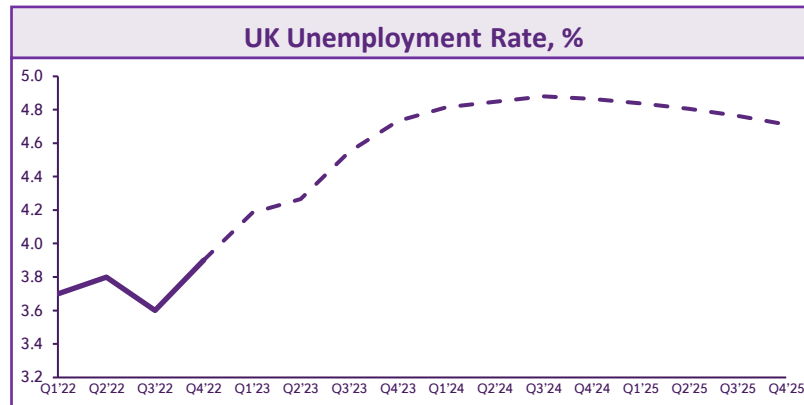
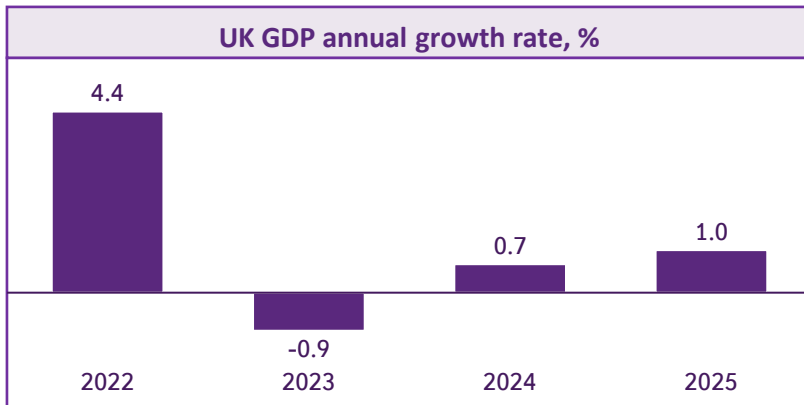
Chief Financial Officer

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. Note that this line excludes notable income items as per slide 43. Excluding Ulster Bank RoI and related Ulster Bank RoI notable items, income growth was 29.7% in line with slide 3

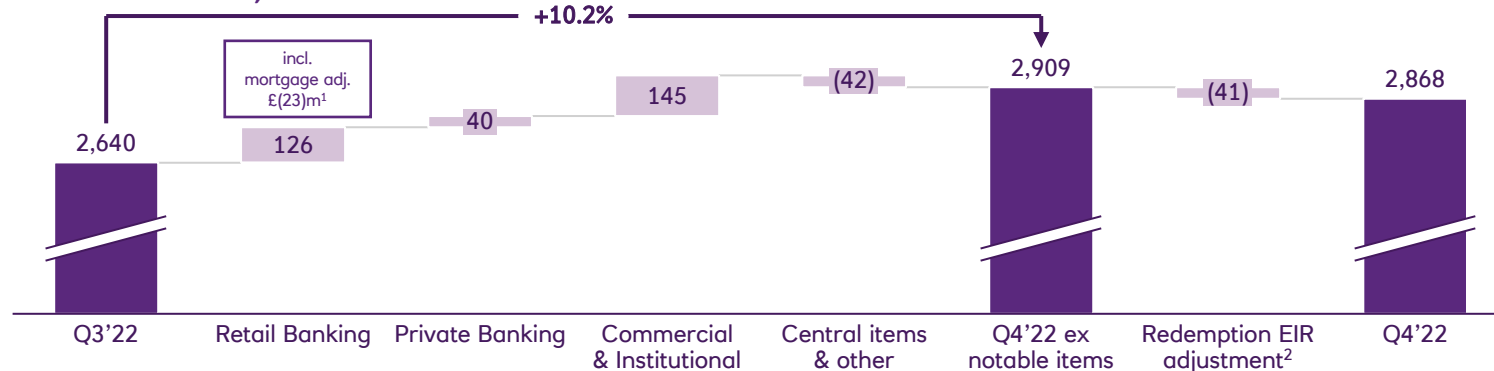
UK macro-economic context and outlook¹



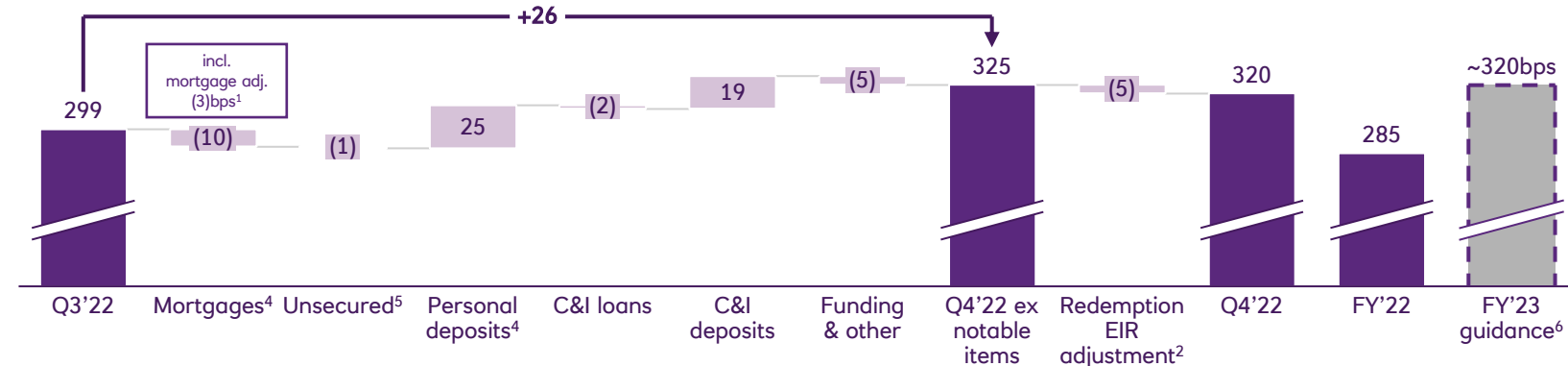
1. 2023-2025 Forecasts per NatWest Group IFRS 9 base case – see ARA p. 196-198.

Continued income momentum in the fourth quarter

Net Interest Income, £m



Bank Net Interest Margin³, bps



350.7

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

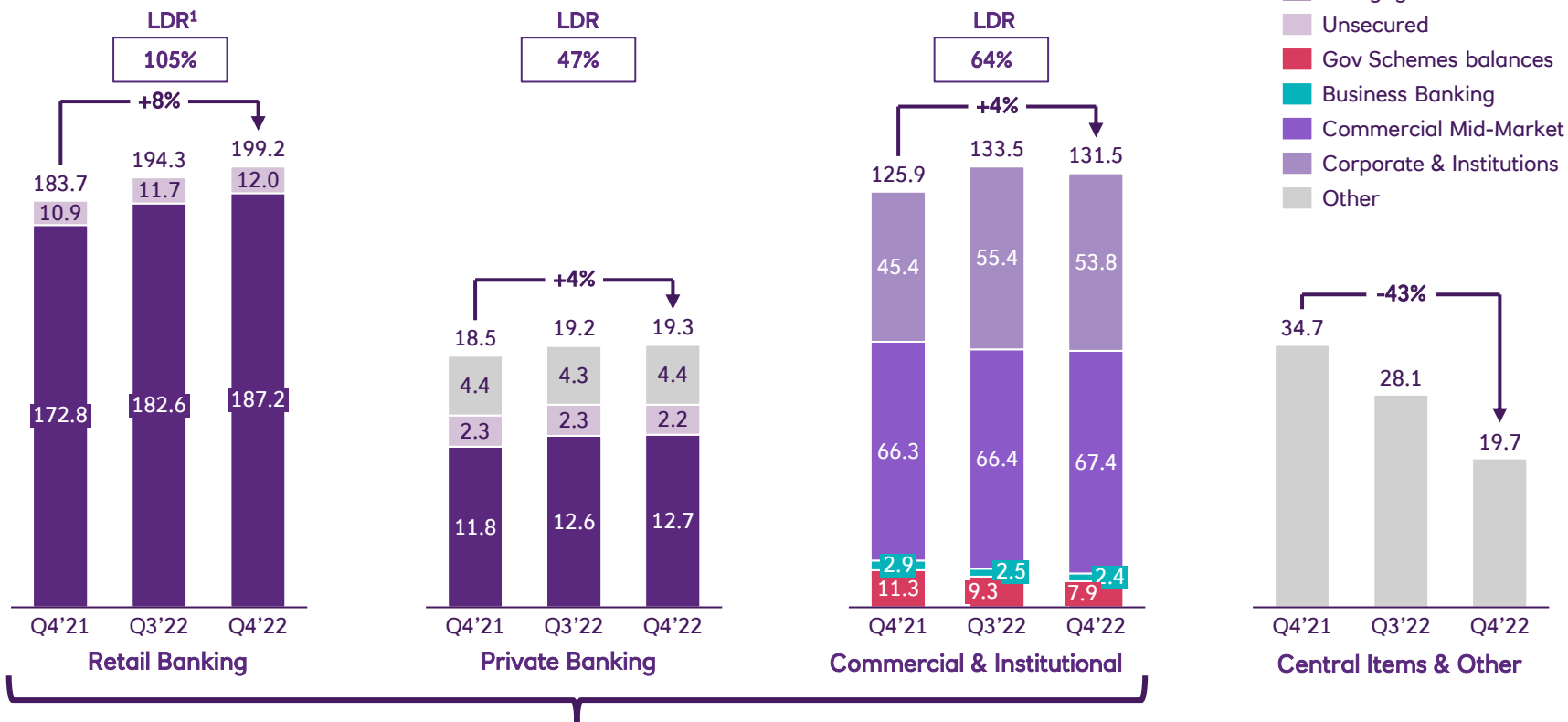
355.8

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

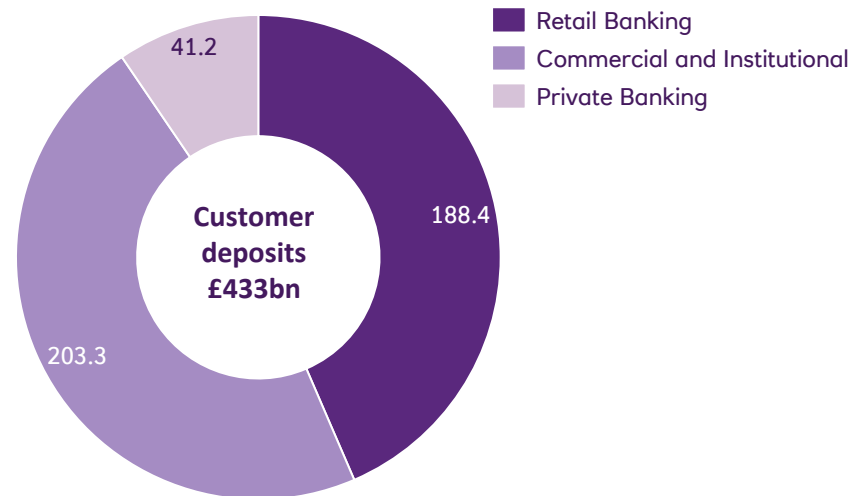
Gross customer loans by products and segments, £bn



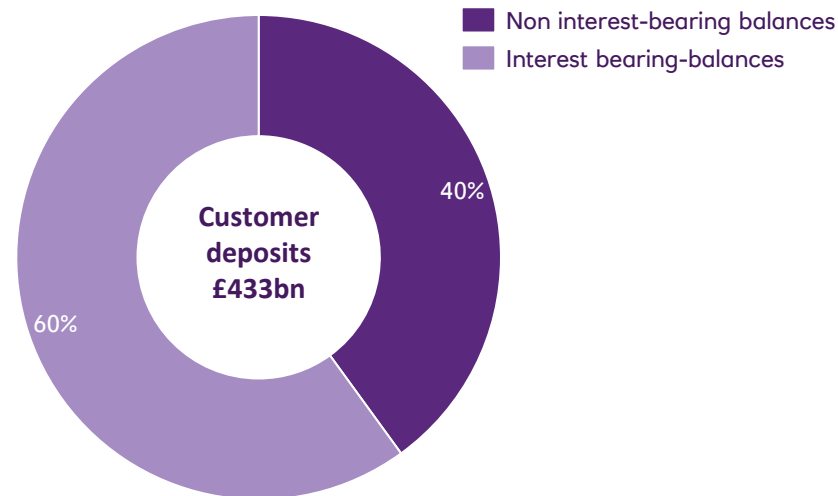
1. Loan:deposit ratio.

Robust deposit funding

Customer deposits in 2022 across our 3 business segments, £bn



Customer deposits mix, %



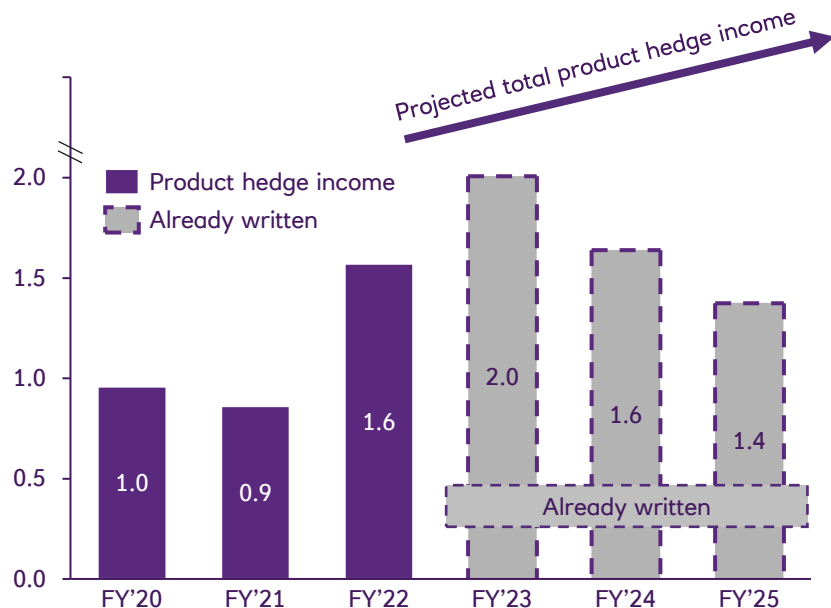
Customer deposits £bn	Q4'22	Q3'22	Q4'21	Q4'22 vs Q3'22	Q4'22 vs Q4'21
Retail Banking	188.4	190.9	188.9	(1.3)%	(0.3)%
Commercial & Institutional	203.3	215.2	217.5	(5.5)%	(6.5)%
Private Banking	41.2	42.2	39.3	(2.4)%	4.8%
Group ex central items	432.9	448.3	445.7	(3.4)%	(2.9)%
Central items & other	17.4	24.7	34.1	(29.6)%	(49.0)%
Group	450.3	473.0	479.8	(4.8)%	(6.1)%

Ulster Bank Rol

Central items & other includes Ulster Bank Rol deposits of £6.2bn, down from £11.3bn in Q3 and £18.4bn in Q4'21 as a result of the phased withdrawal

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

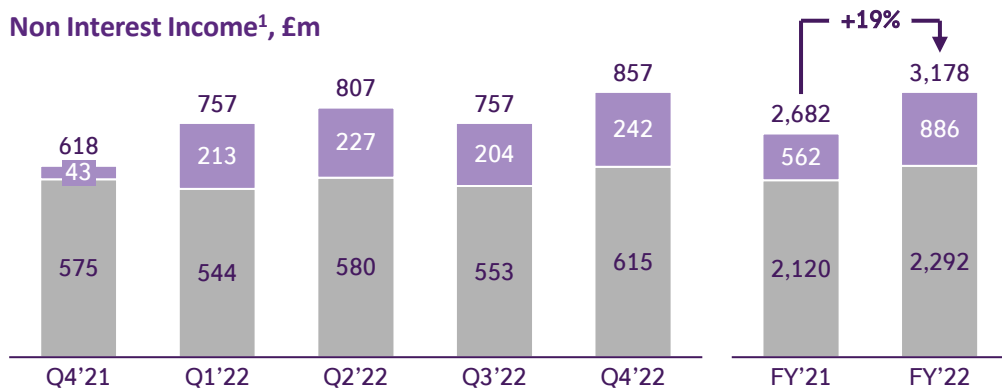
Structural hedge	FY'20	FY'21	FY'22
Period end notional	£169bn	£206bn	£230bn
<i>of which product hedge notional</i>	<i>£125bn</i>	<i>£161bn</i>	<i>£184bn</i>
Annual yield - product hedge	0.83%	0.59%	0.89%
Q4 yield - product hedge	0.72%	0.59%	1.16%

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

Non interest income supported by new lending fees in Q4

Non Interest Income¹, £m

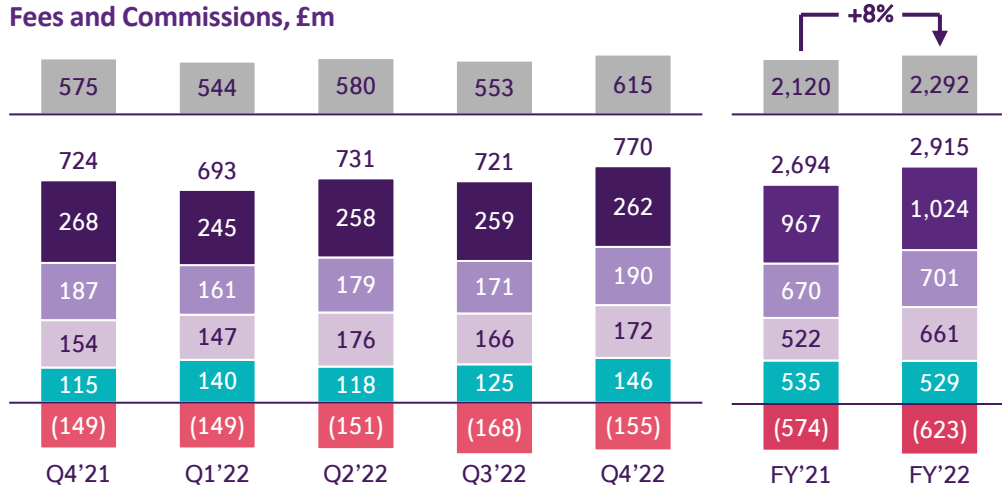


2022 performance supported by:

- Higher spend and payment related fees in Retail Banking and C&I
- Higher trading income in C&I

Trading and other income
Net fees and commissions

Fees and Commissions, £m



Net fees and commissions

Fees and commissions receivable

Payment services

Lending (credit facilities)

Credit and debit card fees

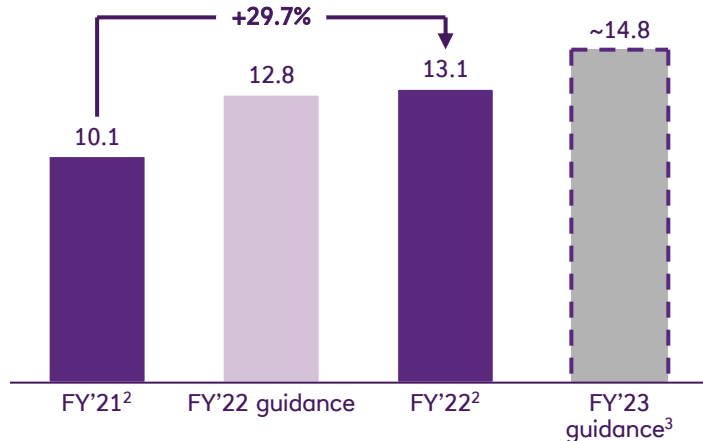
Invest. Mgmt., underwriting, other

Fees and commissions payable

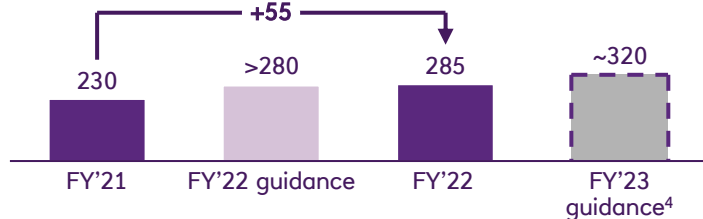
1. Excluding relevant notable income items per slide 43.

Exceeded income guidance in 2022. Total income excluding notable items in 2023 expected to be around £14.8bn

2022 and 2023 income guidance¹, £bn



2022 and 2023 NIM guidance⁴, bps



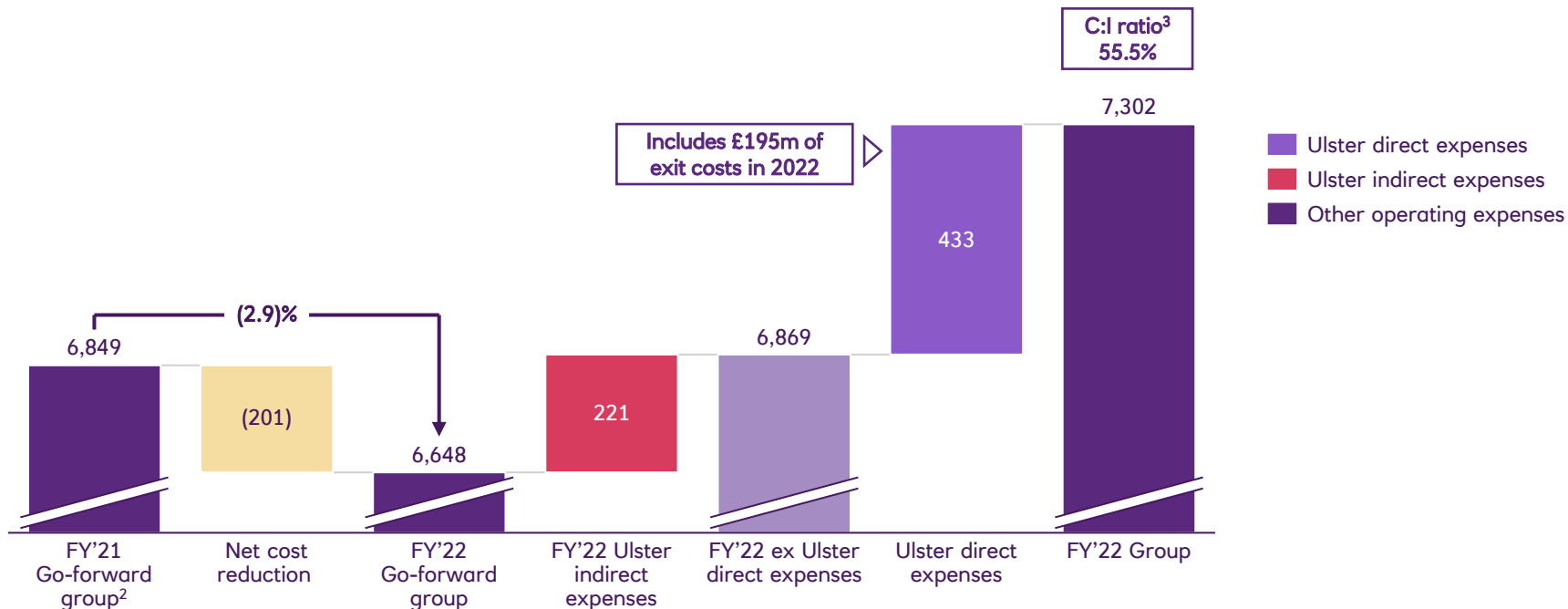
2023 income and NIM drivers

- Full year run-rate of UK Base Rate rises to 4%
- Benefit of structural hedge reinvestment at higher swap rates
- Deposit mix and pass-through
- Mortgage margins
- Lending and deposit volumes
- Customer spending levels
- Markets activity

1. Excluding relevant notable income items per slide 43. 2. Go-forward group - Group excluding Ulster Bank RoI. Note that FY22 Go-forward group ex notables was £13,061m and Group ex notable items was £13,063m
3. Group including Ulster Bank RoI continuing operations. 4. 2022 was NIM excluding Ulster Bank RoI and liquid asset buffer. 2023 guidance excludes liquid asset buffer only.

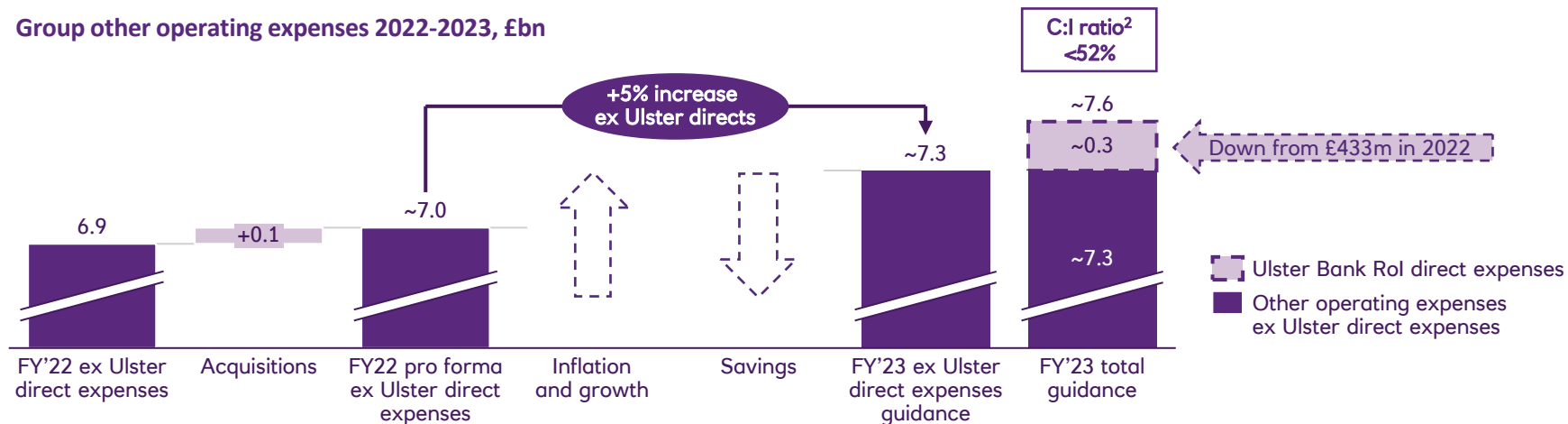
Delivered target reduction of around 3% for 2022

Group other operating expenses¹ 2021-2022, £m

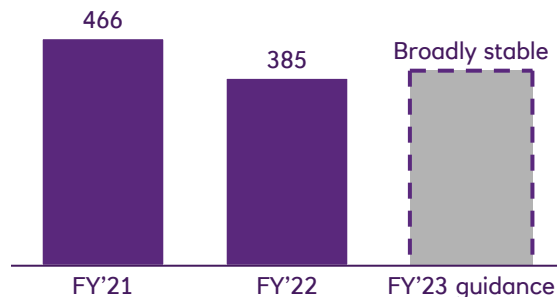


Expect other operating expenses of around £7.6bn in 2023 and litigation and conduct costs to be broadly stable

Group other operating expenses 2022-2023, £bn



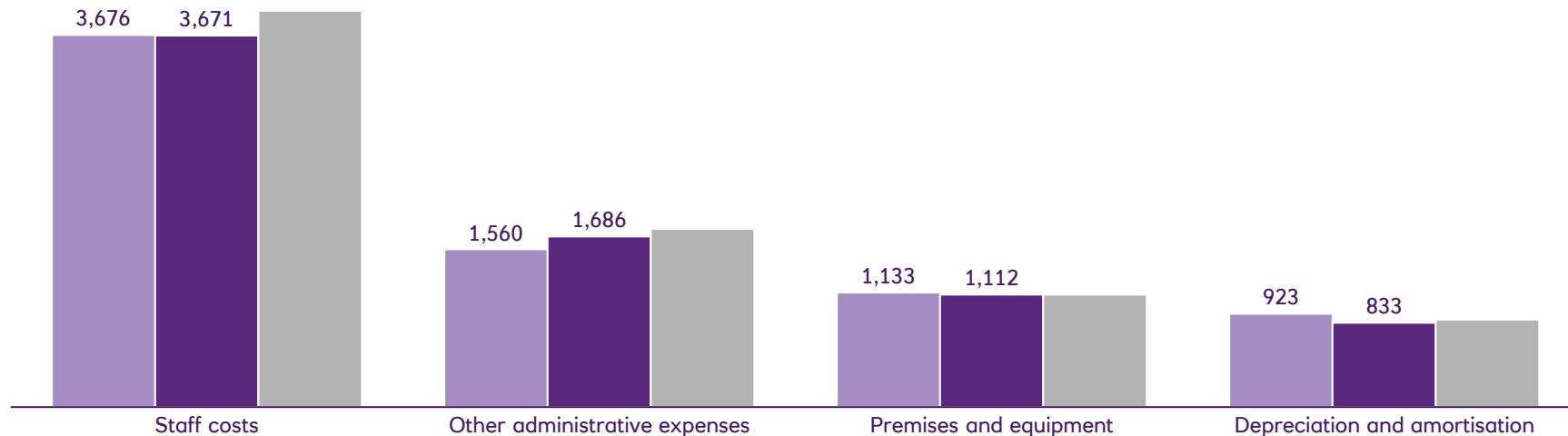
Litigation and conduct costs, £m



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.

Drivers of other operating expenses in 2023

Group other operating expenses £m¹ ■ FY'21 ■ FY'22 ■ FY'23 illustrative



<ul style="list-style-type: none"> ○ Average pay award effective in April 2023 of 6.4% vs 3.6% in 2022 ○ £1,000 one off cash payment and equivalent for ~60,000 FTE, in January 2023 	<ul style="list-style-type: none"> ○ Supplier contract inflation ○ Increased fraud prevention due to new regulations ○ Lower strategic costs ○ Stabilisation of financial crime investment 	<ul style="list-style-type: none"> ○ Higher market rates including increased utility costs ○ Lower property costs from further exits ○ Broadly stable technology costs 	<ul style="list-style-type: none"> ○ Capitalisation rate of ~50% ○ Increased investment spend in recent years increases amortisation profile
--	--	---	--

1. Includes Ulster Bank ROI

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

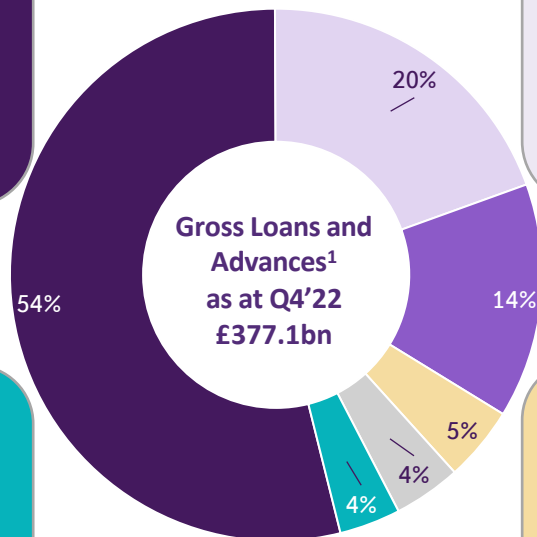
Arrears levels remain broadly stable

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
- CRE
- Corporate
- Property ex-CRE
- Sov & FI's³
- 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

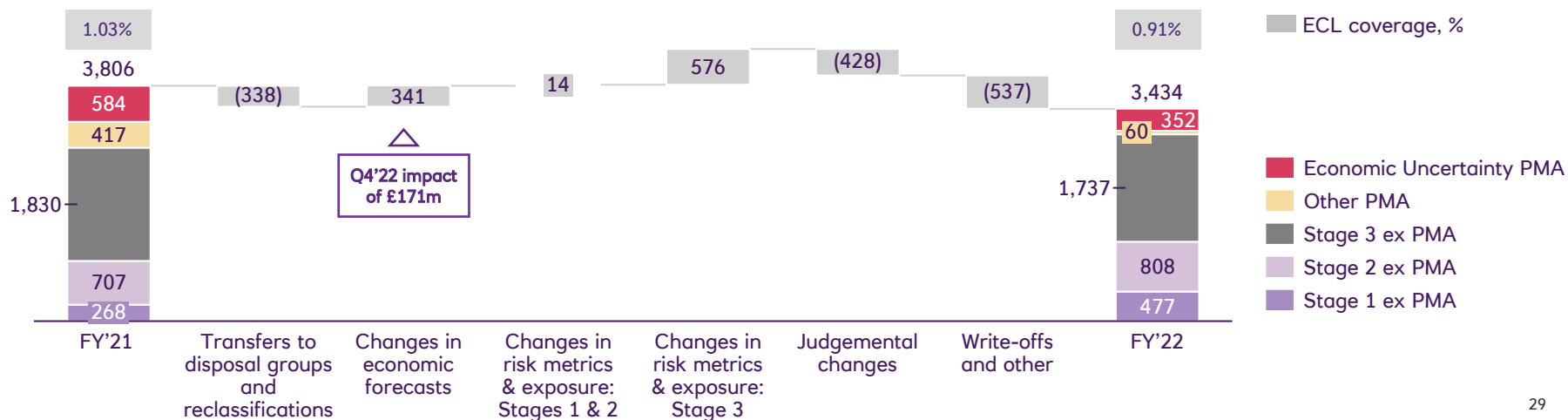
Well provided for the economic cycle and have revised the economic scenarios

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

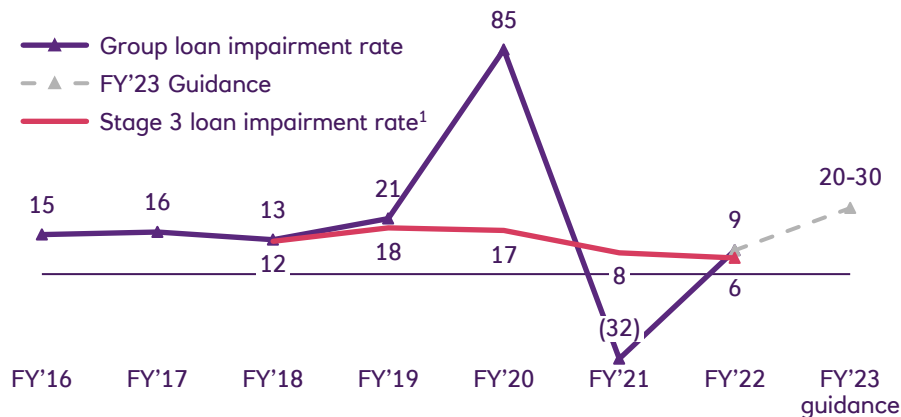
Group ECL provisions, £bn, and coverage



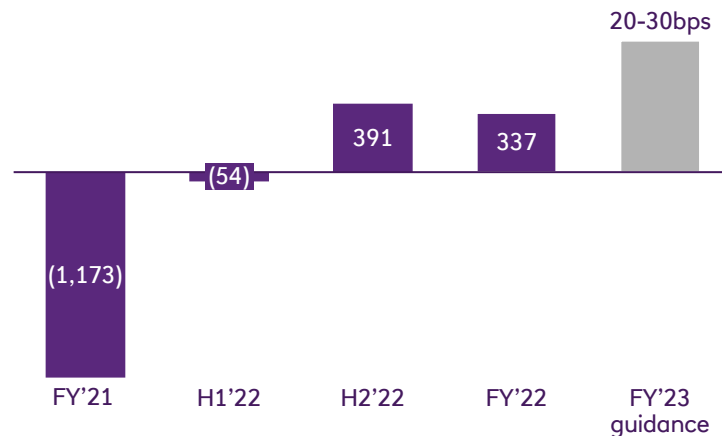
1. Four quarter growth.

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

History of loan impairment rates, bps



Impairment charge / (release), £m



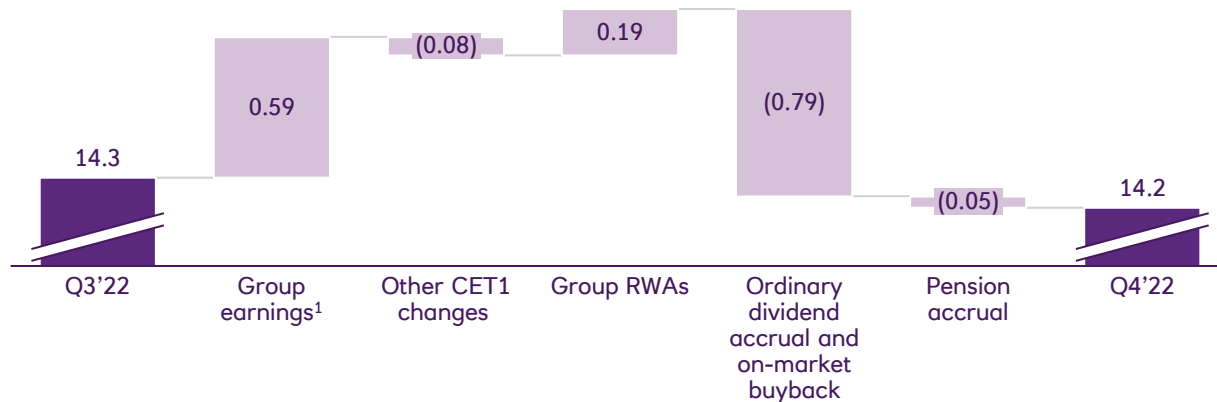
Group impairment details by lending sector

	Personal			Wholesale			
	Mortgages	Unsecured		Property	Corporate	Sovereign and FI	Group
FY'22		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.

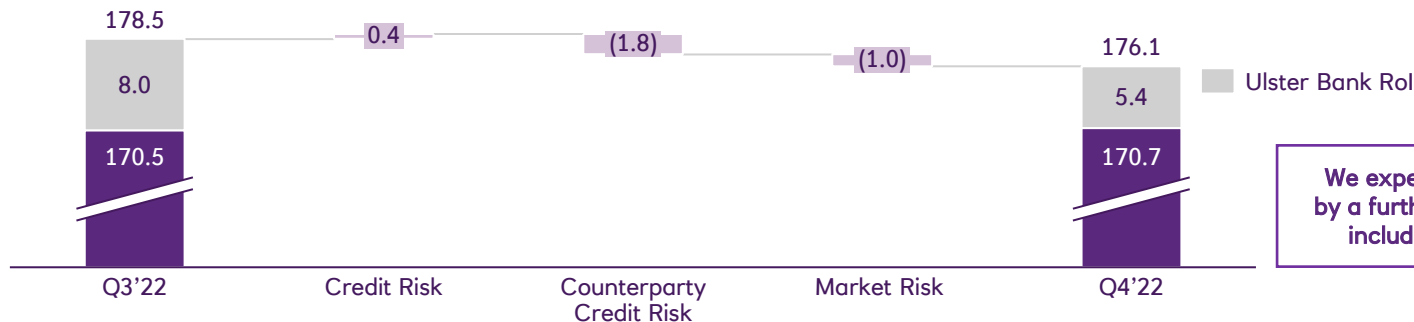
Continued sustainable capital generation and distribution with progress towards CET1 ratio of 13-14%

CET1 ratio, %



14.2% CET1 ratio includes accrual for £800 million on-market buyback announced today

Risk Weighted Assets, £bn¹

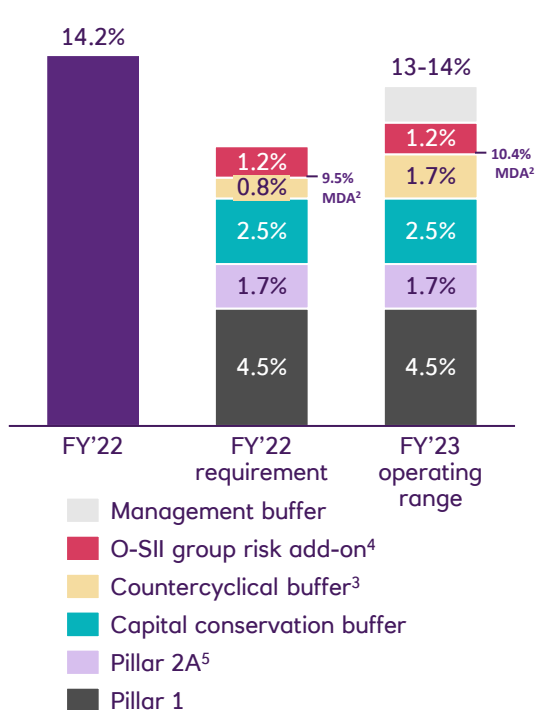


We expect that RWAs could increase by a further 5-10% by the end of 2025, including the impact of Basel 3.1

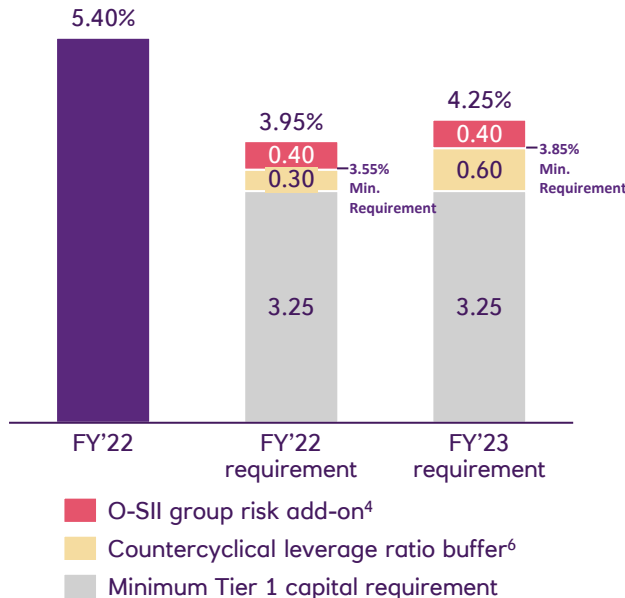
1. Attributable profit net of IFRS transitional relief and adjusted for deferred tax asset movements.

Strong capital and liquidity positions provide flexibility

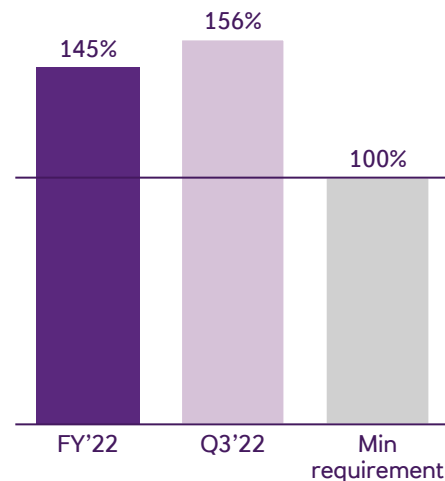
CET1 capital (% RWA)^{1,2}



UK leverage ratio (% leverage exposure)



Liquidity coverage ratio
- Headroom of £52.0bn



1. Operating range in 2023 reflects medium term CET1 of 13-14. 2. Based on assumption of static regulatory capital requirement. 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. 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. 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.

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



NatWest
Group

Alison Rose

Chief Executive Officer

Our investment case over the medium-term

Strong market positions across our three business segments

Well-positioned for targeted growth

Disciplined expense and risk management, targeting a C:I ratio¹ <50% by 2025

All-weather balance sheet, operating with a CET1 ratio in the range of 13-14%



Sustainable medium-term RoTE of 14-16%

**Pay out ratio of
40% + capacity to
participate in
buy-backs**

1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct.



Q&A



NatWest
Group



NatWest
Group

Appendix

A brief history and medium-term value creation

	2008-2012: Stabilising	2013-2019: Restructuring	2020-2022: Simplifying	2023-2025 Guidance and Targets
	End of period FY'12	End of period FY'19	End of period FY'22	
Number of business divisions	8	6	3	2023 Guidance Income ~14.8bn NIM ~3.2% Other operating expenses of ~£7.6bn Cost:Income Ratio <52% Loan impairment rate 20-30bps RoTE 14-16% Medium-term targets Sustainable RoTE 14-16% Cost:Income Ratio <50% Pay-out ratio 40% + capacity for buy-backs CET1 in the range of 13-14% RWA's +5-10% by the end of 2025, incl. Basel 3.1 impact
Cost:Income ratio ¹	101%	60%	56%	
RoTE	9.8% ²	9.4%	12.3%	
Total assets	£1,312bn	£723bn	£720bn	
CET1 ratio	10.3% ³	16.2%	14.2%	
RWAs	£459.6bn	£179.2bn	£176.1bn ⁴	
Government shareholding ⁵	65%	62%	46% ⁶	

1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct 2. Core return on Equity, Group metrics not published 3. Core Tier 1 capital ratio, Common Equity Tier 1 not yet implemented.

4. Note that 2022 RWAs include c.£19bn of regulatory uplifts from 1 Jan 2022 5. His Majesty's Treasury (HMT) % of Total Voting rights (TVR) 6. 43.5% as at 16th of February 2023

Outlook statements¹

Outlook	The economic outlook remains uncertain. We will monitor and react to market conditions and refine our internal forecasts as the economic position evolves. The following statements are based on our current expectations for interest rates and economic activity.
Outlook 2023	<ul style="list-style-type: none"> • We continue to expect to achieve a return on tangible equity for the Group of 14-16%. • Income excluding notable items for the Group is expected to be around £14.8 billion and full year NIM around 3.20%, based on a Bank of England base rate of 4.00% through the remainder of 2023. • We expect to deliver a Group cost:income ratio below 52% or around £7.6 billion of Group operating costs, excluding litigation and conduct costs. • Impairment losses in 2023 are expected to be in line with our through the cycle guidance of 20-30 basis points.
Capital and Funding	<ul style="list-style-type: none"> • We expect to generate and return significant capital to shareholders through 2023. • We expect to pay ordinary dividends of 40% of attributable profit and maintain capacity to participate in directed buybacks from the UK Government, recognising that any exercise of this authority would be dependent upon HMT's intentions and limited to 4.99% of issued share capital in any 12-month period. • We will also consider further on-market buybacks as part of our overall capital distribution approach as well as inorganic opportunities where the strategic case and returns are suitably compelling • As part of the Group's capital and funding plans we intend to issue between £3 billion to £5 billion of MREL-compliant senior instruments in 2023, with a continued focus on issuance under our Green, Social and Sustainability Bond Framework, and up to £1 billion of Tier 2 capital instruments. NatWest Markets plc's funding plan targets £3 billion to £5 billion of public benchmark issuance.
Medium term	<ul style="list-style-type: none"> • We continue to target a sustainable return on tangible equity for the group of 14-16% over the medium term. • We expect to deliver a Group cost:income ratio of less than 50%, excluding litigation and conduct costs, by 2025. • We expect that RWAs could increase by a further 5-10% by the end of 2025, including the impact of Basel 3.1. • We expect to continue to generate and return significant capital via ordinary dividends and buybacks to shareholders over the medium term and continue to expect that the CET1 ratio will be in the range of 13-14%.

1. The guidance, targets, expectations and trends discussed in this section represent NatWest Group plc management's current expectations and are subject to change, including as a result of the factors described in the NatWest Group plc Risk Factors in the 2022 Annual Report and Accounts. These statements constitute forward-looking statements. Refer to Forward-looking statements in this announcement.

UK Economic Assumptions¹

	FY'22					Q3'22					H1'22					FY'21			
Scenario	Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside
Weighting	19%	45%	21%	16%	Weighted average	10%	35%	30%	25%	Weighted average	21%	45%	20%	14%	Weighted average	30%	45%	20%	5%
UK GDP – Annual Growth (%)																			
2023	2.2	(0.9)	(2.8)	(3.1)	(1.1)	2.9	0.8	(2.4)	(5.1)	(1.4)	2.9	0.8	(2.4)	(5.1)	(0.2)	2.1	1.6	2.4	4.1
2024	1.9	0.7	(0.4)	(1.6)	0.4	1.7	1.4	2.1	0.3	1.4	1.7	1.4	2.1	0.3	1.5	1.2	0.9	1.6	1.2
5 year - CAGR	1.6	0.8	0.2	(0.2)	0.7	1.9	1.2	0.9	0.1	0.9	1.7	1.1	0.8	(0.1)	1.0	2.4	1.7	1.4	0.6
UK Unemployment rate – annual average (%)																			
2023	3.9	4.4	5.0	6.0	4.7	3.0	3.8	4.9	5.9	4.5	3.0	3.8	4.9	5.9	4.1	3.3	4.0	5.2	8.8
2024	3.9	4.9	5.7	8.4	5.4	3.3	4.0	4.8	8.7	5.3	3.3	4.0	4.8	8.7	4.7	3.4	4.1	4.7	6.6
5 year average	3.9	4.6	5.1	7.2	5.0	3.3	4.0	4.6	6.4	4.7	3.3	4.0	4.5	6.3	4.3	3.5	4.2	4.8	6.7
UK House Price Index – four quarter growth (%)																			
2023	7.5	(7.8)	(13.7)	(10.4)	(6.6)	5.5	2.0	(11.7)	(20.4)	(7.2)	5.5	2.0	(11.7)	(20.4)	(3.0)	4.2	1.6	(0.2)	(2.6)
2024	4.5	(0.9)	(7.7)	(15.2)	(3.2)	2.9	1.9	0.4	(4.6)	0.2	2.9	1.9	0.4	(4.6)	1.2	3.1	2.9	1.7	13.0
5 year - total change	21.5	(1.3)	(6.0)	(22.4)	(1.3)	23.7	13.1	(1.4)	(11.0)	3.8	24.4	13.7	(0.9)	(10.5)	9.6	22.7	12.1	4.3	(5.3)
UK Commercial Real Estate Price – four quarter growth (%)																			
2023	2.1	(8.4)	(19.7)	(22.4)	(11.0)	3.9	0.2	(10.8)	(27.6)	(9.2)	3.9	0.2	(10.8)	(27.6)	(4.6)	3.4	1.9	4.2	17.2
2024	1.9	(0.5)	2.8	(29.1)	(3.2)	1.4	(0.1)	4.5	8.5	3.0	1.4	(0.1)	4.5	8.5	1.9	1.7	0.2	1.7	5.2
5 year - total change	(0.1)	(14.4)	(17.2)	(38.3)	(16.1)	6.4	(3.6)	(7.8)	(15.4)	(6.8)	7.5	(2.6)	(6.8)	(14.5)	(3.0)	18.2	7.2	5.5	(6.4)
Consumer price index - four quarter growth (%)																			
2023	2.2	3.7	6.0	17.0	6.0	(0.9)	1.1	8.1	13.7	6.2	(0.9)	1.1	8.1	13.7	3.9	2.2	2.2	2.4	0.9
2024	1.0	2.7	1.0	8.8	3.1	2.0	2.0	0.4	6.4	2.7	2.0	2.0	0.4	6.4	2.3	2.0	2.0	0.9	0.9
5 year - CAGR	2.4	3.0	3.1	7.0	3.6	2.0	2.2	3.3	6.5	3.6	2.7	2.9	3.9	7.2	3.7	2.7	2.5	3.1	1.5

1. Full details of the economic assumptions can be found on pages 196 and 198 of NWG FY'22 ARA, pages 21 and 22 of NWG H1'22 IMS, and pages 206 to 208 of NWG FY'21 ARA

Segmental summary

Ulster Bank ROI continuing operations are now reflected within Central Items & other



Group FY'22, £bn	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
Net interest income	5.2	0.8	4.2	(0.3)	9.8
Non-interest income	0.4	0.3	2.2	0.4	3.3
Total income	5.6	1.1	6.4	0.0	13.2
<i>Income ex-notable items</i>	<i>5.6</i>	<i>1.1</i>	<i>6.4</i>	<i>(0.1)</i>	<i>13.1</i>
Other operating expenses	(2.5)	(0.6)	(3.6)	(0.6)	(7.3)
Litigation and conduct	(0.1)	(0.0)	(0.2)	(0.1)	(0.4)
Operating expenses	(2.6)	(0.6)	(3.7)	(0.7)	(7.7)
Operating profit/(loss) before impairment releases/(losses)	3.1	0.4	2.7	(0.7)	5.5
Impairment releases/(losses)	(0.2)	0.0	(0.1)	0.0	(0.3)
Operating profit/(loss)	2.8	0.4	2.5	(0.7)	5.1
Net loans to customers - amortised cost	197.6	19.2	129.9	19.6	366.3
Customer Deposits	188.4	41.2	203.3	17.4	450.3
RWA's	54.7	11.2	103.2	7.0	176.1
Return on equity / tangible equity	28.6%	24.5%	12.2%	nm	12.3%
Cost:income ratio	44%	58%	56%	nm	56%

Ulster Bank Rol – continuing and discontinued operations

Ulster Bank Rol
continuing operations
are now reflected within
Central Items & other

Ulster Bank Rol discontinued
operations continue to be
shown as one line net of tax
in the Group P&L

Ulster Bank ROI (£m)	FY'22			FY'21		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Total income	(53)	(295)	(348)	145	352	497
Operating expenses	(678)	(38)	(716)	(482)	(45)	(527)
o/w Other operating expenses	(654)	(38)	(692)	(443)	(45)	(488)
Profit/(loss) before impairment losses	(731)	(333)	(1,064)	(337)	307	(30)
Impairment losses	8	71	79	(77)	162	85
Operating profit/(loss) before tax	(723)	(262)	(985)	(414)	469	55
Loans to customers - amortised cost	0.3	1.5	1.7	6.7	9.0	15.6
Customer deposits	6.2	-	6.2	18.4	-	18.4

Ulster Bank ROI (£m)	FY'22			FY'21		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Total income	(64)	(344)	(408)	168	410	578
Operating expenses	(797)	(45)	(842)	(557)	(52)	(609)
o/w Other operating expenses	(769)	(45)	(814)	(512)	(52)	(564)
Profit/(loss) before impairment losses	(861)	(389)	(1,250)	(389)	358	(31)
Impairment losses	9	84	93	(89)	188	99
Operating profit/(loss) before tax	(852)	(305)	(1,157)	(478)	546	68
Loans to customers - amortised cost	0.3	1.6	2.0	7.9	10.7	18.6
Customer deposits	6.9	-	6.9	21.9	-	21.9

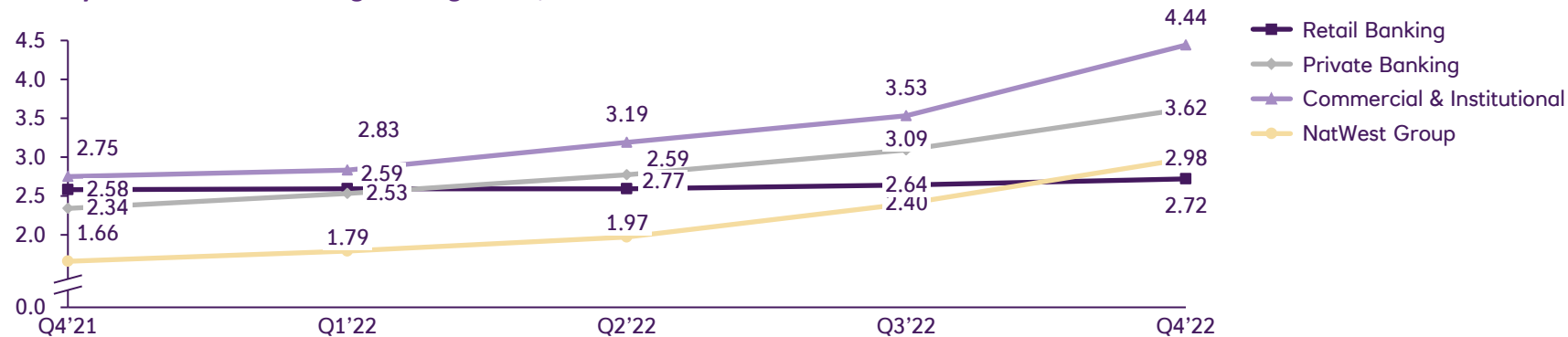
Notable items

	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22
Group income	2,570	2,571	2,686	2,602	10,429	3,008	3,211	3,229	3,708	13,156
Notable items in Income, £m	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22
<i>Private Banking</i>										
Consideration on the sale of Adam & Company investment management business	--	--	--	54	54	--	--	--	--	--
<i>Commercial and Institutional Banking</i>										
Own credit adjustments (OCA)	2	(1)	2	3	6	18	34	9	(19)	42
Loss on redemption of own debt	--	--	--	--	--	--	--	--	--	--
Tax variable lease repricing, NII impact	--	32	--	--	32	--	--	--	--	--
Fair value, disposal losses and strategic risk reduction	(18)	(44)	(8)	(16)	(86)	--	(45)	--	--	(45)
<i>Central items & other</i>										
Interest and FX risk management derivatives not in accounting hedge relationships	(1)	45	--	3	47	166	149	100	(46)	369
Loss on redemption of own debt	(118)	(20)	--	--	(138)	(24)	--	(137)	--	(161)
Liquidity Asset Bond sale gains	5	20	45	50	120	41	(5)	(124)	--	(88)
Share of associate profits/(losses) for Business Growth Fund	121	8	79	11	219	23	(36)	(16)	7	(22)
Property strategy update	--	--	--	(44)	(44)	--	--	--	--	--
Own credit adjustments (OCA)	--	(1)	--	1	--	--	--	--	--	--
Effective interest rate adjustment as a result of redemption of own debt	--	--	--	--	--	--	--	--	(41)	(41)
Profit from Insurance liabilities settlement	-	-	--	-	--	--	--	--	92	92
Ulster Bank Rol gain/(loss) arising from the restructuring of structural hedges	--	--	35	-	35	-	-	-	-	-
Ulster Bank Rol fair value mortgage adjustment	--	--	--	--	--	--	--	--	(51)	(51)
Total notable items in Group income	(9)	39	153	62	245	224	97	(168)	(58)	95
Group income excluding notable items	2,579	2,532	2,533	2,540	10,184	2,784	3,114	3,397	3,766	13,061
	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22
Group operating expenses	(1,804)	(1,695)	(1,931)	(2,328)	(7,758)	(1,820)	(1,833)	(1,896)	(2,138)	(7,687)
Notable items in Operating Expenses, £m	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22
Litigation & Conduct	(16)	34	(294)	(190)	(466)	(102)	(67)	(125)	(91)	(385)
Total notable items in Group Expenses	(16)	34	(294)	(190)	(466)	(102)	(67)	(125)	(91)	(385)
Group operating expenses excluding notable items	(1,788)	(1,729)	(1,637)	(2,138)	(7,292)	(1,718)	(1,766)	(1,771)	(2,047)	(7,302)
Memo: Bank Levy	--	--	--	(99)	(99)	5	--	--	(106)	(101)
	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22
Group Metrics										
Cost:income ratio – reported	69.6%	67.3%	60.9%	82.2%	69.9%	57.1%	55.0%	54.8%	55.2%	55.5%
Cost:income ratio – excluding income notable items ¹	69.3%	68.3%	64.6%	84.2%	71.6%	61.7%	56.7%	52.1%	54.4%	55.9%
RoTE – reported	7.9%	15.6%	8.5%	5.6%	9.4%	11.3%	15.2%	2.9%	20.6%	12.3%
RoTE – excluding income notable items and litigation and conduct ¹	8.2%	14.8%	10.8%	7.4%	10.3%	10.4%	15.1%	6.8%	22.8%	13.5%

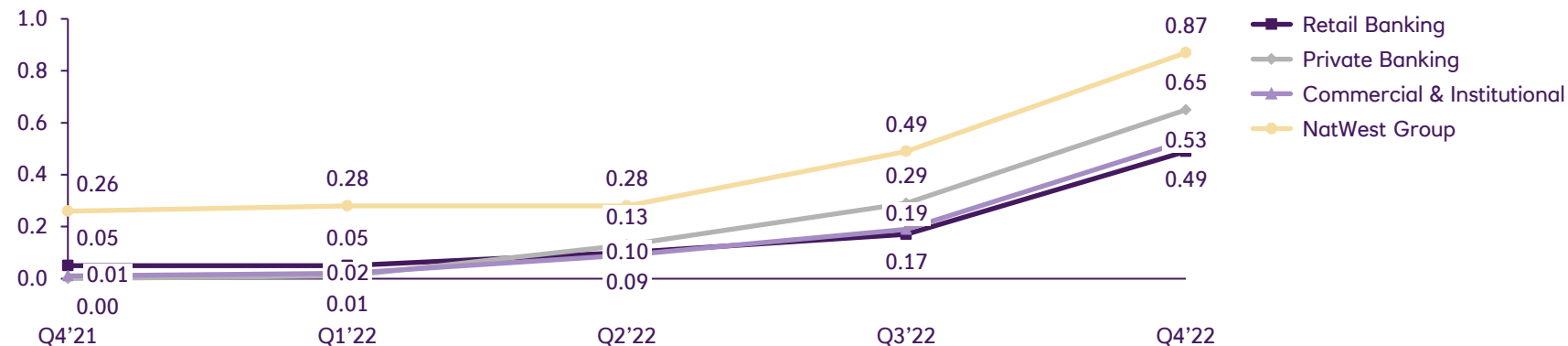
1. Excludes all notable income and cost items shown in the tables above except Bank Levy which is included. 27% tax rate assumed on all notable items excluding Litigation & Conduct costs where no tax shield is assumed.

Higher interest rates are feeding through to customer lending and deposit rates

Gross yields of interest earning banking assets, %¹



Cost of interest bearing and non-interest bearing banking liabilities, %²



1. For NatWest Group plc this is the gross yield on the IEAs of the banking business; for Retail, C&I 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 and Commercial & Institutional Banking it represents the third party customer funding rate which includes both interest-bearing and non-interest bearing deposits.

Structural Hedge¹

	FY 2022			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	363	21	21	1.77
Product	1571	184	176	0.89
Other	201	25	26	0.77
Total	2,135	230	223	0.96

	H1 2022			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	178	20	20	1.77
Product	585	182	168	0.70
Other	76	28	27	0.57
Total	839	230	215	0.78

	FY 2021			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	448	21	22	2.05
Product	861	161	145	0.59
Other	115	24	23	0.51
Total	1,424	206	190	0.75

Interest rate sensitivity¹

FY 2022	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	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)

H1 2022	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	45	150	253	(45)	(150)	(253)
Managed Margin	231	227	223	(219)	(205)	(227)
Total	276	377	476	(264)	(355)	(480)

FY 2021	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	40	132	224	(40)	(132)	(224)
Managed Margin	269	203	239	(245)	(199)	(177)
Total	309	335	463	(285)	(331)	(401)

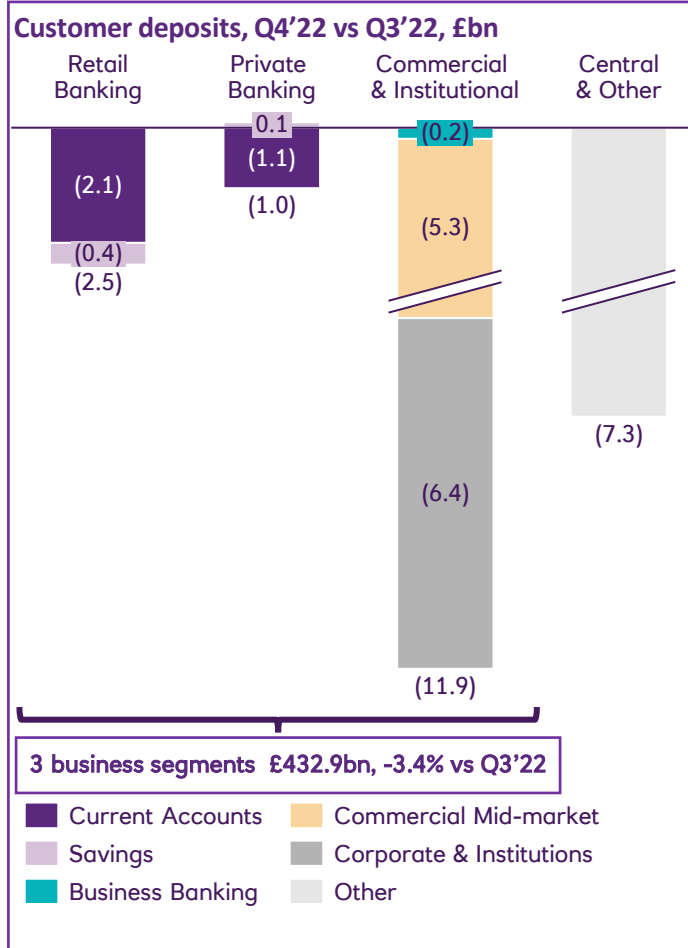
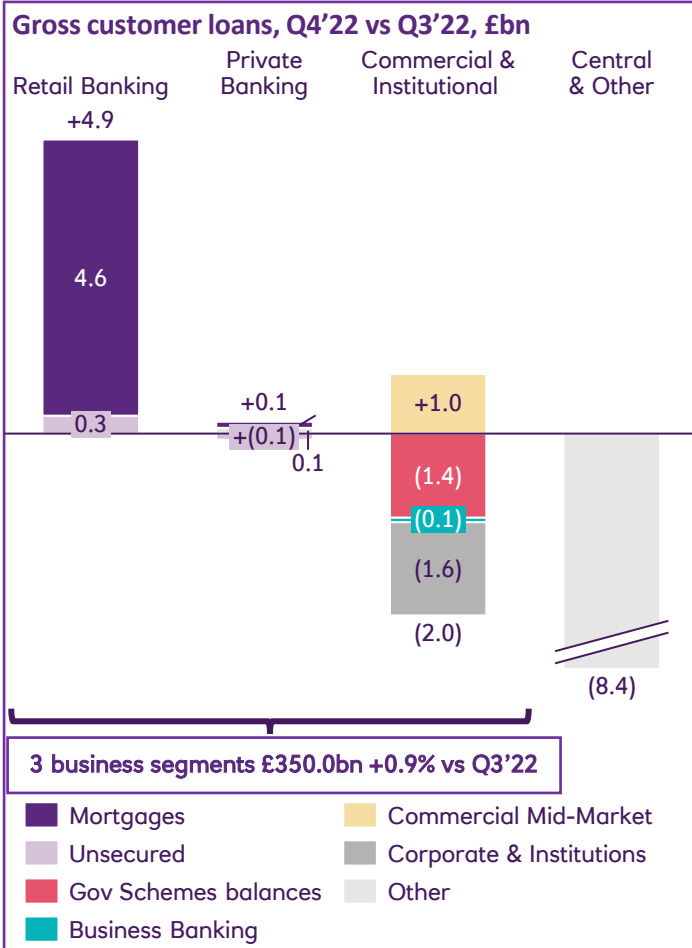
Customer Loans¹ and Deposits

	Loans to customers - amortised cost, £bn ²		Customer Deposits, £bn		LDR, %	
	Q3'22	Q4'22	Q3'22	Q4'22	Q3'22	Q4'22
Retail Banking	192.8	197.6	190.9	188.4	101%	105%
Private Banking	19.1	19.2	42.2	41.2	45%	47%
Commercial & Institutional	131.9	129.9	215.2	203.3	61%	64%
Central items & other	28.0	19.6	24.7	17.4	n.m.	n.m.
NatWest Group Net L&As, deposits and LDR	371.8	366.3	473.0	450.3	75%	79%
Impairment provisions	3.3	3.4				
Natwest Group Gross Loans to Customers	375.1	369.7				
<i>Of which Government Scheme Lending within C&I and Private</i>	9.5	8.1				

	Q3'22	Q4'22
Natwest Group Gross Loans to Customers	375.1	369.7
Loans to banks - amortised cost	9.6	7.1
Loans and advances @ FVOCI	0.1	0.1
Excluded from ECL	(0.4)	0.2
Loans to customers and banks - amortised cost and FVOCI	384.4	377.1

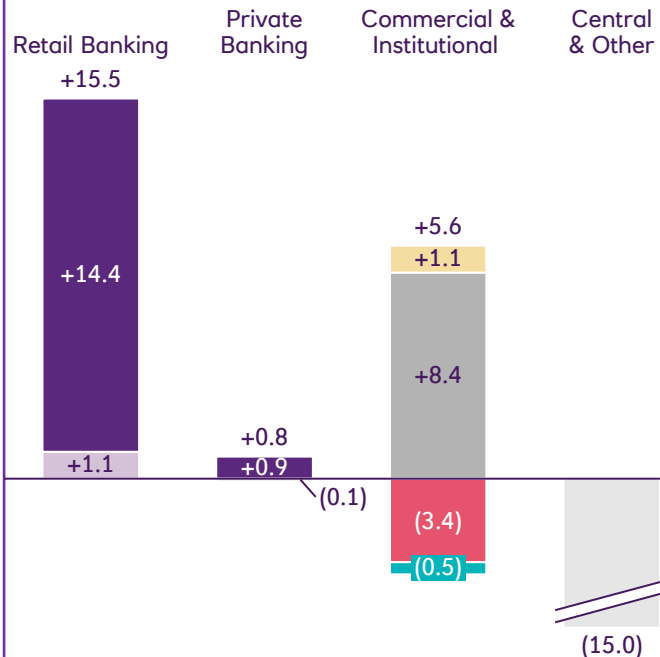
1. Loan balances are amortised cost loans only. 2. May not cast due to rounding.

Gross loans to customers and customer deposits, Q4'22 vs Q3'22

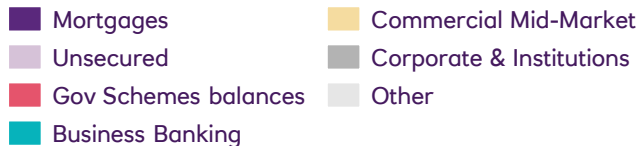


Gross loans to customers and customer deposits, FY'22 vs FY'21

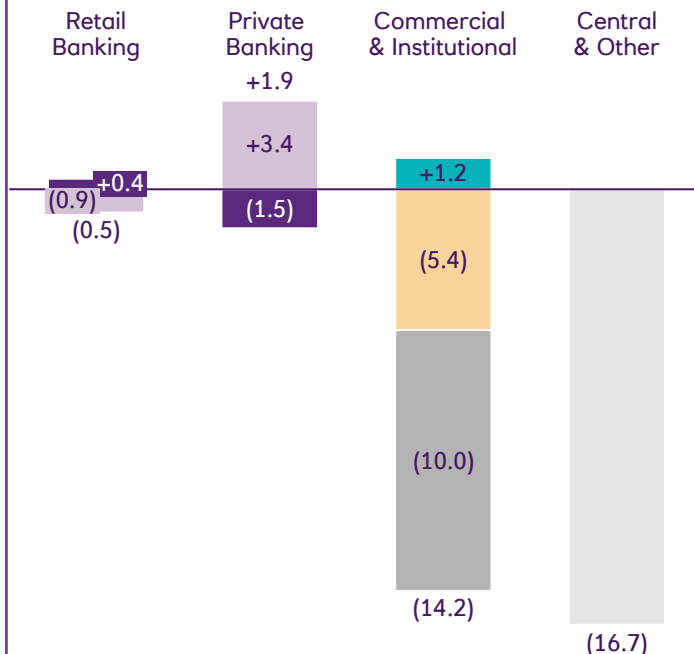
Gross customer loans, FY'22 vs FY'21, £bn



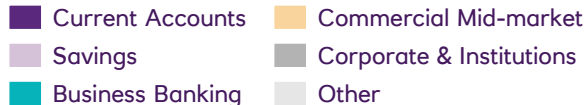
3 business segments £350.0bn +6.7% vs FY'21



Customer deposits, FY'22 vs FY'21, £bn



3 business segments £432.9bn, -2.9% vs FY'21

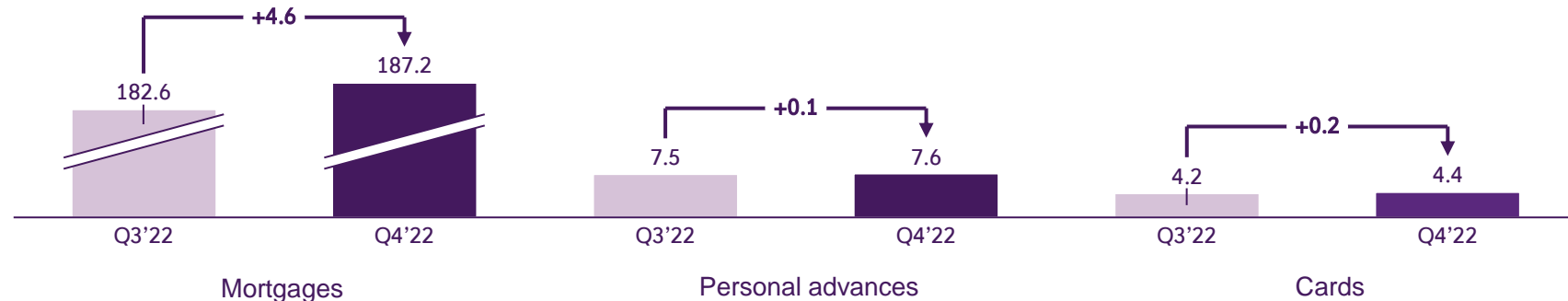


Central items and Other primarily reflects reductions in Ulster Bank RoI loans and deposits in 2022

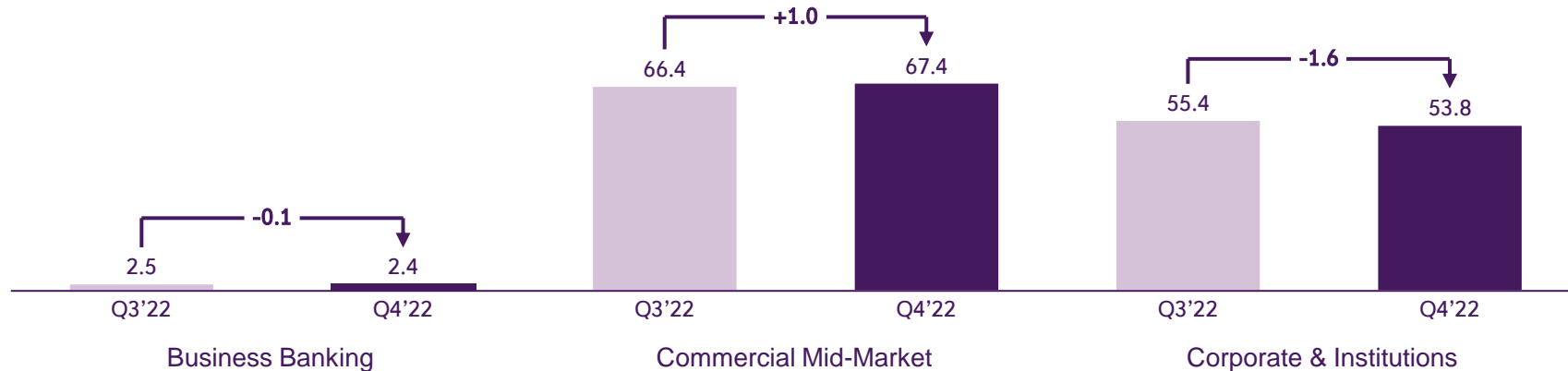
Q4'22 Customer loan growth by product and sector

Total loans to customers (amortised cost), £bn

Retail Banking



C&I Gross loans to customers (amortised cost) ex-government schemes, £bn

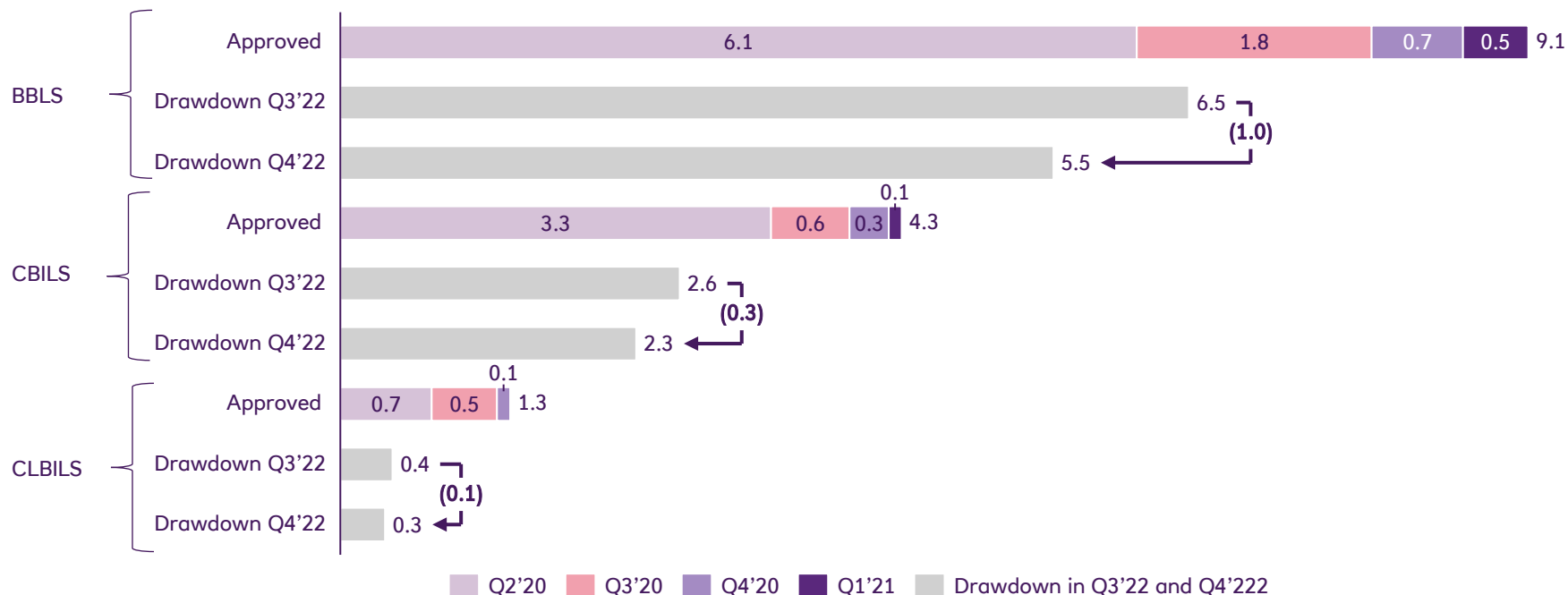


Supporting our customers through Covid-19

£3.5bn of net government scheme repayments in FY'22 including £1.4bn in Q4

Remaining UK Government lending schemes are £8.1bn, or 2% of Group loans and advances to customers at amortised cost

Government Lending Schemes in NWG, £bn¹



1. The chart captures UK Government schemes for NatWest Group. BBLS, CBILS and CLBILS closed for new applications as at end of Q1'21.

Impairment (charge)/release by segment

	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
FY'22 (£m)	(229)	2	(122)	12	(337)
FY'22 (bps)	11	(1)	9	nm	9
FY'21 (£m)	36	54	1,160	(77)	1,173
FY'21 (bps)	(2)	(29)	(92)	nm	(32)

Q4'22 (£m)	(87)	(2)	(62)	7	(144)
Q4'22 (bps)	17	4	19	nm	16
Q3'22 (£m)	(116)	(7)	(119)	(5)	(247)
Q3'22 (bps)	24	15	36	nm	26
Q4'21 (£m)	(5)	12	317	(55)	269
Q4'21 (bps)	1	(26)	(101)	nm	(30)

Mortgages and wholesale forbearance

Forbearance, £m	Mortgages
2022 Flow	193
2022 Stock	1,039
2021 Flow	389
2021 Stock	2,111

Property	FI	Other corporate	Total wholesale
746	105	2,575	3,426
933	107	4,709	5,749
709	27	3,894	4,630
1,033	35	5,659	6,727

Asset quality¹

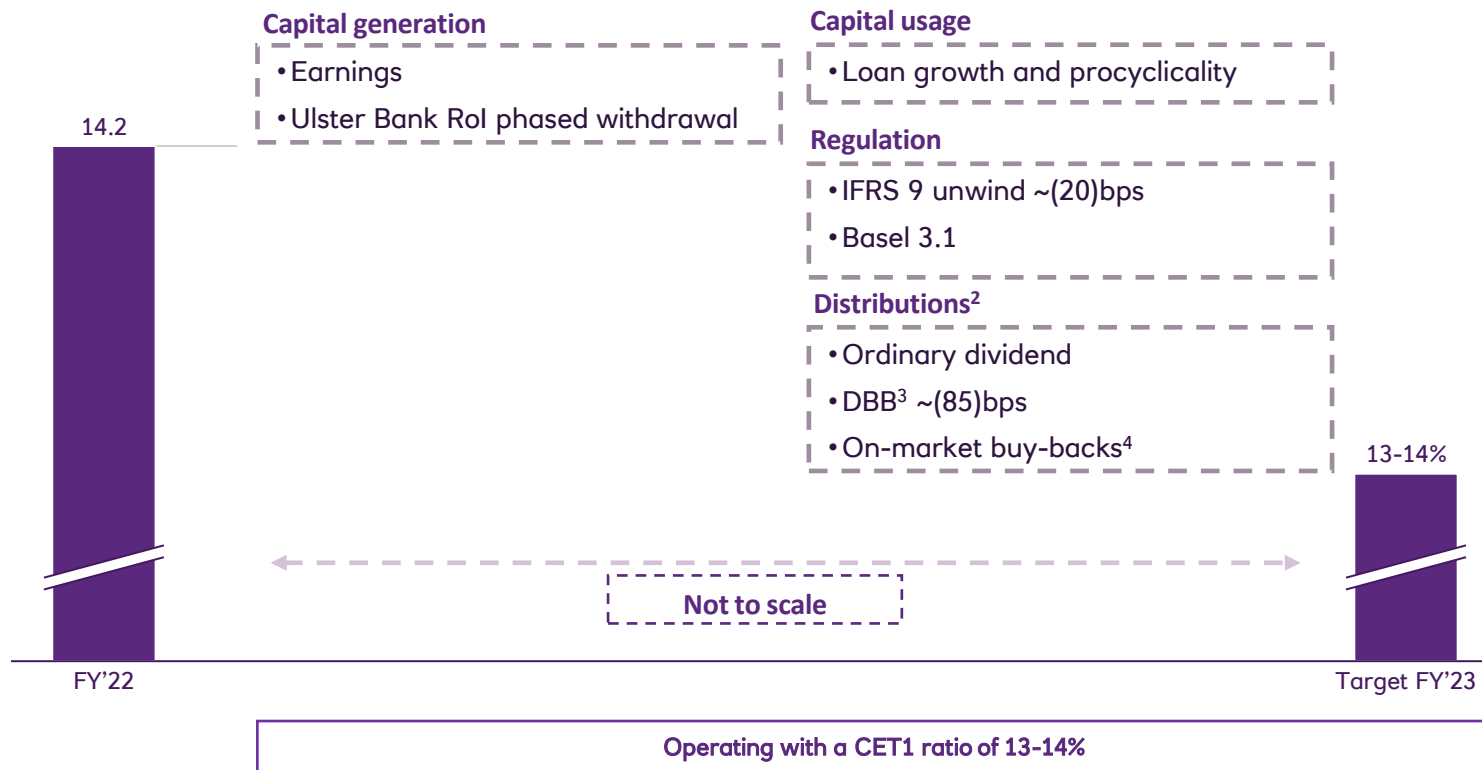
Mortgage LTV distribution by stage																
	Total				Stage 1				Stage 2				Stage 3			
	FY'19	FY'20	FY'21	FY'22	FY'19	FY'20	FY'21	FY'22	FY'19	FY'20	FY'21	FY'22	FY'19	FY'20	FY'21	FY'22
≤50%	51,791	55,857	66,488	80,675	47,746	50,170	61,233	71,321	3,375	5,009	4,548	8,257	511	554	644	1,036
>50% and ≤70%	51,582	63,202	73,437	76,593	47,224	55,263	68,271	68,178	3,804	7,416	4,674	7,792	463	488	483	616
>70% and ≤80%	24,992	29,698	25,353	19,267	23,235	19,994	24,004	17,602	1,568	9,555	1,255	1,602	150	141	93	62
>80% and ≤90%	15,251	13,639	6,256	8,880	14,030	8,029	5,983	7,918	1,111	5,552	250	944	85	52	22	17
>90% and ≤100%	3,610	520	1,193	1,433	3,401	368	1,125	1,409	174	137	58	18	20	13	10	6
>100%	238	169	38	52	111	48	14	35	100	99	18	7	24	20	6	10
Total with LTVs	147,464	163,085	172,765	186,900	135,747	133,872	160,630	166,463	10,132	27,768	10,803	18,620	1,253	1,268	1,258	1,747
% of Group L&As	43.8%	43.8%	45.6%	49.4%	40.3%	35.9%	42.4%	44.0%	3.0%	7.5%	2.9%	4.9%	0.4%	0.3%	0.3%	0.5%
Total portfolio average LTV%	57%	57%	54%	53%	57%	55%	54%	53%	59%	66%	52%	52%	66%	60%	53%	47%
Commercial Real Estate (CRE) LTV distribution by stage																
	Total				Stage 1				Stage 2				Stage 3			
	FY'19	FY'20	FY'21	FY'22	FY'19	FY'20	FY'21	FY'22	FY'19	FY'20	FY'21	FY'22	FY'19	FY'20	FY'21	FY'22
≤50%	10,132	9,594	7,457	7,792	8,787	4,918	6,767	7,010	468	4,538	388	658	40	138	34	57
>50% and ≤70%	6,191	6,307	5,352	4,375	4,945	2,815	4,367	3,515	252	3,266	470	798	148	226	46	43
>70% and ≤100%	618	576	705	504	380	169	377	259	138	283	192	82	88	124	127	156
>100%	309	409	312	136	104	50	215	102	51	64	7	10	153	295	86	23
Total with LTVs	17,250	16,886	13,826	12,807	14,216	7,952	11,726	10,886	909	8,151	1,057	1,548	429	783	293	279
% of Group L&As	5.1%	4.5%	3.6%	3.4%	4.2%	2.1%	3.1%	2.9%	0.3%	2.2%	0.3%	0.4%	0.1%	0.2%	0.1%	0.1%
Total portfolio average LTV%	48%	48%	50%	47%	46%	45%	48%	45%	55%	47%	58%	52%	101%	93%	88%	75%
Other	2,835	3,153	2,708	2,568	658	1,776	2,271	1,800	149	511	293	627	123	159	61	55
Development	2,971	3,320	2,103	1,949	2,377	1,362	1,736	1,553	272	1,767	228	332	144	161	62	57
Total	23,056	23,359	18,637	17,324	17,251	11,090	15,733	14,239	1,330	10,429	1,578	2,507	696	1,103	416	391

1. Full tables available on pages 222 and 225 of NWG FY'22 ARA, pages 42 and 45 of the H1'22 IMS, pages 228 & 230 of FY'21 ARA and pages 194 & 196 of the FY'20 ARA. Note, the that total table numbers also include mortgages not within IFRS9 ECL scope.

Tangible net asset value

	GBP, m	Share count, m	Pence
As at 30 September 2022	24,093	9,650	250
Attributable profit	1,262		13
Cash flow hedge reserve (net of tax)	502		5
FX	(117)		(1)
Remeasurement of net defined benefit liability	(158)		(2)
Other movements	(100)	9	(1)
Net change	1,389	9	14
As at 31 December 2022	25,482	9,659	264

Key drivers of CET1 ratio¹, %



1. Impacts are approximate and shown on a standalone basis using FY'22 capital position. These impacts will change quarterly. Combined impacts will not be sum of standalone impact.

2. Distributions are subject to regulatory approvals. "Directed" buy backs from March'23 only.

3. Directed buy-back. Assumes a share price of 305.6p as at close of business 16th February

4. £800m buyback announced included in 14.2% CET1 ratio at 31 December 2022

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 NWC'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 CeH 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 Promoter 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 affect 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.

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or a solicitation of an offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.