

22 May 2023

Off-market purchase of 469,200,081 ordinary shares from His Majesty's Treasury ("HM Treasury")

NatWest Group plc (the "Company") has agreed with HM Treasury to make an off-market purchase (the "Off-Market Purchase") of 469,200,081 ordinary shares in the Company with a nominal value of £1.0769* each ("Ordinary Shares") at a price of 268.4 pence per Ordinary Share, being the closing price of the Ordinary Shares on the London Stock Exchange on 19 May 2023. The total consideration for the Off-Market Purchase will be £1,259,333,017.40.

The purchased Ordinary Shares represent 4.95 per cent of the Company's issued Ordinary Share capital (excluding treasury shares). The Off-Market Purchase is expected to settle on 24 May 2023.

A contract (the "Directed Buyback Contract") between the Company and HM Treasury was approved by the shareholders of the Company at a General Meeting held on 6 February 2019 and signed on 7 February 2019. Amendments to the Directed Buyback Contract were approved by the shareholders of the Company at a General Meeting held on 25 August 2022 and signed on 17 November 2022. The authority from shareholders to make off-market purchases of Ordinary Shares from HM Treasury (or its nominee) under the terms of the Directed Buyback Contract was renewed at the Annual General Meeting on 25 April 2023.

The Company intends to cancel 336,200,081 of the purchased Ordinary Shares and hold the remaining 133,000,000 Ordinary Shares in treasury. Holding Ordinary Shares as treasury shares gives the Company the ability to cancel or re-issue such Ordinary Shares at a later date, quickly and cost effectively, and may provide the Company with additional flexibility in the management of its capital base, including the allotment of Ordinary Shares in relation to its employee share plans.

Under Chapter 11 of the Listing Rules, the Directed Buyback Contract constitutes a related party transaction. However, the Off-Market Purchase is treated as a smaller related party transaction under LR 11.1.10 R.

Upon settlement of the above transaction:

- the Company will hold 217,559,121 of its Ordinary Shares as treasury shares;
- the Company will have in issue 9,008,272,152 Ordinary Shares (excluding treasury shares)** and 483,140 Cumulative Preference Shares of £1; and
- HM Treasury will hold approximately 38.69 per cent. of the Company's voting rights.

The above transaction would have reduced the Company's CET1 ratio of 14.4 per cent at 31 March 2023 by 71 basis points. TNAV per share as at 31 March 2023 was 278p, pro-forma TNAV per share including the payment of the 2022 final dividend of 10p would be 268p and the proposed DBB transaction would be TNAV per share neutral.

The person responsible for arranging the release of this announcement on behalf of the Company is Alexander Holcroft, Head of Investor Relations.

*The nominal value of Ordinary Shares without rounding is £1.076923076923077 per share

**This number does not take into account any purchases of Ordinary Shares which (i) may have taken place but have not, at the date of this announcement, settled under the Company's On Market Share Buyback Programme which commenced on 20 February 2023 (the "Programme") or (ii) may take place under the Programme between the date of this announcement and settlement of the Off-Market Purchase.

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