



NatWest
Group

NatWest Markets Plc

Q1 2026 Interim Management Statement

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NatWest Markets Group (NWM Group)

Results for Q1 2026

The first quarter of 2026 was characterised by elevated uncertainty in global markets, with volatility increasing toward quarter end as heightened geopolitical tensions disrupted UK and international markets. These conditions weighed on the performance in parts of NWM Group, notably Fixed Income, while higher FX volumes provided a partial offset as we supported customers with their risk management needs. Against this backdrop, we remained closely engaged with customers, leveraging our specialist capabilities and established relationships while maintaining discipline on risk, costs and balance sheet deployment.

Financial review

NWM Group maintained its robust capital and liquidity position in Q1 2026 and reported a profit of £28 million, compared with a profit of £60 million in Q4 2025 and a profit of £59 million in Q1 2025. Total income decreased to £356 million in Q1 2026 compared with the previous quarter, largely driven by a dividend received on the restructuring of a strategic investment in Q4 2025 and a reduction in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries, partially offset by higher income across the primary business lines. Operating expenses decreased in the quarter to £353 million compared with Q4 2025 due to lower litigation and conduct costs, and other operating expenses, largely driven by the non-repeat of one-off items in the prior period.

Financial performance

- **Total income** of £356 million in Q1 2026 decreased by £27 million compared with £383 million in Q4 2025, mainly driven by a dividend received on the restructuring of a strategic investment in Q4 2025 and a reduction in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries, partially offset by higher revenues across the primary business lines. Total income was down by £38 million compared with £394 million in Q1 2025, largely driven by lower revenues in Fixed Income which were impacted by volatility from geopolitical tensions and lower customer volumes, partially offset by an increase in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries and higher revenues in Capital Markets and Currencies.
- **Operating expenses** of £353 million in Q1 2026 were down by £19 million compared with £372 million in Q4 2025 and up by £30 million compared with £323 million in Q1 2025. Litigation and conduct costs of £19 million were down by £5 million compared with £24 million in Q4 2025 and down by £13 million compared with £32 million in Q1 2025, reflecting ongoing progress in closing legacy matters including any associated remediation activity. Other operating expenses of £334 million were down by £14 million compared with £348 million in Q4 2025, largely due to the annual bank levy recognised in the prior period, partially offset by increased staff costs, and up by £43 million compared with £291 million in Q1 2025, largely driven by increases in technology investment costs.
- **Total assets and liabilities** increased by £29.0 billion and £29.1 billion respectively as at 31 March 2026, compared with 31 December 2025. Funded assets increased in the period driven by higher trading assets, settlement balances and cash and balances at central banks. The increases in derivative fair values were largely driven by FX derivatives, reflecting volatility across major currencies including the strengthening of USD in the quarter.

Capital and leverage

- **Total NWM Plc Risk-weighted assets (RWAs)** were £22.2 billion at 31 March 2026, compared with £21.5 billion at 31 December 2025. The increase in the quarter was primarily driven by increases in market and counterparty credit risk.
- **NWM Plc's Common Equity Tier 1 (CET1) ratio** decreased to 18.3% at 31 March 2026 compared with 18.4% at 31 December 2025, mainly due to the increase in RWAs partially offset by an increase in CET1 capital.
- **Total minimum requirement for own funds and eligible liabilities (MREL) for NWM Plc** at 31 March 2026 was £9.8 billion, in line with 31 December 2025. An increase in eligible capital and the issuance of two new internal MREL instruments with NatWest Group plc totalling \$0.7 billion were offset by the maturity of an internal MREL instrument with NatWest Group plc of \$1.0 billion. The MREL ratio decreased to 44.0% of RWAs at 31 March 2026 compared with 45.6% at 31 December 2025, reflecting the increase in RWAs in the period.
- **NWM Plc's leverage ratio** at 31 March 2026 was 4.7%, down compared with 5.0% at 31 December 2025, reflecting an increase in leverage exposure driven by increases in trading assets, partially offset by higher Tier 1 capital.

Liquidity and funding

- **NWM Plc's liquidity portfolio** was £20.2 billion at 31 March 2026, in line with 31 December 2025. The average Liquidity Coverage Ratio (LCR)⁽¹⁾ increased to 204% compared with 198% at 31 December 2025, driven by funding raised during the period and lower net outflows.
- **NWM Plc issued public benchmark transactions** amounting to £2.6 billion in Q1 2026. Transactions comprised €1.0 billion of notes under our Euro Medium Term Note programme and \$2.3 billion of notes under our US Medium Term Note programme. NWM Plc also raised funding in other formats throughout the quarter including, but not limited to, structured note issuance.

(1) Reported on an average basis in line with supervisory guidelines. The LCR is calculated as the average of the preceding 12 months.

ESG highlights

As at the end of Q1 2026, we had delivered £5.9 billion towards the NatWest Group climate and transition finance (CTF) target to provide £200 billion in climate and transition finance⁽¹⁾ between 1 July 2025 and the end of 2030.

(1) The CTF framework has been developed to expand the support provided to customers to achieve their climate and/or transition ambitions and is used to determine the assets, activities, acquisition targets and companies that are eligible to be included towards the £200 billion CTF target. The climate and transition finance framework is available on natwestgroup.com. Climate and transition finance represents only a relatively small proportion of our overall financing and facilitation activities.

Capital Guidance⁽¹⁾

We retain the Capital guidance provided in the NatWest Markets Plc 2025 Annual Report and Accounts.

(1) The guidance, targets, expectations and trends discussed in this section represent management's current expectations and are subject to change, including as a result of the factors described in the Risk Factors section in the NatWest Markets Plc 2025 Annual Report and Accounts. These statements constitute forward-looking statements. Refer to Forward-looking statements in this announcement.

Financial review

The table below presents an analysis of key lines of NWM Group's income statement. Commentary refers to the table below as well as the consolidated income statement shown on page 5.

	Quarter ended		
	31 March 2026	31 December 2025	31 March 2025
	£m	£m	£m
Income statement			
Net interest income	131	135	124
Non-interest income	225	248	270
Total income	356	383	394
Litigation and conduct costs	(19)	(24)	(32)
Other operating expenses	(334)	(348)	(291)
Operating expenses	(353)	(372)	(323)
Operating profit before impairment releases/losses	3	11	71
Impairment releases/(losses)	1	(2)	(1)
Operating profit before tax	4	9	70
Tax credit/(charge)	24	51	(11)
Profit for the period	28	60	59
Income (1)			
Fixed Income	20	7	64
Currencies	161	147	158
Capital Markets	194	190	181
Capital Management Unit and other (2)	(12)	45	13
Income including shared revenue before OCA	363	389	416
Transfer pricing arrangements with fellow NatWest Group subsidiaries (3)	(10)	(4)	(28)
Income excluding OCA	353	385	388
Own credit adjustments (OCA)	3	(2)	6
Total income	356	383	394

(1) Product performance includes gross income earned on a NatWest Group-wide basis, including amounts contributed to other NatWest Group subsidiaries. Income including shared revenue before OCA includes revenue share from other NatWest Group subsidiaries but before revenue share is paid to or contributed to those subsidiaries.

(2) Capital Management Unit was set up in Q3 2020 to manage capital usage and optimisation across all parts of NatWest Markets, with the income materially relating to legacy positions.

(3) Transfer pricing arrangements with fellow NatWest Group subsidiaries includes shared revenue paid to or contributed to those subsidiaries and a profit share arrangement with fellow NatWest Group subsidiaries. The profit share arrangement rewards NWM Group on an arm's length basis for its contribution to the performance of the NatWest Group Commercial & Institutional business segment. The profit share is not allocated to individual NatWest Markets product areas.

Q1 2026 performance

- **Net interest income** largely represents interest income from lending activity and capital hedges, offset by interest expense from the funding costs of the business. The increase of £7 million compared with Q1 2025 largely reflects growth in lending activity, partially offset by higher funding costs.
- **Non-interest income** decreased by £23 million compared with Q4 2025, mainly driven by a dividend received in Q4 2025 on the restructuring of a strategic investment, a decrease of £14 million in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries, where £49 million was recognised in the current quarter, and fair value movements relating to funding positions in Capital Management Unit and other. This was partially offset by higher revenues across the primary business lines, in particular Currencies which reflected the successful navigation of volatile market conditions. Non-interest income decreased by £45 million compared with Q1 2025, driven by lower Fixed Income revenues reflecting volatility from geopolitical tensions, reduced customer volumes and a strong performance in Q1 2025, alongside fair value movements on funding positions in Capital Management Unit and other. This was partially offset by an increase of £15 million in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries.
- **Operating expenses** in Q1 2026 decreased by £19 million compared with Q4 2025 and increased by £30 million compared with Q1 2025. Litigation and conduct costs in Q1 2026 reflected ongoing progress in closing legacy matters, including any associated remediation activity, and were down by £5 million compared with Q4 2025 and down by £13 million compared with Q1 2025. Other operating expenses in Q1 2026 decreased by £14 million compared with Q4 2025, largely due to the annual bank levy recognised in the prior period, partially offset by higher staff costs. Other operating expenses increased by £43 million compared with Q1 2025, largely driven by increases in technology investment costs.

Financial review

Balance sheet profile as at 31 March 2026

NWM Group's balance sheet profile is summarised below. Commentary refers to the table below as well as the consolidated balance sheet on page 6.

	Assets		Liabilities	
	31 March	31 December	31 March	31 December
	2026	2025	2026	2025
	£bn	£bn	£bn	£bn
Cash and balances at central banks	20.5	16.0		
Securities	18.8	12.6	12.8	7.5 Short positions
Reverse repos (1)	31.3	27.7	33.0	28.6 Repos (2)
Derivative cash collateral given (3)	6.1	5.6	12.1	11.8 Derivative cash collateral received (4)
Other trading assets	0.5	0.3	0.9	0.9 Other trading liabilities
Total trading assets	56.7	46.2	58.8	48.8 Total trading liabilities
Loans - amortised cost	25.3	24.7	19.0	15.7 Deposits - amortised cost
Settlement balances	8.3	0.6	9.9	0.9 Settlement balances
Amounts due from holding company and fellow subsidiaries	0.6	0.3	6.0	6.1 Amounts due to holding company and fellow subsidiaries
Other financial assets	18.8	19.1	36.9	35.5 Other financial liabilities
Other assets	0.7	0.6	0.4	0.4 Other liabilities
Funded assets	130.9	107.5	131.0	107.4 Liabilities excluding derivatives
Derivative assets	66.5	60.9	59.5	54.0 Derivative liabilities
Total assets	197.4	168.4	190.5	161.4 Total liabilities

(1) Comprises bank reverse repos of £4.7 billion (31 December 2025 – £4.6 billion) and customer reverse repos of £26.6 billion (31 December 2025 – £23.1 billion).

(2) Comprises bank repos of £10.3 billion (31 December 2025 – £8.2 billion) and customer repos of £22.7 billion (31 December 2025 – £20.4 billion).

(3) Comprises derivative cash collateral given relating to banks of £3.5 billion (31 December 2025 – £2.6 billion) and customers of £2.6 billion (31 December 2025 – £3.0 billion).

(4) Comprises derivative cash collateral received relating to banks of £4.2 billion (31 December 2025 – £4.1 billion) and customers of £7.9 billion (31 December 2025 – £7.7 billion).

- **Total assets and liabilities** increased by £29.0 billion and £29.1 billion respectively as at 31 March 2026. Funded assets, which exclude derivatives, increased by £23.4 billion, largely driven by higher trading assets, settlement balances and cash and balances at central banks. Derivative fair values increased in the period, largely driven by FX derivatives, reflecting volatility across major currencies including the strengthening of USD in the quarter.
- **Cash and balances at central banks** increased by £4.5 billion, largely driven by funding raised in the period and an increase in customer deposits.
- **Trading assets** were up by £10.5 billion, with increases in securities and reverse repos driven by client-led activity and the management of balance sheet within limits. **Trading liabilities** increased by £10.0 billion, driven by increases in short positions and repos.
- **Deposits – amortised cost** were up by £3.3 billion, largely driven by an increase in customer deposits in NWM N.V. and higher bank deposits reflecting increased repo funding.
- **Settlement balance assets and liabilities** were up by £7.7 billion and £9.0 billion respectively, largely due to increased trading compared with the seasonally lower levels of customer activity leading up to 31 December 2025.
- **Derivative assets and derivative liabilities** were up by £5.6 billion and £5.5 billion respectively at 31 March 2026. The increases in fair values were largely driven by FX derivatives, reflecting volatility across major currencies including the strengthening of USD in the quarter.

Non-IFRS measures

This document contains a number of non-IFRS measures. For details of the basis of preparation and reconciliations, where applicable, refer to the non-IFRS measures section on page 11.

Capital, liquidity and funding risk

Introduction

NWM Group takes a comprehensive approach to the management of capital, liquidity and funding, underpinned by frameworks, risk appetite and policies, to manage and mitigate capital, liquidity and funding risks. The framework ensures the tools and capability are in place to facilitate the management and mitigation of risk ensuring that NWM Group operates within its regulatory requirements and risk appetite.

Capital, RWAs and leverage

Capital resources, RWAs and leverage for NWM Plc are set out below and have been calculated in line with the PRA rulebook, subject to the requirements set out in the UK CRR. Regulatory capital is monitored and reported at legal entity level for large subsidiaries of NatWest Group.

	31 March 2026	31 December 2025
Capital adequacy ratios (1,2)	%	%
CET1	18.3	18.4
Tier 1	22.7	23.0
Total	25.8	26.0
Total MREL	44.0	45.6
Capital (1,2)	£m	£m
CET1	4,072	3,952
Tier 1	5,046	4,926
Total	5,731	5,576
Total MREL (3)	9,778	9,787
Risk-weighted assets		
Credit risk	10,303	10,447
Counterparty credit risk	6,209	5,868
Market risk	3,988	3,431
Operational risk	1,711	1,711
Total RWAs	22,211	21,457

- (1) NWM Plc's total capital ratio requirement is 11.4%, comprising the Pillar 1 minimum capital requirement of 8%, supplemented with the capital conservation buffer of 2.5% and the institution specific countercyclical buffer (CCyB) of 0.9%. The minimum CET1 ratio is 8.0%, including the minimum capital requirement of 4.5%. The CCyB is based on the weighted average of NWM Plc's geographical exposures.
- (2) In addition, NWM Plc is subject to Pillar 2A requirements for CET1, AT1 and Tier 2. Refer to the NatWest Markets Plc Q1 2026 Pillar 3 report for further details on these additional capital requirements.
- (3) Includes senior internal debt instruments issued to NatWest Group plc with a nominal value of £4.0 billion (31 December 2025 - £4.2 billion).

Leverage

The leverage ratio has been calculated in accordance with the Leverage Ratio (CRR) part of the PRA rulebook.

	31 March 2026	31 December 2025
Tier 1 capital (£m)	5,046	4,926
Leverage exposure (£m) (1)	107,760	97,880
Leverage ratio (%)	4.7	5.0

- (1) Leverage exposure is broadly aligned to the accounting value of on and off-balance sheet exposures albeit subject to specific adjustments for derivatives, securities financing positions and off-balance sheet exposures.

Liquidity and funding

	31 March 2026	31 December 2025
Average LCR (%) (1)	204	198
Liquidity portfolio (£bn) (1)	20.2	20.2
Total funding including repo (£bn) (2)	107.6	98.4

- (1) LCR and Liquidity portfolio measures presented are for NWM Plc.
- (2) Total funding is presented for NWM Group.

Condensed consolidated income statement for the period ended 31 March 2026 (unaudited)

	Quarter ended		
	31 March	31 December	31 March
	2026	2025	2025
	£m	£m	£m
Interest receivable	633	648	659
Interest payable	(502)	(513)	(535)
Net interest income	131	135	124
Fees and commissions receivable	107	94	127
Fees and commissions payable	(40)	(45)	(56)
Income from trading activities	115	86	192
Other operating income	43	113	7
Non-interest income	225	248	270
Total income	356	383	394
Staff costs	(136)	(113)	(136)
Premises and equipment	(22)	(21)	(21)
Other administrative expenses	(192)	(235)	(163)
Depreciation and amortisation	(3)	(3)	(3)
Operating expenses	(353)	(372)	(323)
Profit before impairment releases/losses	3	11	71
Impairment releases/(losses)	1	(2)	(1)
Operating profit before tax	4	9	70
Tax credit/(charge)	24	51	(11)
Profit for the period	28	60	59
Attributable to:			
Ordinary shareholders	6	37	30
Paid-in-equity holders	22	23	29
	28	60	59

Condensed consolidated statement of comprehensive income for the period ended 31 March 2026 (unaudited)

	Quarter ended		
	31 March	31 December	31 March
	2026	2025	2025
	£m	£m	£m
Profit for the period	28	60	59
Items that do not qualify for reclassification			
Remeasurement of retirement benefit schemes	-	8	(3)
Changes in fair value of financial liabilities designated at fair value through profit or loss (FVTPL)	17	(6)	4
FVOCI financial assets	1	(12)	2
Tax	3	(8)	5
	21	(18)	8
Items that do qualify for reclassification			
FVOCI financial assets	(5)	11	3
Cash flow hedges	(106)	35	27
Currency translation	12	(4)	(25)
Tax	26	(15)	(12)
	(73)	27	(7)
Other comprehensive (loss)/income after tax	(52)	9	1
Total comprehensive (loss)/income for the period	(24)	69	60
Attributable to:			
Ordinary shareholders	(46)	46	31
Paid-in equity holders	22	23	29
	(24)	69	60

Condensed consolidated balance sheet as at 31 March 2026 (unaudited)

	31 March 2026 £m	31 December 2025 £m
Assets		
Cash and balances at central banks	20,456	16,023
Trading assets	56,658	46,174
Derivatives	66,549	60,866
Settlement balances	8,327	643
Loans to banks - amortised cost	1,603	1,221
Loans to customers - amortised cost	23,726	23,454
Amounts due from holding company and fellow subsidiaries	636	287
Other financial assets	18,830	19,084
Other assets	653	619
Total assets	197,438	168,371
Liabilities		
Bank deposits	9,259	8,501
Customer deposits	9,714	7,161
Amounts due to holding company and fellow subsidiaries	5,970	6,068
Settlement balances	9,868	932
Trading liabilities	58,829	48,847
Derivatives	59,462	53,977
Other financial liabilities	36,928	35,453
Other liabilities	487	469
Total liabilities	190,517	161,408
Owners' equity	6,921	6,963
Total liabilities and equity	197,438	168,371

Condensed consolidated statement of changes in equity
for the period ended 31 March 2026 (unaudited)

	Share capital and share premium £m	Paid-in equity £m	Retained earnings £m	Other reserves* £m	Total equity £m
At 1 January 2026	2,346	1,192	3,377	48	6,963
Profit attributable to ordinary shareholders and paid-in equity holders			28		28
Other comprehensive income					
- Changes in fair value of financial liabilities designated at FVTPL due to changes in credit risk			17		17
- Amounts recognised in equity: cash flow hedges				(149)	(149)
- Foreign exchange reserve movement				12	12
- Amounts transferred from equity to earnings				39	39
- Tax			(1)	30	29
Paid-in equity dividends paid			(22)		(22)
Share-based payments			3		3
Sharing in success			1		1
Merger reserve amortisation			(1)	1	-
At 31 March 2026	2,346	1,192	3,402	(19)	6,921
					31 March 2026 £m
Attributable to:					
Ordinary shareholders					5,729
Paid-in equity holders					1,192
					6,921
*Other reserves consist of:					
Merger reserve					(7)
FVOCI reserve					38
Cash flow hedging reserve					(172)
Foreign exchange reserve					122
					(19)

Notes

1. Presentation of condensed consolidated financial statements

The condensed consolidated financial statements should be read in conjunction with NatWest Markets Plc's 2025 Annual Report and Accounts. The accounting policies are the same as those applied in the consolidated financial statements, except for the adoption of new standards effective as of 1 January 2026. NWM Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7 – issued May 2024) were adopted on 1 January 2026. NWM Group has made an accounting policy election to derecognise financial liabilities before the settlement date where they are settled using electronic payment systems that satisfy the specified conditions in IFRS 9. The amendments had no material impact on the financial performance or position of the NWM Group.

The directors have prepared the condensed consolidated financial statements on a going concern basis after assessing the principal risks, forecasts, projections and other relevant evidence over the twelve months from the date they are approved.

2. Trading assets and liabilities

Trading assets and liabilities comprise assets and liabilities held at fair value in trading portfolios.

	31 March 2026 £m	31 December 2025 £m
Assets		
Loans		
Reverse repos	31,326	27,656
Collateral given	6,079	5,635
Other loans	405	294
Total loans	37,810	33,585
Securities		
Central and local government		
- UK	3,123	1,808
- US	6,551	4,153
- Other	6,468	4,135
Financial institutions and Corporate	2,706	2,493
Total securities	18,848	12,589
Total	56,658	46,174
Liabilities		
Deposits		
Repos	32,969	28,578
Collateral received	12,083	11,792
Other deposits	730	739
Total deposits	45,782	41,109
Debt securities in issue	231	234
Short positions	12,816	7,504
Total	58,829	48,847

Notes

3. Other financial liabilities

	31 March 2026 £m	31 December 2025 £m
Customer deposits - designated as at FVTPL	2,393	2,312
Debt securities in issue		
- Medium term notes	28,251	27,232
- Commercial paper and certificates of deposit	6,021	5,638
Subordinated liabilities		
- Designated as at FVTPL	228	237
- Amortised cost	35	34
Total	36,928	35,453

4. Amounts due to holding company and fellow subsidiaries

	31 March 2026 £m	31 December 2025 £m
Bank deposits - amortised cost	114	267
Customer deposits - amortised cost	57	42
Settlement balances	183	-
Trading liabilities	418	280
Other financial liabilities - subordinated liabilities	1,088	1,066
MREL instruments issued to NatWest Group plc	4,047	4,323
Other liabilities	63	90
Total	5,970	6,068

Notes

5. Litigation and regulatory matters

NatWest Markets Plc's 2025 Annual Report and Accounts, issued on 13 February 2026, included disclosures about NWM Group's litigation and regulatory matters in Note 25. Set out below are the material developments in those matters (all of which matters have been previously disclosed) since publication of the 2025 Annual Report and Accounts.

Litigation

Swaps antitrust litigation

NWM Plc and other members of NatWest Group, including NatWest Group plc, as well as a number of other interest rate swap dealers, are defendants in several cases pending in the SDNY alleging violations of US antitrust laws in the market for interest rate swaps. Three swap execution facilities (TeraExchange, Javelin, and trueEx) allege that they would have successfully established exchange-like trading of interest rate swaps if the defendants had not unlawfully conspired to prevent that from happening through boycotts and other means.

Discovery is complete though expert discovery is ongoing and, in March 2026, defendants filed a motion for summary judgment seeking dismissal of the claims, which is pending.

Oracle Securities Litigation

In January and February 2026, two substantially similar class action complaints were filed in New York state court against Oracle Corporation and the underwriters of a September 2025 bond offering by Oracle, including NWMSI. The complaint alleges that the offering documents for the bonds were materially misleading because they failed to disclose that, at the time of the bond offering, Oracle was already planning to further increase its debt to fund its Artificial Intelligence infrastructure expansion. On 4 March 2026, an amended complaint consolidated both actions into one.

The consolidated amended complaint seeks damages under the U.S. Securities Act of 1933 (the 'Securities Act'), as amended, on behalf of those who purchased Oracle's bonds. In connection with the bond offering, Oracle agreed to indemnify the underwriters against certain potential liabilities, including disclosure-based liability under the Securities Act. Defendants (including NWMSI) anticipate filing a motion to dismiss the consolidated amended complaint.

Regulatory matters

US investigations relating to fixed-income securities

In December 2021, NWM Plc pled guilty in the United States District Court for the District of Connecticut to one count of wire fraud and one count of securities fraud in connection with historical spoofing conduct by former employees in US Treasuries markets between January 2008 and May 2014 and, separately, during approximately three months in 2018. The 2018 trading occurred during the term of a non-prosecution agreement (NPA) between NWMSI and the United States Attorney's Office for the District of Connecticut (USAO CT), under which non-prosecution was conditioned on NWMSI and affiliated companies not engaging in criminal conduct during the term of the NPA. The relevant trading in 2018 was conducted by two NWM Plc traders in Singapore and breached that NPA. The plea agreement reached with the US Department of Justice (DOJ) and the USAO CT resolved both the spoofing conduct and the breach of the NPA.

The DOJ and USAO CT paused the monitorship in May 2025 and, following a review, determined that a monitorship was no longer necessary as a result of NWM Plc's notable progress in strengthening its compliance programme, certain of NWM Plc's remedial improvements, internal controls, and the status of implementation of Monitor recommendations, and that reporting by NWM Plc to the DOJ and USAO CT on its continued compliance programme progress provided an appropriate degree of oversight. The court approved the agreement and extended NWM Plc's obligations under the plea agreement and probation until December 2026.

In the event that NWM Plc does not meet its obligations to the DOJ, this may lead to adverse consequences such as increased costs and findings that NWM Plc violated its probation term amongst other consequences. Other material adverse collateral consequences may occur as a result of this matter, as further described in the Risk Factor relating to legal, regulatory and governmental actions and investigations set out on pages 417 to 419 of the NatWest Group plc 2025 Annual Report and Accounts.

6. Post balance sheet events

There have been no significant events between 31 March 2026 and the date of approval of these accounts that would require a change to or additional disclosure in the condensed consolidated financial statements.

Non-IFRS measures

NWM Group prepares its financial statements in accordance with UK-adopted International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). This document contains a number of non-IFRS measures, or alternative performance measures, defined under the European Securities and Markets Authority (ESMA) guidance, or non-Generally Accepted Accounting Principles (GAAP) financial measures in accordance with the Securities and Exchange Commission (SEC) regulations. These measures are adjusted for certain items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison.

The 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. The non-IFRS measures also include a calculation of metrics that are used throughout the banking industry.

These non-IFRS measures are not a substitute for IFRS measures and a reconciliation to the closest IFRS measure is presented where appropriate. These measures include:

- Management analysis of operating expenses shows litigation and conduct costs on a separate line. These amounts are included within staff costs, premises and equipment and other administrative expenses in the statutory analysis. Other operating expenses excludes litigation and conduct costs which are more volatile and may distort comparisons with prior periods.
- Funded assets are defined as total assets less derivative assets. This measure allows review of balance sheet trends exclusive of the volatility associated with derivative fair values.
- Management view of income by business including shared revenue and before own credit adjustments. This measure is used to show underlying income generation in NatWest Markets excluding the impact of own credit adjustments.
- Revenue share refers to income generated by NatWest Markets products from customers that have their primary relationship with other NatWest Group subsidiaries, a proportion of which is shared between NatWest Markets and those subsidiaries.
- Transfer Pricing arrangements with fellow NatWest Group subsidiaries includes revenue share and a profit share arrangement with fellow NatWest Group subsidiaries. The profit share arrangement rewards NWM Group on an arm's length basis for its contribution to the performance of the NatWest Group Commercial & Institutional business segment. The profit share is not allocated to individual NatWest Markets product areas.
- Own credit adjustments are applied to positions where it is believed that the counterparties would consider NWM Group's creditworthiness when pricing trades. The fair value of certain issued debt securities, including structured notes, is adjusted to reflect the changes in own credit spreads and the resulting gain or loss recognised in income.

Non-IFRS financial measures

Operating expenses – management view

	Quarter ended		
	31 March 2026		
	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m
Staff costs	10	126	136
Premises and equipment	3	19	22
Other administrative expenses	6	186	192
Depreciation and amortisation	-	3	3
Total	19	334	353

	Quarter ended		
	31 December 2025		
	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m
Staff costs	9	104	113
Premises and equipment	2	19	21
Other administrative expenses	13	222	235
Depreciation and amortisation	-	3	3
Total	24	348	372

	Quarter ended		
	31 March 2025		
	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m
Staff costs	8	128	136
Premises and equipment	-	21	21
Other administrative expenses	24	139	163
Depreciation and amortisation	-	3	3
Total	32	291	323

Additional information

Presentation of information

NatWest Markets Plc ('NWM Plc') is a wholly-owned subsidiary of NatWest Group plc or 'the ultimate holding company'. The NatWest Markets Group ('NWM Group') comprises NWM Plc and its subsidiary and associated undertakings. The term 'NatWest Group' or 'we' refers to NatWest Group plc and its subsidiaries. The term NWM N.V. Group refers to NatWest Markets N.V. and its subsidiary and associated undertakings. The term 'NWMSI' refers to NatWest Markets Securities, Inc. The term 'NWH Group' refers to NatWest Holdings Limited ('NWH') and its subsidiary and associated undertakings. The term 'NatWest Bank Plc' or 'NWB Plc' refers to National Westminster Bank Plc.

NWM Plc publishes its financial statements in pounds sterling ('£' or 'sterling'). The abbreviations '£m' and '£bn' represent millions and thousands of millions of pounds sterling ('GBP'), respectively, and references to 'pence' or 'p' represent pence in the United Kingdom ('UK'). References to 'dollars' or '\$' are to United States of America ('US') dollars. The abbreviations '\$m' and '\$bn' represent millions and thousands of millions of dollars, respectively, and references to 'cents' represent cents in the United States ('US'). The abbreviation '€' represents the 'euro', and the abbreviations '€m' and '€bn' represent millions and thousands of millions of euros, respectively, and references to 'cents' represent cents in the European Union ('EU').

Statutory results

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act"). The statutory accounts for the year ended 31 December 2025 will be filed with the Registrar of Companies. The report of the auditor on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Act.

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Forward-looking statements

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 with respect to NWM Group's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability-related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about NatWest Group's beliefs and expectations, are forward-looking statements. Words such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document includes forward-looking targets and guidance relating to financial performance measures, such as income growth, operating expense, cost reductions, impairment loss rates, capital generation pre-distributions, customer assets and liabilities growth rate, cost-income ratio, 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 climate and sustainability-related performance ambitions, targets and metrics, including in relation to initiatives to transition to a net zero economy, climate, sustainable and transition funding and financing, and financed and facilitated emissions.

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 and NWM Group's strategy or operations, which may result in NWM 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 Markets Plc's 2025 Annual Report and Accounts, NWM Group's Interim Management Statement for Q1 2026, and its other public filings. The principal risks and uncertainties that could adversely affect NWM 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: economic and political risks and uncertainties in the UK and global markets, including as a result of inflation and interest rates, supply chain disruption, protectionist policies, and geopolitical developments; and changes in interest rates and foreign currency exchange rates; business change and execution risk (including in respect of: NatWest Group's strategy and NatWest Group's creation of its Commercial & Institutional business segment (of which NWM Group forms part); the competitive environment; and the transfer of NatWest Group's EU corporate portfolio); financial resilience risk (including in respect of: NWM Group's ability to meet targets, generate returns or implement its strategy effectively; prudential regulatory requirements for capital; NWM Group's reliance on access to capital markets directly or indirectly through its parent (NatWest Group plc) for the subscription to its internal capital and MREL; prudential regulatory requirements for funding and liquidity; capital, funding and liquidity risk; reductions in the credit ratings and/or outlooks assigned to NatWest Group plc, any of its subsidiaries (including NWM Group) or any of their respective debt securities; counterparty and borrower risk; model risk; sensitivity to accounting policies, judgments, estimates and assumptions (and the economic, climate, competitive and other forward-looking information affecting those judgments, estimates and assumptions); changes in applicable accounting standards; the requirements of regulatory stress tests and the adequacy of NatWest Group's resolution plans; and the application of UK statutory stabilisation or resolution powers to NatWest Group); 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; artificial intelligence; attracting, retaining and developing senior management and skilled personnel; complex IT systems; NWM Group's risk management framework; and NWM Group's reputational risk); legal and regulatory risk (including in respect of: the impact of substantial regulation and oversight; the outcome of legal, regulatory and governmental actions and investigations as well as remedial undertakings; and changes in tax legislation or failure to generate future taxable profits); and climate and sustainability-related risk (including in respect of: climate and sustainability-related risks; both the execution and reputational risk relating to NatWest Group's (including NWM Group) climate and sustainability-related strategy, ambitions, targets, commitments, and transition plan; climate and sustainability-related data and model risk; increasing levels of climate, environmental, human rights and other sustainability-related laws, regulation and oversight; climate, environmental, human rights and other sustainability-related litigation, enforcement actions, investigations and conduct risk).

Forward-looking statements

Cautionary statement regarding Non-IFRS financial measures and APMs

NWM Group prepares its financial statements in accordance with UK-adopted International Accounting Standards (IAS) and IFRS. This document may contain non-IFRS measures, or alternative performance measures, defined under the European Securities and Markets Authority (ESMA) guidance, or non-GAAP financial measures in accordance with the Securities and Exchange Commission (SEC) regulations (together, APMs). 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. APMs 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. APMs included in this document, are not measures within the scope of IFRS or GAAP, are based on a number of assumptions that are subject to uncertainties and change, and are not a substitute for IFRS or GAAP measures and a reconciliation to the closest IFRS or GAAP measure is presented where appropriate.

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.

Caution on non-financial reporting

The processes we have adopted to define, collect and report data on our climate and sustainability-related performance, as well as the associated metrics and disclosures in this document, are not subject to the same formal processes adopted for financial reporting in accordance with established reporting standards. They involve a higher degree of judgement, assumptions and estimates, including in relation to the classification of climate and sustainability-related (including social, sustainability, sustainability-linked, green, climate and transition) funding, financing and facilitation activities, than what is required for reporting of historical financial information prepared in accordance with established reporting standards. As a result, climate and sustainability-related disclosures may be amended, updated or restated over time. However, NWM Group does not undertake to restate prior disclosures except where required by applicable law or regulation, even if subsequently available data or methodologies differ from those used at the time of the original disclosure. In addition, non-financial reporting systems are less developed than financial reporting systems, often involving manual processes and less robust controls, which may affect data quality and consistency.

Refer also to the 'Climate and sustainability-related risk factors' on pages 165 to 168 of the NatWest Markets Plc 2025 Annual Report and Accounts and the cautionary statement in the section entitled 'Caution about climate-related metrics and data required for climate reporting' on pages 70 to 72 of the NatWest Group plc 2025 Climate Transition Plan Report published by NatWest Group plc for the consolidated group, including NatWest Markets Plc.

Caution about sustainability-related funding, financing and facilitation

Sustainability-related (including social, sustainability, sustainability-linked, green, climate, transition) funding, financing and facilitation currently represents only a relatively small proportion of NWM Group's overall funding, financing and facilitation activities. Accordingly, disclosures relating to sustainability-related funding, financing and facilitation should be read in the context of NWM Group's broader balance sheet, risk profile and funding, financing and facilitation activities, and should not be interpreted as indicative of NWM Group's overall funding, financing or facilitation strategy.

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