

# NatWest Markets Plc Financial Highlights Q1 2025



## Q1 2025 performance highlights<sup>1</sup>

Financial performance	£394m Total income	£291m Other operating expenses <sup>2</sup>	£59m Profit for the quarter
Capital and leverage	17.2% CET1 capital ratio vs medium term target of around 14%	46.7% MREL ratio vs greater than 30% medium term target	5.4% Leverage ratio vs greater than 4% medium term target
Liquidity and funding	167% Liquidity coverage ratio	£19.4bn Liquidity portfolio	£2.8bn Senior unsecured public benchmark issuance

- Total income in Q1'25 was £394m, up from £303m in Q4'24, mainly due to a stronger performance across primary business lines and the impact of FX reserves recycling in the prior period, partially offset by a reduction in income from the profit share arrangement with fellow NatWest Group subsidiaries.
- Operating expenses in Q1'25 were £323m compared with £362m in Q4'24. Litigation and conduct costs were £32m compared with £41m in Q4'24, reflecting ongoing progress in closing legacy matters, including any associated conduct remediation activity. Other operating expenses were £291m compared to £321m Q4'24, largely due to the annual bank levy recognised in Q4'24, partially offset by higher staff costs.
- Capital position remains robust at the end of Q1'25, with a CET1 ratio of 17.2%, MREL of 46.7% and a leverage ratio of 5.4%. RWAs were £21.7bn, compared with £20.8bn at Q4'24. The increase was driven by higher market risk and an increase from the annual update to operational risk RWAs.
- Climate and sustainable funding and financing continued to perform well. As at the end of Q1'25 we had delivered £52.7bn towards the NatWest Group climate and sustainable funding and financing target of £100bn between 1 July 2021 and the end of 2025<sup>3</sup>.
- NWM Plc issued public benchmark transactions amounting to £2.8bn during Q1'25, comprising an issuance under our EMTN programme of €1.0bn and issuances under our US MTN programme of \$2.5bn. NWM Plc also raised funding in other formats throughout the period including, but not limited to, structured note issuance.

Notes: (1) Income and loss for the period relates to NWM Plc consolidated, other amounts relate to NWM Plc solo. (2) Excludes litigation and conduct costs. (3) NatWest Group uses its climate and sustainable funding and financing inclusion (CSFFI) criteria to determine the assets, activities and companies that are eligible to be counted towards its climate and sustainable funding and financing target.

The guidance, targets, expectations and trends discussed in this presentation represent NatWest Group management's current expectations and are subject to change, including as a result of the factors described in the "Risk Factors" in the NWG 2024 Annual Report and Accounts on Form 20-F and the Risk Factors in the NWM 2024 Annual Report and Accounts. These statements constitute forward looking statements under the US Private Securities Litigation Reform Act of 1995; refer to Forward Looking Statements in the NWM Plc ARA. The forward-looking statements contained in this document speak only as of the date of this document and NWM Plc does not assume or undertake any obligation or responsibility to update any of these statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

# Our business model: how we create value

NWM Group provides access to financial markets for NatWest Group customers, through an integrated corporate and institutional customer proposition, with full-service financing and risk management expertise.

Our key strengths	<ul style="list-style-type: none"><li>➤ Strong specialist capabilities that our customers value</li><li>➤ Digital First-led Currencies and Fixed Income businesses that are connected across NatWest Group to support customers</li><li>➤ Innovative Capital Markets platform with industry-leading structuring and distribution expertise.</li><li>➤ Recognised Climate and ESG capabilities, providing expertise and innovation in Sustainable Finance, ESG advisory and thought leadership.</li></ul>
What we do	<p>Our customers</p> <p>As part of NatWest Group, we support corporate and institutional customers. We work in close collaboration with teams across NatWest Group to provide capital markets and risk management solutions to its customers.</p> <p>Our operations</p> <p>NWM Group is headquartered in the UK with trading hubs in Asia, Europe and the US. Financial markets access is offered by NWM Group across NatWest Markets Plc (NWM Plc) and its subsidiaries, including NatWest Markets Securities Inc. and NatWest Markets N.V. (NWM N.V.).</p> <p>Our products and solutions</p> <p>We provide liquidity and risk management in Currencies and Fixed Income through a combination of voice and electronic delivery channels. Through our Capital Markets business, we provide an integrated proposition across financing, solutions and advisory services.</p> <p>Our strategists and content experts across Currencies, Fixed Income and Capital Markets offer industry and economic insights in the key economies where our customers do business.</p> <p>We have a sharp focus on digitisation and automation with our range of digital FX, fixed income, risk management and international payments options.</p>
Fixed Income	<p>We have long-standing expertise in the fixed income markets and offer cash bond, repo and interest rate derivatives, with a focus on sterling, euros and US dollars, that supports our customers' financing and hedging needs.</p> <p>In addition, we provide liquidity and credit for investment-grade and high-yield bonds and loans for both financial institutions and corporate issuers.</p>
Currencies	<p>We are an award-winning foreign exchange service provider offering FX spot, forwards, cross-currency swaps and options, as well as an FX prime service and FX digital solutions.</p>
Capital Markets	<p>We help customers to access global debt capital markets across a wide variety of products and target markets, including bonds, loans, commercial paper, medium-term notes (MTNs) and private placements.</p> <p>We also provide bespoke financing solutions to customers, including structuring, distribution, on balance sheet financing and risk management products.</p>

Our support for customers has been recognised by a number of industry awards<sup>4</sup>

'World's Best FX Prime Brokerage' and 'UK's Best FX Bank' for the fifth consecutive year. **Euromoney Foreign Exchange Awards 2024**

'Best Prime Broker' for the fourth consecutive year and 'Best e-FX solution for corporates' for the first time. **e-FX Awards 2024**

'Best Foreign Exchange Bank in the UK' for the fifth consecutive year. **Global Finance 2024 Awards**

'Most Impressive Corporate MTN Dealer', which recognised performance in the international bond markets. **Global Capital Bond Awards 2024**

'Best ESG SSA Bookrunner/Dealer', 'Best FIG MTN Private Placement Dealer' and 'Best GBP Bookrunner/Dealer'. **CMD Portal 2024 Awards**

'Lead manager of the year, green bonds – financial institution' and 'Lead manager of the year, social bonds – supranational, sub-sovereign and agency'. **Environmental Finance's Bond Awards 2024**

Notes: (4) The award submission may be submitted at the NatWest Group parent level, incorporating content from NWM Plc.

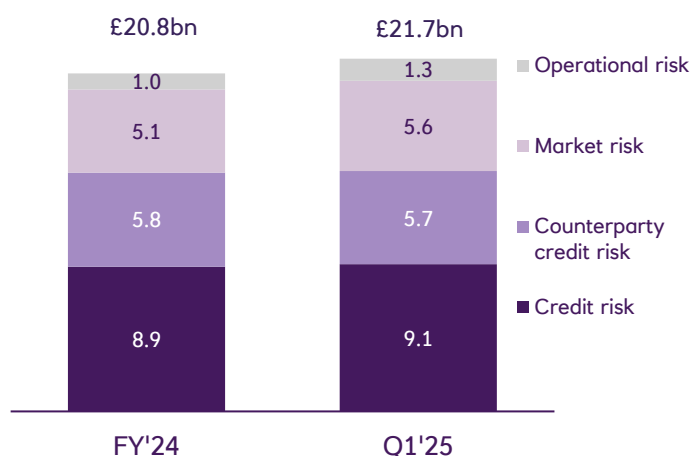
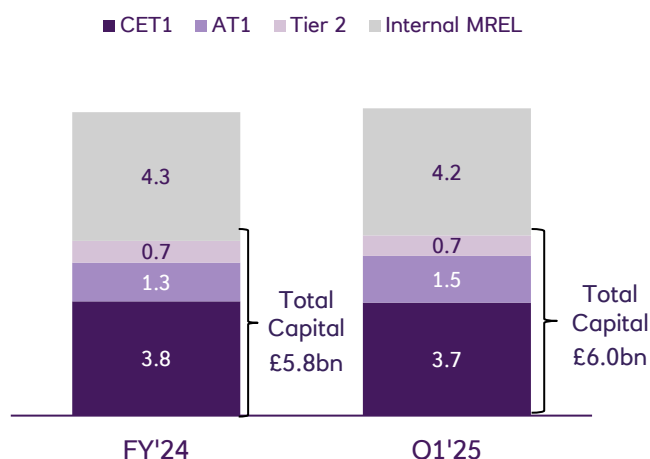
# Q1 2025 Financials overview

## NWM Plc Capital and RWA profile

Note: numbers may not cast due to rounding

### NWM Plc Regulatory Capital and MREL Stack (£bn)<sup>5</sup>

### NWM Plc Risk Weighted Assets (£bn)



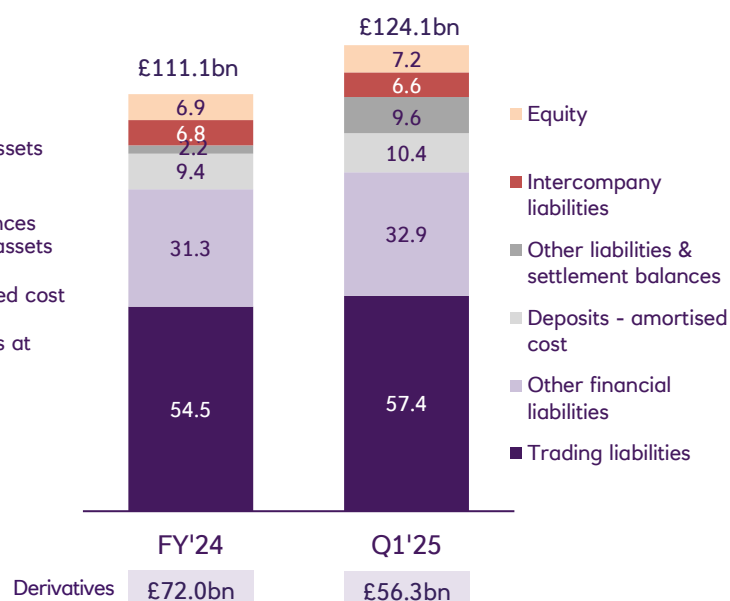
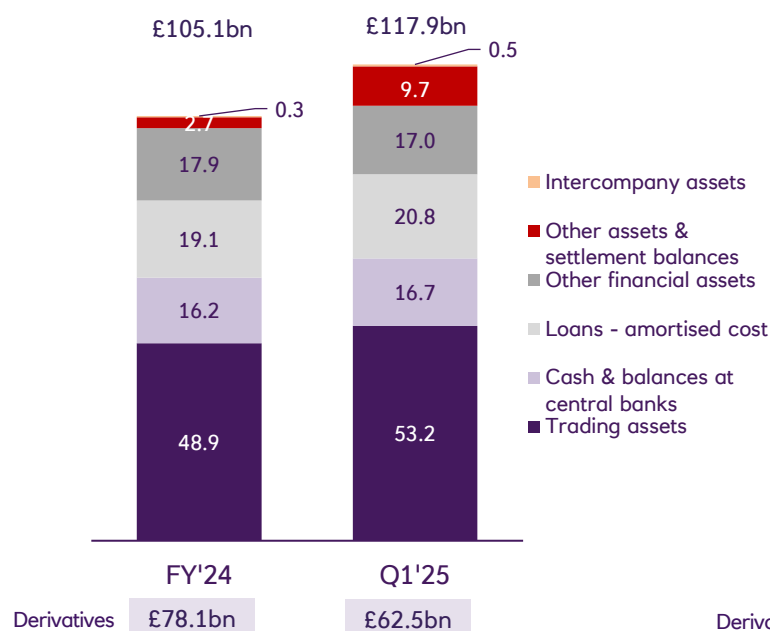
## NWM Group Balance Sheet profile (£bn)

Note: numbers may not cast due to rounding

Total Assets £180.4bn (FY'24: £183.2bn)

o/w Funded Assets £117.9bn (FY'24: £105.1bn)

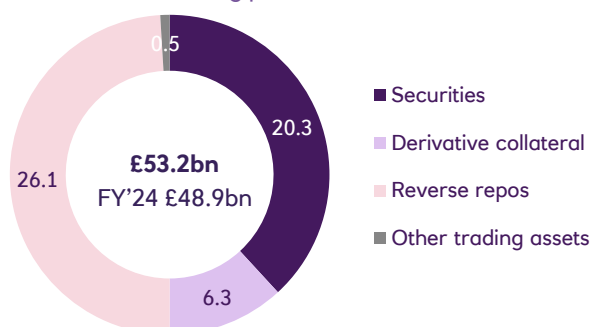
Total Liabilities and Equity £180.4bn (FY'24: £183.2bn)<sup>6</sup>



Note: Funded assets are represented by NWM Plc's total assets, in accordance with the published IFRS balance sheet, less derivative assets.

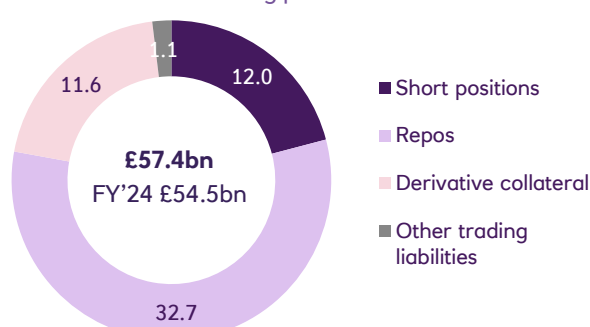
### Trading Assets £bn

Held at fair value in trading portfolio



### Trading Liabilities £bn

Held at fair value in trading portfolio



Note: numbers may not cast due to rounding

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Notes: (5) Excludes non-eligible capital. (6) Equity represents accounting value of capital.

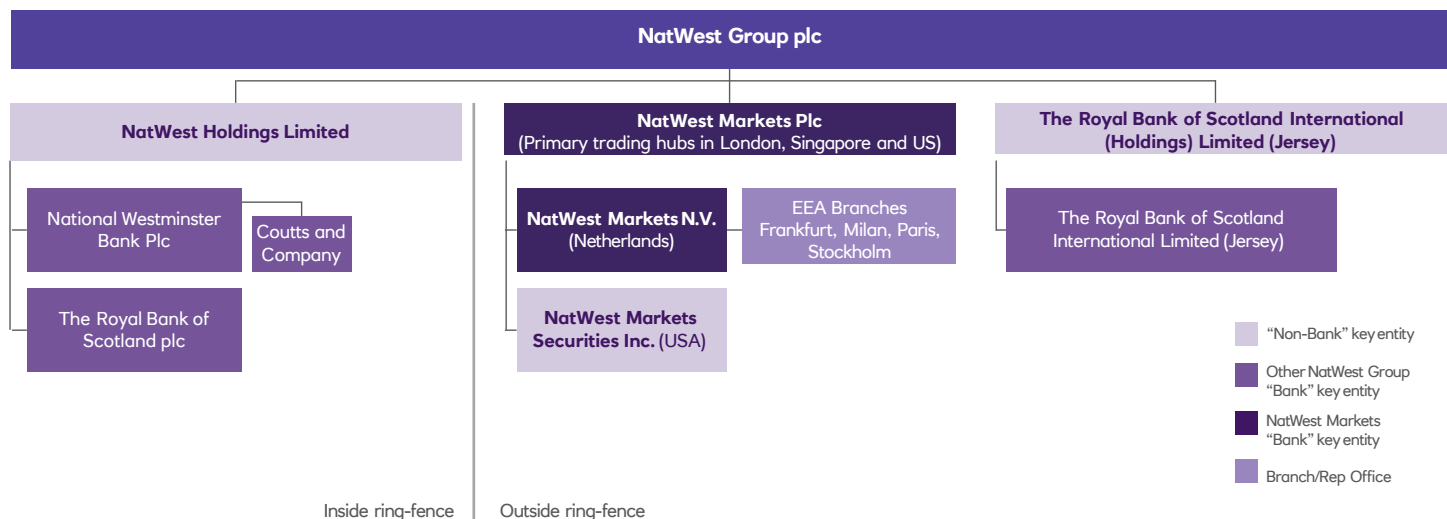
## NWM Group consolidated income statement (£m)<sup>7</sup>

Income statement	Q1 2025	Q4 2024	Q1 2024
Fixed Income	64	20	63
Currencies	158	146	112
Capital Markets	181	164	165
Capital Management Unit & other	13	(11)	-
<b>Income including shared revenue before OCA</b>	<b>416</b>	<b>319</b>	<b>340</b>
Transfer pricing arrangements with fellow NatWest Group subsidiaries	(28)	(12)	(8)
Own credit adjustments (OCA)	6	(4)	(5)
<b>Total income</b>	<b>394</b>	<b>303</b>	<b>327</b>
Litigation and conduct costs	(32)	(41)	1
Other operating expenses	(291)	(321)	(256)
<b>Operating expenses</b>	<b>(323)</b>	<b>(362)</b>	<b>(255)</b>
<b>Operating profit / (loss) before impairments</b>	<b>71</b>	<b>(59)</b>	<b>72</b>
Impairment releases / (losses)	(1)	-	8
Tax credit/ (charge)	(11)	19	2
<b>Profit / (loss) for the period</b>	<b>59</b>	<b>(40)</b>	<b>82</b>

## Credit ratings

	Moody's	Standard & Poor's	Fitch
<b>NWM Plc / NWM N.V.</b>			
Senior Unsecured	A1 / P-1 / Stable	A / A-1 / Stable	A+ / F1 / Positive
Counterparty Rating <sup>8</sup>	A1 / P-1	A+ / A-1	A+ (dcr)
<b>NatWest Markets Securities Inc.</b>			
Senior Unsecured	Not Rated	A / A-1 / Stable	A / F1 / Positive
Counterparty Rating <sup>8</sup>	Not Rated	A / A-1	A (dcr)

## NatWest Markets Plc within the NatWest Group<sup>9</sup>



## NatWest Investor Relations contact

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Notes: (7) NWM Plc consolidated results includes the Central Items & Other segment. (8) These ratings apply to liabilities which the agencies believe are likely to be protected in resolution. The definition of the liabilities covered by the different counterparty ratings varies and therefore cannot be treated as like-for-like, please refer to the Moody's, Standard & Poor's and Fitch methodologies for additional information. (9) Simplified hierarchy to assist understanding.