



NatWest
Group

NatWest Markets Plc

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Forward-looking statements

This document may include forward-looking statements within the meaning of 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 NWM Group's beliefs and expectations, are forward-looking statements. Words, such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'target', 'goal', 'objective', 'may', 'outlook', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document may include forward-looking statements relating, but not limited to: NWM Group's economic and political risks, financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), the implementation of NWM Group's strategy and NatWest Group's strategy, its climate and sustainability-related ambitions and targets, its access to adequate sources of liquidity and funding, its regulatory capital position and related requirements, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments such as artificial intelligence, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, exposure to third party risk, operational risk, conduct risk, cyber, data and IT risk, financial crime risk, key person risk, credit rating risk and the impact of climate and sustainability related-risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or NWM Group's actual results are discussed in NWM Plc's 2025 Annual Report and Accounts, NWM Group's Interim Management Statement for Q1 2026, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NWM Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the interim Pillar 3 disclosures for NatWest Markets Plc (NWM Plc) as at 31 March 2026 which complement those in the NWM Group Q1 2026 Interim Management Statement (IMS), which is published in the same location at: investors.natwestgroup.com/reports-archive/2026.

NWM Plc is incorporated in the United Kingdom and is a large, listed subsidiary of NatWest Group plc. NatWest Group plc is 'the ultimate holding company'. The term 'NatWest Group' refers to NatWest Group plc and its subsidiary and associated undertakings.

Based on the criteria set out in the UK CRR, NatWest Group primarily defines its large subsidiaries in scope for PRA Pillar 3 disclosures as those designated as an Other Systemically Important Institution (O-SII) by the PRA or those with total assets equal to or greater than €30 billion.

The disclosures for NWM Plc are calculated in accordance with the UK CRR (split across primary legislation and the PRA Rulebook) and presented in accordance with the Disclosure (CRR) part of the PRA Rulebook. Any rows or columns that are not applicable have not been shown however explanations have been added as appropriate.

In this report, in line with the regulatory framework, the term credit risk excludes counterparty credit risk, unless specifically indicated otherwise.

The Pillar 3 disclosures are presented in pounds sterling ('£') and have not been subject to external audit.

For definitions of terms refer to the Glossary and Acronyms document available on investors.natwestgroup.com/reports-archive/2025.

Annex I: Key metrics and overview of risk-weighted assets

NatWest Markets Plc - Key points

CET1 ratio

18.3%

(Q4 2025 – 18.4%)

The CET1 ratio decreased by 10 basis points to 18.3% due to a £0.7 billion increase in RWAs partially offset by a £0.1 billion increase in CET1 capital. The CET1 capital increase was mainly driven by a decrease in regulatory deductions.

RWAs

£22.2bn

(Q4 2025 - £21.5bn)

Total RWAs increased by £0.7 billion to £22.2 billion mainly reflecting:

- an increase in market risk RWAs of £0.6 billion to £4.0 billion, mainly driven by SVaR and the incremental risk charge.
- an increase in counterparty credit risk RWAs of £0.3 billion to £6.2 billion, driven by increased securities financing transactions.
- a reduction in credit risk RWAs of £0.2 billion to £10.3 billion reflecting a reduction in securitisation exposure and expired lending facilities.

UK leverage ratio

4.7%

(Q4 2025 – 5.0%)

The leverage ratio decreased by 30 basis points to 4.7% due to a £9.9 billion increase in leverage exposure partially offset by a £0.1 billion increase in Tier 1 capital. The key drivers of the leverage exposure movement were an increase in trading assets and other off balance sheet items.

UK average leverage ratio

4.6%

(Q4 2025 – 4.7%)

The average leverage ratio decreased by 10 basis points to 4.6% due to a £4.2 billion increase in average leverage exposure partially offset by a £0.1 billion increase in 3-month average Tier 1 capital. The key drivers of the average leverage exposure movement were an increase in trading assets, other financial assets and other off balance sheet items.

LCR average

204%

(Q4 2025 - 198%)

The average Liquidity Coverage Ratio (LCR) increased 6% compared to Q4 2025 from 198% to 204%. This is mainly driven by funding raised during the period and lower net outflows

NSFR average

120%

(Q4 2025 - 121%)

The average Net Stable Funding Ratio (NSFR) decreased 1% compared to Q4 2025 from 121% to 120%. This is mainly driven by funding raised offset by increased lending and securities growth, and updates to encumbrance methodology.

Annex I: Key metrics and overview of risk-weighted assets continued

UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures based on current PRA rules.

	31 March 2026 £m	31 December 2025 £m	30 September 2025 £m	30 June 2025 £m	31 March 2025 £m
Available own funds (amounts)					
1 Common equity tier 1 (CET1) capital	4,072	3,952	3,801	3,627	3,743
2 Tier 1 capital	5,046	4,926	4,776	5,508	5,280
3 Total capital	5,731	5,576	5,425	6,144	5,963
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	22,211	21,457	21,678	21,243	21,705
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	18.3	18.4	17.5	17.1	17.2
6 Tier 1 ratio (%)	22.7	23.0	22.0	25.9	24.3
7 Total capital ratio (%)	25.8	26.0	25.0	28.9	27.5
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	3.1	3.1	3.1	3.1	3.1
UK 7b Additional AT1 SREP requirements (%)	1.1	1.1	1.1	1.0	1.0
UK 7c Additional Tier 2 SREP requirements (%)	1.4	1.4	1.4	1.4	1.4
UK 7d Total SREP own funds requirements (%)	13.6	13.6	13.6	13.5	13.5
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8 Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9 Institution specific countercyclical capital buffer (%) (2)	0.9	0.9	1.0	1.0	0.9
11 Combined buffer requirement (%)	3.4	3.4	3.5	3.5	3.4
UK 11a Overall capital requirements (%)	17.0	17.0	17.1	17.0	16.9
12 CET1 available after meeting the total SREP own funds requirements (%)	10.7	10.8	9.9	9.5	9.7
Leverage ratio					
13 Total exposure measure excluding claims on central banks	107,760	97,880	106,006	98,840	97,377
14 Leverage ratio excluding claims on central banks (%)	4.7	5.0	4.5	5.6	5.4
Additional leverage ratio disclosure requirements					
UK 14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.7	5.0	4.5	5.6	5.4
UK 14b Leverage ratio including claims on central banks (%)	4.3	4.6	4.2	5.1	4.9
UK 14c Average leverage ratio excluding claims on central banks (%)	4.6	4.7	4.6	5.4	4.8
UK 14d Average leverage ratio including claims on central banks (%)	4.3	4.3	4.2	4.9	4.4
UK 14e Countercyclical leverage ratio buffer (%) (2)	0.3	0.3	0.3	0.3	0.3
Liquidity coverage ratio					
15 Total high-quality liquid assets (HQLA) (weighted value-average)	19,274	19,411	19,489	19,143	18,762
UK 16a Cash outflows - Total weighted value	13,197	13,584	13,380	13,069	12,896
UK 16b Cash inflows - Total weighted value	3,635	3,691	3,369	3,079	2,901
16 Total net cash outflows (adjusted value)	9,562	9,893	10,011	9,990	9,995
17 Liquidity coverage ratio (%) (3)	204	198	196	193	189
Net stable funding ratio					
18 Total available stable funding	44,204	42,652	41,475	40,092	38,400
19 Total required stable funding	36,756	35,392	34,655	33,257	31,905
20 NSFR ratio (%) (4)	120	121	120	121	120

(1) The following rows are not presented in the table above as not applicable: UK8a, UK9a, 10 and UK10a.

(2) The institution-specific countercyclical capital buffer requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures. The UK CCyB buffer is currently maintained at 2%. The countercyclical leverage ratio buffer is set at 35% of NWM Plc CCyB.

(3) The Liquidity Coverage Ratio (LCR) is calculated as the average of the preceding 12 months.

(4) The Net Stable Funding Ratio (NSFR) is calculated as the average of the preceding four quarters.

Annex I: Key metrics and overview of risk-weighted assets continued

UK OV1: Overview of risk-weighted exposure amounts

The table below shows RWAs and total own funds requirements by risk type. Total own funds requirements are calculated as 8% of RWAs.

	a		b	c
	Risk-weighted exposure amounts (RWAs)		Total own funds requirements	
	31 March 2026 £m	31 December 2025 £m	31 March 2026 £m	
1	Credit risk (excluding counterparty credit risk)	7,120	7,215	570
2	Of which: standardised approach	2,579	2,702	206
3	Of which: the foundation IRB (FIRB) approach	-	-	-
4	Of which: slotting approach	241	242	19
UK 4a	Of which: equities under the simple risk-weighted approach	195	193	16
5	Of which: the advanced IRB (AIRB) approach	4,105	4,078	329
5a	Of which: non-credit obligation assets (1)	140	121	11
6	Counterparty credit risk	6,183	5,839	495
7	Of which: standardised approach	768	721	61
8	Of which: internal model method (IMM)	3,350	3,439	268
UK 8a	Of which: exposures to a CCP	121	96	10
UK 8b	Of which: credit valuation adjustment (CVA)	728	736	58
9	Of which: other counterparty credit risk	1,216	847	98
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	3,209	3,261	256
17	Of which: SEC-IRBA approach	-	-	-
18	Of which: SEC-ERBA (including IAA)	49	49	4
19	Of which: SEC-SA approach	3,160	3,212	252
UK 19a	Of which: 1,250%/deduction	-	-	-
20	Position, foreign exchange and commodities risk (market risk)	3,980	3,425	319
21	Of which: standardised approach	221	233	17
22	Of which: IMA	3,759	3,192	302
UK 22a	Large exposures	-	-	-
23	Operational risk	1,711	1,711	137
UK 23a	Of which: basic indicator approach	-	-	-
UK 23b	Of which: standardised approach	1,711	1,711	137
UK 23c	Of which: advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	1,419	1,413	114
25	Other Risk Exposure amount	8	6	-
25a	Of which: Additional risk exposure amount due to Article 3 CRR	8	6	-
29	Total	22,211	21,457	1,777

(1) 5a is subset of total IRB RWAs disclosed in Row 5.

(2) The amount is shown for information only as these exposures are already included in rows 1 and 2.

Annex I: Key metrics and overview of risk-weighted assets continued

UK CR8: RWA flow statement of credit risk exposures under the IRB approach

The table below shows movements in RWAs for credit risk exposures under the internal ratings based (IRB) approach. It excludes counterparty credit risk, securitisations, equity and non-credit obligation assets.

	a
	RWAs
	£m
1 At 31 December 2025	4,199
2 Asset size	9
3 Asset quality	(15)
4 Model updates	(22)
7 Foreign exchange movements	35
9 At 31 March 2026	4,206

(1) The following rows are not presented because they had zero values: (5) methodology and policy; (6) acquisitions and disposals; and (8) other.

Q1 2026

- RWAs were broadly unchanged in the quarter.

Annex I: Key metrics and overview of risk-weighted assets continued

UK CCR7: RWA flow statement of counterparty credit risk exposures under the IMM

The table below shows movements in RWAs for derivatives under the internal model method (IMM). It excludes the CVA capital charge, exposures to central counterparties and securitisations.

	a
	RWAs £m
1 At 31 December 2025	3,439
2 Asset size	(121)
3 Credit quality of counterparties	9
4 Model Updates	4
7 Foreign exchange movements	19
9 At 31 March 2026	3,350

(1) The following rows are not presented because they had zero values: (5) methodology and policy; (6) acquisitions and disposals; and (8) other.

Q1 2026

- IMM RWAs remained broadly stable in the quarter.

Annex I: Key metrics and overview of risk-weighted assets continued

UK MR2-B: RWA flow statement of market risk exposures under the IMA

The table below shows movements in RWAs and own funds requirements for market risk exposures under the internal model approach (IMA).

	a	b	c	e	f	g
	Value-at-risk (VaR) £m	Stressed Value-at-risk (SVaR) £m	Incremental risk charge £m	Other risks-not-in VaR (RNIV) £m	Total RWAs £m	Total own funds requirements £m
1 At 31 December 2025	326	1,668	624	574	3,192	255
1a <i>Regulatory adjustment (1)</i>	<i>(240)</i>	<i>(1,176)</i>	<i>(238)</i>	<i>-</i>	<i>(1,654)</i>	<i>(132)</i>
1b <i>RWAs at 31 December 2025 (end of day)</i>	<i>86</i>	<i>492</i>	<i>386</i>	<i>574</i>	<i>1,538</i>	<i>123</i>
2 <i>Movement in risk levels</i>	<i>(10)</i>	<i>(20)</i>	<i>529</i>	<i>(20)</i>	<i>479</i>	<i>38</i>
8a <i>RWAs at 31 March 2026 (end of day)</i>	<i>76</i>	<i>472</i>	<i>915</i>	<i>554</i>	<i>2,017</i>	<i>161</i>
8b <i>Regulatory adjustment (1)</i>	<i>278</i>	<i>1,491</i>	<i>(27)</i>	<i>-</i>	<i>1,742</i>	<i>140</i>
8 At 31 March 2026	354	1,963	888	554	3,759	301

(1) Regulatory adjustments in rows 1a and 8b represent the difference in RWA terms between the risk spot measure at the end of the reporting period and the 60-day average of that measure, multiplied by the multiplication factor.

(2) The following rows and/or columns are not presented because they had zero values or are not used by NWM Plc: column (d) comprehensive risk measure; row (3) model updates/changes; row (4) methodology and policy; row (5) acquisitions and disposals; and row (7) other. In addition, row (6) foreign exchange movements is not presented. This is because changes in market risk arising from foreign currency retranslation are included within row (2) movement in risk levels as they are managed together with portfolio changes.

Q1 2026

- Total market risk RWAs under the IMA increased in the first quarter, chiefly driven by SVaR and the incremental risk charge.
- The increase in SVaR-based RWAs largely related to options trading.
- The increase in the incremental risk charge was mainly due to movements in government bond and bond futures positions.

Annex XI: Leverage

UK LR2 - LRCom: Leverage ratio common disclosure

The table below shows an abridged version of the disclosure template UK LR2 – LRCom for NWM Plc. The leverage metrics are calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

	31 March 2026 £m	31 December 2025 £m
Total exposure measure		
UK-24b Total exposure measure excluding claims on central banks	107,760	97,880
Leverage ratio		
25 Leverage ratio excluding claims on central banks (%)	4.7	5.0
UK-25a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.7	5.0
UK-25c Leverage ratio including claims on central banks (%)	4.3	4.6
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)		
27 Leverage ratio buffer (%)	0.3	0.3
UK-27b <i>Of which: countercyclical leverage ratio buffer (%)</i>	0.3	0.3
Additional leverage ratio disclosure requirements - disclosure of mean values (1)		
UK-31 Average total exposure measure excluding claims on central banks	107,521	103,315
UK-32 Average total exposure measure including claims on central banks	114,544	112,794
UK-33 Average leverage ratio excluding claims on central banks (%)	4.6	4.7
UK-34 Average leverage ratio including claims on central banks (%)	4.3	4.3

(1) NWM Plc is an LREQ firm therefore subject to the additional quarterly disclosures for averaging and the countercyclical leverage ratio buffer.

Annex XIII: Liquidity

UK LIQ1: Quantitative information on LCR

The table below shows the breakdown of high-quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the liquidity coverage ratio for NWM Plc. The weightings applied reflect the stress factors applicable under the UK LCR rules. The values presented are the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table. LCR outflows do not capture all liquidity risks (e.g. intra-day liquidity). NatWest Group assesses these risks as part of its Individual Liquidity Adequacy Assessment Process and maintains appropriate levels of liquidity. High-quality liquid assets cover both Pillar 1 and Pillar 2 risks.

	Total unweighted value (average)				Total weighted value (average)			
	31 March 2026	31 December 2025	30 September 2025	30 June 2025	31 March 2026	31 December 2025	30 September 2025	30 June 2025
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	£m	£m	£m	£m	£m	£m	£m	£m
High-quality liquid assets								
1 Total high-quality liquid assets (HQLA)					19,274	19,411	19,489	19,143
Cash - outflows								
2 Retail deposits and deposits from small business customers	24	37	44	44	2	2	2	2
of which:								
3 Stable deposits	4	6	6	5	-	-	-	-
4 Less stable deposits	11	13	13	11	2	2	2	2
5 Unsecured wholesale funding	2,911	3,176	3,072	3,030	2,530	2,811	2,686	2,629
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7 Non-operational deposits (all counterparties)	1,339	1,300	1,291	1,277	958	935	905	876
8 Unsecured debt	1,572	1,876	1,781	1,753	1,572	1,876	1,781	1,753
9 Secured wholesale funding					1,431	1,532	1,451	1,400
10 Additional requirements	11,403	11,204	11,173	11,121	8,065	7,842	7,765	7,740
11 Outflows related to derivative exposures and other collateral requirements	3,014	3,060	3,178	3,298	2,845	2,879	3,005	3,181
12 Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 Credit and liquidity facilities	8,389	8,144	7,995	7,823	5,220	4,963	4,760	4,559
14 Other contractual funding obligations	19,667	19,677	20,333	20,421	1,155	1,385	1,465	1,288
15 Other contingent funding obligations	2,873	2,529	2,261	2,021	14	12	11	10
16 Total cash outflows					13,197	13,584	13,380	13,069
Cash - inflows								
17 Secured lending (e.g., reverse repos)	17,701	17,442	17,306	17,584	884	873	702	580
18 Inflows from fully performing exposures	532	530	483	489	531	529	483	488
19 Other cash inflows	12,321	11,869	11,710	11,359	2,220	2,289	2,184	2,011
UK-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there is transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b (Excess inflows from a related specialised credit institution)					-	-	-	-
20 Total cash inflows	30,554	29,841	29,499	29,432	3,635	3,691	3,369	3,079
UK-20a Fully exempt inflows								
UK-20b Inflows subject to 90% cap								
UK-20c Inflows subject to 75% cap	28,046	27,194	26,911	26,991	3,635	3,691	3,369	3,079
Total adjusted value								
UK-21 Liquidity buffer					19,274	19,411	19,489	19,143
22 Total net cash outflows					9,562	9,893	10,011	9,990
23 Liquidity coverage ratio (%)					204	198	196	193

Annex XIII: Liquidity continued

UK LIQB: Qualitative information on LCR, which complements template UK LIQ1

LCR inputs & results over time

The LCR aims to ensure that banks hold a sufficient reserve of High-Quality Liquid Assets (HQLA) to survive a period of liquidity stress lasting 30 calendar days.

All figures included in the table represent a 12 month rolling average. The average LCR for the 12 months to 31 March 2026 has increased by 6% over the previous quarter, from 198% to 204%, driven by funding raised during the period and lower net outflows.

Concentration of funding sources

NWM Plc covers its funding requirements with secured and unsecured wholesale funding from a wide depositor and investor base. Repos, short positions, and derivative cash collateral provide approximately half of the balance sheet funding with the remainder funded by capital and MREL-eligible bonds (issued and down streamed by NatWest Group Plc), term unsecured, short-term unsecured and secured funding.

Wholesale unsecured funding includes a range of products including but not limited to bank deposits, commercial paper (CP), certificates of deposit (CDs) and medium-term notes (MTNs). Deposits, CP and CDs have tenors typically less than a year and are accepted from various corporate counterparties and financial institutions. MTN issuance is through both public benchmark transactions and smaller private placements, and typically has a tenor beyond a year.

The primary risk to funding stability is refinancing – the ability to replace maturing funding with new or rolled transactions. The risk is mitigated through diversification to prevent concentrations and mismatches in the funding profile. NWM Plc monitors and manages funding concentration risk across tenors, counterparties, currencies, products and markets.

Liquidity buffer composition

HQLA is primarily held in Level 1 cash and central bank reserves (46%) and Level 1 high quality securities (49%). Level 2 securities account for 5%.

Derivative exposures and potential collateral calls

NWM Plc actively manages its derivative exposures and potential calls, including both due collateral and excess collateral with derivative outflows under stress captured under the Historical Look-Back Approach, which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a three-notch downgrade of the NWM Plc credit rating are also captured.

Currency mismatch in the LCR

The LCR is calculated for the euro, US dollar and sterling, all of which are identified as significant currencies. Significant currencies are defined as those greater than or equal to 5% of total Group liabilities, excluding regulatory capital and off balance sheet liabilities. This assessment is undertaken in accordance with the Liquidity Coverage Ratio provisions of the PRA Rulebook (CRR). NWM Plc manages currency mismatches in significant currencies through its Internal Liquidity Adequacy Assessment Framework.