



NatWest
Group

NatWest Markets Plc

Interim Results 2025

ci.natwest.com

NatWest Markets Group (NWM Group)

Results for the half year ended 30 June 2025

The first half of the year saw a dynamic operating environment, with strong client activity against a backdrop of heightened geopolitical uncertainty. We captured opportunities presented by this environment, leveraged our deep customer relationships and capitalised on our strengths through a connected Commercial & Institutional segment, enabling us to extend the reach of our proposition. As a result, we produced a strong set of results for NWM Group, underpinned by a disciplined approach to balance sheet and risk management.

Financial review

NWM Group maintained its robust capital and liquidity position in H1 2025 and reported a profit of £89 million, compared with a profit of £83 million in H1 2024. Total income of £762 million increased by £112 million compared with H1 2024, largely due to a stronger performance in Currencies and Capital Markets. Operating expenses increased by £75 million to £667 million, due to higher litigation and conduct costs, and other operating expenses, mainly driven by the impact of a credit recognised in the comparative period in relation to property charges and an increase in staff costs.

Financial performance

- **Total income** of £762 million increased by £112 million compared with £650 million in H1 2024, largely due to a stronger performance in Currencies as we successfully navigated volatile market conditions, and Capital Markets partially offset by lower Fixed Income revenues.
- **Operating expenses** of £667 million in H1 2025 were £75 million higher than £592 million in H1 2024. Litigation and conduct costs increased by £27 million to £65 million, as work continued on closing legacy matters including associated remediation activity. Other operating expenses increased by £48 million to £602 million in H1 2025, largely driven by the impact of a credit recognised in the comparative period in relation to property charges and increases in staff costs, partially offset by the impact of severance costs recognised in H1 2024.
- **NWM Group's total assets and liabilities** increased by £12.6 billion and £12.0 billion to £195.8 billion and £188.2 billion respectively at 30 June 2025, compared with 31 December 2024. Increases in funded assets including trading assets and settlement balances were offset by lower derivative fair values reflecting FX volatility across major currencies and variations in interest rates across different currencies and tenors.

Capital and leverage

- **Total NWM Plc RWAs** were £21.2 billion at 30 June 2025, compared with £20.8 billion at 31 December 2024. The increase in the period was primarily driven by the annual update to operational risk RWAs and increases in credit and counterparty credit risk, largely offset by a reduction in market risk reflecting active risk management.
- **NWM Plc's Common Equity Tier 1 (CET1) ratio** decreased to 17.1% at 30 June 2025 compared with 18.2% at 31 December 2024, mainly due to a reduction in CET1 capital largely driven by regulatory deductions and reserve movements, and the increase in RWAs.
- On 2 July 2025, NatWest Group plc gave notice of the upcoming redemption of Additional Tier 1 (AT1) capital notes of \$1.15 billion on 10 August 2025. These notes were downstreamed to NWM Plc, and the announcement and redemption of the notes will result in an increase of approximately £59 million to NWM Plc's CET1 capital.
- **Total MREL** for NWM Plc at 30 June 2025 increased to £10.6 billion, or 50.1% of RWAs, compared with £10.0 billion or 48.2% of RWAs at 31 December 2024, largely due to an increase in Tier 1 capital driven by the issuance of two new Additional Tier 1 (AT1) instruments to NatWest Group plc amounting to £600 million, and the issuance of a new MREL instrument with NatWest Group plc of £580 million.
- **NWM Plc's leverage ratio** at 30 June 2025 was 5.6%, up slightly compared with 5.5% at 31 December 2024, as the impact from higher Tier 1 capital was largely offset by an increase in leverage exposure driven by higher trading assets and other financial assets.

Liquidity and funding

- **NWM Plc's Liquidity Coverage Ratio (LCR)** increased to 197% (31 December 2024 - 195%), driven by lower net outflows partially offset by the decrease in liquidity portfolio of £0.7 billion to £20.3 billion at 30 June 2025.
- **NWM Plc issued public benchmark transactions** amounting to £4.3 billion in the six months ended 30 June 2025. Transactions comprised €2.0 billion and CHF0.2 billion of notes under our Euro Medium Term Note programme, \$2.5 billion of notes under our US Medium Term Note programme and AUD1.0 billion of notes under our AUD debt issuance programme. NWM Plc also raised funding in other formats throughout the period including, but not limited to, structured note issuance.

ESG highlights

The NatWest Group climate and sustainable funding and financing target⁽¹⁾ of £100 billion between 1 July 2021 and the end of 2025 was exceeded in Q1 2025, of which NWM Group had delivered £57.3 billion as at 30 June 2025. To reflect this progress, NatWest Group has announced a new target to provide £200 billion in climate and transition finance⁽²⁾ between 1 July 2025 and the end of 2030.

- (1) Up until 30 June 2025, NatWest Group used its climate and sustainable funding and financing inclusion criteria (CSFFI criteria) to determine the assets, activities and companies that were eligible to be included within its climate and sustainable funding and financing target. This included provision of committed (on and off-balance sheet) funding and financing, including provision of services for underwriting issuances and private placements.
- (2) The climate and transition finance framework is available on natwestgroup.com.

Outlook⁽¹⁾

We retain the Outlook guidance provided in the NatWest Markets Plc 2024 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 2024 Annual Report and Accounts, and the 'Summary Risk Factors' in this announcement. 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 for the half year and quarter ended 30 June 2025. Commentary refers to the tables below as well as the condensed consolidated income statement shown on page 19.

	Half year ended		Quarter ended		
	30 June 2025 £m	30 June 2024 £m	30 June 2025 £m	31 March 2025 £m	30 June 2024 £m
Income statement					
Net interest income	244	237	120	124	116
Non-interest income	518	413	248	270	207
Total income	762	650	368	394	323
Litigation and conduct costs	(65)	(38)	(33)	(32)	(39)
Other operating expenses	(602)	(554)	(311)	(291)	(298)
Operating expenses	(667)	(592)	(344)	(323)	(337)
Operating profit/(loss) before impairment releases/losses	95	58	24	71	(14)
Impairment releases/(losses)	3	7	4	(1)	(1)
Operating profit/(loss) before tax	98	65	28	70	(15)
Tax (charge)/credit	(9)	18	2	(11)	16
Profit for the period	89	83	30	59	1
Income (1)					
Fixed Income	105	129	41	64	66
Currencies	327	240	169	158	128
Capital Markets	370	331	189	181	166
Capital Management Unit & other (2)	2	(11)	(11)	13	(11)
Income including shared revenue before OCA	804	689	388	416	349
Transfer pricing arrangements with fellow NatWest Group subsidiaries (3)	(45)	(32)	(17)	(28)	(24)
Income excluding OCA	759	657	371	388	325
Own credit adjustments (OCA)	3	(7)	(3)	6	(2)
Total income	762	650	368	394	323

(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.

Half year ended 30 June 2025 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 H1 2024 largely reflects growth in lending activity.
- **Non-interest income** increased by £105 million compared with H1 2024, mainly due to a stronger performance in Currencies as we successfully navigated volatile market conditions, partially offset by lower Fixed Income revenues. The amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries was £79 million in the current period, down from £81 million in H1 2024.
- **Operating expenses** in H1 2025 increased by £75 million compared with H1 2024. Litigation and conduct costs in H1 2025 reflected ongoing progress on closing legacy matters including any associated remediation activity and were up by £27 million compared with H1 2024. Other operating expenses increased by £48 million compared with H1 2024, largely driven by the impact of a credit recognised in the comparative period in relation to property charges and increases in staff and technology investment costs, partially offset by the impact of severance costs recognised in H1 2024.

Quarter ended 30 June 2025 performance

- **Net interest income** for the quarter was comparable with Q1 2025 and Q2 2024.
- **Non-interest income** decreased by £22 million compared to Q1 2025, mainly due to a weaker performance in Fixed Income, the non-repeat of one-off gains in the comparative period and fair value movements relating to funding positions in Capital Management Unit & other, and lower own credit adjustments. This was partially offset by higher revenues in Currencies and Capital Markets, and an increase of £11 million in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries, where £45 million was recognised in Q2 2025. Non-interest income increased by £41 million compared with Q2 2024, mainly due to stronger performances in Currencies and Capital Markets, and an increase of £9 million in the amount recognised under the profit share arrangement, partially offset by lower Fixed Income revenues.
- **Operating expenses** increased by £21 million compared with Q1 2025 and by £7 million compared to Q2 2024. Litigation and conduct costs reflected ongoing progress on closing legacy matters including any associated remediation activity and were up by £1 million compared with Q1 2025 and down by £6 million compared with Q2 2024. Other operating expenses increased by £20 million compared with Q1 2025, largely due to higher technology investment costs partially offset by lower staff costs, and increased by £13 million compared with Q2 2024, largely due to increases in staff and technology investment costs, partially offset by the impact of severance costs recognised in the comparative period.

Balance sheet profile as at 30 June 2025

Assets			Liabilities		
	30 June 2025 £bn	31 December 2024 £bn		30 June 2025 £bn	31 December 2024 £bn
Cash and balances at central banks	18.6	16.2			
Securities	21.5	13.9		12.2	10.5 Short positions
Reverse repos (1)	28.2	27.1		33.9	30.6 Repos (2)
Derivative cash collateral given (3)	6.2	7.3		11.5	12.3 Derivative cash collateral received (4)
Other trading assets	0.7	0.6		1.1	1.1 Other trading liabilities
Total trading assets	56.6	48.9		58.7	54.5 Total trading liabilities
Loans - amortised cost	21.9	19.1		12.4	9.4 Deposits - amortised cost
Settlement balances	8.1	2.0		9.3	1.7 Settlement balances
Amounts due from holding company and fellow subsidiaries	0.4	0.3		6.9	6.8 Amounts due to holding company and fellow subsidiaries
Other financial assets	17.0	17.9		34.6	31.3 Other financial liabilities
Other assets	0.7	0.7		0.5	0.5 Other liabilities
Funded assets	123.3	105.1		122.4	104.2 Liabilities excluding derivatives
Derivative assets	72.5	78.1		65.8	72.0 Derivative liabilities
Total assets	195.8	183.2		188.2	176.2 Total liabilities
					of which:
				35.3	32.5 Wholesale funding (5)
				16.7	16.8 Short-term wholesale funding (5)
Net derivative assets (6)	3.1	2.4		2.9	3.5 Net derivative liabilities (6)

- **Total assets and liabilities** increased by £12.6 billion and £12.0 billion respectively at 30 June 2025. Funded assets, which exclude derivatives, increased by £18.2 billion, largely driven by higher trading assets, settlement balances, loans – amortised cost and cash and balances at central banks. Derivative fair values decreased in the period, largely driven by FX rate volatility across major currencies and variations in interest rates across different currencies and tenors.
- **Cash and balances at central banks** increased by £2.4 billion mainly driven by increased customer deposits and new issuances, partially offset with planned banking book growth and maturities.
- **Trading assets** were up by £7.7 billion, driven by an increase in securities from client-led activity, and reverse repos, partially offset by a decrease in derivative cash collateral posted. **Trading liabilities** increased by £4.2 billion, driven by increases in repos and short positions, partially offset by a decrease in derivative cash collateral received.
- **Loans – amortised cost** increased by £2.8 billion, driven by higher loans to customers reflecting growth in Capital Markets.
- **Deposits – amortised cost** were up by £3.0 billion, largely driven by an increase in customer deposits in NWM N.V..
- **Derivative assets and derivative liabilities** were down by £5.6 billion and £6.2 billion respectively at 30 June 2025. The decreases in fair values largely reflected FX volatility across major currencies including the weakening of USD in the period, following contrasting trends in Q4 2024, and variations in interest rates across different currencies and tenors.
- **Other financial liabilities** increased by £3.3 billion, largely driven by new issuance in the period, partially offset by maturities. The balance at 30 June 2025 includes £25.1 billion of medium-term notes issued.

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 43.

Risk and capital management

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Certain disclosures in the Risk and capital management section are within the scope of EY's review report and are marked as 'reviewed' in the section header.

Market risk (reviewed)

One-day 99% traded internal VaR

The table below shows one-day 99% internal VaR for the trading portfolios of NWM Group, split by exposure type.

	Half year ended											
	30 June 2025				30 June 2024				31 December 2024			
	Average	Maximum	Minimum	Period end	Average	Maximum	Minimum	Period end	Average	Maximum	Minimum	Period end
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Interest rate	3.6	5.4	2.2	4.1	6.7	12.0	3.6	6.6	6.5	12.1	3.0	3.8
Credit spread	5.3	7.2	4.0	4.6	8.1	10.1	6.7	7.6	7.3	9.6	5.6	5.6
Currency	1.5	4.0	-	0.8	2.1	6.7	0.8	1.9	1.9	5.8	0.5	1.3
Equity	-	0.1	-	0.1	0.1	0.1	0.1	0.1	0.1	0.3	-	-
Diversification (1)	(3.9)			(4.0)	(6.8)			(5.5)	(5.8)			(5.4)
Total	6.5	9.7	4.3	5.6	10.2	16.2	7.0	10.7	10.0	16.1	5.3	5.3

(1) NWM Group benefits from diversification across various financial instrument types, currencies and markets. The extent of the diversification benefit depends on the correlation between the assets and risk factors in the portfolio at a particular time. The diversification factor is the sum of the VaR on individual risk types less the total.

- Both interest rate VaR and credit spread VaR decreased on an average basis.
- This reflects the period of higher market volatility in H2 2022 rolling out of the VaR calculation window.

Risk and capital management

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.

	30 June 2025	31 December 2024
	%	%
Capital adequacy ratios (1,2,4)		
CET1	17.1	18.2
Tier 1	25.9	24.3
Total	28.9	27.8
Total MREL	50.1	48.2
	£m	£m
Capital (1,2,4)		
CET1	3,627	3,779
Tier 1	5,508	5,067
Total	6,144	5,779
Total MREL (3)	10,635	10,038
Risk-weighted assets		
Credit risk	9,389	8,908
Counterparty credit risk	6,063	5,797
Market risk	4,444	5,105
Operational risk	1,347	1,002
Total RWAs	21,243	20,812

- (1) NWM Plc's total capital ratio requirement is 11.5%, comprising the minimum capital requirement of 8%, supplemented with the capital conservation buffer of 2.5% and the institution specific countercyclical buffer (CCyB) of 1%. The minimum CET1 ratio is 8%, 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 T2. Refer to the NatWest Markets Plc 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 £4.5 billion (31 December 2024 - £4.3 billion).
- (4) The IFRS 9 transitional capital rules in respect to ECL provisions no longer apply as of 1 January 2025.

Leverage

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

	30 June 2025	31 December 2024
Tier 1 capital (£m)	5,508	5,067
Leverage exposure (£m) (1)	98,840	92,859
Leverage ratio (%)	5.6	5.5

- (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.

Risk and capital management

Capital, liquidity and funding risk continued

Capital resources (reviewed)

NWM Plc's regulatory capital is assessed against minimum requirements that are set out under the UK CRR to determine the strength of its capital base. The table below shows a reconciliation of shareholders' equity to regulatory capital.

	30 June 2025 £m	31 December 2024 £m
Shareholders' equity		
Shareholders' equity	7,467	6,819
Other equity instruments	(2,096)	(1,496)
	5,371	5,323
Regulatory adjustments and deductions		
Own credit	34	37
Defined benefit pension fund adjustment	(113)	(109)
Cash flow hedging reserve	128	203
Prudential valuation adjustments	(133)	(148)
Expected losses less impairments	(13)	(6)
Instruments of financial sector entities where the institution has a significant investment	(1,604)	(1,521)
Other adjustments for regulatory purposes	(43)	-
	(1,744)	(1,544)
CET1 capital	3,627	3,779
Additional Tier 1 (AT1) capital		
Qualifying instruments and related share premium	2,095	1,496
Tier 1 deductions		
Instruments of financial sector entities where the institution has a significant investment	(214)	(208)
Tier 1 capital	5,508	5,067
Qualifying Tier 2 capital		
Qualifying instruments and related share premium	1,029	1,124
Tier 2 deductions		
Instruments of financial sector entities where the institution has a significant investment	(400)	(419)
Other regulatory adjustments	7	7
	(393)	(412)
Tier 2 capital	636	712
Total regulatory capital	6,144	5,779

Risk and capital management

Capital, liquidity and funding risk continued

Leverage exposure

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

	30 June 2025 £m	31 December 2024 £m
Leverage		
Cash and balances at central banks	9,966	11,069
Trading assets	29,905	26,186
Derivatives	69,637	74,982
Financial assets	41,187	37,408
Other assets	7,100	3,292
Total assets	157,795	152,937
Derivatives		
- netting	(66,139)	(72,159)
- potential future exposures	15,452	15,093
Securities financing transactions gross up	1,769	1,959
Undrawn commitments	7,551	8,638
Regulatory deductions and other adjustments	(7,351)	(2,266)
Exclusion of core UK-group exposures	(283)	(288)
Claims on central banks	(9,954)	(11,055)
Leverage exposure	98,840	92,859

Liquidity portfolio (reviewed)

The table below shows the composition of the liquidity portfolio with primary liquidity aligned to high-quality liquid assets on a regulatory LCR basis. Secondary liquidity comprises of assets which are eligible as collateral for local central bank liquidity facilities and do not form part of the LCR eligible high-quality liquid assets. High-quality liquid assets cover both Pillar 1 and Pillar 2 risks.

	Liquidity value	
	30 June 2025 £m	31 December 2024 £m
NatWest Markets Plc		
Cash and balances at central banks	9,847	10,965
High-quality government/MDB/PSE and GSE bonds (1)	9,451	8,962
Extremely high-quality covered bonds	-	-
LCR Level 1 eligible assets	19,298	19,927
LCR Level 2 eligible assets (2)	1,002	1,031
Primary liquidity (HQLA) (3)	20,300	20,958
Secondary liquidity (4)	28	30
Total liquidity value	20,328	20,988
LCR	%	%
Spot	197	195
Average	193	192

(1) Multilateral development bank abbreviated to MDB, public sector entities abbreviated to PSE and government sponsored entities abbreviated to GSE.

(2) Includes Level 2A and Level 2B.

(3) High-quality liquid assets abbreviated to HQLA.

(4) Comprises assets eligible for discounting at the Bank of England and other central banks which do not form part of the LCR high-quality liquid assets.

Risk and capital management

Capital, liquidity and funding risk continued

The table below shows the liquidity value of the liquidity portfolio by currency.

	GBP £m	USD £m	EUR £m	Other £m	Total £m
Total liquidity portfolio					
30 June 2025	9,661	3,396	6,396	875	20,328
31 December 2024	11,667	3,353	4,996	972	20,988

Funding sources (reviewed)

The table below shows NWM Group's carrying values of the principal funding sources based on contractual maturity.

	30 June 2025			31 December 2024		
	Short-term less than 1 year £m	Long-term more than 1 year £m	Total £m	Short-term less than 1 year £m	Long-term more than 1 year £m	Total £m
Bank deposits	4,145	406	4,551	4,056	509	4,565
<i>of which: repos (amortised cost)</i>	2,553	-	2,553	2,487	-	2,487
Customer deposits	7,858	28	7,886	4,784	56	4,840
<i>of which: repos (amortised cost)</i>	441	-	441	482	-	482
Trading liabilities (1)						
Repos (2)	33,014	897	33,911	29,752	810	30,562
Derivative cash collateral received	11,452	-	11,452	12,307	-	12,307
Other bank and customer deposits	591	280	871	627	268	895
Debt securities in issue	9	242	251	20	237	257
	45,066	1,419	46,485	42,706	1,315	44,021
Other financial liabilities						
Customer deposits (designated fair value)	854	1,102	1,956	221	1,316	1,537
Debt securities in issue						
Commercial paper and certificates of deposits (CDs)	6,998	298	7,296	7,228	377	7,605
Medium term notes (MTNs)	7,660	17,418	25,078	7,548	14,304	21,852
Subordinated liabilities	-	268	268	-	269	269
	15,512	19,086	34,598	14,997	16,266	31,263
Amounts due to holding company and fellow subsidiaries (3)						
Internal MREL	1,621	2,968	4,589	929	3,429	4,358
Other bank and customer deposits	1,118	-	1,118	1,204	-	1,204
Subordinated liabilities	-	1,043	1,043	-	1,115	1,115
	2,739	4,011	6,750	2,133	4,544	6,677
Total funding	75,320	24,950	100,270	68,676	22,690	91,366
<i>Of which: available in resolution (4)</i>			4,279			4,813

(1) Funding sources excludes short positions of £12,215 million (31 December 2024 - £10,491 million) reflected as trading liabilities on the balance sheet.

(2) Comprises central and other bank repos of £9,613 million (31 December 2024 - £7,174 million), other financial institution repos of £20,826 million (31 December 2024 - £20,398 million) and other corporate repos of £3,472 million (31 December 2024 - £2,990 million).

(3) Amounts due to holding company and fellow subsidiaries relating to non-financial instruments of £114 million (31 December 2024 - £94 million) have been excluded from the table.

(4) Eligible liabilities (as defined in the Banking Act 2009 as amended from time to time) that meet the eligibility criteria set out in the regulations, rules, policies, guidelines, or statements of the Bank of England including the Statement of Policy published in December 2021 (updated June 2018).

Risk and capital management

Capital, liquidity and funding risk continued

Senior notes and subordinated liabilities - residual maturity profile by instrument type (reviewed)

The table below shows NWM Group's debt securities in issue, subordinated liabilities and internal resolution instruments by residual maturity.

	Trading liabilities	Other financial liabilities				Amounts due to holding company and fellow subsidiaries		
	Debt securities	Debt securities in issue		Subordinated liabilities	Total	Subordinated liabilities		Total notes in issue
	in issue	Commercial paper and CDs	MTNs			Internal MREL	in issue	
	MTNs	paper and CDs	MTNs			liabilities	Total	
30 June 2025	£m	£m	£m	£m	£m	£m	£m	£m
Less than 1 year	9	6,998	7,660	-	14,658	1,621	-	16,288
1-3 years	36	298	11,034	-	11,332	1,726	-	13,094
3-5 years	67	-	5,700	-	5,700	1,242	934	7,943
More than 5 years	139	-	684	268	952	-	109	1,200
Total	251	7,296	25,078	268	32,642	4,589	1,043	38,525
31 December 2024								
Less than 1 year	20	7,228	7,548	-	14,776	929	-	15,725
1-3 years	35	377	9,959	-	10,336	1,751	-	12,122
3-5 years	42	-	3,652	-	3,652	1,678	987	6,359
More than 5 years	160	-	693	269	962	-	128	1,250
Total	257	7,605	21,852	269	29,726	4,358	1,115	35,456

The table below shows the currency breakdown of total notes in issue.

	GBP	USD	EUR	Other	Total
	£m	£m	£m	£m	£m
30 June 2025					
Commercial paper and CDs	1,741	1,603	3,952	-	7,296
MTNs	2,262	5,385	14,486	3,196	25,329
External subordinated liabilities	19	16	233	-	268
Internal MREL due to NatWest Group plc	-	3,198	1,391	-	4,589
Subordinated liabilities due to NatWest Group plc	-	1,043	-	-	1,043
Total	4,022	11,245	20,062	3,196	38,525
31 December 2024	4,785	11,135	16,606	2,930	35,456

Risk and capital management

Credit risk – Trading activities (reviewed)

This section details the credit risk profile of NWM Group's trading activities.

Securities financing transactions and collateral

The table below shows securities financing transactions in NWM Group. Balance sheet captions include balances held at all classifications under IFRS.

	Reverse repos			Repos		
	Total	Of which: can be offset	Outside netting arrangements	Total	Of which: can be offset	Outside netting arrangements
	£m	£m	£m	£m	£m	£m
30 June 2025						
Gross	51,659	50,729	930	56,850	54,146	2,704
IFRS offset	(19,945)	(19,945)	-	(19,945)	(19,945)	-
Carrying value	31,714	30,784	930	36,905	34,201	2,704
Master netting arrangements	(517)	(517)	-	(517)	(517)	-
Securities collateral	(29,442)	(29,442)	-	(33,684)	(33,684)	-
Potential for offset not recognised under IFRS	(29,959)	(29,959)	-	(34,201)	(34,201)	-
Net	1,755	825	930	2,704	-	2,704
31 December 2024						
Gross	45,774	45,734	40	48,705	48,002	703
IFRS offset	(15,174)	(15,174)	-	(15,174)	(15,174)	-
Carrying value	30,600	30,560	40	33,531	32,828	703
Master netting arrangements	(1,549)	(1,549)	-	(1,549)	(1,549)	-
Securities collateral	(28,799)	(28,799)	-	(31,279)	(31,279)	-
Potential for offset not recognised under IFRS	(30,348)	(30,348)	-	(32,828)	(32,828)	-
Net	252	212	40	703	-	703

Debt securities

The table below shows debt securities held at mandatory fair value through profit or loss by issuer as well as ratings based on the lowest of Standard & Poor's, Moody's and Fitch. Refer to Note 6 Trading assets and Trading liabilities for details on short positions.

	Central and local government			Financial institutions	Corporate	Total
	UK	US	Other			
	£m	£m	£m	£m	£m	£m
30 June 2025						
AAA	-	-	2,610	1,426	-	4,036
AA to AA+	-	6,832	562	393	2	7,789
A to AA-	3,961	-	2,618	955	95	7,629
BBB- to A-	-	-	916	411	549	1,876
Non-investment grade	-	-	-	65	132	197
Total	3,961	6,832	6,706	3,250	778	21,527
31 December 2024						
AAA	-	-	1,335	1,368	-	2,703
AA to AA+	-	3,734	74	569	2	4,379
A to AA-	2,077	-	1,266	381	519	4,243
BBB- to A-	-	-	831	562	885	2,278
Non-investment grade	-	-	-	108	167	275
Total	2,077	3,734	3,506	2,988	1,573	13,878

Risk and capital management

Credit risk – Trading activities continued (reviewed)

Derivatives

The table below shows third-party derivatives by type of contract. The master netting agreements and collateral shown do not result in a net presentation on the balance sheet under IFRS.

	30 June 2025							31 December 2024		
	Notional				Total	Assets	Liabilities	Notional	Assets	Liabilities
	GBP	USD	EUR	Other						
	£bn	£bn	£bn	£bn	£bn	£m	£m	£bn	£m	£m
Gross exposure						74,037	67,797		79,894	74,421
IFRS offset and clearing house settlements						(2,238)	(2,238)		(2,727)	(2,727)
Carrying value	3,704	3,328	5,819	1,163	14,014	71,799	65,559	13,007	77,167	71,694
Of which:										
Interest rate (1)	3,385	1,758	5,105	208	10,456	34,047	28,101	9,740	36,582	31,276
Exchange rate	318	1,566	708	955	3,547	37,668	37,301	3,254	40,474	40,183
Credit	1	4	6	-	11	84	157	13	111	235
Carrying value	3,704	3,328	5,819	1,163	14,014	71,799	65,559	13,007	77,167	71,694
Counterparty mark-to-market netting						(56,720)	(56,720)		(61,531)	(61,531)
Cash collateral						(8,915)	(4,645)		(9,815)	(5,797)
Securities collateral						(3,028)	(1,274)		(3,396)	(896)
Net exposure						3,136	2,920		2,425	3,470
Banks (2)						175	326		204	342
Other financial institutions (3)						1,834	1,254		1,424	1,443
Corporate (4)						1,069	1,317		764	1,653
Government (5)						58	23		33	32
Net exposure						3,136	2,920		2,425	3,470
UK						1,485	1,658		1,041	1,744
Europe						994	871		874	977
US						555	331		443	605
RoW						102	60		67	144
Net exposure						3,136	2,920		2,425	3,470
Asset quality of uncollateralised derivative assets										
AQ1-AQ4						2,492			2,028	
AQ5-AQ8						641			394	
AQ9-AQ10						3			3	
Net exposure						3,136			2,425	

- (1) The notional amount of interest rate derivatives includes £7,177 billion (31 December 2024 – £6,733 billion) in respect of contracts cleared through central clearing counterparties.
- (2) Transactions with certain counterparties with which NWM Group has netting arrangements but collateral is not posted on a daily basis; certain transactions with specific terms that may not fall within netting and collateral arrangements; derivative positions in certain jurisdictions, where the collateral agreements are not deemed to be legally enforceable.
- (3) Includes transactions with securitisation vehicles and funds where collateral posting is contingent on NWM Group's external rating.
- (4) Mainly large corporates with whom NWM Group may have netting arrangements in place, but operational capability does not support collateral posting.
- (5) Sovereigns and supranational entities with no collateral arrangements, collateral arrangements that are not considered enforceable, or one-way collateral agreements in their favour.

Risk and capital management

Credit risk – Economics (reviewed)

Economic loss drivers

Introduction

The portfolio segmentation and selection of economic loss drivers for IFRS 9 follows the approach used in stress testing. The stress models for each portfolio segment (defined by product or asset class and where relevant, industry sector and region) are based on a selected, small number of economic variables that best explain the movements in portfolio loss rates. The process to select economic loss drivers involves empirical analysis and expert judgement.

The most significant economic loss drivers for the UK portfolios include UK gross domestic product (GDP), world GDP, and the unemployment rate. Similar metrics are used for other key country exposures in NWM Group.

Economic scenarios

At 30 June 2025, the range of anticipated future economic conditions was defined by a set of four internally developed scenarios and their respective probabilities. In addition to the base case, they comprised upside, downside and extreme downside scenarios.

For 30 June 2025, the four scenarios were deemed appropriate in capturing the uncertainty in economic forecasts and the non-linearity in outcomes under different scenarios. These four scenarios were developed to provide sufficient coverage to current risks faced by the economy and consider varying outcomes across the labour market, inflation, interest rate, asset price and economic growth, around which there remains pronounced levels of uncertainty.

Since 31 December 2024, the near-term economic growth outlook has weakened. This was mainly due to the weaker economic performance in the second half of 2024 and the drag from international trade policy related uncertainty. Inflation has risen, with underlying price pressure remaining firm, particularly on services inflation. As a result, inflation is assumed to remain a little higher than 3% through most of 2025, taking longer to fall back to the target level of 2%. The labour market has continued to cool. The unemployment rate peak is now assumed to be modestly higher than at 31 December 2024, but it is still expected to remain low. The Bank of England is expected to continue cutting interest rates in a ‘gradual and careful’ manner with an assumed terminal rate in the base case of 3.5%. The housing market continues to show signs of resilience, with prices still expected to grow modestly.

Economic loss drivers

High level narrative – potential developments, vulnerabilities and risks

Growth	Outperformance sustained – the economy continues to grow at a robust pace	Upside
	Steady growth – staying close to trend pace but with some near-term slowdown	Base case
	Stalling – lagged effect of higher inflation and cautious consumer amidst global trade policy and geopolitical uncertainty stalls the rebound	Downside
	Extreme stress – extreme fall in GDP, with policy support to facilitate sharp recovery	Extreme downside
Inflation	Sticky – strong growth and/or wage policies and/or interest rate cuts keep services inflation well above target	Upside
	Battle won – Beyond near-term volatility, downward drift in services inflation continues, ensuring 2% target is met on a sustained basis	Base case
	Structural factors – sustained bouts of energy, food and goods price inflation on geopolitics/deglobalisation	Downside
	Close to deflation – inflationary pressures diminish amidst pronounced weakness in demand	Extreme downside
Labour market	Tighter, still – job growth rebounds strongly, pushing unemployment back down to 3.5%	Upside
	Cooling continues – gradual loosening prompts a gentle rise in unemployment (but remains low), job growth recovers	Base case
	Job shedding – prolonged weakness in economy prompts redundancies, reduced hours, building slack	Downside
	Depression – unemployment hits levels close to previous peaks amid severe stress	Extreme downside
Rates short-term	Limited cuts – higher growth and inflation keeps the Monetary Policy Committee cautious	Upside
	Steady – approximately one cut per quarter	Base case
	Mid-cycle quickening – sharp declines through 2025 to support recovery	Downside
	Sharp drop – drastic easing in policy to support a sharp deterioration in the economy	Extreme downside
Rates long-term	Above consensus – 4%	Upside
	Middle – 3.5%	Base case
	Close to 2010s – 1-2%/2.5%	Downside/Extreme downside

Risk and capital management

Credit risk – Economics continued (reviewed)

Economic loss drivers

Main macroeconomic variables

The main macroeconomic variables for each of the four scenarios used for expected credit loss (ECL) modelling are set out in the table below.

	30 June 2025					31 December 2024				
	Upside	Base case	Downside	Extreme downside	Weighted average	Upside	Base case	Downside	Extreme downside	Weighted average
Five-year summary	%	%	%	%	%	%	%	%	%	%
GDP	2.1	1.3	0.6	(0.1)	1.2	2.0	1.3	0.5	(0.2)	1.1
Unemployment rate	3.8	4.6	5.4	7.1	4.9	3.6	4.3	5.0	6.7	4.6
House price index	5.7	3.4	0.5	(4.3)	2.5	5.8	3.5	0.8	(4.3)	2.7
Commercial real estate price	6.1	2.0	(0.3)	(4.8)	1.8	5.4	1.2	(1.0)	(5.7)	1.1
Consumer price index	2.4	2.2	3.7	1.7	2.5	2.4	2.2	3.5	1.6	2.4
Bank of England base rate	4.1	3.6	2.5	1.2	3.2	4.4	4.0	3.0	1.6	3.6
Stock price index	5.2	3.8	2.6	0.7	3.5	6.3	5.0	3.4	1.1	4.5
World GDP	3.7	3.0	2.3	1.4	2.8	3.8	3.2	2.5	1.6	3.0
Probability weight	21.7	45.0	20.7	12.6		23.2	45.0	19.1	12.7	

(1) The five-year summary runs from 2025-2029 for 30 June 2025 and from 2024-28 for 31 December 2024.

(2) The table shows compound annual growth rate (CAGR) for GDP, average levels for the unemployment rate and Bank of England base rate and Q4 to Q4 CAGR for other parameters.

Probability weightings of scenarios

NWM Group's quantitative approach to IFRS 9 multiple economic scenarios involves selecting a suitable set of discrete scenarios to characterise the distribution of risks in the economic outlook and assigning appropriate probability weights. This quantitative approach is used for 30 June 2025.

The approach involves comparing GDP paths for NWM Group's scenarios against a set of 1,000 model runs, following which, a percentile in the distribution is established that most closely corresponded to the scenario. The probability weight for base case is set first based on judgement, while probability weights for the alternate scenarios are assigned based on these percentiles scores.

The weights were broadly comparable to those used at 31 December 2024 but with slightly more downside skew. The assigned probability weights were judged to be aligned with the subjective assessment of balance of the risks in the economy as global trade policy uncertainty increased, and geopolitical risks remained elevated. US trade policy remains a key area of uncertainty for the economy. NWM Group is comfortable that the adjustments made to the base case view reflect much of the adverse economic impacts from tariffs, while the downside scenarios give good coverage to the potential for more significant economic damage, including higher inflation and downturns in business investment and consumer spending. Given the balance of risks that the economy is exposed to, NWM Group judges it appropriate that downside-biased scenarios have higher combined probability weights than the upside-biased scenario. It presents good coverage to the range of outcomes assumed in the scenarios, including the potential for a robust recovery on the upside and exceptionally challenging outcomes on the downside. A 21.7% weighting was applied to the upside scenario, a 45.0% weighting applied to the base case scenario, a 20.7% weighting applied to the downside scenario and a 12.6% weighting applied to the extreme downside scenario.

Worst points

	30 June 2025					31 December 2024				
	Downside	Quarter	Extreme downside	Quarter	Weighted average	Downside	Quarter	Extreme downside	Quarter	Weighted average
	%		%		%	%		%		%
GDP	-	Q2 2027	(4.8)	Q2 2026	-	-	Q1 2024	(4.1)	Q4 2025	-
Unemployment rate - peak	5.8	Q2 2027	8.5	Q3 2027	5.1	5.6	Q4 2026	8.5	Q1 2027	4.9
House price index	(5.0)	Q4 2027	(28.0)	Q1 2028	-	(1.9)	Q2 2027	(25.6)	Q3 2027	-
Commercial real estate price	(8.4)	Q4 2026	(33.5)	Q1 2027	-	(10.5)	Q2 2026	(35.0)	Q3 2026	(1.8)
Consumer price index										
- highest four quarter change	6.1	Q3 2026	3.2	Q2 2025	3.3	6.1	Q1 2026	3.5	Q1 2024	3.5
Bank of England base rate										
- extreme level	2.0	Q1 2025	0.1	Q1 2025	2.9	2.0	Q1 2024	0.1	Q1 2024	2.9
Stock price index	(6.6)	Q2 2026	(32.1)	Q2 2026	-	(0.2)	Q4 2025	(27.4)	Q4 2025	-

(1) The figures show falls relative to the starting period for GDP, house price index, commercial real estate price and stock price index. For unemployment rate, it shows highest value through the scenario horizon. For consumer price index, it shows highest annual percentage change. For Bank of England base rate, it shows highest or lowest value through the horizon. The calculations are performed over five years, with a starting point of Q4 2024 for 30 June 2025 scenarios and Q4 2023 for 31 December 2024 scenarios.

Risk and capital management

Credit risk – Economics continued (reviewed)

Governance and post model adjustments

The IFRS 9 PD, EAD and LGD models are subject to NWM Group's model risk policy that stipulates periodic model monitoring, periodic re-validation and defines approval procedures and authorities according to model materiality. Various post model adjustments were applied where management judged they were necessary to ensure an adequate level of overall ECL provision. All post model adjustments were subject to review, challenge and approval through model or provisioning committees.

Post model adjustments will remain a key focus area of NWM Group's ongoing ECL adequacy assessment process. A holistic framework has been established including reviewing a range of economic data, external benchmark information and portfolio performance trends with a particular focus on segments of the portfolio that are likely to be more susceptible to high inflation, high interest rates and supply chain disruption.

For H1 2025, the economic uncertainty post model adjustment decreased to £7 million (31 December 2024 – £10 million) with £6 million in Stage 1 and £1 million in Stage 2 (31 December 2024 – £8 million (Stage 1) and £2 million (Stage 2)).

Measurement uncertainty and ECL sensitivity analysis

The recognition and measurement of ECL is complex and involves the use of significant judgement and estimation, particularly in times of economic volatility and uncertainty. This includes the formulation and incorporation of multiple forward-looking economic conditions into ECL to meet the measurement objective of IFRS 9. The ECL provision is sensitive to the model inputs and economic assumptions underlying the estimate.

The impact arising from the base case, upside, downside and extreme downside scenarios was simulated. In the simulations, NWM Group has assumed that the economic macro variables associated with these scenarios replace the existing base case economic assumptions, giving them a 100% probability weighting and therefore serving as a single economic scenario.

These scenarios were applied to all modelled portfolios in the analysis below, with the simulation impacting both PDs and LGDs. Post model adjustments included in the ECL estimates that were modelled were sensitised in line with the modelled ECL movements, but those that were judgemental in nature, primarily those for deferred model calibrations and economic uncertainty, were not (refer to the Governance and post model adjustments section) on the basis these would be re-evaluated by management through ECL governance for any new economic scenario outlook and not be subject to an automated calculation. As expected, the scenarios create differing impacts on ECL by portfolio and the impacts are deemed reasonable. In this simulation, it is assumed that existing modelled relationships between key economic variables and loss drivers hold, but in practice other factors would also have an impact, for example, potential customer behaviour changes and policy changes by lenders that might impact on the wider availability of credit.

The focus of the simulations is on ECL provisioning requirements on performing exposures in Stage 1 and Stage 2. The simulations are run on a stand-alone basis and are independent of each other; the potential ECL impacts reflect the simulated impact at 30 June 2025. Scenario impacts on significant increase in credit risk (SICR) should be considered when evaluating the ECL movements of Stage 1 and Stage 2. In all scenarios the total exposure was the same but exposure by stage varied in each scenario.

Stage 3 provisions are not subject to the same level of measurement uncertainty – default is an observed event as at the balance sheet date. Stage 3 provisions therefore were not considered in this analysis.

NWM Group's core criterion to identify a SICR is founded on PD deterioration. Under the simulations, PDs change and result in exposures moving between Stage 1 and Stage 2 contributing to the ECL impact.

Risk and capital management

Credit risk – Measurement uncertainty and ECL sensitivity analysis continued (reviewed)

30 June 2025	Actual	Base scenario	Moderate upside scenario	Moderate downside scenario	Extreme downside scenario
Stage 1 modelled loans (£m)	20,744	20,744	20,744	20,720	19,301
Stage 1 modelled ECL (£m)	25	22	20	26	47
Stage 1 coverage (%)	0.12%	0.11%	0.10%	0.13%	0.24%
Stage 2 modelled loans (£m)	269	269	269	293	1,712
Stage 2 modelled ECL (£m)	4	3	3	3	14
Stage 2 coverage (%)	1.49%	1.12%	1.12%	1.02%	0.82%
Stage 1 and Stage 2 modelled loans (£m)	21,013	21,013	21,013	21,013	21,013
Stage 1 and Stage 2 modelled ECL (£m)	29	25	23	29	61
Stage 1 and Stage 2 coverage (%)	0.14%	0.12%	0.11%	0.14%	0.29%
Variance - (lower)/higher to actual total Stage 1 and Stage 2 ECL (£m)	-	(4)	(6)	-	32
Reconciliation to Stage 1 and Stage 2 flow exposure (£m)					
Modelled loans	21,013	21,013	21,013	21,013	21,013
Other asset classes	31,032	31,032	31,032	31,032	31,032

- (1) Variations in future undrawn exposure values across the scenarios are modelled. However, the exposure position reported is that used to calculate modelled ECL as at 30 June 2025 and therefore does not include variation in future undrawn exposure values.
- (2) Reflects ECL for all modelled exposure in scope for IFRS 9. The analysis excludes non-modelled portfolios.
- (3) All simulations are run on a stand-alone basis and are independent of each other, with the potential ECL impact reflecting the simulated impact as at 30 June 2025. The simulations change the composition of Stage 1 and Stage 2 exposure but total exposure was unchanged under each scenario as the loan population is static.
- (4) Refer to the Economic loss drivers section for details of economic scenarios.
- (5) Refer to the NatWest Markets Plc 2024 Annual Report and Accounts for 31 December 2024 comparatives.

Measurement uncertainty and ECL adequacy

- If the economics were as negative as observed in the extreme downside (i.e. 100% probability weighting), total Stage 1 and Stage 2 ECL was simulated to increase. In this scenario, Stage 2 exposure increased significantly and was the key driver of the simulated ECL rise. The movement in Stage 2 balances in the other simulations was less significant.
- There was a significant increase in ECL under the extreme downside scenario.
- Given the continued economic uncertainty, NWM Group utilised a framework of quantitative and qualitative measures to support the levels of ECL coverage. This included economic data, credit performance insights and problem debt trends. This was particularly important for consideration of post model adjustments.
- As the effects of these economic risks evolve, there is a risk of further credit deterioration. However, the income statement effect of this should be mitigated by the forward-looking provisions retained on the balance sheet at 30 June 2025.
- There are a number of key factors that could drive further downside to impairments, through deteriorating economic and credit metrics and increased stage migration as credit risk increases for more customers. Such factors which could impact the IFRS 9 models, include an adverse deterioration in unemployment, GDP and stock price index.

Risk and capital management

Credit risk – Banking activities (reviewed)

This section details the credit risk profile of NWM Group's banking activities.

Portfolio summary

The table below shows gross loans and ECL, by stage, within the scope of the IFRS 9 ECL framework.

	30 June 2025 £m	31 December 2024 £m
Loans - amortised cost and FVOCI		
Stage 1	20,987	18,759
Stage 2	260	352
Stage 3	50	52
<i>Of which: individual</i>	43	45
<i>Of which: collective</i>	7	7
Inter-group (1)	323	260
Total	21,620	19,423
ECL provisions		
Stage 1	25	25
Stage 2	4	5
Stage 3	16	17
<i>Of which: individual</i>	9	10
<i>Of which: collective</i>	7	7
Inter-group (1)	-	-
Total	45	47
ECL provisions coverage (2)		
Stage 1 (%)	0.12	0.13
Stage 2 (%)	1.54	1.42
Stage 3 (%)	32.00	32.69
Total	0.21	0.25
	Half year ended	
	30 June 2025 £m	30 June 2024 £m
Impairment releases		
ECL release		
Stage 1	(1)	(3)
Stage 2	-	-
Stage 3	(2)	(4)
<i>Of which: individual</i>	(2)	(4)
<i>Of which: collective</i>	-	-
Third party	(3)	(7)
Total	(3)	(7)
Amounts written-off	-	2

- (1) NWM Group's intercompany assets were classified in Stage 1. The ECL for these loans was £0.2 million (31 December 2024 – £0.2 million).
- (2) ECL provisions coverage is calculated as ECL provisions divided by loans – amortised cost and FVOCI. It is calculated on loans and total ECL provisions, including ECL for other (non-loan) assets and unutilised exposure. Some segments with a high proportion of debt securities or unutilised exposure may result in a not meaningful (nm) coverage ratio.
- (3) The table shows gross loans only and excludes amounts that are outside the scope of the ECL framework. For further details, refer to Financial instruments within the scope of the IFRS 9 ECL framework on page 51 of the NatWest Markets Plc 2024 Annual Report and Accounts. Other financial assets within the scope of the IFRS 9 ECL framework were cash and balances at central banks totalling £18.6 billion (31 December 2024 – £16.2 billion) and debt securities of £16.9 billion (31 December 2024 – £17.8 billion).
- (4) The stage allocation of the ECL charge was aligned to the stage transition approach that underpins the analysis in the Flow statement section.

Risk and capital management

Credit risk – Banking activities continued (reviewed)

Sector analysis – portfolio summary

The table below shows ECL by stage, for the Non-Personal portfolio including the three largest borrowing sector clusters included in corporate and other.

	Loans - amortised cost and FVOCI				Off-balance sheet		ECL provisions			
	Stage 1	Stage 2	Stage 3	Total	Loan commitments	Contingent liabilities	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2025										
Financial institutions (1)	20,338	211	-	20,549	7,752	637	22	2	-	24
Sovereign	276	-	-	276	-	-	1	-	-	1
Corporate & Other	373	49	50	472	6,457	21	2	2	16	20
Of which:										
Technology, Media & Telecommunications	66	21	3	90	843	3	1	1	3	5
Mobility & Logistics	37	15	-	52	1,508	-	-	-	-	-
Manufacturing	43	3	-	46	775	6	1	-	-	1
Total	20,987	260	50	21,297	14,209	658	25	4	16	45
31 December 2024										
Financial institutions (1)	17,627	276	-	17,903	7,829	689	20	3	-	23
Sovereign	661	-	-	661	-	-	1	-	-	1
Corporate & Other	471	76	52	599	6,272	24	4	2	17	23
Of which:										
Technology, Media & Telecommunications	59	22	2	83	889	5	1	1	4	6
Mobility & Logistics	55	26	-	81	1,464	-	-	-	-	-
Manufacturing	45	1	-	46	498	6	1	-	-	1
Total	18,759	352	52	19,163	14,101	713	25	5	17	47

(1) Includes transactions, such as securitisations, where the underlying risk may be in other sectors.

Risk and capital management

Credit risk – Banking activities continued (reviewed)

Flow statement

The flow statement that follows shows the main ECL and related income statement movements. It also shows the changes in ECL as well as the changes in related financial assets used in determining ECL. Due to differences in scope, exposures may differ from those reported in other tables, principally in relation to exposures in Stage 1 and Stage 2. These differences do not have a material ECL effect. Other points to note:

- Financial assets include treasury liquidity portfolios, comprising balances at central banks and debt securities, as well as loans. Both modelled and non-modelled portfolios are included.
- Stage transfers (for example, exposures moving from Stage 1 into Stage 2) are a key feature of the ECL movements, with the net re-measurement cost of transitioning to a worse stage being a primary driver of income statement charges. Similarly, there is an ECL benefit for accounts improving stage.
- Changes in risk parameters shows the reassessment of the ECL within a given stage, including any ECL overlays and residual income statement gains or losses at the point of write-off or accounting write-down.
- Other (P&L only items) includes any subsequent changes in the value of written-down assets along with other direct write-off items such as direct recovery costs. Other (P&L only items) affects the income statement but does not affect balance sheet ECL movements.
- Amounts written-off represent the gross asset written-down against accounts with ECL, including the net asset write-down for any debt sale activity.

	Stage 1		Stage 2		Stage 3		Total	
	Financial assets	ECL	Financial assets	ECL	Financial assets	ECL	Financial assets	ECL
	£m	£m	£m	£m	£m	£m	£m	£m
NWM Group								
At 1 January 2025	52,474	25	349	5	53	17	52,876	47
Currency translation and other adjustments	(1,139)	-	(8)	-	1	1	(1,146)	1
Inter-Group transfers	-	-	-	-	-	-	-	-
Transfers from Stage 1 to Stage 2	(341)	-	341	-	-	-	-	-
Transfers from Stage 2 to Stage 1	409	1	(409)	(1)	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Net re-measurement of ECL on stage transfer	-	-	-	-	-	-	-	-
Changes in risk parameters	-	(5)	-	-	-	(2)	-	(7)
Other changes in net exposure	331	4	38	-	(4)	-	365	4
Other (P&L only items)	-	-	-	-	-	-	-	-
Income statement releases	-	(1)	-	-	-	(2)	-	(3)
Amounts written-off	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
At 30 June 2025	51,734	25	311	4	50	16	52,095	45
Net carrying amount	51,709		307		34		52,050	
At 1 January 2024	49,168	24	687	8	24	24	49,879	56
2024 movements	(521)	(1)	(290)	(2)	(3)	(7)	(814)	(10)
At 30 June 2024	48,647	23	397	6	21	17	49,065	46
Net carrying amount	48,624		391		4		49,019	

Condensed consolidated income statement for the half year ended 30 June 2025 (unaudited)

	Half year ended	
	30 June	30 June
	2025	2024
	£m	£m
Interest receivable	1,288	1,357
Interest payable	(1,044)	(1,120)
Net interest income	244	237
Fees and commissions receivable	229	254
Fees and commissions payable	(102)	(111)
Income from trading activities	391	229
Other operating income	-	41
Non-interest income	518	413
Total income	762	650
Staff costs	(265)	(241)
Premises and equipment	(36)	(36)
Other administrative expenses	(360)	(311)
Depreciation and amortisation	(6)	(4)
Operating expenses	(667)	(592)
Profit before impairment releases	95	58
Impairment releases	3	7
Operating profit before tax	98	65
Tax (charge)/credit	(9)	18
Profit for the period	89	83
Attributable to:		
Ordinary shareholders	26	40
Paid-in equity holders	63	34
Non-controlling interests	-	9
	89	83

Condensed consolidated statement of comprehensive income for the half year ended 30 June 2025 (unaudited)

	Half year ended	
	30 June	30 June
	2025	2024
	£m	£m
Profit for the period	89	83
Items that do not qualify for reclassification		
Remeasurement of retirement benefit schemes	(3)	(3)
Changes in fair value of financial liabilities designated at fair value through profit or loss (FVTPL)	(1)	(26)
Fair value through other comprehensive income (FVOCI) financial assets	13	3
Tax	1	18
	10	(8)
Items that do qualify for reclassification		
FVOCI financial assets	-	6
Cash flow hedges (1)	101	(73)
Currency translation	(63)	(50)
Tax	(31)	20
	7	(97)
Other comprehensive income/(losses) after tax	17	(105)
Total comprehensive income/(losses) for the period	106	(22)
Attributable to:		
Ordinary shareholders	43	(65)
Paid-in equity holders	63	34
Non-controlling interests	-	9
	106	(22)

(1) Refer to footnote 1 of the consolidated statement of changes in equity.

Condensed consolidated balance sheet as at 30 June 2025 (unaudited)

	30 June 2025 £m	31 December 2024 £m
Assets		
Cash and balances at central banks	18,579	16,229
Trading assets	56,603	48,883
Derivatives	72,524	78,105
Settlement balances	8,120	2,043
Loans to banks - amortised cost	1,352	1,171
Loans to customers - amortised cost	20,589	17,921
Amounts due from holding company and fellow subsidiaries	413	343
Other financial assets	16,982	17,850
Other assets	588	621
Total assets	195,750	183,166
Liabilities		
Bank deposits	4,551	4,565
Customer deposits	7,886	4,840
Amounts due to holding company and fellow subsidiaries	6,864	6,771
Settlement balances	9,275	1,729
Trading liabilities	58,700	54,512
Derivatives	65,802	72,036
Other financial liabilities	34,598	31,263
Other liabilities	507	521
Total liabilities	188,183	176,237
Owners' equity	7,567	6,929
Total equity	7,567	6,929
Total liabilities and equity	195,750	183,166

Condensed consolidated statement of changes in equity for the half year ended 30 June 2025 (unaudited)

	Half year ended	
	30 June 2025 £m	30 June 2024 £m
Called up share capital - at beginning and end of period	400	400
Share premium account - at beginning and end of period	1,946	1,946
Paid-in equity - at beginning of period	1,496	904
Securities issued during the year	600	-
At end of period	2,096	904
Merger reserve - at beginning of period	(11)	(14)
Amortisation	1	1
At end of period	(10)	(13)
FVOCI reserve - at beginning of period	25	13
Unrealised gains	15	9
Realised gains	(3)	(2)
Tax	(1)	1
At end of period	36	21
Cash flow hedging reserve - at beginning of period	(177)	(164)
Amount recognised in equity (1)	(19)	(212)
Amount transferred from equity to earnings (2)	120	139
Tax	(30)	21
At end of period	(106)	(216)
Foreign exchange reserve - at beginning of period	87	100
Retranslation of net assets	(94)	(66)
Foreign currency gains on hedges of net assets	31	19
Recycled to profit or loss on disposal of businesses	-	(3)
At end of period	24	50
Retained earnings - at beginning of period	3,163	3,195
Profit attributable to ordinary shareholders and other equity owners	89	74
Paid-in equity dividends paid	(63)	(34)
Remeasurement of retirement benefit schemes		
- gross	(3)	(3)
- tax	1	14
Realised gains in period on FVOCI equity shares	1	2
Changes in fair value of financial liabilities designated at FVTPL due to changes in credit risk		
- gross	(1)	(26)
- tax	-	2
Share-based payments	(5)	(5)
Amortisation of merger reserve	(1)	(1)
At end of period	3,181	3,218
Owners' equity at end of period	7,567	6,310
Non-controlling interests - at beginning of period	-	(2)
Profit attributable to non-controlling interests	-	9
At end of period	-	7
Total equity at end of period	7,567	6,317
Attributable to:		
Ordinary shareholders	5,471	5,406
Paid-in equity holders	2,096	904
Non-controlling interests	-	7
	7,567	6,317

- (1) The change in the cash flow hedging reserve is driven by realised accrued interest transferred to the income statement and a decrease in swap rates in the year, where the portfolio of swaps are net receive fixed.
- (2) The amount transferred from equity to the income statement is mostly recorded within net interest income mainly within loans to banks and customers – amortised cost and balances at central banks.

Condensed consolidated cash flow statement
for the half year ended 30 June 2025 (unaudited)

	Half year ended	
	30 June 2025 £m	30 June 2024 £m
Cash flows from operating activities		
Operating profit before tax	98	65
Adjustments for non-cash and other items	(721)	50
Net cash flows from trading activities	(623)	115
Changes in operating assets and liabilities	(169)	5,379
Net cash flows from operating activities before tax	(792)	5,494
Income taxes received/(paid)	2	(101)
Net cash flows from operating activities	(790)	5,393
Net cash flows from investing activities	1,382	(665)
Net cash flows from financing activities	843	399
Effects of exchange rate changes on cash and cash equivalents	130	(346)
Net increase in cash and cash equivalents	1,565	4,781
Cash and cash equivalents at beginning of period	24,536	24,943
Cash and cash equivalents at end of period	26,101	29,724

Notes

1. Presentation of condensed consolidated financial statements

The condensed consolidated financial statements should be read in conjunction with NatWest Markets Plc's 2024 Annual Report and Accounts. The accounting policies are the same as those applied in the consolidated financial statements.

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 and in accordance with IAS 34 'Interim Financial Reporting', as adopted by the UK and as issued by the International Accounting Standards Board (IASB), and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

2. Non-interest income

	Half year ended	
	30 June 2025 £m	30 June 2024 £m
Analysis of net fees and commissions		
Fees and commissions receivable		
- Lending and financing	51	59
- Brokerage	27	22
- Underwriting fees	88	93
- Other	63	80
Total	229	254
Fees and commissions payable	(102)	(111)
Net fees and commissions	127	143
Income from trading activities		
Foreign exchange	175	89
Interest rate	151	225
Credit	62	(78)
Changes in fair value of own debt and derivative liabilities attributable to own credit risk		
- debt securities in issue and derivative liabilities	3	(7)
	391	229
Other operating income		
Changes in fair value of financial assets and liabilities designated at FVTPL (1)	(83)	(41)
Other income (2)	83	82
	-	41
Total	518	413

(1) Includes related derivatives.

(2) Other income includes a profit share agreement with fellow NatWest Group subsidiaries that rewards NWM Group on an arm's length basis for its contribution to the performance of the NatWest Group Commercial & Institutional business segment.

Notes

3. Operating expenses

	Half year ended	
	30 June 2025	30 June 2024
	£m	£m
Salaries and other staff costs	146	148
Temporary and contract costs	11	5
Social security costs	27	23
Bonus awards	74	60
Pension costs	7	5
- defined benefit schemes	(5)	(7)
- defined contribution schemes	12	12
Staff costs	265	241
Premises and equipment	36	36
Depreciation and amortisation	6	4
Other administrative expenses (1,2)	360	311
Administrative expenses	402	351
Total	667	592

- (1) Includes £285 million (30 June 2024 - £253 million) of recharges from other NatWest Group entities, mainly NWB Plc which provides the majority of shared services (including technology) and operational processes.
- (2) Includes litigation and other regulatory costs. Further details are provided in Note 8.

4. Tax

The actual tax credit differs from the expected tax credit computed by applying the standard UK corporation tax rate of 25% (2024 - 25%), as analysed below:

	Half year ended	
	30 June 2025	30 June 2024
	£m	£m
Profit before tax	98	65
Expected tax charge	(25)	(16)
Losses and temporary differences in period where no deferred tax asset recognised	-	(1)
Foreign profits taxed at other rates	(2)	-
Items not allowed for tax:		
- losses on disposals and write-downs	-	2
- UK bank levy	(4)	(3)
- regulatory and legal actions	(16)	-
Non-taxable items:		
- RPI-related uplift on index-linked gilts	9	18
- other non-taxable items	-	9
Unrecognised losses brought forward and utilised	18	9
Banking surcharge	(1)	4
Tax on paid-in equity dividends	10	10
Adjustments in respect of prior years	2	(14)
Actual tax (charge)/credit	(9)	18

At 30 June 2025, NWM Group has recognised a deferred tax asset of £148 million (31 December 2024 - £172 million) and a deferred tax liability of £37 million (31 December 2024 - £37 million). These amounts include deferred tax assets recognised in respect of trading losses of £85 million (31 December 2024 - £83 million). NWM Group has considered the carrying value of these assets as at 30 June 2025 and concluded that they are recoverable.

Notes

5. Financial instruments - classification

The following tables analyse financial assets and liabilities in accordance with the categories of financial instruments in IFRS 9.

	MFVTPL £m	DFV £m	FVOCI £m	Amortised cost £m	Other assets £m	Total £m
Assets						
Cash and balances at central banks				18,579		18,579
Trading assets	56,603					56,603
Derivatives (1)	72,524					72,524
Settlement balances				8,120		8,120
Loans to banks - amortised cost (2)				1,352		1,352
Loans to customers - amortised cost				20,589		20,589
Amounts due from holding company and fellow subsidiaries	17	-	-	345	51	413
Other financial assets	48	5	5,115	11,814		16,982
Other assets					588	588
30 June 2025	129,192	5	5,115	60,799	639	195,750

Cash and balances at central banks				16,229		16,229
Trading assets	48,883					48,883
Derivatives (1)	78,105					78,105
Settlement balances				2,043		2,043
Loans to banks - amortised cost (2)				1,171		1,171
Loans to customers - amortised cost				17,921		17,921
Amounts due from holding company and fellow subsidiaries	29	-	-	260	54	343
Other financial assets	49	5	4,611	13,185		17,850
Other assets					621	621
31 December 2024	127,066	5	4,611	50,809	675	183,166

	Held-for- trading £m	DFV £m	Amortised cost £m	Other liabilities £m	Total £m
Liabilities					
Bank deposits (3)			4,551		4,551
Customer deposits			7,886		7,886
Amounts due to holding company and fellow subsidiaries	530	-	6,229	105	6,864
Settlement balances			9,275		9,275
Trading liabilities	58,700				58,700
Derivatives (1)	65,802				65,802
Other financial liabilities	-	4,134	30,464		34,598
Other liabilities (4)			39	468	507
30 June 2025	125,032	4,134	58,444	573	188,183

Bank deposits (3)			4,565		4,565
Customer deposits			4,840		4,840
Amounts due to holding company and fellow subsidiaries	613	-	6,075	83	6,771
Settlement balances			1,729		1,729
Trading liabilities	54,512				54,512
Derivatives (1)	72,036				72,036
Other financial liabilities	-	3,507	27,756		31,263
Other liabilities (4)			44	477	521
31 December 2024	127,161	3,507	45,009	560	176,237

(1) Includes net hedging derivative assets of £318 million (31 December 2024 - £110 million) and net hedging derivative liabilities of £464 million (31 December 2024 - £474 million).

(2) Includes items in the course of collection from other banks of £758 million (31 December 2024 - £44 million).

(3) Includes items in the course of transmission to other banks of £246 million (31 December 2024 - £102 million).

(4) Includes lease liabilities of £36 million (31 December 2024 - £41 million), held at amortised cost.

Notes

5. Financial instruments - valuation

Disclosures relating to the control environment, valuation techniques and related aspects pertaining to financial instruments measured at fair value are included in NatWest Markets Plc's 2024 Annual Report and Accounts. Valuation, sensitivity methodologies and inputs at 30 June 2025 are consistent with those described in Note 10 to the financial statements in the NatWest Markets Plc 2024 Annual Report and Accounts.

Fair value hierarchy

The table below shows the assets and liabilities held by NWM Group split by fair value hierarchy level. Level 1 are considered the most liquid instruments, and level 3 the most illiquid, valued using expert judgment and hence carry the most significant price uncertainty.

	30 June 2025				31 December 2024			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets								
Trading assets								
Loans	-	34,833	243	35,076	-	34,727	278	35,005
Securities	16,289	5,238	-	21,527	8,772	5,106	-	13,878
Derivatives								
Interest rate	-	34,201	455	34,656	-	37,019	483	37,502
Foreign exchange	-	37,635	149	37,784	-	40,382	110	40,492
Other	-	41	43	84	-	64	47	111
Amounts due from holding company and fellow subsidiaries	-	17	-	17	-	29	-	29
Other financial assets								
Loans	-	1	93	94	-	1	93	94
Securities	3,291	1,678	105	5,074	3,163	1,313	95	4,571
Total financial assets held at fair value	19,580	113,644	1,088	134,312	11,935	118,641	1,106	131,682
As % of total fair value assets	14%	85%	1%		9%	90%	1%	
Liabilities								
Amounts due to holding company and fellow subsidiaries	-	530	-	530	-	613	-	613
Trading liabilities								
Deposits	-	46,234	-	46,234	-	43,764	-	43,764
Debt securities in issue	-	251	-	251	-	257	-	257
Short positions	9,749	2,465	1	12,215	8,766	1,724	1	10,491
Derivatives								
Interest rate	-	28,108	208	28,316	-	31,223	287	31,510
Foreign exchange	-	37,253	76	37,329	-	40,225	66	40,291
Other	-	94	63	157	-	115	120	235
Other financial liabilities								
Deposits	-	1,930	25	1,955	-	1,537	-	1,537
Debt securities in issue	-	1,942	3	1,945	-	1,733	3	1,736
Subordinated liabilities	-	234	-	234	-	234	-	234
Total financial liabilities held at fair value	9,749	119,041	376	129,166	8,766	121,425	477	130,668
As % of total fair value liabilities	8%	92%	0%		7%	93%	0%	

- (1) Level 1 - Instruments valued using unadjusted quoted prices in active and liquid markets, for identical financial instruments. Examples include government bonds, listed equity shares and certain exchange-traded derivatives.
Level 2 - Instruments valued using valuation techniques that have observable inputs. Observable inputs are those that are readily available with limited adjustments required. Examples include most government agency securities, investment-grade corporate bonds, products - including CLOs, most bank loans, repos and reverse repos, state and municipal obligations, most notes issued, certain money market securities, loan commitments and most OTC derivatives.
Level 3 - Instruments valued using a valuation technique where at least one input which could have a significant effect on the instrument's valuation, is not based on observable market data. Examples include non-derivative instruments which trade infrequently, certain syndicated and commercial loans, private equity, and derivatives with unobservable model inputs.
- (2) Transfers between levels are deemed to have occurred at the beginning of the quarter in which the instruments were transferred.
- (3) For an analysis of debt securities held at mandatorily fair value through profit or loss by issuer as well as ratings and derivatives, by type and contract, refer to Risk and capital management - Credit risk.

Notes

5. Financial instruments – valuation continued

Valuation adjustments

When valuing financial instruments in the trading book, adjustments are made to mid-market valuations to cover bid-offer spread, funding and credit risk. These adjustments are presented in the table below. For further information refer to the descriptions of valuation adjustments within 'Financial instruments – valuation' on page 113 of the NatWest Markets Plc 2024 Annual Report and Accounts.

	30 June 2025 £m	31 December 2024 £m
Funding valuation adjustments (FVA)	(10)	(3)
Credit valuation adjustments (CVA)	187	190
Bid-offer	49	49
Product and deal specific	138	156
Total	364	392

- The decrease in FVA was driven by exposure changes primarily due to new trading activity and longer-dated interest rates increasing. The decrease in product and deal specific was driven by the amortisation of deferred trade inception profits partially offset by new trading activity.

Level 3 sensitivities

The table below shows the favourable and unfavourable range of fair value of the level 3 assets and liabilities.

	30 June 2025			31 December 2024		
	Level 3 £m	Favourable £m	Unfavourable £m	Level 3 £m	Favourable £m	Unfavourable £m
Assets						
Trading assets						
Loans	243	-	-	278	-	-
Derivatives						
Interest rate	455	20	(20)	483	20	(20)
Foreign exchange	149	10	(10)	110	-	-
Other	43	-	-	47	-	-
Other financial assets						
Loans	93	-	-	93	-	-
Securities	105	10	(10)	95	10	(10)
Total	1,088	40	(40)	1,106	30	(30)
Liabilities						
Trading liabilities						
Short positions	1	-	-	1	-	-
Derivatives						
Interest rate	208	10	(10)	287	10	(10)
Foreign exchange	76	-	-	66	-	-
Other	63	-	-	120	10	(10)
Other financial liabilities						
Debt securities in issue	3	-	-	3	-	-
Deposits	25	-	-	-	-	-
Total	376	10	(10)	477	20	(20)

Alternative assumptions

Reasonably plausible alternative assumptions of unobservable inputs are determined based on a specified target level of certainty of 90%. Alternative assumptions are determined with reference to all available evidence including consideration of the following: quality of independent pricing information considering consistency between different sources, variation over time, perceived tradability or otherwise of available quotes; consensus service dispersion ranges; volume of trading activity and market bias (e.g. one-way inventory); day 1 profit or loss arising on new trades; number and nature of market participants; market conditions; modelling consistency in the market; size and nature of risk; length of holding of position; and market intelligence.

Notes

5. Financial instruments - valuation continued

Movement in level 3 assets and liabilities

The following table shows the movement in level 3 assets and liabilities.

	Derivatives assets £m	Other trading assets (2) £m	Other financial assets (3) £m	Total assets £m	Derivatives liabilities £m	Other trading liabilities (2) £m	Other financial liabilities £m	Total liabilities £m
At 1 January 2025	640	278	188	1,106	473	1	3	477
Amounts recorded in the income statement (1)	(65)	2	(1)	(64)	(97)	-	1	(96)
Amount recorded in the statement of comprehensive income	-	-	11	11	-	-	-	-
Level 3 transfers in	40	-	-	40	7	-	24	31
Level 3 transfers out	(6)	-	-	(6)	(11)	-	-	(11)
Purchases/originations	70	89	3	162	47	-	-	47
Settlements/other decreases	(2)	(31)	-	(33)	(34)	-	-	(34)
Sales	(31)	(97)	(2)	(130)	(40)	-	-	(40)
Foreign exchange and other adjustments	1	2	(1)	2	2	-	-	2
At 30 June 2025	647	243	198	1,088	347	1	28	376
Amounts recorded in the income statement in respect of balance held at period end: - unrealised	57	1	(4)	54	(16)	-	-	(16)

At 1 January 2024	843	223	205	1,271	700	3	3	706
Amounts recorded in the income statement (1)	(78)	2	(3)	(79)	(28)	-	-	(28)
Amount recorded in the statement of comprehensive income	-	-	(1)	(1)	-	-	-	-
Level 3 transfers in	7	-	-	7	1	-	-	1
Level 3 transfers out	(2)	(15)	-	(17)	(2)	(1)	-	(3)
Purchases/originations	82	25	2	109	67	1	-	68
Settlements/other decreases	(38)	(7)	-	(45)	(29)	-	-	(29)
Sales	(40)	-	(2)	(42)	(38)	(1)	-	(39)
Foreign exchange and other adjustments	-	1	(1)	-	(2)	-	-	(2)
At 30 June 2024	774	229	200	1,203	669	2	3	674

Amounts recorded in the income statement in respect of balance held at period end: - unrealised	108	-	(2)	106	123	-	-	123
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- (1) Net gains on trading assets and liabilities of £34 million (30 June 2024 – £48 million net losses) were recorded in income from trading activities. Net losses on other instruments of £2 million (30 June 2024 – £3 million net losses) were recorded in other operating income and interest income as appropriate.
- (2) Other trading assets and other trading liabilities comprise assets and liabilities held at fair value in trading portfolios.
- (3) Other financial assets comprise fair value through other comprehensive income, designated as at fair value through profit or loss and other fair value through profit or loss.

Notes

5. Financial instruments - valuation continued

Fair value of financial instruments measured at amortised cost on the balance sheet

The following table shows the carrying value and fair value of financial instruments carried at amortised cost on the balance sheet.

	Carrying value £bn	Fair value £bn	Fair value hierarchy level		Items where fair value approximates carrying value £bn
			Level 2 £bn	Level 3 £bn	
30 June 2025					
Financial assets					
Cash and balances at central banks	18.6	18.6	-	-	18.6
Settlement balances	8.1	8.1	-	-	8.1
Loans to banks	1.4	1.4	-	-	1.4
Loans to customers	20.6	20.6	3.6	17.0	-
Amounts due from holding company and fellow subsidiaries	0.3	0.3	-	0.2	0.1
Other financial assets - securities	11.8	11.9	5.5	6.4	-

31 December 2024

Financial assets					
Cash and balances at central banks	16.2	16.2	-	-	16.2
Settlement balances	2.0	2.0	-	-	2.0
Loans to banks	1.2	1.2	0.5	-	0.7
Loans to customers	17.9	17.9	3.1	14.8	-
Amounts due from holding company and fellow subsidiaries	0.3	0.3	-	0.2	0.1
Other financial assets - securities	13.2	13.3	5.6	7.7	-

30 June 2025

Financial liabilities					
Bank deposits	4.6	4.6	2.6	1.7	0.3
Customer deposits	7.9	7.9	0.4	7.4	0.1
Amounts due to holding company and fellow subsidiaries	6.2	6.2	5.8	0.4	-
Settlement balances	9.3	9.3	-	-	9.3
Other financial liabilities - debt securities in issue	30.5	30.5	26.2	4.3	-

31 December 2024

Financial liabilities					
Bank deposits	4.6	4.6	2.5	2.0	0.1
Customer deposits	4.8	4.8	0.5	4.2	0.1
Amounts due to holding company and fellow subsidiaries	6.1	6.1	5.5	0.6	-
Settlement balances	1.7	1.7	-	-	1.7
Other financial liabilities - debt securities in issue	27.7	27.7	22.8	4.9	-

The assumptions and methodologies underlying the calculation of fair values of financial instruments at the balance sheet date are as follows:

Short-term financial instruments

For certain short-term financial instruments: cash and balances at central banks, items in the course of collection from other banks, settlement balances, items in the course of transmission to other banks, and customer demand deposits, carrying value is deemed a reasonable approximation of fair value.

Loans to banks and customers

In estimating the fair value of net loans to customers and banks measured at amortised cost, NWM Group's loans are segregated into appropriate portfolios reflecting the characteristics of the constituent loans. Two principal methods are used to estimate fair value; contractual cash flows and expected cash flows.

Debt securities and subordinated liabilities

Most debt securities are valued using quoted prices in active markets or from quoted prices of similar financial instruments in active markets. For the remaining population, fair values are determined using market standard valuation techniques, such as discounted cash flows.

Bank and customer deposits

Fair values of deposits are estimated using discounted cash flow valuation techniques.

Notes

6. Trading assets and liabilities

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

	30 June 2025 £m	31 December 2024 £m
Assets		
Loans		
Reverse repos	28,165	27,127
Collateral given	6,232	7,333
Other loans	679	545
Total loans	35,076	35,005
Securities		
Central and local government		
- UK	3,961	2,077
- US	6,832	3,734
- Other	6,706	3,506
Financial institutions and Corporate	4,028	4,561
Total securities	21,527	13,878
Total	56,603	48,883
Liabilities		
Deposits		
Repos	33,911	30,562
Collateral received	11,452	12,307
Other deposits	871	895
Total deposits	46,234	43,764
Debt securities in issue	251	257
Short positions		
Central and local government		
- UK	2,346	2,680
- US	1,946	1,677
- Other	6,825	4,755
Financial institutions and Corporate	1,098	1,379
Total short positions	12,215	10,491
Total	58,700	54,512

Notes

7. Loan impairment provisions

Loan exposure and impairment metrics

The table below summarises loans and related credit impairment metrics within the scope of ECL framework.

	30 June 2025 £m	31 December 2024 £m
Loans - amortised cost and FVOCI		
Stage 1	20,987	18,759
Stage 2	260	352
Stage 3	50	52
<i>Of which: individual</i>	43	45
<i>Of which: collective</i>	7	7
Inter-group (1)	323	260
Total	21,620	19,423
ECL provisions		
Stage 1	25	25
Stage 2	4	5
Stage 3	16	17
<i>Of which: individual</i>	9	10
<i>Of which: collective</i>	7	7
Inter-group	-	-
Total	45	47
ECL provisions coverage (2)		
Stage 1 (%)	0.12	0.13
Stage 2 (%)	1.54	1.42
Stage 3 (%)	32.00	32.69
Inter-group (%)	-	0.05
Total	0.21	0.25
	Half year ended	
	30 June 2025 £m	30 June 2024 £m
Impairment releases		
ECL release		
Stage 1	(1)	(3)
Stage 2	-	-
Stage 3	(2)	(4)
<i>Of which: individual</i>	(2)	(4)
<i>Of which: collective</i>	-	-
Third party	(3)	(7)
Inter-group	-	-
Total	(3)	(7)
Amounts written-off	-	2

(1) NWM Group's intercompany assets were classified in Stage 1. The ECL for these loans was £0.2 million (31 December 2024 – £0.2 million).

(2) ECL provisions coverage is calculated as ECL provisions divided by loans – amortised cost and FVOCI. It is calculated on third party loans and total ECL provisions.

(3) The table shows gross loans only and excludes amounts that are outside the scope of the ECL framework. For further details, refer to Financial instruments within the scope of the IFRS 9 ECL framework on page 51 of the NatWest Markets Plc 2024 Annual Report and Accounts. Other financial assets within the scope of the IFRS 9 ECL framework were cash and balances at central banks totalling £18.6 billion (31 December 2024 – £16.2 billion) and debt securities of £16.9 billion (31 December 2024 – £17.8 billion).

Notes

8. Provisions for liabilities and charges

	Litigation and other regulatory £m	Other (1) £m	Total £m
At 1 January 2025	108	38	146
Currency translation and other movements	(9)	-	(9)
Charge to income statement	7	4	11
Release to income statement	-	-	-
Provisions utilised	(6)	(4)	(10)
At 30 June 2025	100	38	138

(1) Materially comprises provisions relating to restructuring costs and Bank of England levy.

Provisions are liabilities of uncertain timing or amount and are recognised when there is a present obligation as a result of a past event, the outflow of economic benefit is probable, and the outflow can be estimated reliably. Any difference between the final outcome and the amounts provided will affect the reported results in the period when the matter is resolved.

9. Contingent liabilities and commitments

The amounts shown in the table below are intended only to provide an indication of the volume of business outstanding at 30 June 2025. Although the NWM Group is exposed to credit risk in the event of a customer's failure to meet its obligations, the amounts shown do not, and are not intended to, provide any indication of NWM Group's expectation of future losses.

	30 June 2025 £m	31 December 2024 £m
Contingent liabilities and commitments		
Guarantees	643	696
Other contingent liabilities	15	17
Standby facilities, credit lines and other commitments	14,206	14,097
Total	14,864	14,810

Commitments and contingent obligations are subject to NWM Group's normal credit approval processes.

Risk-sharing arrangements

NWM Plc and NWM N.V. have limited risk-sharing arrangements in place to facilitate the smooth provision of services to NatWest Markets' customers. The arrangements, which NWM Plc recognises as financial guarantees within Amounts due to subsidiaries, include:

- The provision of a funded guarantee of up to £0.7 billion by NWM Plc to NWM N.V. that limits NWM N.V.'s exposure to large individual customer credits. Funding is provided by NWM Plc deposits placed with NWM N.V. of not less than the guaranteed amount. At 30 June 2025 the deposits amounted to £0.1 billion and the guaranteed fees in the period were £0.7 million.
- The provision of unfunded guarantees by NWM Plc in respect of NWM N.V.'s legacy portfolio. At 30 June 2025 the exposure at default covered by the guarantees was approximately £0.2 billion (of which none was cash collateralised). Fees of £0.2 million in relation to the guarantees were recognised in the period.

Indemnity deed

In April 2019 NWM Plc and NWB Plc entered into a cross indemnity agreement for losses incurred within the entities in relation to business transferred to or from the ring-fenced bank under the NatWest Group's structural re-organisation. Under the agreement, NWM Plc is indemnified by NWB Plc against losses relating to NWB Plc transferring businesses and ring-fenced bank obligations and NWB Plc is indemnified by NWM Plc against losses relating to NWM Plc transferring businesses and non-ring-fenced bank obligations with effect from the relevant transfer date.

Notes

10. Litigation and regulatory matters

NWM Plc and its subsidiary and associated undertakings (NWM Group) are party to various legal proceedings and are involved in, or subject to, various regulatory matters, including as the subject of investigations and other regulatory and governmental action (Matters) in the United Kingdom (UK), the United States (US), the European Union (EU) and other jurisdictions.

NWM Group recognises a provision for a liability in relation to these Matters when it is probable that an outflow of economic benefits will be required to settle an obligation resulting from past events, and a reliable estimate can be made of the amount of the obligation.

In many of the Matters, it is not possible to determine whether any loss is probable, or to estimate reliably the amount of any loss, either as a direct consequence of the relevant proceedings and regulatory matters or as a result of adverse impacts or restrictions on NWM Group's reputation, businesses and operations. Numerous legal and factual issues may need to be resolved, including through potentially lengthy discovery and document production exercises and determination of important factual matters, and by addressing novel or unsettled legal questions relevant to the proceedings in question, before the probability of a liability, if any, arising can reasonably be estimated in respect of any Matter. NWM Group cannot predict if, how, or when such claims will be resolved or what the eventual settlement, damages, fine, penalty or other relief, if any, may be, particularly for Matters that are at an early stage in their development or where claimants seek substantial or indeterminate damages.

There are situations where NWM Group may pursue an approach that in some instances leads to a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, or in order to take account of the risks inherent in defending or contesting Matters, even for those for which NWM Group believes it has credible defences and should prevail on the merits. The uncertainties inherent in all Matters affect the amount and timing of any potential economic outflows for both Matters with respect to which provisions have been established and other contingent liabilities in respect of any such Matter.

It is not practicable to provide an aggregate estimate of potential liability for our Matters as a class of contingent liabilities.

The future economic outflow in respect of any Matter may ultimately prove to be substantially greater than, or less than, the aggregate provision, if any, that NWM Group has recognised in respect of such Matter. Where a reliable estimate of the economic outflow cannot be reasonably made, no provision has been recognised. NWM Group expects that in future periods, additional provisions and economic outflows relating to Matters that may or may not be currently known by NWM Group will be necessary, in amounts that are expected to be substantial in some instances. Refer to Note 8 for information on material provisions.

Matters which are, or could be, material, either individually or in aggregate, having regard to NWM Group, considered as a whole, in which NWM Group is currently involved are set out below. We have provided information on the procedural history of certain Matters, where we believe appropriate, to aid the understanding of the Matter.

For a discussion of certain risks associated with NWM Group's litigation and regulatory matters (including the Matters), refer to the Risk Factor relating to legal, regulatory and governmental actions and investigations set out on pages 172 to 173 of the NatWest Markets Plc 2024 Annual Report and Accounts.

Litigation

London Interbank Offered Rate (LIBOR) and other rates litigation

NWM Plc and certain other members of NatWest Group, including NatWest Group plc, are defendants in a number of claims pending in the United States District Court for the Southern District of New York (SDNY) with respect to the setting of USD LIBOR. The complainants allege that the NWM Group defendants and other panel banks violated various federal laws, including the US commodities and antitrust laws, and state statutory and common law, as well as contracts, by manipulating LIBOR and prices of LIBOR-based derivatives in various markets through various means.

The co-ordinated proceeding in the SDNY relating to USD LIBOR now includes one remaining class action, which is on behalf of persons who purchased LIBOR-linked instruments from defendants and bonds issued by defendants, as well as several non-class actions. The defendants in the co-ordinated proceeding have filed a summary judgment motion on the issue of liability, and briefing on that motion concluded in January 2025. The court is currently considering the motion.

The non-class claims filed in the SDNY include claims that the Federal Deposit Insurance Corporation (FDIC) is asserting on behalf of certain failed US banks. In July 2017, the FDIC, on behalf of 39 of those failed US banks, commenced substantially similar claims against NatWest Group companies and others in the High Court of Justice of England and Wales. The action alleges collusion with regard to the setting of USD LIBOR and that the defendants breached UK and European competition law, as well as asserting common law claims of fraud under US law. The defendant banks consented to a request by the FDIC for discontinuance of the claim in respect of 20 failed US banks, leaving 19 failed US banks as claimants.

In June 2025, NatWest Group companies reached an agreement to settle the FDIC's claims, both those pending in the SDNY and those pending in the High Court of Justice in England and Wales. The settlement amount has been paid and was covered in full by an existing provision.

Notes

10. Litigation and regulatory matters continued

In addition to the USD LIBOR cases described above, there is a class action relating to derivatives allegedly tied to JPY LIBOR and Euroyen TIBOR, which was dismissed by the SDNY in relation to NWM Plc and other NatWest Group companies in September 2021. That dismissal is now the subject of an appeal to the United States Court of Appeals for the Second Circuit (US Court of Appeals).

Two other IBOR-related class actions involving NWM Plc, concerning alleged manipulation of Euribor and Pound Sterling LIBOR, were previously dismissed by the SDNY for various reasons. The plaintiffs' appeals in those two cases remain pending.

In August 2020, a complaint was filed in the United States District Court for the Northern District of California by several United States retail borrowers against the USD ICE LIBOR panel banks and their affiliates (including NatWest Group plc, NWM Plc, NWMSI and NWB Plc), alleging (i) that the very process of setting USD ICE LIBOR amounts to illegal price-fixing; and (ii) that banks in the United States have illegally agreed to use LIBOR as a component of price in variable retail loans. In September 2022, the district court dismissed the complaint. In December 2024, the United States Court of Appeals for the Ninth Circuit affirmed the district court's decision. In June 2025, the United States Supreme Court denied the claimants' petition for review.

NWM Plc is also named as a defendant in a motion to certify a class action relating to LIBOR in the Tel Aviv District Court in Israel. NWM Plc filed a motion for cancellation of service outside the jurisdiction, which was granted in July 2020. The claimants appealed that decision and in November 2020 the appeal was refused and the claim dismissed by the Appellate Court. In January 2025, Israel's Supreme Court dismissed the appeals in respect of the dismissal of the substantive case against banks that had a presence in Israel.

Subject to any limitation argument, the Supreme Court noted that further legal clarification of the matter could be sought, so there is potential for future LIBOR claims in Israel.

Foreign exchange litigation

NWM Plc, NWMSI and/or NatWest Group plc are defendants in several cases relating to NWM Plc's foreign exchange (FX) business.

In May 2019, a cartel class action was filed in the Federal Court of Australia against NWM Plc and four other banks on behalf of persons who bought or sold currency through FX spots or forwards between 1 January 2008 and 15 October 2013 with a total transaction value exceeding AUD 0.5 million. The claimant has alleged that the banks, including NWM Plc, contravened Australian competition law by sharing information, coordinating conduct, widening spreads and manipulating FX rates for certain currency pairs during this period. NatWest Group plc and NWMSI have been named in the action as 'other cartel participants', but are not respondents.

In May 2025, NWM Plc executed an agreement to settle the claim in the Federal Court of Australia, subject to court approval of that settlement. The settlement amount is covered in full by an existing provision.

In July and December 2019, two separate applications seeking opt-out collective proceedings orders were filed in the UK Competition Appeal Tribunal (CAT) against NatWest Group plc, NWM Plc and other banks. Both applications were brought on behalf of persons who, between 18 December 2007 and 31 January 2013, entered into a relevant FX spot or outright forward transaction in the European Economic Area with a relevant financial institution or on an electronic communications network. In March 2022, the CAT declined to certify as collective proceedings either of the applications, which was appealed by the applicants and was the subject of an application for judicial review.

In its amended judgment in November 2023, the Court of Appeal allowed the appeal and decided that the claims should proceed on an opt-out basis. Separately, the court determined which of the two competing applicants can proceed as class representative, and dismissed the application for judicial review of the CAT's decision. The other applicant has discontinued its claim and withdrawn from the proceedings. The banks sought permission to appeal the Court of Appeal decision directly to the UK Supreme Court, which was granted in April 2024.

The appeal was heard in April 2025 and judgment is awaited.

Two motions to certify FX-related class actions were filed in the Tel Aviv District Court in Israel in September and October 2018, and were subsequently consolidated into one motion. The consolidated motion to certify, which names The Royal Bank of Scotland plc (now NWM Plc) and several other banks as defendants, was served on NWM Plc in May 2020.

The applicants sought the court's permission to amend their motions to certify the class actions. NWM Plc filed a motion challenging the permission granted by the court for the applicants to serve the consolidated motion outside the Israeli jurisdiction. That NWM Plc motion remains pending. In February 2024, NWM Plc executed an agreement to settle the claim, subject to court approval. The settlement amount is covered in full by an existing provision.

Notes

10. Litigation and regulatory matters continued

Foreign exchange litigation continued

In December 2021, a summons was served in the Netherlands against NatWest Group plc, NWM Plc and NWM N.V. by Stichting FX Claims on behalf of a number of parties, seeking declarations from the court concerning liability for anti-competitive FX market conduct described in decisions of the European Commission (EC) of 16 May 2019, along with unspecified damages. The claimant amended its claim to also refer to a 2 December 2021 decision by the EC, which described anti-competitive FX market conduct. NatWest Group plc, NWM Plc and other defendants contested the jurisdiction of the Dutch court. In March 2023, the district court in Amsterdam accepted that it has jurisdiction to hear claims against NWM N.V. but refused jurisdiction to hear any claims against the other defendant banks (including NatWest Group plc and NWM Plc) brought on behalf of the parties represented by the claimant that are domiciled outside of the Netherlands. The claimant is appealing that decision. The defendant banks have brought cross-appeals which seek a ruling that the Dutch court has no jurisdiction to hear any claims against the defendant banks domiciled outside of the Netherlands, irrespective of whether the claim has been brought on behalf of a party represented by the claimant that is domiciled within or outside of the Netherlands. The Amsterdam Court of Appeal has stayed these appeal proceedings until the Court of Justice of the European Union has answered preliminary questions that have been referred to it in another matter.

In September 2023, a second summons was served by Stichting FX Claims on NatWest Group plc, NWM Plc and NWM N.V., on behalf of a new group of parties. The claimant seeks declarations from the district court in Amsterdam concerning liability for anti-competitive FX market conduct described in the above referenced decisions of the EC of 16 May 2019 and 2 December 2021, along with unspecified damages. NatWest Group plc, NWM Plc and other defendants are contesting the Dutch court's jurisdiction. The district court has stayed the proceedings pending judgment in the above-mentioned appeals.

In January 2025, a third summons was served by Stichting FX Claims on NatWest Group plc, NWM Plc and NWM N.V., on behalf of another new group of parties. The claimant seeks similar declarations from the district court in Amsterdam to those being sought in the above-mentioned claims, along with unspecified damages.

NatWest Group plc, NWM Plc and other defendants are contesting the Dutch court's jurisdiction. The district court has stayed the proceedings pending judgment in the above-mentioned appeals.

Certain other foreign exchange transaction related claims have been or may be threatened. NatWest Group cannot predict whether all or any of these claims will be pursued.

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 the 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. In March 2024, NatWest Group companies reached an agreement to settle a consolidated class action complaint on behalf of persons who entered into interest rate swaps with the defendants, which was predicated on similar allegations. The settlement amount was previously paid into escrow pending final court approval of the settlement and was covered in full by an existing provision. On 17 July 2025, the SDNY granted final approval of the class action settlement.

In June 2021, a class action antitrust complaint was filed against a number of credit default swap dealers in New Mexico federal court on behalf of persons who, from 2005 onwards, settled credit default swaps in the United States by reference to the ISDA credit default swap auction protocol. The complaint alleges that the defendants conspired to manipulate that benchmark through various means in violation of the antitrust laws and the Commodity Exchange Act. The defendants filed a motion to dismiss the complaint and, in June 2023, such motion was denied as regards to NWMSI and other financial institutions, but granted as regards to NWM Plc on the ground that the court lacks jurisdiction over that entity.

In January 2024, the SDNY issued an order barring the plaintiffs in the New Mexico case from pursuing claims based on conduct occurring before 30 June 2014 on the ground that such claims were extinguished by a 2015 settlement agreement that resolved a prior class action relating to credit default swaps.

In May 2025, the SDNY's decision was affirmed by US Court of Appeals.

The case in the New Mexico federal court (which was stayed pending the appeal of the SDNY's decision) will now re-commence but as limited by the decision of the US Court of Appeals.

Notes

10. Litigation and regulatory matters continued

Odd lot corporate bond trading antitrust litigation

In July 2024, the US Court of Appeals vacated the SDNY's October 2021 dismissal of the class action antitrust complaint alleging that, from August 2006 onwards, various securities dealers, including NWMSI, conspired artificially to widen spreads for odd lots of corporate bonds bought or sold in the United States secondary market and to boycott electronic trading platforms that would have allegedly promoted pricing competition in the market for such bonds. The appellate court held that the district judge who made the decision should not have been presiding over the case because a member of the judge's family had owned stock in one of the defendants while the motion was pending. The defendants are now seeking dismissal by a different district court judge.

Spoofing litigation

In December 2021, three substantially similar class actions complaints were filed in federal court in the United States against NWM Plc and NWMSI alleging Commodity Exchange Act and common law unjust enrichment claims arising from manipulative trading known as spoofing. The complaints refer to NWM Plc's December 2021 spoofing-related guilty plea (described below under "US investigations relating to fixed-income securities") and purport to assert claims on behalf of those who transacted in US Treasury securities and futures and options on US Treasury securities between 2008 and 2018. In July 2022, the defendants filed a motion to dismiss these claims, which have been consolidated into one matter in the United States District Court for the Northern District of Illinois.

Madoff

NWM N.V. was named as a defendant in two actions filed by the trustee for the bankrupt estates of Bernard L. Madoff and Bernard L. Madoff Investment Securities LLC, in bankruptcy court in New York, which together seek to clawback more than US\$300 million (plus pre-judgment interest) that NWM N.V. allegedly received from certain Madoff feeder funds and certain swap counterparties.

The claims were previously dismissed, but as a result of an August 2021 decision by the US Court of Appeals, they are now proceeding in the discovery phase in the bankruptcy court, where they have been consolidated into one action.

US Anti-Terrorism Act litigation

NWM N.V. and certain other financial institutions are defendants in several actions filed by a number of US nationals (or their estates, survivors, or heirs), most of whom are, or were, US military personnel who were killed or injured in attacks in Iraq between 2003 and 2011. NWM Plc is also a defendant in some of these cases.

According to the plaintiffs' allegations, the defendants are liable for damages arising from the attacks because they allegedly conspired with and/or aided and abetted Iran and certain Iranian banks to assist Iran in transferring money to Hezbollah and the Iraqi terror cells that committed the attacks, in violation of the US Anti-Terrorism Act, by agreeing to engage in 'stripping' of transactions initiated by the Iranian banks so that the Iranian nexus to the transactions would not be detected.

The first of these actions, alleging conspiracy claims but not aiding and abetting claims, was filed in the United States District Court for the Eastern District of New York in November 2014. In September 2019, the district court dismissed the case, finding that the claims were deficient for several reasons, including lack of sufficient allegations as to the alleged conspiracy and causation. In January 2023, the US Court of Appeals affirmed the district court's dismissal of this case. The plaintiffs have now filed a motion in the district court to re-open the case to assert aiding and abetting claims that they previously did not assert, which the defendants are opposing. Another action, filed in the SDNY in 2017, which asserted both conspiracy and aiding and abetting claims, was dismissed by the SDNY in March 2019 on similar grounds as the first case, but remains subject to appeal to the US Court of Appeals.

Other follow-on actions that are substantially similar to those described above are pending in the same courts.

1MDB litigation

A Malaysian court claim was served in Switzerland in November 2022 by 1MDB, a sovereign wealth fund, in which Coutts & Co Ltd was named, along with six others, as a defendant in respect of losses allegedly incurred by 1MDB. It is claimed that Coutts & Co Ltd is liable as a constructive trustee for having dishonestly assisted the directors of 1MDB in the breach of their fiduciary duties by failing (amongst other alleged claims) to undertake due diligence in relation to a customer of Coutts & Co Ltd, through which funds totalling c.US\$1 billion were received and paid out between 2009 and 2011. 1MDB seeks the return of that amount plus interest. Coutts & Co Ltd filed an application in January 2023 challenging the validity of service and the Malaysian court's jurisdiction to hear the claim, and a hearing took place in February 2024. In March 2024, the court granted that application. 1MDB has appealed that decision and a prior decision by the court not to allow them to discontinue their claim. Both appeals are scheduled to be heard in November 2025.

Coutts & Co Ltd (a subsidiary of RBS Netherlands Holdings B.V., which in turn is a subsidiary of NWM Plc) is a company registered in Switzerland and is in wind-down following the announced sale of its business assets in 2015.

Notes

10. Litigation and regulatory matters continued

Regulatory matters

NWM Group's financial condition can be affected by the actions of various governmental and regulatory authorities in the UK, the US, the EU and elsewhere. NWM Group companies have engaged, and will continue to engage, in discussions with relevant governmental and regulatory authorities, including in the UK, the US, the EU and elsewhere, on an ongoing and regular basis, and in response to informal and formal inquiries or investigations, regarding operational, systems and control evaluations and issues including those related to compliance with applicable laws and regulations, including consumer protection, investment advice, business conduct, competition/anti-trust, VAT recovery, anti-bribery, anti-money laundering and sanctions regimes.

Any matters discussed or identified during such discussions and inquiries may result in, among other things, further inquiry or investigation, other action being taken by governmental and regulatory authorities, increased costs being incurred by NWM Group, remediation of systems and controls, public or private censure, restriction of NWM Group's business activities and/or fines. Any of the events or circumstances mentioned in this paragraph or below could have a material adverse effect on NWM Group, its business, authorisations and licences, reputation, results of operations or the price of securities issued by it, or lead to material additional provisions being taken.

NWM Group is co-operating fully with the matters described below.

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 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, have determined that a monitorship was no longer necessary as a result of NWM's notable progress in strengthening its compliance programme, certain of NWM's remedial improvements, internal controls, and the status of implementation of Monitor recommendations, and that reporting by NWM to the DOJ and USAO CT on its continued compliance programme progress provided an appropriate degree of oversight. This agreement is subject to documentation and court approval. If approved, NWM's obligations under the plea agreement and probation would be extended until December 2026. Should DOJ, USAO CT, and NWM be unable to agree on the documentation or the court declines to approve the amendment, the parties would need to agree on, and/or revert to the court with an alternative plan, as applicable.

In the event that NWM Plc does not meet its obligations to the DOJ, this may lead to adverse consequences such as increased costs, findings that NWM Plc violated its probation term, and possible re-sentencing, 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 172 to 173 of the NatWest Markets Plc 2024 Annual Report and Accounts.

11. Related party transactions

UK Government

In May 2025, the UK Government through His Majesty's Treasury (HMT) sold its remaining shareholding in NatWest Group plc. Under UK listing rules the UK Government and UK Government-controlled bodies remained related parties until 12 July 2025, 12 months after the UK Government shareholding in NatWest Group plc fell below 20%.

NWM Group enters into transactions with many of these bodies. Transactions include the payment of: taxes – principally UK corporation tax and value added tax; national insurance contributions; local authority rates; regulatory fees and levies; together with banking transactions such as loans and deposits undertaken in the normal course of banker-customer relationships.

Bank of England facilities

NWM Group may participate in a number of schemes operated by the Bank of England in the normal course of business.

Other related parties

(a) In their roles as providers of finance, NWM Group companies provide development and other types of capital support to businesses.

(b) To further strategic partnerships, NWM Group may seek to invest in third parties or allow third parties to hold a minority interest in a subsidiary of NWM Group. We disclose as related parties for associates and joint ventures and where equity interest are over 10%. Ongoing business transactions with these entities are on normal commercial terms.

(c) NWM Group is recharged from other NatWest Group entities, mainly NWB Plc which provides the majority of shared services (including technology) and operational processes.

(d) In accordance with IAS 24, transactions or balances between NWM Group entities that have been eliminated on consolidation are not reported.

Full details of NWM Group's related party transactions for the year ended 31 December 2024 are included in the NatWest Markets Plc 2024 Annual Report and Accounts.

Notes

11. Related party transactions continued

Amounts due to/from holding company and fellow subsidiaries

NWM Group's financial assets and liabilities include amounts due from/to the holding company and fellow subsidiaries as below:

	30 June 2025			31 December 2024		
	Holding company £m	Fellow subsidiaries £m	Total £m	Holding company £m	Fellow subsidiaries £m	Total £m
Assets						
Trading assets	-	17	17	-	29	29
Settlement balances	-	23	23	-	-	-
Loans to banks - amortised cost	-	306	306	-	242	242
Loans to customers - amortised cost	16	-	16	18	-	18
Other assets	-	51	51	-	54	54
Amounts due from holding company and fellow subsidiaries	16	397	413	18	325	343
Derivatives (1)	402	323	725	616	322	938
Liabilities						
Bank deposits - amortised cost	-	544	544	-	548	548
Customer deposits - amortised cost	-	44	44	-	43	43
Trading liabilities	379	151	530	561	52	613
Other financial liabilities - subordinated liabilities	1,043	-	1,043	1,115	-	1,115
MREL instruments issued to NatWest Group plc	4,589	-	4,589	4,358	-	4,358
Other liabilities	-	114	114	-	94	94
Amounts due to holding company and fellow subsidiaries	6,011	853	6,864	6,034	737	6,771
Derivatives (1)	64	179	243	62	280	342

(1) Intercompany derivatives are included within derivatives classification on the balance sheet.

12. Post balance sheet events

On 2 July 2025, NatWest Group plc gave notice to holders of the \$1,150,000,000 8.000% Perpetual Subordinated Contingent Convertible Additional Tier 1 Capital Notes of the upcoming redemption of the Notes on 10 August 2025. The announcement and redemption of the Notes, which were downstreamed to NWM Plc, is expected to increase NWM Plc's CET1 by approximately £59 million and result in the charge of approximately £75 million historic FX translation to the income statement from reserves.

Other than as disclosed in the accounts, there have been no other significant events between 30 June 2025 and the date of approval of this announcement which would require a change to or additional disclosure in the announcement.

13. Date of approval

This announcement was approved by the Board of Directors on 24 July 2025.

Independent review report to NatWest Markets Plc

Conclusion

We have been engaged by NatWest Markets Plc ("the Group") to review the condensed consolidated financial statements in the interim results report for the six months ended 30 June 2025 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement, and related Notes 1 to 13 and the Risk and capital management disclosures for those identified as within the scope of our review (together "the condensed consolidated financial statements"). We have read the other information contained in the interim results report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements in the interim results report for the six months ended 30 June 2025 are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the United Kingdom (UK) and as issued by the International Accounting Standards Board (IASB), and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board. The condensed consolidated financial statements included in this interim results report have been prepared in accordance with International Accounting Standard 34 as adopted by the UK and as issued by the IASB, and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the interim results report in accordance with the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

In preparing the interim results report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the interim results report, we are responsible for expressing to the Group a conclusion on the condensed consolidated financial statements in the interim results report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Group in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our work, for this report, or for the conclusions we have formed.

NatWest Markets Plc Summary Risk Factors

Summary of Principal risks and uncertainties

Set out below is a summary of the principal risks and uncertainties for the remaining six months of the financial year which could adversely affect NWM Group. This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties; a fuller description of these and other risk factors is included on pages 159 to 176 of the NatWest Markets Plc 2024 Annual Report and Accounts and pages 15 to 42 of the NWM Plc Registration Document dated 17 March 2025 (as supplemented and amended from time to time). Any of the risks identified may have a material adverse effect on NWM Group's business, operations, financial condition or prospects.

Economic and political risk

- NWM Group, its customers and its counterparties face continued economic and political risks and uncertainties in the UK and global markets, including as a result of inflation and interest rates, supply chain disruption, and geopolitical developments.
- Fluctuations in currency exchange rates may adversely affect NWM Group's results and financial condition.
- Changes in interest rates will continue to affect NWM Group's business and results.

Business change and execution risk

- NWM Group has been in a period of, and may continue to be subject to, significant structural and other change.
- The transfer of NatWest Group's Western European corporate portfolio involves certain risks.

Financial resilience risk

- NWM Group may not achieve its ambitions or targets, meet its guidance, generate returns, or implement its strategy effectively.
- NWM Plc and/or its regulated subsidiaries may not meet the prudential regulatory requirements for regulatory capital.
- NWM Group is reliant on access to the capital markets to meet its funding requirements, both directly through wholesale markets, and indirectly through its parent (NatWest Group plc) for the subscription to its internal capital and MREL. The inability to do so may adversely affect NWM Group.
- NWM Group may not meet the prudential regulatory requirements for liquidity and funding or may not be able to adequately access sources of liquidity and funding, which could trigger the execution of certain management actions or recovery options.
- NWM Plc and/or its regulated subsidiaries may not manage their capital, liquidity or funding effectively which could trigger the execution of certain management actions or recovery options.
- Any reduction in the credit rating and/or outlooks assigned to NatWest Group plc, any of its subsidiaries (including NWM Plc or NWM Group subsidiaries) or any of their respective debt securities could adversely affect the availability of funding for NWM Group, reduce NWM Group's liquidity and funding position and increase the cost of funding.
- NWM Group operates in markets that are highly competitive, with competitive pressures and technology disruption.
- NWM Group may be adversely affected if NatWest Group fails to meet the requirements of regulatory stress tests.
- NWM Group has significant exposure to counterparty and borrower risk including credit losses, which may have an adverse effect on NWM Group.
- NWM Group could incur losses or be required to maintain higher levels of capital as a result of limitations or failure of various models.
- NWM Group's financial statements are sensitive to underlying accounting policies, judgements, estimates and assumptions.
- Changes in accounting standards may materially impact NWM Group's financial results.
- NatWest Group is subject to regulatory oversight in respect of resolution, and NatWest Group could be adversely affected should the BoE in the future deem NatWest Group's preparations to be inadequate.
- NatWest Group (including NWM Group) may become subject to the application of UK statutory stabilisation or resolution powers which may result in, for example, the write-down or conversion of NWM Group entities' Eligible Liabilities.

Operational and IT resilience risk

- Operational risks (including reliance on third party suppliers and outsourcing of certain activities) are inherent in NWM Group's businesses.
- NWM Group is subject to sophisticated and frequent cyberattacks, and compliance with cybersecurity and data protection regulations is becoming increasingly complex.
- NWM Group's operations and strategy are highly dependent on the accuracy and effective use of data.
- NWM Group relies on attracting, retaining, developing and remunerating diverse senior management and skilled personnel, and is required to maintain good employee relations.
- NWM Group's operations are highly dependent on its complex IT systems and any IT failure could adversely affect NWM Group.
- A failure in NWM Group's risk management framework could adversely affect NWM Group, including its ability to achieve its strategic objectives.
- NWM Group's operations are subject to inherent reputational risk.

NatWest Markets Plc Summary Risk Factors

Summary of Principal risks and uncertainties continued

Legal and regulatory risk

- NWM Group's businesses are subject to substantial regulation and oversight, which are constantly evolving and may adversely affect NWM Group.
- NWM Group is exposed to the risks of various litigation matters, regulatory and governmental actions and investigations as well as remedial undertakings, the outcomes of which are inherently difficult to predict, and which could have an adverse effect on NWM Group.
- Changes in tax legislation (or application thereof) or failure to generate future taxable profits may impact the recoverability of certain deferred tax assets recognised by NWM Group.

Climate and sustainability-related risks

- NWM Group and its Value Chain face climate and sustainability-related risks that may adversely affect NWM Group.
- NatWest Group's strategy relating to climate change, ambitions, targets and transition plan entail significant execution and/or reputational risks and are unlikely to be achieved without significant and timely government policy, technology and customer behavioural changes.
- There are significant limitations related to accessing accurate, reliable, verifiable, auditable, consistent and comparable climate and other sustainability-related data that contribute to substantial uncertainties in accurately modelling and reporting on climate and sustainability information, as well as making appropriate important internal decisions.
- NWM Group is becoming subject to more extensive, and sophisticated climate and other sustainability-related laws, regulation and oversight and there is an increasing risk of regulatory enforcement, investigation and litigation.

Statement of directors' responsibilities

We, the directors listed below, confirm that to the best of our knowledge:

- the condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the UK and as issued by the International Accounting Standards Board (IASB);
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Tamsin Rowe
Interim Chair

Jonathan Peberdy
Chief Executive Officer

Simon Lowe
Chief Financial Officer

24 July 2025

Board of directors

Interim Chair

Tamsin Rowe

Executive directors

Jonathan Peberdy
Simon Lowe

Non-executive directors

Rupert Hume-Kendall
Thierry Roland
Anne Simpson
Sabrina Wilson

Non-IFRS financial measures

NWM Group prepares its financial statements in accordance with UK-adopted International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). 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-GAAP financial measures in accordance with the Securities and Exchange Commission (SEC) regulations. These measures 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.

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 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

	Half year ended					
	30 June 2025			30 June 2024		
	Litigation and conduct costs	Other operating expenses	Statutory operating expenses	Litigation and conduct costs	Other operating expenses	Statutory operating expenses
	£m	£m	£m	£m	£m	£m
Staff costs	20	245	265	14	227	241
Premises and equipment	-	36	36	-	36	36
Depreciation and amortisation	-	6	6	-	4	4
Other administrative expenses	45	315	360	24	287	311
Total	65	602	667	38	554	592

	Quarter ended		
	30 June 2025		
	Litigation and conduct costs	Other operating expenses	Statutory operating expenses
	£m	£m	£m
Staff costs	11	118	129
Premises and equipment	-	15	15
Depreciation and amortisation	-	3	3
Other administrative expenses	22	175	197
Total	33	311	344

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

	Quarter ended		
	30 June 2024		
	Litigation and conduct costs	Other operating expenses	Statutory operating expenses
	£m	£m	£m
Staff costs	7	110	117
Premises and equipment	-	19	19
Depreciation and amortisation	-	2	2
Other administrative expenses	32	167	199
Total	39	298	337

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 subsidiary and associated undertakings. 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' represent pence in the United Kingdom ('UK'). Reference 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 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 accounts

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 2024 have been 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.

Contact

Paul Pybus

Investor Relations

+44 (0) 7769 161183

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 ESG 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, 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 and sustainable funding and financing and financed 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 2024 Annual Report and Accounts, NatWest Markets Plc's Interim Management Statement for Q1 and H1 2025, 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, 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) and the transfer of NatWest Group's Western European 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 and MREL; NWM Group's reliance on access to capital markets directly or indirectly through its parent (NatWest Group); capital, funding and liquidity risk; reductions in the credit ratings; the competitive environment; the requirements of regulatory stress tests; 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 adequacy of NatWest Group's resolution plans; and the application of UK statutory stabilisation or resolution powers to NatWest Group); climate and sustainability risk (including in respect of: risks relating to climate change and sustainability-related risks; both the execution and reputational risk relating to NatWest Group's climate change-related strategy, ambitions, targets 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 proceedings, investigations and conduct risk); 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; attracting, retaining and developing senior management and skilled personnel; complex IT systems; NWM Group's risk management framework; and NWM Group's reputational risk); and legal, regulatory and conduct 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).

Climate and sustainability-related disclosures

Climate and sustainability-related disclosures in this document are not measures within the scope of International Financial Reporting Standards ('IFRS'), use a greater number and level of judgments, 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 judgments, assumptions and estimates are highly likely to change materially 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, our ambition to be net zero across our financed emissions, assets under management and operational value chain by 2050 and the implementation of our climate transition plan 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 sustainability - related 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 sustainability-related metrics. As a result, we expect that certain climate and sustainability-related disclosures made in this document are likely to be amended, updated, recalculated or restated in the future. Refer to the cautionary statement in the section entitled 'Climate and sustainability-related and other forward-looking statements and metrics' of the NatWest Group 2024 Sustainability Report published by NatWest Group plc for the consolidated group, including NatWest Markets Plc.

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.

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