



Performance highlights	£92m	£(164)m	£23.4bn	19.4%
NatWest Markets continued to support customers with innovative financial solutions while delivering on plans to become a more sustainable part of NatWest Group.	Total Income <sup>1</sup>	Loss for the period	Risk Weighted Assets	CET1 Capital ratio vs medium term target of <b>above 15%</b>
	4.3%	43.5%	241%	£16.2bn
	Leverage ratio <sup>2</sup> vs <b>at least 4%</b> medium term target	MREL ratio vs <b>at least 30%</b> medium term target	Liquidity coverage ratio	Liquidity portfolio

## Key messages

- NWM supported customers in navigating challenging market conditions and continued to deliver an integrated customer proposition across NatWest Group, maintaining focus on product innovation, investing in our people, and on growing our expertise in areas that matter most to our customers.
- NWM strong performance in Climate and Sustainable Funding and Financing has continued, and as at the end of Q3 we had delivered £6.9bn year to date (full year 2020: £7.2bn), including £0.5n in Q3 2021 which will contribute towards the new NatWest Group target of £100bn between 1 July 2021 and the end of 2025.
- NWM Group reported a **loss for the period** of £164m. **Total income** was £92m in Q3 2021, compared with £108m in Q2 2021 and £275m in Q3 2020. Income excluding asset disposals/strategic risk reduction and own credit adjustments decreased to £102m in Q3 2021, from £145m in Q2 2021 and £321m in Q3 2020, driven by continued weakness in Fixed Income, which was impacted by the re-shaping of the business.
- Operating expenses** were £297m in Q3 2021, up £89m from £208m in Q2 2021, largely due to the litigation and conduct costs credit recognised in the prior quarter which reflected progress in closing legacy matters, and up £33m from £264m in Q3 2020, largely due to higher strategic costs and litigation and conduct costs in the current quarter.
- RWAs** for NWM Plc were £23.4bn, compared with £24.6bn at 30 June 2021 and £25.6bn at 31 December 2020. The year-to-date decrease in RWAs reflects lower levels of counterparty credit, market and operational risk.
- Strong capital and liquidity** positions maintained, with NWM plc **CET1** ratio of 19.4% , total **MREL** of 43.5% of RWA, and **LCR** of 241% at 30 September 2021.
- An interim **dividend** of £250m to be declared and payable to NatWest Group plc on 29 October 2021. Total capital returned to NatWest Group during 2021 is £1bn.
- NWM Plc issued £3.4bn of term senior unsecured debt securities<sup>3</sup> in the YTD 30 September 2021, including two benchmark transactions under the US MTN programme amounting to \$2.55bn of notes, a benchmark transaction under the EMTN programme of €1.25bn of notes, and other private placements.
- NWM retains the outlook guidance provided in the 2021 Interim Results document except we no longer expect to achieve the majority of the remaining RWA reduction towards the medium term target this year.

## Building a Purpose-led bank

NatWest Markets makes a key contribution to NatWest Group’s purpose: championing potential, helping people, families and businesses to thrive.

### Areas of Focus

NatWest Markets is committed to supporting NatWest Group’s three areas of focus: climate, enterprise and learning.

- We are championing ESG and climate across the industry and with our customers, supporting their needs and holding ourselves accountable for our own operations and the way we run our business
- We are committed to breaking down barriers to make a meaningful contribution to our communities
- We are working with NatWest Group to become a leading learning organisation; equipping our leaders with skills and tools to lead with purpose



Note: (1) Income and loss for the period relates to NWM Plc consolidated, other amounts relate to NWM Plc solo. (2) CRR leverage ratio. (3) Term senior unsecured funding includes benchmark issuances and private placements. Other Funding excludes repos, derivative cash collateral and non-capital intragroup funding.

The targets, expectations and trends discussed in this document represent management’s current expectations and are subject to change, including as a result of the factors described in the Risk Factors on pages 156-172 of the NWM Plc 2020 Annual Report and Accounts (‘NWM ARA’), pages 345-362 of the NatWest Group plc 2020 Annual Report and Accounts, pages 48-49 of the NWM Group H1 2021 Interim Management Statement and pages 112-113 of the NatWest Group H1 2021 Interim Management Statement. These statements constitute forward looking statements under the US Private Securities Litigation Reform Act of 1995; refer to Forward Looking Statements in the NWM Plc Q3 IMS. The forward-looking statements contained in this document speak only as of the date of this document and NWM Plc does not assume or undertake any obligation or responsibility to update any of these statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

# Our business and operations

NatWest Markets is a strategically important part of NatWest Group, partnering with customers across the NatWest Group to help them address their liquidity, financing and risk management needs and build long term sustainable value.

## Our products, solutions and operations

We provide liquidity and risk management in Currencies and Fixed Income through a combination of voice and electronic delivery. Through our Capital Markets business we provide an integrated proposition across financing, solutions and advisory services.

Our strategist and content experts across Fixed Income, Currencies and Capital Markets offer fresh thinking alongside market-leading economic insights in the key economies where our customers do business.

We have a sharp focus on digitisation and automation with our range of digital FX, fixed income, risk management and international payments options.

We operate from trading hubs in London, Singapore, Stamford and from Amsterdam via NatWest Markets N.V., with sales offices in the UK, the EU, the US and Asia.

### Fixed Income:

We have longstanding expertise in the fixed income markets. We offer cash bond, repo and interest rate derivatives with a focus in GBP, EUR and USD and provide liquidity and credit for Investment Grade and High Yield for both financial institutions and corporate issuers.

### Currencies:

We're an award-winning foreign exchange service provider offering FX spot, forwards and options in more than 60 currency pairs as well as an FX prime brokerage service and FX digital solutions.

### Capital Markets:

We're a leading partner for our customers, helping them to access global debt capital markets across a wide variety of products and target markets, including bonds, loans, commercial paper, MTNs and private placements as well as bespoke financing solutions and primary lending products.

# Supporting customers

We support NatWest Group's customers through our product offering and by providing ideas, thought leadership and insight

## Sustainable finance

We believe that our focus on sustainable finance and helping customers achieve their ESG and climate ambitions is fundamental to our purpose. In 2020 we expanded our social and sustainable financing capabilities, including structuring COVID-19 response frameworks and issuances.

We actively supported our customers in raising much needed financing to mitigate the negative socio-economic implications of the pandemic. We worked closely with NatWest Group's Commercial Banking business to support customers' access to the COVID Corporate Financing Facility (CCFF). As at 31 December 2020, NWM Group had worked with customers, utilising strong specialist expertise across the bank to help them navigate this period of uncertainty and delivered access to a total of £9.47bn gross financing.

We focus on anticipating our customers' needs and providing excellent customer service and execution. This has been recognised by a number of awards and surveys



**Sterling Bond House of the Year**

IFR Awards 2020



**Lead Manager of the Year, Sustainability Bonds – local authority/municipality**

Environmental Finance Bond Awards 2021



**Lead Manager of the Year, Green Bonds – supranational, sub-sovereign and agency (SSAs)**

Environmental Finance Bond Awards 2021

**Best FX Provider in the UK –**

Foreign Exchange Provider awards 2021, Global Finance



**Best GBP CP Dealer**

CMDportal Awards 2021



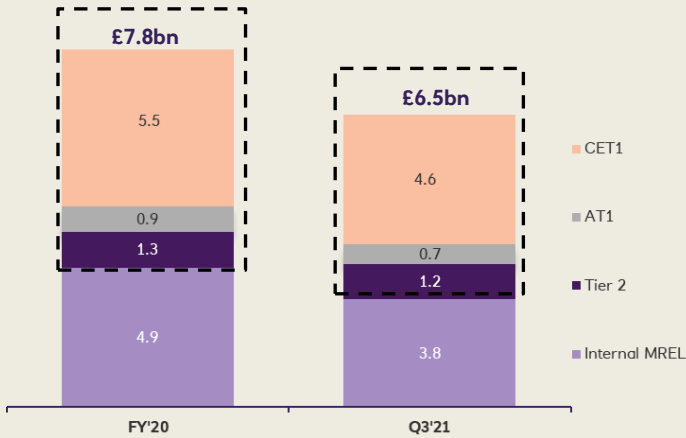
**Best Agent of International US Private Placements**

GlobalCapital Private Debt Awards 2020, awarded February 2021

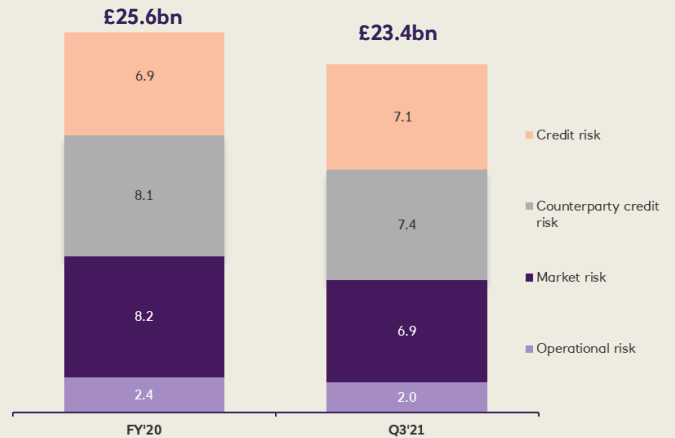
# Q3 2021 Financials Overview

## NWM Plc Capital and RWA profile

### NWM Plc Regulatory capital and MREL Stack (£bn)<sup>4</sup>



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

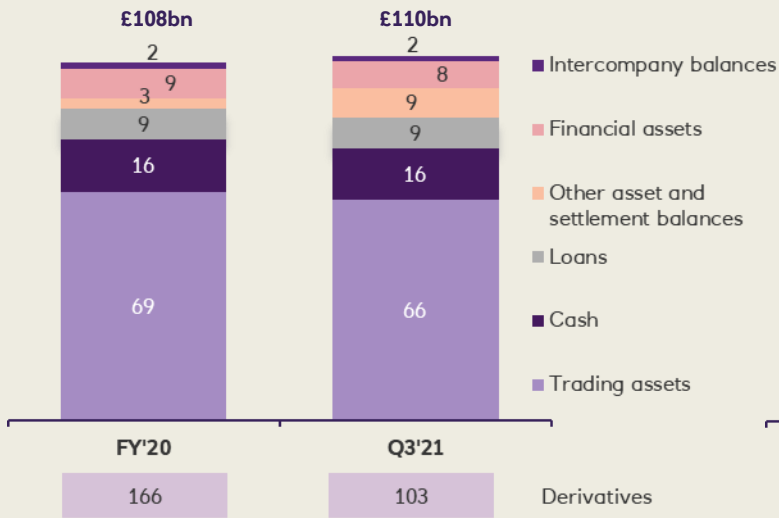


Note: numbers may not cast due to rounding

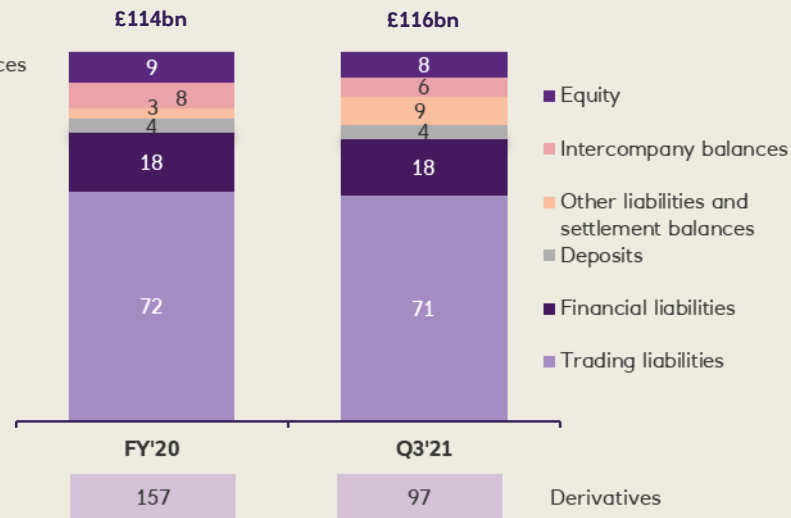
## NWM Plc consolidated balance sheet (£bn)

### Total assets £213bn (FY'20: £273bn)

o/w Funded Assets £110bn (FY'20: £108bn)



### Total liabilities and equity £213bn (FY'20: £273bn)<sup>5</sup>



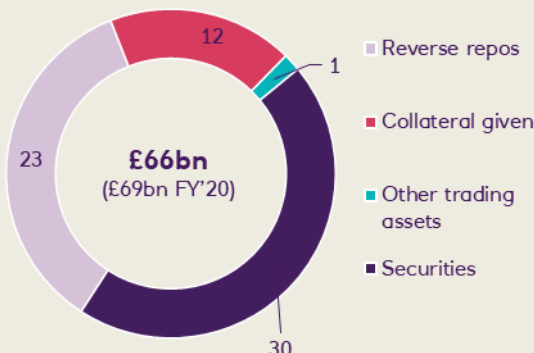
Note: Funded assets are represented by NWM Plc's total assets, in accordance with the published IFRS balance sheet, less derivative assets.

Note: numbers may not cast due to rounding

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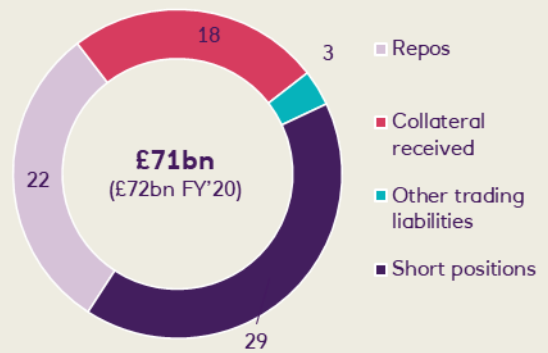
### Trading assets £bn

Held at fair value in trading portfolio



### Trading liabilities £bn

Held at fair value in trading portfolio



Note: numbers may not cast due to rounding

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Note: (4) Excludes non-eligible capital. (5) Equity represents accounting value of capital.

## NWM Plc consolidated income statement (£m)<sup>6</sup>

Income statement	Q3'21	9M'21	Q3'20	9M'20
Fixed Income	(38)	5	125	528
Currencies	101	306	126	462
Capital Markets	90	256	75	294
Capital Management Unit & other <sup>7</sup>	4	23	40	(4)
<b>Income excluding Revenue share, Asset disposals and Own credit adjustments (OCA)</b>	<b>157</b>	<b>590</b>	<b>366</b>	<b>1,280</b>
Revenue Share paid to other NWG segments	(55)	(153)	(45)	(140)
Asset disposals / Strategic risk reduction	(12)	(52)	(12)	(75)
Own credit adjustments	2	3	(34)	19
<b>Total income</b>	<b>92</b>	<b>388</b>	<b>275</b>	<b>1,084</b>
Strategic costs	(54)	(149)	(32)	(144)
Litigation and conduct costs	(27)	41	(14)	(127)
Other Operating Expenses	(216)	(669)	(218)	(807)
<b>Operating expenses</b>	<b>(297)</b>	<b>(777)</b>	<b>(264)</b>	<b>(1,078)</b>
<b>Operating profit / (loss) before impairments</b>	<b>(205)</b>	<b>(389)</b>	<b>11</b>	<b>6</b>
Impairment releases / (losses)	3	19	3	(42)
Tax (charge) / credit	38	87	21	(58)
<b>Profit / (loss) for the period</b>	<b>(164)</b>	<b>(283)</b>	<b>35</b>	<b>(94)</b>

Note: Fixed income is comprised of Rates and Credit trading. Rates income was previously presented as a separate business in NWM Group results publications prior to the Q3 2020 Interim Management Statement. Credit trading and Capital Markets were previously reported as Financing.

## Credit ratings

	Moody's	Standard & Poor's	Fitch
<b>NWM Plc / NWM N.V.</b>			
Senior Unsecured	A2 / P-1 / Positive	A- / A-2 / Stable	A+ / F1 / Stable
Counterparty Rating <sup>8</sup>	A2 / P-1	A / A-1	A+ (dcr)
<b>NatWest Markets Securities Inc.</b>			
Senior Unsecured	Not Rated	A- / A-2 / Stable	A / F1 / Stable
Counterparty Rating <sup>8</sup>	Not Rated	A- / A-2	A (dcr)

## NatWest Markets Plc within the NatWest Group



## Investor relations contacts

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Note (6) NatWest Group plc's 'NatWest Markets' operating segment is not the same as the NWM Plc legal entity or group. NWM Plc consolidated results includes the Central Items & Other segment. (7) Capital Management Unit was set up in Q3 2020 to manage the capital usage and optimisation across all parts of NatWest Markets. The income shown here relates to legacy assets (8) These ratings apply to liabilities which the agencies believe are likely to be protected in resolution. The definition of the liabilities covered by the different counterparty ratings varies and therefore cannot be treated as like-for-like, please refer to the Moody's, Standard & Poor's and Fitch methodologies for additional information.