NatWest Markets Group
Q3 2026
Interim Management Statement

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NatWest Markets Group (NWM Group)

Results for Q3 2026

The operating environment in the third quarter of 2026 continued to be shaped by geopolitical tensions, macroeconomic uncertainty and periodic market volatility. We maintained a high level of engagement with our customers, leveraging our specialist capabilities and established relationships to meet their evolving needs. We remained disciplined in our approach to risk, costs and balance sheet deployment, while delivering a resilient performance in a dynamic operating environment.

Financial review

NWM Group maintained its robust capital and liquidity position in Q3 2026 and reported a profit of £6 million, compared with a profit of £49 million in Q2 2026 and a profit of £126 million in Q3 2025. Total income decreased to £350 million in Q3 2026, largely driven by a foreign exchange (FX) reserves recycling credit recognised in the previous quarter and lower revenues in Fixed Income and Currencies. Operating expenses decreased in Q3 2026 to £335 million, largely driven by a charge recognised in the previous quarter relating to historical VAT matters and higher VAT recoveries.

Financial performance

- **Total income** of £350 million decreased by £86 million compared with £436 million in Q2 2026, largely due to an FX reserves recycling credit recognised in Q2 2026, lower Fixed Income revenues reflecting challenging market conditions and reduced customer activity, and a reduction in Currencies revenues driven by reduced FX volatility levels. Total income increased by £24 million compared with £326 million in Q3 2025, mainly driven by the impact of an FX reserves recycling debit in the comparative period and a stronger performance in Capital Markets, partially offset by lower Fixed Income and Currencies revenues.
- **Operating expenses** of £335 million in Q3 2026 were £64 million lower than £399 million in Q2 2026 and £66 million higher than £269 million in Q3 2025. Litigation and conduct costs of £47 million reflected ongoing progress in closing legacy matters including associated remediation activity and were up by £21 million compared with £26 million in Q2 2026 and by £73 million compared with a £26 million credit in Q3 2025. Other operating expenses of £288 million were down by £85 million compared with £373 million in Q2 2026, largely due to a charge in the comparative period relating to historical VAT matters, higher VAT recoveries and a decrease in staff costs, and down by £7 million compared with £295 million in Q3 2025, largely due to lower technology-related costs partially offset by an increase in intra-NatWest Group recharges for central support services.
- **Total assets and liabilities** increased by £20.4 billion and £20.8 billion to £188.8 billion and £182.2 billion respectively at 30 September 2026, compared with 31 December 2025. Funded assets increased in the period driven by higher settlement balances and loans - amortised cost. Derivative fair values increased, largely driven by volatility across major currencies and increases in interest rates during the period.
- NWM Plc paid an interim dividend of £160 million to NatWest Group plc on 25 September 2026.

Capital and leverage

- **Total NWM Plc Risk-Weighted Assets (RWAs)** were £22.6 billion at 30 September 2026, compared with £22.1 billion at 30 June 2026 and £21.5 billion at 31 December 2025. The increase since 31 December 2025 was primarily driven by increases in market risk, credit risk and counterparty credit risk.
- **NWM Plc's Common Equity Tier 1 (CET1) ratio** decreased to 17.0% at 30 September 2026 compared with 18.4% at 31 December 2025, largely due to a reduction in CET1 capital from the dividend paid to NatWest Group plc, in addition to the increase in RWAs.
- **Total minimum requirement for own funds and eligible liabilities (MREL) for NWM Plc** was £9.5 billion at 30 September 2026 compared with £9.8 billion at 31 December 2025, mainly due to lower eligible capital and the maturity of a $1.0 billion internal MREL instrument with NatWest Group plc, offset by the issuance of two new internal MREL instruments with NatWest Group plc totalling $0.7 billion. The MREL ratio decreased to 41.9% of RWAs at 30 September 2026 from 45.6% at 31 December 2025, mainly reflecting the decrease in total MREL and the increase in RWAs in the period.
- **NWM Plc's leverage ratio** decreased to 4.6% at 30 September 2026 compared with 5.0% at 31 December 2025, mainly driven by higher leverage exposure reflecting increases in trading assets and other financial assets, and a reduction in Tier 1 capital.

Liquidity and funding

- **NWM Plc's liquidity portfolio** decreased by £2.5 billion to £17.7 billion at 30 September 2026. The average Liquidity Coverage Ratio (LCR)[1] increased to 204% compared with 198% at 31 December 2025, driven by lower funding outflows.
- **NWM Plc issued public benchmark transactions** amounting to £4.2 billion in the nine months ended 30 September 2026. These transactions comprised €2.3 billion, CHF0.2 billion and $0.5 billion of notes under our Euro Medium Term Note programme and $2.3 billion of notes under our US Medium Term Note programme. NWM Plc also raised funding in other formats throughout the period including, but not limited to, structured note issuance.

ESG highlights

As at the end of Q3 2026, we had delivered £25.6 billion towards the NatWest Group climate and transition finance (CTF) target to provide £200 billion in climate and transition finance[2] between 1 July 2025 and the end of 2030.

Capital guidance[3]

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

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

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

(3) The guidance, targets, expectations and trends discussed in this section represent management's current expectations and are subject to change, including as a result of the factors described in the Risk Factors section in the NatWest Markets Plc 2025 Annual Report and Accounts and the Summary Risk Factors in the NatWest Markets Plc 2026 Interim Results. These statements constitute forward-looking statements. Refer to Forward-looking statements in this document.

Financial review

The table below presents an analysis of key lines of NWM Group's income statement for the nine months and quarter ended 30 September 2026. Commentary refers to the table below as well as the consolidated income statement shown on page 5.

	Nine months ended		Quarter ended		
	30 September 2026	30 September 2025	**30 September 2026**	30 June 2026	30 September 2025
Income statement	**£m**	£m	**£m**	£m	£m
Net interest income	**377**	353	**127**	119	109
Non-interest income	**765**	735	**223**	317	217
Total income	**1,142**	1,088	**350**	436	326
Litigation and conduct costs	**(92)**	(39)	**(47)**	(26)	26
Other operating expenses	**(995)**	(897)	**(288)**	(373)	(295)
Operating expenses	**(1,087)**	(936)	**(335)**	(399)	(269)
Operating profit before impairment releases/losses	**55**	152	**15**	37	57
Impairment releases/(losses)	**1**	(1)	**(4)**	4	(4)
Operating profit before tax	**56**	151	**11**	41	53
Tax credit/(charge)	**27**	64	**(5)**	8	73
Profit for the period	**83**	215	**6**	49	126
Income (1)					
Fixed Income	**54**	128	**2**	32	23
Currencies	**460**	485	**142**	157	158
Capital Markets	**599**	559	**202**	203	189
Capital Management Unit & other (2)	**51**	(28)	**10**	53	(30)
Income including shared revenue before OCA	**1,164**	1,144	**356**	445	340
Transfer pricing arrangements with fellow NatWest Group subsidiaries (3)	**(28)**	(59)	**(10)**	(8)	(14)
Income excluding OCA	**1,136**	1,085	**346**	437	326
Own credit adjustments (OCA)	**6**	3	**4**	(1)	-
Total income	**1,142**	1,088	**350**	436	326

(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. Other materially relates to FX reserves recycling in 2026 and Q3 2025.

(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.

Nine months ended 30 September 2026 performance

- **Net interest income** largely represents interest income from lending activity and capital hedges, offset by interest expense from the funding costs of the business. The increase of £24 million compared with the nine months ended 30 September 2025 largely reflects growth in lending activity, partially offset by an interest charge relating to historical VAT matters.
- **Non-interest income** increased by £30 million compared with the period ended 30 September 2025. This was largely driven by FX reserves recycling of £43 million credit recognised in the current period in connection with subsidiary capital repayments, compared with £30 million debit recognised in the comparative period from the redemption of AT1 capital notes and a subsidiary capital repayment. The amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries was £157 million in the current period, up from £126 million in the comparative period. Performance was mixed across the primary business lines, with lower revenues in Fixed Income driven by challenging market conditions and reduced customer activity, and in Currencies reflecting lower FX volatility, partially offset by higher revenues in Capital Markets.
- **Operating expenses** increased by £151 million compared with the nine months ended 30 September 2025. Litigation and conduct costs reflected ongoing progress in closing legacy matters including associated remediation activity and were up by £53 million. Other operating expenses increased by £98 million, largely driven by the recognition of a charge relating to historical VAT matters, higher technology-related costs and increased intra-NatWest Group recharges for central support services.

Quarter ended 30 September 2026 performance

- **Net interest income** increased by £8 million compared with Q2 2026, largely due to an interest charge relating to historical VAT matters in the prior period. Net interest income increased by £18 million compared with Q3 2025 reflecting growth in lending activity and one-off items in the comparative period.
- **Non-interest income** decreased by £94 million compared with Q2 2026. This was largely driven by an FX reserves recycling credit of £40 million recognised in the comparative period in connection with a subsidiary capital repayment and fair value movements relating to funding positions in Capital Management Unit and other. In addition, revenues were lower in Fixed Income reflecting challenging market conditions and reduced customer activity, and in Currencies reflecting lower FX volatility. Non-interest income increased by £6 million compared with Q3 2025, mainly due to an FX reserves recycling debit of £30 million recognised in the comparative period and higher Capital Markets revenues, offset by lower Fixed Income and Currencies revenues.
- **Operating expenses** decreased by £64 million compared with Q2 2026 and increased by £66 million compared with Q3 2025. Litigation and conduct costs reflected ongoing progress in closing legacy matters including associated remediation activity and were up by £21 million compared with Q2 2026 and up by £73 million compared with Q3 2025. Other operating expenses decreased by £85 million compared with Q2 2026, largely due to a charge relating to historical VAT matters in the prior period, higher VAT recoveries and a decrease in staff costs, and decreased by £7 million compared with Q3 2025, largely due to lower technology-related costs partially offset by an increase in intra-NatWest Group recharges for central support services.

Financial review

Balance sheet profile as at 30 September 2026

NWM Group's balance sheet profile is summarised below. Commentary refers to the table below as well as the consolidated balance sheet on page 7.

Assets			Liabilities		
	30 September 2026 £bn	31 December 2025 £bn	**30 September 2026 £bn**	31 December 2025 £bn	
Cash and balances at central banks	**17.5**	16.0			
Securities	**17.7**	12.6	**10.7**	7.5	Short positions
Reverse repos (1)	**22.4**	27.7	**26.2**	28.6	Repos (2)
Cash collateral given (3)	**6.0**	5.6	**12.1**	11.8	Cash collateral received (4)
Other trading assets	**0.3**	0.3	**0.7**	0.9	Other trading liabilities
Total trading assets	**46.4**	46.2	**49.7**	48.8	Total trading liabilities
Loans - amortised cost	**31.1**	24.7	**21.3**	15.7	Deposits - amortised cost
Settlement balances	**8.3**	0.6	**8.4**	0.9	Settlement balances
Amounts due from holding company and fellow subsidiaries	**1.0**	0.3	**6.1**	6.1	Amounts due to holding company and fellow subsidiaries
Other financial assets	**17.7**	19.1	**36.9**	35.5	Other financial liabilities
Other assets	**0.6**	0.6	**0.4**	0.4	Other liabilities
Funded assets	**122.6**	107.5	**122.8**	107.4	Liabilities excluding derivatives
Derivative assets	**66.2**	60.9	**59.4**	54.0	Derivative liabilities
Total assets	**188.8**	168.4	**182.2**	161.4	Total liabilities

(1) Comprises bank reverse repos of £4.2 billion (31 December 2025 – £4.6 billion) and customer reverse repos of £18.2 billion (31 December 2025 – £23.1 billion).
(2) Comprises bank repos of £8.4 billion (31 December 2025 – £8.2 billion) and customer repos of £17.8 billion (31 December 2025 – £20.4 billion).
(3) Comprises cash collateral given relating to banks of £3.6 billion (31 December 2025 – £2.6 billion) and customers of £2.4 billion (31 December 2025 – £3.0 billion).
(4) Comprises cash collateral received relating to banks of £3.9 billion (31 December 2025 – £4.1 billion) and customers of £8.2 billion (31 December 2025 – £7.7 billion).

- **Total assets and liabilities** increased by £20.4 billion and £20.8 billion respectively at 30 September 2026. Funded assets, which exclude derivatives, increased by £15.1 billion, mainly driven by higher settlement balances and loans – amortised cost. The increase in derivative fair values was largely driven by volatility across major currencies and increases in interest rates during the period.
- **Cash and balances at central banks** increased by £1.5 billion mainly driven by increased customer deposits and new issuances, partially offset by planned banking book growth and maturities.
- **Trading assets** were up by £0.2 billion, driven by an increase in securities from client-led activity and cash collateral given, partially offset by a decrease in reverse repos. **Trading liabilities** increased by £0.9 billion, driven by increases in short positions and cash collateral received, partially offset by a decrease in repos.
- **Loans – amortised cost** increased by £6.4 billion, driven by higher loans to customers mainly reflecting growth in Capital Markets.
- **Deposits – amortised cost** were up by £5.6 billion, largely driven by an increase in customer deposits in NWM N.V. and higher bank deposits reflecting increased repo funding.
- **Settlement balance assets and liabilities** were up by £7.7 billion and £7.5 billion respectively, largely due to increased trading compared with the seasonally lower levels of customer activity leading up to 31 December 2025.
- **Other financial assets** decreased by £1.4 billion, mainly reflecting redemptions of held-to-collect bonds.
- **Other financial liabilities** increased by £1.4 billion, largely driven by new issuance in the period, partially offset by maturities. The balance at 30 September 2026 includes £25.6 billion of medium-term notes issued.
- **Derivative assets and derivative liabilities** were up by £5.3 billion and £5.4 billion respectively at 30 September 2026. The increase in derivative fair values was largely driven by FX derivatives, reflecting volatility across major currencies including the strengthening of USD, and higher interest rate derivatives reflecting increases in interest rates in the period.

Non-IFRS measures

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

Capital, liquidity and funding risk

Introduction

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

Capital, RWAs and leverage

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

	30 September 2026	30 June 2026	31 December 2025
Capital adequacy ratios (1,2)	%	%	%
CET1	**17.0**	18.3	18.4
Tier 1	**21.3**	22.8	23.0
Total	**24.2**	25.8	26.0
Total MREL	**41.9**	44.0	45.6
Capital (1,2)	£m	£m	£m
CET1	**3,836**	4,056	3,952
Tier 1	**4,814**	5,032	4,926
Total	**5,470**	5,695	5,576
Total MREL (3)	**9,455**	9,738	9,787
Risk-weighted assets			
Credit risk	**10,691**	10,596	10,447
Counterparty credit risk	**6,030**	6,164	5,868
Market risk	**4,149**	3,640	3,431
Operational risk	**1,711**	1,711	1,711
Total RWAs	**22,581**	22,111	21,457

(1) NWM Plc's total capital ratio requirement is 11.4%, comprising the Pillar 1 minimum capital requirement of 8%, supplemented with the capital conservation buffer of 2.5% and the institution specific countercyclical buffer (CCyB) of 0.9%. The minimum CET1 ratio is 7.9%, including the minimum capital requirement of 4.5%. The CCyB is based on the weighted average of NWM Plc's geographical exposures.

(2) In addition, NWM Plc is subject to Pillar 2A requirements for CET1, AT1 and Tier 2. Refer to the NatWest Markets Plc Q3 2026 Pillar 3 report for further details on these additional capital requirements.

(3) Includes senior internal debt instruments issued to NatWest Group plc with a nominal value of £4.0 billion (30 June 2026 - £4.0 billion; 31 December 2025 - £4.2 billion).

Leverage

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

	30 September 2026	30 June 2026	31 December 2025
Tier 1 capital (£m)	**4,814**	5,032	4,926
Leverage exposure (£m) (1)	**105,796**	102,541	97,880
Leverage ratio (%)	**4.6**	4.9	5.0

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

Liquidity and funding

	30 September 2026	30 June 2026	31 December 2025
Average LCR (%) (1)	**204**	204	198
Liquidity portfolio (£bn) (1)	**17.7**	20.0	20.2
Total funding including repo (£bn) (2)	**102.8**	103.2	98.4

(1) LCR and Liquidity portfolio measures presented are for NWM Plc.

(2) Total funding is presented for NWM Group.

Condensed consolidated income statement
for the period ended 30 September 2026 (unaudited)

	Nine months ended		Quarter ended		
	30 September 2026	30 September 2025	**30 September 2026**	30 June 2026	30 September 2025
	£m	£m	**£m**	£m	£m
Interest receivable	**1,993**	1,937	**696**	664	649
Interest payable	**(1,616)**	(1,584)	**(569)**	(545)	(540)
Net interest income	**377**	353	**127**	119	109
Fees and commissions receivable	**328**	323	**101**	120	94
Fees and commissions payable	**(128)**	(143)	**(43)**	(45)	(41)
Income from trading activities	**389**	572	**63**	211	181
Other operating income	**176**	(17)	**102**	31	(17)
Non-interest income	**765**	735	**223**	317	217
Total income	**1,142**	1,088	**350**	436	326
Staff costs	**(395)**	(393)	**(122)**	(137)	(128)
Premises and equipment	**(64)**	(58)	**(23)**	(19)	(22)
Other administrative expenses	**(619)**	(476)	**(186)**	(241)	(116)
Depreciation and amortisation	**(9)**	(9)	**(4)**	(2)	(3)
Operating expenses	**(1,087)**	(936)	**(335)**	(399)	(269)
Profit before impairment releases/losses	**55**	152	**15**	37	57
Impairment releases/(losses)	**1**	(1)	**(4)**	4	(4)
Operating profit before tax	**56**	151	**11**	41	53
Tax credit/(charge)	**27**	64	**(5)**	8	73
Profit for the period	**83**	215	**6**	49	126
Attributable to:					
Ordinary shareholders	**16**	130	**(16)**	26	104
Paid-in equity holders	**67**	85	**22**	23	22
	83	215	**6**	49	126

Condensed consolidated statement of comprehensive income for the period ended 30 September 2026 (unaudited)

	Nine months ended		Quarter ended		
	30 September 2026	30 September 2025	**30 September 2026**	30 June 2026	30 September 2025
	£m	£m	**£m**	£m	£m
Profit for the period	**83**	215	**6**	49	126
Items that do not qualify for reclassification					
Remeasurement of retirement benefit schemes	**8**	(3)	**11**	(3)	-
Changes in fair value of financial liabilities designated at fair value through profit or loss (FVTPL) due to changes in own credit risk	**14**	(11)	**7**	(10)	(10)
Fair value through other comprehensive income (FVOCI) financial assets	**2**	15	**2**	(1)	2
Tax	**-**	-	**(4)**	1	(1)
	24	1	**16**	(13)	(9)
Items that do qualify for reclassification					
FVOCI financial assets	**(1)**	5	**(1)**	5	5
Cash flow hedges	**(232)**	92	**(167)**	41	(9)
Currency translation	**(84)**	27	**(21)**	(75)	90
Tax	**53**	(31)	**37**	(10)	-
	(264)	93	**(152)**	(39)	86
Other comprehensive (loss)/income after tax	**(240)**	94	**(136)**	(52)	77
Total comprehensive (loss)/income for the period	**(157)**	309	**(130)**	(3)	203
Attributable to:					
Ordinary shareholders	**(224)**	224	**(152)**	(26)	181
Paid-in equity holders	**67**	85	**22**	23	22
	(157)	309	**(130)**	(3)	203

Condensed consolidated balance sheet as at 30 September 2026 (unaudited)

	30 September 2026 £m	31 December 2025 £m
Assets		
Cash and balances at central banks	**17,471**	16,023
Trading assets	**46,388**	46,174
Derivatives	**66,189**	60,866
Settlement balances	**8,297**	643
Loans to banks - amortised cost	**1,091**	1,221
Loans to customers - amortised cost	**30,013**	23,454
Amounts due from holding company and fellow subsidiaries	**1,021**	287
Other financial assets	**17,671**	19,084
Other assets	**671**	619
Total assets	**188,812**	168,371
Liabilities		
Bank deposits	**9,771**	8,501
Customer deposits	**11,496**	7,161
Amounts due to holding company and fellow subsidiaries	**6,087**	6,068
Settlement balances	**8,418**	932
Trading liabilities	**49,655**	48,847
Derivatives	**59,391**	53,977
Other financial liabilities	**36,901**	35,453
Other liabilities	**522**	469
Total liabilities	**182,241**	161,408
Owners' equity	**6,571**	6,963
Total liabilities and equity	**188,812**	168,371

Condensed consolidated statement of changes in equity for the period ended 30 September 2026 (unaudited)

	Share capital and share premium £m	Paid-in equity £m	Retained earnings £m	Other reserves* £m	Total equity £m
At 1 January 2026	2,346	1,192	3,377	48	6,963
Profit attributable to ordinary shareholders and paid-in equity holders			83		83
Other comprehensive income					
Remeasurement of retirement benefit schemes			8		8
Changes in fair value of financial liabilities designated at FVTPL due to changes in own credit risk			14		14
Unrealised gains: FVOCI				7	7
Amounts recognised in equity: cash flow hedges				(356)	(356)
Foreign exchange reserve movement				(84)	(84)
Reclassification of OCI to Income statement				118	118
Tax			(3)	56	53
Ordinary share dividends paid			(160)		(160)
Paid-in equity dividends paid			(67)		(67)
Employee share schemes			(1)		(1)
Share-based remuneration			(7)		(7)
Amortisation of merger reserve			(2)	2	-
At 30 September 2026	2,346	1,192	3,242	(209)	6,571

	30 September 2026 £m
Attributable to:	
Ordinary shareholders	5,379
Paid-in equity holders	1,192
	6,571
***Other reserves consist of:**	
Merger reserve	(6)
FVOCI reserve	42
Cash flow hedging reserve	(271)
Foreign exchange reserve	26
	(209)

Notes

1. Presentation of condensed consolidated financial statements

The condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in the NatWest Markets Plc 2025 Annual Report and Accounts, as updated in the NatWest Markets 2026 Interim Results Announcement.

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

2. Trading assets and liabilities

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

	30 September 2026 £m	31 December 2025 £m
Assets		
Loans		
Reverse repos	**22,360**	27,656
Collateral given	**6,023**	5,635
Other loans	**326**	294
Total loans	**28,709**	33,585
Securities		
Central and local government		
- UK	**2,241**	1,808
- US	**3,664**	4,153
- Other	**8,905**	4,135
Financial institutions and Corporate	**2,869**	2,493
Total securities	**17,679**	12,589
Total	**46,388**	46,174
Liabilities		
Deposits		
Repos	**26,216**	28,578
Collateral received	**12,124**	11,792
Other deposits	**473**	739
Total deposits	**38,813**	41,109
Debt securities in issue	**187**	234
Short positions	**10,655**	7,504
Total	**49,655**	48,847

3. Other financial liabilities

	30 September 2026 £m	31 December 2025 £m
Customer deposits - designated as at FVTPL	**2,387**	2,312
Debt securities in issue		
Medium term notes	**25,613**	27,232
Commercial paper and certificates of deposit	**8,669**	5,638
Subordinated liabilities		
Designated as at FVTPL	**214**	237
Amortised cost	**18**	34
Total	**36,901**	35,453

Notes

4. Amounts due to holding company and fellow subsidiaries

	30 September 2026 £m	31 December 2025 £m
Bank deposits - amortised cost	**17**	267
Customer deposits - amortised cost	**49**	42
Settlement balances	**382**	-
Trading liabilities	**550**	280
Other financial liabilities - subordinated liabilities	**1,053**	1,066
MREL instruments issued to NatWest Group plc	**3,986**	4,323
Other liabilities	**50**	90
Total	**6,087**	6,068

5. Litigation and regulatory matters

NatWest Markets Plc's Interim Results 2026, issued on 31 July 2026, included disclosures about NWM Group's litigation and regulatory matters in Note 11. Set out below are the material developments in those matters (all of which matters have been previously disclosed) since publication of the Interim Results 2026.

Litigation

Swaps antitrust litigation

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.

In May 2025, the US Court of Appeals affirmed an earlier decision by the Southern District of New York which barred 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.

On 29 June 2026, the New Mexico district court also held, based on the prior settlement, that the plaintiffs are barred from pursuing claims based on conduct occurring before 30 June 2014.

The district court gave plaintiffs 30 days to file an amended complaint based on conduct occurring after that date, as to which defendants will have an opportunity to seek dismissal.

Spoofing litigation

In December 2021, three substantially similar class action 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. In September 2026, the motion to dismiss was granted without prejudice and with leave to amend.

6. Post balance sheet events

There have been no significant events between 30 September 2026 and the date of approval of these accounts that would require a change to or additional disclosure in the condensed consolidated financial statements.

Non-IFRS measures

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

The non-IFRS measures provide users of the financial statements with a consistent basis for comparing business performance between financial periods and information on elements of performance that are one-off in nature. The non-IFRS measures also include the basis of calculation for metrics that are used throughout the banking industry.

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

- Management analysis of operating expenses shows litigation and conduct costs on a separate line. These amounts are included within staff costs, premises and equipment and other administrative expenses in the statutory analysis. Other operating expenses exclude 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 include 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

	Nine months ended					
	30 September 2026			30 September 2025		
	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m
Staff costs	**30**	**365**	**395**	32	361	393
Premises and equipment	**6**	**58**	**64**	4	54	58
Other administrative expenses	**56**	**563**	**619**	3	473	476
Depreciation and amortisation	**-**	**9**	**9**	-	9	9
Total	**92**	**995**	**1,087**	39	897	936

	Quarter ended		
	30 September 2026		
	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m
Staff costs	**10**	**112**	**122**
Premises and equipment	**1**	**22**	**23**
Other administrative expenses	**36**	**150**	**186**
Depreciation and amortisation	**-**	**4**	**4**
Total	**47**	**288**	**335**

	Quarter ended		
	30 June 2026		
	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m
Staff costs	10	127	137
Premises and equipment	2	17	19
Other administrative expenses	14	227	241
Depreciation and amortisation	-	2	2
Total	26	373	399

	Quarter ended		
	30 September 2025		
	Litigation and conduct costs £m	Other operating expenses £m	Statutory operating expenses £m
Staff costs	12	116	128
Premises and equipment	1	21	22
Other administrative expenses	(39)	155	116
Depreciation and amortisation	-	3	3
Total	(26)	295	269

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') or 'we' refers to NWM Plc and its subsidiary and associated undertakings. The term 'NatWest Group' refers to NatWest Group plc and its subsidiary and associated undertakings. The term NWM N.V. Group refers to NatWest Markets N.V. and its subsidiary and associated undertakings. The term 'NWMSI' refers to NatWest Markets Securities, Inc. The term 'NWH Group' refers to NatWest Holdings Limited (NWH) and its subsidiary and associated undertakings. The term 'NatWest Bank Plc' or 'NWB Plc' refers to National Westminster Bank Plc.

NWM Plc publishes its financial statements in pounds sterling ('£' or 'sterling'). The abbreviations '£m' and '£bn' represent millions and thousands of millions of pounds sterling ('GBP'), respectively, and references to 'pence' 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 2025 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.

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Forward-looking statements

Cautionary statement regarding forward-looking statements

Certain sections in this document contain 'forward-looking statements' as that term is defined in the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to NWM Group's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability-related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about NatWest Group's beliefs and expectations, are forward-looking statements. Words such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document includes forward-looking targets and guidance relating to financial performance measures, such as income growth, operating expense, cost reductions, impairment loss rates, capital generation pre-distributions, customer assets and liabilities growth rate, cost:income ratio, balance sheet reduction (including the reduction of RWAs), CET1 ratio (and key drivers of the CET1 ratio, including timing, impact and details), Pillar 2 and other regulatory buffer requirements and MREL and non-financial performance measures, such as climate and sustainability-related performance ambitions, targets, commitments and metrics, including in relation to initiatives to transition to a net zero economy, climate, sustainable and transition funding and financing, and financed and facilitated emissions.

Limitations inherent to forward-looking statements

These statements are based on current plans, expectations, estimates, targets and projections, and are subject to significant inherent risks, uncertainties and other factors, both external and relating to NatWest Group's and NWM Group's strategy or operations, which may result in NWM Group being unable to achieve the current plans, expectations, estimates, targets, projections and other anticipated outcomes expressed or implied by such forward-looking statements. In addition, certain of these disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations, including assumptions and estimates made by management. By their nature, certain of these disclosures are only estimates and, as a result, actual future results, gains or losses could differ materially from those that have been estimated. Accordingly, undue reliance should not be placed on these statements. The forward-looking statements contained in this document speak only as of the date we make them and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein, whether to reflect any change in our expectations with regard thereto, any change in events, conditions or circumstances on which any such statement is based, or otherwise, except to the extent legally required.

Important factors that could affect the actual outcome of the forward-looking statements

We caution you that a large number of important factors could adversely affect our results or our ability to implement our strategy, cause us to fail to meet our targets, predictions, expectations and other anticipated outcomes or affect the accuracy of forward-looking statements described in this document. These factors include, but are not limited to, those set forth in the risk factors and the other uncertainties described in NatWest Markets Plc's 2025 Annual Report and Accounts, NWM Group's Interim Management Statements for Q1, H1 and Q3 2026, and its other public filings. The principal risks and uncertainties that could adversely affect NWM Group's future results, its financial condition and/or prospects and cause them to be materially different from what is forecast or expected, include, but are not limited to: economic and political risk (including in respect of: economic and political risks and uncertainties in the UK and global markets, including as a result of inflation and interest rates, supply chain disruption, protectionist policies, and geopolitical developments; and changes in interest rates and foreign currency exchange rates; business change and execution risk (including in respect of: NatWest Group's strategy and NatWest Group's creation of its Commercial & Institutional business segment (of which NWM Group forms part); the competitive environment; and the transfer of NatWest Group's EU corporate portfolio); financial resilience risk (including in respect of: NWM Group's ability to meet targets, generate returns or implement its strategy effectively; prudential regulatory requirements for capital; NWM Group's reliance on access to capital markets directly or indirectly through its parent (NatWest Group plc) for the subscription to its internal capital and MREL; prudential regulatory requirements for funding and liquidity; capital, funding and liquidity risk; reductions in the credit ratings and/or outlooks assigned to NatWest Group plc, any of its subsidiaries (including NWM Group) or any of their respective debt securities; counterparty and borrower risk; model risk; sensitivity to accounting policies, judgments, estimates and assumptions (and the economic, climate, competitive and other forward-looking information affecting those judgments, estimates and assumptions); changes in applicable accounting standards; the requirements of regulatory stress tests and the adequacy of NatWest Group's resolution plans; and the application of UK statutory stabilisation or resolution powers to NatWest Group); operational and IT resilience risk (including in respect of: operational risks (including reliance on third party suppliers); cyberattacks; the accuracy and effective use of data; artificial intelligence; attracting, retaining and developing senior management and skilled personnel; complex IT systems; NWM Group's risk management framework; and NWM Group's reputational risk); legal and regulatory risk (including in respect of: the impact of substantial regulation and oversight; the outcome of legal, regulatory and governmental actions and investigations as well as remedial undertakings; and changes in tax legislation or failure to generate future taxable profits); and climate and sustainability-related risk (including in respect of: climate and sustainability-related risks; both the execution and reputational risk relating to NatWest Group's (including NWM Group) climate and sustainability-related strategy, ambitions, targets, commitments, and transition plan; climate and sustainability-related data and model risk; increasing levels of climate, environmental, human rights and other sustainability-related laws, regulation and oversight; climate, environmental, human rights and other sustainability-related litigation, enforcement actions, investigations and conduct risk).

Forward-looking statements

Cautionary statement regarding non-IFRS financial measures and APMs

NWM Group prepares its financial statements in accordance with UK-adopted International Accounting Standards (IAS) and IFRS. This document may contain non-IFRS measures, or alternative performance measures, defined under the European Securities and Markets Authority (ESMA) guidance, or non-GAAP financial measures in accordance with the Securities and Exchange Commission (SEC) regulations (together, APMs). APMs are adjusted for notable and other defined items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison. APMs provide users of the financial statements with a consistent basis for comparing business performance between financial periods and information on elements of performance that are one-off in nature. APMs included in this document, are not measures within the scope of IFRS or GAAP, are based on a number of assumptions that are subject to uncertainties and change and are not a substitute for IFRS or GAAP measures and a reconciliation to the closest IFRS or GAAP measure is presented where appropriate.

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or a solicitation of an offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Caution on non-financial reporting

The processes we have adopted to define, collect and report data on our climate and sustainability-related performance, as well as the associated metrics and disclosures in this document, are not subject to the same formal processes adopted for financial reporting in accordance with established reporting standards. They involve a higher degree of judgement, assumptions and estimates, including in relation to the classification of climate and sustainability-related (including social, sustainability, sustainability-linked, green, climate and transition) funding, financing and facilitation activities, than what is required for reporting of historical financial information prepared in accordance with established reporting standards. As a result, climate and sustainability-related disclosures may be amended, updated or restated over time. However, NWM Group does not undertake to restate prior disclosures except where required by applicable law or regulation, even if subsequently available data or methodologies differ from those used at the time of the original disclosure. In addition, non-financial reporting systems are less developed than financial reporting systems, often involving manual processes and less robust controls, which may affect data quality and consistency. Refer also to the 'Climate and sustainability-related risk factors' on pages 165 to 168 of the NatWest Markets Plc 2025 Annual Report and Accounts, the cautionary statement in the section entitled 'Additional cautionary statement regarding climate and sustainability-related data, metrics and other matters' on page 170 of the NatWest Markets Plc 2025 Annual Report and Accounts and the cautionary statement in the section entitled 'Caution about climate-related metrics and data required for climate reporting' on pages 70 to 72 of the NatWest Group plc 2025 Climate Transition Plan Report published by NatWest Group plc for the consolidated group, including NatWest Markets Plc.

Caution about sustainability-related funding, financing and facilitation

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

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