NatWest Markets Group
Interim Results 2026

NatWest Markets Group (NWM Group)

Results for the half year ended 30 June 2026

The first half of 2026 was characterised by elevated geopolitical tensions and macroeconomic uncertainty with energy market disruption and heightened volatility prompting a reassessment of inflation, interest rate and growth prospects. Customer demand remained resilient across foreign exchange risk management and fund financing activity, and while Fixed Income was lower year-on-year, it showed improved momentum in the second quarter despite ongoing market uncertainty. Against this backdrop, we remained closely engaged with customers, leveraging our specialist capabilities and established relationships while maintaining discipline on risk, costs and balance sheet deployment.

Financial review

NWM Group maintained its robust capital and liquidity position in H1 2026 and reported a profit of £77 million, compared with a profit of £89 million in H1 2025. Total income of £792 million increased by £30 million compared with H1 2025, primarily driven by foreign exchange (FX) reserves recycling, an increase in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries and higher Capital Markets revenues, partially offset by lower Fixed Income revenues. Operating expenses increased by £85 million to £752 million, reflecting higher other operating expenses partially offset by lower litigation and conduct costs.

Financial performance

- **Total income** of £792 million increased by £30 million compared with £762 million in H1 2025, largely driven by FX reserves recycling, an increase in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries and higher Capital Markets revenues. This was partially offset by lower Fixed Income revenues which were impacted by volatility from geopolitical tensions and lower customer volumes.
- **Operating expenses** of £752 million in H1 2026 were £85 million higher than £667 million in H1 2025. Litigation and conduct costs decreased by £20 million to £45 million, driven by higher costs in H1 2025 from closing legacy matters including associated remediation activity. Other operating expenses increased by £105 million to £707 million in H1 2026 compared with H1 2025, largely driven by the recognition of a charge relating to historical VAT matters and higher technology-related and other centrally allocated support costs.
- **NWM Group's total assets and liabilities** increased by £18.3 billion and £18.4 billion to £186.7 billion and £179.8 billion respectively at 30 June 2026, compared with 31 December 2025. Funded assets increased in the period driven by higher settlement balances, loans - amortised cost and cash and balances at central banks. Derivative fair values increased in the period, largely driven by FX derivatives reflecting volatility across major currencies including the strengthening of USD in the period. This was partially offset by a decrease in interest rate derivatives.

Capital and leverage

- **Total NWM Plc Risk-Weighted Assets (RWAs)** were £22.1 billion at 30 June 2026, compared with £21.5 billion at 31 December 2025. The increase in the period was primarily driven by increases in counterparty credit risk, market risk and credit risk.
- **NWM Plc's Common Equity Tier 1 (CET1) ratio** was 18.3% at 30 June 2026 compared with 18.4% at 31 December 2025, reflecting an increase in RWAs partially offset by higher CET1 capital.
- **Total minimum requirement for own funds and eligible liabilities (MREL) for NWM Plc** at 30 June 2026 was £9.7 billion, down slightly from 31 December 2025. The maturity of an internal MREL instrument with NatWest Group plc of $1.0 billion was mostly offset by an increase in eligible capital and the issuance of two new internal MREL instruments with NatWest Group plc totalling $0.7 billion. The MREL ratio decreased to 44.0% of RWAs at 30 June 2026 compared with 45.6% at 31 December 2025, mainly reflecting the increase in RWAs in the period.
- **NWM Plc's leverage ratio** at 30 June 2026 was 4.9%, down compared with 5.0% at 31 December 2025, reflecting an increase in leverage exposure driven by increases in trading assets and other financial assets, partially offset by higher Tier 1 capital.

Liquidity and funding

- **NWM Plc's liquidity portfolio** decreased by £0.2 billion to £20.0 billion at 30 June 2026. The average Liquidity Coverage Ratio (LCR)(1) increased to 204% compared with 198% at 31 December 2025, driven by issuance over the period and lower net outflows.
- **NWM Plc issued public benchmark transactions** amounting to £3.7 billion in the six months ended 30 June 2026. Transactions comprised €2.3 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.

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

ESG highlights

As at the end of June 2026, we had delivered £21.5 billion towards the NatWest Group climate and transition finance (CTF) target to provide £200 billion in climate and transition finance(1) between 1 July 2025 and the end of 2030.

(1) 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.

Capital guidance(1)

We retain the Capital guidance provided in the NatWest Markets Plc 2025 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 2025 Annual Report and Accounts and the Summary Risk Factors in this document. 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 half year and quarter ended 30 June 2026. Commentary refers to the tables below as well as the condensed consolidated income statement shown on page 18.

	Half year ended		Quarter ended		
	30 June 2026	30 June 2025	30 June 2026	31 March 2026	30 June 2025
Income statement	£m	£m	£m	£m	£m
Net interest income	**250**	244	**119**	131	120
Non-interest income	**542**	518	**317**	225	248
Total income	**792**	762	**436**	356	368
Litigation and conduct costs	**(45)**	(65)	**(26)**	(19)	(33)
Other operating expenses	**(707)**	(602)	**(373)**	(334)	(311)
Operating expenses	**(752)**	(667)	**(399)**	(353)	(344)
Operating profit before impairment releases	**40**	95	**37**	3	24
Impairment releases	**5**	3	**4**	1	4
Operating profit before tax	**45**	98	**41**	4	28
Tax credit/(charge)	**32**	(9)	**8**	24	2
Profit for the period	**77**	89	**49**	28	30
Income (1)					
Fixed Income	**52**	105	**32**	20	41
Currencies	**318**	327	**157**	161	169
Capital Markets	**397**	370	**203**	194	189
Capital Management Unit & other (2)	**41**	2	**53**	(12)	(11)
Income including shared revenue before OCA	**808**	804	**445**	363	388
Transfer pricing arrangements with fellow NatWest Group subsidiaries (3)	**(18)**	(45)	**(8)**	(10)	(17)
Income excluding OCA	**790**	759	**437**	353	371
Own credit adjustments (OCA)	**2**	3	**(1)**	3	(3)
Total income	**792**	762	**436**	356	368

(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 H1 2026 and Q2 2026.
(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 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 in net interest income compared with H1 2025 was partially offset by an interest charge relating to historical VAT matters.
- **Non-interest income** increased by £24 million compared with H1 2025, primarily driven by FX reserves recycling of £40 million in connection with a subsidiary capital repayment in Q2 2026, the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries of £103 million in the current period, compared with £79 million in H1 2025, and higher Capital Markets revenues. This was partially offset by lower Fixed Income revenues, which were impacted by volatility from geopolitical tensions and lower customer volumes.
- **Operating expenses** in H1 2026 increased by £85 million compared with H1 2025. Litigation and conduct costs in H1 2026 reflected ongoing progress on closing legacy matters including any associated remediation activity and were down by £20 million compared with H1 2025. Other operating expenses increased by £105 million compared with H1 2025, largely driven by the recognition of a charge relating to historical VAT matters and higher technology-related and other centrally allocated support costs.

Quarter ended 30 June 2026 performance

- **Net interest income** for the quarter decreased by £12 million compared with Q1 2026 largely due to the interest charge relating to historical VAT matters.
- **Non-interest income** increased by £92 million compared to Q1 2026, primarily driven by FX reserves recycling and fair value movements relating to funding positions in Capital Management Unit and other, higher revenues in Fixed Income and Capital Markets and an increase of £5 million in the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries, where £54 million was recognised in Q2 2026. Non-interest income increased by £69 million compared with Q2 2025, primarily driven by FX reserves recycling and fair value movements relating to funding positions in Capital Management Unit and other, higher Capital Markets revenues and an increase of £9 million in the amount recognised under the profit share arrangement. This was partially offset by a weaker performance in Currencies reflecting lower FX volatility levels, and lower Fixed Income revenues.
- **Operating expenses** increased by £46 million compared with Q1 2026 and by £55 million compared to Q2 2025. Litigation and conduct costs reflected ongoing progress on closing legacy matters including any associated remediation activity and increased by £7 million compared with Q1 2026 and decreased by £7 million compared with Q2 2025. Other operating expenses increased by £39 million compared with Q1 2026 and by £62 million compared with Q2 2025, largely due to the recognition of a charge relating to historical VAT matters.

Financial review

Balance sheet profile as at 30 June 2026

NWM Group's balance sheet profile is summarised below. Commentary refers to the table below as well as the condensed consolidated balance sheet on page 19.

Assets	30 June 2026 £bn	31 December 2025 £bn	30 June 2026 £bn	31 December 2025 £bn	Liabilities
Cash and balances at central banks	**18.1**	16.0			
Securities	**18.1**	12.6	**10.0**	7.5	Short positions
Reverse repos (1)	**22.7**	27.7	**27.6**	28.6	Repos (2)
Cash collateral given (3)	**6.0**	5.6	**11.8**	11.8	Cash collateral received (4)
Other trading assets	**0.4**	0.3	**1.1**	0.9	Other trading liabilities
Total trading assets	**47.2**	46.2	**50.5**	48.8	Total trading liabilities
Loans - amortised cost	**28.5**	24.7	**19.4**	15.7	Deposits - amortised cost
Settlement balances	**10.1**	0.6	**9.6**	0.9	Settlement balances
Amounts due from holding company and fellow subsidiaries	**0.5**	0.3	**5.9**	6.1	Amounts due to holding company and fellow subsidiaries
Other financial assets	**18.2**	19.1	**37.6**	35.5	Other financial liabilities
Other assets	**0.7**	0.6	**0.5**	0.4	Other liabilities
Funded assets	**123.3**	107.5	**123.5**	107.4	Liabilities excluding derivatives
Derivative assets	**63.4**	60.9	**56.3**	54.0	Derivative liabilities
Total assets	**186.7**	168.4	**179.8**	161.4	Total liabilities
Net derivative assets (5)	**2.0**	2.3	**2.5**	2.5	Net derivative liabilities (5)

(1) Comprises bank reverse repos of £4.5 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 £8.6 billion (31 December 2025 – £8.2 billion) and customer repos of £19.0 billion (31 December 2025 – £20.4 billion).
(3) Comprises cash collateral given relating to banks of £3.8 billion (31 December 2025 – £2.6 billion) and customers of £2.2 billion (31 December 2025 – £3.0 billion).
(4) Comprises cash collateral received relating to banks of £4.1 billion (31 December 2025 – £4.1 billion) and customers of £7.7 billion (31 December 2025 – £7.7 billion).
(5) Refer to page 11 for further details.

- **Total assets and liabilities** increased by £18.3 billion and £18.4 billion respectively at 30 June 2026. Funded assets, which exclude derivatives, increased by £15.8 billion, largely driven by higher settlement balances, loans - amortised cost and cash and balances at central banks. The increases in derivative fair values were largely driven by FX derivatives, reflecting volatility across major currencies, including the strengthening of USD in the period. This was partially offset by a decrease in interest rate derivatives.
- **Cash and balances at central banks** increased by £2.1 billion mainly driven by increased customer deposits and new issuances, partially offset with planned banking book growth and maturities.
- **Trading assets** were up by £1.0 billion, driven by an increase in securities from client-led activity, and derivative cash collateral posted, partially offset by a decrease in reverse repos. **Trading liabilities** increased by £1.7 billion, driven by increases in short positions, partially offset by a decrease in repos.
- **Loans – amortised cost** increased by £3.8 billion, driven by higher loans to customers reflecting growth in Capital Markets.
- **Deposits – amortised cost** were up by £3.7 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 £9.5 billion and £8.7 billion respectively, largely due to increased trading compared with the seasonally lower levels of customer activity leading up to 31 December 2025.
- **Derivative assets and derivative liabilities** were up by £2.5 billion and £2.3 billion respectively at 30 June 2026. The increases in derivative fair values were largely driven by FX derivatives, reflecting volatility across major currencies including the strengthening of USD in the period. This was partially offset by a decrease in interest rate derivatives.
- **Other financial liabilities** increased by £2.1 billion, largely driven by new issuance in the period, partially offset by maturities. The balance at 30 June 2026 includes £27.3 billion of medium-term notes issued.

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 41.

Risk and capital management

Certain disclosures in the Risk and capital management section are within the scope of PricewaterhouseCoopers LLP (PwC'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 2026				30 June 2025				31 December 2025			
	Average £m	**Maximum £m**	**Minimum £m**	**Period end £m**	Average £m	Maximum £m	Minimum £m	Period end £m	Average £m	Maximum £m	Minimum £m	Period end £m
Interest rate	**2.6**	**4.3**	**1.8**	**2.1**	3.6	5.4	2.2	4.1	2.8	4.6	1.8	2.3
Credit spread	**3.3**	**4.0**	**2.8**	**3.8**	5.3	7.2	4.0	4.6	4.3	5.2	3.1	3.1
Currency	**1.5**	**4.4**	**0.5**	**1.3**	1.5	4.0	-	0.8	1.1	2.8	0.4	0.5
Equity	**0.1**	**0.2**	**-**	**-**	-	0.1	-	0.1	0.1	0.1	-	0.1
Diversification (1)	**(3.2)**			**(3.3)**	(3.9)			(4.0)	(3.4)	-	-	(2.5)
Total	**4.3**	**6.1**	**3.2**	**3.9**	6.5	9.7	4.3	5.6	4.9	6.8	3.4	3.5

(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 portfolio VaR.

- Total VaR remained within approved risk appetite despite market volatility linked to the Middle East conflict.
- Both interest rate VaR and credit spread VaR decreased on an average basis in H1 2026 compared to the previous year. This reflects an overall reduction in realised volatility in the VaR model's rolling historical 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 2026	31 December 2025
Capital adequacy ratios (1,2)	%	%
CET1	**18.3**	18.4
Tier 1	**22.8**	23.0
Total	**25.8**	26.0
Total MREL	**44.0**	45.6
Capital (1,2)	£m	£m
CET1	**4,056**	3,952
Tier 1	**5,032**	4,926
Total	**5,695**	5,576
Total MREL (3)	**9,738**	9,787
Risk-weighted assets		
Credit risk	**10,596**	10,447
Counterparty credit risk	**6,164**	5,868
Market risk	**3,640**	3,431
Operational risk	**1,711**	1,711
Total RWAs	**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 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 £4.0 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 June 2026	31 December 2025
Tier 1 capital (£m)	**5,032**	4,926
Leverage exposure (£m) (1)	**102,541**	97,880
Leverage ratio (%)	**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.

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 2026 £m	31 December 2025 £m
Shareholders' equity		
Shareholders' equity	**6,696**	6,880
Other equity instruments	**(1,192)**	(1,192)
	5,504	5,688
Regulatory adjustments and deductions		
Own credit	**33**	36
Defined benefit pension fund adjustment	**(122)**	(119)
Cash flow hedging reserve	**139**	97
Prudential valuation adjustments	**(111)**	(114)
Expected losses less impairments	**(12)**	(11)
Instruments of financial sector entities where the institution has a significant investment	**(1,375)**	(1,625)
	(1,448)	(1,736)
CET1 capital	**4,056**	3,952
Additional Tier 1 (AT1) capital		
Qualifying instruments and related share premium	**1,192**	1,192
Tier 1 deductions		
Instruments of financial sector entities where the institution has a significant investment	**(216)**	(218)
Tier 1 capital	**5,032**	4,926
Qualifying Tier 2 capital		
Qualifying instruments and related share premium	**1,062**	1,048
Tier 2 deductions		
Instruments of financial sector entities where the institution has a significant investment	**(408)**	(407)
Other regulatory adjustments	**9**	9
	(399)	(398)
Tier 2 capital	**663**	650
Total regulatory capital	**5,695**	5,576

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.

Leverage	30 June 2026 £m	31 December 2025 £m
Cash and balances at central banks	**9,272**	9,357
Trading assets	**24,515**	22,087
Derivatives	**60,223**	57,793
Financial assets	**46,458**	43,722
Other assets	**8,989**	3,329
Total assets	**149,457**	136,288
Derivatives		
- netting and variation margin	**(57,087)**	(54,908)
- potential future exposures	**17,135**	16,778
Securities financing transactions gross up	**959**	2,759
Other off balance sheet items	**9,991**	9,267
Regulatory deductions and other adjustments	**(8,343)**	(2,643)
Exclusion of core UK-group exposures	**(311)**	(317)
Claims on central banks	**(9,260)**	(9,344)
Leverage exposure	**102,541**	97,880

Liquidity portfolio

The liquidity portfolio comprises both high-quality liquid assets (HQLA) managed in the Treasury owned Liquid Asset Buffer (LAB) and other eligible unencumbered HQLA arising in the entity, all of which are under the control of the NatWest Markets Treasurer. The table below shows the composition of the liquidity portfolio with primary liquidity aligned to HQLA on a regulatory LCR basis. Secondary liquidity comprises assets which are eligible as collateral for local central bank liquidity facilities and do not form part of the LCR eligible HQLA. HQLA cover both Pillar 1 and Pillar 2 risks.

	Liquidity value	
NatWest Markets Plc	30 June 2026 £m	31 December 2025 £m
Cash and balances at central banks	**9,180**	9,238
High-quality government/MDB/PSE and GSE bonds (1)	**10,009**	10,133
Extremely high-quality covered bonds	**11**	-
LCR Level 1 eligible assets	**19,200**	19,371
LCR Level 2 eligible assets (2)	**762**	783
Primary liquidity (HQLA)	**19,962**	20,154
Secondary liquidity (3)	**-**	-
Total liquidity value	**19,962**	20,154
Average LCR (%)	**204**	198

(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) 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.

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

Total liquidity portfolio	GBP £m	USD £m	EUR £m	Other £m	Total £m
30 June 2026	**12,992**	**3,512**	**2,700**	**758**	**19,962**
31 December 2025	11,747	3,981	3,642	784	20,154

Risk and capital management

Capital, liquidity and funding risk continued

Funding sources (reviewed)

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

	30 June 2026			31 December 2025		
	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	**2,570**	**7,084**	**9,654**	2,140	6,361	8,501
of which: repos (amortised cost)	**641**	**6,225**	**6,866**	*611*	5,445	*6,056*
Customer deposits	**8,969**	**765**	**9,734**	6,100	1,061	7,161
of which: repos (amortised cost)	**455**	**756**	**1,211**	*150*	*1,043*	*1,193*
Trading liabilities (1)						
Repos (2)	**26,136**	**1,490**	**27,626**	26,168	2,410	28,578
Cash collateral received	**11,785**	**-**	**11,785**	11,792	-	11,792
Other bank and customer deposits	**600**	**284**	**884**	454	285	739
Debt securities in issue	**15**	**200**	**215**	28	206	234
	38,536	**1,974**	**40,510**	38,442	2,901	41,343
Other financial liabilities						
Customer deposits (designated at fair value)	**498**	**1,951**	**2,449**	836	1,476	2,312
Debt securities in issue						
Commercial paper and certificates of deposits (CDs)	**6,644**	**894**	**7,538**	4,955	683	5,638
Medium term notes (MTNs)	**6,381**	**20,919**	**27,300**	7,510	19,722	27,232
Subordinated liabilities	**17**	**248**	**265**	17	254	271
	13,540	**24,012**	**37,552**	13,318	22,135	35,453
Amounts due to holding company and fellow subsidiaries (3)						
Internal MREL	**883**	**3,160**	**4,043**	759	3,564	4,323
Other bank and customer deposits	**649**	**-**	**649**	589	-	589
Subordinated liabilities	**-**	**1,062**	**1,062**	-	1,066	1,066
	1,532	**4,222**	**5,754**	1,348	4,630	5,978
Total funding	**65,147**	**38,057**	**103,204**	61,348	37,088	98,436
Of which: available in resolution (4) (unreviewed)			***5,105***			*4,885*

(1) Funding sources excludes short positions of £10,023 million (31 December 2025 - £7,504 million) reflected as trading liabilities on the balance sheet.
(2) Comprises Central and other bank repos of £8,563 million (31 December 2025 - £8,152 million), other financial institution repos of £17,125 million (31 December 2025 - £18,042 million) and other corporate repos of £1,938 million (31 December 2025 - £2,384 million).
(3) Amounts due to holding company and fellow subsidiaries relating to non-financial instruments of £139 million (31 December 2025 - £90 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. As of 1 January 2026, firms with internal MREL above minimum capital requirements are required to measure eligible liabilities at full accounting value in accordance with the revised MREL Statement of Policy (July 2025).

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 in issue	Debt securities in issue						
	MTNs	Commercial paper and CDs	MTNs	Subordinated liabilities	Total	Internal MREL	Subordinated liabilities	Total notes in issue
30 June 2026	£m	£m	£m	£m	£m	£m	£m	£m
Less than 1 year	**15**	**6,644**	**6,381**	**17**	**13,042**	**883**	**-**	**13,940**
1-3 years	**5**	**894**	**12,494**	**-**	**13,388**	**1,601**	**941**	**15,935**
3-5 years	**64**	**-**	**7,704**	**-**	**7,704**	**1,559**	**121**	**9,448**
More than 5 years	**131**	**-**	**721**	**248**	**969**	**-**	**-**	**1,100**
Total	**215**	**7,538**	**27,300**	**265**	**35,103**	**4,043**	**1,062**	**40,423**
31 December 2025								
Less than 1 year	28	4,955	7,510	17	12,482	759	-	13,269
1-3 years	1	683	11,097	-	11,780	1,799	-	13,580
3-5 years	73	-	8,042	-	8,042	1,765	1,066	10,946
More than 5 years	132	-	583	254	837	-	-	969
Total	234	5,638	27,232	271	33,141	4,323	1,066	38,764

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

	GBP	USD	EUR	Other	Total
30 June 2026	£m	£m	£m	£m	£m
Commercial paper and CDs	**1,336**	**1,820**	**4,303**	**79**	**7,538**
MTNs	**1,463**	**9,516**	**13,266**	**3,270**	**27,515**
External subordinated liabilities	**18**	**17**	**230**	**-**	**265**
Internal MREL due to NatWest Group plc	**497**	**2,172**	**1,374**	**-**	**4,043**
Subordinated liabilities due to NatWest Group plc	**-**	**1,062**	**-**	**-**	**1,062**
Total	**3,314**	**14,587**	**19,173**	**3,349**	**40,423**
31 December 2025	3,746	11,264	20,628	3,126	38,764

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
30 June 2026	£m	£m	£m	£m	£m	£m
Gross	49,461	49,417	44	58,449	54,978	3,471
IFRS offset	(22,748)	(22,748)	-	(22,748)	(22,748)	-
Carrying value	26,713	26,669	44	35,701	32,230	3,471
Master netting arrangements	(458)	(458)	-	(458)	(458)	-
Securities collateral	(25,994)	(25,994)	-	(31,772)	(31,772)	-
Potential for offset not recognised under IFRS	(26,452)	(26,452)	-	(32,230)	(32,230)	-
Net	261	217	44	3,471	-	3,471
31 December 2025						
Gross	48,581	48,525	56	52,956	50,897	2,059
IFRS offset	(17,129)	(17,129)	-	(17,129)	(17,129)	-
Carrying value	31,452	31,396	56	35,827	33,768	2,059
Master netting arrangements	(474)	(474)	-	(474)	(474)	-
Securities collateral	(30,669)	(30,669)	-	(33,294)	(33,294)	-
Potential for offset not recognised under IFRS	(31,143)	(31,143)	-	(33,768)	(33,768)	-
Net	309	253	56	2,059	-	2,059

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 7 Trading assets and liabilities for details on short positions.

	Central and local government			Financial institutions	Corporate	Total
	UK	US	Other			
30 June 2026	£m	£m	£m	£m	£m	£m
AAA	-	-	4,723	1,260	-	5,983
AA to AA+	-	4,129	678	487	7	5,301
A to AA-	2,508	-	1,385	162	311	4,366
BBB- to A-	-	-	1,585	222	473	2,280
Non-investment grade	-	-	9	63	86	158
Total	2,508	4,129	8,380	2,194	877	18,088
31 December 2025						
AAA	-	-	1,505	654	-	2,159
AA to AA+	-	4,153	257	309	18	4,737
A to AA-	1,808	-	1,481	596	215	4,100
BBB- to A-	-	-	892	256	384	1,532
Non-investment grade	-	-	-	11	50	61
Total	1,808	4,153	4,135	1,826	667	12,589

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 2026							31 December 2025		
	Notional									
	GBP	USD	EUR	Other	Total	Assets	Liabilities	Notional	Assets	Liabilities
	£bn	£bn	£bn	£bn	£bn	£m	£m	£bn	£m	£m
Gross exposure						65,467	58,603		62,981	56,370
IFRS offset and clearing house settlements						(2,468)	(2,468)		(2,537)	(2,537)
Carrying value	2,711	3,728	6,267	1,401	14,107	62,999	56,135	13,918	60,444	53,833
Of which:										
Interest rate (1)	2,398	2,070	5,540	215	10,223	31,151	25,399	10,508	32,623	26,689
Exchange rate	312	1,650	720	1,186	3,868	31,789	30,611	3,395	27,755	26,973
Credit	1	8	7	-	16	59	125	15	66	171
Carrying value					14,107	62,999	56,135	13,918	60,444	53,833
Counterparty mark-to-market netting						(48,184)	(48,185)		(45,877)	(45,877)
Cash collateral						(9,325)	(4,621)		(9,104)	(4,241)
Securities collateral						(3,461)	(837)		(3,169)	(1,256)
Net exposure						2,029	2,492		2,294	2,459
Banks (2)						151	189		90	220
Other financial institutions (3)						1,345	1,110		1,502	1,119
Corporate (4)						503	1,179		669	1,098
Government (5)						30	14		33	22
Net exposure						2,029	2,492		2,294	2,459
UK						1,112	1,317		1,090	1,500
Europe						561	600		693	588
US						285	446		437	283
RoW						71	129		74	88
Net exposure						2,029	2,492		2,294	2,459
Asset quality of uncollateralised derivative assets										
AQ1-AQ4						1,710			1,856	
AQ5-AQ8						316			435	
AQ9-AQ10						3			3	
Net exposure						2,029			2,294	

(1) The notional amount of interest rate derivatives includes £8,490 billion (31 December 2025 – £8,191 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 drivers

Introduction

The portfolio segmentation and selection of economic 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 drivers uses empirical analysis and expert judgement.

The most significant economic 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

NWM Group uses the economic scenarios produced by NatWest Group. At 30 June 2026, 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.

At 30 June 2026, 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 inflation, interest rate, the labour market, asset price and economic growth, around which there remain pronounced levels of uncertainty.

Since 31 December 2025, the near-term economic growth outlook weakened, mainly due to rising energy prices following the Middle East conflict. To reflect the impact, changes have been made to the base case economic outlook. Inflation is expected to peak at approximately 4%. Real incomes are expected to come under pressure, with economic growth slowing to 1.0%.

The unemployment rate is assumed to peak higher at 5.5%. Given the risks of second round inflationary impacts, it is assumed that the bank rate is held at the current level of 3.75%. Asset price growth weakens due to weaker GDP growth and higher-than-anticipated interest rates.

At 30 June 2026, the extreme downside scenario was updated to further incorporate physical and transition climate risks, as detailed on the next page.

High-level narrative – potential developments, vulnerabilities and risks

Growth	**Outperformance** - above trend growth supported by consumer sentiment recovery	Upside
	Modest - soft in 2026, close to trend pace afterwards	Base case
	Stalling - economic and policy uncertainty lead to consumer caution which weighs on activity	Downside
	Extreme stress - extreme fall in GDP followed by a weak recovery	Extreme downside
Inflation	**Sticky** - strong growth and/or wage policies keep services inflation above target in medium term	Upside
	Reversal - ongoing progress against inflation halted, inflation rises to around 4%	Base case
	Slow - swift fall to lower levels as demand shock dominates	Downside
	Stagflation - crystallisation of physical risks, acceleration of transition policy, surging energy prices and second round impacts, leading to double digit inflation	Extreme downside
Labour market	**Recovery** - job growth rebounds strongly, reversing much of the recent rise in unemployment rate	Upside
	Cooling continues - gradual loosening continues into 2026, before improving	Base case
	Job shedding - redundancies, reduced hours, building slack	Downside
	Depression - unemployment hits levels close to previous peaks amid severe stress	Extreme downside
Rates short-term	**Careful** - cautious hikes in the face of higher growth and inflation	Upside
	Pause - rate cutting cycle on pause given the risk of second round inflation impacts	Base case
	Supportive - sharp declines to support recovery	Downside
	Sharp rise - sharp rates tightening in response to double digit inflation	Extreme downside
Rates long-term	**Above consensus** - 4%	Upside
	Flat - 3.75%	Base case
	Low - 2%	Downside
	High - around 4%	Extreme downside

Risk and capital management

Credit risk – Economics continued (reviewed)

Economic 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 2026					31 December 2025				
	Upside	Base case	Downside	Extreme downside	Weighted average	Upside	Base case	Downside	Extreme downside	Weighted average
Five-year summary (1,2)	%	%	%	%	%	%	%	%	%	%
GDP	**2.0**	**1.3**	**0.6**	**(0.3)**	**1.1**	2.1	1.4	0.5	0.1	1.2
Bank of England base rate	**4.0**	**3.8**	**1.9**	**5.5**	**3.7**	4.0	3.5	2.6	1.4	3.2
Stock price index	**9.0**	**4.1**	**2.5**	**(1.0)**	**4.4**	6.2	4.8	2.8	1.1	4.3
World GDP	**3.6**	**2.9**	**2.4**	**1.5**	**2.8**	3.7	3.1	2.5	2.2	3.0
Probability weight	**22.8**	**45.0**	**19.0**	**13.2**		22.4	45.0	19.5	13.1	

(1) The five-year summary runs from 2026-2030 for 30 June 2026 and from 2025-29 for 31 December 2025.
(2) The table shows compound annual growth rate (CAGR) for GDP, average levels for the Bank of England base rate and Q4 to Q4 CAGR for other parameters.

Climate risks

NWM Group follows NatWest Group's approach to climate risk. Since 2023, NWM Group has incorporated transition policy assumptions into the base case macroeconomic scenario. From Q1 2026, transition and physical climate risks have also been incorporated into the extreme downside scenario, reflecting the potential impacts of chronic physical risks on productivity and acute physical events risks on business activity, alongside higher emissions costs arising from more stringent transition policies. The Network of Central Banks and Supervisors for Greening the Financial System climate scenarios were used to calibrate the climate elements of the scenario. These enhancements did not have a material impact on total ECL, as overall severity of scenarios did not change materially. The sensitivity analysis on page 15 illustrates the impact on ECL of applying a 100% weighting to the extreme downside scenario, which incorporates a range of climate-related risks.

Credit risk – Economics continued (reviewed)

Economic drivers

Probability weightings of scenarios

NWM Group follows NatWest Group's approach to assign probability weights to scenarios. NWM Group applies a quantitative approach for IFRS 9 multiple economic scenarios by selecting specific discrete scenarios that represent the range of risks in the economic outlook and assigning appropriate probability weights.

The approach involves comparing GDP paths for NWM Group's scenarios against a set of model simulations to determine the percentile in the distribution that aligns most closely with each scenario.

The probability weight for the base case is determined first using expert judgement, while probability weights for the alternative scenarios are then assigned based on the percentiles scores mentioned above.

The assigned probability weights were judged to be aligned with the subjective assessment of the balance of the risks in the economy. Given the balance of risks that the economies in which NWM Group operates are exposed to, NWM Group judges it appropriate that downside-biased scenarios have higher combined probability weights than the upside-biased scenario. Compared to 31 December 2025, the scenario weights were broadly similar.

The weights present 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 22.8% weighting was applied to the upside scenario, a 45.0% weighting applied to the base case scenario, a 19.0% weighting applied to the downside scenario and a 13.2% weighting applied to the extreme downside scenario.

Worst points

	30 June 2026 (1)					31 December 2025 (1)				
	Downside %	Quarter	Extreme downside %	Quarter	Weighted average %	Downside %	Quarter	Extreme downside %	Quarter	Weighted average %
GDP	**(1.2)**	**Q2 2027**	**(4.3)**	**Q3 2027**	**-**	-	Q4 2027	(3.8)	Q4 2026	-
Bank of England base rate - extreme level	**1.5**	**Q2 2026**	**7.0**	**Q2 2027**	**3.9**	2.0	Q1 2025	0.1	Q1 2025	2.8
Stock price index	**(14.2)**	**Q4 2026**	**(45.1)**	**Q2 2027**	**-**	(6.7)	Q4 2026	(47.7)	Q4 2026	-

(1) The figures show falls relative to the starting period for GDP and stock price index. 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 2025 for 30 June 2026 scenarios and Q4 2024 for 31 December 2025 scenarios.

Risk and capital management

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

The recognition and measurement of ECL is complex and requires significant judgement and estimation, especially during times of economic volatility and uncertainty. This includes the formulation and incorporation of multiple forward-looking economic conditions into ECL to meet the measurement objectives of IFRS 9. The ECL provision is sensitive to the model inputs and economic assumptions used in the estimation.

Simulations were conducted to assess the impact of various economic scenarios, including base case, upside, downside and extreme downside scenarios. The potential ECL impacts reflected the simulated impact as at 30 June 2026. In the simulations, it was assumed that the macroeconomic variables associated with each scenario would 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 with the simulation affecting both probability of defaults and loss given defaults. Post model adjustments included in the ECL estimates were adjusted in line with the modelled ECL movements. However, adjustments that were judgemental in nature, such as those for deferred model calibrations and economic uncertainty, were not automatically recalculated. Instead, they will be re-evaluated by management through ECL governance for any new economic scenario outlook.

As expected, the scenarios created varying impacts on ECL by portfolio, and these impacts were deemed reasonable. The simulations assumed that existing modelled relationships between key economic variables and drivers would hold. However, in practice, other factors such as potential changes in customer behaviour and policy changes could also impact the wider availability of credit.

The focus of the simulations was on ECL provisioning requirements for performing exposures in Stage 1 and Stage 2. The simulations were run on a stand-alone basis and were independent of each other. Scenario impacts on significant increase in credit risk were considered when evaluating the ECL movements of Stage 1 and Stage 2.

Stage 3 provisions are not subject to the same level of measurement uncertainty, as default is an observed event as at the balance sheet date and defaulted loss given default is typically more impacted by borrower specific factors rather than economics. Therefore, Stage 3 provisions were not considered in this analysis.

30 June 2026	Actual	Base scenario	Moderate upside scenario	Downside scenario	Extreme downside scenario
Stage 1 modelled loans (£m)	26,642	26,661	26,674	26,640	24,313
Stage 1 modelled ECL (£m)	21	18	14	25	41
Stage 1 coverage (%)	0.08%	0.07%	0.05%	0.09%	0.17%
Stage 2 modelled loans (£m)	237	218	205	239	2,566
Stage 2 modelled ECL (£m)	8	7	6	9	39
Stage 2 coverage (%)	3.38%	3.21%	2.93%	3.77%	1.52%
Stage 1 and Stage 2 modelled loans (£m)	26,879	26,879	26,879	26,879	26,879
Stage 1 and Stage 2 modelled ECL (£m)	29	25	20	34	80
Stage 1 and Stage 2 coverage (%)	0.11%	0.09%	0.07%	0.13%	0.30%
Variance - (lower)/higher to actual total Stage 1 and Stage 2 ECL (£m)	-	(4)	(8)	5	51
Reconciliation to Stage 1 and Stage 2 flow exposure (£m)					
Modelled loans	26,879	26,879	26,879	26,879	26,879
Other asset classes	35,127	35,127	35,127	35,127	35,127

(1) Refer to the NatWest Markets Plc 2025 Annual Report and Accounts for 31 December 2025 comparatives.

ECL post model adjustments

For H1 2026, the economic uncertainty post model adjustment decreased to £5 million (31 December 2025 – £10 million) with £2 million in Stage 1 and £3 million in Stage 2 (31 December 2025 – £7 million (Stage 1) and £3 million (Stage 2)).

Credit risk – Banking activities (reviewed)

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

Portfolio summary

The table below shows loans and off-balance sheet exposures gross of ECL and related ECL provisions by sector. For further analysis, refer to Note 8 to the consolidated financial statements.

	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
30 June 2026	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financial institutions (1)	**27,249**	**108**	**-**	**27,357**	**8,507**	**513**	**14**	**2**	**-**	**16**
Sovereign	**51**	**-**	**-**	**51**	**-**	**-**	**1**	**-**	**-**	**1**
Corporate & Other	**934**	**137**	**24**	**1,095**	**6,969**	**14**	**6**	**6**	**17**	**29**
Total	**28,234**	**245**	**24**	**28,503**	**15,476**	**527**	**21**	**8**	**17**	**46**
31 December 2025										
Financial institutions (1)	23,322	85	-	23,407	8,410	587	22	2	-	24
Sovereign	292	-	-	292	-	-	1	-	-	1
Corporate & Other	893	129	22	1,044	6,772	19	5	6	15	26
Total	24,507	214	22	24,743	15,182	606	28	8	15	51

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

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
NWM Group	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2026	**57,073**	**28**	**248**	**8**	**22**	**15**	**57,343**	**51**
Currency translation and other adjustments	**51**	**-**	**(4)**	**-**	**-**	**-**	**47**	**-**
Transfers from Stage 1 to Stage 2	**(168)**	**(1)**	**168**	**1**	**-**	**-**	**-**	**-**
Transfers from Stage 2 to Stage 1	**146**	**3**	**(146)**	**(3)**	**-**	**-**	**-**	**-**
Transfers to Stage 3	**-**	**-**	**(5)**	**-**	**5**	**-**	**-**	**-**
Net re-measurement of ECL on stage transfer		**(2)**		**2**		**3**		**3**
Changes in risk parameters		**(11)**		**-**		**-**		**(11)**
Other changes in net exposure	**4,648**	**4**	**(5)**	**-**	**(2)**	**-**	**4,641**	**4**
Other (P&L only items)		**-**		**-**		**(1)**		**(1)**
Income statement releases		**(9)**		**2**		**2**		**(5)**
Amounts written-off		**-**		**-**	**(1)**	**(1)**	**(1)**	**(1)**
At 30 June 2026	**61,750**	**21**	**256**	**8**	**24**	**17**	**62,030**	**46**
Net carrying amount	**61,729**		**248**		**7**		**61,984**	
At 1 January 2025	52,474	25	349	5	53	17	52,876	47
2025 movements	(740)	-	(38)	(1)	(3)	(1)	(781)	(2)
At 30 June 2025	51,734	25	311	4	50	16	52,095	45
Net carrying amount	51,709	-	307	-	34	-	52,050	-

Condensed consolidated income statement
for the half year ended 30 June 2026 (unaudited)

	Half year ended	
	30 June 2026 £m	30 June 2025 £m
Interest receivable	**1,297**	1,288
Interest payable	**(1,047)**	(1,044)
Net interest income	**250**	244
Fees and commissions receivable	**227**	229
Fees and commissions payable	**(85)**	(102)
Income from trading activities	**326**	391
Other operating income	**74**	-
Non-interest income	**542**	518
Total income	**792**	762
Staff costs	**(273)**	(265)
Premises and equipment	**(41)**	(36)
Other administrative expenses	**(433)**	(360)
Depreciation and amortisation	**(5)**	(6)
Operating expenses	**(752)**	(667)
Profit before impairment releases	**40**	95
Impairment releases	**5**	3
Operating profit before tax	**45**	98
Tax credit/ (charge)	**32**	(9)
Profit for the period	**77**	89
Attributable to:		
Ordinary shareholders	**32**	26
Paid-in equity holders	**45**	63
	77	89

Condensed consolidated statement of comprehensive income
for the half year ended 30 June 2026 (unaudited)

	Half year ended	
	30 June 2026 £m	30 June 2025 £m
Profit for the period	**77**	89
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)	**7**	(1)
Fair value through other comprehensive income (FVOCI) financial assets	**-**	13
Tax	**4**	1
	8	10
Items that do qualify for reclassification		
FVOCI financial assets	**-**	-
Cash flow hedges (1)	**(65)**	101
Currency translation	**(63)**	(63)
Tax	**16**	(31)
	(112)	7
Other comprehensive (losses)/income after tax	**(104)**	17
Total comprehensive (losses)/income for the period	**(27)**	106
Attributable to:		
Ordinary shareholders	**(72)**	43
Paid-in equity holders	**45**	63
	(27)	106

(1) Refer to footnotes 1 and 2 of the consolidated statement of changes in equity.

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

	30 June 2026 £m	31 December 2025 £m
Assets		
Cash and balances at central banks	**18,133**	16,023
Trading assets	**47,167**	46,174
Derivatives	**63,406**	60,866
Settlement balances	**10,095**	643
Loans to banks - amortised cost	**1,095**	1,221
Loans to customers - amortised cost	**27,440**	23,454
Amounts due from holding company and fellow subsidiaries	**521**	287
Other financial assets	**18,235**	19,084
Other assets	**624**	619
Total assets	**186,716**	168,371
Liabilities		
Bank deposits	**9,654**	8,501
Customer deposits	**9,734**	7,161
Amounts due to holding company and fellow subsidiaries	**5,893**	6,068
Settlement balances	**9,624**	932
Trading liabilities	**50,533**	48,847
Derivatives	**56,336**	53,977
Other financial liabilities	**37,552**	35,453
Other liabilities	**511**	469
Total liabilities	**179,837**	161,408
Owners' equity	**6,879**	6,963
Total liabilities and equity	**186,716**	168,371

Condensed consolidated statement of changes in equity
for the half year ended 30 June 2026 (unaudited)

	Half year ended	
	30 June 2026 £m	30 June 2025 £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	**1,192**	1,496
Issued	**-**	600
At end of period	**1,192**	2,096
Merger reserve - at beginning of period	**(8)**	(11)
Amortisation	**1**	1
At end of period	**(7)**	(10)
FVOCI reserve - at beginning of period	**37**	25
Unrealised gains	**6**	15
Realised gains	**(6)**	(3)
Tax	**3**	(1)
At end of period	**40**	36
Cash flow hedging reserve - at beginning of period	**(91)**	(177)
Amount recognised in equity (1)	**(150)**	(19)
Reclassification of OCI to P&L (2)	**85**	120
Tax	**16**	(30)
At end of period	**(140)**	(106)
Foreign exchange reserve - at beginning of period	**110**	87
Retranslation of net assets	**(29)**	(94)
Foreign currency gains on hedges of net assets	**5**	31
Recycled to profit or loss on disposal of businesses	**(39)**	-
At end of period	**47**	24
Retained earnings - at beginning of period	**3,377**	3,163
Profit attributable to ordinary shareholders and other equity owners	**77**	89
Paid-in equity dividends paid	**(45)**	(63)
Remeasurement of retirement benefit schemes		
- gross	**(3)**	(3)
- tax	**2**	1
Realised gains in period on FVOCI equity shares	**-**	1
Changes in fair value of financial liabilities designated at FVTPL due to changes in credit risk		
- gross	**7**	(1)
- tax	**(1)**	-
Share-based payments	**(11)**	(5)
Sharing in success	**(1)**	-
Amortisation of merger reserve	**(1)**	(1)
At end of period	**3,401**	3,181
Total equity at end of period	**6,879**	7,567
Attributable to:		
Ordinary shareholders	**5,687**	5,471
Paid-in equity holders	**1,192**	2,096
	6,879	7,567

(1) The change in the cash flow hedging reserve is driven by realised accrued interest transferred into the income statement and an increase in swap rates in the period. The portfolio of hedging instruments are predominantly receive fixed swaps.
(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 2026 (unaudited)

	Half year ended	
	30 June 2026 £m	30 June 2025 £m
Cash flows from operating activities		
Operating profit before tax	**45**	98
Adjustments for non-cash and other items	**(94)**	(721)
Net cash flows from trading activities	**(49)**	(623)
Changes in operating assets and liabilities	**2,691**	(169)
Net cash flows from operating activities before tax	**2,642**	(792)
Income taxes received	**41**	2
Net cash flows from operating activities	**2,683**	(790)
Net cash flows from investing activities	**1,392**	1,382
Net cash flows from financing activities	**(433)**	843
Effects of exchange rate changes on cash and cash equivalents	**(113)**	130
Net increase in cash and cash equivalents	**3,529**	1,565
Cash and cash equivalents at beginning of period	**21,657**	24,536
Cash and cash equivalents at end of period	**25,186**	26,101

Notes

1. Presentation of condensed consolidated financial statements

The condensed consolidated financial statements should be read in conjunction with the NatWest Markets Plc 2025 Annual Report and Accounts. The accounting policies are the same as those applied in the consolidated financial statements, except for the adoption of new standards effective as of 1 January 2026. NWM Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated financial statements include the related notes, as well as the information marked as 'reviewed' within pages 4 to 17.

The Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7 – issued May 2024) were adopted on 1 January 2026. NWM Group has made an accounting policy election to derecognise financial liabilities before the settlement date where they are settled using electronic payment systems that satisfy the specified conditions in IFRS 9. The amendments had no material impact on the financial performance or position of the NWM Group.

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).

2. Non-interest income

	Half year ended	
	30 June	30 June
	2026	2025
Analysis of net fees and commissions	**£m**	£m
Fees and commissions receivable		
- Lending and financing	**61**	51
- Brokerage	**25**	27
- Underwriting fees	**91**	88
- Other	**50**	63
Total	**227**	229
Fees and commissions payable	**(85)**	(102)
Net fees and commissions	**142**	127
Income from trading activities		
Foreign exchange	**168**	175
Interest rate	**144**	151
Credit	**12**	62
Changes in fair value of own debt and derivative liabilities attributable to own credit risk		
- debt securities in issue and derivative liabilities	**2**	3
	326	391
Other operating income		
Changes in fair value of financial assets and liabilities designated at FVTPL (1)	**(79)**	(83)
Foreign exchange recycling gains (2)	**40**	-
Other income (3)	**113**	83
	74	-
Total	**542**	518

(1) Includes related derivatives.
(2) Relates to Foreign exchange reserves recycling arising from capital actions during the period.
(3) 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 2026 £m	30 June 2025 £m
Salaries and other staff costs	149	146
Temporary and contract costs	8	11
Social security costs	29	27
Bonus awards	77	74
Pension costs	10	7
- defined benefit schemes	(2)	(5)
- defined contribution schemes	12	12
Staff costs	273	265
Premises and equipment	41	36
Depreciation and amortisation	5	6
Other administrative expenses (1)	433	360
Administrative expenses	479	402
Total	752	667

(1) Includes £328 million (30 June 2025 - £285 million) of recharges from other NatWest Group entities, mainly NWB Plc which provides the majority of shared services (including technology) and operational processes.

4. Tax

The actual tax credit differs from the expected tax credit computed by applying the standard UK corporation tax rate of 25% (2025 - 25%), as analysed below:

	Half year ended	
	30 June 2026 £m	30 June 2025 £m
Profit before tax	45	98
Expected tax charge	(11)	(25)
Foreign profits taxed at other rates	(3)	(2)
Items not allowed for tax:		
- losses on disposals and write-downs	(3)	-
- UK bank levy	(3)	(4)
- regulatory and legal actions	(2)	(16)
- other disallowable items	(2)	-
Non-taxable items:		
- RPI-related uplift on index-linked gilts	17	9
Unrecognised losses brought forward and utilised	22	18
Banking surcharge	5	(1)
Tax on paid-in equity dividends	10	10
Adjustments in respect of prior years	2	2
Actual tax credit/(charge)	32	(9)

At 30 June 2026, NWM Group has recognised a deferred tax asset of £188 million (31 December 2025 - £187 million) and a deferred tax liability of £40 million (31 December 2025 - £42 million). These amounts include deferred tax assets recognised in respect of trading losses of £121 million (31 December 2025 - £132 million). NWM Group has considered the carrying value of these assets as at 30 June 2026 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				18,133		18,133
Trading assets	47,167					47,167
Derivatives (1)	63,406					63,406
Settlement balances				10,095		10,095
Loans to banks - amortised cost (2)				1,095		1,095
Loans to customers - amortised cost				27,440		27,440
Amounts due from holding company and fellow subsidiaries	247	-	-	215	59	521
Other financial assets	45	3	7,003	11,184		18,235
Other assets					624	624
30 June 2026	110,865	3	7,003	68,162	683	186,716
Cash and balances at central banks				16,023		16,023
Trading assets	46,174					46,174
Derivatives (1)	60,866					60,866
Settlement balances				643		643
Loans to banks - amortised cost (2)				1,221		1,221
Loans to customers - amortised cost				23,454		23,454
Amounts due from holding company and fellow subsidiaries	3	-	-	216	68	287
Other financial assets	46	3	6,349	12,686		19,084
Other assets					619	619
31 December 2025	107,089	3	6,349	54,243	687	168,371

	Held-for-trading £m	DFV £m	Amortised cost £m	Other liabilities £m	Total £m
Liabilities					
Bank deposits (3)			9,654		9,654
Customer deposits			9,734		9,734
Amounts due to holding company and fellow subsidiaries	406	-	5,442	45	5,893
Settlement balances			9,624		9,624
Trading liabilities	50,533				50,533
Derivatives (1)	56,336				56,336
Other financial liabilities (5)	-	5,020	32,532		37,552
Other liabilities (4)			38	473	511
30 June 2026	107,275	5,020	67,024	518	179,837
Bank deposits (3)			8,501		8,501
Customer deposits			7,161		7,161
Amounts due to holding company and fellow subsidiaries	280	-	5,706	82	6,068
Settlement balances			932		932
Trading liabilities	48,847				48,847
Derivatives (1)	53,977				53,977
Other financial liabilities (5)	-	4,854	30,599		35,453
Other liabilities (4)			38	431	469
31 December 2025	103,104	4,854	52,937	513	161,408

(1) Includes net hedging derivative assets of £302 million (31 December 2025 - £348 million) and net hedging derivative liabilities of £332 million (31 December 2025 - £326 million).
(2) Includes items in the course of collection from other banks of £328 million (31 December 2025 - £107 million).
(3) Includes items in the course of transmission to other banks of £174 million (31 December 2025 - £182 million).
(4) Includes lease liabilities of £34 million (31 December 2025 - £33 million), held at amortised cost.
(5) Other financial liabilities increased by £2.1 billion in the period. NWM Plc issued medium term debt securities in public benchmark transactions amounting to £3.7 billion, which were offset by maturities of £3.9 billion. Funding was also raised in other formats including structured note issuance, commercial paper and certificates of deposit.

Notes

6. 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 the NatWest Markets Plc 2025 Annual Report and Accounts. Valuation, sensitivity methodologies and inputs at 30 June 2026 are consistent with those described in Note 10 to the financial statements in the NatWest Markets Plc 2025 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 2026				31 December 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Assets								
Trading assets								
Loans	-	28,990	89	29,079	-	33,489	96	33,585
Securities	13,811	4,277	-	18,088	9,273	3,316	-	12,589
Derivatives								
Interest rate	-	31,201	344	31,545	-	32,650	369	33,019
Foreign exchange	-	31,712	90	31,802	-	27,678	103	27,781
Other	-	47	12	59	-	57	9	66
Amounts due from holding company and fellow subsidiaries	-	247	-	247	-	3	-	3
Other financial assets								
Loans	-	-	258	258	-	-	142	142
Securities	3,753	2,985	55	6,793	4,232	1,930	94	6,256
Total financial assets held at fair value	17,564	99,459	848	117,871	13,505	99,123	813	113,441
As % of total fair value assets	15%	84%	1%		12%	87%	1%	
Liabilities								
Amounts due to holding company and fellow subsidiaries	-	406	-	406	-	280	-	280
Trading liabilities								
Deposits	-	40,295	-	40,295	-	41,109	-	41,109
Debt securities in issue	-	215	-	215	-	234	-	234
Short positions	8,174	1,848	1	10,023	6,172	1,331	1	7,504
Derivatives								
Interest rate	-	25,373	184	25,557	-	26,642	171	26,813
Foreign exchange	-	30,602	52	30,654	-	26,939	54	26,993
Other	-	97	28	125	-	115	56	171
Other financial liabilities								
Deposits	-	2,424	25	2,449	-	2,285	27	2,312
Debt securities in issue	-	2,338	3	2,341	-	2,302	3	2,305
Subordinated liabilities	-	230	-	230	-	237	-	237
Total financial liabilities held at fair value	8,174	103,828	293	112,295	6,172	101,474	312	107,958
As % of total fair value liabilities	7%	93%	0%		6%	94%	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 mandatory 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.

6. Financial instruments – valuation continued

Valuation adjustments

NWM Group manages some portfolios of financial assets and financial liabilities based on its net exposure to either market or credit risk. In these cases, the fair value is derived from the net risk exposure of that portfolio with portfolio level adjustment applied to incorporate bid-offer spreads, counterparty credit risk, and funding costs.

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 105 of the NatWest Markets Plc 2025 Annual Report and Accounts.

	30 June 2026 £m	31 December 2025 £m
Funding valuation adjustments (FVA)	**(16)**	(11)
Credit valuation adjustments (CVA)	**174**	178
Bid-offer	**40**	40
Product and deal specific	**96**	124
Total	**294**	331

The decrease in FVA and CVA was driven by exposure changes arising from the increase in interest rates. The decrease in product and deal specific was driven by the amortisation of deferred trade inception profits.

Level 3 sensitivities

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

	30 June 2026			31 December 2025		
	Level 3 £m	Favourable £m	Unfavourable £m	Level 3 £m	Favourable £m	Unfavourable £m
Assets						
Trading assets						
Loans	**89**	**-**	**-**	96	-	-
Derivatives						
Interest rate	**344**	**20**	**(10)**	369	20	(20)
Foreign exchange	**90**	**-**	**-**	103	-	-
Other	**12**	**-**	**-**	9	-	-
Other financial assets						
Loans	**258**	**-**	**-**	142	-	-
Securities	**55**	**10**	**(10)**	94	10	(10)
Total	**848**	**30**	**(20)**	813	30	(30)
Liabilities						
Trading liabilities						
Short positions	**1**	**-**	**-**	1	-	-
Derivatives						
Interest rate	**184**	**10**	**(10)**	171	10	(10)
Foreign exchange	**52**	**-**	**-**	54	-	-
Other	**28**	**-**	**-**	56	-	-
Other financial liabilities						
Debt securities in issue	**3**	**-**	**-**	3	-	-
Deposits	**25**	**-**	**-**	27	-	-
Total	**293**	**10**	**(10)**	312	10	(10)

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

6. Financial instruments - valuation continued

Movement in level 3 assets and liabilities

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

2026	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	481	96	236	813	281	1	30	312
Amounts recorded in the income statement (1)	(30)	1	(1)	(30)	(28)	-	-	(28)
Amount recorded in the statement of comprehensive income	-	-	1	1	-	-	-	-
Level 3 transfers in	41	-	41	82	20	-	-	20
Level 3 transfers out	(50)	-	(41)	(91)	(1)	-	-	(1)
Purchases/originations	39	3	78	120	22	-	-	22
Settlements/other decreases	(1)	(11)	-	(12)	(14)	-	-	(14)
Sales	(33)	-	-	(33)	(17)	-	-	(17)
Foreign exchange and other adjustments	(1)	-	(1)	(2)	1	-	(2)	(1)
At 30 June	446	89	313	848	264	1	28	293
Amounts recorded in the income statement in respect of balance held at period end:								
- unrealised	66	1	(1)	66	17	-	-	17

2025	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	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	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)

(1) Net losses on trading assets and liabilities of £1 million (30 June 2025 – £34 million net gains) were recorded in income from trading activities. Net losses on other instruments of £1 million (30 June 2025 – £2 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.
(4) During the period ended 30 June 2026, transfers into and out of level 3 included the following:
- £61 million of assets and liabilities transferred into level 3 driven by decrease in observability of swaps and increase in the proportion of trades with unobservable inputs in structured netting; and
- £51 million of assets and liabilities transferred out of level 3 driven by increase in observability of inputs.

Notes

7. Trading assets and liabilities

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

	30 June 2026 £m	31 December 2025 £m
Assets		
Loans		
Reverse repos	**22,704**	27,656
Cash Collateral given	**6,016**	5,635
Other loans	**359**	294
Total loans	**29,079**	33,585
Securities		
Central and local government		
- UK	**2,508**	1,808
- US	**4,129**	4,153
- Other	**8,380**	4,135
Financial institutions and Corporate	**3,071**	2,493
Total securities	**18,088**	12,589
Total	**47,167**	46,174
Liabilities		
Deposits		
Repos	**27,626**	28,578
Cash Collateral received	**11,785**	11,792
Other deposits	**884**	739
Total deposits	**40,295**	41,109
Debt securities in issue	**215**	234
Short positions		
Central and local government		
- UK	**2,411**	1,504
- US	**2,100**	1,161
- Other	**4,954**	4,137
Financial institutions and Corporate	**558**	702
Total short positions	**10,023**	7,504
Total	**50,533**	48,847

Notes

8. 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 2026 £m	31 December 2025 £m
Loans - amortised cost and FVOCI		
Stage 1	**28,234**	24,507
Stage 2	**245**	214
Stage 3	**24**	22
Of which: individual	***17***	*15*
Of which: collective	***7***	*7*
Inter-group (1)	**206**	216
Total	**28,709**	24,959
ECL provisions		
Stage 1	**21**	28
Stage 2	**8**	8
Stage 3	**17**	15
Of which: individual	***10***	*8*
Of which: collective	***7***	*7*
Inter-group	**-**	-
Total	**46**	51
ECL provisions coverage (2)		
Stage 1 (%)	**0.07**	0.11
Stage 2 (%)	**3.27**	3.74
Stage 3 (%)	**70.83**	68.18
Inter-group (%)	**-**	-
Total	**0.16**	0.21

	Half year ended	
	30 June 2026 £m	30 June 2025 £m
Impairment releases		
ECL release		
Stage 1	**(9)**	(1)
Stage 2	**2**	-
Stage 3	**2**	(2)
Of which: individual	***2***	*(2)*
Of which: collective	***-***	*-*
Third party	**(5)**	(3)
Total	**(5)**	(3)
Amounts written-off	**1**	-

(1) NWM Group's intercompany assets were classified in Stage 1. The ECL for these loans was £0.2 million (31 December 2025 – £0.1 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 45 of the NatWest Markets Plc 2025 Annual Report and Accounts. Other financial assets within the scope of the IFRS 9 ECL framework were cash and balances at central banks totalling £18.1 billion (31 December 2025 – £16.0 billion) and debt securities of £18.0 billion (31 December 2025 – £18.9 billion).

Notes

9. Provisions for liabilities and charges

	Litigation and other regulatory £m	Other (1) £m	Total £m
At 1 January 2026	**45**	**40**	**85**
Currency translation and other movements	**1**	**-**	**1**
Charge to income statement	**9**	**62**	**71**
Release to income statement	**(3)**	**(2)**	**(5)**
Provisions utilised	**-**	**(10)**	**(10)**
At 30 June 2026	**52**	**90**	**142**

(1) Materially comprises provisions relating to restructuring costs, historical VAT matters 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.

10. 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 2026. 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 2026 £m	31 December 2025 £m
Contingent liabilities and commitments		
Guarantees	**513**	591
Other contingent liabilities	**13**	16
Standby facilities, credit lines and other commitments	**15,473**	15,176
Total	**15,999**	15,783

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 2026 the deposits amounted to £0.1 billion and the guaranteed fees in the period were £0.2 million.
- The provision of unfunded guarantees by NWM Plc in respect of NWM N.V.'s legacy portfolio. At 30 June 2026 the exposure at default covered by the guarantees was approximately £7 million (of which none was cash collateralised). Fees recognised in the period in relation to the guarantees were immaterial.

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

11. 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 9 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 163 to 165 of the NatWest Markets Plc 2025 Annual Report and Accounts.

Litigation

London Interbank Offered Rate (LIBOR) and other rates litigation

NatWest Group plc and certain other members of NatWest Group, including NWM 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 certain members of NatWest Group 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 two non-class actions.

On 25 September 2025, the SDNY granted summary judgment to the defendants on the issue of liability and dismissed all claims in both the class action and the non-class actions. The decision is being appealed in the United States Court of Appeals for the Second Circuit (US Court of Appeals).

In addition to the USD LIBOR cases described above, there are two other IBOR-related class actions involving NWM Plc. First, 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 US Court of Appeals.

Second, there is a class action concerning alleged manipulation of Euribor. On 22 August 2025, the US Court of Appeals reversed the SDNY's decision in the Euribor case, reinstating claims against NWM plc. That case has therefore returned to the SDNY for further proceedings.

11. Litigation and regulatory matters continued

Foreign exchange litigation

NatWest Group plc, NWM Plc and/or NWMSI 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.

In May 2025, NWM Plc executed an agreement to settle the claim in the Federal Court of Australia, which the court approved in August 2025. The settlement amount is covered in full by an existing provision. In July 2026, the court formally dismissed the claim.

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 either application as collective proceedings on an opt-out basis. This decision was appealed by the applicants and was the subject of an application for judicial review. The CAT, in its judgment, allowed the applicants three months in which to reformulate their claims as opt-in claims.

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.

In December 2025, the UK Supreme Court reinstated the CAT's decision to refuse the application for a collective proceedings order on an opt-out basis. The applicant is seeking permission from the CAT to file a revised application for a collective proceedings order. NatWest Group plc and NWM Plc have made an application to the CAT for dismissal of the application for a collective proceedings order in its entirety.

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.

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.

11. Litigation and regulatory matters continued

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 and, in March 2026, defendants filed a motion for summary judgment seeking dismissal of the claims, which is pending.

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 a January 2024 decision by the SDNY 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.

The case in New Mexico (which had been stayed pending the appeal of the SDNY's decision) has now resumed. The defendants have filed a motion to dismiss, which is pending.

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. The motion to dismiss remains pending.

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.

In the lead matters, filed in the United States District Court for the Eastern District of New York ('EDNY') the district court has dismissed both conspiracy and aiding abetting claims finding that the claims were deficient for several reasons, including lack of sufficient allegations as to the alleged conspiracy and causation.

11. Litigation and regulatory matters continued

In January 2023, the US Court of Appeals affirmed the district court's dismissal of conspiracy-based claims. The district court's dismissal of aiding and abetting claims is subject to a potential future appeal to the US Court of Appeals.

On 30 September 2025, the district court denied a motion by the plaintiffs to re-open the case to assert aiding and abetting claims that they previously did not assert. 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 EDNY cases, but remains subject to appeal to the US Court of Appeals.

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

Tandanor Litigation in Argentina

In October 2012, a claim was filed in the District Court of Buenos Aires by 'Argentina Talleres Navales Dársena Norte Sociedad Anónima Comercial, Industrial y Naviera' ("Tandanor") (a naval repair business) against what is now the Representative Office of The Royal Bank of Scotland NV, Argentine Branch (in liquidation) (the "Representative Office") and eleven private individuals. (The Representative Office inherited the claim from Banco Holandés Unido, Argentine Branch.) The claim, which was unquantified, sought damages for alleged fraudulent conduct during Tandanor's privatisation, which concluded in 1993. The Representative Office's participation in the privatisation was 2.9%. The Argentine Ministry of Defence joined Tandanor as a plaintiff in 2014.

The claim was dismissed on limitation grounds in 2018, and the plaintiffs were unsuccessful in subsequent appeals. In November 2024, however, the Argentine Supreme Court set the appealed judgments aside and, in June 2025, the Argentine Federal Court of Appeal returned the case to the Argentine Federal District Court for further consideration. In December 2025, the plaintiffs filed an update quantifying damages at USD1.1 billion. The Representative Office continues to defend the claim and has requested a hearing.

Oracle Securities Litigation

In January and February 2026, two substantially similar class action complaints were filed in New York state court against Oracle Corporation and the underwriters of a September 2025 bond offering by Oracle, including NWMSI. On 4 March 2026, an amended complaint consolidated both actions. The consolidated amended complaint alleges that the offering documents for the September 2025 bonds were materially misleading because they failed to disclose that, at the time of the bond offering, Oracle was already planning to further increase its debt to fund its Artificial Intelligence (AI) infrastructure expansion. Defendants (including NWMSI) have filed a motion to dismiss the consolidated amended complaint, which is pending.

Separately, in July 2026, two class action complaints were filed in Tennessee state court against Oracle and the underwriters, including NWMSI, one relating to the September 2025 bond offering and the other relating to a February 2026 bond offering by Oracle. The complaints allege that the offering documents for the September 2025 and February 2026 bonds were materially misleading because Oracle's stated revenue expectations allegedly failed to disclose that OpenAI had missed internal revenue and user-growth targets in 2025 and early 2026, raising concerns about OpenAI's ability to meet its payment obligations and, in turn, Oracle's ability to realise expected returns on its AI-related investment and to service its debt (including the September 2025 and February 2026 bonds).

In both the New York matter and the Tennessee matters, the plaintiffs seek damages under the U.S. Securities Act of 1933 as amended, (the 'Securities Act') on behalf of those who purchased Oracle's bonds. In connection with both the September 2025 bond offering and the February 2026 bond offering, Oracle agreed to indemnify the underwriters against certain potential liabilities, including disclosure-based liability under the Securities Act.

Regulatory matters (including investigations and customer redress programmes)

NWM Group's businesses and 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 has 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.

11. Litigation and regulatory matters continued

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 Plc 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, determined that a monitorship was no longer necessary as a result of NWM Plc's notable progress in strengthening its compliance programme, certain of NWM Plc s remedial improvements, internal controls, and the status of implementation of Monitor recommendations, and that reporting by NWM Plc to the DOJ and USAO CT on its continued compliance programme progress provided an appropriate degree of oversight. The court approved the agreement and extended NWM Plc's obligations under the plea agreement and probation until December 2026.

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, 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 417 to 419 of the NatWest Group plc 2025 Annual Report and Accounts.

Notes

12. Related party transactions

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 interests 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.

The nature of related party transactions in H1 2026 were similar to those disclosed in the NatWest Markets Plc 2025 Annual Report and Accounts.

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 2026			31 December 2025		
	Holding company	Fellow subsidiaries	Total	Holding company	Fellow subsidiaries	Total
	£m	£m	£m	£m	£m	£m
Assets						
Trading assets	-	247	247	-	3	3
Settlement balances	-	10	10	-	-	-
Loans to banks - amortised cost	-	189	189	-	200	200
Loans to customers - amortised cost	16	-	16	16	-	16
Other assets	-	59	59	-	68	68
Amounts due from holding company and fellow subsidiaries	16	505	521	16	271	287
Derivatives (1)	241	166	407	219	203	422
Liabilities						
Bank deposits - amortised cost	-	111	111	-	267	267
Customer deposits - amortised cost	-	132	132	-	42	42
Trading liabilities	199	207	406	192	88	280
Settlement balances	-	86	86	-	-	-
Other financial liabilities - subordinated liabilities	1,062	-	1,062	1,066	-	1,066
MREL instruments issued to NatWest Group plc	4,043	-	4,043	4,323	-	4,323
Other liabilities	-	53	53	-	90	90
Amounts due to holding company and fellow subsidiaries	5,304	589	5,893	5,581	487	6,068
Derivatives (1)	41	160	201	28	116	144

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

13. Post balance sheet events

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

14. Date of approval

This announcement was approved by the Board of Directors on 30 July 2026.

Independent review report to NatWest Markets Plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed NatWest Markets Plc's condensed consolidated interim financial statements (the "interim financial statements") in the NatWest Markets Group Interim Results 2026 of NatWest Markets Plc for the 6 month period ended 30 June 2026 (the "period").

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

The interim financial statements comprise:

- the condensed consolidated balance sheet as at 30 June 2026;
- the condensed consolidated income statement for the period then ended;
- the condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended;
- the condensed consolidated cash flow statement for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the NatWest Markets Group Interim Results 2026 of NatWest Markets Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', International Accounting Standard 34, 'Interim Financial Reporting' as issued by the IASB and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). 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.

We have read the other information contained in the NatWest Markets Group Interim Results 2026 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

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 the directors have inappropriately adopted the going concern basis of accounting or that the directors 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 ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The NatWest Markets Group Interim Results 2026, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the NatWest Markets Group Interim Results 2026 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the NatWest Markets Group Interim Results 2026, including the interim financial statements, 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.

Our responsibility is to express a conclusion on the interim financial statements in the NatWest Markets Group Interim Results 2026 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of this report

This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
30 July 2026

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 151 to 168 of the NatWest Markets Plc 2025 Annual Report and Accounts and pages 16 to 41 of the NatWest Markets Plc Registration Document dated 16 March 2026 (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, protectionist policies, 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.
- NWM Group operates in markets that are highly competitive, with competitive pressures and technology disruption.
- The transfer of NatWest Group's EU 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 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.
- NWM Group could be adversely affected if NatWest Group fails to meet the requirements of regulatory stress tests, or if NatWest Group's resolution preparations are deemed 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.

NatWest Markets Plc Summary Risk Factors

Summary of Principal risks and uncertainties continued

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.

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 (including NWM Group) strategy relating to climate and sustainability is subject to execution and reputational risks. NatWest Group's (including NWM Group) climate and sustainability-related ambitions, targets and commitments may not be achieved, and NatWest Group's climate transition plan may not be implemented, without timely and appropriate government policy, technology developments, and suppliers, customers and society supporting the transition.
- There are significant limitations related to accessing accurate, reliable, verifiable, auditable, consistent and comparable climate and sustainability-related data that contribute to substantial uncertainties in accurately assessing, managing and reporting on climate and sustainability-related information and risks, as well as making informed decisions.
- NWM Group is subject to an increasingly complex and evolving landscape of climate and sustainability-related legal, regulatory, and supervisory expectations and there is an increasing risk of regulatory non-compliance, investigations, litigation, and enforcement actions.

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) and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority;
- 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

John Devine Chair	Simon Lowe Chief Financial Officer

30 July 2026

Board of directors

Chair	Executive directors	Non-executive directors
John Devine	Jonathan Peberdy	Rupert Hume-Kendall
	Simon Lowe	Thierry Roland
		Tamsin Rowe
		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), 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 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, premises and equipment 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 2026			30 June 2025		
	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**	**253**	**273**	20	245	265
Premises and equipment	**5**	**36**	**41**	-	36	36
Other administrative expenses	**20**	**413**	**433**	45	315	360
Depreciation and amortisation	**-**	**5**	**5**	-	6	6
Total	**45**	**707**	**752**	65	602	667

	Quarter ended		
	30 June 2026		
	Litigation and conduct costs	**Other operating expenses**	**Statutory operating expenses**
	£m	**£m**	**£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		
	31 March 2026		
	Litigation and conduct costs	Other operating expenses	Statutory operating expenses
	£m	£m	£m
Staff costs	10	126	136
Premises and equipment	3	19	22
Other administrative expenses	6	186	192
Depreciation and amortisation	-	3	3
Total	19	334	353

	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
Other administrative expenses	22	175	197
Depreciation and amortisation	-	3	3
Total	33	311	344

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 '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.

Contact

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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, climate and sustainability-related ambitions, targets and commitments 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 ambitions, targets, commitments and metrics, including in relation to initiatives to transition to a net zero economy, climate and transition 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 the NatWest Markets Plc 2025 Annual Report and Accounts, NWM Group's Interim Management Statements for Q1 and H1 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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