



Performance highlights	£188m	£(78)m	£24.7bn	21.1%
NatWest Markets continued to make good progress on refocusing to better support NatWest Group's customers and to create a more sustainable business.	Total Income ¹	Loss before tax ¹	Risk Weighted Assets	CET1 Capital ratio vs medium term target of above 15%
	4.9%	44.8%	233%	£16.5bn
	Leverage ratio ² vs at least 4% medium term target	MREL ratio vs at least 30% medium term target	Liquidity coverage ratio	Liquidity portfolio

Key messages

- Building on the momentum gained in 2020, NWM announced further changes to simply how we operate in the first quarter of 2021, and we updated the business on our plans to consolidate our operational footprint in Asia. We announced the last part of our One Bank operating model to bring teams and expertise together across NatWest Group.
- During the quarter we maintained our strong performance in climate and sustainability financing delivering £3 billion of financing towards NatWest Group's 2021 target.
- **Total income** was £188m in Q1 2021, compared with £74m in Q4 2020, driven by an improved performance in the Fixed Income business and higher own credit adjustments; and compared with £540m in Q1 2020, a period that included increased customer activity and elevated own credit adjustments in the early stages of the COVID-19 crisis.
- **Operating expenses** were £272m in Q1 2021 compared to £353m in Q4 2020 and compared to £455m in Q1 2020. Litigation and conduct costs were £91m lower than Q1 2020, which largely related to the historical trading activities of a joint venture subsidiary. Other operating expenses were £227m in the quarter, compared to £299m in Q4 2020 and £319m in Q1 2020, reflecting the non-repeat of one-off costs including the annual bank levy charge and continued reductions in underlying costs in line with strategic announcements.
- **RWAs** for NWM Plc were £24.7bn at Q1 2021, compared with £25.6bn at FY 2020 and £35.3bn at Q1 2020, reflecting lower levels of credit, counterparty credit and operational risk, offset by an increase in market risk.
- Strong capital and liquidity positions maintained, with NWM plc **CET1** ratio of 21.1% and **LCR** of 233%.
- An **interim dividend** of £500m was paid to NatWest Group plc on 19 February 2021.
- **Exit and disposal costs** are expected to be around £0.2bn in 2021.
- Medium term **franchise RWA target** of £20bn, with the majority of reductions expected to be achieved in 2021.
- NWM Plc expects moderate **term issuance**³ in 2021 to support business initiatives with the rest of NatWest Group and to maintain flexibility for further opportunities.

Building a Purpose-led bank

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

Areas of Focus

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

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



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

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

Our business and operations

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

Our products, solutions and operations

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

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

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

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

Fixed Income:

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

Currencies:

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

Capital Markets:

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

Supporting customers

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

Sustainable finance

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

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

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



Sterling Bond House of the Year

IFR Awards 2020



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

Environmental Finance Bond Awards 2021



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

Environmental Finance Bond Awards 2021

Best FX Provider in the UK –

Foreign Exchange Provider awards 2021, Global Finance



Best GBP CP Dealer

CMDportal Awards 2021



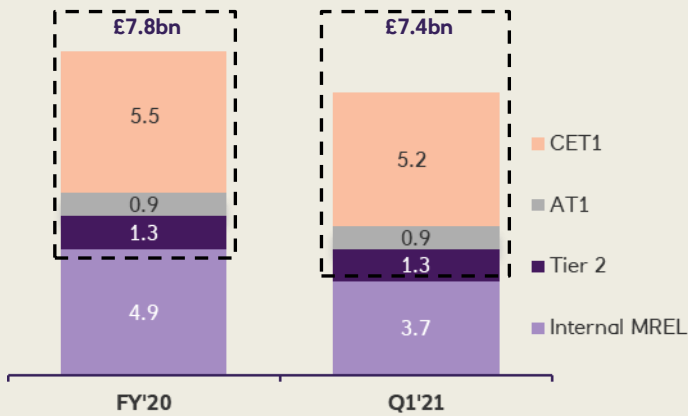
Best Agent of International US Private Placements

GlobalCapital Private Debt Awards 2020, awarded February 2021

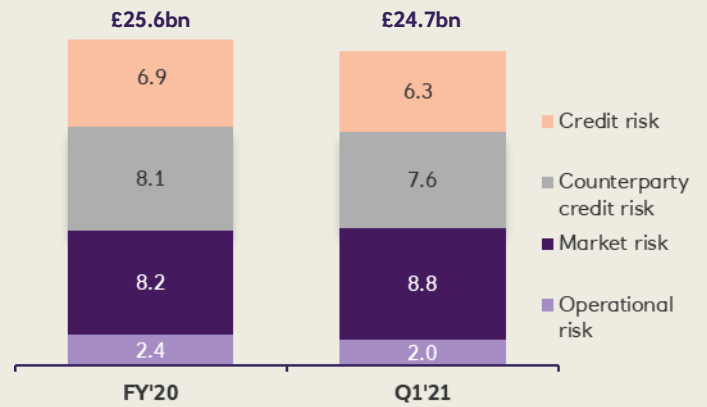
Q1 2021 Financials Overview

NWM Plc Capital and RWA profile

NWM Plc Regulatory capital and MREL Stack (£bn)⁴



NWM Plc Risk Weighted Assets (£bn)

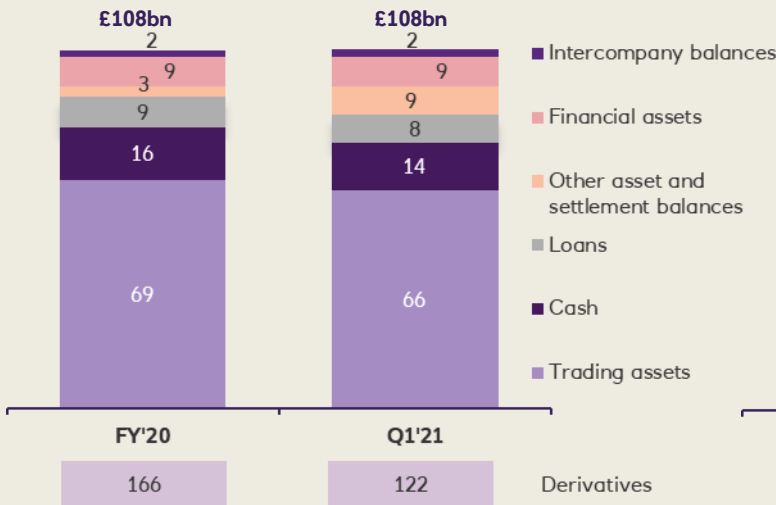


Note: numbers may not cast due to rounding

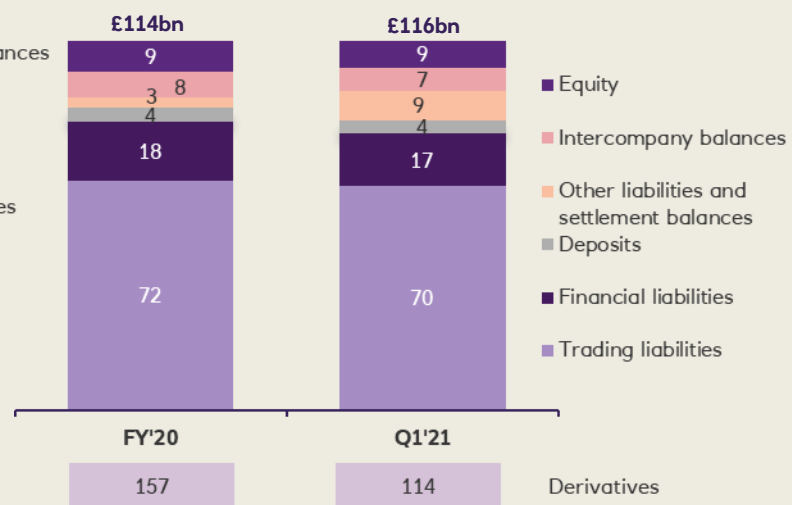
NWM Plc consolidated balance sheet (£bn)

Total assets £230bn (FY'20: £273bn)

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



Total liabilities and equity £230bn (FY'20: £273bn)⁵



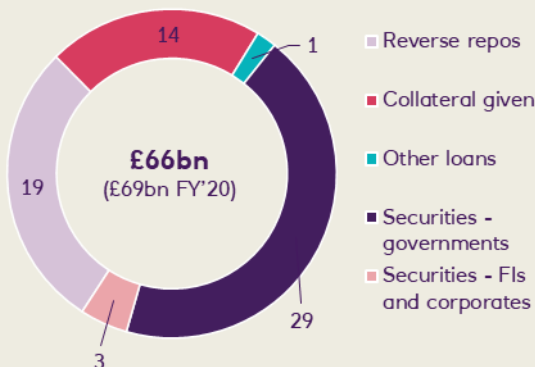
Note: Funded assets are represented by NWM Plc's total assets, in accordance with the published IFRS balance sheet, less derivative assets.

Note: numbers may not cast due to rounding

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Trading assets £bn

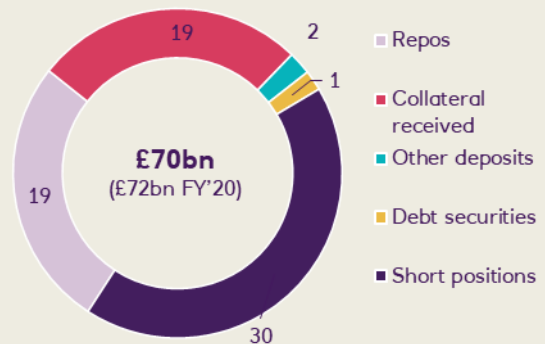
Held at fair value in trading portfolio



Note: numbers may not cast due to rounding

Trading liabilities £bn

Held at fair value in trading portfolio



Note: numbers may not cast due to rounding

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

NWM Plc consolidated income statement (£m)⁶

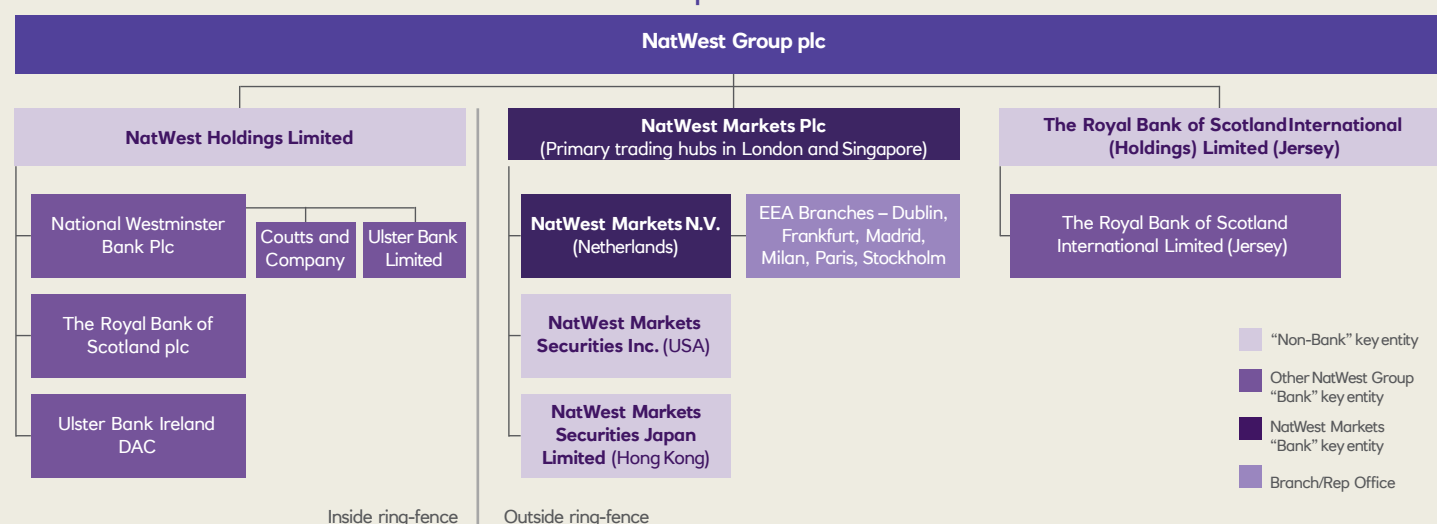
Income statement	Q1'21	FY'20	Q4'20	Q3'20	Q2'20	Q1'20	FY'19
Fixed Income	38	511	(17)	125	226	177	415
Currencies	118	583	121	126	142	194	427
Capital Markets	74	384	90	75	131	88	344
Revenue Share paid to NWG	(48)	(193)	(53)	(45)	(48)	(47)	(179)
Capital Management Unit & other ⁷	8	(20)	(16)	40	(17)	(27)	(208)
Income excluding Asset disposals and Own credit adjustments (OCA)	190	1,265	125	321	434	385	799
Asset disposals / Strategic risk reduction	(4)	(83)	(8)	(12)	(63)	0	0
Own credit adjustments	2	(24)	(43)	(34)	(102)	155	(80)
Total income	188	1,158	74	275	269	540	719
Strategic costs	(32)	(191)	(47)	(32)	(80)	(32)	(171)
Litigation and conduct costs	(13)	(134)	(7)	(14)	(9)	(104)	94
Other Operating Expenses	(227)	(1,106)	(299)	(218)	(270)	(319)	(920)
Operating expenses	(272)	(1,431)	(353)	(264)	(359)	(455)	(997)
Operating profit / (loss) before impairments	(84)	(273)	(279)	11	(90)	85	(278)
Impairment releases / (losses)	6	(42)	-	3	(50)	5	48
Tax (charge) / credit	17	(12)	46	21	3	(82)	109
Profit / (loss) for the period	(61)	(327)	(233)	35	(137)	8	(121)

Note: Fixed income is comprised of Rates and Credit trading. Rates income was previously presented as a separate business in prior NatWest Markets results publications. Credit trading and Capital Markets were previously reported as Financing.

Credit ratings (as at 14th July 2021)

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

NatWest Markets Plc within the NatWest Group



Note: Legal entity structure represents key entities only. The Royal Bank of Scotland Group plc ("RBSG plc") was renamed NatWest Group plc on 22 July 2020.

Investor relations contacts

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