

NatWest Markets Plc

Financial Highlights

FY 2022 Results



Our Purpose

NWM Group aims to be the partner of choice to meet the financial markets needs of NatWest Group customers.

Digitally-led Currencies business that's well connected across NatWest Group, operating seamlessly to deliver for customers	Innovative Capital Markets platform with market leading distribution and structuring expertise and climate and ESG capabilities	Strong focus on climate and ESG and award-winning innovation in sustainable financing	Strong capital and liquidity positions
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FY 2022 highlights¹

We have improved connectivity across the newly formed NatWest Group Commercial and Institutional segment (C&I), which aims to enable us to unlock further opportunities and to build even deeper relationships with NatWest Group customers in 2023

£689m	£(447)m	£21.4bn	17.2%
Total Income	Operating loss before tax	Risk Weighted Assets	CET1 Capital ratio vs medium term target of around 14%
5.4%	40.4%	253%	£18.6bn
Leverage ratio ² vs greater than 4% medium term target	MREL ratio vs greater than 30% medium term target	Liquidity coverage ratio	Liquidity portfolio

- Climate and sustainable funding and financing have continued to perform well, and as at the end of 2022 we had contributed a cumulative £15.5bn towards the NatWest Group climate and sustainable funding and financing target of £100bn between 1 July 2021 and the end of 2025.
- Total Income of £689m in 2022 was up by £288m compared with £401m in 2021. The increase was largely driven by Fixed Income performance, which continued to be impacted by challenging market conditions but improved compared with the prior year, and stronger performances in Currencies, as FX volatility heightened during the current year, and in Capital Markets.
- Operating expenses of £1,128m were £22m lower compared with £1,150m in 2021. Litigation and conduct costs of £80m reflected ongoing progress in closing legacy matters, and were up by £97m compared with £17m credit in 2021. Other operating expenses of £1,048m were £119m lower than £1,167m in 2021, largely reflecting higher costs recognised in the prior year in relation to technology investment and the refocusing of NWM Group.
- Strong capital and liquidity positions maintained, with NWM Plc CET1 ratio of 17.2%, total MREL of 40.4%, and LCR of 253%.
- Total NWM Plc RWAs were £21.4bn at 31 December 2022, compared with £22.7bn at 31 December 2021. The decrease in the year reflected lower levels of counterparty credit and operational risk, offset partially by increases in credit and market risk.
- NWM Plc issued £4.6bn of public benchmark transactions during 2022. Transactions included a benchmark transaction under the US MTN programme of \$1.5bn of notes, five benchmark transactions under the EMTN programme across EUR, CHF and our inaugural GBP benchmark amounting to £3.1bn of notes, and an inaugural transaction under the AUD debt issuance programme of AUD 0.6bn of notes. NWM Plc also raised funding in other formats throughout the year such as private placements and secured note transactions.
- NWM Plc 2023 funding plan targets £3–5bn of public benchmark issuance.

Note: (1) Income and loss for the period relates to NWM Plc consolidated, other amounts relate to NWM Plc solo. (2) Calculated in accordance with changes to the UK's leverage ratio framework introduced by the PRA which came into effect from 1 January 2022
The guidance, targets, expectations and trends discussed in this presentation represent NatWest Group management's current expectations and are subject to change, including as a result of the factors described in the "Risk Factors" in NWG's 2022 Annual Report and Accounts, as well as the Risk Factors in the NWM 2022 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 Plc 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

Our customers

As part of NatWest Group, we support our corporate and institutional customers.

We work in close collaboration with teams across NatWest Group to provide capital markets and risk management solutions to its customers and aim to be the partner of choice for our customers' financial markets needs.

Our operations

NWM Group is headquartered in the UK with trading hubs in Amsterdam, London, Singapore and Stamford (US), with sales offices across key locations in the UK, EU, US and Asia.

Financial markets access is offered by the NWM Group across NatWest Markets Plc (NWM Plc) and its subsidiaries, including NatWest Markets Securities Inc. and NatWest Markets N.V. (NWM N.V.).

Our products and solutions

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

Our strategist and content experts across Currencies, Fixed Income and Capital Markets offer industry and 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.

Fixed Income:

We have long-standing expertise in the fixed income markets and offer cash bond, repo and interest rate derivatives with a focus in sterling, euros and US dollars that supports our customers' financing and hedging needs. In addition, we provide liquidity and credit for investment grade and high yield bonds and loans for both financial institutions and corporate issuers.

Currencies:

We're an award-winning foreign exchange service provider offering FX spot, forwards, cross currency swaps and options as well as an FX prime brokerage service and FX digital solutions.

Capital Markets:

We aim to be the partners of choice 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, medium-term notes (MTNs) and private placements, as well as bespoke financing solutions and primary lending products.

We also provide customers with thought leadership, advice and products to support their climate and ESG strategies through our ESG and Climate Capital Markets platform.

Underpinned by our focus on climate and ESG as a driver of value creation

Our support for customers has been recognised by a number of industry awards

Lead manager of the year, social bonds – local authority/municipality award,

Environmental Finance Bond Awards 2022

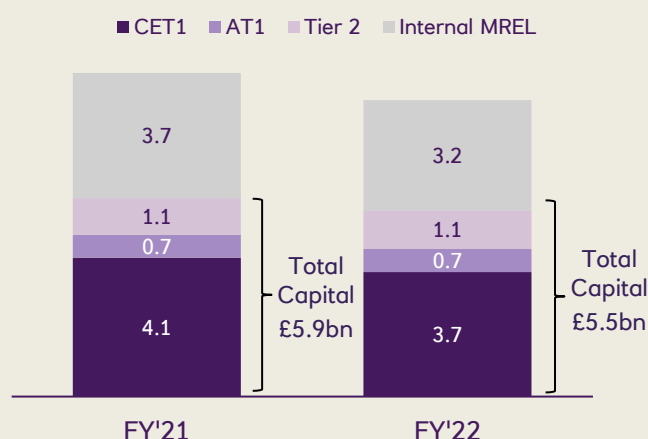
Best Sterling Lead Manager,
GlobalCapital Covered Bond Awards 2022

2022 Greenwich Leader in United Kingdom Corporates FX Service Quality and awarded first place for the ninth year running in 2022

FY 2022 Financials overview

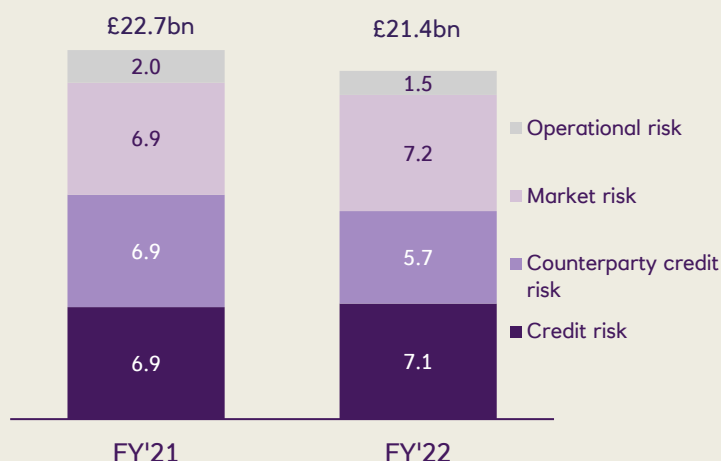
NWM Plc Capital and RWA profile

NWM Plc Regulatory capital and MREL Stack (£bn)³



Note: numbers may not cast due to rounding

NWM Plc Risk Weighted Assets (£bn)

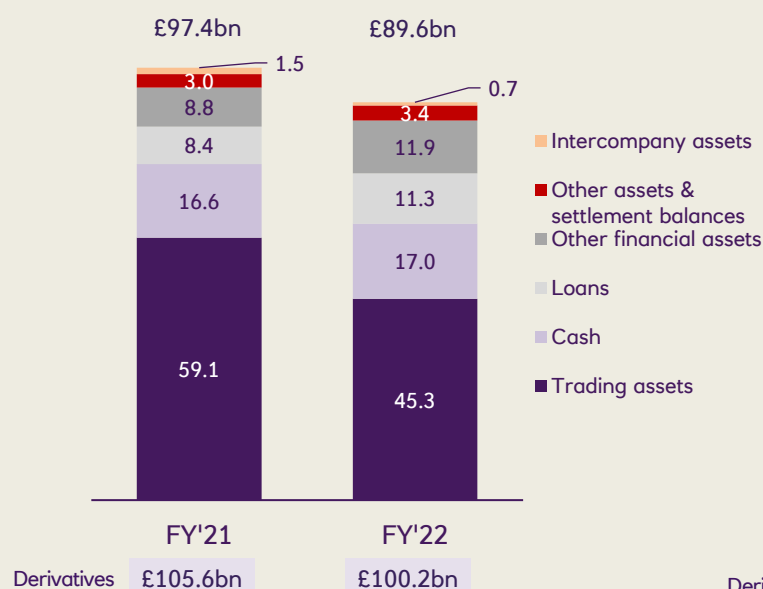


NWM Plc consolidated balance sheet (£bn)

Total assets £189.8bn (FY'21: £203.0bn)

o/w Funded Assets £89.6bn (FY'21: £97.4bn)

Total liabilities and equity £189.8bn (FY'21: £203.0bn)⁴

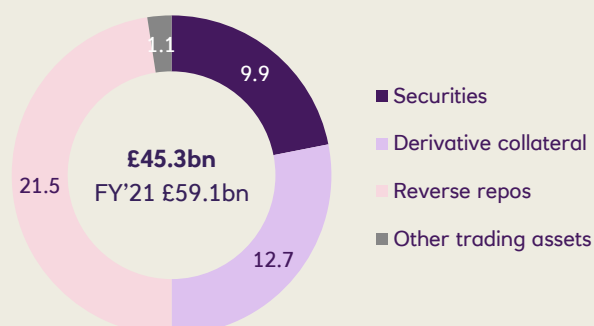


Note: Funded assets are represented by NWM Plc's total assets, in accordance with the published IFRS balance sheet, less derivative assets.

Note: numbers may not cast due to rounding

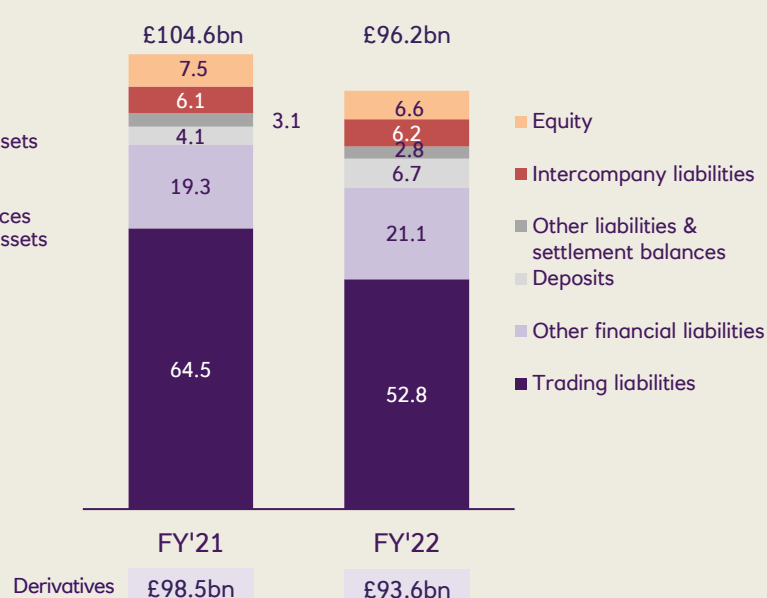
Trading assets £bn

Held at fair value in trading portfolio



Note: numbers may not cast due to rounding

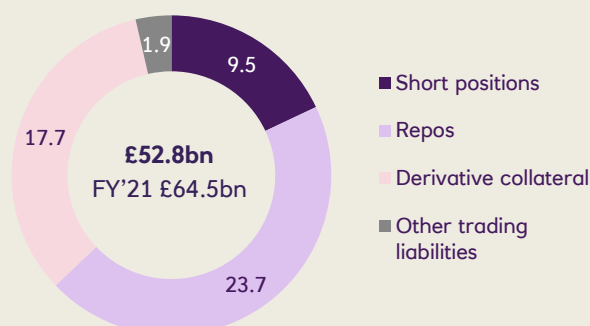
Note: (3) Excludes non-eligible capital. (4) Equity represents accounting value of capital.



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

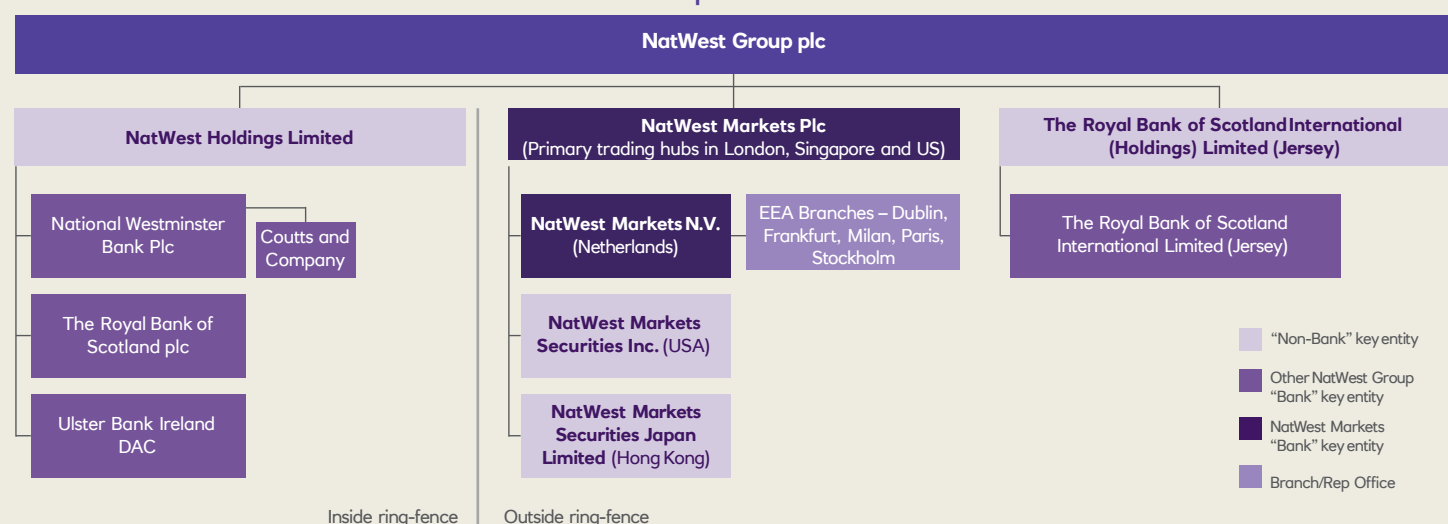
NWM Plc consolidated income statement (£m)⁵

Income statement	FY'22	FY'21
Fixed Income	40	(64)
Currencies	513	427
Capital Markets	398	336
Capital Management Unit & other ⁶	(65)	(43)
Income excluding Revenue share, Asset disposals and Own credit adjustments (OCA)	886	656
Revenue Share paid to other NWG segments	(191)	(197)
Asset disposals / Strategic risk reduction	(48)	(64)
Own credit adjustments	42	6
Total income	689	401
Litigation and conduct costs	(80)	17
Other operating expenses	(1,048)	(1,167)
Operating expenses	(1,128)	(1,150)
Operating profit / (loss) before impairments	(439)	(749)
Impairment releases / (losses)	(8)	35
Tax (charge) / credit	183	223
Profit / (loss) for the period	(264)	(491)

Credit ratings

	Moody's ⁸	Standard & Poor's ⁹	Fitch
NWM Plc / NWM N.V.			
Senior Unsecured	A1 / P-1 / Stable	A / A-1 / Stable	A+ / F1 / Stable
Counterparty Rating ⁷	A1 / P-1	A+ / A-1	A+ (dcr)
NatWest Markets Securities Inc.			
Senior Unsecured	Not Rated	A / A-1 / Stable	A / F1 / Stable
Counterparty Rating ⁷	Not Rated	A / A-1	A (dcr)

NatWest Markets Plc within the NatWest Group¹⁰



Investor relations contact

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Note (5) NWM Plc consolidated results includes the Central Items & Other segment. (6) 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 (7) 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. (8) On 23rd September 2022, Moody's upgraded the rating of NWM Plc and NWM N.V. to A1 from A2 with stable outlook. (9) On 12th April 2023, S&P upgraded the rating of NWG to BBB+ from BBB and affirmed it's A-2 short term credit rating. (10) Simplified hierarchy to assist understanding.