



NatWest
Group

NatWest Markets Plc

Q3 2025 Interim Management Statement

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NatWest Markets Group (NWM Group)

Results for Q3 2025

We have delivered a robust set of results in the third quarter of 2025, in an environment which continues to be impacted by geopolitical risks and uncertainty on trade policies. We maintained a high level of engagement with our customers and capitalised on our strengths through a connected Commercial & Institutional segment, enabling us to extend the reach of our proposition. Our results were underpinned by a disciplined approach to balance sheet and risk management.

Financial review

NWM Group maintained its robust capital and liquidity position in Q3 2025 and reported a profit of £126 million, compared with a profit of £30 million in Q2 2025 and a profit of £20 million in Q3 2024. Total income decreased to £326 million in Q3 2025, largely driven by foreign exchange (FX) reserves recycling and lower revenues in Fixed Income and Currencies. Operating expenses decreased in Q3 2025 to £269 million, largely driven by lower litigation and conduct costs.

Financial performance

- **Total income** of £326 million decreased by £42 million compared with £368 million in Q2 2025, largely due to FX reserves recycling recognised in the current quarter. In addition, revenues were lower in Fixed Income reflecting challenging market conditions and reduced client activity, and in Currencies following a strong Q2 2025 performance. Total income increased by £42 million compared with £284 million in Q3 2024, mainly driven by an increase from the amount recognised under the profit share arrangement with fellow NatWest Group subsidiaries, and stronger performances in Currencies and Capital Markets, partially offset by lower Fixed Income revenues.
- **Operating expenses** of £269 million in Q3 2025 were £75 million lower than £344 million in Q2 2025 and £15 million higher than £254 million in Q3 2024. Litigation and conduct costs of £26 million credit reflected ongoing progress in closing legacy matters including associated remediation activity, and were down by £59 million compared with £33 million in Q2 2025 and by £49 million compared with £23 million in Q3 2024. Other operating expenses of £295 million were down by £16 million compared with £311 million in Q2 2025, largely due to VAT recoveries in the current quarter, and up by £64 million compared with £231 million in Q3 2024, largely due to increases in technology investment costs and staff costs, in addition to lower VAT recoveries compared with Q3 2024.
- **Total assets and liabilities** increased by £6.1 billion and £6.2 billion to £189.3 billion and £182.4 billion respectively at 30 September 2025, compared with 31 December 2024. Increases in funded assets including settlement balances, trading assets and loans to customers were offset by lower derivative fair values reflecting FX rate volatility across major currencies and variations in interest rates across different currencies and tenors.

Capital and leverage

- **Total NWM Plc RWAs** were £21.7 billion at 30 September 2025, compared with £21.2 billion at 30 June 2025 and £20.8 billion at 31 December 2024. The increase since 31 December 2024 was primarily driven by higher credit risk and an increase from the annual update to operational risk RWAs, partially offset by a reduction in market risk reflecting active risk management.
- **NWM Plc's Common Equity Tier 1 (CET1) ratio** decreased to 17.5% at 30 September 2025, compared with 18.2% at 31 December 2024, mainly due to the increase in RWAs.
- **Total MREL for NWM Plc** at 30 September 2025 was £10.0 billion, in line with 31 December 2024, as the issuance of a new MREL instrument with NatWest Group plc of £580 million was offset by lower Tier 1 capital. The decrease in Tier 1 capital was driven by the redemption of AT1 capital notes with NatWest Group plc of \$1.15 billion, partially offset by the issuance of two new AT1 instruments to NatWest Group plc amounting to £600 million. The MREL ratio decreased to 46.1% of RWAs at 30 September 2025 compared with 48.2% at 31 December 2024, reflecting the increase in RWAs in the period.
- **NWM Plc's leverage ratio** decreased to 4.5% at 30 September 2025 compared with 5.5% at 31 December 2024, driven by the decrease in Tier 1 capital and higher leverage exposure reflecting increases in trading assets and other financial assets.

Liquidity and funding

- **NWM Plc's Liquidity Coverage Ratio (LCR)** increased to 203% (31 December 2024 - 195%), driven by lower net outflows partially offset by the decrease in liquidity portfolio of £2.0 billion to £19.0 billion at 30 September 2025.
- **NWM Plc issued public benchmark transactions** amounting to £5.4 billion in the nine months ended 30 September 2025. These transactions comprised €3.25 billion and CHF0.2 billion of notes under our Euro Medium Term Note programme, \$2.5 billion of notes under our US Medium Term Note programme and AUD1.0 billion of notes under our AUD debt issuance programme. NWM Plc also raised funding in other formats throughout the period including, but not limited to, structured note issuance.

ESG highlights

Climate and transition finance have performed well, and as at the end of Q3 2025, we had delivered £4.3 billion towards the NatWest Group climate and transition finance target to provide £200 billion in climate and transition finance⁽¹⁾ between 1 July 2025 and the end of 2030.

(1) The climate and transition finance framework is available on natwestgroup.com.

Outlook⁽¹⁾

We retain the Outlook guidance provided in the NatWest Markets Plc 2024 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 in the NatWest Markets Plc 2024 Annual Report and Accounts, and the Summary Risk Factors in the NatWest Markets Plc 2025 Interim Results. These statements constitute forward-looking statements. Refer to Forward-looking statements in this announcement.

Financial review

The table below presents an analysis of key lines of NWM Group's income statement for the nine months and quarter ended 30 September 2025. Commentary refers to the table below as well as the consolidated income statement shown on page 6.

	Nine months ended		Quarter ended		
	30 September 2025	30 September 2024	30 September 2025	30 June 2025	30 September 2024
	£m	£m	£m	£m	£m
Income statement					
Net interest income	353	347	109	120	110
Non-interest income	735	587	217	248	174
Total income	1,088	934	326	368	284
Litigation and conduct costs	(39)	(61)	26	(33)	(23)
Other operating expenses	(897)	(785)	(295)	(311)	(231)
Operating expenses	(936)	(846)	(269)	(344)	(254)
Operating profit before impairment losses/releases	152	88	57	24	30
Impairment (losses)/releases	(1)	8	(4)	4	1
Operating profit before tax	151	96	53	28	31
Tax credit/(charge)	64	7	73	2	(11)
Profit for the period	215	103	126	30	20
Income (1)					
Fixed Income	128	170	23	41	41
Currencies	485	379	158	169	139
Capital Markets	559	502	189	189	171
Capital Management Unit & other (2)	(28)	(38)	(30)	(11)	(27)
Income including shared revenue before OCA	1,144	1,013	340	388	324
Transfer pricing arrangements with fellow NatWest Group subsidiaries (3)	(59)	(74)	(14)	(17)	(42)
Income excluding OCA	1,085	939	326	371	282
Own credit adjustments (OCA)	3	(5)	-	(3)	2
Total income	1,088	934	326	368	284

- (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.
- (3) Transfer pricing arrangements with fellow NatWest Group subsidiaries includes shared revenue paid to or contributed to those subsidiaries and a profit share arrangement with fellow NatWest Group subsidiaries. The profit share arrangement rewards NWM Group on an arm's length basis for its contribution to the performance of the NatWest Group Commercial & Institutional business segment. The profit share is not allocated to individual NatWest Markets product areas.

Nine months ended 30 September 2025 performance

- **Net interest income** largely represents interest income from lending activity and capital hedges, offset by interest expense from the funding costs of the business. The increase of £6 million compared with the nine months ended 30 September 2024 largely reflects growth in lending activity, partially offset by the impact of one-off items.
- **Non-interest income** increased by £148 million compared with the period ended 30 September 2024. This rise was largely driven by stronger performances in Currencies, which reflected the successful navigation of volatile market conditions, and in Capital Markets, in addition to an increase of £26 million from the profit share arrangement with fellow NatWest Group subsidiaries, with £126 million being recognised in the period. This was partially offset by lower revenues in Fixed Income, reflecting challenging market conditions and reduced client activity.
- **Operating expenses** increased by £90 million compared with the nine months ended 30 September 2024. Litigation and conduct costs reflected ongoing progress on closing legacy matters including associated remediation activity and were down by £22 million. Other operating expenses increased by £112 million, largely driven by increases in technology investment costs, staff costs, the impact of VAT recoveries, and a credit recognised in the comparative period in relation to property charges, partially offset by a reduction in severance costs.
- The **tax credit** of £64 million on the operating profit before tax of £151 million differs from the expected UK corporation tax rate of 25%, primarily due to a revision in our estimate of deductible costs in current and prior periods.

Quarter ended 30 September 2025 performance

- **Net interest income** decreased by £11 million compared with Q2 2025, largely due to higher interest expense from funding of the trading business and the impact of one-off items.
- **Non-interest income** decreased by £31 million compared with Q2 2025. This was largely driven by FX reserves recycling of £30 million debit recognised in the current quarter on the redemption of \$1.15 billion of AT1 capital notes with NatWest Group plc and in connection with a subsidiary capital repayment. In addition, revenues were lower in Fixed Income reflecting challenging market conditions and reduced client activity, and in Currencies following a strong Q2 2025 performance. Non-interest income increased by £43 million compared with Q3 2024, mainly due to an increase of £28 million from the profit share arrangement with fellow NatWest Group subsidiaries, with £47 million recognised in Q3 2025, and stronger performances in Currencies and Capital Markets, partially offset by lower Fixed Income revenues.
- **Operating expenses** decreased by £75 million compared with Q2 2025 and increased by £15 million compared with Q3 2024. Litigation and conduct costs reflected ongoing progress on closing legacy matters including associated remediation activity and were down by £59 million compared with Q2 2025 and by £49 million compared with Q3 2024. Other operating expenses decreased by £16 million compared with Q2 2025, largely due to VAT recoveries in the current quarter, and increased by £64 million compared with Q3 2024, largely due to increases in technology investment costs, staff costs, and lower VAT recoveries compared with Q3 2024.
- The **tax credit** of £73 million on the operating profit before tax of £53 million differs from the expected UK corporation tax rate of 25%, primarily due to a revision in our estimate of deductible costs from current and prior periods.

Financial review

Balance sheet profile as at 30 September 2025

NWM Group's balance sheet profile is summarised below. Commentary refers to the table below as well as the consolidated balance sheet on page 8.

Assets			Liabilities		
	30 September 2025 £bn	31 December 2024 £bn	30 September 2025 £bn	31 December 2024 £bn	
Cash and balances at central banks	17.1	16.2			
Securities	23.4	13.9	12.1	10.5	Short positions
Reverse repos (1)	27.4	27.1	33.6	30.6	Repos (2)
Derivative cash collateral given (3)	5.6	7.3	11.5	12.3	Derivative cash collateral received (4)
Other trading assets	0.4	0.6	1.1	1.1	Other trading liabilities
Total trading assets	56.8	48.9	58.3	54.5	Total trading liabilities
Loans - amortised cost	23.6	19.1	18.2	9.4	Deposits - amortised cost
Settlement balances	12.1	2.0	9.1	1.7	Settlement balances
Amounts due from holding company and fellow subsidiaries	0.4	0.3	7.1	6.8	Amounts due to holding company and fellow subsidiaries
Other financial assets	17.5	17.9	35.1	31.3	Other financial liabilities
Other assets	0.5	0.7	0.4	0.5	Other liabilities
Funded assets	128.0	105.1	128.2	104.2	Liabilities excluding derivatives
Derivative assets	61.3	78.1	54.2	72.0	Derivative liabilities
Total assets	189.3	183.2	182.4	176.2	Total liabilities
					of which:
			36.4	32.5	Wholesale funding (5)
			17.2	16.8	Short-term wholesale funding (5)

(1) Comprises bank reverse repos of £5.0 billion (31 December 2024 – £5.9 billion) and customer reverse repos of £22.4 billion (31 December 2024 – £21.2 billion).

(2) Comprises bank repos of £8.1 billion (31 December 2024 – £7.2 billion) and customer repos of £25.5 billion (31 December 2024 – £23.4 billion).

(3) Comprises derivative cash collateral given relating to banks of £2.9 billion (31 December 2024 – £3.6 billion) and customers of £2.7 billion (31 December 2024 – £3.7 billion).

(4) Comprises derivative cash collateral received relating to banks of £4.3 billion (31 December 2024 – £5.3 billion) and customers of £7.2 billion (31 December 2024 – £7.0 billion).

(5) Wholesale funding predominantly comprises bank deposits (excluding repos), debt securities in issue and third party subordinated liabilities, of which short-term wholesale funding is the amount with contractual maturity of one year or less.

- **Total assets and liabilities** increased by £6.1 billion and £6.2 billion respectively at 30 September 2025. Funded assets, which exclude derivatives, increased by £22.9 billion, mainly driven by higher settlement balances, trading assets, and loans – amortised cost. Derivative fair values decreased in the period, largely driven by FX rate volatility across major currencies and variations in interest rates across different currencies and tenors.
- **Trading assets** were up by £7.9 billion, driven by an increase in securities from client-led activity, partially offset by a decrease in derivative cash collateral posted. **Trading liabilities** increased by £3.8 billion, driven by increases in repos and short positions, partially offset by a decrease in derivative cash collateral received.
- **Loans – amortised cost** increased by £4.5 billion, driven by higher loans to customers reflecting growth in Capital Markets.
- **Deposits – amortised cost** were up by £8.8 billion, driven by higher bank deposits reflecting increased repo funding in the period, and an increase in customer deposits in NWM N.V.
- **Settlement balance assets and liabilities** were up by £10.1 billion and £7.4 billion respectively, largely due to increased trading compared with the seasonally lower levels of customer activity leading up to 31 December 2024.
- **Other financial liabilities** increased by £3.8 billion, largely driven by new issuance in the period, partially offset by maturities. The balance at 30 September 2025 includes £25.6 billion of medium-term notes issued.
- **Derivative assets and derivative liabilities** were down by £16.8 billion and £17.8 billion respectively at 30 September 2025. The decreases in fair values largely reflected FX volatility across major currencies including the weakening of USD in the period, following contrasting trends in Q4 2024, and variations in interest rates across different currencies and tenors.

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 13.

Capital, liquidity and funding risk

Introduction

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

Capital, RWAs and leverage

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

	30 September 2025	30 June 2025	31 December 2024
	%	%	%
Capital adequacy ratios (1,2,4)			
CET1	17.5	17.1	18.2
Tier 1	22.0	25.9	24.3
Total	25.0	28.9	27.8
Total MREL	46.1	50.1	48.2
Capital (1,2,4)	£m	£m	£m
CET1	3,801	3,627	3,779
Tier 1	4,776	5,508	5,067
Total	5,425	6,144	5,779
Total MREL (3)	10,001	10,635	10,038
Risk-weighted assets			
Credit risk	9,896	9,389	8,908
Counterparty credit risk	5,907	6,063	5,797
Market risk	4,528	4,444	5,105
Operational risk	1,347	1,347	1,002
Total RWAs	21,678	21,243	20,812

- (1) NWM Plc's total capital ratio requirement is 11.5%, 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 1.0%. The minimum CET1 ratio is 8.0%, including the minimum capital requirement of 4.5%. The CCyB is based on the weighted average of NWM Plc's geographical exposures.
- (2) In addition, NWM Plc is subject to Pillar 2A requirements for CET1, AT1 and Tier 2. Refer to the NatWest Markets Plc Q3 2025 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 £4.6 billion (30 June 2025 - £4.5 billion; 31 December 2024 - £4.3 billion).
- (4) The IFRS 9 transitional capital rules in respect to ECL provisions no longer apply as of 1 January 2025.

Leverage

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

	30 September 2025	30 June 2025	31 December 2024
Tier 1 capital (£m)	4,776	5,508	5,067
Leverage exposure (£m) (1)	106,006	98,840	92,859
Leverage ratio (%)	4.5	5.6	5.5

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

Liquidity and funding

	30 September 2025	30 June 2025	31 December 2024
LCR spot (%) (1)	203	197	195
LCR average (%) (1)	196	193	192
Liquidity portfolio (£bn) (1)	19.0	20.3	21.0
Total wholesale funding (£bn) (2)	36.4	35.3	32.5
Total funding including repo (£bn)	106.3	100.3	91.4

- (1) LCR and Liquidity portfolio measures presented are for NWM Plc.
- (2) Predominantly comprises bank deposits (excluding repos), debt securities in issue and third party subordinated liabilities.

Condensed consolidated income statement
for the period ended 30 September 2025 (unaudited)

	Nine months ended		Quarter ended		
	30 September	30 September	30 September	30 June	30 September
	2025	2024	2025	2025	2024
	£m	£m	£m	£m	£m
Interest receivable	1,937	2,055	649	629	698
Interest payable	(1,584)	(1,708)	(540)	(509)	(588)
Net interest income	353	347	109	120	110
Fees and commissions receivable	323	374	94	102	120
Fees and commissions payable	(143)	(166)	(41)	(46)	(55)
Income from trading activities	572	428	181	199	199
Other operating income	(17)	(49)	(17)	(7)	(90)
Non-interest income	735	587	217	248	174
Total income	1,088	934	326	368	284
Staff costs	(393)	(353)	(128)	(129)	(112)
Premises and equipment	(58)	(55)	(22)	(15)	(19)
Other administrative expenses	(476)	(431)	(116)	(197)	(120)
Depreciation and amortisation	(9)	(7)	(3)	(3)	(3)
Operating expenses	(936)	(846)	(269)	(344)	(254)
Profit before impairment (losses)/releases	152	88	57	24	30
Impairment (losses)/releases	(1)	8	(4)	4	1
Operating profit before tax	151	96	53	28	31
Tax credit/(charge)	64	7	73	2	(11)
Profit for the period	215	103	126	30	20
Attributable to:					
Ordinary shareholders	130	43	104	(4)	3
Paid-in-equity holders	85	51	22	34	17
Non-controlling interests	-	9	-	-	-
	215	103	126	30	20

Condensed consolidated statement of comprehensive income
for the period ended 30 September 2025 (unaudited)

	Nine months ended		Quarter ended		
	30 September	30 September	30 September	30 June	30 September
	2025	2024	2025	2025	2024
	£m	£m	£m	£m	£m
Profit for the period	215	103	126	30	20
Items that do not qualify for reclassification					
Remeasurement of retirement benefit schemes	(3)	(4)	-	-	(1)
Changes in fair value of financial liabilities designated at fair value through profit or loss (FVTPL)	(11)	(25)	(10)	(5)	1
Fair value through other comprehensive income (FVOCI) financial assets	15	13	2	11	10
Tax	-	16	(1)	(4)	(2)
	1	-	(9)	2	8
Items that do qualify for reclassification					
FVOCI financial assets	5	4	5	(3)	(2)
Cash flow hedges	92	25	(9)	74	98
Currency translation	27	(127)	90	(38)	(77)
Tax	(31)	-	-	(19)	(20)
	93	(98)	86	14	(1)
Other comprehensive income/(loss) after tax	94	(98)	77	16	7
Total comprehensive income for the period	309	5	203	46	27
Attributable to:					
Ordinary shareholders	224	(55)	181	12	10
Paid-in equity holders	85	51	22	34	17
Non-controlling interests	-	9	-	-	-
	309	5	203	46	27

Condensed consolidated balance sheet as at 30 September 2025 (unaudited)

	30 September 2025 £m	31 December 2024 £m
Assets		
Cash and balances at central banks	17,066	16,229
Trading assets	56,765	48,883
Derivatives	61,304	78,105
Settlement balances	12,141	2,043
Loans to banks - amortised cost	1,826	1,171
Loans to customers - amortised cost	21,732	17,921
Amounts due from holding company and fellow subsidiaries	393	343
Other financial assets	17,475	17,850
Other assets	567	621
Total assets	189,269	183,166
Liabilities		
Bank deposits	9,562	4,565
Customer deposits	8,619	4,840
Amounts due to holding company and fellow subsidiaries	7,146	6,771
Settlement balances	9,074	1,729
Trading liabilities	58,317	54,512
Derivatives	54,160	72,036
Other financial liabilities	35,070	31,263
Other liabilities	415	521
Total liabilities	182,363	176,237
Owners' equity	6,906	6,929
Total equity	6,906	6,929
Total liabilities and equity	189,269	183,166

Condensed consolidated statement of changes in equity
for the period ended 30 September 2025 (unaudited)

	Share capital and share premium £m	Paid-in equity £m	Retained earnings £m	Other reserves* £m	Total owners' equity £m	Non controlling interests £m	Total equity £m
At 1 January 2025	2,346	1,496	3,163	(76)	6,929	-	6,929
Profit attributable to ordinary shareholders and paid-in equity holders			215		215	-	215
Other comprehensive income							
- Realised gains in period on FVOCI equity shares			1	(1)	-		-
- Changes in fair value of financial liabilities designated at FVTPL due to changes in credit risk			(11)		(11)		(11)
- Unrealised gains: FVOCI				19	19		19
- Remeasurement of retirement benefit schemes			(3)		(3)		(3)
- Amounts recognised in equity: cash flow hedges				(84)	(84)		(84)
- Foreign exchange reserve movement				27	27		27
- Amounts transferred from equity to earnings				177	177		177
- Tax			1	(32)	(31)		(31)
Redemption of paid-in equity		(903)	58		(845)		(845)
Securities issued in the period		600			600		600
Paid-in equity dividends paid			(85)		(85)		(85)
Share-based payments			(3)		(3)		(3)
Sharing in success			1		1		1
Merger reserve amortisation			(2)	2	-		-
At 30 September 2025	2,346	1,193	3,335	32	6,906	-	6,906

	30 September 2025 £m
Attributable to:	
Ordinary shareholders	5,713
Paid-in equity holders	1,193
Non-controlling interests	-
	6,906
*Other reserves consist of:	
Merger reserve	(9)
FVOCI reserve	41
Cash flow hedging reserve	(114)
Foreign exchange reserve	114
	32

Notes

1. Presentation of condensed consolidated financial statements

The condensed consolidated financial statements should be read in conjunction with NatWest Markets Plc's 2024 Annual Report and Accounts. The accounting policies are the same as those applied in the consolidated financial statements.

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

2. Trading assets and liabilities

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

	30 September 2025 £m	31 December 2024 £m
Assets		
Loans		
Reverse repos	27,378	27,127
Collateral given	5,569	7,333
Other loans	404	545
Total loans	33,351	35,005
Securities		
Central and local government		
- UK	4,205	2,077
- US	5,960	3,734
- Other	9,196	3,506
Financial institutions and Corporate	4,053	4,561
Total securities	23,414	13,878
Total	56,765	48,883
Liabilities		
Deposits		
Repos	33,593	30,562
Collateral received	11,474	12,307
Other deposits	915	895
Total deposits	45,982	43,764
Debt securities in issue	231	257
Short positions	12,104	10,491
Total	58,317	54,512

Notes

3. Other financial liabilities

	30 September 2025 £m	31 December 2024 £m
Customer deposits – designated as at FVTPL	2,089	1,537
Debt securities in issue		
- Medium term notes	25,626	21,852
- Commercial paper and certificates of deposit	7,079	7,605
Subordinated liabilities		
- Designated as at FVTPL	241	234
- Amortised cost	35	35
Total	35,070	31,263

4. Amounts due to holding company and fellow subsidiaries

	30 September 2025 £m	31 December 2024 £m
Bank deposits – amortised cost	546	548
Customer deposits – amortised cost	52	43
Settlement balances	223	-
Trading liabilities	459	613
Other financial liabilities – subordinated liabilities	1,078	1,115
MREL instruments issued to NatWest Group plc	4,671	4,358
Other liabilities	117	94
Total	7,146	6,771

5. Litigation and regulatory matters

NatWest Markets Plc's Interim Results 2025, issued on 25 July 2025, included disclosures about NWM Group's litigation and regulatory matters in Note 10. Set out below are the material developments in those matters (which have been previously disclosed) since publication of the Interim Results 2025.

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 several 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 remains subject to appeal in the United States Court of Appeals for the Second Circuit (US Court of Appeals).

Two other IBOR-related class actions involving NWM Plc, concerning alleged manipulation of Euribor and Pound Sterling LIBOR, were previously dismissed by the SDNY for various reasons. However, on 22 August 2025, the US Court of Appeal reversed the SDNY's decision in the Euribor case, reinstating claims against NWM Plc. That case will therefore return to the SDNY for further proceedings.

On 15 September 2025, the US Court of Appeals affirmed the SDNY's dismissal of the Pound Sterling LIBOR case.

Foreign exchange litigation

NWM Plc, NWMSI and/or NatWest Group plc are defendants in several cases relating to NWM Plc's foreign exchange (FX) business.

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.

Odd lot corporate bond trading antitrust litigation

In July 2024, the US Court of Appeals vacated the SDNY's October 2021 dismissal of the class action antitrust complaint alleging that, from August 2006 onwards, various securities dealers, including NWMSI, conspired artificially to widen spreads for odd lots of corporate bonds bought or sold in the United States secondary market and to boycott electronic trading platforms that would have allegedly promoted pricing competition in the market for such bonds.

Notes

5. Litigation and regulatory matters continued

The appellate court held that the district judge who made the decision should not have been presiding over the case because a member of the judge's family had owned stock in one of the defendants while the motion was pending.

On 2 September 2025, a different judge in the SDNY again dismissed the complaint in this action on the ground that the plaintiffs have failed to plead antitrust conspiracy. The plaintiffs did not appeal the decision within the time required for an appeal.

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.

The first of these actions, alleging conspiracy claims but not aiding and abetting claims, was filed in the United States District Court for the Eastern District of New York in November 2014. In September 2019, the district court dismissed the case, finding that the claims were deficient for several reasons, including lack of sufficient allegations as to the alleged conspiracy and causation. In January 2023, the US Court of Appeals affirmed the district court's dismissal of this case.

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 first case, but remains subject to appeal to the US Court of Appeals.

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

Regulatory matters

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 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's notable progress in strengthening its compliance programme, certain of NWM's remedial improvements, internal controls, and the status of implementation of Monitor recommendations, and that reporting by NWM to the DOJ and USAO CT on its continued compliance programme progress provided an appropriate degree of oversight. The court approved the amended plea agreement and extended NWM'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, and possible re-sentencing, 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 422-423 of the NatWest Group Annual Report and Accounts 2024.

6. Post balance sheet events

There have been no significant events between 30 September 2025 and the date of approval of these accounts that would require a change to or additional disclosure in the condensed consolidated financial statements.

Non-IFRS measures

NWM Group prepares its financial statements in accordance with UK-adopted International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). 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 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.

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 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

	Nine months ended					
	30 September 2025			30 September 2024		
	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	32	361	393	21	332	353
Premises and equipment	4	54	58	-	55	55
Other administrative expenses	3	473	476	40	391	431
Depreciation and amortisation	-	9	9	-	7	7
Total	39	897	936	61	785	846

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

	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

	Quarter ended		
	30 September 2024		
	Litigation and conduct costs	Other operating expenses	Statutory operating expenses
	£m	£m	£m
Staff costs	8	104	112
Premises and equipment	-	19	19
Other administrative expenses	15	105	120
Depreciation and amortisation	-	3	3
Total	23	231	254

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

NWM Plc publishes its financial statements in pounds sterling ('£' or 'sterling'). The abbreviations '£m' and '£bn' represent millions and thousands of millions of pounds sterling ('GBP'), respectively, and references to 'pence' or 'p' represent pence in the United Kingdom ('UK'). References 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 United States ('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 results

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 2024 have been filed with the Registrar of Companies. The report of the auditor on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Act.

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Forward-looking statements

Cautionary statement regarding forward-looking statements

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

Limitations inherent to forward-looking statements

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

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

We caution you that a large number of important factors could adversely affect our results or our ability to implement our strategy, cause us to fail to meet our targets, predictions, expectations and other anticipated outcomes or affect the accuracy of forward-looking statements described in this document. These factors include, but are not limited to, those set forth in the risk factors and the other uncertainties described in NatWest Markets Plc's 2024 Annual Report and Accounts, NatWest Markets Plc's Interim Management Statement for Q1, H1 and Q3 2025, 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, 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) and the transfer of NatWest Group's Western European 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 and MREL; NWM Group's reliance on access to capital markets directly or indirectly through its parent (NatWest Group); capital, funding and liquidity risk; reductions in the credit ratings; the competitive environment; the requirements of regulatory stress tests; 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 adequacy of NatWest Group's resolution plans; and the application of UK statutory stabilisation or resolution powers to NatWest Group); climate and sustainability risk (including in respect of: risks relating to climate change and sustainability-related risks; both the execution and reputational risk relating to NatWest Group's climate change-related strategy, ambitions, targets 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 proceedings, investigations and conduct risk); 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; attracting, retaining and developing senior management and skilled personnel; complex IT systems; NWM Group's risk management framework; and NWM Group's reputational risk); and legal, regulatory and conduct 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).

Forward-looking statements

Climate and sustainability-related disclosures

Climate and sustainability-related disclosures in this document are not measures within the scope of International Financial Reporting Standards ('IFRS'), use a greater number and level of judgments, assumptions and estimates, including with respect to the classification of climate and transition financing activities, than our reporting of historical financial information in accordance with IFRS. These judgments, assumptions and estimates are highly likely to change materially over time, and, when coupled with the longer time frames used in these disclosures, make any assessment of materiality inherently uncertain. In addition, our climate risk analysis, our ambition to be net zero across our financed emissions, assets under management and operational value chain by 2050 and the implementation of our climate transition plan remain under development, and the data underlying our analysis and strategy remain subject to evolution over time. The process we have adopted to define, gather and report data on our performance on climate and sustainability-related measures is not subject to the formal processes adopted for financial reporting in accordance with IFRS and there are currently limited industry standards or globally recognised established practices for measuring and defining climate (including transition and transition finance) and sustainability-related metrics. As a result, we expect that certain climate and sustainability-related disclosures made in this document are likely to be amended, updated, recalculated or restated in the future. Refer to the cautionary statement in the section entitled 'Climate and sustainability-related and other forward-looking statements and metrics' of the NatWest Group 2024 Sustainability Report published by NatWest Group plc for the consolidated group, including NatWest Markets Plc.

Cautionary statement regarding alternative performance measures

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.

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