

NatWest Markets Plc Financial Highlights H1 2023



H1 2023 highlights¹

We have continued to focus on our strengths to support our customers' evolving needs with financing and risk solutions. Our improved connectivity as part of the NatWest Group Commercial & Institutional segment is enabling us to unlock further opportunities for growth and to build even deeper relationships with NatWest Group customers. Our business performance has been strong over the half year and we have maintained our robust capital and liquidity position.

Financial performance	£430m Total Income	£542m Other operating expenses	£(99)m Operating loss before tax
Capital and leverage	17.6% CET1 Capital ratio vs medium term target of around 14%	5.4% Leverage ratio vs greater than 4% medium term target	38.8% MREL ratio vs greater than 30% medium term target
Liquidity and funding	249% Liquidity coverage ratio	£19.5bn Liquidity portfolio	£2.1bn Senior unsecured public benchmark issuance

- Total income of £430m in H1 2023, down by £8m compared to H1 2022. Fixed Income performance was stronger in the current period compared with H1 2022 which was impacted by challenging market conditions. A weaker performance in the Currencies business largely reflected lower levels of FX volatility. Own credit adjustments were £9m.
- Operating expenses of £534m in H1 2023 were £6m lower than £540m in H1 2022. Litigation and conduct costs of £8m credit reflected ongoing progress in closing legacy matters and were £28m lower than £20m in H1 2022. Other operating expenses were up by £22m to £542m in H1 2023, largely reflecting lower technology investment costs recognised in the comparative period.
- Strong capital and liquidity positions maintained, with NWM Plc CET1 ratio of 17.6%, total MREL of 38.8%, and LCR of 249%. NWM Plc's liquidity portfolio at 30 June 2023 was £19.5bn (31 December 2022 - £18.6bn).
- Total NWM Plc RWAs were £20.2bn at 30 June 2023, compared with £21.4bn at 31 December 2022. The decrease in the period was largely due to lower market risk, mainly driven by reduction in risk exposures and Value-at-Risk (VaR) multiplier, partially offset by an increase in counterparty credit risk, reflecting the call of a capital optimisation trade in Q2 2023.
- NWM Plc issued public benchmark transactions totalling £2.1bn of notes in H1 2023. Transactions comprised three issuances under our EMTN programme being €1.5bn, CHF0.25bn and £0.5bn of notes respectively. NWM Plc also raised funding in other formats throughout the period including, but not limited to, structured note issuance.
- Climate and sustainable funding and financing have continued to perform well, and as at the end of H1 2023 we had delivered £23.9bn towards the NatWest Group climate and sustainable funding and financing target² of £100bn between 1 July 2021 and the end of 2025.

Note: (1) Income and loss for the period relates to NWM Plc consolidated, other amounts relate to NWM Plc solo. (2) This comprises funding and financing for climate and sustainable finance to support transition towards a net-zero and climate-resilient economy.

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, the Risk Factors in the NWM 2022 Annual Report and Accounts, and the Summary Risk Factors in the NWG H1 IMS and the NWM Plc H1 IMS. 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 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 is 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

Our business

Our customers

As part of NatWest Group, we support its 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 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

Best FIG MTN Private Placement Dealer, Best Corporate Private Placement Dealer and the Most Improved Money Market Dealer
CMDportal Awards 2023

Best Bank for FX Prime Brokerage for the third consecutive year and Best Bank for Post-Trade Services for the eighth consecutive year
FX Markets Best Banks Awards 2022

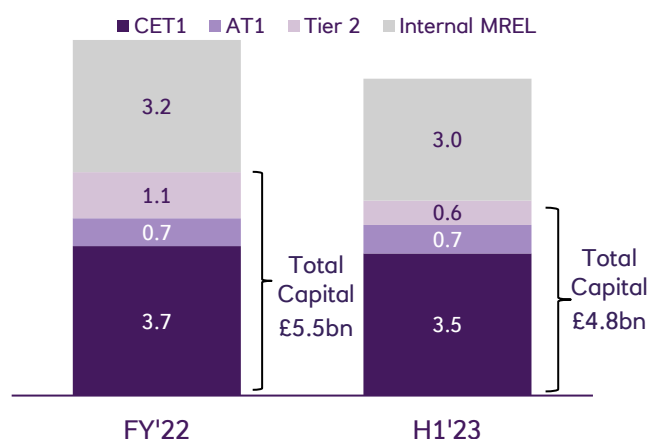
Lead manager of the year, social bonds – local authority/municipality award
Environmental Finance Bond Awards 2022

Best Sterling Lead Manager
GlobalCapital Covered Bond Awards 2022

H1 2023 Financials overview

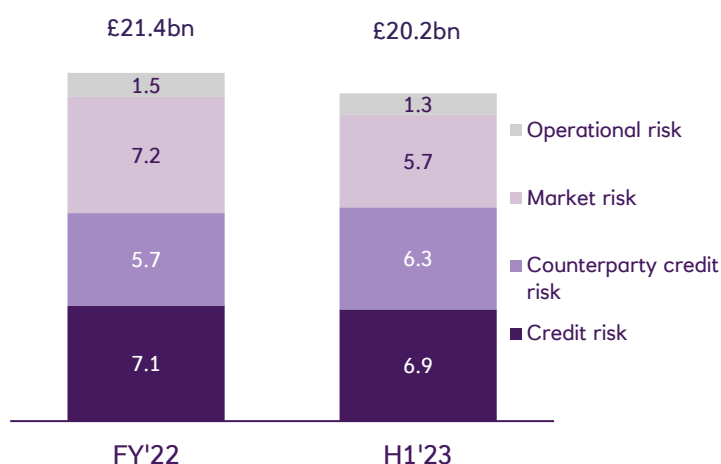
NWM Plc Capital and RWA profile

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



Note: numbers may not cast due to rounding

NWM Plc Risk Weighted Assets (£bn)

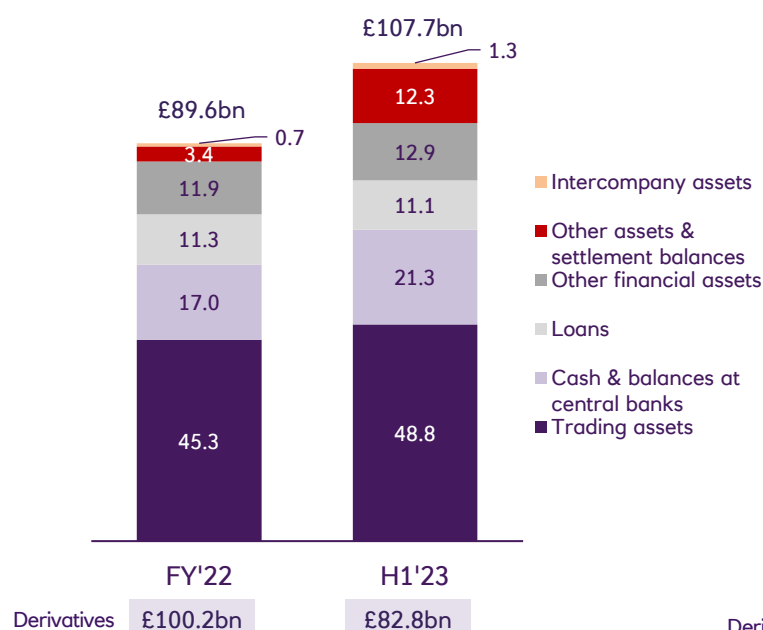


NWM Group Balance Sheet profile (£bn)

Total assets £190.5bn (FY'22: £189.8bn)

o/w Funded Assets £107.7bn (FY'22: £89.6bn)

Total liabilities and equity £190.5bn (FY'22: £189.8bn)⁴

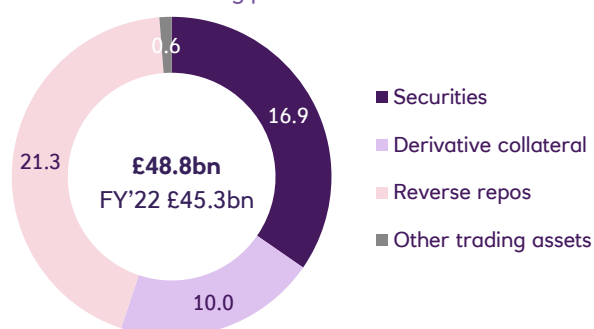


Note: Funded assets are represented by NWM Plc's total assets, in accordance with the published IFRS balance sheet, less derivative assets.

Note: numbers may not cast due to rounding

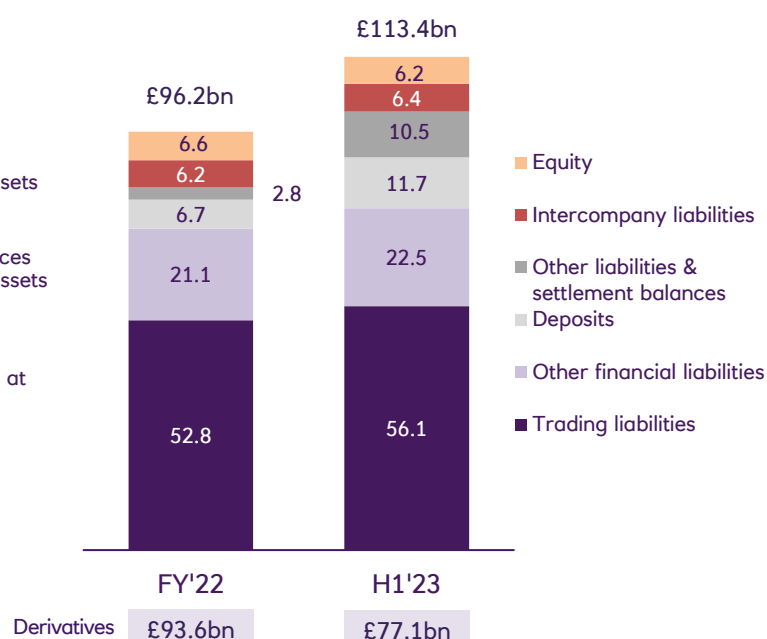
Trading assets £bn

Held at fair value in trading portfolio



Note: numbers may not cast due to rounding

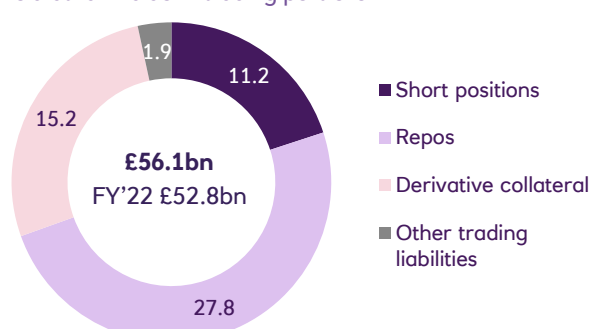
Note: (3) Excludes non-eligible capital. (4) Equity represents accounting value of capital.



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

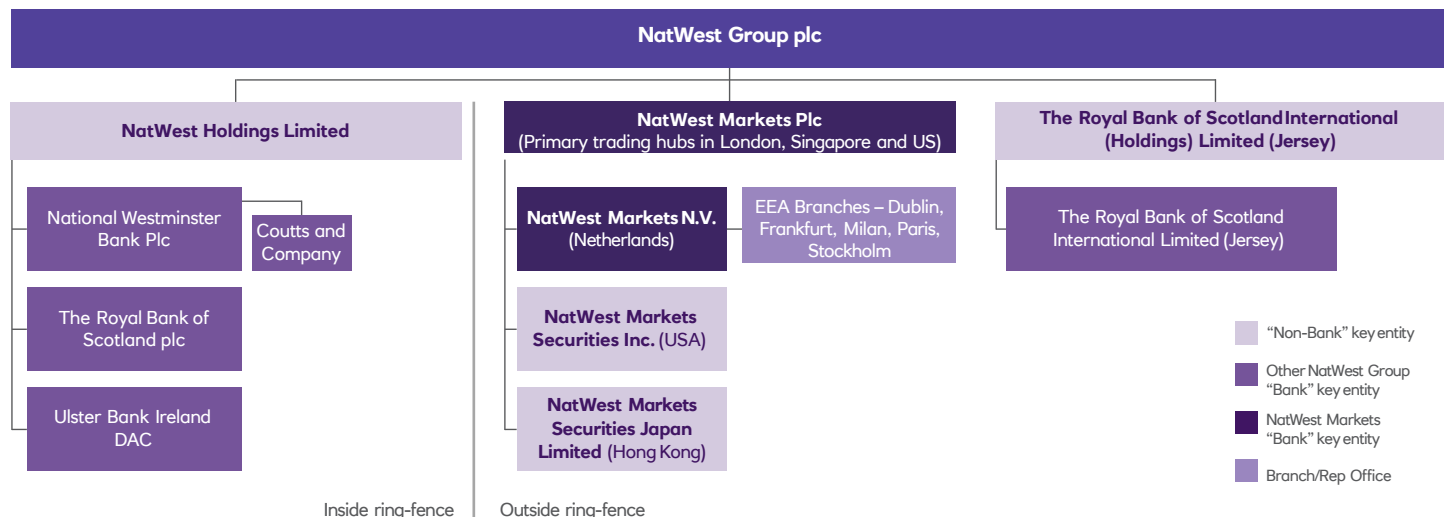
NWM Group consolidated income statement (£m)⁵

Income statement	H1'23	Q2'23	H1'22
Fixed Income	105	35	23
Currencies	227	109	280
Capital Markets	218	107	217
Capital Management Unit & other ⁶	(29)	(37)	(47)
Income including shared revenue before OCA	521	214	473
Revenue shared with or paid to fellow NatWest Group subsidiaries	(100)	(52)	(87)
Own credit adjustments (OCA)	9	3	52
Total income	430	165	438
Litigation and conduct costs	8	16	(20)
Other operating expenses	(542)	(265)	(520)
Operating expenses	(534)	(249)	(540)
Operating profit / (loss) before impairments	(104)	(84)	(102)
Impairment releases / (losses)	5	3	(5)
Tax (charge) / credit	(49)	(57)	21
Profit / (loss) for the period	(148)	(138)	(86)

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



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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. NWM's ratings were upgraded to A/A1 from A-/A1, with Stable outlook. (10) Simplified hierarchy to assist understanding.