



NatWest Markets N.V.

Interim Results 2025

NatWest Markets N.V.

Results for the half year ended 30 June 2025

The first half of the year was marked by a dynamic operating landscape, characterised by robust client engagement amid elevated uncertainty. We effectively leveraged the opportunities this environment presented, continuing to deliver expert guidance and market access to clients conducting business across Europe. Our efforts remained focused on supporting corporate clients and expanding our institutional reach.

The NatWest Group climate and sustainable funding and financing target⁽¹⁾ of £100 billion between 1 July 2021 and the end of 2025 was exceeded in Q1 2025, of which NWM N.V. Group had delivered €37 billion as at 30 June 2025. To reflect this progress, NatWest Group has announced a new target to provide £200 billion in climate and transition finance⁽²⁾ between 1 July 2025 and the end of 2030.

Management Board and Supervisory Board update

In April 2025, Frank Dangeard stepped down as a member of the Supervisory Board and Chair of the Supervisory Board of NWM N.V. and RBSH N.V. Maarten Klessens took over as Interim Chair of the Supervisory Board of NWM N.V. and RBSH N.V.

It is expected that a permanent Chair and additional Non-Executive Directors will be appointed to the Supervisory Boards of both entities in 2025.

Outlook⁽³⁾

We retain the outlook for the Common Equity Tier 1 (CET1) ratio and leverage ratio as set out in the NatWest Markets N.V. 2024 Annual Report and Accounts.

(1) Up until 30 June 2025, NatWest Group used its climate and sustainable funding and financing inclusion criteria (CSFFI criteria) to determine the assets, activities and companies that were eligible to be included within its climate and sustainable funding and financing target. This included provision of committed (on and off-balance sheet) funding and financing, including provision of services for underwriting issuances and private placements.

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

(3) The 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 of the NatWest Markets N.V. 2024 Annual Report and Accounts and the Summary Risk Factors set out in this announcement for H1 2025.

Financial review

Profit for the period was €61 million compared with €64 million in H1 2024. The decrease of €3 million was mainly due to decrease in net interest income of €28 million (€39 million in H1 2025 compared with €67 million in H1 2024) and an €11 million increase in operating expenses (from €89 million in H1 2024 to €100 million in H1 2025). This was partially offset by a €36 million increase in non-interest income (from €91 million in H1 2024 to €127 million in H1 2025).

Net interest income was €39 million compared with €67 million in H1 2024, primarily driven by lower interest rates and by changes in the funding book in H1 2025 in comparison with H1 2024.

Non-interest income increased by €36 million to €127 million compared with €91 million in H1 2024. Net fees and commissions of €121 million (H1 2024 - €113 million) primarily consisted of transfer pricing income from NWM Plc of €81 million (H1 2024 - €75 million) and underwriting fees of €45 million (H1 2024 - €42 million). The increase in transfer pricing income was mainly driven by higher income from revenue share models. Income from trading activities was a gain of €25 million compared with a loss of €11 million in H1 2024. Other operating income was a loss of €19 million compared with a loss of €11 million in H1 2024. The loss in other operating income in H1 2025 was largely driven by fair value movements in structured deposits.

Operating expenses were €100 million compared with €89 million in H1 2024. Staff costs increased by €5 million to €49 million in H1 2025. Premises and equipment costs were €3 million (H1 2024 - €3 million). Administrative expenses increased by €6 million to €47 million, compared with €41 million in H1 2024. Depreciation and amortisation were €1 million (H1 2024 - €1 million).

Impairments were nil in H1 2025, compared with a release of €2 million in H1 2024.

Tax charge was €5 million compared with a tax charge of €7 million in H1 2024, largely driven by the NWM N.V. Western European branches.

Total assets and total liabilities both increased by €10.4 billion to €40.6 billion and €38.5 billion respectively as at 30 June 2025, compared with €30.2 billion and €28.2 billion at 31 December 2024.

- Cash and balances at central banks increased by €3.8 billion to €10 billion as at 30 June 2025, with the full balance placed with the Dutch Central Bank.
- Trading assets increased to €8.7 billion (31 December 2024 - €6.7 billion), primarily driven by an increase in loans subject to reverse repurchase agreements of €2.2 billion.
- Derivative assets decreased to €11.3 billion (31 December 2024 - €11.9 billion) and derivative liabilities decreased to €9.7 billion (31 December 2024 - €10.5 billion), primarily reflecting changes in the fair value of interest rate derivatives and foreign exchange derivatives.
- Amounts due from holding company and fellow subsidiaries increased to €3.7 billion, compared with €1.2 billion at 31 December 2024, mainly due to increases in settlement balances and trading assets of €2.3 billion and €0.2 billion, respectively.
- Customer deposits increased from €3.0 billion to €6.2 billion as at 30 June 2025, in line with our strategy to increase customer deposits to match planned banking book asset growth.
- Amounts due to holding companies and fellow subsidiaries increased by €1.3 billion to €3.9 billion as at 30 June 2025, mainly driven by increases in settlement balances and trading liabilities of €0.9 billion and €0.5 billion, respectively.
- Trading liabilities increased to €8.8 billion (31 December 2024 - €7.1 billion), primarily reflecting an increase in deposits subject to repurchase agreements of €2.2 billion, partially offset by a decrease in collateral received of €0.5 billion.
- Other financial liabilities increased by €0.7 billion to €4.0 billion, driven by an increase in debt securities in issue to €3.5 billion (31 December 2024 - €2.9 billion) and an increase in customer deposits measured at fair value through profit or loss to €0.6 billion (31 December 2024 - €0.5 billion).
- Equity attributable to controlling interests increased by €44 million to €2.1 billion as at 30 June 2025, mainly driven by the profit for the period of €61 million. This was partially offset by paid-in equity dividends paid of €8 million, cash flow hedging reserve movements of €4 million, foreign exchange reserve movements of €1 million and a reduction in own credit adjustments of €4 million as spreads tightened.

Financial review

Capital and liquidity

Capital ratios and risk-weighted assets (RWAs) on the CRR transitional basis are set out below.

	30 June 2025 %	31 December 2024 %
Capital ratios		
Common Equity Tier 1 (CET1) (1)	25.0	19.0
Tier 1 (1)	28.8	21.9
Total (1)	30.9	23.7
Risk-weighted assets		
Credit risk (1)	5,054	6,953
Market risk	852	1,107
Operational risk	603	489
Total RWAs (1)	6,509	8,549
Liquidity		
Liquidity Coverage Ratio (LCR) (2)	219	244

(1) Comparative capital ratios and RWAs as at 31 December 2024 (based on Basel III regulations applicable before the 2025 changes) have been restated to correct a prior period error in the calculation of Counterparty Credit Risk RWAs. Total RWAs increased by €608 million, reducing the CET1 ratio from 20.4% to 19.0%, the Tier 1 ratio from 23.6% to 21.9%, and the Total Capital ratio from 25.5% to 23.7%.

(2) Comparative LCR as at 31 December 2024 has been restated to correct a prior period error in the calculation of HQLA. The LCR ratio for 31 December 2024 reduced by 3% from 247% to 244%.

- Capital ratios increased in H1 2025, primarily due to a decline in credit risk RWAs following the implementation of CRR3, effective 1 January 2025. CRR3 is the amendment to the original Capital Requirements Regulation that implements the final Basel III reforms.
- The reduction in credit risk RWAs under CRR3 was largely driven by the application of lower credit conversion factors and revised standardised risk weights.
- Additionally, CRR3 introduced changes that reduced counterparty credit risk RWAs and market risk RWAs, while simultaneously increasing operational risk RWAs due to a new calculation methodology.

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

	Half year ended	
	30 June 2025	30 June 2024
	€m	€m
Interest receivable	163	264
Interest payable	(124)	(197)
Net interest income	39	67
Fees and commissions receivable	135	129
Fees and commissions payable	(14)	(16)
Income from trading activities	25	(11)
Other operating income	(19)	(11)
Non-interest income	127	91
Total income	166	158
Staff costs	(49)	(44)
Premises and equipment	(3)	(3)
Other administrative expenses	(47)	(41)
Depreciation and amortisation	(1)	(1)
Operating expenses	(100)	(89)
Profit before impairment releases	66	69
Impairment releases	-	2
Operating profit before tax	66	71
Tax charge	(5)	(7)
Profit for the period	61	64
Attributable to:		
Ordinary shareholders	53	51
Paid-in-equity holders	8	13
	61	64

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

	Half year ended	
	30 June 2025	30 June 2024
	€m	€m
Profit for the period	61	64
Items that will not be reclassified subsequently to profit or loss:		
Changes in fair value of financial liabilities designated at fair value through profit or loss (FVTPL) due to changes in credit risk	(4)	(21)
Fair value through other comprehensive income (FVOCI) financial assets	-	2
	(4)	(19)
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Cash flow hedges (1)	(4)	(26)
Currency translation	(1)	-
	(5)	(26)
Other comprehensive losses after tax	(9)	(45)
Total comprehensive income for the period	52	19
Attributable to:		
Ordinary shareholders	44	6
Paid-in-equity holders	8	13
	52	19

(1) Refer to footnote 2 of the condensed consolidated statement of changes in equity.

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

	30 June 2025 €m	31 December 2024 €m
Assets		
Cash and balances at central banks	10,022	6,187
Trading assets	8,665	6,688
Derivatives	11,285	11,860
Settlement balances	3,587	866
Loans to banks - amortised cost	240	225
Loans to customers - amortised cost	848	935
Amounts due from holding company and fellow subsidiaries	3,658	1,203
Other financial assets	2,188	2,111
Other assets	124	119
Total assets	40,617	30,194
Liabilities		
Bank deposits	759	597
Customer deposits	6,188	2,999
Amounts due to holding company and fellow subsidiaries	3,904	2,558
Settlement balances	4,768	685
Trading liabilities	8,753	7,061
Derivatives	9,747	10,510
Other financial liabilities	4,048	3,368
Subordinated liabilities	291	303
Other liabilities	72	70
Total liabilities	38,530	28,151
Total equity	2,087	2,043
Total liabilities and equity	40,617	30,194

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

	Half year ended	
	30 June 2025 €m	30 June 2024 €m
Share capital and premium account - at beginning and end of period (1)	1,550	1,550
Paid-in-equity - at beginning and end of period	250	250
FVOCI reserve - at beginning of period	-	(3)
Unrealised gains	-	1
Realised losses	-	1
At end of period	-	(1)
Cash flow hedging reserve - at beginning of period	31	28
Amount recognised in equity (2)	(3)	(36)
Amount transferred from equity to earnings (3)	(1)	10
At end of period	27	2
Foreign exchange reserve - at beginning of period	6	6
Retranslation of net assets	(1)	-
At end of period	5	6
Retained earnings - at beginning of period	206	170
Profit attributable to ordinary shareholders and other equity owners	61	64
Paid-in-equity dividends paid	(8)	(13)
Ordinary dividends paid	-	(42)
Changes in fair value of financial liabilities designated at FVTPL due to changes in credit risk	(4)	(21)
At end of period	255	158
Total equity at end of period	2,087	1,965
Attributable to:		
Ordinary shareholders	1,837	1,715
Paid-in-equity holders	250	250
	2,087	1,965

(1) Includes ordinary share capital of €50,004 (2024 - €50,004).
 (2) The change in the cash flow hedging reserve is driven by realised accrued interest transferred to the income statement and an increase in swap rates in the longer tenors in the year, where the portfolio of swaps are net receive fixed.
 (3) The amount transferred from equity to the income statement is mostly recorded within net interest income within balances at central banks.

Condensed consolidated cash flow statement
for the period ended 30 June 2025 (unaudited)

	Half year ended	
	30 June 2025 €m	30 June 2024 €m
Cash flows from operating activities		
Operating profit before tax	66	71
Adjustments for non-cash and other items	(4)	(97)
Net cash flows from trading activities	62	(26)
Changes in operating assets and liabilities	3,164	632
Net cash flows from operating activities before tax	3,226	606
Income taxes paid	(6)	-
Net cash flows from operating activities	3,220	606
Net cash flows from investing activities	(41)	83
Net cash flows from financing activities	(12)	(61)
Effects of exchange rate changes on cash and cash equivalents	(45)	33
Net increase in cash and cash equivalents	3,122	661
Cash and cash equivalents at beginning of period	9,018	11,610
Cash and cash equivalents at end of period	12,140	12,271

Notes

1. Presentation of condensed consolidated financial statements

The condensed consolidated financial statements should be read in conjunction with NatWest Markets N.V.'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 and in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and as issued by the International Accounting Standards Board (IASB).

The condensed consolidated financial statements have not been audited or reviewed by the external auditor.

2. Analysis of net fees and commissions

	Half year ended	
	30 June	30 June
	2025	2024
	€m	€m
Fees and commissions receivable		
- Transfer pricing arrangements (Note 10)	81	75
- Underwriting fees	45	42
- Lending and financing	9	12
Total	135	129
Fees and commissions payable	(14)	(16)
Net fees and commissions	121	113

3. Tax

The actual tax charge differs from the expected tax charge computed by applying the statutory tax rate of the Netherlands of 25.8% (2024 - 25.8%) as follows:

	Half year ended	
	30 June	30 June
	2025	2024
	€m	€m
Profit before tax	66	71
Expected tax charge	(17)	(18)
Foreign profits taxed at other rates	(1)	(1)
Losses brought forward and utilised	11	10
Tax on paid-in equity dividends	2	3
Non-taxable items	-	(1)
Actual tax charge	(5)	(7)

Deferred tax assets of €100 million have been recognised at 30 June 2025 in respect of tax losses and unused tax credits (31 December 2024 - €100 million). NWM N.V. Group has considered the carrying value of this asset as at 30 June 2025 and concluded that it is recoverable based on future profit projections.

Notes

4. 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 2025							31 December 2024		
	Notional				Total €bn	Assets €m	Liabilities €m	Notional €bn	Assets €m	Liabilities €m
	GBP €bn	USD €bn	EUR €bn	Other €bn						
Gross exposure					6,928	6,576			8,092	6,799
IFRS offset and clearing house settlements					(179)	(179)			(293)	(293)
Carrying value	28	81	1,099	38	1,246	6,749	6,397	1,127	7,799	6,506
Of which:										
Interest rate (1)	10	16	1,039	3	1,068	3,984	2,523	919	3,968	2,596
Exchange rate	18	65	60	35	178	2,764	3,867	208	3,831	3,903
Credit	-	-	-	-	-	1	7	-	-	7
Carrying value	28	81	1,099	38	1,246	6,749	6,397	1,127	7,799	6,506
Counterparty mark-to-market netting						(3,625)	(3,625)		(3,870)	(3,870)
Cash collateral						(2,133)	(1,827)		(2,550)	(1,947)
Securities collateral						(528)	(364)		(886)	(117)
Net exposure						463	581		493	572
Banks (2)						38	63		87	13
Other financial institutions (3)						230	220		193	263
Corporate (4)						166	290		213	271
Government (5)						29	8		-	25
Net exposure						463	581		493	572
UK						2	1		1	2
Europe						454	575		486	565
US						-	5		1	5
RoW						7	-		5	-
Net exposure						463	581		493	572
Asset quality of uncollateralised derivative assets										
AQ1-AQ4						385			409	
AQ5-AQ10						78			84	
Net exposure						463			493	

- (1) The notional amount of interest rate derivatives includes €931 billion (31 December 2024 – €795 billion) in respect of contracts cleared through central clearing counterparties.
- (2) Transactions with certain counterparties with whom NWM N.V. 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 N.V.'s external rating.
- (4) Mainly large corporates with whom NWM N.V. 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.

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	FVOCI €m	Amortised cost €m	Other assets €m	Total €m
Assets					
Cash and balances at central banks			10,022		10,022
Trading assets	8,665				8,665
Derivatives	11,285				11,285
Settlement balances			3,587		3,587
Loans to banks - amortised cost (1)			240		240
Loans to customers - amortised cost			848		848
Amounts due from holding companies and fellow subsidiaries	1,305	-	2,330	23	3,658
Other financial assets	1	695	1,492		2,188
Other assets				124	124
30 June 2025	21,256	695	18,519	147	40,617
Cash and balances at central banks			6,187		6,187
Trading assets	6,688				6,688
Derivatives	11,860				11,860
Settlement balances			866		866
Loans to banks - amortised cost (1)			225		225
Loans to customers - amortised cost			935		935
Amounts due from holding companies and fellow subsidiaries	1,111	-	76	16	1,203
Other financial assets	1	595	1,515		2,111
Other assets				119	119
31 December 2024	19,660	595	9,804	135	30,194
	Held-for-trading €m	DFV €m	Amortised cost €m	Other liabilities €m	Total €m
Liabilities					
Bank deposits (2)			759		759
Customer deposits			6,188		6,188
Amounts due to holding companies and fellow subsidiaries	1,746	-	2,134	24	3,904
Settlement balances			4,768		4,768
Trading liabilities	8,753				8,753
Derivatives	9,747				9,747
Other financial liabilities	-	1,098	2,950		4,048
Subordinated liabilities (3)		272	19		291
Other liabilities (4)			8	64	72
30 June 2025	20,246	1,370	16,826	88	38,530
Bank deposits (2)			597		597
Customer deposits			2,999		2,999
Amounts due to holding companies and fellow subsidiaries	1,218	-	1,310	30	2,558
Settlement balances			685		685
Trading liabilities	7,061				7,061
Derivatives	10,510				10,510
Other financial liabilities	-	840	2,528		3,368
Subordinated liabilities (3)		281	22		303
Other liabilities (4)			9	61	70
31 December 2024	18,789	1,121	8,150	91	28,151

(1) Includes items in the course of collection from other banks of €4 million (31 December 2024 - €19 million).

(2) Includes items in the course of transmission to other banks of €28 million (31 December 2024 - €5 million).

(3) The cumulative own credit adjustment, representing an increase of the subordinated liability value, was €4 million (31 December 2024 - €16 million).

(4) Includes lease liabilities of €7 million (31 December 2024 - €8 million), held at amortised cost.

Notes

5. 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 N.V. 2024 Annual Report and Accounts. Valuation, sensitivity methodologies and input methodologies as at 30 June 2025 are consistent with those described in Note 8 to the financial statements in the NatWest Markets N.V. 2024 Annual Report and Accounts.

Fair value hierarchy

The table below shows the assets and liabilities held by NWM N.V. 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 2025				31 December 2024			
	Level 1 €m	Level 2 €m	Level 3 €m	Total €m	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Assets								
Trading assets								
Loans	-	8,665	-	8,665	-	6,580	108	6,688
Derivatives								
Interest rate	-	3,936	49	3,985	-	3,925	49	3,974
Foreign exchange	-	7,278	21	7,299	-	7,874	12	7,886
Other	-	1	-	1	-	-	-	-
Amounts due from holding companies and fellow subsidiaries								
and fellow subsidiaries	-	1,305	-	1,305	-	1,111	-	1,111
Other financial assets								
Securities	398	298	-	696	488	108	-	596
Total financial assets held at fair value	398	21,483	70	21,951	488	19,598	169	20,255
As % of total fair value assets	2%	98%	0%		2%	97%	1%	
Liabilities								
Amounts due to holding companies and fellow subsidiaries								
and fellow subsidiaries	-	1,746	-	1,746	-	1,218	-	1,218
Trading liabilities								
Deposits	-	8,753	-	8,753	-	7,061	-	7,061
Short positions	-	-	-	-	-	-	-	-
Derivatives								
Interest rate	-	2,476	61	2,537	-	2,556	82	2,638
Foreign exchange	-	7,181	22	7,203	-	7,853	12	7,865
Other	-	7	-	7	-	7	-	7
Other financial liabilities								
Debt securities in issue	-	545	-	545	-	369	-	369
Deposits	-	523	30	553	-	471	-	471
Subordinated liabilities	-	272	-	272	-	281	-	281
Total financial liabilities held at fair value	-	21,503	113	21,616	-	19,816	94	19,910
As % of total fair value liabilities	-	99%	1%		-	100%	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, certain mortgage 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 mortgage 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.

Notes

5. Financial instruments – valuation continued

Level 3 sensitivities

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

	30 June 2025			31 December 2024		
	Level 3 €m	Favourable €m	Unfavourable €m	Level 3 €m	Favourable €m	Unfavourable €m
Assets						
Trading assets						
Loans	-	-	-	108	-	-
Derivatives						
Interest rate	49	-	-	49	-	-
Foreign exchange	21	-	-	12	-	-
Total financial assets held at fair value	70	-	-	169	-	-
Liabilities						
Derivatives						
Interest rate	61	-	-	82	10	(10)
Foreign exchange	22	-	-	12	-	-
Other financial liabilities						
Deposits	30	-	-	-	-	-
Total financial liabilities held at fair value	113	-	-	94	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

5. Financial instruments – valuation continued

Movement in level 3 assets and liabilities

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

	Other		Other		Other		Other	
	Derivatives	trading	financial	Total	Derivatives	trading	financial	Total
	assets	assets (2)	assets (3)	assets	liabilities	liabilities (2)	liabilities	liabilities
At 1 January 2025	61	108	-	169	94	-	-	94
Amounts recorded in the income statement (1)	9	-	-	9	(12)	-	2	(10)
Level 3 transfers in	2	-	-	2	2	-	28	30
Level 3 transfers out	(1)	-	-	(1)	(1)	-	-	(1)
Purchases/originations	7	-	-	7	8	-	-	8
Sales	(7)	(108)	-	(115)	(6)	-	-	(6)
Foreign exchange and other adjustments	(1)	-	-	(1)	(2)	-	-	(2)
At 30 June 2025	70	-	-	70	83	-	30	113
Amounts recorded in the income statement in respect of balances held at period end								
- unrealised	25	-	-	25	7	-	2	9
At 1 January 2024	39	4	2	45	125	-	-	125
Amounts recorded in the income statement (1)	5	2	-	7	6	-	-	6
Level 3 transfers in	-	-	-	-	-	-	-	-
Level 3 transfers out	(1)	-	-	(1)	(2)	-	-	(2)
Purchases/originations	1	-	-	1	2	-	-	2
Sales	(3)	-	(1)	(4)	(5)	-	-	(5)
Foreign exchange and other adjustments	-	-	(1)	(1)	-	-	-	-
At 30 June 2024	41	6	-	47	126	-	-	126
Amounts recorded in the income statement in respect of balances held at period end								
- unrealised	62	-	-	62	62	-	-	62

(1) There was €21 million net loss on trading assets and liabilities (30 June 2024 – €1 million net gain) recorded in income from trading activities. Net losses on other instruments of €2 million (30 June 2024 – nil) 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.

Notes

5. Financial instruments – valuation continued

Fair value of financial instruments measured at amortised cost on the balance sheet

The following table shows the carrying value and fair value of financial instruments carried at amortised cost on the balance sheet.

	Carrying value €m	Fair value €m	Fair value hierarchy level			Items where fair value approximates carrying value €m
			Level 2 €m	Level 3 €m		
30 June 2025						
Financial assets						
Cash and balances at central banks	10,022	10,022	-	-		10,022
Settlement balances	3,587	3,587	-	-		3,587
Loans to banks	240	240	-	-		240
Loans to customers	848	845	-	845		-
Amounts due from holding companies and fellow subsidiaries	2,330	2,330	-	25		2,305
Other financial assets - securities	1,492	1,488	98	1,390		-
31 December 2024						
Financial assets						
Cash and balances at central banks	6,187	6,187	-	-		6,187
Settlement balances	866	866	-	-		866
Loans to banks	225	225	-	-		225
Loans to customers	935	917	-	917		-
Amounts due from holding companies and fellow subsidiaries	76	76	-	64		12
Other financial assets - securities	1,515	1,514	98	1,416		-
30 June 2025						
Financial liabilities						
Bank deposits	759	759	-	731		28
Customer deposits	6,188	6,188	-	6,179		9
Amounts due to holding companies and fellow subsidiaries	2,134	2,134	151	880		1,103
Settlement balances	4,768	4,768	-	-		4,768
Other financial liabilities						
Debt securities in issue	2,950	2,950	2,413	537		-
Subordinated liabilities	19	19	19	-		-
31 December 2024						
Financial liabilities						
Bank deposits	597	597	-	592		5
Customer deposits	2,999	2,999	-	2,980		19
Amounts due to holding companies and fellow subsidiaries	1,310	1,312	151	987		174
Settlement balances	685	685	-	-		685
Other financial liabilities						
Debt securities in issue	2,528	2,528	1,592	936		-
Subordinated liabilities	22	22	22	-		-

The assumptions and methodologies underlying the calculation of fair values of financial instruments at the balance sheet date are as follows:

Short-term financial instruments

For certain short-term financial instruments: cash and balances at central banks, items in the course of collection from other banks, settlement balances, items in the course of transmission to other banks, and customer demand deposits, carrying value is deemed a reasonable approximation of fair value.

Loans to banks and customers

In estimating the fair value of net loans to customers and banks measured at amortised cost, NWM N.V.'s loans are segregated into appropriate portfolios reflecting the characteristics of the constituent loans. Two principal methods are used to estimate fair value; contractual cash flows and expected cash flows.

Debt securities and subordinated liabilities

Most debt securities are valued using quoted prices in active markets or from quoted prices of similar financial instruments in active markets. The remaining population is valued using discounted cash flows at current offer rates.

Bank and customer deposits

Fair values of deposits are estimated using contractual cashflows using a market discount rate incorporating the current spread.

Notes

6. Trading assets and liabilities

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

	30 June 2025	31 December 2024
	€m	€m
Assets		
Loans		
Reverse repos	6,651	4,489
Collateral given	1,999	2,079
Other loans	15	120
Total	8,665	6,688
Liabilities		
Deposits		
Repos	6,455	4,272
Collateral received	2,296	2,787
Other deposits	2	2
Total	8,753	7,061

Notes

7. Loan impairment provisions

Economic loss drivers

Introduction

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

Economic scenarios

At 30 June 2025, 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.

For 30 June 2025, 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 the labour market, inflation, interest rate, asset price and economic growth, around which there remains pronounced levels of uncertainty.

High level narrative – potential developments, vulnerabilities and risks

	Outperformance sustained – the economy continues to grow at a robust pace	Upside
	Steady growth – staying close to trend pace but with some near-term slowdown	Base case
Growth	Stalling – lagged effect of higher inflation and cautious consumer amidst global trade policy and geopolitical uncertainty stalls the rebound	Downside
	Extreme stress – extreme fall in GDP, with policy support to facilitate sharp recovery	Extreme downside
	Sticky – strong growth and/or wage policies and/or interest rate cuts means inflation runs well above target	Upside
Inflation	Battle won – 2% target is met on a sustained basis	Base case
	Structural factors – sustained bouts of energy, food and goods price inflation on geopolitics/deglobalisation	Downside
	Close to deflation – inflationary pressures diminish amidst pronounced weakness in demand	Extreme downside
Labour market	Tighter, still – job growth rebounds strongly, pushing unemployment back down	Upside
	Cooling continues – gradual loosening prompts a gentle rise in unemployment (but remains low), job growth recovers	Base case
	Job shedding – prolonged weakness in economy prompts redundancies, reduced hours, building slack	Downside
	Depression – unemployment hits levels close to previous peaks amid severe stress	Extreme downside
Rates short-term	Limited cuts – higher growth and inflation	Upside
	Steady – approximately one cut per quarter	Base case
	Mid-cycle quickening – sharp declines through 2025 to support recovery	Downside
	Sharp drop – drastic easing in policy to support a sharp deterioration in the economy	Extreme downside
Rates long-term	Above consensus	Upside
	Consensus aligned	Base case
	Below consensus	Downside/Extreme downside

Notes

7. Loan impairment provisions continued

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 2025					31 December 2024				
	Upside %	Base case %	Downside %	Extreme downside %	Weighted average %	Upside %	Base case %	Downside %	Extreme downside %	Weighted average %
Five-year summary										
GDP - CAGR	2.1	1.5	0.9	(0.2)	1.3	2.0	1.3	0.8	(0.3)	1.2
Unemployment - average	5.4	6.3	7.1	9.7	6.7	5.7	6.3	7.1	9.5	6.7
European Central Bank - main refinancing rate - average	2.2	2.2	1.3	0.1	1.8	3.4	2.6	2.3	0.7	2.5
Probability weight	21.7	45.0	20.7	12.6		23.2	45.0	19.1	12.7	

(1) The five-year summary runs from 2025-2029 for 30 June 2025 and from 2024-2028 for 31 December 2024.

Probability weightings of scenarios

NWM N.V. Group's quantitative approach to IFRS 9 multiple economic scenarios involves selecting a suitable set of discrete scenarios to characterise the distribution of risks in the economic outlook and assigning appropriate probability weights. This quantitative approach is used for 30 June 2025.

The approach involves comparing GDP paths for NWM N.V. Group's scenarios against a set of 1,000 model runs, following which, a percentile in the distribution is established that most closely corresponded to the scenario. The probability weight for base case is set first based on judgement, while probability weights for the alternate scenarios are assigned based on these percentiles scores.

The weights were broadly comparable to those used at 31 December 2024 but with slightly more downside skew. The assigned probability weights were judged to be aligned with the subjective assessment of balance of the risks in the economy as global trade policy uncertainty increased, and geopolitical risks remained elevated. US trade policy remains a key area of uncertainty for the economy. NWM N.V. Group is comfortable that the adjustments made to the base case view reflect much of the adverse economic impacts from tariffs, while the downside scenarios give good coverage to the potential for more significant economic damage, including higher inflation and downturns in business investment and consumer spending. Given the balance of risks that the economy is exposed to, NWM N.V. Group judges it appropriate that downside-biased scenarios have higher combined probability weights than the upside-biased scenario. It presents 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 21.7% weighting was applied to the upside scenario, a 45.0% weighting applied to the base case scenario, a 20.7% weighting applied to the downside scenario and a 12.6% weighting applied to the extreme downside scenario.

Worst points

	30 June 2025					31 December 2024				
	Downside		Extreme downside		Downside %	Downside		Extreme downside		Quarter
	%	Quarter	%	Quarter		Quarter	%	Quarter	%	
Eurozone										
GDP	(0.1)	Q2 2026	(4.6)	Q2 2026	-	Q1 2024	(4.0)	Q4 2025		
Unemployment rate - peak	7.7	Q2 2027	11.8	Q2 2027	7.7	Q4 2026	11.8	Q4 2026		

(1) For the unemployment rate, the figures show the peak levels. For GDP, the figures show falls relative to the starting period. The calculations are performed over five years, with a starting point of Q3 2024 for 31 December 2024 scenarios.

Governance and post model adjustments

The IFRS 9 PD, EAD and LGD models are subject to NWM N.V. Group's model risk policy that stipulates periodic model monitoring, periodic re-validation and defines approval procedures and authorities according to model materiality. Various post model adjustments were applied where management judged they were necessary to ensure an adequate level of overall ECL provision. All post model adjustments were subject to review, challenge and approval through model or provisioning committees.

Post model adjustments will remain a key focus area of NWM N.V. Group's ongoing ECL adequacy assessment process. A holistic framework has been established including reviewing a range of economic data, external benchmark information and portfolio performance trends with a particular focus on segments of the portfolio that are likely to be more susceptible to high inflation, high interest rates and supply chain disruption.

For H1 2025, the economic uncertainty post model adjustment remained at €2 million (31 December 2024 – €2 million) with €1 million in Stage 1 and €1 million in Stage 2 (31 December 2024 – €1 million (Stage 1) and €1 million (Stage 2)).

Notes

7. Loan impairment provisions continued

Measurement uncertainty and ECL sensitivity analysis

The recognition and measurement of ECL is complex and involves the use of significant judgement and estimation, particularly in times of economic volatility and uncertainty. This includes the formulation and incorporation of multiple forward-looking economic conditions into ECL to meet the measurement objective of IFRS 9. The ECL provision is sensitive to the model inputs and economic assumptions underlying the estimate.

The impact arising from the base case, upside, downside, and extreme downside scenarios was simulated. In the simulations, NWM N.V. Group has assumed that the economic macro variables associated with these scenarios 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 in the analysis below, with the simulation impacting both PDs and LGDs. Post model adjustments included in the ECL estimates that were modelled were sensitised in line with the modelled ECL movements, but those that were judgemental in nature, primarily those for deferred model calibrations and economic uncertainty, were not (refer to the Governance and post model adjustments section) on the basis these would be re-evaluated by management through ECL governance for any new economic scenario outlook and not be subject to an automated calculation. As expected, the scenarios create differing impacts on ECL by portfolio and the impacts are deemed reasonable. In this simulation, it is assumed that existing modelled relationships between key economic variables and loss drivers hold, but in practice other factors would also have an impact, for example, potential customer behaviour changes and policy changes by lenders that might impact on the wider availability of credit.

The focus of the simulations is on ECL provisioning requirements on performing exposures in Stage 1 and Stage 2. The simulations are run on a stand-alone basis and are independent of each other; the potential ECL impacts reflect the simulated impact at 30 June 2025. Scenario impacts on significant increase in credit risk (SICR) should be considered when evaluating the ECL movements of Stage 1 and Stage 2. In all scenarios the total exposure was the same but exposure by stage varied in each scenario.

Stage 3 provisions are not subject to the same level of measurement uncertainty – default is an observed event as at the balance sheet date. Stage 3 provisions therefore were not considered in this analysis.

NWM N.V. Group's core criterion to identify a SICR is founded on PD deterioration. Under the simulations, PDs change and result in exposures moving between Stage 1 and Stage 2 contributing to the ECL impact.

Measurement uncertainty and ECL adequacy

- If the economics were as negative as observed in the extreme downside (i.e. 100% probability weighting), total Stage 1 and Stage 2 ECL was simulated to increase. In this scenario, Stage 2 exposure increased significantly and was the key driver of the simulated ECL rise. The movement in Stage 2 balances in the other simulations was less significant.
- There was a significant increase in ECL under the extreme downside scenario.
- Given the continued economic uncertainty, NWM Group utilised a framework of quantitative and qualitative measures to support the levels of ECL coverage. This included economic data, credit performance insights and problem debt trends. This was particularly important for consideration of post model adjustments.
- As the effects of these economic risks evolve, there is a risk of further credit deterioration. However, the income statement effect of this should be mitigated by the forward-looking provisions retained on the balance sheet at 30 June 2025.
- There are a number of key factors that could drive further downside to impairments, through deteriorating economic and credit metrics and increased stage migration as credit risk increases for more customers. Such factors which could impact the IFRS 9 models, include an adverse deterioration in unemployment, GDP and stock price index.

Notes

7. Loan impairment provisions continued

Portfolio summary

The table below shows gross loans and ECL, by stage, within the scope of the ECL IFRS 9 framework.

	30 June 2025 €m	31 December 2024 €m
Loans - amortised cost and fair value through other comprehensive income (FVOCI)		
Stage 1	925	996
Stage 2	134	118
Stage 3	30	34
Inter-group (1)	25	64
Total	1,114	1,212
Total ECL provisions		
Stage 1	4	5
Stage 2	3	2
Stage 3	-	1
Total	7	8
ECL provisions coverage (2)		
Stage 1 (%)	0.43	0.50
Stage 2 (%)	2.24	1.69
Stage 3 (%)	-	2.94
Total	0.64	0.70
Other financial assets - gross exposure	12,211	8,297
Other financial assets - ECL provision	3	1
Half year ended		
	30 June 2025 €m	30 June 2024 €m
Impairment losses		
ECL (release) - third party (3)	-	(2)
Amounts written-off	-	-

(1) The NWM N.V. intercompany assets were classified in Stage 1. The ECL for these loans was nil (31 December 2024 – nil).
 (2) ECL provisions coverage is calculated as ECL provisions divided by loans – amortised cost and FVOCI. It is calculated on loans and total ECL provisions, including ECL for other (non-loan) assets and unutilised exposure. Some segments with a high proportion of debt securities or unutilised exposure may result in a not meaningful (nm) coverage ratio.
 (3) Includes €1.3 million charge (30 June 2024 – €1.0 million release) related to other financial assets and nil (30 June 2024 – nil) relating to contingent liabilities.
 (4) The table shows gross loans only and excludes amounts that are outside the scope of the ECL framework. Refer to page 40 for Financial instruments within the scope of the IFRS 9 ECL framework in the NatWest Markets N.V. Group 2024 Annual Report for further details. Other financial assets within the scope of the IFRS 9 ECL framework were cash and balances at central banks totalling €10.0 billion (31 December 2024 – €6.2 billion) and debt securities of €2.2 billion (31 December 2024 – €2.1 billion).

Notes

7. Loan impairment provisions continued

Sector analysis – portfolio summary

The table below shows financial assets and off-balance sheet exposures gross of ECL and related ECL provisions, impairment by sector, asset quality and geographical region based on the country of operation of the customer. The tables below show only third-party exposures and related ECL provisions, charges and write-offs.

	Corporate & other	Financial institutions	Sovereign	Total
	€m	€m	€m	€m
30 June 2025				
Loans by geography	354	735	-	1,089
- <i>The Netherlands</i>	35	58	-	93
- <i>Other Europe</i>	267	389	-	656
- <i>RoW</i>	52	288	-	340
Loans by asset quality (1)	354	735	-	1,089
- AQ1	-	-	-	-
- AQ2	-	100	-	100
- AQ3	19	6	-	25
- AQ4	73	627	-	700
- AQ5	19	-	-	19
- AQ6	110	-	-	110
- AQ7	100	2	-	102
- AQ8	3	-	-	3
- AQ9	-	-	-	-
- AQ10	30	-	-	30
Loans by stage	354	735	-	1,089
- <i>Stage 1</i>	272	653	-	925
- <i>Stage 2</i>	52	82	-	134
- <i>Stage 3</i>	30	-	-	30
Weighted average life (2) - ECL measurement (years)	4	5	-	4
Weighted average 12 months PDs (2)				
- <i>IFRS 9 (%)</i>	1.71	0.17	-	0.64
- <i>Basel (%)</i>	1.77	0.13	-	0.63
ECL provisions by geography	4	3	-	7
- <i>The Netherlands</i>	-	-	-	-
- <i>Other Europe</i>	3	3	-	6
- <i>RoW</i>	1	-	-	1
ECL provisions by stage	4	3	-	7
- <i>Stage 1</i>	3	1	-	4
- <i>Stage 2</i>	1	2	-	3
- <i>Stage 3</i>	-	-	-	-
ECL provisions coverage (%)	1.13	0.41	-	0.64
- <i>Stage 1 (%)</i>	1.10	0.15	-	0.43
- <i>Stage 2 (%)</i>	1.92	2.44	-	2.24
- <i>Stage 3 (%)</i>	-	-	-	-
ECL release - third party	(1)	1	-	-
Amounts written-off	-	-	-	-
Other financial assets by asset quality (1)	268	1,405	10,538	12,211
- AQ1-AQ4	266	1,338	10,538	12,142
- AQ5-AQ8	2	67	-	69
Off-balance sheet	6,647	1,134	-	7,781
- <i>Loan commitments</i>	6,647	622	-	7,269
- <i>Financial guarantees</i>	-	512	-	512
Off-balance sheet by asset quality (1)	6,647	1,134	-	7,781
- AQ1-AQ4	6,455	1,073	-	7,528
- AQ5-AQ8	188	61	-	249
- AQ10	4	-	-	4

Notes

7. Loan impairment provisions continued

Sector analysis – portfolio summary

	Corporate & other	Financial institutions	Sovereign	Total
	€m	€m	€m	€m
31 December 2024				
Loans by geography	483	665	-	1,148
- <i>The Netherlands</i>	36	45	-	81
- <i>Other Europe</i>	336	372	-	708
- <i>RoW</i>	111	248	-	359
Loans by asset quality (1)	483	665	-	1,148
- <i>AQ1</i>	-	38	-	38
- <i>AQ2</i>	-	184	-	184
- <i>AQ3</i>	13	3	-	16
- <i>AQ4</i>	192	437	-	629
- <i>AQ5</i>	22	-	-	22
- <i>AQ6</i>	107	-	-	107
- <i>AQ7</i>	110	3	-	113
- <i>AQ8</i>	5	-	-	5
- <i>AQ9</i>	-	-	-	-
- <i>AQ10</i>	34	-	-	34
Loans by stage	483	665	-	1,148
- <i>Stage 1</i>	384	612	-	996
- <i>Stage 2</i>	65	53	-	118
- <i>Stage 3</i>	34	-	-	34
Weighted average life (2) - ECL measurement (years)	4	2	-	3
Weighted average 12 months PDs (2)				
- <i>IFRS 9 (%)</i>	1.45	0.14	-	0.68
- <i>Basel (%)</i>	1.46	0.12	-	0.65
ECL provisions by geography	6	2	-	8
- <i>The Netherlands</i>	-	-	-	-
- <i>Other Europe</i>	5	2	-	7
- <i>RoW</i>	1	-	-	1
ECL provisions by stage	6	2	-	8
- <i>Stage 1</i>	3	2	-	5
- <i>Stage 2</i>	2	-	-	2
- <i>Stage 3</i>	1	-	-	1
ECL provisions coverage (%)	1.24	0.30	-	0.70
- <i>Stage 1 (%)</i>	0.78	0.33	-	0.50
- <i>Stage 2 (%)</i>	3.08	-	-	1.69
- <i>Stage 3 (%)</i>	2.94	-	-	2.94

Half year ended 30 June 2024

ECL release - third party	(1)	(1)	-	(2)
Amounts written-off	-	-	-	-

31 December 2024

Other financial assets by asset quality (1)	96	1,496	6,705	8,297
- <i>AQ1-AQ4</i>	93	1,421	6,705	8,219
- <i>AQ5-AQ8</i>	3	75	-	78
Off-balance sheet	6,349	1,121	-	7,470
- <i>Loan commitments</i>	6,349	609	-	6,958
- <i>Financial guarantees</i>	-	512	-	512
Off-balance sheet by asset quality (1)	6,349	1,121	-	7,470
- <i>AQ1-AQ4</i>	6,171	1,070	-	7,241
- <i>AQ5-AQ8</i>	178	51	-	229
- <i>AQ10</i>	-	-	-	-

(1) AQ bandings are based on Basel PDs and mapping is as follows

Internal asset quality band	Probability of default range	Indicative S&P rating
AQ1	0% - 0.034%	AAA to AA
AQ2	0.034% - 0.048%	AA to AA-
AQ3	0.048% - 0.095%	A+ to A
AQ4	0.095% - 0.381%	BBB+ to BBB-
AQ5	0.381% - 1.076%	BB+ to BB
AQ6	1.076% - 2.153%	BB- to B+
AQ7	2.153% - 6.089%	B+ to B
AQ8	6.089% - 17.222%	B- to CCC+
AQ9	17.222% - 100%	CCC to C
AQ10	100%	D

(2) Not within the scope of the independent auditors' report.

Notes

7. Loan impairment provisions continued

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 because they relate to balances at central banks. 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.
- 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 €m	Financial ECL €m						
At 1 January 2025	10,817	5	114	2	34	1	10,965	8
Currency translation and other adjustments	(36)	(1)	-	-	(1)	-	(37)	(1)
Inter-group transfers	-	-	-	-	-	-	-	-
Transfers from Stage 1 to Stage 2	(111)	-	111	-	-	-	-	-
Transfers from Stage 2 to Stage 1	50	-	(50)	-	-	-	-	-
Net re-measurement of ECL on stage transfer	-	-	2	-	-	-	-	2
Changes in risk parameters	-	-	-	-	-	(1)	-	(1)
Other changes in net exposure	(1,756)	-	14	(1)	(4)	-	(1,746)	(1)
Other profit or loss only items	-	-	-	-	-	-	-	-
Income statement (releases)/charges	-	-	1	-	(1)	-	-	-
Amounts written-off	-	-	-	-	-	-	-	-
At 30 June 2025	8,964	4	189	3	29	-	9,182	7
Net carrying amount	8,960		186		29		9,175	
At 1 January 2024	13,731	8	143	2	-	-	13,874	10
2024 movements	(3,066)	(3)	29	1	-	-	(3,037)	(2)
At 30 June 2024	10,665	5	172	3	-	-	10,837	8
Net carrying amount	10,660		169		-	-	10,829	

(1) The table above excludes inter-group.

- Stage 3 assets related to a single asset. The asset is expected to return to good book by the year end without any expected losses.

Notes

8. 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 2025. Although NWM N.V. Group is exposed to credit risk in the event of non-performance of the obligations undertaken by customers, the amounts shown do not, and are not intended to, provide any indication of NWM N.V. Group's expectation of future losses.

	30 June 2025 €m	31 December 2024 €m
Contingent liabilities and commitments		
Guarantees and assets pledged as collateral security	511	511
Standby facilities, credit lines and other commitments	7,269	6,959
Total	7,780	7,470

Commitments and contingent obligations are subject to NWM N.V. Group's normal credit approval processes.

Included within guarantees and assets pledged as collateral security as at 30 June 2025 was €0.5 billion (31 December 2024 – €0.5 billion) which relates to the NatWest Group's obligations over liabilities held within the Dutch State acquired businesses included in ABN AMRO Bank N.V.

Risk-sharing agreements

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 fellow subsidiaries, include:

- The provision of a funded guarantee of up to €0.8 billion by NWM Plc to NWM N.V. that limits certain NWM N.V.'s exposures to large individual customer credits. Funding is provided by NWM Plc deposits placed with NWM N.V. of not less than the guaranteed amount. As at 30 June 2025, the deposits amounted to €0.1 billion and the guarantee fees in the period were €0.8 million.
- The provision of funded and unfunded guarantees by NWM Plc in respect of NWM N.V.'s legacy portfolio. As at 30 June 2025 the exposure at default covered by the guarantees was approximately €0.2 billion (of which none was cash collateralised). Fees of €0.2 million in relation to the guarantees were recognised in the period.

Notes

9. Litigation and regulatory matters

NWM N.V. and certain members of NatWest 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 Netherlands, the United Kingdom (UK), the European Union (EU), the United States (US) and other jurisdictions.

NWM N.V. 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 N.V. 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 N.V. 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 N.V. 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 N.V. 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 N.V. 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.

Matters which are, or could be, material, either individually or in aggregate, having regard to NWM N.V. Group, considered as a whole, in which NWM N.V. 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.

NatWest Group is involved in ongoing litigation and regulatory matters that are not described below but are described on pages 95 to 100 in the NatWest Group plc Interim Results 2025. NatWest Group expects that in future periods, additional provisions and economic outflows relating to Matters that may or may not be currently known by NatWest Group will be necessary, in amounts that are expected to be substantial in some instances. While NWM N.V. Group may not be directly involved in such NatWest Group matters, any final adverse outcome of those matters may also have an adverse effect on NWM N.V. Group.

For a discussion of certain risks associated with NWM N.V. 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 150 to 151 of the NatWest Markets N.V. 2024 Annual Report and Accounts.

Litigation

Foreign exchange litigation

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.

Notes

9. Litigation and regulatory matters continued

Foreign exchange litigation 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. NWM N.V. Group cannot predict whether all or any of these claims will be pursued.

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.

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. The plaintiffs have now filed a motion in the district court to re-open the case to assert aiding and abetting claims that they previously did not assert, which the defendants are opposing. 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

NWM N.V. Group's financial condition can be affected by the actions of various governmental and regulatory authorities in the Netherlands, the UK, the EU, the US and elsewhere. NatWest Group has engaged, and will continue to engage, in discussions with relevant governmental and regulatory authorities, including in the Netherlands, the UK, the EU, the US 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.

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 N.V. Group, remediation of systems and controls, public or private censure, restriction of NWM N.V. Group's business activities and/or fines. Any of these events or circumstances could have a material adverse effect on NWM N.V. 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.

Notes

10. Related party transactions

NWM N.V. has a related party relationship with associates, joint ventures, key management and shareholders. NWM N.V. enters into transactions with related parties.

Transfer pricing

NWM N.V. is a party to transfer pricing arrangements with NWM Plc under which NWM N.V. received income of €81 million (H1 2024 - €75 million) for business interactions with NWM Plc. The at arm's length nature of the transfer pricing arrangements is confirmed by transfer pricing documentation which has been prepared by an external expert.

NatWest Bank Europe GmbH (NWBE) transfers

In December 2024, it was announced that NWM N.V. would become NatWest Group's primary European corporate and institutional customer-facing entity. As part of this strategic transition, new Structured Finance origination ceased in NWBE and commenced in NWM N.V. from May 2025. The majority of asset transfers from NWBE to NWM N.V. are expected to occur in the second half of 2025.

Full details of NWM N.V. Group's related party transactions for the year ended 31 December 2024 are included in the NatWest Markets N.V. 2024 Annual Report and Accounts.

Holding companies and fellow subsidiaries

Amounts due from/to holding companies and fellow subsidiaries are as below:

	30 June 2025			31 December 2024		
	Holding companies €m	Fellow subsidiaries €m	Total €m	Holding companies €m	Fellow subsidiaries €m	Total €m
Assets						
Trading assets	1,302	3	1,305	1,111	-	1,111
Settlement balances	2,281	23	2,304	12	-	12
Loans to banks - amortised cost	1	6	7	40	3	43
Loans to customers - amortised cost	19	-	19	21	-	21
Other assets	23	-	23	16	-	16
Amounts due from holding companies and fellow subsidiaries	3,626	32	3,658	1,200	3	1,203
Derivatives (1)	4,536	-	4,536	4,061	-	4,061
Liabilities						
Bank deposits - amortised cost	885	-	885	1,010	-	1,010
Customer deposits - amortised cost	-	2	2	-	2	2
Settlement balances	1,096	-	1,096	147	-	147
Trading liabilities	1,746	-	1,746	1,218	-	1,218
Other financial liabilities - subordinated liabilities	150	-	150	150	-	150
Other liabilities	10	15	25	16	15	31
Amounts due to holding companies and fellow subsidiaries	3,887	17	3,904	2,541	17	2,558
Derivatives (1)	3,350	-	3,350	4,004	-	4,004

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

11. Post balance sheet events

There have been no significant events between 30 June 2025 and the date of approval of this announcement which would require a change to, or additional disclosure in, the announcement.

12. Date of approval

The interim results for the half year ended 30 June 2025 were approved by the Supervisory Board on 24 July 2025.

NatWest Markets N.V. 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 N.V. 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 136 to 155 of the NatWest Markets N.V. 2024 Annual Report and Accounts. Any of the risks identified may have a material adverse effect on NWM N.V. Group's business, operations, financial condition or prospects.

Economic and political risk

- NWM N.V. Group, its customers and its counterparties face continued economic and political risks and uncertainties in the UK, European and global markets, including as a result of inflation and interest rates, supply chain disruption, and geopolitical developments.
- Changes in interest rates will continue to affect NWM N.V. Group's business and results.

Business change and execution risk

- NWM Group (including NWM N.V. Group) has been in a period of, and may continue to be subject to, significant structural and other change.
- The transfer of NatWest Group's Western European corporate portfolio involves certain risks.

Financial resilience risk

- NWM N.V. is NatWest Group's banking and trading entity located in the Netherlands. NWM N.V. has repurposed its banking licence, and NWM N.V. Group may be subject to further changes.
- NWM Group, including NWM N.V. Group, may not achieve its ambitions or targets, meet its guidance, generate returns or implement its strategy effectively.
- NWM N.V. may not meet the prudential regulatory requirements for capital.
- NWM N.V. 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 N.V. Group is reliant on access to the capital markets to meet its funding requirements. The inability to do so may adversely affect NWM N.V. Group.
- NWM N.V. may not manage its 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 N.V.) or any of their respective debt securities could adversely affect the availability of funding for NWM N.V. Group, reduce NWM N.V. Group's liquidity and funding position and increase the cost of funding.
- NWM N.V. Group operates in markets that are highly competitive, with competitive pressures and technology disruption.
- NWM N.V. Group may be adversely affected if NatWest Group fails to meet the requirements of regulatory stress tests.
- NWM N.V. Group has significant exposure to counterparty and borrower risk including credit losses, which may have an adverse effect on NWM N.V. Group.
- NWM N.V. Group could incur losses or be required to maintain higher levels of capital as a result of limitations or failure of various models.
- NWM N.V. Group's financial statements are sensitive to underlying accounting policies, judgments, estimates and assumptions.
- Changes in accounting standards may materially impact NWM N.V. Group's financial results.
- NatWest Group (including NWM N.V.) may become subject to the application of statutory stabilisation or resolution powers which may result in, for example, the write-down or conversion of certain Eligible Liabilities (including NWM N.V.'s Eligible Liabilities).
- NatWest Group is subject to regulatory oversight in respect of resolution, and NWM N.V. Group could be adversely affected should the BoE in the future deem NatWest Group's preparations to be inadequate.

NatWest Markets N.V. 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 N.V. Group's businesses.
- NWM N.V. Group is subject to sophisticated and frequent cyberattacks, and compliance with cybersecurity and data protection regulations is becoming increasingly complex.
- NWM N.V. Group operations and strategy are highly dependent on the accuracy and effective use of data.
- NWM N.V. Group relies on attracting, retaining, developing and remunerating diverse senior management and skilled personnel, and is required to maintain good employee relations.
- NWM N.V. Group's operations are highly dependent on its complex IT systems, and any IT failure could adversely affect NWM N.V. Group.
- A failure in NWM N.V. Group's risk management framework could adversely affect NWM N.V. Group, including its ability to achieve its strategic objectives.
- NWM N.V. Group's operations are subject to inherent reputational risk.

Legal and regulatory risk

- NWM N.V. Group's businesses are subject to substantial regulation and oversight, which are constantly evolving and may adversely affect NWM N.V. Group.
- NWM N.V. Group and NWM Plc are exposed to the risk 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 N.V. Group.

Climate and sustainability-related risks

- NWM N.V. Group and its value chain face climate and sustainability-related risks that may adversely affect NWM N.V. Group.
- NatWest Group's strategy relating to climate change, ambitions, targets and transition plan entail significant execution and/or reputational risks and are unlikely to be achieved without significant and timely government policy, technology and customer behavioural changes.
- Failure to implement effective governance, procedures, systems and controls in compliance with legal, regulatory requirements and societal expectations to manage climate and sustainability-related risks and opportunities could adversely affect NWM N.V. Group.
- There are significant limitations related to accessing accurate, reliable, verifiable, auditable, consistent and comparable climate and other sustainability-related data that contribute to substantial uncertainties in accurately modelling and reporting on climate and sustainability information, as well as making appropriate important internal decisions.
- NWM N.V. Group is becoming subject to more extensive, and sophisticated climate and other sustainability-related laws, regulation and oversight and there is an increasing risk of regulatory enforcement, investigation and litigation.

Additional Information

Presentation of Information

NatWest Markets N.V. (NWM N.V.) is a wholly owned subsidiary of RBS Holdings N.V. (RBSH N.V.). NWM N.V. Group or 'we' refers to NWM N.V. and its subsidiary and associated undertakings. The term 'RBSH Group' refers to RBSH N.V. its subsidiaries, NWM N.V and RBS International Depository Services S.A. RBSH N.V. is a wholly owned subsidiary of NatWest Markets Plc (NWM Plc). The term 'NWM Group' refers to NWM Plc and its subsidiary and associated undertakings.

The term 'NatWest Group' refers to NatWest Group plc and its subsidiaries. NatWest Group plc (the ultimate holding company) is registered at 36 St Andrew Square, Edinburgh, Scotland.

NWM N.V. publishes its financial statements in 'euro', the European single currency. 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'). The abbreviations '£m' and '£bn' represent millions and thousands of millions of pounds sterling, 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 term 'EEA' refers to European Economic Area.

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Forward-looking statements

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to NWM N.V. Group's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about NWM N.V. Group's beliefs and expectations, are forward-looking statements. Words, such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'target', 'goal', 'objective', 'may', 'outlook', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document may include forward-looking statements relating, but not limited to: NWM N.V. Group's economic and political risks financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), the implementation of NWM N.V. Group's strategy and NWM Plc Group's strategy, its climate and sustainability related ambitions and targets, its access to adequate sources of liquidity and funding, its regulatory capital position and related requirements, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, exposure to third party risk, operational risk, conduct risk, cyber, data and IT risk, financial crime risk, key person risk, credit rating risk and the impact of climate and sustainability related risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or NWM N.V. Group's actual results are discussed in NWM N.V. Group's 2024 Annual Report and Accounts, NWM N.V. Group's Interim Results for H1 2025, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NWM N.V. Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Management's report on the interim financial statements

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act (Wet op het financieel toezicht (Wft)), the members of the Managing Board state that to the best of their knowledge:

- The interim financial statements give a true and fair view, in all material respects, of the assets and liabilities, financial position, and profit or loss of NatWest Markets N.V. and the companies included in the consolidation as at 30 June 2025 and for the six month period then ended.
- The interim report, for the six month period ending on 30 June 2025, gives a true and fair view of the information required pursuant to section 5:25d, paragraphs 8 and 9, of the Dutch Financial Supervision Act of NatWest Markets N.V. and the companies included in the consolidation.

Amsterdam
24 July 2025

Managing Board

Legal Entity Identifier:

NatWest Group plc 2138005O9XJUN4JPN90

NatWest Markets N.V. X3CZP3CK64YBHON1LE12

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