



NatWest Markets Plc

*(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980,
registered number SC090312)*

£10,000,000,000

Euro Medium Term Note Programme

£5,000,000,000

Structured Debt Issuance Programme

This supplement (the "**Supplementary Prospectus**") to (i) the base prospectus dated 21 November 2019 relating to the £10,000,000,000 Euro Medium Term Note Programme established by NatWest Markets Plc (the "**Issuer**" or "**NatWest Markets**") (as supplemented, the "**EMTN Prospectus**") and (ii) the base prospectus dated 21 November 2019 relating to the £5,000,000,000 Structured Debt Issuance Programme established by the Issuer (as supplemented, the "**SDIP Prospectus**" and, together with the EMTN Prospectus, the "**Prospectuses**" and each a "**Prospectus**"), each of which comprises a base prospectus for the purpose of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), constitutes a supplementary prospectus for the purposes of Article 23 of the Prospectus Regulation.

Terms defined in each Prospectus have the same meaning when used in this Supplementary Prospectus.

This Supplementary Prospectus constitutes the third Supplementary Prospectus in respect of each of the EMTN Prospectus and the SDIP Prospectus.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, each Prospectus and the documents incorporated by reference therein.

The Issuer accepts responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Issuer such information is in accordance with the facts and makes no omission likely to affect its import.

Purpose of the Supplementary Prospectus

The purpose of this Supplementary Prospectus is to:

- (a) incorporate by reference into each Prospectus certain sections of the 2019 Annual Report and Accounts of NatWest Markets (as defined below);
- (b) following publication of the 2019 Annual Report and Accounts of NatWest Markets, update the statements of no significant change and no material adverse change;

- (c) update the forward-looking statements information set out in the Prospectuses;
- (d) update the risk factors set out in the Prospectuses;
- (e) update certain information relation to legal proceedings; and
- (f) update certain information relating to external auditors and financial information of the Issuer.

Incorporation of Information by Reference

By virtue of this Supplementary Prospectus the following sections of the 2019 annual report and accounts of NatWest Markets (the "**2019 Annual Report and Accounts of NatWest Markets**"), which were published via the regulatory news service of the London Stock Exchange plc on 14 February 2020:

- (i) Strategic report on pages 2 to 16:
 - 2019 performance highlights on page 3;
 - Chief Executive's statement on page 4;
 - Our business on page 5;
 - Our operations on page 6;
 - Operating environment on pages 7 to 9;
 - Building a more sustainable bank on pages 10 to 11;
 - Outlook on page 12;
 - Risk overview on pages 13 to 14; and
 - How stakeholder interests influenced Board discussions and decision-making on pages 15 to 16;
- (ii) Financial Review on pages 17 to 21:
 - Presentation of information on page 17;
 - Performance overview on pages 17 to 20; and
 - Board of directors and secretary on page 21;
- (iii) Capital and risk management on pages 22 to 68:
 - Presentation of information on page 22;
 - Risk management framework on pages 22 to 28;
 - Capital, liquidity and funding risk on pages 29 to 35;
 - Market risk on pages 36 to 41;
 - Credit risk on pages 42 to 58;
 - Pension risk on page 59;
 - Compliance & conduct risk on pages 59 to 60;
 - Financial crime on page 60;
 - Climate-related financial risk on pages 60 to 61;
 - Operational risk on pages 61 to 62;
 - Model risk on page 62;
 - Reputational risk on pages 62 to 63;
 - Report of the directors on pages 64 to 67; and
 - Statement of directors' responsibilities on page 68;

- (iv) Financial statements on pages 69 to 142:
- Independent auditor's report on pages 70 to 77;
 - Consolidated income statement for the year ended 31 December 2019 on page 78;
 - Consolidated statement of comprehensive income for the year ended 31 December 2019 on page 78;
 - Balance sheet as at 31 December 2019 on page 79;
 - Statement of changes in equity for the year ended 31 December 2019 on pages 80 to 81;
 - Cash flow statement for the year ended 31 December 2019 on page 82;
 - Accounting policies on pages 83 to 87; and
 - Notes on the accounts on pages 88 to 142;
- (v) Risk Factors on pages 143 to 156; and
- (vi) Forward looking statements on page 157,

which has been (1) previously published and (2) filed with the Financial Conduct Authority, shall be incorporated in, and form part of, each Prospectus.

For at least ten years from the date of each Prospectus, a copy of any or all of the information which is incorporated by reference in the Prospectuses can be obtained from the website of The Royal Bank of Scotland Group plc at <https://investors.rbs.com/regulatory-news/company-announcements> and from the London Stock Exchange plc's website at <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

If a document which is incorporated by reference in the Prospectuses by virtue of this Supplementary Prospectus itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Prospectuses except where such information or other documents are specifically incorporated by reference in, or attached to, each Prospectus by virtue of this Supplementary Prospectus.

Statement of No Significant Change and No Material Adverse Change

There has been no significant change in the financial position or financial performance of the NWM Group taken as a whole since 31 December 2019 (the end of the last financial period for which the latest audited or interim financial information of the NWM Group has been published).

There has been no material adverse change in the prospects of NatWest Markets since 31 December 2019 (the last date to which the latest audited published financial information of the NWM Group was prepared).

Updating the forward-looking statements information set out in the Prospectuses

The reference to the "Registration Document" in the paragraph titled "Forward-looking statements" on page vi of the EMTN Prospectus and page vi of the SDIP Prospectus shall be

deleted and replaced with a reference to the "2019 Annual Report and Accounts of NatWest Markets".

Updating the risk factors set out in the Prospectuses

- (a) The first paragraph of the section entitled "Risk Factors relating to the NWM Group" set out on page 5 of the EMTN Prospectus and page 7 of the SDIP Prospectus shall be deleted and replaced with the following:

"Prospective investors should consider the section entitled "*Risk Factors*" at pages 143 to 156 in the 2019 Annual Report and Accounts of NatWest Markets as referred to in, and incorporated by reference into, this Prospectus."

- (b) The risk factor "*Update on the UK's withdrawal from the European Union ("Brexit")*" on page 5 of the EMTN Prospectus and page 7 of the SDIP Prospectus shall be deleted.

- (c) The risk factor "*The Notes may be written down or converted into ordinary shares*" commencing on page 11 of the EMTN Prospectus and the SDIP Prospectus shall be updated so that the seventh sentence is deleted and replaced with the following:

"See further (i) "*The RBS Group (including the NWM Group) may become subject to the application of UK statutory stabilisation or resolution powers which may result in, among other actions, the write-down or conversion of the NWM Group entities' Eligible Liabilities.*" on page 149 of the 2019 Annual Report and Accounts of NatWest Markets and (ii) "*NWM Plc and/or its regulated subsidiaries may not meet the prudential regulatory requirements for capital and MREL.*" on pages 145 to 146 of the 2019 Annual Report and Accounts of NatWest Markets, each as referred to in, and incorporated by reference into, this Prospectus."

Updating the legal proceedings disclosure set out in the Prospectuses

The section entitled "Legal Proceedings" on page 65 of the EMTN Prospectus and page 129 of the SDIP Prospectus shall be deleted and replaced with the following:

"Legal Proceedings

For a description of the material governmental, legal or arbitration proceedings that NatWest Markets and the NWM Group face, see the section entitled "*Litigation, investigations and reviews*" in the "*Notes*" at pages 133 to 136 of the 2019 Annual Report and Accounts of NatWest Markets as referred to in, and incorporated by reference into, this Prospectus."

Legal Proceedings

Other than as referred to in the section entitled "*Litigation, investigations and reviews*" in the "*Notes*" at pages 133 to 136 of the 2019 Annual Report and Accounts of NatWest Markets, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the 12 months preceding the date of this Supplementary Prospectus, a significant effect on the financial position or profitability of NatWest Markets and/or the NWM Group.

Information on Auditors and Financial Statements

The section entitled "Auditors and Financial Statements" on page 98 of the EMTN Prospectus and page 346 of the SDIP Prospectus shall be amended to include the following:

"The consolidated financial statements of NatWest Markets for the year ended 31 December 2019 have been audited by EY.

The financial information incorporated by reference in this Prospectus does not constitute the Issuer's statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2019 to which the financial information in this Prospectus relates will be delivered to the Registrar of Companies in Scotland.

EY has reported on such statutory accounts for the year ended 31 December 2019 and the report in respect of such year was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006."

Other Information

To the extent that there is any inconsistency between any statement in this Supplementary Prospectus and any other statement in or incorporated by reference in each Prospectus, the statements in this Supplementary Prospectus will prevail.

Save as disclosed in this Supplementary Prospectus no other significant new factor, material mistake or material inaccuracy relating to information included in each Prospectus has arisen or been noted, as the case may be, since the publication of each Prospectus.

The hyperlinks included in this Supplementary Prospectus are included for information purposes only and the websites and their content are not incorporated into, and do not form part of, this Supplementary Prospectus or the Prospectuses.