



**NatWest Markets N.V.**

*(incorporated with limited liability under the laws of The Netherlands and having its corporate seat in Amsterdam, The Netherlands and registered in the Commercial Register of the Chamber of Commerce under number 33002587)*

**€5,000,000,000 Euro Medium Term Note Programme**

This supplement (the "**1<sup>st</sup> Supplementary Prospectus**") to the base prospectus dated 20 August 2024 (as supplemented, the "**Base Prospectus**"), which comprises a base prospectus for the purpose of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), constitutes a supplementary prospectus for the purposes of Article 23 of the Prospectus Regulation and has been prepared in connection with the €5,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by NatWest Markets N.V. (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this 1<sup>st</sup> Supplementary Prospectus. To the extent that there is any inconsistency between (a) any statement in this 1<sup>st</sup> Supplementary Prospectus or any statement incorporated by reference into the Base Prospectus by this 1<sup>st</sup> Supplementary Prospectus and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail. This 1<sup>st</sup> Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Base Prospectus and the documents incorporated by reference therein.

This 1<sup>st</sup> Supplementary Prospectus has been approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**") as the competent authority in the Issuer's home Member State pursuant to the Prospectus Regulation. The AFM has only approved this 1<sup>st</sup> Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer that is the subject of this 1<sup>st</sup> Supplementary Prospectus or of the quality of the securities that are the subject of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this 1<sup>st</sup> 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.

No person has been authorised to give any information or to make any representation not contained in or which is inconsistent with this 1<sup>st</sup> Supplementary Prospectus or the Base Prospectus (including the information incorporated by reference herein) and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers, the Agent and the other Paying Agents.

Neither this 1<sup>st</sup> Supplementary Prospectus, the Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation or a statement of opinion (or a report of either of those things) by the Issuer, any of the Dealers, the Agent or the other Paying Agents that any recipient of this 1<sup>st</sup> Supplementary Prospectus, the Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This 1<sup>st</sup> Supplementary Prospectus and the Base Prospectus do not constitute an offer or invitation by or on behalf of the Issuer, any of the Dealers, the Agent or the other Paying Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this 1<sup>st</sup> Supplementary Prospectus, the Base Prospectus nor the offering, sale or delivery of any Notes shall at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the dates thereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Agent and the other Paying Agents expressly do not undertake to review the financial condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme.

The Issuer, the Dealers, the Agent and the other Paying Agents do not represent that this 1<sup>st</sup> Supplementary Prospectus or the Base Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Agent or the other Paying Agents which is intended to permit distribution of this 1<sup>st</sup> Supplementary Prospectus or the Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this 1<sup>st</sup> Supplementary Prospectus or the Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented accordingly.

The distribution of this 1<sup>st</sup> Supplementary Prospectus and the Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this 1<sup>st</sup> Supplementary Prospectus, the Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. See "*Subscription and Sale*" on pages 185 through 192 of the Base Prospectus. In particular, there are restrictions on the distribution of this 1<sup>st</sup> Supplementary Prospectus, the Base Prospectus and/or the offer or sale of Notes in the EEA, the United States of America, the UK, The Netherlands, Australia, Japan, Hong Kong, the PRC, Spain, France, Singapore, Switzerland and Canada.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

On 21 February 2025, the Issuer published its report titled "2024 Annual Report and Accounts" (the "2024 Annual Report"). By virtue of this 1<sup>st</sup> Supplementary Prospectus, certain information in the 2024 Annual Report updates, is incorporated in, and forms part of, the Base Prospectus.

With effect from the date of this 1<sup>st</sup> Supplementary Prospectus the information appearing in the Base Prospectus shall be supplemented in the manner described below (references to page numbers are to the pages of the base prospectus dated 20 August 2024).

1. In the Section "*Documents incorporated by reference*", on page 82, the following new paragraph (d) shall be inserted immediately following the current paragraph (c) (and as a result the numbering after the new paragraph (d) will be updated):

"(d) the audited consolidated financial statements of NWM NV, together with the independent auditor's report thereon, for the year ended 31 December 2024, set forth in the section entitled "Financial Statements" on pages 63 up to and including 108 and the section entitled "Independent auditor's report" on pages 127 up to and including 135, and the section entitled "Risk and Capital Management" on pages 18 up to and including 53 (only where information is identified as "audited") of NWM NV's 2024 annual report (the "**2024 Financial Statements**"), which can be obtained from <https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/14022025/NWM-N-V-ARA-2024.pdf>;"

2. In the Section "*Risk Factors — 1. Economic and political risk*", on page 9 of the risk factor "*Continuing uncertainty regarding the effects and extent of the UK's post Brexit divergence from EU laws and regulation, and NWM NV's post Brexit EU operating model may continue to adversely affect NWM Plc (NWM NV's parent company) and its operating environment and NatWest Group plc (NWM NV's ultimate parent company) and may have an indirect effect on NWM NV Group.*" the paragraph starting with "*NatWest Group continues to evaluate*" shall be amended as follows, whereas the wording highlighted in blue and underlined shall be added:

"*NatWest Group continues to evaluate its EU operating model, making adaptations as necessary. For example, in December 2024, NatWest Group decided that NWM NV will become the primary European corporate and institutional customer-facing entity, subject to regulatory approval. This new structure may lead to a significant increase in assets and liabilities within NWM NV Group and may require NWM NV to significantly increase its funding requirements, add additional skilled personnel, allocate increased management attention, and grow its technological capabilities. A failure by NWM NV Group to address any of these changes, if and when they arise, may have an adverse impact on NWM NV Group. See, "NWM NV Group is reliant on access to the capital markets to meet its funding requirements. The inability to do so may adversely affect NWM NV Group", "NWM NV Group relies on attracting, retaining, developing and remunerating diverse senior management and skilled personnel (such as market trading specialists), and is required to maintain good employee relations", and "NWM NV Group's operations are highly dependent on its complex IT systems, and any IT failure could adversely affect NWM NV Group.* Changes to NatWest Group's and NWM Group's

operating model have been, and may continue to be, costly and failure to receive regulatory permissions and/or further changes to their business operations, product offering, customer engagement, and regulatory requirements could result in further costs and/or regulatory sanction. Transfers in relation to NatWest Group's Western European corporate portfolio (principally consisting of term funding and revolving credit facilities) may also affect NWM Group of which NWM NV Group is a part of."

3. In the Section "*Description of the Issuer — 5 Competitive Position and Main Markets*", on page 167 the first paragraph will be amended as follows, whereas the wording highlighted in blue and underlined shall be added:

"As part of the NatWest Group's strategy, the Issuer is the NatWest Group's banking and trading entity serving customers in the EEA. The Issuer's main market is therefore countries within the EEA, primarily The Netherlands, France and Germany. Other significant markets of the Issuer include Italy, the Nordics, the UK and the US. In December 2024, NatWest Group decided that NWM NV will become the primary European corporate and institutional customer-facing entity, subject to regulatory approval."

4. In the Section "*Risk Factors — 2. Strategic Risk*", the risk factor "*The transfer of NWM Group's Western European corporate portfolio involves certain risk.*", on page 14, shall be amended as follows, whereas the wording highlighted in blue and underlined shall be added and the wording highlighted in red and strikethrough shall be removed:

***"The transfer of NWM Group's Western European corporate portfolio involves certain risks.***

To improve efficiencies and best serve customers following the UK's withdrawal from the EU ~~Brexit~~, ~~NWM Group expects that~~ certain assets, liabilities, transactions and activities of NatWest Group (including ~~its~~ NatWest Group's Western European corporate portfolio principally consisting of term funding and revolving credit facilities) (the "**Transfer Business**"), are expected to ~~may~~ be: (i) transferred from the ring-fenced subgroup of NatWest Group to NWM Group (including NWM NV Group), and/or (ii) transferred to the ring-fenced subgroup of NatWest Group from NWM Group (including NWM NV Group), subject to regulatory and customer requirements. The timing, success and quantum of any of these transfers remain uncertain as is the impact of these transactions on its results of operations. As a result, this could have a material adverse effect on NWM Group's (including NWM N.V. Group) future results, financial condition, prospects, and/or reputation."

5. In the Section "*Risk Factors — 3. Financial resilience risk*", the risk factor "*NWM NV Group is reliant on access to the capital markets to meet its funding requirements. The inability to do so may adversely affect NWM NV Group.*", starting on page 19, shall be amended as follows, whereas the wording highlighted in blue and underlined shall be added and the wording highlighted in red and strikethrough shall be removed:

***"NWM NV Group is reliant on access to the capital markets to meet its funding requirements. The inability to do so may adversely affect NWM NV Group.***

NWM NV's ~~Group has~~ funding requirements ~~are~~ based on its current and anticipated business activities and may increase in the future (including as a result of changes to NatWest Group's and NWM Group's (including NWM NV Group) EU operating model). Therefore, ~~NWM NV Group~~ ~~and~~ is reliant on frequent access to the capital markets for funding, at a cost that can be passed through to its customers. This access entails execution risk, regulatory risk, risk of reduced commercial activity, risk of loss of market confidence in NWM NV Group if it cannot finance its activities and risk of a ratings downgrade, which could be influenced by a number of internal or external factors, including, those summarised in "*NWM NV Group, its customers and its counterparties face continued economic risks and uncertainty in the UK, The Netherlands, European and global markets, including as a result of inflation, interest rates, supply chain disruption and geopolitical developments.*" and "*Continuing uncertainty regarding the effects and extent of the UK's post Brexit divergence from EU laws and regulation, and NWM NV's post Brexit EU operating model may continue to adversely affect NWM Plc (NWM NV's parent company) and its operating environment and NatWest Group plc (NWM NV's ultimate parent company) and may have an indirect effect on NWM NV Group.*". In addition, NWM NV receives capital and funding from NatWest Group plc and NWM NV is therefore reliant on the willingness of NatWest Group plc to fund its internal capital targets. NWM NV Group has set target levels for different tiers of capital as percentages of its RWAs, being a minimum CET1 capital ratio of around 14 per cent. and a minimum CRR leverage ratio of more than 4 per cent. The level of capital and funding required for NWM NV to meet its internal targets is therefore a function of the level of RWAs and its leverage exposure in NWM NV and this may vary over time. Any inability of NWM NV Group to adequately access the capital markets, to manage its balance sheet in line with assumptions in its funding plans, may adversely affect NWM NV Group, such that NWM NV Group may not constitute a viable banking business and/or NWM NV may fail to meet its regulatory capital requirements (at present, NWM NV does not yet have its own MREL)."

6. In the Section "*Risk Factors — 3. Financial resilience risk*", the first paragraph of the risk factor "*NWM NV Group has significant exposure to counterparty and borrower risk including credit losses, which may have an adverse effect on NWM NV Group.*", on page 24, shall be amended as follows, whereas the wording highlighted in blue and underlined shall be added and the wording highlighted in red and strikethrough shall be removed:

***"NWM NV Group has significant exposure to counterparty and borrower risk including credit losses, which may have an adverse effect on NWM NV Group.***

NWM NV, a subsidiary of NWM Plc, has a portfolio of loans and loan commitments to Western European corporate customers. As a result, through the NWM NV business and NWM Group's other activities, NWM Group has exposure to many different sectors, customers and counterparties with a range of various credit quality. ~~,-and -~~Risks arising from actual or perceived changes in credit quality and the recoverability of monies due from borrowers and other counterparties are inherent in a wide range of NWM NV Group's businesses. These risks may be concentrated for those businesses for which client income is heavily weighted towards

a specific geographic region, industry or client base. Furthermore, these risks are likely to increase due to the expected transfer of NatWest Group's Transfer Business (see also "*The transfer of NWM Group's Western European corporate portfolio involves certain risks*"). Credit risk may arise from a variety of business activities, including, but not limited to: extending credit to clients through various lending commitments; entering into swap or other derivative contracts under which counterparties have obligations to make payments to NWM NV Group (including uncollateralised derivatives); providing short or long-term funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the loan repayment amount; posting margin and/or collateral and other commitments to clearing houses, clearing agencies, exchanges, banks, securities firms and other financial counterparties; and investing and trading in securities and loan pools, whereby the value of these assets may fluctuate based on realised or expected defaults on the underlying obligations or loans. As of year-end 2023, the RWAs related to credit risk were EUR 6.8 billion. During 2023, there has been an increase of EUR 0.2 billion in risk weighted assets related to credit risk compared to 31 December 2022, which was largely driven by an increase in client positions in the trading book and purchases of securities for investment purposes, offset by a reduction in committed undrawn facilities. Total RWAs increased to EUR 8.2 billion as at 31 December 2023 from EUR 8.1 billion as at 31 December 2022, reflecting these higher levels of credit risk."