NatWest Group plc

Q1 2026 Pillar 3 Report

Contents

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 NatWest 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 NatWest 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: NatWest Group's outlook, guidance and targets (including in relation to RoTE, total income, other operating expenses, loan impairment rate, capital generation pre-distributions, customer assets and liabilities growth rate, cost-income ratio, CET1 ratio, RWA levels and payment of dividends), its financial position, profitability and financial performance, the implementation of its strategy, 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, future growth initiatives (including acquisitions, joint ventures and strategic partnerships), 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 such as artificial intelligence, 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 and 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 NatWest Group plc's actual results are discussed in NatWest Group plc's 2025 Annual Report on Form 20-F, NatWest Group's Interim Management Statement for Q1 2026, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NatWest Group plc 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.

Presentation of information

This document presents the consolidated Pillar 3 disclosures for NatWest Group at 31 March 2026, which complement those in the NatWest Group Q1 2026 Interim Management Statement (IMS).

The Pillar 3 disclosures required for NatWest Group's ring-fenced body sub-group (NWH Group) and those required for NatWest Group's UK large subsidiaries (National Westminster Bank Plc, The Royal Bank of Scotland plc, NatWest Markets Plc and Coutts & Company) will be published separately on 13 May 2026. These disclosures will be available on the NatWest Group website, located at investors.natwestgroup.com/reports-archive/2026.

As at the date of this report, NatWest Group plc is regulated under the UK Capital Requirements Regulation (CRR) and the associated onshored binding technical standards that were created by the European Union (Withdrawal) Act 2018. The CRR has subsequently been amended by a number of statutory instruments and is split across primary legislation and the PRA rulebook.

The disclosures for NatWest Group are presented in accordance with the Disclosure (CRR) part of the PRA rulebook. Any rows or columns that are not applicable have not been shown however explanations have been added as appropriate.

In this report, in line with the regulatory framework, the term credit risk excludes counterparty credit risk, unless specifically indicated otherwise.

The Pillar 3 disclosures are presented in pounds sterling ('£') and have not been subject to external audit.

Annex I: Key metrics and overview of risk-weighted assets

NatWest Group - Key points

CET1 ratio

14.3%

(Q4 2025 – 14.0%)

The CET1 ratio increased by 30 basis points to 14.3% due to a £0.9 billion increase in CET1 capital partially offset by a £2.7 billion increase in RWAs.

The CET1 capital increase was mainly driven by an attributable profit to ordinary shareholders of £1.4 billion and other movements on reserves and regulatory adjustments of £0.2 billion partially offset by a foreseeable ordinary dividend accrual of £0.7 billion.

RWAs

£196.0bn

(Q4 2025 - £193.3bn)

Total RWAs increased by £2.7 billion to £196.0 billion mainly reflecting:

- a net increase in credit risk RWAs of £1.8 billion, mainly driven by franchise lending growth with a further increase driven by risk parameters and foreign exchange. These movements were partially offset by the benefit of RWA management actions.
- an increase in market risk RWAs of £0.6 billion mainly driven by SVaR and the incremental risk charge.
- an increase in counterparty credit risk RWAs of £0.3 billion primarily due to updating illiquid collateral eligibility in securities financing transactions, partially offset by over-the-counter trades.

UK leverage ratio

4.8%

(Q4 2025 – 4.8%)

The leverage ratio remained static at 4.8% due to a £0.9 billion increase in Tier 1 capital offset by a £18.7 billion increase in leverage exposure.

UK average leverage ratio

4.8%

(Q4 2025 – 4.9%)

The average leverage ratio decreased by 10 basis points to 4.8% due to a £5.6 billion increase in average leverage exposure and a £0.3 billion decrease in 3-month average Tier 1 capital. The key drivers of the average leverage exposure movement were an increase in trading assets and other financial assets.

LCR average

144%

(Q4 2025 – 147%)

The average Liquidity Coverage Ratio (LCR) decreased by 3% to 144% during Q1 2026, due to higher lending offset by higher deposits and issuance, and changes in outflow assumptions.

NSFR average

134%

(Q4 2025 - 135%)

The average Net Stable Funding Ratio (NSFR) decreased by 1% to 134%, during Q1 2026 driven by increased lending partly offset by increased deposits.

Annex I: Key metrics and overview of risk-weighted assets continued

UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures based on current PRA rules.

		31 March 2026	31 December 2025	30 September 2025	30 June 2025	31 March 2025
Available own funds (amounts)		£m	£m	£m	£m	£m
1	Common Equity Tier 1 (CET1) capital	**27,996**	27,066	26,769	25,799	25,731
2	Tier 1 capital	**32,567**	31,621	32,540	31,804	31,736
3	Total capital	**38,850**	37,375	38,292	37,531	38,457
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**196,010**	193,288	189,126	190,147	187,005
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	**14.3**	14.0	14.2	13.6	13.8
6	Tier 1 ratio (%)	**16.6**	16.4	17.2	16.7	17.0
7	Total capital ratio (%)	**19.8**	19.3	20.2	19.7	20.6
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	**1.6**	1.6	1.6	1.8	1.8
UK 7b	Additional AT1 SREP requirements (%)	**0.6**	0.6	0.5	0.6	0.6
UK 7c	Additional Tier 2 SREP requirements (%)	**0.7**	0.7	0.7	0.8	0.8
UK 7d	Total SREP own funds requirements (%)	**10.9**	10.9	10.9	11.2	11.2
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	**2.5**	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%) (2)	**1.7**	1.7	1.7	1.7	1.7
11	Combined buffer requirement (%)	**4.2**	4.2	4.2	4.2	4.2
UK 11a	Overall capital requirements (%)	**15.1**	15.1	15.1	15.4	15.4
12	CET1 available after meeting the total SREP own funds requirements (%)	**8.2**	7.9	8.0	7.3	7.5
Leverage ratio						
13	Total exposure measure excluding claims on central banks	**673,673**	654,954	649,220	635,551	613,139
14	Leverage ratio excluding claims on central banks (%)	**4.8**	4.8	5.0	5.0	5.2
Additional leverage ratio disclosure requirements						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.8**	4.8	5.0	5.0	5.2
UK 14b	Leverage ratio including claims on central banks (%)	**4.4**	4.3	4.5	4.4	4.5
UK 14c	Average leverage ratio excluding claims on central banks (%)	**4.8**	4.9	4.9	5.1	5.0
UK 14d	Average leverage ratio including claims on central banks (%)	**4.3**	4.3	4.3	4.4	4.3
UK 14e	Countercyclical leverage ratio buffer (%) (2)	**0.6**	0.6	0.6	0.6	0.6
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (weighted value-average)	**157,047**	158,667	159,634	159,976	159,696
UK 16a	Cash outflows - Total weighted value	**121,885**	120,800	120,261	118,863	117,909
UK 16b	Cash inflows - Total weighted value	**12,745**	12,654	12,203	12,125	11,886
16	Total net cash outflows (adjusted value)	**109,140**	108,146	108,058	106,738	106,023
17	Liquidity Coverage Ratio (%) (3)	**144**	147	148	150	151
Net Stable Funding Ratio						
18	Total available stable funding	**440,349**	438,001	434,231	431,900	428,242
19	Total required stable funding	**329,299**	324,800	320,987	317,192	311,772
20	NSFR ratio (%) (4)	**134**	135	135	136	137

(1) The following rows are not presented in the table above because they are not applicable: UK8a and UK9a, 10 and UK10a.

(2) The institution-specific Countercyclical Capital buffer (CCyB) requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures. The UK CCyB buffer is currently being maintained at 2%, The countercyclical leverage ratio buffer is set at 35% of NatWest Group plc CCyB.

(3) The Liquidity Coverage Ratio (LCR) is calculated as the average of the preceding 12 months.

(4) The Net Stable Funding Ratio (NSFR) is calculated as the average of the preceding four quarters. The prior period comparatives for HQLA within required stable funding has been restated for March 2025.

Annex I: Key metrics and overview of risk-weighted assets continued

UK OV1: Overview of risk-weighted exposure amounts

The table below shows RWAs and total own funds requirements by risk type. Total own funds requirements are calculated as 8% of RWAs.

		a	b	c
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements
		31 March 2026 £m	31 December 2025 £m	31 March 2026 £m
1	Credit risk (excluding counterparty credit risk)	148,962	147,651	11,917
2	*Of which: standardised approach*	20,405	20,314	1,632
3	*Of which: the foundation IRB (FIRB) approach*	-	-	-
4	*Of which: slotting approach*	10,960	12,925	877
UK 4a	*Of which: equities under the simple risk-weighted approach*	1,804	1,839	144
5	*Of which: the advanced IRB (AIRB) approach*	115,793	112,573	9,264
5a	*Of which: non-credit obligation assets (1)*	4,147	4,109	332
6	Counterparty credit risk	7,824	7,517	626
7	*Of which: standardised approach*	953	875	76
8	*Of which: internal model method (IMM)*	3,735	3,714	299
UK 8a	*Of which: exposures to a CCP*	201	164	16
UK 8b	*Of which: credit valuation adjustment (CVA)*	896	940	72
9	*Of which: other counterparty credit risk*	2,039	1,824	163
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	8,550	8,051	684
17	*Of which: SEC-IRBA approach*	4,340	3,916	347
18	*Of which: SEC-ERBA (including IAA)*	230	234	19
19	*Of which: SEC-SA approach*	3,937	3,851	315
UK 19a	*Of which: 1,250%/deduction*	43	50	3
20	*Position, foreign exchange and commodities risk (market risk)*	5,071	4,468	406
21	*Of which: standardised approach*	997	940	80
22	*Of which: IMA*	4,074	3,528	326
UK 22a	Large exposures	-	-	-
23	Operational risk	25,595	25,595	2,048
UK 23a	*Of which: basic indicator approach*	-	-	-
UK 23b	*Of which: standardised approach*	25,595	25,595	2,048
UK 23c	*Of which: advanced measurement approach*	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	1,331	1,356	106
25	Other Risk Exposure amount	8	6	-
25a	*Of which : Additional risk exposure amount due to Article 3 CRR*	8	6	-
29	Total	196,010	193,288	15,681

(1) 5a is subset of total IRB RWAs disclosed in Row 5.
(2) The amount is shown for information only, as these exposures are already included in rows 1 and 2.

Annex I: Key metrics and overview of risk-weighted assets continued

UK CR8: RWA flow statement of credit risk exposures under the IRB approach

The table below shows movements in RWAs for credit risk exposures under the internal ratings based (IRB) approach. It excludes counterparty credit risk, securitisations, equity and non-credit obligation assets.

		a RWAs £m
1	At 31 December 2025	**121,389**
2	Asset size	**2,921**
3	Asset quality	**259**
4	Model updates	**17**
7	Foreign exchange movements	**192**
8	Other	**(2,172)**
9	At 31 March 2026	**122,606**

(1) The following rows are not presented because they had zero values: (5) methodology and policy; and (6) acquisitions and disposals.

Q1 2026

- The increase in RWAs relating to asset size was primarily driven by lending growth within Commercial & Institutional and Retail Banking.
- The increase in RWAs relating to asset quality was mainly due to movements in risk metrics within Commercial & Institutional and Retail Banking.
- The increase in RWAs relating to model updates was primarily driven by CRDIV model updates within Retail Banking, partially offset by the benefits from CRDIV model updates in Commercial & Institutional.
- The increase in foreign exchange movements was mainly a result of sterling depreciation against the US dollar and appreciation against the euro.
- The decrease in RWAs in other was due to the benefit of RWA management actions within Commercial & Institutional.

Annex I: Key metrics and overview of risk-weighted assets continued

UK CCR7: RWA flow statement of counterparty credit risk exposures under the IMM

The table below shows movements in RWAs for counterparty credit risk exposures under the internal model method (IMM). It excludes the CVA capital charge, exposures to central counterparties and securitisations.

		a
		RWAs £m
1	At 31 December 2025	3,714
2	Asset size	(71)
3	Credit quality of counterparties	10
4	Model updates	61
7	Foreign exchange movements	21
9	At 31 March 2026	3,735

(1) The following rows are not presented because they had zero values: (5) methodology and policy; (6) acquisitions and disposals; and (8) other.

Q1 2026

- IMM RWAs remained broadly stable in the first quarter.

Annex I: Key metrics and overview of risk-weighted assets continued

UK MR2-B: RWA flow statement of market risk exposures under the IMA

The table below shows movements in RWAs and own funds requirements for market risk exposures under the internal model approach (IMA).

		a	b	c	e	f	g
		Value-at-risk (VaR) £m	Stressed value-at-risk (SVaR) £m	Incremental risk charge £m	Other risks-not-in VaR (RNIV) £m	Total RWAs £m	Total own funds requirements £m
1	At 31 December 2025	372	1,899	639	618	3,528	281
1a	*Regulatory adjustment (1)*	*(278)*	*(1,373)*	*(243)*	-	*(1,894)*	*(151)*
1b	*RWAs at 31 December 2025 (end of day)*	*94*	*526*	*396*	*618*	*1,634*	*130*
2	Movement in risk levels	(8)	(5)	529	(34)	482	39
8a	*RWAs at 31 March 2026 (end of day)*	*86*	*521*	*925*	*584*	*2,116*	*169*
8b	*Regulatory adjustment (1)*	*315*	*1,669*	*(26)*	-	*1,958*	*157*
8	At 31 March 2026	401	2,190	899	584	4,074	326

(1) Regulatory adjustments in rows 1a and 8b represent the difference in RWA terms between the risk spot measure at the end of the reporting period and the 60-day average of that measure, multiplied by the multiplication factor.
(2) The following rows and/or columns are not presented because they had zero values or are not used by NatWest Group: column (d) comprehensive risk measure; row (3) model updates/changes; row (4) methodology and policy; row (5) acquisitions and disposals; and row (7) other. In addition, row (6) foreign exchange movements is not presented. This is because changes in market risk arising from foreign currency retranslation are included within row (2) movement in risk levels, as they are managed together with portfolio changes.

Q1 2026

- Total market risk RWAs under the IMA increased in the first quarter, chiefly driven by SVaR and the incremental risk charge.
- The increase in SVaR-based RWAs largely related to options trading.
- The increase in the incremental risk charge was mainly due to movements in government bond and bond futures positions.

Annex XI: Leverage

UK LR2 - LRCom: Leverage ratio common disclosure

The table below shows an abridged version of the disclosure template UK LR2 – LRCom for NatWest Group. The leverage metrics are calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

		31 March 2026 £m	31 December 2025 £m
Capital and total exposure measure			
UK-24b	Total exposure measure excluding claims on central banks	**673,673**	654,954
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**4.8**	4.8
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.8**	4.8
UK-25c	Leverage ratio including claims on central banks (%)	**4.4**	4.3
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	**0.6**	0.6
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.6**	0.6
Additional leverage ratio disclosure requirements - disclosure of mean values			
UK-31	Average total exposure measure excluding claims on central banks	**663,287**	657,670
UK-32	Average total exposure measure including claims on central banks	**739,225**	743,163
UK-33	Average leverage ratio excluding claims on central banks (%)	**4.8**	4.9
UK-34	Average leverage ratio including claims on central banks (%)	**4.3**	4.3

(1) NatWest Group is a LREQ firm therefore subject to the additional quarterly disclosures for averaging and the countercyclical leverage ratio buffer.

Annex XIII: Liquidity

UK LIQ1: Quantitative information of LCR

The tables below show the breakdown of high-quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the Liquidity Coverage Ratio for NatWest Group. The weightings applied reflect the stress factors applicable under the UK LCR rules. The values presented are the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table. LCR outflows do not capture all liquidity risks (e.g. intra-day liquidity). NatWest Group assesses these risks as part of its Individual Liquidity Adequacy Assessment Process and maintains appropriate levels of liquidity. High-quality liquid assets cover both Pillar 1 and Pillar 2 risks.

		Total unweighted value (average)				Total weighted value (average)			
		31 March 2026	31 December 2025	30 September 2025	30 June 2025	**31 March 2026**	31 December 2025	30 September 2025	30 June 2025
	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
		£m	£m	£m	£m	**£m**	£m	£m	£m
	High - quality liquid assets								
1	Total high-quality liquid assets (HQLA)					**157,047**	158,667	159,634	159,976
	Cash - outflows								
2	Retail deposits and deposits from small business customers, *of which:*	**271,943**	270,151	268,403	267,069	**19,844**	19,918	19,838	19,669
3	*Stable deposits*	***146,061***	*143,044*	*141,760*	*141,515*	***7,303***	*7,152*	*7,088*	*7,076*
4	*Less stable deposits*	***88,009***	*90,153*	*90,326*	*89,482*	***11,250***	*11,506*	*11,539*	*11,449*
5	Unsecured wholesale funding	**150,331**	149,201	148,881	148,048	**74,158**	73,230	72,725	71,668
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**57,094**	56,702	56,642	56,473	**13,954**	13,856	13,841	13,799
7	*Non-operational deposits (all counterparties)*	***89,056***	*88,235*	*88,169*	*87,490*	***56,023***	*55,110*	*54,814*	*53,784*
8	*Unsecured debt*	***4,181***	*4,264*	*4,070*	*4,085*	***4,181***	*4,264*	*4,070*	*4,085*
9	Secured wholesale funding					**2,260**	2,286	2,158	1,866
10	Additional requirements	**76,704**	74,887	76,438	77,847	**20,590**	20,144	20,350	20,698
11	*Outflows related to derivative exposures and other collateral requirements*	***3,694***	*3,803*	*4,135*	*4,585*	***3,546***	*3,637*	*3,965*	*4,445*
12	*Outflows related to loss of funding on debt products*	**-**	-	-	-	**-**	-	-	-
13	*Credit and liquidity facilities*	***73,010***	*71,084*	*72,303*	*73,262*	***17,044***	*16,507*	*16,385*	*16,253*
14	Other contractual funding obligations	**24,315**	24,486	25,702	26,314	**1,746**	2,034	2,126	2,075
15	Other contingent funding obligations	**68,494**	69,245	66,152	61,887	**3,287**	3,188	3,064	2,887
16	Total cash outflows					**121,885**	120,800	120,261	118,863
	Cash - inflows								
17	Secured lending (e.g. reverse repos)	**68,097**	65,807	64,363	63,107	**1,760**	1,580	1,379	1,289
18	Inflows from fully performing exposures	**6,670**	6,829	6,841	7,093	**5,429**	5,620	5,606	5,756
19	Other cash inflows	**25,867**	25,121	25,274	24,969	**5,556**	5,454	5,218	5,080
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					**-**	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					**-**	-	-	-
20	Total cash inflows	**100,634**	97,757	96,478	95,169	**12,745**	12,654	12,203	12,125
UK-20a	*Fully exempt inflows*								
UK-20b	*Inflows subject to 90% cap*								
UK-20c	*Inflows subject to 75% cap*	***98,084***	*95,081*	*93,854*	*92,707*	***12,745***	*12,654*	*12,203*	*12,125*
	Total adjusted value								
UK-21	Liquidity buffer					**157,047**	158,667	159,634	159,976
22	Total net cash outflows					**109,140**	108,146	108,058	106,738
23	Liquidity Coverage Ratio (%)					**144**	147	148	150

Annex XIII: Liquidity continued

UK LIQB: Qualitative information on LCR, which complements template UK LIQ1

LCR inputs and results over time

The LCR aims to ensure that banks and banking groups hold a sufficient reserve of High-Quality Liquid Assets (HQLA) to survive a period of liquidity stress lasting 30 calendar days.

All figures included in the table represent a 12-month rolling average. The average LCR for the 12 months to 31 March has decreased 3% over the previous quarter, from 147% to 144%. This was driven by higher lending offset by higher deposits and issuance, and changes in outflow assumptions.

Concentration of funding sources

NatWest Group maintains a diversified set of funding sources, of which retail, SME and corporate deposits are the biggest contributors. Other sources include wholesale unsecured funding, capital (including equity and MREL-eligible bonds), central banks (TFSME), repos, covered bonds and derivative cash collateral. Wholesale unsecured funding includes a range of products including deposits, commercial paper, certificates of deposit and medium-term notes, and is accepted from various corporate counterparties and financial institutions.

Liquidity buffer composition

HQLA is primarily held in Level 1 cash and central bank Reserves (50%) and Level 1 high quality securities (44%). Level 2 securities account for 6%.

Derivative exposures and potential collateral calls

NatWest Group actively manages its derivative exposures and potential calls, including both due collateral and excess collateral, with derivative outflows under stress captured under the Historical Look-Back Approach, which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a three-notch downgrade of the credit ratings of the entities within NatWest Group are also captured.

Currency mismatch in the LCR

The LCR is calculated for euro, US dollar and sterling, all of which are all identified as significant currencies. Significant currencies are defined as those greater than or equal to 5% of total Group liabilities, excluding regulatory capital and off-balance sheet liabilities. This assessment is undertaken in accordance with the Liquidity Coverage Ratio provisions of the PRA Rulebook (CRR). NatWest Group manages currency mismatches in significant currencies through its Internal Liquidity Adequacy Assessment Framework.