Coutts & Company

2025 Pillar 3 Report

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Forward-looking statement

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 Coutts & Co'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 Coutts & Co'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: Coutts & Co's credit risk, its regulatory capital position and related requirements, its financial position, profitability and financial performance, its liquidity and funding risk and non-traded market risk. 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 such as artificial intelligence, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, the exposure to third party risk, operational risk, compliance and conduct risk, cyber, data and IT risk, financial crime risk, key person risk, credit rating risk, model risk, reputational 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 of Coutts & Co's actual results are discussed in NatWest Group plc's 2025 Annual Report and Accounts, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and Coutts & Co 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.

Attestation statement

I confirm that the 2025 Pillar 3 Report meets the relevant requirements for Pillar 3 disclosures and has been prepared in line with internal controls agreed by the NatWest Group Board.

As set out in the Compliance report of the 2025 NatWest Group Annual Report and Accounts, the NatWest Group Board is responsible for the system of internal controls that is designed to maintain effective and efficient operations, compliant with applicable laws and regulations. The system of internal control is designed to manage risk or mitigate it to an acceptable residual level rather than eliminate it entirely. Systems of internal control can only provide reasonable and not absolute assurance against misstatement, fraud or loss.

Elizabeth Munro

Chief Financial Officer

Executive Director, Coutts & Company Board

Presentation of information

This document presents the consolidated Pillar 3 disclosures for Coutts & Company (Coutts & Co) at 31 December 2025. It should be read in conjunction with the 2025 NatWest Holdings Group Pillar 3 report, which is published in the same location at: investors.natwestgroup.com/reports-archive/2025

Coutts & Co is incorporated in the United Kingdom and is a subsidiary of NatWest Holdings Limited ('NWH Ltd'). NatWest Group plc is 'the ultimate holding company'. The term 'NatWest Group' refers to NatWest Group plc and its subsidiary and associated undertakings.

Based on the criteria set out in the UK CRR, NatWest Group primarily defines its large subsidiaries in scope of PRA Pillar 3 disclosures as those designated as an Other Systemically Important Institution (O-SII) by the PRA or those with total assets equal to or greater than €30 billion.

Coutts & Co being a large, non-listed subsidiary of NatWest Group, is subject to a reduced number of disclosures as set out in the PRA Rulebook. The required disclosures are as follows:

- Disclosure of own funds
- Disclosure of own funds requirements & risk-weighted exposure amounts
- Disclosure of countercyclical capital buffers
- Disclosure of exposures to credit risk and dilution risk
- Disclosure of the use of credit risk mitigation techniques
- Disclosure of leverage ratio
- Disclosure of liquidity requirements
- Disclosure of remuneration policy

The disclosures for Coutts & Co are calculated in accordance with the UK CRR (split across primary legislation and the PRA Rulebook) and completed in accordance with the Disclosure (CRR) part of the PRA Rulebook.

The liquidity disclosures completed at UK Domestic Liquidity Subgroup (UK DoLSub) level are published in the NatWest Holdings Group Pillar 3 report. The UK DoLSub waiver allows NWB Plc, RBS plc and Coutts & Co to manage liquidity and funding as a single sub-group rather than at an entity level.

Within this document row and column references are based on those prescribed in the PRA templates. Any rows or columns that are not applicable have not been shown however explanations have been added as appropriate. Certain fixed format disclosure tables include bespoke requirements for comparatives. Where a comparative is not prescribed, the comparative period provided is December 2024.

A subset of the Pillar 3 templates that are required to be disclosed were not applicable to Coutts & Co at 31 December 2025 and have therefore not been included in this report. Certain quantitative and qualitative disclosures are provided in the NatWest Holdings Group Pillar 3 report. These excluded disclosures are listed below, together with a summary of the reason for their exclusion.

PRA template reference	Template name	Reasons for exclusion
UK CCR7	RWA flow statements of CCR exposures under the IMM	No reportable exposures
UK MR2-B	RWA flow statements of market risk exposures under the IMA	No reportable exposures
UK LIQ1	Quantitative information on LCR	Refer to the NatWest Holdings Group Pillar 3 2025 report
UK LIQB	Qualitative information on LRC	
UK LIQ2	Net Stable Funding Ratio	
UK LIQA	Liquidity risk management	
UK CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Threshold for disclosure not met
UK CQ2	Quality of forbearance	Threshold for disclosure not met
UK CQ4	Quality of non-performing exposures by geography	Threshold for disclosure not met
UK CQ6	Collateral valuation - loans and advances	Threshold for disclosure not met
UK CQ7	Collateral obtained by taking possession and execution processes	No reportable exposures
UK CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	No reportable exposures
UK CR10.1 to UK CR10.5	Specialised lending and equity exposures under the simple risk-weighted approach	No reportable exposures
UK CR7	IRB approach - Effect on the RWAs of credit derivatives used as CRM techniques	No reportable exposures
UK CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques	No reportable exposures
UK CCA	Main features of regulatory own funds instruments and eligible liabilities instruments	Published as supplement alongside this report
UK REMA	Remuneration Policy	Refer to the NatWest Holdings Group Pillar 3 2025 report

In the 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.

For definitions of terms, refer to the Glossary and Acronyms document available on investors.natwestgroup.com/reports-archive/2025

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

Coutts & Company - Key points

CET1 ratio

11.4%

(Q3 2025 – 10.8%)

The CET1 ratio increased by 60 basis points to 11.4% due to a £0.1 billion increase in CET1 capital and a £0.1 billion decrease in RWAs. The CET1 capital increase was mainly driven by an attributable profit to ordinary shareholders.

RWAs

£11.0bn

(Q3 2025 - £11.1bn)

Total RWAs decreased by £0.1 billion to £11.0 billion mainly reflecting a decrease in credit risk RWAs of £0.1 billion, primarily due to the benefits of RWA management actions partially offset by lending growth.

UK leverage ratio

7.6%

(Q3 2025 – 7.4%)

The leverage ratio increased by 20 basis points to 7.6% due to a £0.1 billion increase in Tier 1 capital partially offset by a £0.1 billion increase in leverage exposure. The key driver of the leverage exposure movement was an increase in other financial assets.

UK KM1: Key metrics

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

		31 December 2025 £m	30 September 2025 £m	30 June 2025 £m	31 March 2025 £m	31 December 2024 £m
Available own funds (amounts)						
1	Common equity tier 1 (CET1) capital	**1,248**	1,198	1,194	1,191	1,192
2	Tier 1 capital	**1,488**	1,438	1,434	1,431	1,432
3	Total capital	**1,788**	1,738	1,734	1,731	1,732
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**10,982**	11,059	11,060	10,885	10,564
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	**11.4**	10.8	10.8	10.9	11.3
6	Tier 1 ratio (%)	**13.5**	13.0	13.0	13.1	13.6
7	Total capital ratio (%)	**16.3**	15.7	15.7	15.9	16.4
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	**1.3**	1.3	1.5	1.5	1.5
UK 7b	Additional AT1 SREP requirements (%)	**0.4**	0.4	0.5	0.5	0.5
UK 7c	Additional Tier 2 SREP requirements (%)	**0.6**	0.6	0.6	0.6	0.6
UK 7d	Total SREP own funds requirements (%)	**10.3**	10.3	10.6	10.6	10.6
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 (%) (3)	**1.9**	1.9	1.9	1.9	1.9
11	Combined buffer requirement (%)	**4.4**	4.4	4.4	4.4	4.4
UK 11a	Overall capital requirements (%)	**14.7**	14.7	15.0	15.0	15.0
12	CET1 available after meeting the total SREP own funds requirements (%)	**5.6**	5.0	4.8	5.0	5.3
Leverage ratio						
13	Total exposure measure excluding claims on central banks	**19,649**	19,553	19,422	19,215	19,022
14	Leverage ratio excluding claims on central banks (%)	**7.6**	7.4	7.4	7.4	7.5
Additional leverage ratio disclosure requirements (4)						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)					
UK 14b	Leverage ratio including claims on central banks (%)					
UK 14c	Average leverage ratio excluding claims on central banks (%)					
UK 14d	Average leverage ratio including claims on central banks (%)					
UK 14e	Countercyclical leverage ratio buffer (%)					
Liquidity coverage ratio (5)						
15	Total high-quality liquid assets (HQLA) (weighted value-average)					
UK 16a	Cash outflows - Total weighted value					
UK 16b	Cash inflows - Total weighted value					
16	Total net cash outflows (adjusted value)					
17	Liquidity coverage ratio (%)					
Net stable funding ratio (5)						
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio (%)					

(1) The following rows are not presented in the table above as not applicable values: UK8a, UK9a, 10 and UK10a.
(2) Coutts & Co elected to take advantage of the IFRS 9 transitional adjustments in respect of ECL provisions, which were maintained until 31 December 2024. Prior period comparatives for CET1 capital, RWAs and leverage include the impact of those adjustments where applicable.
(3) 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 rate is currently being maintained at 2%.
(4) Coutts & Co is not an LREQ firm therefore not subject to the additional leverage ratio disclosure requirements.
(5) Under the UK DoLSub waiver Coutts & Co liquidity is managed and disclosed at the sub-group level rather than entity level.

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)	Risk-weighted exposure amounts (RWAs)	**Total own funds requirements**
		31 December 2025 £m	31 December 2024 £m	**31 December 2025 £m**
1	Credit risk (excluding counterparty credit risk)	**9,416**	9,231	**753**
2	*Of which: standardised approach*	***9,416***	*9,231*	***753***
3	*Of which: the foundation IRB (FIRB) approach*	-	-	-
4	*Of which: slotting approach*	-	-	-
UK 4a	*Of which: equities under the simple risk-weighted approach*	-	-	-
5	*Of which: the advanced IRB (AIRB) approach*	-	-	-
6	Counterparty credit risk	**1**	1	-
7	*Of which: standardised approach*	***1***	*1*	-
8	*Of which: internal model method (IMM)*	-	-	-
root	*Of which: exposures to a CCP*	-	-	-
UK 8b	*Of which: credit valuation adjustment (CVA)*	-	-	-
9	*Of which: other counterparty credit risk*	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	*Of which: SEC-IRBA approach*	-	-	-
18	*Of which: SEC-ERBA (including IAA)*	-	-	-
19	*Of which: SEC-SA approach*	-	-	-
UK 19a	*Of which: 1,250%/deduction*	-	-	-
20	Position, foreign exchange and commodities risk (market risk)	**20**	24	**2**
21	*Of which: standardised approach*	***20***	*24*	***2***
22	*Of which: IMA*	-	-	-
UK 22a	Large exposures	-	-	-
23	Operational risk	**1,545**	1,308	**124**
UK 23a	*Of which: basic indicator approach*	-	-	-
UK 23b	*Of which: standardised approach*	***1,545***	*1,308*	***124***
UK 23c	*Of which: advanced measurement approach*	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (1)	**277**	282	**22**
29	Total	**10,982**	10,564	**879**

(1) The amount is shown for information only, as these exposures are already included in rows 1 and 2.

UK OVC: ICAAP Information

The Group carries out internal assessments of material risks annually to enable an evaluation of the amount, type and distribution of capital required to cover these risks. This is referred to as the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP consists of a point-in-time assessment of exposures and risks at the end of the financial year together with a forward-looking stress capital assessment. An ICAAP is required to be produced for NWH and is inclusive of Coutts, used to inform capital requirements, and is approved by the NWH governing body and submitted to the PRA.

Annex VII: Capital

UK CC1: Composition of regulatory own funds

The table below sets out the capital resources for Coutts & Co based on current PRA rules. Regulatory adjustments comprise deductions from own funds and prudential filters. The table also includes a cross reference to the corresponding rows in template UK CC2 to facilitate full reconciliation of accounting and regulatory own funds.

	CET1 capital: instruments and reserves	31 December 2025 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2024 £m
1	Capital instruments and the related share premium accounts	**41**		41
	of which: ordinary shares	***41***	**(a)**	41
2	Retained earnings	**835**	**(b)**	835
3	Accumulated other comprehensive income (and other reserves)	**382**	**(c)**	381
UK-3a	Funds for general banking risk	**-**		-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	**-**		-
5	Minority interests (amount allowed in consolidated CET1)	**-**		-
UK-5a	Independently reviewed interim profits of any foreseeable charge or dividend	**46**	**(b)**	-
6	CET1 capital before regulatory adjustments	**1,304**		1,257
	CET1 capital: regulatory adjustments			
7	(-) Additional value adjustments	**-**		-
8	(-) Intangible assets (net of related tax liability)	**(56)**	**(d)**	(72)
10	(-) Deferred tax assets that rely on future profitability excluding those arising	**-**		-
	from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	**-**	**(e)**	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**-**	**(i)**	1
12	(-) Negative amounts resulting from the calculation of expected loss amounts	**-**		-
13	(-) Any increase in equity that results from securitised assets	**-**		-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	**-**		-
15	(-) Defined-benefit pension fund assets	**-**	**(f) & (g)**	-
16	(-) Direct, indirect and synthetic holdings by an institution of own CET1 instruments	**-**		-
17	(-) Direct, indirect and synthetic holding of the CET1 instruments of financial sector entities have reciprocal cross holdings with the	**-**		-
	institution designed to inflate artificially the own funds of the institution	**-**		-
18	(-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where	**-**		-
	the institution does not have a significant investment in those entities (above the 10% threshold and net of eligible short positions)	**-**		-
19	(-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has	**-**		-
	a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	**-**		-
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	**-**		-
UK-20b	*(-) of which: qualifying holdings outside the financial sector*	**-**		-
UK-20c	*(-) of which: securitisation positions*	**-**		-
UK-20d	*(-) of which: free deliveries*	**-**		-
21	(-) Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**-**		-
22	(-) Amount exceeding the 17.65% threshold	**-**		-
23	*(-) of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	**-**		-

UK CC1: Composition of regulatory own funds continued

CET1 capital: regulatory adjustments		31 December 2025 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2024 £m
25	*(-) of which: deferred tax assets arising from temporary differences*	-		-
UK-25a	(-) Losses for the current financial period	-	(b)	-
UK-25b	(-) Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-		-
27	(-) Qualifying AT1 deductions that exceed the AT1 items of the institution	-		-
27a	Other regulatory adjustments to CET1 capital *(including IFRS 9 transitional adjustments when relevant)*	-		6
28	Total regulatory adjustments to CET1	**(56)**		(65)
29	CET1 capital	**1,248**		1,192
AT1 capital: instruments				
30	Capital instruments and the related share premium accounts	**240**	(h)	240
31	*of which: classified as equity under applicable accounting standards*	**240**		*240*
32	*of which: classified as liabilities under applicable accounting standards*	-		-
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1 as described in Article 486 (3) CRR	-		-
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-		-
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-		-
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5 CET1) issued by subsidiaries and held by third parties	-		-
35	*of which: instruments issued by subsidiaries subject to phase out*	-		-
36	AT1 capital before regulatory adjustments	**240**		240
AT1 capital: regulatory adjustments				
37	(-) Direct, indirect and synthetic holdings by an institution of own AT1 instruments	-		-
38	(-) Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-		-
39	(-) Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-		-
40	(-) Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	-		-
42	(-) Qualifying T2 deductions that exceed the T2 items of the institution	-		-
42a	Other regulatory adjustments to AT1 capital	-		-

UK CC1: Composition of regulatory own funds continued

		31 December 2025 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2024 £m
43	Total regulatory adjustments to AT1 capital	**-**		-
44	AT1 capital	**240**		240
45	T1 capital (T1 = CET1 + AT1)	**1,488**		1,432
T2 capital: instruments				
46	Capital instruments and the related share premium accounts	**300**	**(j)**	300
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	**-**		-
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	**-**		-
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	**-**		-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	**-**		-
49	*of which: instruments issued by subsidiaries subject to phase out*	**-**		-
50	Credit risk adjustments	**-**		-
51	T2 capital before regulatory adjustments	**300**		300
T2 capital: regulatory adjustments				
52	(-)Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	**-**		-
53	(-)Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	**-**		-
54	(-)Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	**-**		-
55	(-)Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	**-**		-
UK-56a	(-)Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution	**-**		-
UK-56b	Other regulatory adjustments to T2 capital	**-**		-
57	Total regulatory adjustments to T2 capital	**-**		-
58	T2 capital	**300**		300
59	Total capital (TC = T1 + T2)	**1,788**		1,732
60	Total Risk exposure amount	**10,982**		10,564
Capital ratios and buffers				
61	CET1 (as a percentage of total risk exposure amount)	**11.4%**		11.3%
62	T1 (as a percentage of total risk exposure amount)	**13.5%**		13.6%
63	Total capital (as a percentage of total risk exposure amount)	**16.3%**		16.4%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	**10.2%**		10.4%

UK CC1: Composition of regulatory own funds continued

		31 December 2025 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2024 £m
65	*of which: capital conservation buffer requirement*	***2.5%***		*2.5%*
66	*of which: countercyclical buffer requirement*	***1.9%***		*1.9%*
67	*of which: systemic risk buffer requirement*			
67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*			
68	CET1 available to meet buffers (as a percentage of risk exposure amount) (1)	**5.6%**		5.3%
Amounts below the thresholds for deduction (before risk-weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	**-**		-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	**110**		110
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**1**		3
Applicable caps on the inclusion of provisions in T2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	**-**		-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	**118**		115
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	**-**		-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**-**		-
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

(1) Represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).
(2) The references (a) to (j) identify balance sheet components in table UK CC2 that are used in the calculation of regulatory capital in table UK CC1. Amounts between UK CC2 and UK CC1 are not always directly comparable due to differences in definitions and application of prudential requirements for the calculation of regulatory capital.
(3) The following lines are not presented as they are not applicable under the UK disclosure requirements: 9, 20, 24, 26, 41, 54a, 56, 69, 70, 71 and 74.

UK CC2: reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows the reconciliation between the accounting and regulatory consolidation with references showing the linkage between this table and UK CC1.

	As at period end 31 December 2025		
	a	b	
Assets	Balance sheet as in published financial statements as at period end £m	Under regulatory scope of consolidation as at period end £m	References
Cash and balances at central banks	3	3	
Loans to banks - amortised cost	29	29	
Loans to customers - amortised cost	18,642	18,642	
Amounts due from holding companies and fellow subsidiaries	42,546	42,546	(j)
Derivatives	11	11	
Investment in group undertakings	110	110	
Property, plant and equipment	250	250	
Current and deferred tax assets	1	1	
of which: DTAs that rely on future profitability and do not arise from temporary differences	-	-	(e)
Intangible assets	56	56	(d)
Prepayments, accrued income and other assets	47	47	
of which: defined benefit pension fund assets	-	-	(f)
Total assets	61,695	61,695	
Liabilities			
Bank deposits	-	-	
Customer deposits	42,642	42,642	
Amounts due to holding companies and fellow subsidiaries	17,306	17,306	(j)
Derivatives	12	12	
Provisions, deferred income and other liabilities	186	186	
Current and deferred tax liabilities	5	5	
of which: defined benefit pension scheme assets	-	-	(g)
Total liabilities	60,151	60,151	
Shareholders' Equity			
Owners' equity			
Called up share capital	41	41	(a)
Reserves	1,503	1,503	
of which: amount eligible for retained earnings	881	881	(b)
of which: amount eligible for accumulated OCI and other reserves	382	382	(c) & (i)
of which: amount of other equity instruments	240	240	(h)
of which: share premium accounts	-	-	
Non-controlling interests	-	-	
Total shareholders' equity	1,544	1,544	

(1) The references (a) to (j) identify balance sheet components in table CC2 that are used in the calculation of regulatory capital table UK CC1. Amounts between the UK CC2 and UK CC1 are not always directly comparable due to differences in definitions and application of prudential requirements for the calculation of regulatory capital.

TLAC2: Material sub-group entity - creditor ranking at the entity level

The following disclosure provide information on the creditor hierarchy for Coutts & Co (material entity within the resolution group). The disclosure include information on the nominal value of all own funds instruments and other liabilities to the extent that they are subordinate to or rank pari passu with the most senior MREL claim. Where the instrument is denominated in foreign currency, the nominal value is converted into sterling using the rate as at 31 December 2025.

		Insolvency ranking								
		Shareholders equity (3)		Preference shares and contingent capital notes		Subordinated debt		Senior non-preferential debt		
31 December 2025		Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Total £m
3	Total liabilities and own funds	**1,305**	**-**	**240**	**-**	**300**	**-**	**563**	**-**	**2,408**
4	o/w excluded liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5	Total liabilities and own funds less excluded liabilities	**1,305**	**-**	**240**	**-**	**300**	**-**	**563**	**-**	**2,408**
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	**1,305**	**-**	**240**	**-**	**300**	**-**	**563**	**-**	**2,408**
7	o/w residual maturity ≥ 1 year < 2 years	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	o/w residual maturity ≥ 2 year < 5 years	**-**	**-**	**-**	**-**	**-**	**-**	**563**	**-**	**563**
9	o/w residual maturity ≥ 5 years < 10 years	**-**	**-**	**-**	**-**	**300**	**-**	**-**	**-**	**300**
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
11	o/w perpetual securities	**1,305**	**-**	**240**	**-**	**-**	**-**	**-**	**-**	**1,545**

		Insolvency ranking								
		Shareholders equity (3)		Preference shares and contingent capital notes		Subordinated debt		Senior non-preferential debt		
31 December 2024		Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Total £m
3	Total liabilities and own funds	1,257	-	240	-	300	-	551	-	2,348
4	o/w excluded liabilities	-	-	-	-	-	-	-	-	-
5	Total liabilities and own funds less excluded liabilities	1,257	-	240	-	300	-	551	-	2,348
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	1,257	-	240	-	300	-	551	-	2,348
7	o/w residual maturity ≥ 1 year < 2 years	-	-	-	-	-	-	-	-	-
8	o/w residual maturity ≥ 2 year < 5 years	-	-	-	-	-	-	50	-	50
9	o/w residual maturity ≥ 5 years < 10 years	-	-	-	-	300	-	501	-	801
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-	-	-
11	o/w perpetual securities	1,257	-	240	-	-	-	-	-	1,497

(1) Amounts shown include balances indirectly due to resolution entity (NWG Plc) through NWB Plc, a wholly owned subsidiary of NWH Limited (NWH Ltd is a wholly-owned subsidiary of NWG Plc).
(2) Maturity band based on final contractual instrument maturity.
(3) Shareholder's equity includes the value of share capital, share premium and reserves.
(4) The TLAC2 disclosure has been prepared using the uniform format previously published by the EBA. During 2025, PRA issued proposals under CP16/25 for the introduction of UK MREL disclosure templates in the Rulebook, which are expected to apply from 31 December 2026.

Annex IX: Countercyclical capital buffers

UK CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

As part of the banking reforms introduced by Basel III, a countercyclical capital buffer is required to ensure banks take account of the macro-financial environment when assessing adequate capital requirements. The buffer is to help protect banks during periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk. This regime is intended to help reduce the risk that the supply of credit will be constrained during a period of economic downturn, which in turn could undermine the performance of the real economy and consequently result in additional credit losses in the banking system.

The table below summarises Coutts & Co's total exposures and own funds requirements based on country of economic operation of the customer. Where applicable, a countercyclical capital buffer rate is applied to the own funds requirement for the geographic region to capture an additional countercyclical requirement. General credit and trading book exposures exclude those with central governments/banks, regional governments, local authorities, public sector entities, multilateral development banks, international organisations and institutions. The exposures below therefore differ from those presented in the credit and counterparty credit risk sections.

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2025	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures - Credit risk £m	Relevant credit exposures - Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
010 Breakdown by country (with existing CCyB rates) (1)													
United Kingdom	**18,129**	**-**	**-**	**-**	**-**	**18,129**	**715**	**-**	**-**	**715**	**8,922**	**94.87%**	**2.00%**
Ireland	**14**	**-**	**-**	**-**	**-**	**14**	**1**	**-**	**-**	**1**	**13**	**0.13%**	**1.50%**
Australia	**1**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**1**	**0.01%**	**1.00%**
Luxembourg	**4**	**-**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**4**	**0.04%**	**0.50%**
Total (countries with existing CCyB rates)	**18,148**	**-**	**-**	**-**	**-**	**18,148**	**716**	**-**	**-**	**716**	**8,940**	**95.05%**	

UK CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer continued

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2025	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures - Credit risk £m	Relevant credit exposures - Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
Jersey	272	-	-	-	-	272	19	-	-	19	236	2.51%	-
British Virgin Islands	151	-	-	-	-	151	9	-	-	9	113	1.20%	-
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	423	-	-	-	-	423	28	-	-	28	349	3.71%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	154	-	-	-	-	154	9	-	-	9	117	1.24%	-
020 Total	18,725	-	-	-	-	18,725	753	-	-	753	9,406	100%	

UK CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer continued

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2024		Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures - Credit risk £m	Relevant credit exposures - Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
010	Breakdown by country (with existing CCyB rates) (1)													
	United Kingdom	17,551	-	-	-	-	17,551	691	-	-	691	8,631	93.65%	2.00%
	Ireland	14	-	-	-	-	14	1	-	-	1	13	0.14%	1.50%
	Australia	1	-	-	-	-	1	-	-	-	-	1	0.01%	1.00%
	Total (countries with existing CCyB rates)	17,566	-	-	-	-	17,566	692	-	-	692	8,645	93.80%	
	Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
	Jersey	338	-	-	-	-	338	26	-	-	26	321	3.50%	-
	Virgin Island	137	-	-	-	-	137	10	-	-	10	126	1.36%	-
	Isle of Man	114	-	-	-	-	114	8	-	-	8	99	1.07%	-
	Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	589	-	-	-	-	589	44	-	-	44	546	5.93%	
	Total (rest of the world with zero CCyB rate and below 1% requirement)	36	-	-	-	-	36	1	-	-	1	25	0.28%	-
020	Total	18,191	-	-	-	-	18,191	737	-	-	737	9,216	100.00%	

(1) This section of the table excludes countries with no exposures.

UK CCyB2: Amount of institution-specific countercyclical capital buffer

		31 December 2025 £m	31 December 2024 £m
1	Total risk exposure amount	**10,982**	10,564
2	Institution specific countercyclical capital buffer rate	**1.90%**	1.88%
3	Institution specific countercyclical capital buffer requirement (1)	**209**	198

(1) The UK CCyB rate is currently being maintained at 2%. This may vary in either direction in the future depending on how risks develop.

Annex XI: Leverage

UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

The table below shows a reconciliation between total assets under IFRS standards and the leverage exposure measure. The leverage metrics are calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

		31 December 2025 £m	31 December 2024 £m
1	Total assets as per published financial statements	**61,695**	62,860
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	**-**	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	**-**	-
4	(Adjustment for exemption of exposures to central banks)	**(3)**	(3)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (1) of Article 429a(1) of the CRR)	**-**	-
6	(Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting)	**-**	-
7	Adjustment for eligible cash pooling transactions	**-**	-
8	Adjustment for derivative financial instruments	**9**	19
9	Adjustment for securities financing transactions (SFTs)	**-**	-
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**612**	617
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital (leverage))	**(1)**	-
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**(42,591)**	(44,380)
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	**-**	-
12	Other adjustments	**(72)**	(91)
13	Total exposure measure	**19,649**	19,022

UK LR2 - LRCom: Leverage ratio common disclosure

The table below shows the leverage ratio common disclosure calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

		31 December 2025 £m	31 December 2024 £m
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**61,668**	62,818
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	**-**	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	**-**	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	**-**	-
5	(General credit risk adjustments to on-balance sheet items)	**-**	-
6	(Asset amounts deducted in determining Tier 1 capital (leverage))	**(56)**	(66)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	**61,612**	62,752
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**14**	24
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	**-**	-
9	Add-on amounts for PFE associated with SA-CCR derivatives transactions	**6**	12
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	**-**	-
UK-9b	Exposure determined under the original exposure method	**-**	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	**-**	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	**-**	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	**-**	-
11	Adjusted effective notional amount of written credit derivatives	**-**	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**-**	-
13	Total derivative exposures	**20**	36
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**-**	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-
16	Counterparty credit risk exposure for SFT assets	**-**	-
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	**-**	-
UK-17	Agent transaction exposures	**-**	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	**-**	-
18	Total securities financing transaction exposures	**-**	-
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	**3,750**	3,794
20	(Adjustments for conversion to credit equivalent amounts)	**(3,138)**	(3,177)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	**(1)**	-
22	Off-balance sheet exposures	**611**	617

UK LR2 - LRCom: Leverage ratio common disclosure continued

		31 December 2025 £m	31 December 2024 £m
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**(42,591)**	(44,380)
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off-balance sheet))	**-**	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	**-**	-
UK-22k	(Total exempted exposures)	**(42,591)**	(44,380)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	**1,488**	1,432
24	Total exposure measure including claims on central banks	**19,652**	19,025
UK-24a	(-) Claims on central banks excluded	**(3)**	(3)
UK-24b	Total exposure measure excluding claims on central banks	**19,649**	19,022
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**7.6**	7.5
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**7.6**	7.5
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains comprehensive income had not been applied (%) and losses measured at fair value through other	**7.6**	7.5
UK-25c	Leverage ratio including claims on central banks (%)	**7.6**	7.5
26	Regulatory minimum leverage ratio requirement (%) (1)		
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)		
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)		
UK-27b	Of which: countercyclical leverage ratio buffer (%)		
Additional leverage ratio disclosure requirements - disclosure of mean values (1)			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and receivable netted of amounts of associated cash payables and cash		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and receivable netted of amounts of associated cash payables and cash		
UK-31	Average total exposure measure excluding claims on central banks		
UK-32	Average total exposure measure including claims on central banks		
UK-33	Average leverage ratio excluding claims on central banks		
UK-34	Average leverage ratio including claims on central banks		

(1) Coutts & Co is not an LREQ firm therefore not subject to the additional leverage ratio disclosure requirements.

UK LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

The table below shows the breakdown of the leverage ratio exposures per exposure class.

		31 December 2025 £m	31 December 2024 £m
UK-1	Total on balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**19,070**	18,437
UK-2	Trading book exposures	**-**	-
UK-3	Banking book exposures, of which:	**19,070**	18,437
UK-4	Covered bonds	**-**	-
UK-5	Exposures treated as sovereigns	**-**	-
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	**-**	-
UK-7	Institutions	**25**	26
UK-8	Secured by mortgages of immovable properties	**15,995**	15,531
UK-9	Retail exposures	**829**	775
UK-10	Corporate	**1,534**	1,367
UK-11	Exposures in default	**288**	321
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	**399**	417

UK LRA: Disclosure of LR qualitative information

Processes used to manage the risk of excessive leverage

The Group actively manages capital adequacy with respect to leverage through relevant Board approved Risk Appetite measures, operational limits, targets, and recovery indicators. This ensures that the Group and its entities are sufficiently capitalised to meet supervisory leverage requirements in normal business conditions and appropriate requirements for leverage under stress events. The Group embeds its strong focus on leverage in its capital planning, capital allocation, and transfer pricing processes, incentivising businesses to make appropriate decisions with regards to leverage exposure within their portfolios. The risk of excessive leverage, including vulnerabilities to contingent leverage, are assessed as part of the Internal Capital Adequacy Assessment Process (ICAAP). The Group regularly monitors leverage targets, exposure, and capacity, on an actual and forecast basis, in relevant Governance committees.

Factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

The leverage ratio as at 31 December 2025 is 7.6%. The ratio increased by 10 basis points in the period since 31 December 2024. The increase in the leverage ratio was driven by a £0.1 billion increase in Tier 1 capital partially offset by a £0.6 billion increase in leverage exposure. The key driver of the leverage exposure movement was an increase in other financial assets.

Annex XV: Credit risk quality

UK CQ1: Credit quality of forborne exposures

The table below shows gross carrying amount of forborne exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk and collateral and financial guarantees received by portfolio and exposure class.

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	*Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures*
31 December 2025		Performing forborne £m	Non-performing forborne £m	*Of which: defaulted* *£m*	*Of which: impaired* *£m*	On performing forborne exposures £m	On non-performing forborne exposures £m	£m	*£m*
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	**68**	**130**	**129**	**123**	**(1)**	**(19)**	**166**	**109**
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	**4**	-	-	-	-	-	-	-
060	*Non-financial corporations*	**55**	**73**	**73**	**67**	**(1)**	**(14)**	**106**	**58**
070	*Households*	**9**	**57**	**56**	**56**	-	**(5)**	**60**	**51**
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	**68**	**130**	**129**	**123**	**(1)**	**(19)**	**166**	**109**

UK CQ1: Credit quality of forborne exposures continued

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	*Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures*
31 December 2024		Performing forborne £m	Non-performing forborne £m	*Of which: defaulted £m*	*Of which: impaired £m*	On performing forborne exposures £m	On non-performing forborne exposures £m	£m	*£m*
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	116	106	104	104	(3)	(11)	200	95
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	*98*	*60*	*60*	*60*	*(3)*	*(8)*	*139*	*52*
070	*Households*	*18*	*46*	*44*	*44*	-	*(3)*	*61*	*43*
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	7	1	1	1	-	-	8	-
100	Total	123	107	105	105	(3)	(11)	208	95

UK CQ3: Credit quality of performing and non-performing exposures by past due days

The table below presents the gross carrying amount/nominal amount (including accrued interest) of performing and non-performing exposures according to the scope of regulatory consolidation. For the on-balance sheet exposures, the template shows the breakdown by past-due band.

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non- performing exposures								
31 December 2025		Performing exposures £m	Not past due or past due ≤ 30 days £m	Past due > 30 days ≤ 90 days £m	Non-performing exposures £m	Unlikely to pay that are not past due or are past due ≤ 90 days £m	Past due > 90 days ≤ 180 days £m	Past due > 180 days ≤ 1 year £m	Past due > 1 year ≤ 2 years £m	Past due > 2 years ≤ 5 years £m	Past due > 5 years ≤ 7 years £m	Past due > 7 years £m	Of which: Defaulted £m
005	Cash balances at central banks and other demand deposits	1,176	1,176	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	59,732	59,702	30	362	64	121	34	55	64	3	21	362
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	41,303	41,303	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	89	89	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	4,099	4,096	3	99	30	11	6	20	31	1 -		99
070	*Of which: SMEs*	3,503	3,503	-	98	29	11	6	20	31	1 -		98
080	*Households*	14,241	14,214	27	263	34	110	28	35	33	2	21	263
090	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	3,744			6								5
160	*Central banks*	-			-								-
170	*General governments*	-			-								-
180	*Credit institutions*	-			-								-
190	*Other financial corporations*	98			-								-
200	*Non-financial corporations*	450			1								1
210	*Households*	3,196			5								4
220	Total	64,652	60,878	30	368	64	121	34	55	64	3	21	367

UK CQ3: Credit quality of performing and non-performing exposures by past due days continued

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non- Performing exposures								
	31 December 2024	Performing exposures £m	Not past due or past due ≤ 30 days £m	Past due > 30 days ≤ 90 days £m	Non-performing exposures £m	Unlikely to pay that are not past due or are past due ≤ 90 days £m	Past due > 90 days ≤ 180 days £m	Past due > 180 days ≤ 1 year £m	Past due > 1 year ≤ 2 years £m	Past due > 2 years ≤ 5 years £m	Past due > 5 years ≤ 7 years £m	Past due > 7 years £m	Of which: Defaulted £m
005	Cash balances at central banks												
	Loans and advances	61,038	61,017	21	370	86	116	48	68	28	11	13	369
010	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
020	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
030	*Credit institutions*	*43,223*	*43,223*	-	-	-	-	-	-	-	-	-	-
040	*Other financial corporations*	*99*	*99*	-	-	-	-	-	-	-	-	-	-
050	*Non-financial corporations*	*3,823*	*3,812*	*11*	*103*	*30*	*6*	*22*	*34*	*11*	-	-	*103*
060	*Of which: SMEs*	*2,843*	*2,832*	*11*	*95*	*22*	*6*	*22*	*34*	*11*	-	-	*95*
070	*Households*	*13,893*	*13,883*	*10*	*267*	*56*	*110*	*26*	*34*	*17*	*11*	*13*	*266*
080	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
090	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
100	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
110	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-
120	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
130	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
140	Off-balance sheet exposures	3,788			6								5
150	*Central banks*	-			-								-
160	*General governments*	-			-								-
170	*Credit institutions*	-			-								-
180	*Other financial corporations*	*96*			-								-
190	*Non-financial corporations*	*422*			*1*								*1*
200	*Households*	*3,270*			*5*								*4*
210	Total	65,837	62,028	21	376	86	116	48	68	28	11	13	374

UK CQ5: Credit quality of loans and advances by industry

The table below shows gross carrying amount of performing and non-performing exposures to non-financial corporations and the related accumulated impairment, provisions and accumulated change in fair value due to credit risk by industry.

		a	b	c	d	e	f
		Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
31 December 2025		£m	£m	£m	£m	£m	£m
010	Agriculture, forestry and fishing	424	3	3	424	(4)	-
020	Mining and quarrying	-	-	-	-	-	-
030	Manufacturing	22	2	2	22	-	-
040	Electricity, gas, steam and air conditioning supply	8	-	-	8	-	-
050	Water supply	1	-	-	1	-	-
060	Construction	54	5	5	54	(6)	-
070	Wholesale and retail trade	96	2	2	96	(1)	-
080	Transport and storage	3	-	-	3	-	-
090	Accommodation and food service activities	643	21	21	643	(9)	-
100	Information and communication	153	4	4	153	(2)	-
110	Financial and insurance activities	5	-	-	5	-	-
120	Real estate activities	2,184	33	33	2,184	(13)	-
130	Professional, scientific and technical activities	80	3	3	80	(1)	-
140	Administrative and support service activities	28	2	2	28	(1)	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	4	-	-	4	-	-
170	Human health services and social work activities	402	14	14	402	(4)	-
180	Arts, entertainment and recreation	31	9	9	31	(6)	-
190	Other services	60	1	1	60	(2)	-
200	Total	4,198	99	99	4,198	(49)	-

UK CQ5: Credit quality of loans and advances by industry continued

		a	b	c	d	e	f
31 December 2024		Gross carrying amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
010	Agriculture, forestry and fishing	460	9	9	460	(4)	-
020	Mining and quarrying	-	-	-	-	-	-
030	Manufacturing	23	1	1	23	-	-
040	Electricity, gas, steam and air conditioning supply	8	-	-	8	-	-
050	Water supply	1	-	-	1	-	-
060	Construction	54	5	5	54	(4)	-
070	Wholesale and retail trade	104	1	1	104	(1)	-
080	Transport and storage	3	-	-	3	-	-
090	Accommodation and food service activities	668	18	18	668	(7)	-
100	Information and communication	167	4	4	167	(1)	-
110	Financial and insurance activities	5	-	-	5	-	-
120	Real estate activities	1,928	36	36	1,928	(13)	-
130	Professional, scientific and technical activities	69	3	3	69	(1)	-
140	Administrative and support service activities	22	2	2	22	(1)	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	5	-	-	5	-	-
170	Human health services and social work activities	308	14	14	308	(4)	-
180	Arts, entertainment and recreation	35	9	9	35	(2)	-
190	Other services	66	1	1	66	(1)	-
200	Total	3,926	103	103	3,926	(39)	-

UK CR1: Performing and non-performing exposures and related provisions

The table below shows gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, accumulated partial write-off and collateral and financial guarantees received by portfolio and exposure class.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	Collateral and financial guarantee received	
		Total	*Of which: Stage 1*	*Of which: Stage 2*	Total	*Of which: Stage 2*	*Of which: Stage 3*	Total	*Of which: Stage 1*	*Of which: Stage 2*	Total	*Of which: Stage 2*	*Of which: Stage 3*		On performing exposures	On non-performing exposures
31 December 2025		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	**1,176**	**1,176**	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	**59,732**	**58,642**	**1,090**	**362**	**20**	**338**	**(40)**	**(27)**	**(13)**	**(50)**	-	**(50)**	-	**17,500**	**306**
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	**41,303**	**41,303**	-	-	-	-	**(14)**	**(14)**	-	-	-	-	-	-	-
050	*Other financial corporations*	**89**	**85**	**4**	-	-	-	-	-	-	-	-	-	-	**10**	-
060	*Non-financial corporations*	**4,099**	**3,337**	**762**	**99**	**7**	**92**	**(22)**	**(10)**	**(12)**	**(27)**	-	**(27)**	-	**3,739**	**71**
070	*Of which: SMEs*	**3,503**	**2,987**	**516**	**98**	**7**	**91**	**(17)**	**(10)**	**(7)**	**(25)**	-	**(25)**	-	**3,259**	**70**
080	*Households*	**14,241**	**13,917**	**324**	**263**	**13**	**246**	**(4)**	**(3)**	**(1)**	**(23)**	-	**(23)**	-	**13,751**	**235**
090	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	**3,744**	**3,614**	**130**	**6**	**1**	**2**	-	-	-	-	-	-		**2,346**	**5**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	*Other financial corporations*	**98**	**97**	**1**	-	-	-	-	-	-	-	-	-		**7**	-
200	*Non-financial corporations*	**450**	**390**	**60**	**1**	-	**1**	-	-	-	-	-	-		**164**	-
210	*Households*	***3,196***	***3,127***	***69***	***5***	***1***	***1***	-	-	-	-	-	-		***2,175***	***5***
220	Total	**64,652**	**63,432**	**1,220**	**368**	**21**	**340**	**(40)**	**(27)**	**(13)**	**(50)**	-	**(50)**	-	**19,846**	**311**

UK CR1: Performing and non-performing exposures and related provisions continued

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Collateral and financial guarantees received	
		Total	*Of which: Stage 1*	*Of which: Stage 2*	Total	*Of which: Stage 2*	*Of which: Stage 3*	Total	*Of which: Stage 1*	*Of which: Stage 2*	Total	*Of which: Stage 2*	*Of which: Stage 3*	Accumulated partial write-off	On performing exposures	On non-performing exposures
	31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	1,011	1,011	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	61,038	60,241	797	370	44	317	(45)	(35)	(10)	(37)	-	(37)	-	16,590	331
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	*43,223*	*43,223*	-	-	-	-	*(19)*	*(19)*	-	-	-	-	-	-	-
050	*Other financial corporations*	*99*	*99*	-	-	-	-	-	-	-	-	-	-	-	*9*	-
060	*Non-financial corporations*	*3,823*	*3,381*	*442*	*103*	*16*	*87*	*(21)*	*(13)*	*(8)*	*(18)*	-	*(18)*	-	*3,521*	*85*
070	*Of which: SMEs*	*2,843*	*2,442*	*401*	*95*	*8*	*85*	*(18)*	*(10)*	*(8)*	*(17)*	-	*(17)*	-	*2,690*	*76*
080	*Households*	*13,893*	*13,538*	*355*	*267*	*28*	*230*	*(5)*	*(3)*	*(2)*	*(19)*	-	*(19)*	-	*13,060*	*246*
090	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	3,788	3,673	115	6	1	2	-	-	-	-	-	-		2,384	2
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	*Other financial corporations*	*96*	*95*	*1*	-	-	-	-	-	-	-	-	-		*10*	-
200	*Non-financial corporations*	*422*	*390*	*32*	*1*	-	*1*	-	-	-	-	-	-		*143*	-
210	*Households*	*3,270*	*3,188*	*82*	*5*	*1*	*1*	-	-	-	-	-	-		*2,231*	*2*
220	Total	65,837	64,925	912	376	45	319	(45)	(35)	(10)	(37)	-	(37)	-	18,974	333

(1) The gross NPL ratio for Coutts and Co is 0.60% (31 December 2024 – 0.60%). Cash balances at central banks and other demand deposits were excluded from the ratio calculation.

UK CR1-A: Maturity of exposures

The table below shows the maturity breakdown of gross carrying amount net of related accumulated impairment, provisions and accumulated change in fair value due to credit risk.

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
31 December 2025		**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
1	Loans and advances	**960**	**31,801**	**17,071**	**10,172**		**60,004**
2	Debt securities	**-**	**-**	**-**	**-**		**-**
3	Total	**960**	**31,801**	**17,071**	**10,172**		**60,004**

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
31 December 2024		£m	£m	£m	£m	£m	£m
1	Loans and advances	807	32,275	18,046	10,198		61,326
2	Debt securities	-	-	-	-		-
3	Total	807	32,275	18,046	10,198		61,326

(1) Cash balances at central banks and other demand deposits are excluded.

UK CR2: Changes in the stock of non-performing loans and advances

The table below shows movements of gross carrying amounts of non-performing loans and advances during the period.

		a
		Gross carrying amount £m
010	Initial stock of non-performing loans and advances at 1 January 2025	**370**
020	Inflows to non-performing portfolios	**274**
030	Outflows from non-performing portfolios	**(282)**
040	Outflows due to write-offs	**(1)**
050	Outflow due to other situations	**(281)**
060	Final stock of non-performing loans and advances at 31 December 2025	**362**

(1) Outflow due to other situations in the table above primarily includes outflow due to loan repayment and transfer to performing portfolio.

Annex XVII: Credit risk mitigation

UK CRB: Additional disclosure related to the credit quality of assets

IFRS 9 models

IFRS 9 models provide PD, exposure at default (EAD) and loss given default (LGD) for the purpose of calculating ECL.

Where Coutts exposure is not directly modelled, Coutts uses benchmarked risk metrics for its calculations based on the most appropriate NatWest Group risk models; in particular NWB Group Premier for all Retail modelled metrics and NatWest Group Wholesale for Commercial LGD, considering haircuts where appropriate.

Model build

Risk ranking is normally the same as for internal ratings based (IRB) models to maintain consistency in risk measurement. Economic drivers are incorporated, normally by using stress models. Term structures are used to assess the risk of loss beyond 12 months that will affect lifetime loss for exposures which have significantly deteriorated (Stage 2) or defaulted (Stage 3).

Model application

Model application involves selecting forward-looking economic scenarios and assigning appropriate probability weights

Model design principles

The modelling of ECL under IFRS 9 adopts the standard approach of breaking down credit loss estimation into its component parts of PD, LGD and EAD. To comply with IFRS 9, these model parameters are designed with the following characteristics:

- Unbiased – provide a best estimate.
- Point-in-time – reflecting current economic conditions as opposed to through-the-cycle.
- Economic forecasts – IFRS 9 PD estimates and, where appropriate, EAD and LGD estimates reflecting economic forecasts.

PD

Retail

Retail PD models follow a discrete multi-horizon survival approach, predicting quarterly PDs up to lifetime at account level. A key driver is the score from related IRB PD models, with forward-looking economic data incorporated through the stress models.

Commercial

Commercial PD models use a point-in-time/through-the-cycle framework to provide point-in-time estimates that reflect economic conditions at the reporting date. The framework utilises credit cycle indices across a comprehensive set of regional and industry segments.

LGD

Retail

Economic forecasts are incorporated for the secured portfolios, where changes in property prices can be readily accommodated. Analysis has shown limited sensitivity to economic conditions on LGDs for the other Retail portfolios.

Commercial

Economic forecasts are incorporated into LGD estimates using the existing point-in-time/through-the-cycle framework. However, for some portfolios, including low-default, sovereigns and banks, there is insufficient loss data to substantiate estimates that vary with economic conditions.

Annex XVII: Credit risk mitigation

EAD

Retail

Amortising products use an amortisation schedule, where a formula is used to calculate the expected balance based on remaining terms and interest rates.

Commercial

EAD values rely on product-specific credit conversion factors (CCFs), closely mirroring the product segmentation and approach of the respective IRB model, but without conservative or downturn assumptions. These CCFs are estimated over multi-year time horizons.

Impairment, provisioning and write-offs

In the overall assessment of credit risk, impairment provisioning and write-offs are used as key indicators of credit quality.

Significant increase in credit risk (SICR)

Defaulted exposures are classified in Stage 3 and subject to lifetime ECL measurement. Remaining exposures are assessed for SICR since initial recognition. Where exposures are identified with SICR, they are classified in Stage 2 and assessed using a lifetime ECL measurement. Exposures not considered deteriorated are assessed with a 12-month ECL. Coutts applies a framework to identify deterioration, that uses qualitative high-risk backstops. Commercial portfolios also consider changes in lifetime PD.

- Qualitative high-risk backstop assessment – this includes elements such as forbearance support, Commercial exposures categorised as Heightened Monitoring or Risk of Credit Loss, and other adverse credit information for Retail clients.
- IFRS 9 lifetime PD assessment (Commercial only) – relies on measuring the relative deterioration in forward-looking lifetime PD and is assessed monthly. SICR is determined by comparing the residual lifetime PD at the balance sheet date with the lifetime PD at the date of initial recognition. If the current lifetime PD exceeds the origination PD by more than a defined threshold, SICR is assumed to have occurred and the exposure moved into Stage 2 for a lifetime ECL assessment. A doubling of PD would indicate a SICR, subject to a minimum PD uplift of 0.1%.

Governance

The IFRS 9 PD, EAD and LGD models are subject to NatWest Group model risk policy, which stipulates periodic model monitoring and re-validation and defines approval procedures and authorities according to model materiality. Post model adjustments are applied where management deemed them necessary to ensure an adequate level of overall ECL provision. All post model adjustments undergo review, challenge and approval by the relevant model or provisioning committees.

Post model adjustments will remain a key focus area of Coutts' ongoing ECL adequacy assessment process. A comprehensive framework has been established that incorporates analysis of diverse economic data, external benchmarks and portfolio performance trends with a particular focus on segments (across both Retail and Commercial portfolios) that may be more susceptible to specific risk factors.

UK CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

The table below shows net carrying values of credit risk exposures analysed by use of different credit risk mitigation techniques as recognised under the applicable accounting framework regardless of whether these techniques are recognised under CRR. Counterparty credit risk exposures are excluded.

		a	b	c	d	e
31 December 2025		**Unsecured carrying amount £m**	**Secured carrying amount £m**	**Of which: secured by collateral £m**	**Of which: secured by financial guarantees £m**	**Of which: secured by credit derivatives £m**
1	Loans and advances	**43,164**	**18,016**	**17,172**	**634**	**-**
2	Debt securities	**-**	**-**	**-**	**-**	**-**
3	Total	**43,164**	**18,016**	**17,172**	**634**	**-**
4	*Of which: non-performing exposures*	**3**	**309**	**290**	**16**	**-**
5	*Of which: defaulted*	***3***	***309***	***289***	***16***	**-**

		a	b	c	d	e
31 December 2024		Unsecured carrying amount £m	Secured carrying amount £m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives £m
1	Loans and advances	45,316	17,021	16,855	66	-
2	Debt securities	-	-	-	-	-
3	Total	45,316	17,021	16,855	66	-
4	*Of which: non-performing exposures*	2	331	313	18	-
5	*Of which: defaulted*	*2*	*330*	*312*	*18*	-

UK CRC: Qualitative disclosure requirements related to CRM techniques

Credit risk mitigation

Credit risk mitigation (CRM) is defined as the use of collateral or guarantees to reduce potential loss if a client fails to settle all or part of its obligations to Coutts & Co. The application of CRM depends on which approach (standardised or IRB) is used to calculate RWAs related to a credit exposure.

Recognition of CRM under the standardised approach is carried out in accordance with regulatory requirements and entails the reduction of EAD (netting and financial collateral) or the adjustment of risk-weights (in the case of real estate), third- party guarantees and/or credit derivatives. Under the IRB approach, a wider scope of collateral can be recognised.

Coutts & Co uses a number of credit risk mitigation approaches. These differ for Commercial and Retail clients.

Mitigation techniques outlined in the credit risk toolkits and transactional acceptance standards, are applied in managing credit portfolios across Coutts. These techniques mitigate credit concentrations related to individual clients, borrower groups or a collection of related borrowers. Where possible, client credit balances are netted against obligations. Mitigation tools may involve structuring security interests in physical or financial assets, and utilising guarantees or similar instruments (including credit insurance) from related and third parties. Property is used to mitigate credit risk across a number of portfolios, in particular residential mortgage lending and commercial real estate.

When seeking to mitigate risk, at a minimum Coutts & Co considers the following:

- Suitability of the proposed risk mitigation, particularly if restrictions apply.
- The means by which legal certainty is to be established, including required documentation, supportive legal opinions and the steps needed to establish legal rights.
- Acceptability of the methodologies to be used for initial and subsequent valuation of collateral, the frequency of valuations.
- Actions which can be taken if the value of collateral or other mitigants is less than needed.
- The risk that the value of mitigants and counterparty credit quality will deteriorate simultaneously.
- The need to manage concentration risks arising from collateral types.
- The need to ensure that any risk mitigation remains legally effective and enforceable.

The business and credit teams are supported by specialist in-house documentation teams. Coutts & Co uses industry-standard loan and security documentation wherever possible. However, when non-standard documentation is used, external lawyers are employed to review the documentation on a case-by-case basis. Mitigants (including any associated insurance) are monitored throughout the life of the transaction to ensure they perform as anticipated. Similarly, documentation is also monitored to ensure it remains enforceable.

Commercial

Coutts & Co mitigates credit risk relating to Commercial clients through the use of netting, collateral and market standard documentation, depending on the nature of the counterparty and its assets. The most common types of mitigation are:

- Commercial real estate.
- Other physical assets – Including stock, plant, equipment, machinery, vehicles, ships and aircraft. Such assets are suitable collateral only if Coutts & Co can identify, locate, and segregate them from other assets on which it does not have a claim. Coutts & Co values physical assets in a variety of ways, depending on the type of asset and may rely on balance sheet valuations in certain cases.
- Receivables – These are amounts owed to Coutts & Co's counterparties by their own clients. Valuation takes into account the quality of the counterparty's receivable management processes and excludes any that are past due.

All collateral is assessed, case by case, independently of the provider to ensure that it is suitable security for the proposed loan. Coutts & Co monitors the value of the collateral and, if there is a shortfall, will review the position, which may lead to seeking additional collateral.

Property is used to mitigate credit risk across a number of portfolios, in particular commercial real estate (CRE).

For commercial real estate valuations, Coutts works with a managed panel of chartered surveying firms that cover relevant geographic and property sectors in which Coutts takes collateral. RICS-registered valuers are contracted for specific assets under service agreements to ensure consistency of quality and advice. Valuations are generally commissioned when an asset is taken as security; a material increase in a facility is requested; or a default event is anticipated or has occurred.

Retail

Coutts uses residential property as collateral to reduce credit risk arising from mortgages. The value of the property is determined during loan underwriting, either from a qualified appraiser, such as one registered with the Royal Institution of Chartered Surveyors (RICS), or by applying a statistically valid model. Periodically, a sample of these valuations is reviewed by an independent RICS-qualified appraiser. Coutts updates residential property values quarterly based on country-specific (Scotland, Wales and Northern Ireland) or English region specific Office for National Statistics House Price indices.

Annex XIX: Credit risk – standardised approach

UK CR4: Standardised approach – Credit risk exposure and CRM effects

The table below shows the effect of CRM techniques on credit risk exposures under the standardised approach. It shows exposures both pre and post CRM and CCFs as well as associated RWAs and RWA density, split by exposure class. It excludes counterparty credit risk and securitisations.

		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
	Exposure classes	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
	31 December 2025						
1	Central governments or central banks	**1**	**-**	**40**	**-**	**3**	**6**
2	Regional governments or local authorities	**-**	**-**	**-**	**-**	**-**	**-**
3	Public sector entities	**-**	**-**	**-**	**-**	**-**	**-**
4	Multilateral development banks	**-**	**-**	**-**	**-**	**-**	**-**
5	International organisations	**-**	**-**	**-**	**-**	**-**	**-**
6	Institutions	**42,489**	**-**	**42,489**	**-**	**7**	**-**
7	Corporates	**1,602**	**641**	**1,579**	**107**	**1,022**	**61**
8	Retail	**851**	**1,723**	**379**	**22**	**295**	**74**
9	Secured by mortgages on immovable property	**16,048**	**1,381**	**15,830**	**139**	**7,250**	**45**
10	Exposures in default	**276**	**5**	**258**	**-**	**267**	**103**
11	Items associated with particularly high risk	**-**	**-**	**-**	**-**	**-**	**-**
12	Covered bonds	**-**	**-**	**-**	**-**	**-**	**-**
13	Institutions and corporates with a short-term credit assessment	**-**	**-**	**-**	**-**	**-**	**-**
14	Collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**-**
15	Equity	**110**	**-**	**110**	**-**	**274**	**250**
16	Other items	**301**	**-**	**301**	**-**	**298**	**99**
17	Total	**61,678**	**3,750**	**60,986**	**268**	**9,416**	**15**

		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
	Exposure classes	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
	31 December 2024						
1	Central governments or central banks	3	-	72	-	8	10
2	Regional governments or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	44,227	-	44,226	-	7	-
7	Corporates	1,468	662	1,093	104	904	76
8	Retail	805	1,741	682	35	371	52
9	Secured by mortgages on immovable property	15,587	1,386	15,424	134	7,051	45
10	Exposures in default	327	5	305	1	316	103
11	Items associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	110	-	110	-	274	250
16	Other items	303	-	303	-	300	99
17	Total	62,830	3,794	62,215	274	9,231	15

Annex XXXIII: Remuneration

This section contains disclosures which are required in accordance with UK regulatory requirements and the Basel Committee on Banking Supervision Pillar 3 disclosure requirements. They also take into account the European Banking Authority (EBA) guidelines on sound remuneration policies. It should be read in conjunction with the Directors' remuneration report within the NatWest Group 2025 Annual Report and Accounts.

UK REMA - Remuneration policy for all colleagues

The disclosure requirements for this section; which is applicable to entities within the NatWest Holdings Group is set out in the NatWest Holdings Group Pillar 3 Disclosure; Annex XXXIII: Remuneration (UK REMA – Remuneration policy for all colleagues). The NatWest Holdings Group Pillar 3 Disclosure has been published at investors.natwestgroup.com/reports-archive/2025.

Remuneration of Material Risk Takers ('MRTs') – Coutts & Company

The quantitative disclosures below are made in accordance with regulatory requirements in relation to 60 individuals who have been identified as MRTs for Coutts & Company (Coutts & Co). These are individuals who perform their primary role for this entity. In order to ensure consistency across remuneration disclosures, we continue to exclude from the total number of MRTs, any individual who left the Group prior to year end (but their remuneration remains within the pay values reported).

You can find details of remuneration paid to MRTs in our Pillar 3 reporting for other entities within NatWest Group, at a consolidated, sub-consolidated and solo entity level, at natwestgroup.com. Note the numbers in the tables all agree to the underlying source data, but when presented to one decimal place and aggregated, this can result in small rounding differences.

All severance payments made to MRTs are included in the variable remuneration value disclosed, even when some or all of that severance does not count towards the calculation of the ratio of fixed to variable pay.

Coutts & Co has a Performance and Remuneration Committee (the Coutts RemCo). The Coutts RemCo is expected to ensure that the remuneration policies, procedures and practices being applied are appropriate for Coutts & Co. The key areas of focus for the Coutts & Co RemCo includes:

- reviewing and recommending, or where appropriate ratifying, remuneration arrangements for key employees;
- providing input on the proposed bonus pool for Coutts & Co, and ensuring such proposals are adjusted for performance and risk and meet capital adequacy requirements; and
- inputting to and subsequently adopting the NatWest Group Remuneration Policy Principles.

The Coutts RemCo must be able to act independently and the non-executive directors serving on it are supported by the necessary entity-specific management information in order to carry out their duties. The Coutts RemCo held five scheduled meetings in 2025.

UK REM1 and UK REM5 - Total remuneration awarded to MRTs for the financial year

						Other senior management and other MRTs split by business area				
		Non-executive directors	Executive directors	Other senior mngt.	Other MRTs	Investment Banking	Retail Banking	Corporate Functions	Control Functions	Total
Fixed remuneration	Total number of MRTs	5	2	12	31	-	-	-	-	50
	Other senior management - split by business area	-	-	-	-	-	5	2	5	12
	Other MRTs - split by business area	-	-	-	-	-	4	6	21	31
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total fixed remuneration of MRTs	0.5	1.6	4.6	3.5	-	3.1	1.5	3.6	10.2
	Cash-based	0.5	1.3	4.6	3.5	-	3.1	1.5	3.6	9.9
	Share-based	-	0.3	-	-	-	-	-	-	0.3
Variable remuneration	Total number of MRTs	-	2	12	25	-	-	-	-	39
	Other senior management - split by business area	-	-	-	-	-	5	2	5	12
	Other MRTs - split by business area	-	-	-	-	-	4	-	21	25
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total variable remuneration of MRTs	-	2.4	4.1	1.9	-	3.1	1.5	1.5	8.4
	Cash-based	-	0.6	2.3	1.3	-	1.7	0.9	0.9	4.1
	Of which: deferred cash	-	-	-	-	-	-	-	-	-
	Share-based (annual bonus)	-	0.6	1.8	0.6	-	1.4	0.6	0.5	3.0
	Of which: deferred shares	-	0.1	1.5	0.5	-	1.1	0.5	0.4	2.1
	Share-based (LTI awards)	-	1.3	-	-	-	-	-	-	1.3
	Of which: deferred shares	-	1.3	-	-	-	-	-	-	1.3
Total remuneration of MRTs		0.5	4.0	8.7	5.4	-	6.2	2.9	5.1	18.6

(1) The breakdown by business areas required in template UK REM5 has been combined with UK REM1 above, as permitted under regulatory guidance for the templates.
(2) Retail Banking includes Private Banking & Wealth Management.
(3) Fixed remuneration consists of salaries, allowances, pension and benefit funding.
(4) Variable remuneration consists of a combination of annual bonus, Sharing in Success and PSP awards, deferred in accordance with regulatory requirements; and (where applicable) severance payments. Under the NatWest Group bonus deferral structure, immediate cash awards are limited to £2,000 per person, with a further payment of cash and shares within Year 0.
(5) PSP awards vest subject to the extent to which performance conditions are met and can result in zero payment.

UK REMA - Derogations

The regulations allow some flexibility not to apply certain requirements that would normally apply to MRTs where an individual's annual variable remuneration does not exceed £44,000 and does not represent more than one third of the individual's total annual remuneration (derogations permitted under point (b) of Article 94(3) of CRD V). We have used this flexibility to disapply MRT rules relating to deferral and delivery of awards in shares for 18 MRTs in respect of performance year 2025. Total remuneration for these individuals in 2025 was £1.71 million, of which £1.49 million was fixed pay and £0.22 million was variable pay.

UK REMA - Ratio between fixed and variable remuneration

The variable component of total remuneration for MRTs at NatWest Group is generally awarded up to 100% of the fixed component. However, this may be awarded up to 200% for use on a gradual and targeted basis. A ratio of 100% is applicable for all MRTs for entities based in an EU jurisdiction, except where country specific regulatory requirements apply. The average ratio between fixed and variable remuneration for 2025 was approximately 1 to 0.74. The majority of MRTs were based in the UK.

UK REM2 - Guaranteed awards (including 'sign-on' awards) and severance payments

Special payments	Coutts & Co NEDs	Coutts & Co EDs	Other senior management	Other MRTs
Guaranteed awards and sign on awards				
Number of MRTs	-	1	1	-
	£m	£m	£m	£m
Total amount	-	0.4	0.6	-
Of which: paid during the financial year that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, paid out during the financial year				
Number of MRTs	-	-	-	-
	£m	£m	£m	£m
Total amount	-	-	-	-
Severance payments awarded during the financial year				
Number of MRTs	-	-	2	2
	£m	£m	£m	£m
Total amount	-	-	0.4	0.5
Of which: paid during the financial year	-	-	0.4	0.5
Of which: deferred	-	-	-	-
Of which: paid during the financial year that are not taken into account in the bonus cap	-	-	0.4	0.5
Of which: highest payment that has been awarded to a single person	-	-	0.3	0.2

(1) This table reports details of new hire guarantees and severance. The disclosures do not include buy-outs or retention bonuses (where these have been granted).
(2) No severance payments in excess of contractual payments, local policies, standards, statutory amounts or amounts assessed by reference to legal risk and/or exposure to litigation were made to MRTs during the year.

UK REM3 - Outstanding deferred remuneration

The table below includes deferred remuneration awarded or paid out in 2025 relating to prior performance years.

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods £m	Of which: due to vest in the financial year £m	Of which: vesting in subsequent financial years £m	Amount of performance adjustment to deferred remuneration that was due to vest in the financial year £m	Amount of performance adjustment to deferred remuneration due to vest in future financial years £m	Total amount of adjustment during the financial year due to ex post implicit adjustments* £m	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year £m	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention £m
Coutts NEDs - No deferred or retained remuneration held								
Coutts EDs								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent interests	0.7	0.1	0.6	-	-	0.7	0.1	-
Share-linked or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-
Other senior management								
Cash-based	0.9	0.2	0.7	-	-	-	0.2	-
Shares or equivalent interests	1.3	0.6	0.8	-	-	1.5	0.6	0.3
Share-linked or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-
Other MRTs								
Cash-based	0.1	-	0.1	-	-	-	-	-
Shares or equivalent interests	0.1	-	0.1	-	-	0.2	-	-
Share-linked or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-
Total amount	3.3	1.0	2.2	-	-	2.4	1.0	0.4

* i.e. Changes of value of deferred remuneration due to the changes of prices of instruments.

(1) Deferred remuneration reduced during the year relates to long-term incentives that lapsed when performance conditions were not met, long-term incentives and deferred awards forfeited on leaving and malus adjustments applied to prior year deferred awards and long-term incentives.

UK REM4 - Total remuneration by band for all colleagues earning >€1 million

Total remuneration by band for employees earning >€1 million for 2025	Number of MRTs
€1.0 million to below €1.5 million	2
€1.5 million to below €2.0 million	1
€2.0 million to below €2.5 million	1
€2.5 million to below €3.0 million	—
€3.0 million to below €3.5 million	—
€3.5 million to below €4.0 million	—
More than €4.0 million	—
Total	4

(1) Total remuneration in the table above includes fixed pay, pension and benefit funding and variable pay (including severance, where applicable).
(2) Where applicable, the table is based on an average exchange rate of €1.1672559 to £1 for 2025.