



NatWest
Group

The Royal Bank of Scotland plc

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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 RBS plc'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 RBS plc'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: RBS plc'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 or RBS plc's actual results are discussed in RBS plc's 2025 Annual Report and Accounts (ARA), and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and RBS plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Attestation statement

We confirm that the 2025 Pillar 3 Report meets the relevant requirements for Pillar 3 disclosures and has been prepared in line with the internal control 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.

The 2025 Pillar 3 Report was approved by the Group Chief Financial Officer, under delegated authority from the NatWest Group Board, on 12 February 2026.

Katie Murray
Group Chief Financial Officer
Executive Director, NatWest Group Board

Sean Pilcher
Interim Group Chief Risk Officer
Member, Executive Committee

Presentation of information

This document presents the Pillar 3 disclosures for The Royal Bank of Scotland plc (RBS plc) as at 31 December 2025. It should be read in conjunction with the NatWest Holdings Group 2025 Pillar 3 report and RBS plc's 2025 Annual Report and Accounts (ARA), which are published in the same location at: investors.natwestgroup.com/reports-archive/2025

RBS plc 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 for 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.

RBS plc, as 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 RBS plc 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 NWH 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 the requirements do not prescribe a particular comparative, the comparative selected is 31 December 2024.

A subset of the Pillar 3 templates that are required to be disclosed were not applicable to RBS plc 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 2025 Pillar 3 report
UK LIQB	Qualitative information on LCR	
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 CR10.3	Specialised Lending: Object Finance (Slotting Approach)	No reportable exposures
UK CR10.4	Specialised Lending: Commodities Finance (Slotting Approach)	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 2025 Pillar 3 report

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

The Pillar 3 disclosures in this report 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

RBS plc – key points

CET1 ratio

11.0%

(Q3 2025 – 12.9%)

The CET1 ratio decreased by 190 basis points to 11.0%. The decrease in the CET1 ratio was due to a £0.3 billion decrease in CET1 capital and a £0.1 billion increase in RWAs.

The CET1 capital decrease was mainly driven by a foreseeable ordinary dividend accrual of £0.7 billion partially offset by an attributable profit to ordinary shareholders of £0.3 billion and other movements on reserves and regulatory adjustments of £0.1 billion.

RWAs

£17.4bn

(Q3 2025 – £17.3bn)

Total RWAs increased by £0.1 billion to £17.4 billion mainly reflecting an increase in operational risk RWAs following the annual recalculation acceleration from Q1 2026 to align with market practice. Credit risk RWAs decreased primarily due to the benefits of RWA management actions partially offset by franchise lending growth.

UK leverage ratio

5.6%

(Q3 2025 – 6.5%)

The leverage ratio decreased by 90 basis points to 5.6% due to a £0.3 billion decrease in Tier 1 capital and a £1.0 billion increase in leverage exposure. The key drivers of the leverage exposure movement were an increase in other financial assets and other off balance sheet items.

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	1,905	2,234	1,967	2,226	1,956
2 Tier 1 capital	2,405	2,734	2,467	2,726	2,456
3 Total capital	2,955	3,293	3,028	3,305	3,080
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	17,385	17,324	17,484	17,578	17,591
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	11.0	12.9	11.3	12.7	11.1
6 Tier 1 ratio (%)	13.8	15.8	14.1	15.5	14.0
7 Total capital ratio (%)	17.0	19.0	17.3	18.8	17.5
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 T2 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 (%)	5.2	7.1	5.3	6.7	5.2
Leverage ratio					
13 Total exposure measure excluding claims on central banks	42,877	41,828	42,054	41,398	42,687
14 Leverage ratio excluding claims on central banks (%)	5.6	6.5	5.9	6.6	5.8
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: UK8a, UK9a, 10 and UK10a.

(2) RBS plc elected to take advantage of the IFRS 9 transitional capital 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) RBS plc is not an LREQ firm therefore not subject to the additional leverage ratio disclosure requirements.

(5) Under the UK DoLSub waiver RBS plc 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)	Total own funds requirements	
		31 December 2025 £m	31 December 2024 £m	31 December 2025 £m
1	Credit risk (excluding counterparty credit risk)	12,867	13,757	1,030
2	Of which: standardised approach	535	471	43
3	Of which: the foundation IRB (FIRB) approach	-	-	-
4	Of which: slotting approach	1,496	1,975	120
UK 4a	Of which: equities under the simple risk-weighted approach	4	-	-
5	Of which: the advanced IRB (AIRB) approach (1)	10,832	11,311	867
5a	Of which: non-credit obligation assets (1)	170	181	14
6	Counterparty credit risk	-	-	-
7	Of which: standardised approach	-	-	-
8	Of which: internal model method (IMM)	-	-	-
UK 8a	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)	459	195	37
17	Of which: SEC-IRBA approach	459	195	37
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)	18	21	1
21	Of which: standardised approach	18	21	1
22	Of which: IMA	-	-	-
UK 22a	Large exposures	-	-	-
23	Operational risk	4,041	3,618	323
UK 23a	Of which: basic indicator approach	-	-	-
UK 23b	Of which: standardised approach	4,041	3,618	323
UK 23c	Of which: advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	88	100	7
29	Total	17,385	17,591	1,391

(1) 5a is a subset of total IRB RWAs disclosed in row 5

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

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 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 RBS, used to inform capital requirements, and is approved by the NWH governing body and submitted to the PRA.

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

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

		a
		RWAs
		£m
1	At 31 December 2024	13,104
2	Asset size	(151)
3	Asset quality	(121)
4	Model updates	225
7	Foreign exchange movements	(21)
8	Other	(878)
9	At 31 December 2025	12,158

(1) The following rows are not presented because they have zero values during the year: (5) methodology and policy and (6) acquisitions and disposals.

Q4 2025

- The decrease in RWAs relating to asset size was mainly due to RWA management actions partially offset by an increase in drawdowns and new facilities within Commercial & Institutional.
- The decrease in asset quality RWAs was mainly due to movements in risk metrics within Commercial & Institutional and Retail Banking.
- The increase in RWAs relating to model updates was primarily driven by CRD IV model updates within Commercial & Institutional and Retail Banking.
- The RWA decrease in foreign exchange movements was mainly a result of sterling appreciating against the US dollar and depreciating against the euro.
- The decrease in RWAs in other was due to the benefits of RWA management actions within Commercial & Institutional and Retail Banking.

Annex VII: Capital

UK CC1: Composition of regulatory own funds

The table below sets out the capital resources for RBS plc 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.

	31 December 2025 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2024 £m
CET1 capital: instruments and reserves			
1 Capital instruments and the related share premium accounts <i>of which: ordinary shares</i>	20 20	(a)	20
2 Retained earnings	2,501	(b)	2,573
3 Accumulated other comprehensive income (and other reserves)	(83)	(c)	(538)
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 net of any foreseeable charge or dividend	-	(b)	34
6 CET1 capital before regulatory adjustments	2,438		2,089
CET1 capital: regulatory adjustments			
7 (-) Additional value adjustments	(1)		(1)
8 (-) Intangible assets (net of related tax liability)	-	(d)	-
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)	(616)	(e)	(677)
11 Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	84	(i)	538
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 holdings of the CET1 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	-		-
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 (amount 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	-		-

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
CET1 capital: regulatory adjustments			
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	-		-
25 (-) of which: deferred tax assets arising from temporary differences	-		-
UK-25a (-) Losses for the current financial year	-	(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	-		-
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)	-		7
28 Total regulatory adjustments to CET1	(533)		(133)
29 CET1 capital	1,905		1,956
AT1 capital: instruments			
30 Capital instruments and the related share premium accounts	500	(h)	500
31 of which: classified as equity under applicable accounting standards	500		500
32 of which: classified as liabilities under applicable accounting standards	-		-
33 Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	-	(i)	-
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) issued by subsidiaries and held by third parties	-	(j)	-
35 of which: instruments issued by subsidiaries subject to phase out	-		-
36 AT1 capital before regulatory adjustments	500		500
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	-		-
43 Total regulatory adjustments to AT1 capital	-		-
44 AT1 capital	500		500
45 T1 capital (T1 = CET1 + AT1)	2,405		2,456

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
T2 capital: instruments			
46 Capital instruments and the related share premium accounts	513	(j)	550
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	-	(j)	-
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	-	(j)	-
49 of which: instruments issued by subsidiaries subject to phase out	-		-
50 Credit risk adjustments	37		74
51 T2 capital before regulatory adjustments	550		624
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	550		624
59 Total capital (TC = T1 + T2)	2,955		3,080
60 Total risk exposure amount	17,385		17,591
Capital ratios and buffers			
61 CET1 (as a percentage of total risk exposure amount)	11.0%		11.1%
62 T1 (as a percentage of total risk exposure amount)	13.8%		14.0%
63 Total capital (as a percentage of total risk exposure amount)	17.0%		17.5%
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%
65 of which: capital conservation buffer requirement	2.5%		2.5%
66 of which: counter cyclical buffer requirement	1.9%		1.9%
67 of which: systemic risk buffer requirement			
UK-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)	5.2%		5.2%

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
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)	1		1
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% threshold and net of eligible short positions)	9		9
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)	26		31
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	7		6
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	37		73
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	77		81
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 Current cap on T2 instruments subject to phase out arrangements			
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 (k) 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		References
	a	b	
	Balance sheet as in published financial statements as at period end £m	Under regulatory scope of consolidation as at period end £m	
Assets			
Cash and balances at central banks	25,590	25,590	
Derivatives	535	535	
Loans to banks - amortised cost	420	420	
Loans to customers - amortised cost	33,531	33,531	
Amounts due from holding companies and fellow subsidiaries	34,340	34,340	
Property, plant and equipment	98	98	
Current and deferred tax assets	675	675	
<i>of which: DTAs that rely on future profitability and do not arise from temporary differences</i>	616	616	(e)
Prepayments, accrued income and other assets	173	173	(d)
<i>of which: defined benefit pension fund assets</i>	-	-	(f)
Total assets	95,362	95,362	
Liabilities			
Bank deposits	861	861	
Customer deposits	78,399	78,399	
Amounts due to holding companies and fellow subsidiaries	8,760	8,760	(j)
Derivatives	599	599	
Notes in circulation	2,115	2,115	
Provisions, deferred income and other liabilities	320	320	
Current and deferred tax liabilities	650	650	
<i>of which: defined benefit pension scheme assets</i>	-	-	(g)
Total liabilities	91,704	91,704	
Shareholders' Equity			
Owners' equity			
Called up share capital	20	20	(a)
Reserves	3,638	3,638	
<i>of which: amount eligible for retained earnings</i>	3,222	3,222	(b)
<i>of which: amount eligible for accumulated OCI and other reserves</i>	(84)	(84)	(c) & (i)
<i>of which: amount of other equity instruments</i>	500	500	(h)
<i>of which: share premium accounts</i>	-	-	
Non-controlling interests	-	-	
Total shareholders' equity	3,658	3,658	

(1) The references (a) to (k) identify balance sheet components in table UK CC2 that are used in the calculation of regulatory capital in table UK CC1. Amounts between tables 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.

The following disclosure provide information on the creditor hierarchy for RBS Plc (material entity within the resolution group). The disclosure include information on the nominal value of all own funds

		Insolvency ranking								
		Preference shares and contingent capital						Senior		Total
		Shareholders equity ⁽³⁾		notes		Subordinated debt		non-preferential debt		
						Resolution		Resolution		
		Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	
31 December 2025		£m	£m	£m	£m	0	£m	£m	£m	
3	Total liabilities and own funds	3,158	-	500	-	513	-	1,040	-	5,211
4	o/w excluded liabilities	-	-	-	-	-	-	-	-	-
5	Total liabilities and own funds less excluded liabilities	3,158	-	500	-	513	-	1,040	-	5,211
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	3,158	-	500	-	513	-	1,040	-	5,211
7	o/w residual maturity ≥ 1 year < 2 years	-	-	-	-	-	-	-	-	-
8	o/w residual maturity ≥ 2 year < 5 years	-	-	-	-	-	-	1,040	-	1,040
9	o/w residual maturity ≥ 5 years < 10 years	-	-	-	-	513	-	-	-	513
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-	-	-
11	o/w perpetual securities	3,158	-	500	-	-	-	-	-	3,658

		Liability ranking								
		Shareholders equity ⁽³⁾		Preference shares and contingent capital notes		Subordinated debt		Senior non-preferential debt		
		Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	Total
		£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December 2024										
3	Total liabilities and own funds	2,749	-	500	-	550	-	1,116	-	4,915
4	o/w excluded liabilities	-	-	-	-	-	-	-	-	-
5	Total liabilities and own funds less excluded liabilities	2,749	-	500	-	550	-	1,116	-	4,915
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	2,749	-	500	-	550	-	1,116	-	4,915
7	o/w residual maturity ≥ 1 year < 2 years	-	-	-	-	-	-	-	-	-
8	o/w residual maturity ≥ 2 year < 5 years	-	-	-	-	-	-	1,116	-	1,116
9	o/w residual maturity ≥ 5 years < 10 years	-	-	-	-	-	-	-	-	-
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	550	-	-	-	550
11	o/w perpetual securities	2,749	-	500	-	-	-	-	-	3,249

(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

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 RBS plc'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
	Relevant credit exposures -												
	General credit exposures		Market risk		Own fund requirements								
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit risk exposures - Market risk	Relevant credit exposures - Securitisation positions in the non trading book	Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
31 December 2025													
Breakdown by country (with existing CCyB rates) (1)													
Denmark	-	25	-	-	-	25	-	-	-	-	5	0.04%	2.50%
Norway	-	2	-	-	-	2	-	-	-	-	1	0.01%	2.50%
United Kingdom	7,896	34,026	-	-	2,287	44,209	968	-	34	1,002	12,513	95.67%	2.00%
Sweden	-	104	-	-	1	105	1	-	-	1	11	0.08%	2.00%
Netherlands	-	11	-	-	-	11	-	-	-	-	2	0.02%	2.00%
Ireland	-	76	-	-	4	80	1	-	-	1	16	0.12%	1.50%
Belgium	-	15	-	-	-	15	1	-	-	1	17	0.13%	1.00%
France	-	77	-	-	-	77	1	-	-	1	13	0.10%	1.00%
Poland	-	1	-	-	10	11	-	-	-	-	4	0.03%	1.00%
Australia	-	20	-	-	-	20	-	-	-	-	2	0.02%	1.00%
Hungary	-	1	-	-	-	1	-	-	-	-	-	-	1.00%
Cyprus	-	1	-	-	-	1	-	-	-	-	-	-	1.00%
Germany	-	27	-	-	1	28	-	-	-	-	4	0.03%	0.75%
Luxembourg	-	12	-	-	26	38	1	-	1	2	14	0.10%	0.50%
Spain	-	6	-	-	-	6	-	-	-	-	1	0.01%	0.50%
Hong Kong	-	4	-	-	-	4	-	-	-	-	-	-	0.50%
Greece	-	1	-	-	-	1	-	-	-	-	-	-	0.25%
Total (countries with existing CCyB rates)	7,896	34,409	-	-	2,329	44,634	973	-	35	1,008	12,603	96.36%	

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
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit exposures -			Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Securitisation positions in the non trading book				
31 December 2025	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
United States	-	2,378	-	-	54	2,432	18	-	1	19	240	1.83%	-
Switzerland	87	318	-	-	10	415	11	-	-	11	141	1.08%	-
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	87	2,696	-	-	64	2,847	29	-	1	30	381	2.91%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	-	352	-	-	34	386	7	-	1	8	95	0.73%	-
Total	7,983	37,457	-	-	2,427	47,867	1,009	-	37	1,046	13,079	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
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisation	Total exposure value	Relevant credit exposures -			Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Securitisation positions in the non trading book				
31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with existing CCyB rates) ⁽¹⁾													
Denmark	-	109	-	-	-	109	2	-	-	2	19	0.14%	2.50%
Norway	16	2	-	-	-	18	1	-	-	1	17	0.13%	2.50%
United Kingdom	7,722	36,647	-	-	1,292	45,661	1,021	-	16	1,037	12,956	94.58%	2.00%
Netherlands	-	49	-	-	-	49	5	-	-	5	56	0.41%	2.00%
Sweden	-	117	-	-	1	118	1	-	-	1	13	0.09%	2.00%
Ireland	-	71	-	-	-	71	1	-	-	1	17	0.13%	1.50%
France	-	107	-	-	-	107	2	-	-	2	28	0.21%	1.00%
Belgium	1	19	-	-	-	20	1	-	-	1	14	0.10%	1.00%
Australia	-	22	-	-	-	22	-	-	-	-	2	0.02%	1.00%
Cyprus	-	1	-	-	-	1	-	-	-	-	-	-	1.00%
Germany	-	43	-	-	1	44	-	-	-	-	6	0.04%	0.75%
Luxembourg	-	25	-	-	-	25	1	-	-	1	14	0.10%	0.50%
Hong Kong	-	5	-	-	-	5	-	-	-	-	-	-	0.50%
Hungary	-	1	-	-	-	1	-	-	-	-	-	-	0.50%
Total (countries with existing CCyB rates)	7,739	37,218	-	-	1,294	46,251	1,035	-	16	1,051	13,142	95.95%	

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
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisation exposures	Total exposure value	Relevant credit exposures -			Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures - Credit risk	Relevant credit exposures - Market risk	Securitisation positions in the non trading book				
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
31 December 2024													
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
United States	-	2,571	-	-	-	2,571	28	-	-	28	352	2.57%	-
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	-	2,571	-	-	-	2,571	28	-	-	28	352	2.57%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	-	724	-	-	-	724	17	-	-	17	203	1.48%	-
Total	7,739	40,513	-	-	1,294	49,546	1,080	-	16	1,096	13,697	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	17,385	17,591
2 Institution specific countercyclical capital buffer	1.92%	1.91%
3 Institution specific countercyclical capital buffer requirement (1)	334	337

(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	95,362	90,476
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)	(23,229)	(24,052)
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	871	1,051
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)	7,274	6,871
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(9)	(4)
UK-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	(36,591)	(30,590)
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	(801)	(1,065)
13 Total exposure measure	42,877	42,687

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)	94,642	89,614
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))	(617)	(670)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	94,025	88,944
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	742	650
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	664	867
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	1,406	1,517
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	19,600	20,483
20	(Adjustments for conversion to credit equivalent amounts)	(12,326)	(13,612)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	(8)	(3)
22	Off-balance sheet exposures	7,266	6,868

UK LR2: LRCom: Leverage ratio common disclosure continued

		RBS Plc	
		31 December 2025	31 December 2024
		£m	£m
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	(36,591)	(30,590)
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)	(36,591)	(30,590)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	2,405	2,456
24	Total exposure measure including claims on central banks	66,106	66,739
UK-24a	(-) Claims on central banks excluded	(23,229)	(24,052)
UK-24b	Total exposure measure excluding claims on central banks	42,877	42,687
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.6	5.8
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.6	5.7
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.6	5.8
UK-25c	Leverage ratio including claims on central banks (%)	3.6	3.7
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 receivables 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) RBS plc 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:	36,489	36,868
UK-2 Trading book exposures	-	-
UK-3 Banking book exposures, of which:	36,489	36,868
UK-4 Covered bonds	-	-
UK-5 Exposures treated as sovereigns	2,057	2,020
UK-6 Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	365	316
UK-7 Institutions	378	488
UK-8 Secured by mortgages of immovable properties	17,672	18,809
UK-9 Retail exposures	3,407	3,472
UK-10 Corporate	9,234	8,816
UK-11 Exposures in default	492	861
UK-12 Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	2,884	2,086

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 5.6%. The leverage ratio decreased by 20 basis points in the period since 31 December 2024. The decrease in the leverage ratio was driven by a £0.2 billion decrease in leverage exposure offset by a £0.1 billion in Tier 1 capital. The key drivers of the leverage exposure movement were an increase in other off balance sheet items and a reduction in the bounce back loans exclusion partially offset by a decrease in other assets and net central bank items.

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
	Performing forborne	Non-performing forborne	Of which: defaulted	Of which: impaired	On performing forborne exposures	On non-performing forborne exposures		
31 December 2025	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	496	390	380	384	(13)	(132)	668	224
020 <i>Central banks</i>	-	-	-	-	-	-	-	-
030 <i>General governments</i>	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	-	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-
060 <i>Non-financial corporations</i>	395	188	188	188	(12)	(66)	447	101
070 <i>Households</i>	101	202	192	196	(1)	(66)	221	123
080 Debt securities	-	-	-	-	-	-	-	-
090 Loan commitments given	63	70	68	68	-	-	39	5
100 Total	559	460	448	452	(13)	(132)	707	229

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			Of which: impaired	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
		Performing forborne	Non-performing forborne	Of which: defaulted		On performing forborne exposures	On non-performing forborne exposures		
31 December 2024		£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	631	446	420	424	(17)	(148)	847	280
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	6	-	-	-	-	-	1	-
060	Non-financial corporations	523	197	185	183	(16)	(77)	583	113
070	Households	102	249	235	241	(1)	(71)	263	167
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	89	11	11	11	-	-	40	7
100	Total	720	457	431	435	(17)	(148)	887	287

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

The table below shows 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								
	Performing exposures	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Non-performing exposures	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which: defaulted
31 December 2025	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balances at central banks and other demand deposits	26,035	26,035	- -	-	-	-	-	-	-	-	-	-
010 Loans and advances	67,171	67,075	96892	892	452	80	102	96	126	21	15	842
020 Central banks	-	-	- -	-	-	-	-	-	-	-	-	-
030 General governments	373	373	- -	-	-	-	-	-	-	-	-	-
040 Credit institutions	26,515	26,515	- -	-	-	-	-	-	-	-	-	-
050 Other financial corporations	8,123	8,123	- 3	3	-	-	-	-	-	-	3	3
060 Non-financial corporations	20,437	20,381	56307	307	200	15	25	20	36	5	6	306
070 Of which SMEs	4,204	4,189	15104	104	33	4	19	15	26	3	4	103
080 Households	11,723	11,683	40582	582	252	65	77	76	90	16	6	533
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	18,019			95								90
160 Central banks	-			-								-
170 General governments	493			-								-
180 Credit institutions	521			-								-
190 Other financial corporations	1,906			-								-
200 Non-financial corporations	9,237			71								70
210 Households	5,862			24								20
220 Total	111,225	93,110	96987	987	452	80	102	96	126	21	15	932

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								
	Performing exposures	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Non-performing exposures	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which: defaulted
31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balances at central banks and other demand deposits	26,947	26,947	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	60,904	60,771	133	981	498	86	100	127	132	25	13	930
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	324	324	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	20,329	20,329	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	8,106	8,105	1	3	-	-	-	-	1	2	-	3
060 Non-financial corporations	18,968	18,877	91	295	175	15	19	27	45	9	5	282
070 Of which SMEs	4,350	4,325	25	147	61	10	14	22	32	4	4	135
080 Households	13,177	13,136	41	683	323	71	81	100	86	14	8	645
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	19,422			86								82
160 Central banks	-			-								-
170 General governments	489			-								-
180 Credit institutions	1,183			-								-
190 Other financial corporations	1,669			-								-
200 Non-financial corporations	9,452			9								8
210 Households	6,629			77								74
220 Total	107,273	87,718	133	1,067	498	86	100	127	132	25	13	1,012

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
	£m	£m	£m	£m	£m	£m
31 December 2025						
010 Agriculture, forestry and fishing	592	9	9	592	(9)	-
020 Mining and quarrying	293	58	58	293	(16)	-
030 Manufacturing	1,918	45	45	1,918	(18)	-
040 Electricity, gas, steam and air conditioning supply	205	-	-	205	-	-
050 Water supply	44	-	-	44	(1)	-
060 Construction	877	32	32	877	(14)	-
070 Wholesale and retail trade	2,711	1	1	2,710	(13)	-
080 Transport and storage	972	14	14	972	(8)	-
090 Accommodation and food service activities	938	32	32	938	(21)	-
100 Information and communication	1,163	2	2	1,163	(3)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	9,066	72	72	9,066	(55)	-
130 Professional, scientific and technical activities	396	12	11	396	(8)	-
140 Administrative and support service activities	246	4	4	246	(3)	-
150 Public administration and defence, compulsory social security	1	-	-	1	-	-
160 Education	85	2	2	85	(1)	-
170 Human health services and social work activities	1,084	17	17	1,084	(10)	-
180 Arts, entertainment and recreation	91	1	1	91	(1)	-
190 Other services	62	6	6	62	(4)	-
200 Total	20,744	307	306	20,743	(185)	-

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

	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 2024	£m	£m	£m	£m	£m	£m
010 Agriculture, forestry and fishing	577	12	10	577	(10)	-
020 Mining and quarrying	336	-	-	207	(2)	-
030 Manufacturing	2,293	6	6	2,293	(8)	-
040 Electricity, gas, steam and air conditioning supply	244	-	-	244	-	-
050 Water supply	51	-	-	51	-	-
060 Construction	654	41	41	654	(25)	-
070 Wholesale and retail trade	2,626	2	2	2,624	(12)	-
080 Transport and storage	975	33	33	975	(26)	-
090 Accommodation and food service activities	968	38	28	968	(21)	-
100 Information and communication	1,018	2	2	1,018	(2)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	7,390	109	109	7,390	(63)	-
130 Professional, scientific and technical activities	537	14	13	537	(10)	-
140 Administrative and support service activities	190	5	5	190	(4)	-
150 Public administration and defence, compulsory social security	2	-	-	2	-	-
160 Education	96	2	2	96	(1)	-
170 Human health services and social work activities	1,139	17	17	1,139	(15)	-
180 Arts, entertainment and recreation	94	1	1	94	(2)	-
190 Other services	73	13	13	73	(3)	-
200 Total	19,263	295	282	19,132	(204)	-

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	
	Of which: Stage 1	Of which: Stage 2		Of which: Stage 2	Of which: Stage 3		Of which: Total	Of which: Stage 1	Of which: Stage 2	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	26,035	26,035	-	-	-	-	-	-	-	-	-	-	-	6	-
010 Loans and advances	67,171	62,356	4,775	892	38	847	(175)	(80)	(95)	(358)	(3)	(355)	(37)	24,723	440
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	373	339	-	-	-	-	-	-	-	-	-	-	-	339	-
040 Credit institutions	26,515	26,515	-	-	-	-	(20)	(20)	-	-	-	-	-	-	-
050 Other financial corporations	8,123	8,118	4	3	-	2	(1)	(1)	-	(2)	-	(2)	-	516	-
060 Non-financial corporations	20,437	17,591	2,845	307	-	307	(67)	(24)	(43)	(118)	-	(118)	-	14,588	144
070 Of which: SMEs	4,204	3,468	736	104	-	104	(30)	(7)	(23)	(49)	-	(49)	-	3,763	49
080 Households	11,723	9,793	1,926	582	38	538	(87)	(35)	(52)	(238)	(3)	(235)	(37)	9,280	296
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	18,019	16,713	1,306	95	3	91	(7)	(2)	(5)	-	-	-	-	4,464	10
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	493	493	-	-	-	-	-	-	-	-	-	-	-	1	-
180 Credit institutions	521	521	-	-	-	-	-	-	-	-	-	-	-	-	-
190 Other financial corporations	1,906	1,904	2	-	-	-	-	-	-	-	-	-	-	6	-
200 Non-financial corporations	9,237	8,456	781	71	1	70	(4)	(1)	(3)	-	-	-	-	2,908	4
210 Households	5,862	5,339	523	24	2	21	(3)	(1)	(2)	-	-	-	-	1,549	6
220 Total	111,225	105,104	6,081	987	41	938	(182)	(82)	(100)	(358)	(3)	(355)	(37)	29,193	450

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				Accumulated partial write-off	Collateral and financial guarantee received	
	Of which: Stage 1	Of which: Stage 2		Of which: Total	Of which: Stage 2	Of which: Stage 3	Of which: Stage 1	Of which: Stage 2	Of which: Stage 2	Of which: Stage 3				On performing exposures	On non-performing exposures
31 December 2024	£m	£m		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balances at central banks and other demand deposits	26,947	26,947	-	-	-	-	(4)	(4)	-	-	-	-	-	2	-
010 Loans and advances	60,904	56,490	4,239	981	40	938	(183)	(84)	(99)	(385)	(4)	(381)	(36)	25,073	545
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	324	286	-	-	-	-	-	-	-	-	-	-	-	286	-
040 Credit institutions	20,329	20,329	-	-	-	-	(18)	(18)	-	-	-	-	-	-	-
050 Other financial corporations	8,106	8,093	12	3	-	3	(1)	(1)	-	(2)	-	(2)	-	731	1
060 Non-financial corporations	18,968	17,043	1,795	295	15	279	(68)	(28)	(40)	(136)	(1)	(135)	-	13,351	159
070 Of which: SMEs	4,350	3,647	703	147	12	135	(33)	(10)	(23)	(56)	(1)	(55)	-	4,024	86
080 Households	13,177	10,739	2,432	683	25	656	(96)	(37)	(59)	(247)	(3)	(244)	(36)	10,705	385
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	19,422	18,254	1,168	86	2	82	(9)	(4)	(5)	(1)	-	(1)		4,941	13
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170 General governments	489	489	-	-	-	-	-	-	-	-	-	-		1	-
180 Credit institutions	1,183	1,183	-	-	-	-	-	-	-	-	-	-		-	-
190 Other financial corporations	1,669	1,658	11	-	-	-	-	-	-	-	-	-		86	-
200 Non-financial corporations	9,452	9,021	431	9	1	8	(5)	(3)	(2)	(1)	-	(1)		3,027	5
210 Households	6,629	5,903	726	77	1	74	(4)	(1)	(3)	-	-	-		1,827	8
220 Total	107,273	101,691	5,407	1,067	42	1,020	(196)	(92)	(104)	(386)	(4)	(382)	(36)	30,016	558

(1) The gross NPL ratio for RBS plc is 1.31% (2024 – 1.59%). 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 £m	<= 1 year £m	> 1 year <= 5 years £m	> 5 years £m	No stated maturity £m	Total £m
31 December 2025						
1 Loans and advances	7,064	12,381	32,569	15,516	-	67,530
2 Debt securities	-	-	-	-	-	-
3 Total	7,064	12,381	32,569	15,516	-	67,530

	a	b	c	d	e	f
	Net exposure value					
	On demand £m	<= 1 year £m	> 1 year <= 5 years £m	> 5 years £m	No stated maturity £m	Total £m
31 December 2024						
1 Loans and advances	7,057	12,610	25,997	15,653	-	61,317
2 Debt securities	-	-	-	-	-	-
3 Total	7,057	12,610	25,997	15,653	-	61,317

(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	981
020 Inflows to non-performing portfolios	496
030 Outflows from non-performing portfolios	(585)
040 Outflows due to write-offs	(82)
050 Outflow due to other situations	(503)
060 Final stock of non-performing loans and advances at 31 December 2025	892

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

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

IFRS 9 models

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

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.
- Lifetime measurement – parameters are provided as multi-period term structures up to the exposure lifetimes.

PD

Personal

Personal 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.

Non-Personal

Non-Personal 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

Personal

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 Personal portfolios.

Non-Personal

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.

EAD

Personal

Revolving products employ existing IRB models as a foundation, with appropriate adjustments incorporating a term structure based on time to default. Amortising products use an amortisation schedule, where a formula is used to calculate the expected balance based on remaining terms and interest rates.

Non-Personal

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. RBS plc applies a framework to identify deterioration, primarily based on changes in lifetime PD, supported by additional qualitative high-risk backstops.

- IFRS 9 lifetime PD assessment (the primary driver) – 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 (DOIR). 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. For Non-Personal, a doubling of PD would indicate a SICR, subject to a minimum PD uplift of 0.1%. For Personal portfolios and small and medium-sized enterprise Retail, the criteria vary by risk band.
- Qualitative high-risk backstop assessment – supplements the PD assessment to evaluate whether significant deterioration in lifetime risk of default occurred. This included the mandatory 30+ days past due backstop, as prescribed by IFRS 9 guidance, as well as other elements such as forbearance support, Non-Personal exposures managed within the Wholesale Problem Debt Management Framework, and adverse credit bureau results for Personal customers.

Governance

The IFRS 9 PD, EAD and LGD models are subject to NatWest Group's 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 RBS plc's 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 Personal and Non-Personal portfolios) that may be more susceptible to specific risk factors.

Annex XVII: Credit risk mitigation

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
		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
31 December 2025						
1	Loans and advances	67,335	26,230	24,535	634	-
2	Debt securities	-	-	-	-	-
3	Total	67,335	26,230	24,535	634	-
4	Of which: non-performing exposures	90	444	431	9	-
5	Of which: defaulted	83	406	393	9	-

		a	b	c	d	e
		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
31 December 2024						
1	Loans and advances	61,762	26,498	24,839	781	-
2	Debt securities	-	-	-	-	-
3	Total	61,762	26,498	24,839	781	-
4	Of which: non-performing exposures	46	550	518	27	-
5	Of which: defaulted	39	513	480	27	-

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 customer fails to settle all or part of its obligations to RBS plc. 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.

RBS plc uses a number of credit risk mitigation approaches. These differ for Non-Personal and Personal customers.

Mitigation techniques outlined in the credit risk toolkits and transactional acceptance standards are applied in managing credit portfolios across RBS plc. These techniques mitigate credit concentrations related to individual customers, borrower groups or a collection of related borrowers. Where possible, customer credit balances are netted against obligations. Mitigation tools may involve structuring security interests in physical or financial assets, using credit derivatives such as credit default swaps, credit-linked debt instruments and securitisation structures, 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 RBS plc 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. RBS plc 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.

Non-Personal

RBS plc mitigates credit risk relating to Non-Personal customers 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 RBS plc can identify, locate, and segregate them from other assets on which it does not have a claim. RBS plc 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 RBS plc's counterparties by their own customers. 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. RBS plc 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.

Commercial real estate

For commercial real estate valuations, RBS plc works with a managed panel of chartered surveying firms that cover relevant geographic and property sectors in which RBS plc takes collateral. RICS-registered valuers are contracted for specific assets under service agreements to ensure consistency of quality and advice. In the UK, an independent third-party market indexation is applied to update external valuations for commercial property, once they are more than a year old. For loan obligations in excess of £2.5 million and where the charged property has a book value in excess of £0.5 million, a formal valuation review is typically commissioned at least every three years.

Personal

RBS plc 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. Retail Banking UK 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	
		On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
Exposure Classes							
31 December 2025							
1	Central governments or central banks	25,319	441	25,332	-	65	-
2	Regional governments or local authorities	-	10	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	26,848	262	26,846	138	8	-
7	Corporates	7,661	1,675	7,649	43	218	3
8	Retail	194	698	194	-	127	65
9	Secured by mortgages on immovable property	62	5	62	3	59	91
10	Exposures in default	15	-	15	-	22	149
11	Items associated with particularly high risk	8	-	8	-	12	150
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	9	-	9	-	23	250
16	Other items	1	-	1	-	1	100
17	Total	60,117	3,091	60,116	184	535	1

		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
		On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
Exposure Classes							
31 December 2024							
1	Central governments or central banks	26,112	442	26,139	-	78	-
2	Regional governments or local authorities	-	10	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	20,738	932	20,738	477	11	-
7	Corporates	7,416	1,403	7,390	80	161	2
8	Retail	171	653	171	-	109	64
9	Secured by mortgages on immovable property	48	47	48	25	65	89
10	Exposures in default	16	-	15	-	22	150
11	Items associated with particularly high risk	-	-	-	-	-	0
12	Covered bonds	-	-	-	-	-	0
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0
14	Collective investment undertakings	-	-	-	-	-	0
15	Equity	10	-	10	-	24	234
16	Other items	1	-	1	-	1	100
17	Total	54,512	3,487	54,512	582	471	1

Annex XXI: Credit risk – IRB approach

UK CR7: IRB approach – Effect on the RWAs of credit derivatives used as CRM techniques

The table below shows the effect of credit derivatives on the calculation of IRB approach capital requirements by AIRB exposure class. The table excludes counterparty credit risk, securitisations, equity exposures and non-credit obligation assets.

		31 December 2025	
		a	b
		Pre-credit derivatives RWAs	Actual RWAs
		£m	£m
5	Exposures under AIRB	10,662	10,662
6	Central governments and central banks	-	-
7	Institutions	174	174
8	Corporates	5,522	5,522
8.1	Of which: SME	1,145	1,145
8.3	Of which: Other	4,377	4,377
9	Retail	4,966	4,966
9.1	Of which: Secured by real estate SME		
	- Secured by immovable property collateral	84	84
9.2	Of which: Secured by real estate non-SME		
	- Secured by immovable property collateral	2,016	2,016
9.3	Of which: Qualifying revolving	1,029	1,029
9.4	Of which: Other SME	497	497
9.5	Of which: Other non-SME	1,340	1,340
10	Total	10,662	10,662

		31 December 2024	
		a	b
		Pre-credit derivatives RWAs	Actual RWAs
		£m	£m
5	Exposures under AIRB	11,129	11,129
6	Central governments and central banks	-	-
7	Institutions	166	166
8	Corporates	5,835	5,835
8.1	Of which: SME	1,231	1,231
8.3	Of which: Other	4,604	4,604
9	Retail	5,128	5,128
9.1	Of which: Secured by real estate SME		
	- Secured by immovable property collateral	84	84
9.2	Of which: Secured by real estate non-SME		
	- Secured by immovable property collateral	2,070	2,070
9.3	Of which: Qualifying revolving	1,115	1,115
9.4	Of which: Other SME	515	515
9.5	Of which: Other non-SME	1,344	1,344
10	Total	11,129	11,129

- (1) Rows 1 - 4.2 are not presented as NatWest Group does not use FIRB to calculate capital requirements for IRB exposures.
(2) Rows 8.2 and 3.2 (Of which: Specialised lending) of the CR7 and CR7-A tables respectively are excluded.

UK CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques

The table below provides a view of the CRR credit risk mitigation techniques used in the capital requirements calculation for IRB exposures. These are presented by AIRB exposure class only as NatWest Group does not apply the FIRB method. The table excludes counterparty credit risk, securitisations and non-credit obligation assets.

		Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
		Funded credit protection (FCP)													
		Total exposures	Part of exposures covered by financial collaterals	Part of exposures covered by other eligible collaterals	Part of exposures covered by immovable property collaterals	Part of exposures covered by receivables	Part of exposures covered by other physical collaterals	Part of exposures covered by other funded credit protection	Part of exposures covered by cash on deposit	Part of exposures covered by life insurance policies	Part of exposures covered by instruments held by a third party	Part of exposures covered by guarantees	Part of exposures covered by credit derivatives	RWA post all CRM assigned to the obligor exposure class	RWA with substitution effects
31 December 2025		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	1	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	536	71.32	6.06	6.06	-	-	-	-	-	-	-	-	174	174
3	Corporates	16,790	4.88	56.74	51.11	-	5.63	-	-	-	-	1.19	-	5,522	5,522
3.1	Of which: SME	3,424	4.80	95.64	89.65	-	5.99	-	-	-	-	1.12	-	1,145	1,145
3.3	Of which: Other	13,366	4.90	46.77	41.24	-	5.54	-	-	-	-	1.20	-	4,377	4,377
4	Retail	17,695	-	219.02	219.02	-	-	-	-	-	-	2.51	-	4,966	4,966
4.1	Of which: Immovable property SME	180	-	-	-	-	-	-	-	-	-	0.35	-	84	84
4.2	Of which: Immovable property non-SME	10,872	-	356.45	356.45	-	-	-	-	-	-	-	-	2,016	2,016
4.3	Of which: Qualifying revolving	3,891	-	-	-	-	-	-	-	-	-	-	-	1,029	1,029
4.4	Of which: Other SMEs	1,371	-	-	-	-	-	-	-	-	-	32.38	-	497	497
4.5	Of which: Other non-SME	1,381	-	-	-	-	-	-	-	-	-	-	-	1,340	1,340
5	Total	35,022	3.43	137.95	135.26	-	2.70	-	-	-	-	1.84	-	10,662	10,662

UK CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques continued

		Credit risk mitigation techniques										Credit risk mitigation methods in the calculation of RWAs			
		Funded credit protection (FCP)								Unfunded credit protection (UFCP)					
		Total exposures	Part of exposures covered by financial collaterals	Part of exposures covered by other eligible collaterals	Part of exposures covered by immovable property collaterals	Part of exposures covered by receivables	Part of exposures covered by other physical collaterals	Part of exposures covered by other funded credit protection	Part of exposures covered by cash on deposit			Part of exposures covered by life insurance policies	Part of exposures covered by instruments held by a third party	Part of exposures covered by guarantees	Part of exposures covered by credit derivatives
										£m	%				
31 December 2025		a	b	c	d	e	f	g	h	i	j	k	l	m	n
6	Specialised lending under the slotting approach	2,431												1,496	1,496
7	Equity Exposures	1												4	4
8	Total	2,432												1,500	1,500

UK CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques continued

		Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
		Funded credit protection (FCP)													
		Total exposures	Part of exposures covered by financial collaterals	Part of exposures covered by other eligible collaterals	Part of exposures covered by immovable property collaterals	Part of exposures covered by receivables	Part of exposures covered by other physical collaterals	Part of exposures covered by other funded credit protection	Part of exposures covered by cash on deposit	Part of exposures covered by life insurance policies	Part of exposures covered by instruments held by a third party	Part of exposures covered by guarantees	Part of exposures covered by credit derivatives	RWA post all CRM assigned to the obligor exposure class	RWA with substitution effects
31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	641	49.66	2.34	2.34	-	-	-	-	-	-	-	-	166	166
3	Corporates	16,440	6.37	56.47	50.37	-	6.10	-	-	-	-	1.46	-	5,835	5,835
3.1	Of which: SME	3,453	4.81	97.47	91.49	-	5.97	0.01	-	-	0.01	2.30	-	1,231	1,231
3.3	Of which: Other	12,987	6.79	45.57	39.43	-	6.14	-	-	-	-	1.24	-	4,604	4,604
4	Retail	20,160	-	218.84	218.84	-	-	-	-	-	-	3.09	-	5,128	5,128
4.1	Of which: Immovable property SME	205	-	-	-	-	-	-	-	-	-	0.56	-	84	84
4.2	Of which: Immovable property non-SME	12,573	-	350.92	350.92	-	-	-	-	-	-	-	-	2,070	2,070
4.3	Of which: Qualifying revolving	4,126	-	-	-	-	-	-	-	-	-	-	-	1,115	1,115
4.4	Of which: Other SMEs	1,880	-	-	-	-	-	-	-	-	-	33.01	-	515	515
4.5	Of which: Other non-SME	1,376	-	-	-	-	-	-	-	-	-	-	-	1,344	1,344
5	Total	37,241	3.67	143.44	140.74	-	2.69	-	-	-	-	2.32	-	11,129	11,129

UK CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques continued

		Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
		Funded credit protection (FCP)													
		Total exposures £m	Part of exposures covered by financial collaterals %	Part of exposures covered by other eligible collaterals %	Part of exposures covered by		Part of exposures covered by other physical collaterals %	Part of exposures covered by other funded credit protection %	Part of exposures covered by cash on deposit %	Part of exposures covered by		Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	RWA post all CRM assigned to the obligor exposure class £m	RWA with substitution effects £m
					immovable property collaterals %	Part of exposures covered by receivables %				exposures covered by life insurance policies %	exposures covered by instruments held by a third party %				
31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n
6	Specialised lending under the slotting approach	3,132												1,975	1,975
7	Equity Exposures	-												-	-
8	Total	3,132												1,975	1,975

Annex XXIII: Specialised lending

UK CR10: Specialised lending exposures

The table below shows IRB specialised lending exposures subject to the supervisory slotting approach analysed by type of lending and regulatory category.

CR10.1

		a	b	c	d	e	f
		Specialised lending: Project finance (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2025	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	40	52	50%	62	23	-
	Equal to or more than 2.5 years	422	54	70%	447	246	2
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	-	-	90%	-	-	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	13	115%	6	7	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	40	52		62	23	-
	Equal to or more than 2.5 years	422	67		453	253	2

		RBS plc					
		a	b	c	d	e	f
		Specialised lending: Project finance (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2024	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	47	37	50%	60	23	-
	Equal to or more than 2.5 years	456	40	70%	474	262	2
Category 2	Less than 2.5 years	-	25	70%	10	5	-
	Equal to or more than 2.5 years	1	-	90%	1	-	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	47	62		70	28	-
	Equal to or more than 2.5 years	457	40		475	262	2

UK CR10: Specialised lending exposures under the simple risk-weighted approach continued

CR10.2

		a	b	c	d	e	f
		Specialised lending: Income-producing real estate and high volatility commercial real estate (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2025	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	528	74	50%	552	265	-
	Equal to or more than 2.5 years	603	50	70%	628	417	3
Category 2	Less than 2.5 years	342	23	70%	353	231	1
	Equal to or more than 2.5 years	186	33	90%	206	179	2
Category 3	Less than 2.5 years	90	1	115%	90	104	3
	Equal to or more than 2.5 years	6	-	115%	6	7	-
Category 4	Less than 2.5 years	1	-	250%	1	3	-
	Equal to or more than 2.5 years	6	-	250%	6	13	-
Category 5	Less than 2.5 years	58	-	-	58	-	29
	Equal to or more than 2.5 years	16	-	-	16	-	8
Total	Less than 2.5 years	1,019	98		1,054	603	33
	Equal to or more than 2.5 years	817	83		862	616	13

		RBS plc					
		a	b	c	d	e	f
		Specialised lending: Income-producing real estate and high volatility commercial real estate (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2024	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	921	105	50%	956	478	-
	Equal to or more than 2.5 years	538	72	70%	566	397	2
Category 2	Less than 2.5 years	549	21	70%	562	394	2
	Equal to or more than 2.5 years	273	9	90%	281	253	2
Category 3	Less than 2.5 years	104	1	115%	102	117	3
	Equal to or more than 2.5 years	1	-	115%	1	1	-
Category 4	Less than 2.5 years	11	-	250%	11	28	1
	Equal to or more than 2.5 years	7	-	250%	7	17	1
Category 5	Less than 2.5 years	93	-	-	94	-	47
	Equal to or more than 2.5 years	7	1	-	7	-	4
Total	Less than 2.5 years	1,678	127		1,725	1,017	53
	Equal to or more than 2.5 years	826	82		862	668	9

UK CR10: Specialised lending exposures under the simple risk-weighted approach continued

CR10.5

	a	b	c	d	e	f
	Equity exposures under the simple risk-weighted approach					
	On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
	£m	£m	%	£m	£m	£m
31 December 2025						
Private equity exposures	-	-	190%	-	-	-
Exchange-traded equity exposures	-	-	290%	-	-	-
Other equity exposures	1	-	370%	1	4	-
Total	1	-		1	4	-

	RBS plc					
	a	b	c	d	e	f
	Equity exposures under the simple risk-weighted approach					
	On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
	£m	£m	%	£m	£m	£m
31 December 2024						
Private equity exposures	-	-	190%	-	-	-
Exchange-traded equity exposures	-	-	290%	-	-	-
Other equity exposures	-	-	370%	-	-	-
Total	-	-	-	-	-	-

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.

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') – The Royal Bank of Scotland plc

The quantitative disclosures below are made in accordance with regulatory requirements in relation to 29 individuals who have been identified as MRTs for The Royal Bank of Scotland plc (RBS). 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.

Performance and remuneration matters for RBS are overseen by the NatWest Holdings Performance & Remuneration Committee (NWH RemCo), which is a committee of the Boards of NatWest Holdings Limited, RBS and National Westminster Bank (collectively, the NWH Sub Group). The NWH RemCo is expected to ensure that the remuneration policies, procedures and practices being applied are appropriate for the entities within the NWH Sub Group. The key areas of focus for the NWH RemCo includes:

- reviewing and recommending, or where appropriate ratifying, remuneration arrangements for key employees;
- providing input on the proposed bonus pool for relevant entities, 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 on behalf of RBS and the other entities within the NWH Sub Group.

The NWH 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 NWH RemCo held five scheduled meetings and a further two ad hoc 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								Total
		Non-executive directors	Executive directors	Other senior mngt.	Other MRTs	Investment Banking	Retail Banking	Corporate Functions	Control Functions	
Fixed remuneration	Total number of MRTs	-	-	-	27	-	-	-	-	27
	Other senior management - split by business area	-	-	-	-	-	-	-	-	-
	Other MRTs - split by business area	-	-	-	-	-	-	-	27	27
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total fixed remuneration of MRTs	-	-	-	2.2	-	-	-	2.2	2.2
	Cash-based	-	-	-	2.2	-	-	-	2.2	2.2
	Share-based	-	-	-	-	-	-	-	-	-
Variable remuneration	Total number of MRTs	-	-	-	27	-	-	-	-	27
	Other senior management - split by business area	-	-	-	-	-	-	-	-	-
	Other MRTs - split by business area	-	-	-	-	-	-	-	27	27
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total variable remuneration of MRTs	-	-	-	0.4	-	-	-	0.4	0.4
	Cash-based	-	-	-	0.4	-	-	-	0.4	0.4
	Of which: deferred cash	-	-	-	-	-	-	-	-	-
	Share-based (annual bonus)	-	-	-	-	-	-	-	-	-
	Of which: deferred shares	-	-	-	-	-	-	-	-	-
	Share-based (LTI awards)	-	-	-	-	-	-	-	-	-
	Of which: deferred shares	-	-	-	-	-	-	-	-	-
Total remuneration of MRTs		-	-	-	2.6	-	-	-	2.6	2.6

(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) Fixed remuneration consists of salaries, allowances, pension and benefit funding.

(3) 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.

(4) 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 27 MRTs in respect of performance year 2025. Total remuneration for these individuals in 2025 was £2.49 million, of which £2.16 million was fixed pay and £0.33 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 0.15. The majority of MRTs were based in the UK.

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

	RBS Plc NEDs	RBS Plc EDs	Other senior management	Other MRTs
Special payments				
Guaranteed awards and sign on awards				
Number of MRTs	-	-	-	-
	£m	£m	£m	£m
Total amount	-	-	-	-
<i>Of which: paid during the financial year that are not taken into account in the bonus cap</i>	-	-	-	-
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	-	-	-	1
	£m	£m	£m	£m
Total amount	-	-	-	0.1
<i>Of which: paid during the financial year</i>	-	-	-	0.1
<i>Of which: deferred</i>	-	-	-	-
<i>Of which: paid during the financial year that are not taken into account in the bonus cap</i>	-	-	-	0.1
<i>Of which: highest payment that has been awarded to a single person</i>	-	-	-	0.1

(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.

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

* 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 >€1million

Total remuneration by band for employees earning >€1 million for 2025	Number of MRTs
€1.0 million to below €1.5 million	-
€1.5 million to below €2.0 million	-
€2.0 million to below €2.5 million	-
€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	-

(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.