



NatWest
Group

National Westminster Bank Plc

Q1 2025 Pillar 3

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Forward-looking statements

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to NWB Group's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about NWB Group's beliefs and expectations, are forward-looking statements. Words such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'target', 'goal', 'objective', 'may', 'outlook', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document may include forward-looking statements relating, but not limited to: NWB Group's economic and political risks, its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), the implementation of NatWest Group's strategy, its climate and sustainability related ambitions and targets, its access to adequate sources of liquidity and funding, its ongoing compliance with the UK ring-fencing regime and ensuring operational continuity in resolution, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, future growth initiatives (including acquisitions, joint ventures and strategic partnerships), the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, and general economic and political conditions, 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 the NWB Group's actual results are discussed in the NWB Plc's 2024 Annual Report and Accounts. The forward-looking statements contained in this document speak only as of the date of this document and NWB Plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the Pillar 3 disclosures for National Westminster Bank Plc (NWB Plc) as at 31 March 2025. It should be read in conjunction with the Q1 2025 NatWest Holdings Group Pillar 3 report, which is published in the same location at: investors.natwestgroup.com/reports-archive/2025.

NWB Plc is incorporated in the United Kingdom and is a large, listed 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.

The disclosures for NWB Plc are calculated in accordance with the UK CRR (split across primary legislation and the PRA Rulebook) and presented in accordance with the Disclosure (CRR) part of the PRA rulebook. Any rows or columns that are not applicable have not been shown however explanations have been added as appropriate.

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

A subset of the Pillar 3 templates that are required to be disclosed on a quarterly basis were not applicable to NWB Plc at 31 March 2025 and have therefore not been included in this 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

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

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

For definitions of terms, refer to the Glossary and Acronyms document available on investors.natwestgroup.com/reports-archive/2024.

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

NatWest Bank Plc - Key points

CET1 ratio

12.0%

(Q4 2024 – 11.4%)

The CET1 ratio increased by 60 basis points to 12.0% due to a £1.1 billion increase in CET1 capital partially offset by a £3.0 billion increase in RWAs.

The CET1 capital increase was mainly driven by an attributable profit in the period of £0.8 billion and other movements on reserves and regulatory adjustments of £0.3 billion.

RWAs

£127.5bn

(Q4 2024 – £124.5bn)

Total RWAs increased by £3.0 billion to £127.5 billion mainly reflecting an increase in operational risk RWAs of £1.9 billion following the annual recalculation and an increase in credit risk RWAs of £1.1 billion.

Credit risk RWAs increased £1.1 billion primarily driven by lending growth partially offset by reductions due to active RWA management. Further increase driven by CRD IV model updates within Retail Banking and Commercial and Institutional and movements in risk metrics.

UK leverage ratio

4.7%

(Q4 2024 – 4.4%)

The leverage ratio increased by 30 basis points to 4.7% due to a £1.6 billion increase in Tier 1 capital partially offset by a £7.0 billion increase in leverage exposure. The key drivers in the leverage exposure were an increase in net central bank balances and other off balance sheet items partially offset by a decrease in other financial assets.

UK average leverage ratio

4.5%

(Q4 2024 – 4.5%)

The average leverage ratio remained static at 4.5% driven by a £0.2 billion increase in 3-month average Tier 1 capital offset by a £3.7 billion increase in average leverage exposure. The key drivers in the average leverage exposure were an increase in other financial assets and other off balance sheet items.

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

UK KM1: Key metrics

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

	31 March 2025 £m	31 December 2024 £m	30 September 2024 £m	30 June 2024 £m	31 March 2024 £m
Available own funds (amounts)					
1 Common equity tier 1 (CET1) capital	15,271	14,181	14,722	13,813	14,823
2 Tier 1 capital	18,848	17,258	17,799	16,890	17,101
3 Total capital	23,064	20,629	21,172	20,273	20,497
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	127,480	124,522	122,340	120,780	124,523
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	12.0	11.4	12.0	11.4	11.9
6 Tier 1 ratio (%)	14.8	13.9	14.5	14.0	13.7
7 Total capital ratio (%)	18.1	16.6	17.3	16.8	16.5
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	1.5	1.5	1.5	1.6	1.6
UK 7b Additional AT1 SREP requirements (%)	0.5	0.5	0.5	0.5	0.5
UK 7c Additional Tier 2 SREP requirements (%)	0.7	0.7	0.7	0.7	0.7
UK 7d Total SREP own funds requirements (%)	10.7	10.7	10.7	10.8	10.8
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)	1.8	1.8	1.9	1.9	1.8
11 Combined buffer requirement (%)	4.3	4.3	4.4	4.4	4.3
UK 11a Overall capital requirements (%)	15.0	15.0	15.1	15.2	15.1
12 CET1 available after meeting the total SREP own funds requirements (%)	6.0	5.4	6.0	5.4	5.7
Leverage ratio					
13 Total exposure measure excluding claims on central banks	397,065	390,032	381,762	366,912	358,649
14 Leverage ratio excluding claims on central banks (%)	4.7	4.4	4.7	4.6	4.8
Additional leverage ratio disclosure requirements					
UK 14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.7	4.4	4.7	4.6	4.8
UK 14b Leverage ratio including claims on central banks (%)	4.4	4.1	4.3	4.1	4.2
UK 14c Average leverage ratio excluding claims on central banks (%)	4.5	4.5	4.6	4.8	4.6
UK 14d Average leverage ratio including claims on central banks (%)	4.1	4.2	4.2	4.3	4.1
UK 14e Countercyclical leverage ratio buffer (%) (3)	0.6	0.6	0.6	0.7	0.6
Liquidity coverage ratio (4)					
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 (4)					
18 Total available stable funding					
19 Total required stable funding					
20 NSFR ratio (%)					

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

(2) NWB 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 is currently being maintained at 2%. The countercyclical leverage ratio buffer is set at 35% of NWB Plc CCyB.

(4) Under the UK DoLSUB waiver NWB Plc liquidity is managed and disclosed at the sub-group level rather than entity level.

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

UK OV1: Overview of risk-weighted exposure amounts

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

		a		b	c
		Risk-weighted exposure amounts (RWAs)		31 December 2024	Total own funds requirements
		31 March 2025	31 December 2024		31 March 2025
		£m	£m		£m
1	Credit risk (excluding counterparty credit risk)	107,006	106,185		8,560
2	Of which: standardised approach	12,323	12,001		986
3	Of which: the foundation IRB (FIRB) approach	-	-		-
4	Of which: slotting approach	10,468	9,814		837
UK 4a	Of which: equities under the simple risk-weighted approach	-	-		-
5	Of which: the advanced IRB (AIRB) approach	84,215	84,370		6,737
5a	Of which: non-credit obligation assets (2)	2,958	2,987		237
6	Counterparty credit risk	621	606		50
7	Of which: standardised approach	160	222		13
8	Of which: internal model method (IMM)	-	-		-
UK 8a	Of which: exposures to a CCP	29	23		2
UK 8b	Of which: credit valuation adjustment (CVA)	138	130		11
9	Of which: other counterparty credit risk	294	231		24
15	Settlement risk	-	-		-
16	Securitisation exposures in the non-trading book (after the cap)	2,000	1,737		160
17	Of which: SEC-IRBA approach	1,555	1,305		124
18	Of which: SEC-ERBA (including IAA)	44	44		4
19	Of which: SEC-SA approach	401	388		32
UK 19a	Of which: 1,250%/deduction	-	-		-
20	Position, foreign exchange and commodities risk (market risk)	37	71		3
21	Of which: standardised approach	37	71		3
22	Of which: IMA	-	-		-
UK 22a	Large exposures	-	-		-
23	Operational risk	17,816	15,923		1,425
UK 23a	Of which: basic indicator approach	-	-		-
UK 23b	Of which: standardised approach	17,816	15,923		1,425
UK 23c	Of which: advanced measurement approach	-	-		-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (1)	4,957	4,711		397
29	Total	127,480	124,522		10,198

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

(2) 5a is a subset of total IRB RWAs disclosed in Row 5.

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

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

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

	a
	RWAs £m
1 At 31 December 2024	91,197
2 Asset size	1,096
3 Asset quality	403
4 Model updates	545
7 Foreign exchange movements	(114)
8 Other	(1,403)
9 At 31 March 2025	91,724

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

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- The increase in RWAs related to asset size was primarily driven by an increase in drawdowns and new facilities within Commercial & Institutional and increased lending within Retail Banking.
- The increase in asset quality RWAs was primarily driven by movements in risk metrics within Retail Banking and Commercial & Institutional.
- The increase in RWAs for model updates was primarily due to an increase in CRD IV model updates within Retail Banking and Commercial & Institutional.
- The RWA decrease due to foreign exchange movements was mainly a result of sterling appreciation against the US dollar and depreciation against the euro.
- The decrease in RWAs in other reflected active RWA management in Commercial & Institutional.

Annex XI: Leverage

UK LR2 – LRCom: Leverage ratio common disclosure

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

		31 March 2025 £m	31 December 2024 £m
Total exposure measure			
UK-24b	Total exposure measure excluding claims on central banks	397,065	390,032
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	4.7	4.4
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.8	4.4
UK-25c	Leverage ratio including claims on central banks (%)	4.4	4.1
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)	0.6	0.6
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.6	0.6
Additional leverage ratio disclosure requirements - disclosure of mean values (1)			
UK-31	Average total exposure measure excluding claims on central banks	391,803	388,122
UK-32	Average total exposure measure including claims on central banks	430,237	422,376
UK-33	Average leverage ratio excluding claims on central banks (%)	4.5	4.5
UK-34	Average leverage ratio including claims on central banks (%)	4.1	4.2

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