



NatWest
Group

RBS Holdings N.V. 2024 Pillar 3 Report

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Forward-looking statement

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to RBS Holdings N.V.'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 Holdings N.V.'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 Holdings N.V.'s credit risk, its regulatory capital position and related requirements, its financial position, profitability and financial performance, its liquidity and funding risk and its 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, 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 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 Holdings N.V.'s actual results are discussed in RBS Holdings N.V.'s 2024 Annual Report and Accounts (ARA), and other public filings. The forward-looking statements contained in this document speak only as of the date of this document and RBS Holdings N.V. does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Attestation statement

I confirm that the 2024 Pillar 3 Report meets the relevant requirements for Pillar 3 disclosures and has been prepared in line with internal controls agreed by the NatWest Group Board.

As set out in the Compliance report of the 2024 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.

Cornelis Visscher

Chief Financial Officer, RBS Holdings N.V.

Presentation of information

This document presents the consolidated Pillar 3 disclosures for RBS Holdings N.V. (RBSH N.V.) as at 31 December 2024. It should be read in conjunction with the 2024 NatWest Group Pillar 3 report, RBSH N.V. Annual Report and Accounts and NatWest Markets N.V. Annual Report and Accounts which are published in the same location at investors.natwestgroup.com/reports-archive/2024

RBSH N.V. is wholly owned subsidiary of NatWest Markets Plc. NatWest Markets N.V. ('NWM N.V.') and RBS International Depository Services S.A. ('RBSI DS S.A.') are wholly owned subsidiaries of RBSH N.V. and therefore included in the consolidated disclosures presented in this report. The ultimate holding company is NatWest Group plc.

NatWest Group, as a third-country group with two or more subsidiary banking institutions in the European Union ('EU'), was approved by the ECB to establish a dual Intermediate EU Parent Undertaking ('IPU') structure on behalf of its European subsidiaries. As a result, RBSH N.V. will act as the non-ring fenced IPU. On 1 December 2023, RBSI DS S.A.'s immediate parent company changed from Royal Bank of Scotland International (Holdings) Limited ('RBSIH') to RBSH N.V. following supervisory approval. In November 2023, the ECB confirmed that RBSH N.V. and its subsidiaries NWM N.V. and RBSI DS S.A. were classified as a "significant supervised group". As a result, the ECB assumed direct supervision of all three entities on 1 January 2024.

RBSH N.V. being a large, listed subsidiary of NatWest Group plc (which is a UK parent institution), is subject to the disclosure requirements set out in Article 13 and Part Eight of EU Capital Requirements Regulation. In addition, it falls in scope of the EBA disclosures requirements for ESG risks.

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 consolidated disclosures for RBSH N.V. are calculated in accordance with the EU Capital Requirements Regulation.

Within this document, row and column references are based on those prescribed in the EBA disclosure templates. Comparatives have not been provided for first-time disclosures.

Presentation of information continued

A subset of the Pillar 3 templates that is required to be disclosed was not applicable to RBS Holdings N.V. at 31 December 2024 and has therefore not been included in this document. These excluded disclosures are listed below, together with a summary of the reason for their exclusion

EBA template reference	Template name	Reasons for exclusion
EU CQ2	Quality of forbearance	Disclosure threshold not met
EU CQ6	Collateral valuation - loans and advances	Disclosure threshold not met
EU CQ7	Collateral obtained by taking possession and execution processes	No reportable exposures
EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	No reportable exposures
EU CR10.3	Specialised lending: Object finance (Slotting approach)	No reportable exposures
EU CR10.4	Specialised lending: Commodities finance (Slotting approach)	No reportable exposures
EU CR10.5	Specialised lending and equity exposures under the simple risk-weighted approach	No reportable exposures
EU CCA	Main features of regulatory own funds instruments and eligible liabilities instruments	Published as supplement alongside this report
ESG Template 2	Loans collateralised by immovable property – Energy efficiency of the collateral (I)	No reportable exposures
ESG Template 3	Banking book - Indicators of potential climate change transition risk: Alignment metrics (IAE/NACE codes)	<p>RBSH N.V. Group contributes to the NatWest Group Climate ambitions and targets, details of which and progress against these can be found in the NatWest Group Sustainability Report. Efforts to improve data availability and quality are extensive and currently underway, with a plan to review our climate ambitions and targets during 2025 in the context of the UK CCC's Seventh Carbon Budget.</p> <p>RBSH N.V. Group does not have any entity specific alignment ambitions or targets relating to its financed emissions. Setting ambitions and targets at the NatWest Group level ensures a more cohesive and consistent approach to achieving our ambition to be net zero across our financed emissions, assets under management and our operational value chain by 2050.</p>
ESG Template 4	Exposures to Top 20 carbon-intensive firms	No reportable exposures
ESG Template 10	Other climate change mitigating actions that are not covered in the EU Taxonomy	Mitigation actions for NatWest Group are managed at group level. There are no exclusive mitigation investments to be reported for RBSH N.V. The methodology, availability and quality of data will evolve over time

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 document are presented in euros and have not been subject to external audit.

Refer to the Glossary for definitions of terms available on natwestgroup.com

Annex I: Key metrics and overview of risk-weighted exposure amounts

RBS Holdings N.V. - Key points

CET1 ratio

20.5%

(Q3 2024 – 20.0%)

The CET1 ratio increased due to approved profits and minor changes in the RWAs.

RWAs

€8.0bn

(Q3 2024 - €7.9bn)

Total RWAs increased by €0.1 billion as a result of the recalculated Operational Risk which was partially offset by a decrease in credit risk.

Leverage ratio

7.2%

(Q3 2024 – 6.2%)

The leverage ratio increased by 100 basis points to 7.2% due to an increase in Tier 1 capital and lower exposures on SFTs offset by lower central bank balances.

NSFR Spot

142%

(Q3 2024 - 158%)

The Net Stable Funding Ratio (NSFR) decreased from 158% to 142%. Available stable funding decreased as a result of lower deposits attracted on the money market whilst the required stable funding increased due to higher reverse repos and lending offset by lower HQLA.

EU KM1: Key metrics template

The table below provides a summary of the main prudential regulation ratios and measures. RBS Holdings N.V. does not apply any transitional IFRS 9 adjustments in respect to ECL provisions.

		31 December	30 September	30 June	31 March	31 December
		2024	2024	2024	2024	2023
		€m	€m	€m	€m	€m
Available own funds (amounts)						
1	Common equity tier 1 (CET1) capital	1,635	1,581	1,591	1,587	1,584
2	Tier 1 capital	1,885	1,831	1,841	1,837	1,834
3	Total capital	2,037	1,981	1,993	1,988	1,986
Risk-weighted exposure amounts						
4	Total risk exposure amount (1)	7,968	7,918	7,941	8,089	8,253
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	20.5	20.0	20.0	19.6	19.2
6	Tier 1 ratio (%)	23.7	23.1	23.2	22.7	22.2
7	Total capital ratio (%)	25.6	25.0	25.1	24.6	24.1
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.0	3.0	3.0	3.0	3.0
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.7	1.7	1.7	1.7	1.7
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.2	2.2	2.2	2.2	2.2
EU 7d	Total SREP own funds requirements (%)	6.2	6.2	6.2	6.2	6.2
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%) (2)	1.1	1.1	1.0	0.9	0.7
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	3.6	3.6	3.5	3.4	3.2
EU 11a	Overall capital requirements (%)	14.6	14.5	14.5	14.3	14.2
12	CET1 available after meeting the total SREP own funds requirements (%) (3)	14	13.8	13.4	13.2	13.0
Leverage ratio						
13	Total exposure measure	26,016	29,600	28,515	25,602	26,121
14	Leverage ratio	7.2	6.2	6.5	7.2	7.0
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirements (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	8,911				
EU 16a	Cash outflows - Total weighted value	5,795				
EU 16b	Cash inflows - Total weighted value (4)	1,963				
16	Total net cash outflows (adjusted value)	3,832				
17	Liquidity coverage ratio (%)	234				
Net stable funding ratio (4)						
18	Total available stable funding	9,040	9,660	9,132	6,196	5,449
19	Total required stable funding	6,372	6,128	6,176	5,156	4,105
20	NSFR ratio (%)	142	158	148	120	133

(1) RWAs include a DNB add on obligation of €2,032 million, aligning RBSH N.V. to the standardised approach.

(2) The institution-specific countercyclical capital buffer requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures.

(3) Represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).

(4) The NSFR % ratio is presented on a spot basis.

(5) The following rows are not presented in the table above because they are not applicable: EU8a, EU9a and 10.

EU 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
		Total risk exposure amounts (TREA)			Total own funds requirements
		31 December 2024	30 September 2024		31 December 2024
		€'m	€m		€'m
1	Credit risk (excluding counterparty credit risk)	2,117	2,277		169
2	Of which: standardised approach	1,098	1,110		88
3	Of which: the foundation IRB (FIRB) approach	-	-		-
4	Of which: slotting approach	10	10		1
EU 4a	Of which: equities under the simple risk-weighted approach	-	-		-
5	Of which: the advanced IRB (AIRB) approach	1,008	1,157		80
6	Counterparty credit risk	2,325	2,283		186
7	Of which: standardised approach	79	80		6
8	Of which: internal model method (IMM)	1,630	1,521		130
EU 8a	Of which: exposures to a CCP	17	16		1
EU 8b	Of which: credit valuation adjustment (CVA)	418	430		34
9	Of which: other counterparty credit risk	181	236		15
15	Settlement risk	-	-		-
16	Securitisation exposures in the non-trading book (after the cap)	311	397		25
17	Of which: SEC-IRBA approach	-	-		-
18	Of which: SEC-ERBA (including IAA)	126	126		10
19	Of which: SEC-SA approach	183	269		15
EU 19a	Of which: 1,250%/deduction	2	2		-
20	Position, foreign exchange and commodities risk (market risk)	688	678		55
21	Of which: standardised approach	-	-		-
22	Of which: IMA	688	678		55
EU 22a	Large exposures	-	-		-
23	Operational risk	496	411		40
EU 23a	Of which: basic indicator approach	496	411		40
EU 23b	Of which: standardised approach	-	-		-
EU 23c	Of which: advanced measurement approach	-	-		-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight)	-	-		-
25	Other risk exposure amounts (1)	2,032	1,872		163
25a	Of which: Additional risk exposure amount due to Article 3 of Regulation (EU) No 575/2013	2,032	1,872		163
29	Total	7,969	7,918		638

(1) RWAs include a DNB add on obligation of €2,032 million, aligning RBSH N.V. to the standardised approach.

EU OVC: ICAAP information

An internal assessment of material risks is carried out annually to enable an evaluation of the amount, type and distribution of capital required to cover these risks. This is referred to as the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP consists of a point-in-time assessment of exposures and risks at the end of the financial year together with a forward-looking stress capital assessment. The ICAAP is approved by the Board and submitted to the DNB.

EU 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 2023	1,067
2 Asset size	25
3 Asset quality	(10)
7 Foreign exchange movements	(2)
9 At 31 March 2024	1,080
2 Asset size	(16)
3 Asset quality	4
7 Foreign exchange movements	(8)
9 At 30 June 2024	1,060
2 Asset size	129
3 Asset quality	(18)
7 Foreign exchange movements	(4)
9 At 30 September 2024	1,167
2 Asset size	(109)
3 Asset quality	(42)
7 Foreign exchange movements	2
9 At 31 December 2024	1,018

(1) The following rows are not presented because they had zero values: (4) model updates; (5) methodology and policy; (6) acquisitions and disposals and (8)Other.

Q4 2024

- Decrease in overall assets due to maturities and reduced drawings.

EU CCR7: RWA flow statements of counterparty credit risk exposures under the IMM

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

	a
	RWAs
	€m
1 At 31 December 2023	1,793
2 Asset size	(188)
7 Foreign exchange movements	(24)
9 At 31 March 2024	1,581
2 Asset size	(99)
7 Foreign exchange movements	(9)
9 At 30 June 2024	1,473
2 Asset size	49
3 Credit quality of counterparties	41
7 Foreign exchange movements	(42)
9 At 30 September 2024	1,521
2 Asset size	84
3 Credit quality of counterparties	8
7 Foreign exchange movements	17
9 At 31 December 2024	1,630

(1) The following rows are not presented because they had zero values: (4) model updates; (5) methodology and policy; (6) acquisitions and disposals; and (8) other.

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

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

	a	b	c	e	f	g
	Value-at-risk (VaR)	Stressed value-at-risk (SVaR)	Incremental risk charge (IRC)	Other risks-not-in VaR (RNIV)	Total RWAs	Total own funds requirements
	€m	€m	€m	€m	€m	€m
1 At 31 December 2023	170	324	77	29	600	48
1a <i>Regulatory adjustment (1)</i>	<i>(141)</i>	<i>(256)</i>	<i>(63)</i>	<i>-</i>	<i>(460)</i>	<i>(37)</i>
1b <i>RWAs at 31 December 2023 (end of day)</i>	<i>29</i>	<i>68</i>	<i>14</i>	<i>29</i>	<i>140</i>	<i>11</i>
2 <i>Movement in risk levels</i>	<i>12</i>	<i>(2)</i>	<i>(3)</i>	<i>79</i>	<i>86</i>	<i>7</i>
3 <i>Model updates/changes</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
8a <i>RWAs at 31 March 2024 (end of day)</i>	<i>41</i>	<i>66</i>	<i>11</i>	<i>108</i>	<i>226</i>	<i>18</i>
8b <i>Regulatory adjustment (1)</i>	<i>117</i>	<i>281</i>	<i>64</i>	<i>-</i>	<i>462</i>	<i>37</i>
8 At 31 March 2024	158	347	75	108	688	55
1a <i>Regulatory adjustment (1)</i>	<i>(118)</i>	<i>(281)</i>	<i>(1)</i>	<i>-</i>	<i>(400)</i>	<i>(32)</i>
1b <i>RWAs at 31 March 2024 (end of day)</i>	<i>40</i>	<i>66</i>	<i>74</i>	<i>108</i>	<i>289</i>	<i>23</i>
2 <i>Movement in risk levels</i>	<i>2</i>	<i>41</i>	<i>1</i>	<i>76</i>	<i>120</i>	<i>10</i>
3 <i>Model updates/changes</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
8a <i>RWAs at 30 June 2024 (end of day)</i>	<i>42</i>	<i>107</i>	<i>75</i>	<i>184</i>	<i>408</i>	<i>33</i>
8b <i>Regulatory adjustment (1)</i>	<i>124</i>	<i>320</i>	<i>-</i>	<i>-</i>	<i>444</i>	<i>36</i>
8 At 30 June 2024	167	427	75	184	853	68
1a <i>Regulatory adjustment (1)</i>	<i>(124)</i>	<i>(320)</i>	<i>-</i>	<i>-</i>	<i>(444)</i>	<i>(36)</i>
1b <i>RWAs at 30 June 2024 (end of day)</i>	<i>42</i>	<i>107</i>	<i>75</i>	<i>184</i>	<i>408</i>	<i>33</i>
2 <i>Movement in risk levels</i>	<i>(15)</i>	<i>(29)</i>	<i>(2)</i>	<i>(69)</i>	<i>(193)</i>	<i>(16)</i>
3 <i>Model updates/changes</i>	<i>-</i>	<i>-</i>	<i>(54)</i>	<i>(24)</i>	<i>-</i>	<i>-</i>
8a <i>RWAs at 30 September 2024 (end of day)</i>	<i>27</i>	<i>78</i>	<i>19</i>	<i>91</i>	<i>215</i>	<i>17</i>
8b <i>Regulatory adjustment (1)</i>	<i>138</i>	<i>325</i>	<i>-</i>	<i>-</i>	<i>463</i>	<i>37</i>
8 At 30 September 2024	165	403	19	91	678	54
1a <i>Regulatory adjustment (1)</i>	<i>(138)</i>	<i>(325)</i>	<i>-</i>	<i>-</i>	<i>(463)</i>	<i>(37)</i>
1b <i>RWAs at 30 September 2024 (end of day)</i>	<i>27</i>	<i>78</i>	<i>19</i>	<i>91</i>	<i>215</i>	<i>17</i>
2 <i>Movement in risk levels</i>	<i>(3)</i>	<i>30</i>	<i>1</i>	<i>8</i>	<i>35</i>	<i>3</i>
3 <i>Model updates/changes</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
8a <i>RWAs at 31 December 2024 (end of day)</i>	<i>24</i>	<i>108</i>	<i>21</i>	<i>99</i>	<i>250</i>	<i>20</i>
8b <i>Regulatory adjustment (1)</i>	<i>112</i>	<i>325</i>	<i>-</i>	<i>-</i>	<i>438</i>	<i>35</i>
8 At 31 December 2024	136	433	20	99	688	55

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

Annex VII: Own funds

EU CC1: Composition of regulatory own funds

The table below shows the capital resources for RBS Holdings N.V. on an end-point basis. Regulatory adjustments comprise deductions from own funds and prudential filters. The table also includes a cross reference to the corresponding rows in template EU CC2 to facilitate full reconciliation of accounting and regulatory own funds.

	31 December 2024	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023
	€m		€m
CET1 capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	1,550		1,550
<i>Of which: ordinary shares</i>	-		-
<i>Of which: share premium</i>	1,550	a	1,550
2 Retained earnings	103	b	103
3 Accumulated other comprehensive income (and other reserves)	50	c	70
EU-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)	-		-
EU-5a Independently reviewed interim profits net of any foreseeable charge or dividend	106		-
6 CET1 capital before regulatory adjustments	1,809		1,723
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 (-) Additional value adjustments	(11)		(9)
8 (-) Intangible assets (net of related tax liability)	(1)		(1)
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)	(103)	e	(63)
11 Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(31)		(26)
12 (-) Negative amounts resulting from the calculation of expected loss amounts	(15)		-
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	(13)		(40)
15 (-) Defined-benefit pension fund assets	-		-
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 (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)	-		-
EU-20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-		-
EU-20b (-) <i>Of which: qualifying holdings outside the financial sector</i>	-		-
EU-20c (-) <i>Of which: securitisation positions</i>	-		-

EU CC1: Composition of regulatory own funds continued

	31 December 2024 €m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 €m
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
EU-20d (-) Of which: free deliveries	-		-
21 (-) Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-		-
22 (-) Amount exceeding the 17.65% threshold	-		-
23 (-) Of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-		-
25 (-) Of which: deferred tax assets arising from temporary differences	-		-
EU-25a (-) Losses for the current financial period	-		-
EU-25b (-) Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items in so far as such tax charges reduce the amount up to which those items may be used to cover risks or losses	-		-
27 (-) Qualifying Additional Tier 1 (AT1) deductions that exceed the AT1 items of the institution	-		-
27a Other regulatory adjustments	-		-
28 Total regulatory adjustments to CET1	(174)		(139)
29 CET1 capital	1,635		1,584
AT1 capital: instruments			
30 Capital instruments and the related share premium accounts	250	d	250
31 Of which: classified as equity under applicable accounting standards	250		250
32 Of which: classified as liabilities under applicable accounting standards	-		-
33 Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1	-		-
EU-33a Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-		-
EU-33b Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-		-
34 Qualifying tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5 CET1) issued by subsidiaries and held by third parties	-		-
35 Of which: instruments issued by subsidiaries subject to phase out	-		-
36 AT1 capital before regulatory adjustments	250		250
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)	-		-

EU CC1: Composition of regulatory own funds continued

	31 December 2024 €m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 €m
T2 capital: instruments			
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	250		250
45 Tier 1 capital (T1 = CET1 + AT1)	1,885		1,834
46 Capital instruments and the related share premium accounts	150	-	150
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	-	-	-
EU-47a Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-		-
EU-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 5 or 34) issued by subsidiaries and held by third parties	-		-
49 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	-		-
50 Credit risk adjustments	1		2
51 T2 capital before regulatory adjustments	151		152
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 and indirect 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 the 10% threshold and net of eligible short positions)	-		-
55 (-) Direct and indirect 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)	-		-
EU-56a (-) Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution	-		-
EU-56b (-) Other regulatory adjustments to T2 capital	-		-
57 Total regulatory adjustments to T2 capital	-		-
58 T2 capital	151		152
59 Total capital (TC = T1 + T2)	2,037		1,986
60 Total risk exposure amount	7,969		8,253
Capital ratios and buffers			
61 Common Equity Tier 1 capital	20.5		19.2
62 Tier 1 capital	23.7		22.2
63 Total capital	25.6		24.1
64 Institution CET1 overall capital requirements	9.8		9.4

EU CC1: Composition of regulatory own funds continued

		31 December 2024 €m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 €m
65	<i>Of which: capital conservation buffer requirement</i>	2.5		2.5
66	<i>Of which: counter cyclical buffer requirement</i>	1.1		0.7
67	<i>Of which: systemic risk buffer requirement</i>	-		-
EU-67a	<i>Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	-		-
EU-67b	<i>Of which: additional own funds requirements to address the risks other than the risk of excessive leverage</i>	-		-
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	14.3		13.0
Amounts below the thresholds for deduction (before risk-weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-		-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% threshold and net of eligible short positions)	102		132
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 met)	-		-
Available 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	-		-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	1		2
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	6		6
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) Row 68: 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 EU CC2 that are used in the calculation of regulatory capital in table EU CC1. Amounts between EU CC2 and EU CC1 are not always directly comparable due to differences in definitions and application of Capital Requirements Directive for the calculation of regulatory capital. The reference (d) is part of other assets in CC2. The reference (b) is smaller due to foreseeable dividend.

(3) The following lines are not presented as they are not applicable under the EBA disclosure guidelines: 9, 20, 24, 26, 41, 54a, 56, 69, 70, 71 and 74.

EU 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 EU CC1.

	As at period end 31 December 2024		References
	a Balance sheet as in published financial statements as at period end €m	b Under regulatory scope of consolidation as at period end €m	
Assets			
Cash and balances at central banks	6,187	6,187	
Trading assets	6,688	6,688	
Derivatives	11,860	11,860	
Settlement balances	866	866	
Loans to banks - amortised cost	225	185	
Loans to customers - amortised cost	935	935	
Amounts due from holding companies and fellow subsidiaries	1,210	1,210	
Other financial assets	2,111	2,105	
Property, plant and equipment	8	8	
Current and deferred tax assets	103	103	
<i>of which: DTAs that rely on future profitability and do not arise from temporary differences</i>	103	103	e
Prepayments, accrued income and other assets	19	120	
<i>of which: defined benefit pension fund assets</i>	-	-	-
Total assets	30,212	30,267	
Liabilities			
Bank deposits	597	597	
Customer deposits	2,999	3,056	
Amounts due to holding companies and fellow subsidiaries	2,559	2,559	
Settlement balances	685	685	
Trading liabilities	7,061	7,061	
Derivatives	10,510	10,510	
Other financial liabilities	3,368	3,368	
Subordinated liabilities	303	303	-
Provisions, deferred income and other liabilities	62	62	
Current and deferred tax liabilities	9	7	
<i>of which: defined benefit pension scheme assets</i>	-	-	
Total liabilities	28,153	28,208	
Shareholders' Equity			
Owners' equity			
Called up share capital	-	-	-
Reserves	2,059	2,059	
<i>of which: amount eligible for retained earnings</i>	103	103	b
<i>of which: amount eligible for accumulated OCI and other reserves</i>	50	50	c
<i>of which: amount of other equity instruments</i>	250	250	d
<i>of which: share premium accounts</i>	1,550	1,550	a
Non-controlling interests	-	-	
Total shareholders' equity	2,059	2,059	

(1) The references (a) to (k) identify balance sheet components in table EU CC2 that are used in the calculation of regulatory capital in table EU CC1. Amounts between tables EU CC2 and EU CC1 are not always directly comparable due to differences in definitions and application of Capital Requirements Directive for the calculation of regulatory capital.

Annex IX: Countercyclical capital buffers

EU 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 Holdings N.V. 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 for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit 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
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	%	%
Breakdown by country (with existing CCyB rates)													
Denmark	96	13	-	-	-	109	8	-	-	8	100	2.06%	2.50%
Norway	-	35	-	-	-	35	1	-	-	1	11	0.22%	2.50%
Netherlands	658	609	-	-	212	1,479	64	-	12	76	946	19.49%	2.00%
Sweden	166	194	-	-	96	456	17	-	5	22	277	5.70%	2.00%
Great Britain	65	37	-	8	101	211	7	-	6	13	159	3.27%	2.00%
Ireland	2	7	-	-	453	462	1	-	36	37	462	9.53%	1.50%
France	648	1,278	-	-	234	2,160	72	-	15	88	1,099	22.65%	1.00%
Belgium	12	9	-	-	86	107	1	-	7	8	101	2.08%	1.00%
Australia	-	10	-	-	-	10	1	-	-	1	7	0.14%	1.00%
Germany	63	737	-	-	-	800	19	-	-	19	243	5.01%	0.75%
Luxembourg	112	34	-	-	-	146	10	-	-	10	131	2.70%	0.50%
Hungray	-	2	-	-	-	2	-	-	-	-	1	0.02%	0.50%
Total (countries with existing CCyB rates)	1,822	2,965	-	8	1,182	5,977	201	-	81	283	3,537	72.88%	

EU 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 -												
	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 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
31 December 2024	€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)													
Spain	1	346	-	-	298	645	12	-	24	36	444	9.16%	
United States	55	155	-	1	175	386	8	-	14	22	276	5.69%	
Switzerland	102	10	-	-	1	113	20	-	-	20	256	5.27%	
Italy	123	92	-	11	75	301	14	-	6	20	246	5.07%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	281	603	-	12	549	1,445	54	-	44	98	1,222	25.18%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	13	181	-	-	-	194	8	-	-	8	94	1.95%	
Total	2,116	3,749	-	20	1,731	7,616	263	-	125	389	4,853	100.00%	

EU 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 -												
	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 for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit 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
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	%	%
Breakdown by country (with existing CCyB rates)													
Norway	2	46	-	-	-	48	1	-	-	1	14	0.26%	2.50%
Denmark	191	11	-	-	-	202	16	-	-	16	194	3.54%	2.50%
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	-	2.00%
Great Britain	65	81	-	-	-	146	7	-	-	7	89	1.62%	2.00%
Sweden	154	256	-	-	106	516	21	-	2	23	291	5.32%	2.00%
Slovakia	606	-	-	-	-	-	-	-	-	-	-	-	1.50%
Netherlands	19	574	-	-	184	1,364	62	-	10	72	903	16.49%	1.00%
Ireland	-	12	-	-	382	413	2	-	31	33	409	7.46%	1.00%
Australia	-	12	-	-	-	12	1	-	-	1	9	0.16%	1.00%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Croatia	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Lithuania	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Romania	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Germany	58	879	-	-	-	937	22	-	-	22	282	5.14%	0.75%
France	660	1,217	-	-	790	2,667	69	-	56	125	1,567	28.62%	0.50%
Luxembourg	112	40	-	-	-	152	11	-	-	11	136	2.49%	0.50%
Cyprus	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (countries with existing CCyB rates)	1,867	3,128	-	-	1,462	6,457	212	-	99	311	3,894	71.10%	

EU 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 -												
	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 for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit 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
31 December 2023	€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)													
Spain	-	366	-	-	345	711	12	-	28	40	505	9.23%	
Switzerland	129	5	-	-	-	134	26	-	-	26	323	5.89%	
United States	64	221	-	-	174	459	9	-	14	23	289	5.27%	
Italy	9	116	-	-	158	283	6	-	12	18	230	4.20%	
Belgium	16	47	-	-	85	148	2	-	7	9	111	2.02%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	218	755	-	-	762	1,735	55	-	61	116	1,458	26.61%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	43	168	-	-	-	211	11	-	-	11	126	2.29%	
Total	2,128	4,051	-	-	2,224	8,403	278	-	160	438	5,478	100.00%	

EU CCyB2: Amount of institution-specific countercyclical capital buffer

	31 December 2024 €m	31 December 2023 €m
1 Total risk exposure amount	7,969	8,253
2 Institution specific countercyclical capital buffer rate	1.07%	0.67%
3 Institution specific countercyclical capital buffer requirement	85	55

Annex XI: Leverage ratio

EU 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.

		31 December 2024 €m	31 December 2023 €m
1	Total assets as per published financial statements	30,212	28,205
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	55	37
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio 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	(832)	(831)
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	(5,127)	(3,491)
9	Adjustment for securities financing transactions (SFTs)	136	128
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	4,069	4,061
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12	Other adjustments	(2,497)	(1,988)
13	Total exposure measure	26,016	26,121

EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		31 December 2024	31 December 2023
		€m	€m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	12,169	12,314
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	805	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(3,197)	(1,924)
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))	(104)	(64)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	9,673	10,326
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	2,348	1,653
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for PFE associated with SA-CCR derivatives transactions	4,385	4,746
EU-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-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 derivatives exposures	6,733	6,399
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	5,406	5,206
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	136	128
EU-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
EU-17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	Total securities financing transaction exposures	5,541	5,334
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	7,547	7,543
20	(Adjustments for conversion to credit equivalent amounts)	(3,478)	(3,481)
21	(General provisions deducted in determining Tier 1 and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	4,069	4,062

EU LR2 - LRCom: Leverage ratio common disclosure continued

	31 December 2024 €m	31 December 2023 €m
Excluded exposures		
EU-22a (Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
EU-22b (Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on and off balance sheet))	-	-
EU-22c (Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d (Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e (Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f (Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g (Excluded excess collateral deposited at triparty agents)	-	-
EU-22h (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j (Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k (Total exempted exposures)	-	-
Capital and total exposure measure		
23 Tier 1 capital	1,885	1,834
24 Total exposure measure	26,016	26,121
Leverage ratio		
25 Leverage ratio (%)	7.2%	7.0%
EU-25 Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7.2%	7.0%
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7.2%	7.0%
26 Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b of which: to be made up of CET1 capital	-	-
27 Required leverage buffer (%)	0.0%	0.0%
EU-27a Overall leverage ratio requirement (%)	3.0%	3.0%

EU LR2 - LRCom: Leverage ratio common disclosure continued

		31 December 2024 €m	31 December 2023 €m
Choice on transitional arrangements and relevant exposures			
EU-27b Choice on transitional arrangements for the definition of the capital measure			
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	5,442	
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	5,406	5,206
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment sale accounting transactions and netted of amounts of associated cash payables for and cash receivables)	26,052	26,121
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	26,052	26,121
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.2%	7.0%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.2%	7.0%

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

		CRR leverage ratio exposures	
		31 December 2024 €m	31 December 2023 €m
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures)		
	of which:		
EU-2	Trading book exposures	9,774	10,390
EU-3	Banking book exposures, of which:	55	421
EU-4	Covered bonds	9,719	9,969
EU-5	Exposures treated as sovereigns	-	-
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	6,674	6,317
EU-7	Institutions	101	-
EU-8	Secured by mortgages of immovable properties	236	310
EU-9	Retail exposures	-	-
EU-10	Corporates	-	-
EU-11	Exposures in default	1,057	1,053
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	34	-
		1,619	2,289

EU LRA: Disclosure of LR qualitative information

Processes used to manage the risk of excessive leverage

The Group actively manages the risk of excessive 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 incentivising businesses to make appropriate decisions with regards to leverage exposure within their portfolios. The Group regularly monitors leverage targets, exposure, and capacity, on an actual and forecast basis, in relevant Governance committees.

Annex XIII: Liquidity requirements

EU LIQ1: Quantitative information of LCR

EU 1a		Total unweighted value (average)	Total weighted value (average)
		31 December 2024	31 December 2024
EU 1b Number of data points used in the calculation of averages		0	0
		€m	€m
High-quality liquid assets			
1	Total high-quality liquid assets (HQLA)		8,911
Cash - outflows			
2	Retail deposits and deposits from small business customers of which:	-	-
3	Stable deposits	-	-
4	Less stable deposits	-	-
5	Unsecured wholesale funding	3,365	2,210
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	3,144	1,989
8	Unsecured debt	221	221
9	Secured wholesale funding		461
10	Additional requirements	8,123	2,072
11	Outflows related to derivative exposures and other collateral requirements	1,187	1,138
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	6,936	934
14	Other contractual funding obligations	12,283	1,049
15	Other contingent funding obligations	661	3
16	Total cash outflows		5,795
Cash - inflows			
17	Secured lending (e.g. reverse repos)	2,826	599
18	Inflows from fully performing exposures	112	110
19	Other cash inflows	11,539	1,254
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)		-
EU-19b	(Excess inflows from a related specialised credit institution)		-
20	Total cash inflows	14,477	1,963
EU-20a	Fully exempt inflows		
EU-20b	Inflows subject to 90% cap		
EU-20c	Inflows subject to 75% cap (2)	14,286	1,963
Total adjusted value			
EU-21	Liquidity buffer		8,911
22	Total net cash outflows		3,832
23	Liquidity coverage ratio (%)		234

EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted Value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
(In currency amount)						
Available stable funding (ASF) Items						
1	Capital items and instruments	2,113	-	-	150	2,263
2	Own funds	2,113	-	-	150	2,263
3	Other capital instruments		-	-	-	-
4	Retail deposits		-	-	-	-
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	Wholesale funding		7,361	2,087	4,215	6,773
8	Operational deposits		-	-	-	-
9	Other wholesale funding		7,361	2,087	4,215	6,773
10	Interdependent liabilities		-	-	-	-
11	Other liabilities	-	1,013	-	-	-
12	NSFR derivative liabilities	-				-
13	All other liabilities and capital instruments not included in the above categories		1,013	-	-	-
14	Total available stable funding (ASF)					9,036
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					72
EU-15a	Assets encumbered for more than 12 months in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		2,518	666	4,952	5,188
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		1,678	-	-	-
	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		739	610	3,068	3,421
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		99	55	460	468
21	With a risk-weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk-weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		2	1	1,423	1,299
25	Interdependent assets		-	-	-	-
26	Other assets:	-	4,891	-	503	742
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	112	95
29	NSFR derivative assets		58	-	-	58
30	NSFR derivative liabilities before deduction of variation margin posted		3,956	-	-	198
31	All other assets not included in the above categories		877	-	391	391
32	Off-balance sheet items		-	-	7,888	371
33	Total RSF					6,373
34	Net Stable Funding Ratio (%)					142

EU LIQ2: Net Stable Funding Ratio continued

		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	Weighted Value
<i>(In currency amount)</i>						
Available stable funding (ASF) Items						
1	Capital items and instruments	2,039	-	-	150	2,190
2	Own funds	2,039	-	-	150	2,190
3	Other capital instruments		-	-	-	-
4	Retail Deposits		-	-	-	-
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	Wholesale funding		8,429	2,075	1,726	4,080
8	Operational deposits		-	-	-	-
9	Other wholesale funding		8,429	2,075	1,726	4,080
10	Interdependent liabilities		-	-	-	-
11	Other liabilities		-	-	-	-
12	NSFR derivative liabilities		-	-	-	-
13	<i>All other liabilities and capital instruments not included in the above categories</i>		-	-	-	-
14	Total available stable funding (ASF)					6,270
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					51
EU-15a	Assets encumbered for more than 12 months in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		4,758	239	3,625	3,626
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		1,595	-	-	-
	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		3,141	238	927	1,214
19	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		23	-	562	489
20	<i>With a risk-weight of less than or equal to 35% under Basel II Standardised Approach for credit risk</i>		-	-	-	-
21	<i>Performing residential mortgages, of which:</i>		-	-	-	-
22	<i>With a risk-weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		-	-	-	-
23	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		-	2	2,134	1,923
24	<i>Interdependent assets</i>		-	-	-	-
25	<i>Other assets:</i>		-	4,389	-	530
26	<i>Physical traded commodities</i>					-
27	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		-	-	140	119
28	<i>NSFR derivative assets</i>		20	-	-	20
29	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		3,487	-	-	174
30	<i>All other assets not included in the above categories</i>		883	-	390	390
31	<i>Off-balance sheet items</i>		-	-	7,376	343
32	Total RSF					4,723
33	Net Stable Funding Ratio (%)					133

EU LIQA: Liquidity risk management

Liquidity risk management Strategies and processes in the management of the liquidity risk, including policies on funding.

The Internal Liquidity Adequacy Assessment Process (ILAAP) is the key mechanism for assessing the liquidity and funding needs of NatWest Group and its main subsidiaries, including RBSH N.V. ILAAPs are used to comprehensively identify sources and potential sources of liquidity risk. The ILAAPs are completed at least annually, and ensure liquidity and funding risks are identified, measured, managed, and monitored across different time horizons and stress scenarios. The Group ILAAP is approved by NatWest Group plc Board, with RBSH N.V. ILAAP approved by the RBSH N.V. Board, and are compliant with regulatory standards. As part of the ILAAP, an annual review of stress assumptions is undertaken to ensure they remain appropriate.

On at least an annual basis NatWest Group plc Board approve the liquidity and funding risk appetites, consisting of qualitative statements and supporting quantitative measures, which define the type and aggregate level of risk we are willing to accept in pursuit of our strategic objectives and business plans. Liquidity and funding risk appetites risk appetite are also set on RBSH N.V. level. The risk appetites are supported by a series of operational limits. In order to ensure our funding is managed within risk appetite, a 5-year Funding Plan is maintained, subject to at least annual refresh. This is supported by monthly rolling forecasts, which track expected performance against plan.

Structure and organisation of the liquidity risk management function

On an annual basis the Board review and approve the overall approach to risk management in NatWest Group as laid out in the enterprise-wide risk management framework (EWRMF), as well as key components of liquidity management, including the

liquidity and funding risk appetites, the ILAAP and Recovery Plan. The structure and organisation of liquidity and funding risk management is defined within the Group Liquidity and Funding Risk Policy, which is approved by Group Board Risk Committee. It includes defined roles and responsibilities which are consistent with the Three Lines of Defence Model within the overall EWRMF, which ensures effective oversight and assurance.

Centralisation of liquidity management and interaction between the group's units

NatWest Group manages its liquidity to ensure it is always available when and where required, taking into account regulatory, legal and other constraints. The PRA has granted a permission for NWB Plc, RBS plc and Coutts & Co to apply the requirements in the Liquidity Parts of CRR (inc LCR and NSFR) as a single liquidity sub-group (the UK DoLSub). Following the implementation of ring-fencing legislation, liquidity is no longer considered fully fungible across NatWest Group and principal liquidity portfolios are maintained in the UK DoLSub (primarily in NWB Plc), UBIDAC, NWM Plc, RBSI and NWM N.V. All legal entities within NatWest Group are managed to all relevant local regulatory requirements as well as within internally defined risk appetites. All legal entities, including RBSH N.V. within NatWest Group are subject to the Group Liquidity and Funding Policies.

Scope and nature of liquidity risk reporting and measurement systems

Regulatory and Risk Reporting and Control has overall accountability for the accurate and timely production of external regulatory liquidity reporting and internal liquidity management reporting. The liquidity position of NatWest Group, UK DoLSub and other material subsidiaries including RBSH N.V. is reported on a daily basis to those Executives with responsibility of the management and control of liquidity risk, and on a regular basis to ALCo and Board Risk Committee (BRC).

Defined escalation processes are in place for breach of any liquidity risk appetites or operational limits. Liquidity condition indicators are monitored daily and provide early warning indicators of potential stresses or increased vulnerability to stress events.

Policies for hedging and mitigating the liquidity risk

The Group Liquidity and Funding Risk Policy defines the requirements for the identification, assessment, management and mitigation of liquidity and funding risk. These are underpinned by a strong risk culture, risk appetites, policies, and oversight and assurance via the Three Lines of Defence model. As a key mitigant of liquidity and funding risk, NatWest Group maintains liquidity portfolios, which consist of high quality liquid assets that can be monetised in times of stress. We monitor the sufficiency of the liquidity portfolios through the risk appetites for material subsidiaries, including RBSH N.V.. The liquidity portfolios must be managed in line with investment mandates, which are approved at least annually by the Group Treasurer and entity Treasurers as applicable and set out the level of risk we are willing to take within the regulatory and internal framework.

Contingency funding plans

NatWest Group maintains integrated liquidity contingency and Recovery plans which ensure that we maintain the capabilities and capacity to identify and respond to potential or actual threats to our liquidity and funding position.

RBSH N.V. also conducts its own Recovery plan. In line with the NatWest Group's Recovery Plan, the RBSH N.V. Recovery plan is regularly reviewed, tested and approved by the RBSH N.V. Board to ensure it remains effective under a variety of scenarios in line with the requirements set out by the EBA. Key elements of the Recovery Plan include:

- A framework to facilitate early identification, monitoring and escalation of actual or potential threats to our liquidity position

- A range of credible actions to restore liquidity in stress together with clear implementation plans, execution timelines and valuations
- Clear procedures and playbooks to support the operational management of a stress, including procedures relating to decision making in stress, provision of management information, communication plans, regulatory engagement, disclosure requirements and the co-ordinated response across subsidiaries of NatWest Group.

Stress Testing

NatWest Group, including RBSH N.V., manages liquidity and funding risk over various time horizons using regulatory and internal measures.

Liquidity stress testing is undertaken to ensure that we hold sufficient liquidity resources, both in terms of size and composition, in the event of a severe but plausible stress event. Stress testing is undertaken on daily basis within the Stress Outflow Coverage (SOC) metric, which complements the regulatory LCR metric. The SOC framework covers an analysis of key vulnerabilities to which we are exposed and assessed against a balanced mix of scenarios including idiosyncratic, market-wide, and combined scenarios over a three month time horizon, referencing both historic and hypothetical stress events. Scenarios, assumptions and methodologies are selected and reviewed at least annually as part of the ILAAP process. All parameters used in the calculations are subject to review and challenge from second line of defence and approved by the appropriate governance committees.

In addition to SOC, RBSH N.V. executes the Survival Period metric, consisting of a combined scenario with a 12-month time horizon. The related scenarios, assumptions and methodologies are reviewed at least annually as part of the ILAAP process.

EU LIQA: Liquidity risk management continued

All parameters used in the calculations are subject to review and challenge from second line of defence and approved by the appropriate governance committees.

Funding stress testing is undertaken to assess longer term pressures on funding and the stability of the funding base. A range of scenarios is identified to test the risks and vulnerabilities to the funding plan. The funding plan sets out RBSH N.V. medium-and long-term obligations to ensure they are adequately met with a range of diverse funding sources.

In addition, horizon risks are assessed on an ongoing basis, in order to proactively identify any changes in customer behaviour and to ensure effective monitoring of controls is in place.

Finally, NatWest Group's conduct enterprise-wide stress testing of which liquidity and funding are sub-components. This broad view provides us with an understanding of the full range of impacts and highlights the interplay between risk disciplines including capital and liquidity.

Adequacy of liquidity risk management arrangements

NatWest Group plc Board confirm the adequacy of our liquidity risk management arrangements, including systems and controls, annually via the ILAAP. The ILAAP details NatWest Group's approach to the identification, measurement and management of liquidity and funding risk and the formulation

of the funding plan and is subsequently submitted to the PRA. The Boards of relevant legal entities, including RBSH N.V. approve their own ILAAPs on the same basis. RBSH N.V. subsequently submits the RBSH N.V. ILAAP to the ECB.

Management statement on liquidity risk profile

- NatWest Group and its subgroups hold sufficient liquidity, in respect of quantity and quality, to cover their business risks, maintain the continuity of their operations on an ongoing basis and support their planned business strategy.
- The Group's liquidity and funding strategy is to ensure that there are (i) sufficient liquid reserves to cover severe but plausible stresses; (ii) there are credible recovery options to execute in the event of such stresses, (iii) a stable and diversified funding base.
- The liquidity and funding risk appetite qualitative statement supports intelligent risk-taking aligned to the Group's strategy and purpose. The qualitative statement articulates the nature and level of liquidity and funding risk the Group is willing to take in order to pursue strategic and business objectives.
- The qualitative statement is underpinned by quantitative limits and triggers against specific liquidity and funding risk appetite measures appetites (including regulatory measures like the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), and supporting operational limits.
- Liquidity risk is further assessed within the Internal Liquidity Adequacy Assessment Process (ILAAP) which includes a range of internally assessed stress testing scenarios.

EU LIQB: Qualitative information on LCR

LCR inputs & results

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

The spot LCR ratio for 31 December 2024 is 247.2 % (30 September 2024 – 272.7%).

Concentration of funding sources

RBS N.V. covers its funding requirements with secured and unsecured wholesale funding from a wide depositor and investor base. In addition to secured and unsecured funding sources, funding is also provided by short positions, derivative cash collateral and capital instruments (downstream by NatWest Group plc)

Wholesale unsecured funding includes a range of products including but not limited to bank deposits, commercial paper (CP), medium-term notes (MTN). Deposits, CP have tenors typically less than a year and are accepted from various corporate counterparties and financial institutions. MTN issuance can be done through both public benchmark transactions and smaller private placements, and typically has a tenor beyond a year.

The primary risk to funding stability is refinancing, the ability to replace maturing funding with new or rolled transactions. The risk is mitigated through diversification to prevent

concentrations and mismatches in the funding profile. RBSH N.V. monitors and manages funding concentration risk across tenors, counterparties, products and markets.

Liquidity buffer composition

HQLA (€7.3n) is primarily held in Level 1 cash and central bank reserves (84%) and Level 1 high quality securities (13%). Level 2 securities account for (3)%.

Derivative exposures and potential collateral calls

RBSH N.V. actively manages its derivative exposures and potential calls, including both due collateral and excess collateral with derivative outflows under stress are captured under the Historical Look-Back Approach which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a 3-notch downgrade of the NWM N.V. credit rating are also captured, RBSH N.V. is the parent entity and therefore does not have its own standalone rating.

Currency mismatch in the LCR

The LCR is calculated for euro, US dollar and sterling, which have been identified as significant currencies (having liabilities greater than, or equal to, 5% of total group liabilities excluding regulatory capital and off-balance sheet liabilities) in accordance with the LCR Delegated Regulation (EU) 2015/61. RBSH N.V. manages currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.

Annex XV: Credit risk quality

EU 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 2024	€m	€m	€m	€m	€m	€m	€m	€m
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	-	-	-	-	-	-	-	-
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-
060 Non-financial corporations	-	-	-	-	-	-	-	-
070 Households	-	-	-	-	-	-	-	-
080 Debt securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 Total	-	-	-	-	-	-	-	-

	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 2023	€m	€m	€m	€m	€m	€m	€m	€m
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	23	-	-	-	-	-	19	-
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-
060 Non-financial corporations	23	-	-	-	-	-	19	-
070 Households	-	-	-	-	-	-	-	-
080 Debt securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 Total	23	-	-	-	-	-	19	-

(1) Exposures classified as held-for-trading are excluded from the table in accordance with FINREP definitions.

EU 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	Of which: Not past due or past due ≤ 30 days	Of which: Past due > 30 days ≤ 90 days	Non-performing exposures	Of which: Unlikely to pay that are not past due or are past due ≤ 90 days	Of which: Past due > 90 days ≤ 180 days	Of which: Past due > 180 days ≤ 1 year	Of which: Past due > 1 year ≤ 2 years	Of which: Past due > 2 years ≤ 5 years	Of which: Past due > 5 years ≤ 7 years	Of which: 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	6,385	6,385	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	1,842	1,842	-	34	34	-	-	-	-	-	-	34
020 Central banks	400	400	-	-	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	66	66	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	897	897	-	-	-	-	-	-	-	-	-	-
060 Non-financial corporations	479	479	-	34	34	-	-	-	-	-	-	34
070 Of which: SMEs	-	-	-	-	-	-	-	-	-	-	-	-
080 Households	-	-	-	-	-	-	-	-	-	-	-	-
090 Debt securities	2,106	2,106	-	-	-	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	519	519	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	71	71	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	1,420	1,420	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	96	96	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	7,528			-								-
160 Central banks	-			-								-
170 General governments	-			-								-
180 Credit institutions	712			-								-
190 Other financial corporations	430			-								-
200 Non-financial corporations	6,386			-								-
210 Households	-			-								-
220 Total	17,861	10,333	-	34	34	-	-	-	-	-	-	34

EU 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											
		<i>Of which:</i>	<i>Of which:</i>		<i>Of which:</i>	<i>Of which:</i>	<i>Of which:</i>	<i>Of which:</i>	<i>Of which:</i>	<i>Of which:</i>	<i>Of which:</i>	
	Performing	<i>Not past due or</i>	<i>Past due</i>	Non-	<i>Unlikely to pay</i>	<i>Past due</i>	<i>Past due</i>	<i>Past due</i>	<i>Past due</i>	<i>Past due</i>	<i>Past due</i>	<i>Of which:</i>
	exposures	<i>past due</i>	<i>> 30 days</i>	performing	<i>that are not past</i>	<i>> 90 days</i>	<i>> 180 days</i>	<i>> 1 year</i>	<i>> 2 years</i>	<i>> 5 years</i>	<i>> 7 years</i>	<i>Defaulted</i>
	€m	≤ 30 days	≤ 90 days	exposures	due or are past	≤ 180 days	≤ 1 year	≤ 2 years	≤ 5 years	≤ 7 years	> 7 years	€m
31 December 2023												
005 Cash balances at central banks and other demand deposits	6,201	6,201	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	1,935	1,912	23	-	-	-	-	-	-	-	-	-
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	398	398	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	943	943	-	-	-	-	-	-	-	-	-	-
060 Non-financial corporations	594	571	23	-	-	-	-	-	-	-	-	-
070 Of which: SMEs	-	-	-	-	-	-	-	-	-	-	-	-
080 Households	-	-	-	-	-	-	-	-	-	-	-	-
090 Debt securities	2,542	2,542	-	-	-	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	338	338	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	2,146	2,146	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	58	58	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	7,557			-								-
160 Central banks	-			-								-
170 General governments	-			-								-
180 Credit institutions	748			-								-
190 Other financial corporations	613			-								-
200 Non-financial corporations	6,196			-								-
210 Households	-			-								-
220 Total	18,235	10,655	23	-	-	-	-	-	-	-	-	-

(1) Exposures classified as held-for-trading are excluded from the table in accordance with FINREP definitions.

EU CQ4: Quality of performing and non-performing exposures by geography

The table below shows gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions and accumulated change in fair value due to credit risk by geography. Geographical analysis is based on the country of operation of the customer.

	a	b	c	d	e	f	g
	Gross carrying/ nominal amount €m	Of which: non-performing €m	Of which: defaulted €m	Of which: subject to impairment €m	Accumulated impairment €m	Provisions on off-balance-sheet commitments and financial guarantees given €m	Accumulated negative changes in fair value due to credit risk on non-performing exposures €m
31 December 2024							
010 On-balance sheet exposures	3,982	34	34	3,105	(7)	-	-
020 <i>UK</i>	140	-	-	128	-	-	-
030 <i>Rol</i>	459	-	-	459	-	-	-
040 <i>Other Western Europe</i>	2,914	34	34	2,099	(6)	-	-
050 <i>US</i>	310	-	-	310	(1)	-	-
060 <i>Other countries</i>	159	-	-	109	-	-	-
070 Off-balance sheet exposures	7,528	-	-	-	-	(1)	-
080 <i>UK</i>	79	-	-	-	-	(1)	-
090 <i>Rol</i>	-	-	-	-	-	-	-
100 <i>Other Western Europe</i>	7,378	-	-	-	-	-	-
110 <i>US</i>	71	-	-	-	-	-	-
120 <i>Other countries</i>	-	-	-	-	-	-	-
130 Total	11,510	34	34	3,105	(7)	(1)	-

EU CQ4: Quality of performing and non-performing exposures by geography continued

	a	b	c	d	e	f	g
	Gross carrying/ nominal amount €m	Of which: non-performing €m	Of which: defaulted €m	Of which: subject to impairment €m	Accumulated impairment €m	Provisions on off-balance-sheet commitments and financial guarantees given €m	Accumulated negative changes in fair value due to credit risk on non-performing exposures €m
31 December 2023							
010 On-balance sheet exposures	4,477	-	-	3,595	(8)	-	-
020 <i>UK</i>	531	-	-	240	-	-	-
030 <i>Rol</i>	386	-	-	386	-	-	-
040 <i>Other Western Europe</i>	3,109	-	-	2,544	(7)	-	-
050 <i>US</i>	421	-	-	395	(1)	-	-
060 <i>Other countries</i>	30	-	-	30	-	-	-
070 Off-balance sheet exposures	7,557	-	-	-	-	(1)	-
080 <i>UK</i>	141	-	-	-	-	-	-
090 <i>Rol</i>	12	-	-	-	-	-	-
100 <i>Other Western Europe</i>	7,310	-	-	-	-	(1)	-
110 <i>US</i>	94	-	-	-	-	-	-
120 <i>Other countries</i>	-	-	-	-	-	-	-
130 Total	12,034	-	-	3,595	(8)	(1)	-

(1) The geographical breakdown disclosed is based on combined on and off-balance sheet exposures and represent 99% of total exposure.

(2) Exposures classified as held-for-trading are excluded from the table in accordance with FINREP definitions. Cash balances at central banks and other demand deposits are also excluded.

EU 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 2024						
010 Agriculture, forestry and fishing	-	-	-	-	-	-
020 Mining and quarrying	-	-	-	-	-	-
030 Manufacturing	94	-	-	94	(1)	-
040 Electricity, gas, steam and air conditioning supply	126	-	-	95	-	-
050 Water supply	4	-	-	4	-	-
060 Construction	2	-	-	2	-	-
070 Wholesale and retail trade	17	-	-	17	-	-
080 Transport and storage	69	-	-	69	-	-
090 Accommodation and food service activities	1	-	-	1	-	-
100 Information and communication	60	-	-	60	(1)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	21	-	-	21	-	-
130 Professional, scientific and technical activities	42	-	-	42	(1)	-
140 Administrative and support service activities	48	34	34	48	(2)	-
150 Public administration and defence, compulsory social security	-	-	-	-	-	-
160 Education	4	-	-	4	-	-
170 Human health services and social work activities	23	-	-	23	-	-
180 Arts, entertainment and recreation	2	-	-	2	-	-
190 Other services	-	-	-	-	-	-
200 Total	513	34	34	482	(5)	-

EU 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 2023	€m	€m	€m	€m	€m	€m
010 Agriculture, forestry and fishing	1	-	-	1	-	-
020 Mining and quarrying	-	-	-	-	-	-
030 Manufacturing	141	-	-	141	(3)	-
040 Electricity, gas, steam and air conditioning supply	130	-	-	130	-	-
050 Water supply	20	-	-	20	-	-
060 Construction	2	-	-	2	-	-
070 Wholesale and retail trade	23	-	-	23	-	-
080 Transport and storage	67	-	-	67	-	-
090 Accommodation and food service activities	1	-	-	1	-	-
100 Information and communication	57	-	-	57	(1)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	26	-	-	26	-	-
130 Professional, scientific and technical activities	44	-	-	44	(1)	-
140 Administrative and support service activities	35	-	-	35	-	-
150 Public administration and defence, compulsory social security	-	-	-	-	-	-
160 Education	9	-	-	9	-	-
170 Human health services and social work activities	36	-	-	36	(1)	-
180 Arts, entertainment and recreation	2	-	-	2	-	-
190 Other services	-	-	-	-	-	-
200 Total	594	-	-	594	(6)	-

(1) Exposures classified as held-for-trading are excluded from the table in accordance with FINREP definitions.

EU 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 guarantees received	
	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3		On performing exposures	On non-performing exposures
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
005 Cash balances at central banks and other demand deposits	6,385	6,384	1	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	1,842	1,725	117	34	-	34	(5)	(3)	(2)	(1)	-	(1)	-	257	-
020 Central banks	400	400	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	66	66	-	-	-	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	897	845	52	-	-	-	(1)	(1)	-	-	-	-	-	2	-
060 Non-financial corporations	479	414	65	34	-	34	(4)	(2)	(2)	(1)	-	(1)	-	255	-
070 Of which: SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080 Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090 Debt securities	2,106	2,104	2	-	-	-	(1)	(1)	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	519	519	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	71	71	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	1,420	1,420	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
140 Non-financial corporations	96	94	2	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	7,528	7,455	73	-	-	-	(1)	(1)	-	-	-	-	-	958	-
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Credit institutions	712	712	-	-	-	-	-	-	-	-	-	-	-	512	-
190 Other financial corporations	430	414	16	-	-	-	-	-	-	-	-	-	-	-	-
200 Non-financial corporations	6,386	6,329	57	-	-	-	(1)	(1)	-	-	-	-	-	446	-
210 Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220 Total	17,861	17,668	193	34	-	34	(7)	(5)	(2)	(1)	-	(1)	-	1,215	-

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

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral and financial guarantees received		
	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
31 December 2023	€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	6,201	6,200	1	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	1,935	1,795	140	-	-	-	(6)	(4)	(2)	-	-	-	-	286	-
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	398	397	1	-	-	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	943	942	1	-	-	-	-	-	-	-	-	-	-	2	-
060 Non-financial corporations	594	456	138	-	-	-	(6)	(4)	(2)	-	-	-	-	284	-
070 Of which: SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080 Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090 Debt securities	2,542	2,542	-	-	-	-	(2)	(2)	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	338	338	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	2,146	2,146	-	-	-	-	(2)	(2)	-	-	-	-	-	-	-
140 Non-financial corporations	58	58	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	7,557	7,516	41	-	-	-	(1)	(1)	-	-	-	-	-	1,354	-
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Credit institutions	748	748	-	-	-	-	-	-	-	-	-	-	-	508	-
190 Other financial corporations	613	613	-	-	-	-	-	-	-	-	-	-	-	240	-
200 Non-financial corporations	6,196	6,155	41	-	-	-	(1)	(1)	-	-	-	-	-	606	-
210 Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220 Total	18,235	18,053	182	-	-	-	(9)	(7)	(2)	-	-	-	-	1,640	-

(1) The gross non-performing loan ratio for RBSH NV is 1.81% (2023 – nil). Cash balances at central banks and other demand deposits were excluded from the ratio calculation

(2) Exposures classified as held-for-trading are excluded from the table in accordance with FINREP definitions.

EU CR1-A: Maturity of exposures

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

	a	b	c	d	e	f
	Net exposure value					
	On demand	<= 1 year	<= 5 years	> 5 years	No stated maturity	Total
	€m	€m	€m	€m	€m	€m
31 December 2024						
1 Loans and advances	879	500	401	90	-	1,870
2 Debt securities	-	528	119	1,458	-	2,105
3 Total	879	1,028	520	1,548	-	3,975

	a	b	c	d	e	f
	Net exposure value					
	On demand	<= 1 year	<= 5 years	> 5 years	No stated maturity	Total
	€m	€m	€m	€m	€m	€m
31 December 2023						
1 Loans and advances	883	372	622	52	-	1,929
2 Debt securities	-	357	158	2,025	-	2,540
3 Total	883	729	780	2,077	-	4,469

(1) Exposures classified as held-for-trading are excluded in accordance with FINREP definitions. Cash balances at central banks and other demand deposits are also excluded.

EU 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 2024	-
020 Inflows to non-performing portfolios	34
030 Outflows from non-performing portfolios	-
040 Outflows due to write-offs	-
050 Outflow due to other situations	-
060 Final stock of non-performing loans and advances at 31 December 2024	34

(1) Exposures classified as held-for-trading are excluded from the table in accordance with FINREP definitions.

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

All credit grades map to an asset quality (AQ) scale, used for financial reporting. This AQ scale is based on Basel probability of defaults. Performing loans are defined as AQ1-AQ9 (where the probability of default (PD) is less than 100%) and defaulted non-performing loans as AQ10 or Stage 3 under IFRS 9 (where the PD is 100%). Loans are defined as defaulted when the payment status becomes 90 days past due, or earlier if there is clear evidence that the borrower is unlikely to repay, for example bankruptcy or insolvency.

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. RBSH N.V. IFRS 9 provisioning models, which use existing internal ratings based (IRB) models as a starting point, incorporate term structures and forward-looking information. Regulatory conservatism within the IRB models has been removed as appropriate to comply with the IFRS 9 requirement for unbiased ECL estimates.

Five key areas may materially influence the measurement of credit impairment under IFRS 9 – two of these relate to model build and three relate to model application:

Model build:

- The determination of economic indicators that have most influence on credit loss for each portfolio and the severity of impact (this leverages existing stress testing models which are reviewed annually).
- The build of term structures to extend the determination of the risk of loss beyond 12 months that will influence the impact of lifetime loss for exposures in Stage 2.

Model application:

- The assessment of the SICR and the formation of a framework capable of consistent application.
- The determination of asset lifetimes that reflect behavioural characteristics while also representing management actions and processes (using historical data and experience).
- The choice of forward-looking economic scenarios and their respective probability weights.

IFRS 9 ECL model design principles

Modelling of ECL for IFRS 9 follows the conventional approach to divide the estimation of credit losses into its component parts of PD, LGD and EAD.

To meet IFRS 9 requirements, the PD, LGD and EAD parameters differ from their Pillar 1 IRB counterparts in the following aspects:

- **Unbiased** – material regulatory conservatism has been removed from IFRS 9 parameters to produce unbiased estimates.
- **Point-in-time** – IFRS 9 parameters reflect actual economic conditions at the reporting date instead of long-run average or downturn conditions.
- **Economic forecasts** – IFRS 9 PD estimates and, where appropriate, EAD and LGD estimates reflect forward-looking economic conditions.
- **Lifetime measurement** – IFRS 9 PD, LGD and EAD are provided as multi-period term structures up to exposure lifetimes instead of over a fixed one-year horizon.

IFRS 9 requires that at each reporting date, an entity shall assess whether the credit risk on an account has increased significantly since initial recognition. Part of this assessment requires a comparison to be made between the current lifetime PD (i.e. the PD over the remaining lifetime at the reporting date) and the equivalent lifetime PD as determined at the date of initial recognition. For assets originated before IFRS 9 was introduced, comparable lifetime origination PDs did not exist. These have been retrospectively created using the relevant model inputs applicable at initial recognition.

PD estimates

PD models follow a discrete multi-horizon survival approach, predicting quarterly PDs up to lifetime at account level, with a key driver being scores from related IRB PD models. Forward-looking economic information is brought in by economic response models, which leverage the existing stress test model suite. The current suite of PD models was introduced in 2022 replacing the previous, first-generation models to remediate a range of model weaknesses.

LGD estimates

The general approach for the IFRS 9 LGD models is to leverage corresponding Basel IRB models with bespoke adjustments to ensure estimates are unbiased and, where relevant, forward-looking.

Forward-looking economic information is incorporated into LGD estimates using the existing point-in-time/through-the-cycle framework. For low default portfolios, including sovereigns and banks, loss data is too scarce to substantiate estimates that vary with economic conditions. Consequently, for these portfolios, LGD estimates are assumed to be constant throughout the projection horizon.

EAD estimates

EAD values are projected using product specific credit conversion factors (CCFs), closely following the product segmentation and approach of the respective IRB model. However, the CCFs are estimated over multi-year time horizons and contain no regulatory conservatism or downturn assumptions.

No explicit forward-looking information is incorporated, on the basis of analysis showing the temporal variation in CCFs is mainly attributable to changes in exposure management practices rather than economic conditions.

EU CRB: Additional disclosure related to the credit quality of assets continued

Governance and post model adjustments

The IFRS 9 PD, EAD and LGD models are subject to RBSH N.V.'s model risk policy that stipulates periodic model monitoring, periodic re-validation and defines approval procedures and authorities according to model materiality. Various post model adjustments were applied where management judged they were necessary to ensure an adequate level of overall ECL provision. All post model adjustments were subject to review, challenge and approval through model or provisioning committees.

Post model adjustments will remain a key focus area of RBSH N.V.'s ongoing ECL adequacy assessment process. A holistic framework has been established including reviewing a range of economic data, external benchmark information and portfolio performance trends with a particular focus on segments of the portfolio (both commercial and consumer) that are likely to be more susceptible to high inflation, high interest rates and supply chain disruption.

Significant increase in credit risk (SICR)

Exposures that are considered significantly credit deteriorated since initial recognition are classified in Stage 2 and assessed for lifetime ECL measurement (exposures not considered deteriorated carry a 12 month ECL). RBSH N.V. has adopted a framework to identify deterioration based primarily on relative movements in lifetime PD supported by additional qualitative backstops. The principles applied are consistent across RBSH N.V. and align to credit risk management practices, where appropriate.

The framework comprises the following elements:

- **IFRS 9 lifetime PD assessment (the primary driver)** – on modelled portfolios, the assessment is based on the relative deterioration in forward-looking lifetime PD and is assessed monthly. To assess whether credit deterioration has occurred, the residual lifetime PD at balance sheet date (which PD is established at date of initial recognition (DOIR)) is compared to the current PD. If the current lifetime PD exceeds the residual origination PD by more than a threshold amount, deterioration is assumed to have occurred and the exposure transferred into Stage 2 for a lifetime loss assessment. In broad terms, a doubling of PD would indicate a SICR. However, the PD uplift must be at least 0.1%.
- **Qualitative high-risk backstops** – the PD assessment is complemented with the use of qualitative high-risk backstops to further inform whether significant deterioration in lifetime risk of default has occurred. The qualitative high-risk backstop assessment includes the use of the mandatory 30+ days past due backstop, as prescribed by IFRS 9 guidance, and other features such as forbearance support and exposures managed within the Wholesale Problem Debt Management framework.

The criteria are based on a significant amount of empirical analysis and seek to meet three key objectives:

- **Criteria effectiveness** – the criteria should be effective in identifying significant credit deterioration and prospective default population.
- **Stage 2 stability** – the criteria should not introduce unnecessary volatility in the Stage 2 population.
- **Portfolio analysis** – the criteria should produce results which are intuitive when reported as part of the wider credit portfolio.

Annex XVII: Credit risk mitigation techniques

EU 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 2024						
1	Loans and advances	7,923	332	-	257	-
2	Debt securities	2,105	-	-	-	-
3	Total	10,028	332	-	257	-
4	<i>Of which: non-performing exposures</i>	34	-	-	-	-
EU-5	<i>Of which: defaulted</i>	34	-	-	-	-

		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 2023						
1	Loans and advances	7,776	354	-	286	-
2	Debt securities	2,540	-	-	-	-
3	Total	10,316	354	-	286	-
4	<i>Of which: non-performing exposures</i>	-	-	-	-	-
EU-5	<i>Of which: defaulted</i>	-	-	-	-	-

(1) Exposures classified as held-for-trading are excluded in accordance with FINREP definitions and Basel disclosure requirements.

EU 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 RBSH N.V.. 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.

RBSH N.V. uses a number of credit risk mitigation approaches. Mitigation techniques, as set out in the appropriate credit risk toolkits and transactional acceptance standards, are used in the management of credit portfolios across RBSH N.V.. These techniques mitigate credit concentrations in relation to an individual customer, a borrower group or a collection of related borrowers.

One of the commonly used CRM is funded (cash collateralised) guarantees provided by other NatWest Group entities, typically the direct parent entity.

Where possible, customer credit balances are netted against obligations. Mitigation tools can include structuring a security interest in a physical or financial asset, the use of credit derivatives including credit default swaps, credit-linked debt instruments and securitisation structures, and the use of guarantees and similar instruments (for example, credit insurance) from related and third parties. When seeking to mitigate risk, at a minimum RBSH N.V. 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. RBSH N.V. 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.

RBSH N.V. mitigates credit risk relating to 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 for RBSH N.V. are:

- Funded guarantees provided by other NatWest Group entities, typically the parent entity.
- Credit insurance.
- On a limited basis – other physical assets – including stock, plant, equipment, machinery, vehicles, ships and aircraft. Such assets are suitable collateral only if RBSH N.V. can identify, locate, and segregate them from other assets on which it does not have a claim. RBSH N.V. 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 RBSH N.V.'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.
- On a limited and look through basis for immaterial securitisation positions – commercial real estate. These are tradeable bonds, rated AA/AAA and ECB eligible collateral.

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

Annex XIX: Use of standardised approach

EU 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 before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWAs	RWAs density
		€m	€m	€m	€m	€m	%
31 December 2024							
1	Central governments or central banks	6,674	-	6,674	527	-	-
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	102	-	102	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	235	730	235	119	123	35
7	Corporates	516	675	516	313	692	83
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	102	-	102	-	256	250
16	Other items	43	-	43	-	28	65
17	Total	7,672	1,405	7,672	959	1,099	13

		a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWAs	RWAs density
		€m	€m	€m	€m	€m	%
31 December 2023							
1	Central governments or central banks	6,317	-	6,317	508	-	-
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	317	745	334	137	166	35
7	Corporates	416	572	399	286	580	85
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	130	-	130	-	327	251
16	Other items	40	-	40	-	38	96
17	Total	7,220	1,317	7,220	931	1,111	14

Annex XXI: Use of IRB approach to credit risk

EU CR7: IRB approach – Effect on the RWEAs 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 2024	
		a	b
		Pre-credit derivatives RWAs	Actual RWAs
		€m	€m
5	Exposures under AIRB	1,008	1,008
6	Central governments and central banks	-	-
7	Institutions	-	-
8	Corporates	1,008	1,008
8.1	Of which: SME	-	-
8.2	Of which: specialised lending	-	-
8.3	Of which: Other	1,008	1,008
9	Retail	-	-
9.1	Of which: secured by real estate SME - secured by immovable property collateral	-	-
9.2	Of which: secured by real estate non-SME - secured by immovable property collateral	-	-
9.3	Of which: qualifying revolving	-	-
9.4	Of which: other SMEs	-	-
9.5	Of which: other non-SME	-	-
10	Total	1,008	1,008

		31 December 2023	
		a	b
		Pre-credit derivatives RWAs	Actual RWAs
		€m	€m
5	Exposures under AIRB	1,051	1,051
6	Central governments and central banks	-	-
7	Institutions	-	-
8	Corporates	1,051	1,051
8.1	Of which: SME	-	-
8.2	Of which: specialised lending	-	-
8.3	Of which: Other	1,051	1,051
9	Retail	-	-
9.1	Of which: secured by real estate SME - secured by immovable property collateral	-	-
9.2	Of which: secured by real estate non-SME - secured by immovable property collateral	-	-
9.3	Of which: qualifying revolving	-	-
9.4	Of which: other SMEs	-	-
9.5	Of which: other non-SME	-	-
10	Total	1,051	1,051

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

		Credit risk mitigation techniques												Credit risk mitigation methods in the calculation of RWAs								
		Funded credit protection (FCP)									Unfunded credit protection (UFCP)											
				Part of exposures covered by		Part of exposures covered by		Part of exposures covered by		Part of exposures covered by												
				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						
Total exposures																						
		€m	%	%	%	%	%	%	%	%	%	%										
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
3	Corporates	2,971	-	13	13	-	-	-	-	-	-	4	-	1,008	1,008							
3.1	Of which: SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
3.2	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
3.3	Of which: other	2,971	-	13	13	-	-	-	-	-	-	4	-	1,008	1,008							
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
4.1	Of which: immovable property SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
4.2	Of which: immovable property non-SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
4.3	Of which: qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
4.4	Of which: other SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
4.5	Of which: other non-SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
5	Total	2,971	-	13	13	-	-	-	-	-	-	4	-	1,008	1,008							

EU 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		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	RWEA with substitution effects both reduction and substitution effects	RWEA without substitution effects only	
					immovable property	Part of exposures covered by receivables			covered by physical collaterals	exposures covered by life insurance policies					exposures covered by instruments held by a third party
31 December 2024		€m	%	%	%	%	%	%	%	%	%	%	€m	€m	
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
6	Specialised lending under the slotting approach	20	-	-	-	-	-	-	-	-	--	-	-	10	10
7	Equity Exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	

EU 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 €m	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 %	RWEA with substitution effects both reduction and substitution effects €m	RWEA without substitution effects only €m
31 December 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporates	3,103	-	13	13	-	-	-	-	-	-	6	3	1,051	1,051
3.1	Of which: SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	Of which: other	3,103	-	13	13	-	-	-	-	-	-	6	3	1,051	1,051
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Of which: immovable property SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Of which: immovable property non-SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.3	Of which: qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4	Of which: other SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	Of which: other non-SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Total	3,103	-	13	13	-	-	-	-	-	-	6	3	1,051	1,051

EU 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	%	%	%	%	%	%	%	%	%	%	€m	€m	
31 December 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n
6	Specialised lending under the slotting approach	28	-	-	-	-	-	-	-	-	--	-	-	15	15
7	Equity Exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annex XXIII: Specialised lending

EU CR10: Specialised lending exposures

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

		31 December 2024					
		a	b	c	d	e	f
		Specialised lending: project finance (slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure €m	Off-balance sheet exposure €m	Risk-weight %	Exposure value €m	Risk-weighted exposure amount €m	Expected loss amount €m
Category 1	Less than 2.5 years	40	-	50	40	20	-
	Equal to or more than 2.5 years	31	-	70	31	21	0
Category 2	Less than 2.5 years	8	-	70	8	5	0
	Equal to or more than 2.5 years	4	-	90	4	2	0
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	48	-	-	48	25	0
	Equal to or more than 2.5 years	35	-	-	35	23	0

		31 December 2023					
		a	b	c	d	e	f
		Specialised lending: project finance (slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure €m	Off-balance sheet exposure €m	Risk-weight %	Exposure value €m	Risk-weighted exposure amount €m	Expected loss amount €m
Category 1	Less than 2.5 years	39	-	50	39	20	-
	Equal to or more than 2.5 years	21	-	70	21	14	-
Category 2	Less than 2.5 years	15	-	70	15	10	-
	Equal to or more than 2.5 years	4	3	90	7	5	-
Category 3	Less than 2.5 years	-	-	115	-	-	-
	Equal to or more than 2.5 years	-	-	115	-	-	-
Category 4	Less than 2.5 years	0	-	250	-	-	-
	Equal to or more than 2.5 years	2	-	250	2	5	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	54	-	-	54	30	-
	Equal to or more than 2.5 years	27	3	-	30	24	-

EU CR10: Specialised lending exposures continued

		31 December 2024					
		a	b	c	d	e	f
		Specialised lending: income-producing real estate and high volatility					
		commercial real estate (slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure €m	Off-balance sheet exposure €m	Risk-weight %	Exposure value €m	Risk-weighted exposure amount €m	Expected loss amount €m
Category 1	Less than 2.5 years	20	-	50	20	10	-
	Equal to or more than 2.5 years	-	-	70	-	-	-
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	-	-	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	20	-	-	20	10	-
	Equal to or more than 2.5 years	-	-	-	-	-	-

		31 December 2023					
		a	b	c	d	e	f
		Specialised lending: income-producing real estate and high volatility					
		commercial real estate (slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure €m	Off-balance sheet exposure €m	Risk-weight %	Exposure value €m	Risk-weighted exposure amount €m	Expected loss amount €m
Category 1	Less than 2.5 years	20	-	50	20	10	-
	Equal to or more than 2.5 years	-	-	70	-	-	-
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	-	-	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	-	-	-	0	0	-
Total	Less than 2.5 years	20	-	-	20	10	-
	Equal to or more than 2.5 years	-	-	-	-	-	-

Annex XXXIII: Remuneration

This section contains disclosures which are required in accordance with EU 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 starting on page 126 of the NatWest Group 2024 ARA.

EU REM A - Remuneration policy for all colleagues

RBS Holdings N.V. (RBSH NV) is an indirectly owned subsidiary of NatWest Group. Its remuneration policy and that of its subsidiary undertakings; NatWest Markets N.V. (NWM NV) and RBS International Depositary Services S.A (RBSI DS) which these disclosures relate to are fully aligned to NatWest Group's remuneration policy principles; with amendments to comply with country specific regulatory requirements.

The remuneration policy supports the business strategy and is designed to promote the long-term success of NatWest Group. It aims to reward the delivery of good performance provided this is achieved in a manner consistent with NatWest Group values and within acceptable risk parameters.

The remuneration policy applies the same principles to everyone, including Material Risk Takers (MRTs), with some minor adjustments where necessary to comply with relevant country specific regulatory requirements. The main elements of the policy are set out below.

Base salary

The purpose is to provide a competitive level of fixed cash remuneration.

Operation

We review base salaries annually to ensure they reflect the talents, skills and competencies the individual brings to the business.

Role-based allowance

Certain MRT roles receive role-based allowances. The purpose is to provide fixed pay that reflects the skills and experience required for the role.

Operation

Role-based allowances are fixed allowances which form an element of overall fixed remuneration for regulatory purposes. They are based on the role the individual performs.

They are delivered in cash and/or shares depending on the level of the allowance and the seniority of the recipient. Shares are subject to a minimum three-year retention period.

Benefits and pension

The purpose is to provide a range of flexible and competitive benefits.

Operation

In most jurisdictions, benefits or a cash equivalent are provided from a flexible benefits account. Pension funding forms part of fixed remuneration and NatWest Group does not provide discretionary pension benefits.

Annual bonus

The purpose is to support a culture where individuals are rewarded for the delivery of superior performance, taking into account NatWest Group's strategic objectives and purpose. All employees are in scope to be considered for an annual bonus, including MRTs, the executive directors and members and attendees of NatWest Group's senior executive committees, as it is appropriate for them to have some pay at risk if performance is not at the required level.

Operation

The annual bonus pool is based on a balanced scorecard of measures including: financial performance; customer outcomes; people, culture and diversity; risk management; risk events; and progress against our climate and purpose ambitions. Allocation from the pool depends on the performance of the business area and the individual.

We use a continuous performance management framework to support individual performance assessment. We use a balanced business scorecard to align goal setting with the business strategy and regular check ins to track and assess performance. This approach is designed to assess performance against longer-term business requirements across a range of financial and non-financial metrics. It also evaluates adherence to internal controls and risk management. Performance assessments also include behaviours aligned to the Group's culture which are aligned to each colleague's job.

We also take risk and conduct performance into account. Control functions are assessed independently of the business units that they oversee. Performance goals and remuneration are set according to the priorities of the control area, not the targets of the businesses they support. The Group Chief Risk Officer and the Group Chief Audit Executive have the authority to escalate matters to Board level if management do not respond appropriately.

In respect of the 2024 performance year, most colleagues were granted awards up to a maximum of 100% of fixed pay. However, the overall ratio of variable to fixed pay will differ to comply with country specific regulatory requirements.

For awards made in respect of the 2024 performance year, immediate cash awards continue to be limited to a maximum of £2,000. In line with regulatory requirements, for MRTs, 40% of awards under £500,000 will be deferred over four, five or seven years. This rises to 60% for awards over £500,000. For MRTs, a minimum of 50% of any variable pay is delivered in shares and a 12-month retention period applies to the shares after vesting. All awards are subject to malus and clawback provisions. Although quantitative criteria are stated in GBP above, the criteria for European entities is applied based on local currency equivalent.

Guaranteed awards may only be granted for new hires in exceptional circumstances in compensation for awards forgone at their previous company and are limited to first year of service. NatWest Group does not offer sign-on awards. Retention awards are only used in truly exceptional circumstances such as major restructuring and where the individual is a 'flight risk' and is viewed as critical to the successful operation of the business or delivery of a business critical project. Whilst no performance conditions are attached to retention awards, the colleague must continue to deliver to the standard expectations of conduct, behaviour and minimum performance levels prior to the award vesting.

EU REM A - Remuneration policy for all colleagues continued

Severance payments and/or arrangements can be made to colleagues who leave NatWest Group in certain situations, including redundancy. Such payments are calculated by a predetermined formula set out within the relevant social plans, policies, agreements or local laws. Where local laws require, there is a cap on the maximum amount that can be paid.

Sharing in Success awards

Our Sharing in Success scheme for all employees (individuals eligible to participate and who remain employed by NatWest Group on the award date), is intended to drive a performance culture and further align colleagues with our strategic direction.

Operation

For 2024, we measured success based on being brilliant for our customers, underpinned by financial performance, our approach to risk and delivering value for shareholders. All colleagues are eligible to receive a Sharing in Success award, and these awards are delivered entirely in shares.

Criteria for identifying MRTs

The EBA, as well as the PRA Rulebook and FCA Handbook, have issued criteria for identifying MRT roles, which includes those staff whose activities have a material influence over NatWest Group's performance or risk profile. These criteria are both qualitative (based on the nature of the role) and quantitative (based on the amount a colleague is paid).

In 2024, MRTs were identified for 12 legal entities (including at parent, holding company and consolidated levels) within NatWest Group. The MRT criteria are applied for each of these entities, and consequently many MRTs are identified in relation to more than one entity.

The qualitative criteria can be summarised as: staff within the management body; senior management; other staff with key functional or managerial responsibilities including for risk management; and staff who individually, or as part of a Committee, have authority to approve new business products or to commit to credit risk exposures and market risk transactions above certain levels.

The quantitative criteria are: individuals earning £660,000 or more in the previous year; individuals earning less than £660,000 in the previous year, but more than a threshold set at the higher of £440,000 or the average total earnings of the management body and senior management for the relevant legal entity and who can impact the risk profile of a material business unit; and individuals in the top 0.3% of earners of the relevant legal entity for the previous year. Although quantitative criteria are stated in GBP above, the threshold for European entities is determined based on local currency equivalent. In addition to the qualitative and quantitative criteria, NatWest Group has applied its own minimum standards to identify roles that are considered to have a material influence over its risk profile.

Personal hedging strategies

The conditions attached to discretionary share-based awards prohibit the use of any personal hedging strategies to lessen the impact of a reduction in the value of such awards. Recipients explicitly acknowledge and accept these conditions when any share-based awards are granted.

Risk in the remuneration process

NatWest Group's approach to remuneration promotes effective risk management through having a clear distinction between fixed

remuneration (which reflects the role undertaken by an individual) and variable remuneration (which is directly linked to performance and can be risk-adjusted). Fixed pay is set at an appropriate level to discourage excessive risk-taking and which would allow NatWest Group to pay zero variable pay.

We achieve focus on risk through clear inclusion of risk in performance goals, performance assessments, the determination of variable pay pools, incentive plan design and the application of malus and clawback. The Group Performance and Remuneration Committee (RemCo) is supported in this by the Group Board Risk Committee (BRC) and the Risk function, as well as independent oversight by the Internal Audit function. Legal entity specific independent control functions are also involved in the remuneration process as appropriate.

We use a robust process to assess risk performance, including how risk has been managed against the appetite levels agreed by the Board. We consider a range of measures, specifically: capital; earnings stability; liquidity and funding risk; credit risk; market risk; pension risk; compliance and conduct risk; financial crime; model risk; climate risk; operational risk and reputational risk. We also consider our overall risk culture.

Remuneration arrangements are in line with regulatory requirements. We fully disclose and discuss with the regulators as appropriate.

EU REM A - Remuneration policy for all colleagues continued

Variable pay determination

For the 2024 performance year, NatWest Group operated a robust control function-led multi-step process to assess performance and determine the appropriate bonus pool by business area and function. At multiple points throughout the process, we made reference to Group-wide business performance (from both affordability and appropriateness perspectives).

The process uses: financial performance; customer outcomes; people, culture and diversity; and progress against our climate and purpose ambitions to consider a balanced scorecard of performance assessments at the level of each business area or function. We then undertake risk and control assessments at the same level to ensure performance achieved without appropriate consideration of risk, risk culture and conduct controls, is not inappropriately rewarded; and also consider the impact of any risk events.

BRC reviews risk performance and conduct events and, if appropriate, a risk modifier may be applied to the individual business and function bonus pools or to the overall bonus pool. BRC may recommend a reduction of a bonus pool if it considers that risk and conduct performance is unacceptable or that the impact of poor risk management has yet to be fully reflected in the respective inputs.

Following further review against overall performance and conduct, taking into account input from the CFO on affordability, shareholder alignment and capital and liquidity adequacy, the CEO will make a final recommendation to the RemCo, informed by all the previous steps and their strategic view of the business. The RemCo will then make an independent decision on the final bonus pool taking all of these earlier steps into account.

Bonus funding is allocated by the NatWest Group RemCo at a franchise level. The allocation of bonus funding for NWM NV starts within the NatWest Markets Plc (NWM) franchise as determined by the NWM CEO using a range of performance measures similar to those considered at NatWest Group level. The NWM NV element is reviewed by the NWM NV Performance and Remuneration Committee (NWM NV RemCo) and NWM NV Supervisory Board alongside control function assessment on performance and risk to ensure it is fit for purpose and meets capital adequacy requirements at the NWM NV level. This will then be reviewed by RBS Holdings NV Remuneration Committee (RBSH NV RemCo) who will make a recommendation to RBSH NV Supervisory Board (RBSH NV SB) who will in turn review and recommend the final bonus pool to NWM RemCo.

The allocation of bonus funding for RBSI DS starts within the RBS International (Holdings) Limited (RBSIH) franchise as determined by the RBSIH CEO and NWM NV CEO using a range of performance measures similar to those considered at NatWest Group level. The RBSI DS element is reviewed by RBSI DS Board of Directors (RBSI DS Board), alongside control function assessment on performance and risk, to ensure it is fit for purpose and meets capital adequacy requirements at RBSI DS level. This will then be reviewed and recommended by RBSH NV RemCo to RBSH NV SB who will in turn recommend the final bonus pool to RBSIH RemCo.

Remuneration and culture

NatWest Group continues to assess conduct and its impact on remuneration as part of the annual Group-wide bonus pool process and also via the accountability review framework. Many colleagues receive fixed pay only, which provides them with greater security and allows them to fully focus on the needs of the customer. The RemCo will continue to review workforce remuneration and the alignment of incentives and reward with culture.

The governance of culture is clearly laid out. Senior management function roles have clearly defined accountabilities which are taken into account in their performance and pay decisions. The Board and Sustainable Banking Committee also play essential roles in setting and overseeing the Group's culture.

Accountability review process and malus/clawback

An accountability review process allows NatWest Group to respond where new information would change our variable pay decisions made in previous years and/or the decisions to be made in the current year. The process is used to apply commensurate ex-post risk adjustments to variable pay, where material failure of risk management, material error or employee misbehaviour are identified, and (for malus and in-year reductions only), where there is a material downturn in performance. Potential outcomes under the accountability review process are:

- **malus** - to reduce (to zero if appropriate) the amount of any unvested variable pay awards prior to payment;
- **clawback** - to recover awards that have already vested; and
- **in-year bonus reductions** - to adjust variable pay that would have otherwise been awarded for the current year.

As part of the acceptance of variable pay awards, colleagues must agree to terms that state that malus and clawback may be applied. Any variable pay awarded to MRTs is subject to clawback for seven years from the date of grant. This period can be extended to 10 years for MRTs who perform a 'senior management function' under the Senior Managers Regime where there are outstanding internal or regulatory investigations at the end of the normal seven-year clawback period. Awards to other colleagues (non-MRTs) are subject to clawback for 12 months from each vesting date.

Remuneration of Material Risk Takers ('MRTs')

Summary of approach taken

We disclose MRT remuneration details for each of our legal entities in scope of the Capital Requirements Regulations ('CRR firms') in line with the requirements of Article 450 of the CRR, the Basel Committee on Banking Supervision Pillar 3 disclosure requirements and the EBA guidelines on sound remuneration policies. In line with regulations, we identify MRTs at consolidated, sub-consolidated and solo regulated subsidiary entity levels.

RBSH NV is not an employing entity. Therefore, the following pages contain the quantitative disclosures for the subsidiary undertakings of RBSH NV; NWM NV and RBSI DS which are employing entities. RBSI DS became subsidiary undertaking of RBSH NV which was already the sole shareholder of NWM NV, on 1 December 2023 following the implementation of the Intermediate Parent Undertaking (IPU) structure. You can find details of remuneration paid to MRTs in our Pillar 3 reporting for other entities within NatWest Group at natwestgroup.com.

Solo Regulated Entity reporting

Our approach to MRT identification means that many colleagues hold MRT criteria for more than one legal entity. In order to make the disclosures as meaningful as possible, we only report each MRT's compensation in the disclosures for the solo regulated entity for which they perform their primary role. This means that for example where a colleague holds MRT criteria for NWM NV and RBSI DS, their pay will only be reported once for the entity in which they perform their primary role. Their pay is excluded from the tables for the other entities.

Remuneration of Material Risk Takers ('MRTs') - NatWest Markets NV

The quantitative disclosures below are made in accordance with regulatory requirements in relation to 142 individuals who have been identified as MRTs for NatWest Markets NV. 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).

We have excluded 95 individuals from the tables below on the basis that, although they have been identified as an MRT in relation to a role within this subsidiary entity, they do not receive any remuneration for this role and they perform their primary role for another entity within the Group. 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.

Following the implementation of the IPU structure and RBSH NV and its subsidiaries coming under the supervision of the European Central Bank (ECB), Remuneration Committees were established for NWM NV and RBSH NV during 2024. The NWM NV RemCo and RBSH NV RemCo (the RemCos) became operational from 16 December 2024. NWM NV and RBSH NV also have Management Boards (MBs) and Supervisory Boards (SBs) which were in operation prior to coming under ECB supervision.

The MBs, RemCos and SBs all oversee remuneration matters for their respective entities and ensure that the remuneration policies, procedures and practices being applied are appropriate for RBSH NV and NWM NV. The RemCos play a supporting role to the SBs through their initial review of remuneration matters, prior to such matters being presented to the SBs. The key areas of focus for the RemCos and SBs include:

- 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 of those entities; and
- inputting to and subsequently adopting the NatWest Group Remuneration Policy Principles.

In the case of the MBs, their only responsibility is the approval of the localised version of the NatWest Group Remuneration Policy Principles for those individuals who sit below the MB within the two entities. In 2024, the MBs approved the Remuneration Policy Principles in October 2024.

The RemCos and the SBs must be able to act independently and the non-executive directors are supported by the necessary entity-specific management information in order to carry out their duties. The RemCos held two scheduled meetings and one further ad hoc meeting each during 2024. The SBs sit concurrently and met 13 times in 2024 (5 scheduled meetings and convened a further 8 times on an ad hoc basis), with remuneration matters on the agenda on 3 of those occasions.

EU REM1 and EU REM5: Total remuneration awarded to MRTs for the financial year

		Other senior management and other MRTs								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	2	4	9	30	-	-	-	-	45
	Other senior management - split by business area	-	-	-	-	4	-	2	3	9
	Other MRTs - split by business area	-	-	-	-	16	-	2	12	30
		€m	€m	€m	€m	€m	€m	€m	€m	€m
	Total fixed remuneration of MRTs	0.1	1.9	4.2	9.0	9.0	-	0.9	3.3	15.3
	Cash-based	0.1	1.9	4.2	9.0	9.0	-	0.9	3.3	15.3
	Share-based	-	-	-	-	-	-	-	-	-
Variable remuneration	Total number of MRTs	-	4	9	30	-	-	-	-	43
	Other senior management - split by business area	-	-	-	-	4	-	2	3	9
	Other MRTs - split by business area	-	-	-	-	16	-	2	12	30
		€m	€m	€m	€m	€m	€m	€m	€m	€m
	Total variable remuneration of MRTs	-	0.5	2.1	4.4	5.6	-	0.3	0.6	7.0
	Cash-based	-	0.2	1.1	2.2	2.8	-	0.2	0.3	3.5
	Of which: deferred cash	-	0.1	0.5	0.9	1.2	-	0.1	0.1	1.4
	Share-based (annual bonus)	-	0.2	1.1	2.2	2.8	-	0.1	0.3	3.5
	Of which: deferred shares	-	0.1	0.5	0.9	1.2	-	0.1	0.1	1.5
	Share-based (LTI awards)	-	-	-	-	-	-	-	-	-
	Of which: deferred shares	-	-	-	-	-	-	-	-	-
Total remuneration of MRTs		0.1	2.4	6.3	13.4	14.6	-	1.2	3.9	22.3

(1) The breakdown by business areas required in template EU REM5 has been combined with EU REM1 above, as permitted under regulatory guidance for the templates.

(2) Investment Banking includes Capital Markets, Sales, and Trading.

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

(4) Variable remuneration consists of a combination of annual bonus and RSP awards, deferred over a four to seven year period in accordance with regulatory requirements; and (where applicable) severance payments. Under the NatWest Group bonus deferral structure, immediate cash awards are limited to £2,000 per person, with a further payment of cash and shares within Year 0.

(5) RSP awards vest subject to the extent to which performance conditions are met and can result in zero payment.

EU 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 €50,000 and does not represent more than 10% of the individual's total annual remuneration (derogations permitted under point (b) of Article 94(3) of CRD V as amended in local regulations in the Netherlands). The Dutch regulations apply for colleagues employed by NWM NV, regardless of where they work. The CRD V thresholds (annual variable remuneration does not exceed €50,000 and does not represent more than one third of the individual's total annual remuneration) apply for colleagues employed by all other Group entities. We have used this flexibility to disapply MRT rules relating to deferral and delivery of awards in shares for 16 MRTs in respect of performance year 2024. Total remuneration for these individuals in 2024 was €4.36 million (£3.69 million), of which €3.75 million (£3.17 million) was fixed pay and €0.61 million (£0.52 million) was variable pay.

EU REMA - Ratio between fixed and variable remuneration

The variable component of total remuneration for MRTs who perform their primary role for NWM NV and work the majority of their time in the Netherlands shall not exceed 20% of the fixed component. The variable component of total remuneration for MRTs who perform their primary role for NWM NV and work the majority of their time outside the Netherlands, shall not exceed 100% of the fixed component. The average ratio between fixed and variable remuneration for 2024 was approximately 1 to 0.46. The majority of MRTs were based in the Netherlands.

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

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

(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.

EU REM3: Outstanding deferred remuneration

The table below includes deferred remuneration awarded or paid out in 2024 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								
NWM N.V. INEDs - No deferred or retained remuneration held								
NWM N.V. EDs								
Cash-based	0.1	-	0.1	-	-	-	-	-
Shares or equivalent interests	0.2	-	0.1	-	-	0.1	-	-
Share-linked or equivalent non-cash instruments								
Other instruments or forms	-	-	-	-	-	-	-	-
Other senior management								
Cash-based	0.7	0.2	0.5	-	-	-	0.2	-
Shares or equivalent interests	1.2	0.4	0.8	-	-	1.0	0.4	0.4
Share-linked or equivalent non-cash instruments								
Other instruments or forms	-	-	-	-	-	-	-	-
Other MRTs								
Cash-based	1.0	0.3	0.7	-	-	-	0.3	-
Shares or equivalent interests	1.7	0.8	0.9	-	-	1.4	0.8	0.5
Share-linked or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-
Total amount	4.9	1.7	3.2	-	-	2.6	1.7	0.9

* 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.

EU REM4: Total remuneration by band for all colleagues earning >€1million

Total remuneration by band for employees earning >€1 million for 2024	Number of MRTs
€1.0 million to below €1.5 million	2
€1.5 million to below €2.0 million	1
€2.0 million to below €2.5million	-
€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	3

- (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 €1.181341 to £1 for 2024.

Remuneration of Material Risk Takers (MRTs) - RBS International Depository Services S.A.

The quantitative disclosures below are made in accordance with regulatory requirements in relation to 65 individuals who have been identified as MRTs for RBSI DS. 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).

We have excluded 56 individuals from the tables below on the basis that, although they have been identified as an MRT in relation to a role within this subsidiary entity, they do not receive any remuneration for this role and they perform their primary role for another entity within the Group. 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.

Following the implementation of the IPU structure and RBSH NV and its subsidiaries coming under the supervision of the ECB, a Remuneration Committee was established at RBSH NV level during 2024. The RBSH NV RemCo became operational from 16 December 2024. Remuneration matters for RBSI DS is also overseen by the RBSI DS Board and the RBSH NV SB (the Boards) which were in operation prior to coming under ECB supervision.

The RBSI DS Board, RBSH NV RemCo and RBSH NV SB all oversee remuneration matters for their respective entities and ensure that the remuneration policies, procedures and practices being applied are appropriate for RBSI DS and RBSH NV. The RBSH NV RemCo play a supporting role to the RBSH NV SB through their initial review of remuneration matters, prior to such matters being presented to the RBSH NV SB. The key areas of focus for the RBSH NV RemCo and the Boards include:

- 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 of those entities; and
- inputting to and subsequently adopting the NatWest Group Remuneration Policy Principles.

The RBSH NV RemCo and Boards must be able to act independently and the non-executive directors are supported by the necessary entity-specific management information in order to carry out their duties. The RBSI DS Board met 10 times in 2024, with remuneration matters discussed at 2 of the meetings. The RBSH NV RemCo held one scheduled meeting and one further ad hoc meeting during 2024. The RBSH NV SB met 13 times in 2024 (5 scheduled meetings and convened a further 8 times on an ad hoc basis), with remuneration matters on the agenda on 3 of those occasions.

EU REM1 and EU REM5: Total remuneration awarded to MRTs for the financial year

		Other senior management and other MRTs								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	1	2	3	2	-	-	-	-	8
	Other senior management - split by business area	-	-	-	-	1	-	-	2	3
	Other MRTs - split by business area	-	-	-	-	1	-	-	1	2
		€m	€m	€m	€m	€m	€m	€m	€m	€m
	Total fixed remuneration of MRTs	-	0.6	0.5	0.4	0.4	-	-	0.5	1.5
	Cash-based	-	0.6	0.5	0.4	0.4	-	-	0.5	1.5
	Share-based	-	-	-	-	-	-	-	-	-
Variable remuneration	Total number of MRTs	-	2	3	2	-	-	-	-	7
	Other senior management - split by business area	-	-	-	-	1	-	-	2	3
	Other MRTs - split by business area	-	-	-	-	1	-	-	1	2
		€m	€m	€m	€m	€m	€m	€m	€m	€m
	Total variable remuneration of MRTs	-	0.5	0.1	0.2	0.1	-	-	0.1	0.8
	Cash-based	-	0.4	0.1	0.1	0.1	-	-	0.1	0.6
	Of which: deferred cash	-	0.1	-	-	-	-	-	-	0.1
	Share-based (annual bonus)	-	0.1	-	0.1	-	-	-	-	0.2
	Of which: deferred shares	-	0.1	-	-	-	-	-	-	0.1
	Share-based (LTI awards)	-	-	-	-	-	-	-	-	-
	Of which: deferred shares	-	-	-	-	-	-	-	-	-
Total remuneration of MRTs		-	1.1	0.6	0.6	0.5	-	-	0.7	2.3

(1) The breakdown by business areas required in template EU REM5 has been combined with EU REM1 above, as permitted under regulatory guidance for the templates.

(2) Investment Banking includes Institutional Banking, Trustee and Depositary Services.

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

(4) Variable remuneration consists of a combination of annual bonus and RSP awards, deferred over a four to seven year period in accordance with regulatory requirements; and (where applicable) severance payments. Under the NatWest Group bonus deferral structure, immediate cash awards are limited to £2,000 per person, with a further payment of cash and shares within Year 0.

(5) RSP awards vest subject to the extent to which performance conditions are met and can result in zero payment.

EU 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 €50,000 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 3 MRTs in respect of performance year 2024. Total remuneration for these individuals in 2024 was €0.68 million (£0.57 million), of which €0.56 million (£0.47 million) was fixed pay and €0.12 million (£0.10 million) was variable pay.

EU REMA - Ratio between fixed and variable remuneration

The variable component of total remuneration for MRTs at NatWest Group shall not exceed 100% of the fixed component (except where local jurisdictions apply a lower maximum ratio for variable pay). The average ratio between fixed and variable remuneration for 2024 was approximately 1 to 0.36. The majority of MRTs were based in Luxembourg.

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

	RBSI DS INEDs	RBSI DS 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	-	0.3	-	-
<i>Of which: paid during the financial year</i>	-	0.3	-	-
<i>Of which: deferred</i>	-	-	-	-
<i>Of which: paid during the financial year that are not taken into account in the bonus cap</i>	-	0.3	-	-
<i>Of which: highest payment that has been awarded to a single person</i>	-	0.3	-	-

(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.

EU REM3: Outstanding deferred remuneration

The table below includes deferred remuneration awarded or paid out in 2024 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								
RBSI DS INEDs - No deferred or retained remuneration held								
RBSI DS EDs								
Cash-based	0.1	-	-	-	-	-	-	-
Shares or equivalent interests	0.1	-	-	-	-	-	-	-
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	0.1	-	0.1	-	-	-	-	-

* 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.

EU REM4: Total remuneration by band for all colleagues earning >€1million

Total remuneration by band for employees earning >€1 million for 2024	Number of MRTs
€1.0 million to below €1.5 million	-
€1.5 million to below €2.0 million	-
€2.0 million to below €2.5million	-
€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 €1.181341 to £1 for 2024.

ESG disclosures

Qualitative information on ESG Risks

(as at 31 December 2024 and in accordance with EBA ITS relating to CRR2 Pillar III Disclosures)

Introduction	<p>As clarified by the EBA/ITS/2022/01, institutions should make the Pillar III ESG related disclosures at the highest level of consolidation in the EU, as regulated in Article 13 CRR. 'NatWest Group' (NatWest Group plc and its subsidiaries), as a third-country group with two or more subsidiary banking institutions in the European Union (EU), was approved by the ECB to establish a dual Intermediate EU Parent Undertaking (IPU) structure on behalf of its European subsidiaries. RBS Holdings N.V. (RBSH N.V.) acts as the non-ring fenced IPU, and thus is responsible for making the disclosures within this report.</p> <p>RBSH N.V., a financial holding company, is a wholly owned subsidiary of NatWest Markets plc (NWM plc), which is a wholly owned subsidiary of NatWest Group plc (NWM plc and NatWest Group plc both based in the UK). 'NWM Group' refers to NWM plc, and its subsidiaries.</p> <p>'RBSH N.V. Group', or 'we', 'us' and 'our', refers to RBSH N.V. and its wholly owned subsidiaries NatWest Markets N.V. (NWM N.V.) and RBS International Depository Services S.A. (RBSI DS S.A.). NWM N.V., registered in Amsterdam, The Netherlands, is a licensed bank operating as an investment bank providing global market access, financing, risk management and trading solutions to corporates and financial institutions via products and services in currencies, rates, financing, and lending. 'NWM N.V. Group' refers to NWM N.V. and its subsidiary and associated undertakings. RBSI DS S.A., incorporated under Luxemburg law, holds depository assets under fiduciary capacity, which are not included on its balance sheet.</p> <p>The following disclosures focusses on qualitative and, where available, quantitative Information regarding the approach of NWM N.V. Group, as the main operating subsidiary of the RBSH N.V., to assess the impact of Environmental, Social and Governance (ESG) factors on its business environment and business model and to integrate these factors into its strategy, governance, risk management and financial planning. As an indirect subsidiary of NWM Plc, and as part of the Commercial & Institutional (C&I) franchise of NatWest Group, the strategy and policies of NWM N.V. Group, particularly those relating to climate and environmental (including nature related) risks, are in alignment (as permitted by local regulation) with strategies and policies of NWM Group, C&I and ultimately, NatWest Group.</p> <p>While RBSH N.V. Group, has made some progress towards the integration of ESG factors within its strategy and operations, most of this progress has been made in relation to climate-related matters. Going forward, we aim to continue to assess the materiality of these topics for our business environment, operations and risk management, and where appropriate, integrating them into RBSH N.V. Group's policies and processes.</p>
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Table 1: Qualitative information on Environmental Risk

General information with regards to Environmental Risks	<p>RBSH N.V. Group, through its' capital market products, provides public and private capital market access, structuring and funding solutions to its clients. Our trading products focus on risk management services through trading in rates, currencies and credit based derivatives and secondary market debt securities. These two service lines form the bulk of our business. As at 31 December 2024, our trading book and exposures to central banks or sovereigns make up 85% of our assets, with nostro, settlement balances, and inter-group demand accounts making up another 6%.</p> <p>Emissions resulting from RBSH N.V. Group's business activities include:</p> <p>Financed emissions: Given the smaller size of the banking book relative to RBSH N.V. Group's underwriting activities and trading book, financed emissions currently play a limited role within RBSH N.V. Group. Drawn lending exposures, account for approximately 8% of RBSH N.V. Group's total assets, with exposure to non-financial corporates being just 2%, as at 31 December 2024. The undrawn loan commitments are excluded, and therefore could potentially increase the financed emission estimations, for example, if called up by customers during challenging market conditions. Due to a lack of granular availability of customer-level climate data, financial institutions are still developing measurement methodologies and capabilities to assess their Scope 3 emissions. Therefore, estimated financed emission figures linked to lending exposures will increase once Scope 3 emissions data is incorporated.</p> <p>Trading book emissions: At present, the scale of the carbon emissions associated with the trading book is uncertain given that trading book positions typically have shorter holding horizons and are more dynamic than those in the banking book. This continues to be an industry-wide challenge with no agreed approach on quantification of trading book related emissions.</p>
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	<p>Facilitated emissions: Facilitation activities differ from on-balance sheet lending financed emissions in two respects. They are off-balance sheet (representing services rather than financing) and they can take the form of a flow activity (temporary association with transactions) rather than a stock activity (recorded on the balance sheet). RBSH N.V. Group's capital markets underwriting and syndicated lending activities are generally driven by existing NatWest Group lending relationships. Facilitated emissions can fluctuate year-on-year subject to mandates and changes in those lending relationships. Estimating financed and facilitated emissions and assessing climate impact on NWM Group's business activities involves data limitations and other challenges, particularly as estimation methodologies evolve.</p> <p>Emission from operational value chain: Emissions attributable to RBSH N.V. Group's own operational value chain are not measured separately and are subsumed into NatWest Group's estimation of own operation footprint for the consolidated group.</p>
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EBA Questions	Response
Business Strategy and Processes	
(a) Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	<p>RBSH N.V. actively supports its customers in achieving their climate and environmental goals. Our approach to sustainability is aligned with NatWest Group's overall strategy, which is discussed first in this response.</p> <p>NatWest Group strategy</p> <p>Becoming a vital and trusted partner to its customers is at the heart of NatWest Group's strategy. It unites NatWest Group's ambition and purpose and is delivered by three clear strategic priorities: disciplined growth, active balance sheet management and bank-wide simplification. These enable NatWest Group to succeed with its customers and deliver sustainable shareholder value. NatWest Group's sustainability related ambitions and targets align with its strategic ambition, enabling it to focus on actions it can take to turn its customer's possibilities into progress.</p> <p>NatWest Group (including RBSH N.V. Group) has an ambition to be net zero by 2050 across its financed emissions, assets under management and its operational value chain. NatWest Group (including RBSH N.V. Group) continues to support its customers' transition to a net-zero economy, noting that our climate ambitions are unlikely to be achieved without timely and appropriate government policies, technology developments, as well as supplier, customer, and societal response required to support the transition.</p> <p>RBSH N.V. Group assessment of business environment</p> <p>To assess climate-related physical and transition risk, RBSH N.V. Group together with NWM Group undertook a high-level analysis of political, economic, social, technological and legal ("PESTL") factors to facilitate a more informed understanding of the wider business environment. In 2023, we extended this assessment to also consider environmental factors beyond climate, including water, pollution, waste management and biodiversity loss. The outcomes of these quantitative assessments aim to support the development of our overall business strategy, including the assessment of business risks and opportunities, product development, the allocation of resources and approach to scenario analysis.</p> <p>We plan to update these assessments periodically in response to the changing regulatory requirements and relevant developments in business environment. In 2024 RBSH N.V. Group updated its PESTL analysis, assessing how climate and environmental factors affect its Business Environment through the lenses of Political, Economic, Social, Technological and Legal categorisation. This PESTL analysis is applied to NWM NV's (focused) geographic footprint and also calls out the most affected sectors from the relevant factors. It is based on a medium term (3-5 year) time horizon. We plan to continue to update these assessments periodically in response to the changing regulatory requirements and relevant developments in business environment.</p> <p>RBSH N.V. Group sustainability approach</p> <p>As a subsidiary of NatWest Group, RBSH N.V. Group aims to support NatWest Group's strategic priorities. In 2023 we formulated our own high level aspirational strategic direction to become one of the forward-thinking banks in Europe with a focus on sustainability-related matters. This approach, refreshed in 2024, is centred around four pillars which are closely connected:</p> <ul style="list-style-type: none"> – Customers: Continually engaging with our customers to understand their evolving aspirations and needs. – Propositions: Deepening and growing our propositions across climate and sustainable asset classes and digital solutions. – Market presence: Building market recognition and contributing to application of sustainability principles in capital markets. – Tools and portfolio: Developing and embedding tools that enable risk management, portfolio transition and decision-making.

EBA Questions	Response
Business Strategy and Processes continued	
	<p>Customers, propositions, and market presence</p> <p>RBSH N.V. Group helps financing and facilitating the sustainability journeys (including environmental strategies) and activities of our select customers. While we deploy balance sheet for financing, facilitation can take several forms. Alongside facilitating bonds and loan underwriting, we facilitate by convening industry groups to support infrastructure builds and standard setting, advising our customers – from corporates and financial institutions to sovereigns, multi-development banks and agencies – on evolving products and services, as well as providing guidance on the regulatory and policy landscape to assist delivery of their sustainability strategies.</p> <p>Understanding the financial ecosystem and underlying drivers is key to fulfilling this role. Whether we finance a corporate or financial institution with a green, social, sustainable, or sustainability linked (GSS/S) loan, or lead manage a GSS/S bond or securitisation, we aim to facilitate our customers' access to capital through funding sources in the public or private capital markets.</p> <p>RBSH N.V. Group also continues to build out its market presence by taking on roles in relevant industry bodies and working groups, attending industry events and publishing thought leadership pieces on relevant topics.</p> <p>Throughout 2024, RBSH N.V. Group organised 11 events (2023 - 10 events), bringing together experts from the industry and the investing community, alongside academia, on topics such as the energy transition, climate adaptation and biodiversity. These sessions and events were designed to generate discussion around these challenging issues and consider solutions. Examples include:</p> <ul style="list-style-type: none"> – For the third year in a row, in May 2024 RBSH N.V. Group sponsored the AFME European Sustainable Finance Conference where our specialists contributed to panel discussions covering a variety of topics, including sustainable investment strategies, compliance, and the evolving role of data and artificial intelligence to support sustainability strategies and disclosures. – We also co-hosted the Stockholm “Women Mobilizing Sustainability” roundtable event with the British Embassy in Stockholm in September 2024. It was an opportunity for female specialists from various sustainability-related fields to discuss views on how sustainability can create business opportunities and enhance enterprise value, highlighting the economic benefits of sustainability strategies. <p>Tools & Portfolio</p> <p>RBSH N.V. Group is embedding climate decisioning tools into portfolio management and develop environmental risk mapping. In addition, we intend to leverage tools to identify new customer funding and financing opportunities as well as to inform sustainability decisions.</p> <p>During 2024, NWM Group (including RBSH N.V. Group) enhanced the provision and dissemination of sustainability data to support customer facing staff, with the development of a climate and ESG data exploration tool of external data on instruments, counterparties, and sovereigns. In addition, in H1 2024 NWM Group (including RBSH N.V. Group) rolled out a tool for the risk assessment, reporting and origination of ESG labelled debt transactions.</p> <p>NatWest Group (including RBSH N.V. Group) has also developed Climate Decisioning Framework (CDF) tools, to further embed climate within customer journeys and for enhanced decision making. In addition, RBSH N.V. Group has developed a first generation Environmental Decisioning Framework (EDF) for large corporate customers, which is currently being tested and refined.</p> <p>Future Priorities</p> <p>In the coming years, RBSH N.V. Group plans to focus on two key areas cutting across multiple pillars of our strategy.</p> <p>These priorities span across our core customer groups:</p> <ul style="list-style-type: none"> – Transition: rollout of Climate Decisioning Framework (CDF) scorecards to understand our customers' transition journeys and how they are managing climate-related risk, promoting transition finance solutions and offering benchmarking and evaluation of transition plans in comparison to market standards to our customers. – Nature: introducing the Environmental Decisioning Framework (EDF) to identify physical and transition risks within our corporate portfolio, expanding our financing propositions to incorporate nature and biodiversity considerations. <p>In the subsequent sections we will disclose how RBSH N.V. Group embeds sustainability within its business model.</p>

EBA Questions	Response
Business Strategy and Processes continued	
(b) Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	<p>RBSH N.V. Group's overall approach to sustainability (see response to question (a) from the Environmental Risk section) also lays out relevant Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs). Our performance assessment relates to both our lending portfolio and other exposures.</p> <p>Portfolio and client assessments</p> <p>RBSH N.V. Group tracks a number of climate and environmental KRIs for our portfolio. These include metrics related to:</p> <ul style="list-style-type: none"> – Exposure to heightened climate risk sectors – Exposure to countries vulnerable to the effects of climate change – Financed emissions. <p>RBSH N.V. Group contributes to the NatWest Group Climate ambitions and targets, details of which can be found in the NatWest Group Sustainability Report.</p> <p>ESE Risk Management</p> <p>We recognise that the activities of our customers can have environmental, social and ethical (ESE) impacts – including polluting activities and the potential for human rights infringements.</p> <p>ESE risk forms part of NatWest Group's (including RBSH N.V. Group) overall Reputational Risk Policy and requires enhanced due diligence to be performed by all legal entities within NatWest Group, including RBSH N.V. Group, for certain customer relationships, transactions, activities and projects. To manage these risks, we have developed Risk Acceptance Criteria (RAC) for sectors which present heightened ESE risk. These define the level of ESE risk the bank is prepared to accept.</p> <p>The ESE Risk Framework supports our long-term, ongoing work to align our policies and practices to both the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The ESE Risk Framework applies to all legal entities within the Group for the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services).</p> <p>NatWest Group's ESE risk assessment applies to all legal entities within NatWest Group, including RBSH N.V. Group, and requires enhanced due diligence to be performed for certain customers transactions, and activities.</p> <p>Based on the assessment, an ESE risk rating is assigned. These ratings define the level of ESE risk the bank is prepared to accept. The risk rating determines approval requirements and when the next ESE assessment is required in the customer lifecycle. In the case of a Prohibited rating (as described in question (q) of the Environmental Risk section), new customer and/or transaction may not be supported and approvals to exit existing ones may be triggered. More details on the ESE Risk Framework are mentioned in the Risk Management section.</p>
(c) Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	<p>RBSH N.V. provides financing and risk solutions, trading and flow services to its clients and as such does not itself conduct investment activities.</p> <p>RBSH N.V. Group contributes to the NatWest Group's target to provide Climate and Sustainable Funding and Financing ("CSFF") between 1 July 2021 and the end of 2025, as part of supporting our customers transition to net zero. This is further supported by ongoing work to integrate environmental objectives in our lending and intermediation workstreams.</p> <p>Climate and Sustainable Funding and Financing (CSFF) targets</p> <ul style="list-style-type: none"> – The CSFF Inclusion (CSFFI) criteria, outlines NatWest Group's (also applicable to RBSH N.V. Group) eligibility criteria to determine the assets, activities and companies that are eligible to be included in this metric. Full details of the latest CSFFI criteria can be found at nawestgroup.com. – RBSH N.V. Group, through its primary subsidiary NWM N.V., aims to support its clients' strategic sustainability objectives through a suite of climate and sustainability focused products and services, across fixed income and risk management asset classes. – Since the £100 billion target came into effect in July 2021, NatWest Group has provided £93.4 billion in CSFF of which, £31.5 billion was booked in 2024. €30.0 billion (£25.8 billion) of the CSFF has been booked by RBSH N.V. Group since July 2021, of which €12.2 billion (£10.4 billion) was booked in 2024). <p>Integration of climate and environmental-related factors into lending decisions</p> <p>NatWest Group, including RBSH N.V. Group, aims to embed climate-related risk factors are embedded across strategic planning, transactions, and decision-making. The below details the enhancements which have been made to NatWest Group's processes for managing climate-related risk to date, and those which will continue to evolve and improve as the organisation matures its climate risk management capabilities.</p>

EBA Questions	Response
Business Strategy and Processes continued	
	<ul style="list-style-type: none"> – ESE Framework and Reviews – NatWest Group’s ESE risk acceptance criteria is applicable for the onboarding of non-personal customers (including but not limited to, for the purposes of providing lending and underwriting services). It requires enhanced due diligence to be performed for certain customer relationships, transactions, activities, and projects. – Transaction Acceptance Standards (TAS) – NatWest Group, including RBSH N.V. Group, apply climate-enhanced TAS. New, renewed and additional borrowing is reviewed against our TAS, which are set at a sector and sub-sector level and explicit amendments have been made within sectors that have heightened exposure to climate-related risk. Each sector has its own standards which is reviewed in line with sector strategy. – NatWest Group’s initial suite of qualitative climate risk scorecards – launched in 2021, these provide a consistent and structured approach for understanding customer-specific exposure to climate-related risks. While not impacting decision making, they are helping to build capability and better understanding of our customers exposure to climate risk. Over time, these will be replaced by our Climate Decision Framework (CDF) tools. – Climate Decisioning Framework (CDF) – the CDF framework comprises of a set of tools which will help us to better understand our customers’ transition plans and their risks from climate change. This tool was launched in 2024 on a phased, test-and-learn basis. Scores have been obtained for 83% of NWM N.V. Group’s corporate and financial institutions lending exposure, as at 31 Dec 2024. – Environmental risk scorecard In addition, RBSH N.V. Group has developed a first generation environmental risk scorecard as part of EDF, for large corporate customers, which is currently being tested and refined. <p>Integration of sustainability factors into our role as a debt capital markets intermediary Besides direct investments and lending, NatWest Group, including RBSH N.V. Group, are also active as financial intermediary. Such activities can also promote investment into environmentally aligned objectives and EU Taxonomy aligned activities.</p> <p>RBSH N.V. Group helps financing and facilitating the sustainability journeys and activities of our select customers. Whether we finance a corporate or financial institution with a green, social, sustainable, or sustainability linked (GSS/S) loan, or lead manage a GSS/S bond or securitisation, we facilitate our customers’ access to capital through funding sources in the public or private capital markets.</p> <p>In addition, where appropriate we also seek to make investors aware of material environmental factors that pertain to “conventional” financings conducted by our customers (i.e. non GSS/S), and perform the necessary due diligence on these.</p>
(d) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	<p>NatWest Group’s (including RBSH N.V.) approach to integrating climate risk continues to focus on embedding climate-related risk management practices throughout NatWest Group, advancing our capability to identify and assess, manage and mitigate, monitor and report on these risks. We have made iterative progress, continuing to update our approach as our capabilities mature. This includes engagement with existing and new customers, to understand their evolving sustainability-related aspirations and needs. Such engagement is required under the NatWest Group Climate and Nature Risk policy, is led by relevant Coverage and Sales team, and is supported, where required, by the Climate & ESG Capital Markets team.</p> <p>Over the course of 2024, a core aspect of engagement was related to our Climate Decisioning Framework (CDF). CDF comprises of a set of tools which helps us to better understand our customers’ transition plans and their risks from climate change to inform balance sheet steering. In 2024 91% of NWM N.V. Group’s corporate clients and 53% of financial institutions lending exposure underwent CDF assessment.</p> <p>As of March 2024, RBSH N.V. Group expanded its client onboarding process with a Climate and Environmental (C&E) Risk Assessment, both at the inception of a client relationship and on an ongoing basis. This is a qualitative assessment which looks at counterparty risk factors, such as sectorial risk, greenhouse gas (GHG) emission reporting, waste management, client strategy around sustainability and net-zero transition, counterparty governance structure, as well as adherence to EU and international standards. The scope of the C&E risk assessment also includes existing clients and counterparties. As a result, more than 40% of the active client population has been assessed at the end of December 2024. Relevant methodology is periodically reviewed with the aim to ensure RBSH N.V. Group remains compliant with the dynamic regulatory landscape.</p> <p>Indirect engagement with customers is done through participation in various industry bodies and events.</p>

EBA Questions	Response																	
Governance																		
(e) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	<p>The roles and responsibilities of NMW N.V.'s ESG related governance structure, as the main operating subsidiary of RBSH N.V. are summarised below:</p> <table><tr><th>Level</th><th>Forum</th><th>Role/Responsibilities</th></tr><tr><td rowspan="3">Supervisory Board Level Governance</td><td>Supervisory Board</td><td>oversees delivery against strategy and objectives of NWM N.V., including tracking progress towards ESG goals, within the ambitions of the wider NatWest Group. It is also responsible for approving risk appetite of NWM N.V. Group.</td></tr><tr><td>Board Risk Committee</td><td>advises on current and future risk exposures, oversees NWM N.V.'s risk management and tracks its progress towards meeting regulatory expectations over environmental and social matters.</td></tr><tr><td>Audit Committee</td><td>oversees all NWM N.V.'s material external disclosures, (financial or non-financial), legal and regulatory compliance. It also reviews and monitors internal controls required to manage risks, including those related to ESG, across functions and business areas.</td></tr><tr><td rowspan="3">Managing Board Level Governance</td><td>Managing Board</td><td>reports to Supervisory Board and is the principal decision-making corporate body for the day-to-day activities of NWM N.V. It is responsible for:<ul style="list-style-type: none">– implementing the NWM N.V. Group's strategy, including sustainability objectives, and receiving reports on progress from Business Heads;– managing how ESG related risks are identified, measured, monitored, and mitigated;– setting risk appetite for final approval by Supervisory Board, and monitoring the risk management response;– identifying ESG related opportunities throughout the business.</td></tr><tr><td>Risk and Control Committee</td><td>is responsible for:<ul style="list-style-type: none">– the review and challenge of all risks, including ESG risks;– the implementation of and compliance with risk management framework, and reporting to Managing Board on its performance and issues observed;– providing inputs on setting of risk appetite, overseeing its management, and escalating any excesses.</td></tr><tr><td>Executive Disclosure Committee</td><td>reviews all material financial and non-financial disclosures, including those on ESG topics. It monitors, evaluates, and enhances disclosure procedures & controls.</td></tr></table>	Level	Forum	Role/Responsibilities	Supervisory Board Level Governance	Supervisory Board	oversees delivery against strategy and objectives of NWM N.V., including tracking progress towards ESG goals, within the ambitions of the wider NatWest Group. It is also responsible for approving risk appetite of NWM N.V. Group.	Board Risk Committee	advises on current and future risk exposures, oversees NWM N.V.'s risk management and tracks its progress towards meeting regulatory expectations over environmental and social matters.	Audit Committee	oversees all NWM N.V.'s material external disclosures, (financial or non-financial), legal and regulatory compliance. It also reviews and monitors internal controls required to manage risks, including those related to ESG, across functions and business areas.	Managing Board Level Governance	Managing Board	reports to Supervisory Board and is the principal decision-making corporate body for the day-to-day activities of NWM N.V. It is responsible for: <ul style="list-style-type: none">– implementing the NWM N.V. Group's strategy, including sustainability objectives, and receiving reports on progress from Business Heads;– managing how ESG related risks are identified, measured, monitored, and mitigated;– setting risk appetite for final approval by Supervisory Board, and monitoring the risk management response;– identifying ESG related opportunities throughout the business.	Risk and Control Committee	is responsible for: <ul style="list-style-type: none">– the review and challenge of all risks, including ESG risks;– the implementation of and compliance with risk management framework, and reporting to Managing Board on its performance and issues observed;– providing inputs on setting of risk appetite, overseeing its management, and escalating any excesses.	Executive Disclosure Committee	reviews all material financial and non-financial disclosures, including those on ESG topics. It monitors, evaluates, and enhances disclosure procedures & controls.
Level	Forum	Role/Responsibilities																
Supervisory Board Level Governance	Supervisory Board	oversees delivery against strategy and objectives of NWM N.V., including tracking progress towards ESG goals, within the ambitions of the wider NatWest Group. It is also responsible for approving risk appetite of NWM N.V. Group.																
	Board Risk Committee	advises on current and future risk exposures, oversees NWM N.V.'s risk management and tracks its progress towards meeting regulatory expectations over environmental and social matters.																
	Audit Committee	oversees all NWM N.V.'s material external disclosures, (financial or non-financial), legal and regulatory compliance. It also reviews and monitors internal controls required to manage risks, including those related to ESG, across functions and business areas.																
Managing Board Level Governance	Managing Board	reports to Supervisory Board and is the principal decision-making corporate body for the day-to-day activities of NWM N.V. It is responsible for: <ul style="list-style-type: none">– implementing the NWM N.V. Group's strategy, including sustainability objectives, and receiving reports on progress from Business Heads;– managing how ESG related risks are identified, measured, monitored, and mitigated;– setting risk appetite for final approval by Supervisory Board, and monitoring the risk management response;– identifying ESG related opportunities throughout the business.																
	Risk and Control Committee	is responsible for: <ul style="list-style-type: none">– the review and challenge of all risks, including ESG risks;– the implementation of and compliance with risk management framework, and reporting to Managing Board on its performance and issues observed;– providing inputs on setting of risk appetite, overseeing its management, and escalating any excesses.																
	Executive Disclosure Committee	reviews all material financial and non-financial disclosures, including those on ESG topics. It monitors, evaluates, and enhances disclosure procedures & controls.																
(f) Management body's integration of short-, medium- and long-term effects of environmental factors and risks in organisational structure both within business lines and internal control functions	<p>NMW N.V. Climate & ESG Programme Board was set up in 2022, under the authority of the NMW N.V. Managing Board, to oversee the embedding of climate-related, environmental, and social risks within NMW N.V. Group. It provides risk related updates, that form part of the Chief Risk Officer (CRO) report as well as business updates including green, social and sustainability-related transactions and market themes to both the NMW N.V. Supervisory Board and the NMW N.V. Managing Board at each of their regular meetings.</p> <p>The NMW N.V. Climate & ESG Programme Board also used to provide sustainability related business and progress updates for the monthly NMW plc Climate and Sustainability Committee (CSC) meetings until recently. NMW plc CSC was the executive level forum which had the objective of assessing and managing environment and social risks and opportunities. In 2024, the CSC was retired, and the governance of climate risks and opportunities was embedded into existing committees and functions. As part of the new governance structure, the NMW Group Climate & ESG Steering Committee was established to act as the principal decision-making forum for overseeing the establishment and efficient delivery of the NMW Group Climate & ESG Programme, which includes delivery of Climate & ESG change activities into NMW N.V. Group. The membership of NMW Group Climate & ESG Steering Committee includes NMW N.V. Managing Board members and functional staff. Any matters affecting NMW N.V. Group that require formal escalation are referred to the NMW N.V. Managing Board.</p> <p>In addition, the Managing Board discussed, amongst others, the following sustainability-related topics during their meetings: assessment of material risks impacting NMW N.V. Group including climate and environmental (including nature) risks, the development of NMW N.V. Group's materiality assessment initiated in 2024, and the NMW N.V. Group's refreshed approach to sustainability. The latter was also discussed by the NMW N.V. Supervisory Board in December 2024.</p>																	

EBA Questions	Response
Governance continued	
	<p>In order to support management's response to ESG related risks and opportunities, as part of learning program for board members, trainings on ESG related topics continued to be provided. Besides the completion of the Climate Change Fundamentals Program, which is mandatory for all staff, the NWM N.V. Managing Board and NWM N.V. Supervisory Board members were also provided with the following additional training sessions:</p> <ul style="list-style-type: none"> – Another deep dive session on the requirements for the upcoming Corporate Sustainability Reporting Directive (CSRD), provided by external experts in April 2024, on top of the one provided in September 2023; – Sessions on sustainability-related legal and regulatory expectations, provided by External Counsels in April 2024; – Session on greenwashing risks by External Counsel in April 2024, following the training received on the same topic in November 2023 by the internal Litigation and Investigations Legal team; – Session on nature & biodiversity led by the World Wildlife Fund (WWF) in December 2023, followed by another internal session on business opportunities relating to nature & biodiversity in May 2024 by NatWest Group Climate Centre of Excellence (CoE) team. – Session on Carbon related initiatives presented by internal Subject Matter Experts in December 2024.
(g) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	Please refer to the responses of question (e) and (f) in this Environmental Risk section.
(h) Lines of reporting and frequency of reporting relating to environmental risk	Please refer to the responses of question (e) and (f) in this Environmental Risk section.
(i) Alignment of the remuneration policy with institution's environmental risk-related objectives	<p>NWM N.V. Group's approach to remuneration, in line with NatWest Group's approach, promotes effective risk management through having clear risk input into incentive plan design, performance goals, performance reviews, determination of variable pay and the application of malus and clawback. It comprises of a fixed component, which reflects the role undertaken by an individual, and a variable component, which is directly linked to risk-adjusted performance. In addition to financial measures, there is alignment between progress on sustainability (including climate) priorities and variable pay across the NatWest Group.</p> <p>Our approach has evolved beyond employee engagement to include purpose and culture targets as well as creating a diverse and inclusive workplace. Our climate focus for 2024 included a target for climate and sustainable funding and financing as well as progressing our Climate transition plan. In 2024, we had targets to build the financial wellbeing of our customers and to support diverse enterprise, prioritising harder to reach groups with higher barriers to entering and growing a business. The annual bonus pool is based on performance against a balanced scorecard of strategically important measures: financial performance; customer outcomes; people, culture and diversity; risk management; risk events and progress against our climate and purpose ambitions. Sharing in Success provides a further way for sustainable performance to be reflected in pay decisions throughout the organisation. For 2024, we measured success based on being brilliant for our customers, underpinned by financial performance, our approach to risk and delivering value for shareholders.</p>

EBA Questions	Response
Risk management	
(j) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework.	<p>RBSH N.V. Group recognises that climate change and nature loss (including environmental degradation) are global issues which can have significant implications for its customers, colleagues, suppliers and partners, as well as for RBSH N.V. Group itself. Climate change and nature loss are inextricably linked, and each require immediate and significant action to avert potentially irreversible impacts. Climate and nature-related risks have the potential to affect asset values, operational costs and business models not only through increasing frequency and severity of extreme weather events and biodiversity loss, but also as the transition to a net-zero economy accelerates. These risks continue to evolve reflecting increasing regulatory, legislative, political and societal change.</p> <p>Climate and nature-related risks have the potential to increase the likelihood and/or magnitude of principal risks within the NatWest Group Risk Directory over short (0-5 years), medium (5-15 years) and long (15+ years) time horizons. Climate risk was thus, included in the risk directory in 2021 alongside an iterative multi-year approach to mature capabilities. The integration of climate-related risk into the risk management policies and processes across the NatWest Group (including RBSH N.V.), is detailed in the Enterprise Wide Risk Management Framework (EWRMF). This framework sets out the requirements on how risk appetite is implemented through risk policies and standards and translated into operational procedures.</p> <p>During 2023, NatWest Group expanded the scope of climate risk within the EWRMF to include nature-related risks. NatWest Group (including RBSH N.V. Group) is focussed on developing its underlying capabilities, to effectively manage nature-related risks, with ongoing implementation of the expanded framework.</p> <p>The risk framework is documented, through the NatWest Group 'Climate and Nature Risk policy'. RBSH N.V. Group follows this policy, which defines the minimum requirements and approach that all legal entities must follow with respect to climate and nature-related risks, including how risk appetite is overseen and controlled.</p> <p>The policy requires:</p> <ul style="list-style-type: none"> – Climate and nature metrics are in place, which present a forward-looking view on the exposure that the NatWest Group has in relation to climate and nature risk. The metrics used seek to address the following concerns: <ul style="list-style-type: none"> o Unacceptable exposure to financial and non-financial impacts resulting from climate change and nature loss, or aligned to external perception over the NatWest Group's response to climate change and nature loss. o Excessive and persistent exposure to high impact physical and transition risk in customer portfolios. o Unacceptable exposure to impairments under stress. o Unacceptable exposure to liability risk resulting from greenwashing risk or where the NatWest Group facilitates activities that exacerbate climate change and nature loss. <p>These are reflected within risk appetite measures, including key risk indicators, and are reported within risk committees and respective Boards accordingly.</p> <ul style="list-style-type: none"> – Climate and nature risks are identified when entering new relationships, conducting transactions and during existing relationships with customers and third parties to inform Credit Risk Assessments, Market Risk Assessments and other appropriate established risk assessment processes. Assessment of exposure to climate and nature risk covers the time period during which the impacts will be incurred by the NatWest Group. – Management of climate and nature risk is assessed for long-term impacts but with associated actions to be taken within traditional risk management timeframes. Time horizons used to classify climate and nature risks are considered in the short term (0-5 years), medium term (5-15 years) and long term (15+ years). – Periodic stress testing is used to establish the level of financial stress which will be experienced given a range of climate and nature outcomes over short, medium and long-term horizons. The scenarios used are informed by the outputs of the horizon scanning activities and industry best practices. <p>The approach of NatWest Group (including RBSH N.V. Group) to integrating climate risk continues to focus on embedding climate risk management practices throughout the group, advancing its capability to identify and assess, manage and mitigate, monitor and report on these risks. NatWest Group (including RBSH N.V. Group) has made iterative progress, continuing to update its approach as its capabilities mature.</p>
(k) Definitions, methodologies and international standards on which the environmental risk management framework is based	<p>Climate risk has been included in the NatWest Group risk directory since 2021, alongside a multi-year progressive pathway which supports maturing our capability to manage a relatively new prudential risk. In 2024, we broadened the definition to climate and nature risk and have updated our policy to reflect this. We are in the early stages of embedding nature into our risk management processes.</p> <p>Our approach to integrating climate risk continues to focus on embedding climate-related risk management practices throughout NatWest Group, advancing our capability to identify and assess, manage and mitigate, monitor and report on these risks. We have made iterative progress, continuing to update our approach as our capabilities mature.</p>

EBA Questions	Response
Risk management continued	
	<p>Climate and nature risk is a principal risk in the NatWest Group enterprise wide risk management framework (EWRMF). Climate risk is also considered to have relatively significant cross-cutting impacts on the following principal risks: credit risk, operational risk, reputational risk, conduct risk and regulatory compliance risk. As our capabilities mature, we plan for the effective management of climate and nature risk through existing policies captured within the NatWest Group EWRMF.</p> <p>Our Group-level approach to managing Climate and nature risk is principally informed by the UK Prudential Regulation Authority's (PRA) Supervisory Statement (SS3/19) on "Enhancing banks' and insurers' approaches to managing the financial risks from climate change" alongside associated and following PRA and other releases including the UK's Climate Financial Risk Forum.</p> <p>The Group Climate and Nature Risk Policy is applicable to all legal entities, franchises and functions. Applicable regulations used to inform the content of the NatWest Group Climate and Nature Risk Policy are</p> <p>1) PRA – Supervisory Statement 3/19 2) ECB – Guide on climate-related and environmental risks (Nov 2020)</p>
(l) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	<p>To assess climate risk exposure, an evolving programme of climate scenario analysis has been adopted by RBSH N.V. Group as part of the NatWest Group. Further, sector and counterparty level assessments, also help in identification of exposures to climate risk.</p> <p>Scenario Analysis</p> <p>Scenario analysis allows NatWest Group (including RBSH N.V. Group) to test a range of potential climate pathways and understand the nature and magnitude of the risks they present. The purpose of scenario analysis is not to forecast the future but to understand and prepare to manage risks that could arise. NatWest Group leads the development of credit risk scenario modelling capabilities for NatWest Group as a whole, including other legal entities, such as RBSH N.V. Group. This includes both the development of capability and the execution of scenario analysis for RBSH N.V. Group.</p> <p>NatWest Group focused on continuing to develop the capabilities to use scenario analysis to seek to identify the most material climate risks for its customers, aiming to harness insights to inform risk management practices and support decision making.</p> <p>In 2024 NatWest Group partnered with climate experts from the University of Exeter to create bespoke climate risk scenario narratives that explored the range of physical and transition risks which could impact NatWest Group and its customers over the next five to ten years. These narratives are being used to inform the scenarios used by NatWest Group for a range of processes, as well as to enhance the overall understanding of the scale and complexity of near-term climate risks.</p> <p>There are various challenges and limitations with climate scenario analysis, including in relation to the immaturity of modelling techniques (for example, not picking up tipping points such as the slow down/potential collapse of the Atlantic meridional overturning circulation (AMOC)) and limitations surrounding data on climate risks. In addition, there is significant uncertainty as to how climate change will evolve over time, how and when governments, regulators, businesses, investors and customers respond and how those responses impact the economy, asset valuations, economic systems, policy and wider society. These risks and uncertainties, coupled with significantly long timeframes, make the outputs of climate risk modelling with respect to the potential use cases identified inherently more uncertain than outputs modelled for traditional financial planning cycles based on historical financial information.</p> <p>NatWest Group continued to develop its specialist climate data capabilities, including bringing in new data sets to increase the granularity for which climate risks are assessed. NatWest Group continues to work with industry and customers to develop solutions for challenges and limitations related to climate scenario analysis.</p> <p>RBSH N.V. Group is in the early stages of embedding environmental (including nature) risk into the scenario analysis processes. Activity undertaken to develop an approach to environmental scenario analysis for specific risk types is detailed below, in addition to the information on climate scenario analysis.</p>

EBA Questions	Response
Risk management continued	
	<p>Credit risk</p> <p>In 2024 NatWest Group ran the annual internal climate scenario for the second time, to enhance its understanding of the climate transition risks facing the sectors and counterparties in the wholesale portfolio, including the RBSH N.V. Group's wholesale portfolio. The exercise involved running two transition risk scenarios:</p> <ul style="list-style-type: none"> – The Disruptive Policy scenario, where the onset of climate policy from the Network for Greening the Financial System (NGFS) Delayed Transition scenario is accelerated from 2031 to 2025, which could result in an accompanying macro-economic shock. – The Orderly Transition scenario, which explores a rapid increase in carbon prices, based on the NGFS Net Zero 2050 scenario, but no accompanying macro-economic shock. <p>The exercise revealed that the RBSH N.V. Group client portfolio is more exposed to a Disruptive Policy scenario than an Orderly Transition scenario in the analysed 10-year horizon. The projected worst case of the 10-year cumulative impairment impact can be absorbed by RBSH N.V. Group's annual profit and does not materially affect the regulatory capital ratios.</p> <p>Counterparties with high emissions intensity and lower transition maturity are likely to suffer financial stress due to their inability to compete with more emissions efficient peers that are further developed in the transition of their business. This emphasises the importance of actively engaging with our customers to develop climate transition plans, and the subsequent assessment through the CDF tools.</p> <p>The key limitations of this climate scenario are (i) the quality and completeness of key data items, such as emissions data and (ii) the ability of climate scenarios to fully capture the range of climate risks, such as the cascading risks from extreme weather events arising from climate change or the impact of possible 'tipping points' that could lead to large, irreversible changes in the climate system. For example, a material slow down in the Atlantic Meridional Overturning Circulation (AMOC).</p> <p>In 2024, to help understand and establish an approach to environmental stress testing, RBSH N.V. Group completed a scenario on its Power and Utility sector customers, evaluating the impact of sizeable copper price increases on underlying credit risk. A shock to copper prices could arise for a range of reasons. In this scenario we focused on copper mining activities being significantly reduced to mitigate for actual or perceived environmental degradation. This scenario was selected due to portfolio exposure to the Power and Utility sector and its reliance on raw materials such as copper for its investment programme. In addition, the scenario highlighted the inherent tension between increased demand for raw materials to support and expedite decarbonisation and the environmental impact associated with mining activities. Findings from the stress test revealed that RBSH N.V. Group's Power and Utility sector exposure was resilient to copper price shocks, with immaterial impact on credit quality. The key limitations of this exercise are related to constraints of technical understanding, data availability and model capability. It did not include analysis of factors such as regulatory compliance, pollution liabilities, climate change impacts, and sustainability practices of the companies or projects being evaluated.</p> <p>Market risk</p> <p>The NWM Group (including RBSH N.V. Group) traded market risk stress test translates "delayed transition" scenarios through the NatWest Group's gross value add modelling framework to shock credit spreads. Consistent macro-economic variables are overlaid, and this captures both the costs and opportunities associated with the climate transition and their impact on the trading book. Stress exposures continue to be calculated and monitored monthly along with other climate-related market risks, for example, holdings of green gilts.</p> <p>In addition, in 2024 RBSSH N.V. Group assessed the impact of the environmental stresses generated for the counterparties included in the credit risk stress test, in relation to a sizeable copper price increase, where there is also traded market risk exposure. The impact was analysed against the valuation adjustments (XVA) under the credit spread delta (CR01) market risk scenario, excluding single-name credit protection. The conclusion was that the impact on profit and loss is immaterial.</p> <p>Portfolio level assessment</p> <p>The Heightened Climate-related Risk Sector (HCRS) assessment seeks to identify customers, assets and sub sectors that are likely to see increased risks for RBSH N.V. Group as a result of climate-related factors. The assessment applies three lenses considering transition, physical [and liability risk].</p>

EBA Questions	Response
Risk management continued	
	<p>Counterparty level assessment</p> <p>In 2023, RBSH N.V. Group started developing tools as part of the NatWest Group's Climate Decisioning Framework (CDF). In 2024, CDF tools were rolled out on a test-and-learn basis, replacing the initial suite of climate risk scorecards for the in-scope population. RBSH N.V. Group uses these tools to engage with its customers to understand climate risks of their business and conduct climate transition plan assessments. 91% of NWM N.V. Group's corporate clients and 53% of financial institutions lending exposure underwent CDF assessment, which also involved targeted customer engagement. Feedback from clients focused on the robustness of data inputs from their disclosures, as well as mutual understanding of where the data gaps exist. Through this process, RBSH N.V. Group continues to build capability to use CDF tools among first- and second-line risk colleagues, and develop a culture where climate risk considerations are embedded within existing processes. To support improvement in customer engagement, RBSH N.V. Group delivered bespoke training to 70 colleagues in the first quarter of 2024. The learning objectives of the "Understanding the Climate Decisioning Framework (CDF)" mandatory programme were to understand the theory behind CDF, as well as how to complete the CDF inputs in the context of climate conversations with our customers.</p> <p>In 2024, RBSH N.V. Group continued to develop its approach to nature, driven by European regulatory expectations. This activity focused on the identification and assessment of environmental factors, including physical and transition risks within our corporate portfolio. An Environmental Decisioning Framework (EDF) was trialled in 2024, which considered 61 factors to produce a counterparty level environmental scorecard. The first-generation assessment focused on a limited number of counterparties, using internal and external data. Developed on a test-and-learn basis, insight gained from EDF will be used to inform future activity.</p> <p>RBSH N.V. Group adheres to the onboarding process outlined in the NatWest Group Environmental, Social and Ethical (ESE) risk framework. Customers operating in high-risk sectors, as defined by this framework, undergo the ESE risk assessment process conducted by the ESE Risk Advisory team at NatWest Group. Customers outside these high-risk sectors are subject to a separate Climate and Environmental (C&E) risk assessment.</p> <p>Under the ESE risk framework, the relationship management team submits a questionnaire which triggers an ESE risk rating (Normal, Restricted or Prohibited) based on the activity in which the customer or transaction is involved. The rating defines the level of ESE risk NatWest Group (including RBSH N.V. Group) is prepared to accept. It also determines the approval requirements and the timing for the next ESE assessment within the customer lifecycle. If the initial risk rating is other than "Normal", a specialist ESE assessment team conducts enhanced due diligence on the customer relationship or transaction and confirms the ESE risk rating. In case of a "Prohibited" rating, new customers or transactions may not be supported and approval to exit existing ones may be triggered.</p> <p>RBSH N.V. Group expanded its client onboarding process with the C&E assessment as of March 2024, to meet the Dutch and European regulatory expectations which are not currently addressed by other risk assessments, such as the CDF, EDF or ESE risk assessment mentioned above. This assessment is performed at the start of a client relationship, to inform the counterparty risk classification. It is then repeated annually, every three years, or every five years, depending on the counterparty risk classification. It is a qualitative evaluation which considers counterparty risk factors, such as sectorial risk, greenhouse gas (GHG) emission reporting, waste management, client strategy on sustainability and net-zero transition, counterparty governance structure, as well as adherence to EU and international standards. At the end of December 2024, more than 40% of RBSH N.V. Group's active client population (both new and existing clients) has undergone this evaluation. The assessment methodology is reviewed periodically to ensure that RBSH N.V. Group remains compliant with Dutch and European legal and regulatory expectations related to climate and environmental (including nature) risk assessment.</p>
(m) Activities, commitments and exposures contributing to mitigate environmental risks	<p>In addition to the processes that have been setup to monitor exposures to climate/environmental risk, as described in response to question (l) in this Environmental Risk section, the following activities have been undertaken at NatWest Group and RBSH N.V. Group to manage/mitigate risks.</p> <p>Risk appetite is also set in alignment with the Group Risk Appetite Framework. Based on Materiality Risk Framework, key material sectors are identified, where further deep dive at counterparty level is implemented and further developed to assess climate and environmental (including nature) risks. To manage and mitigate climate and environmental risks, RBSH N.V. has developed tools like CDF and EDF to assess risk at counterparty level.</p> <p>To manage ESE risks, Risk Acceptance Criteria (RAC) were developed for nine sectors which present heightened ESE risk, and the level of ESE risk NatWest Group is prepared to accept were defined. It reflects applicable national & international laws and standards that its customers are expected to adhere to. This includes ensuring that customers have relevant policies and procedures which demonstrate a good understanding of ESE issues and have the capacity to manage these risks through good governance and controls.</p>

EBA Questions	Response
Risk management continued	
	<p>The ESE RAC are applicable to all legal entities within the NatWest Group including RBSH N.V. Group. The suite of sector ESE RAC is reviewed and updated regularly to ensure it reflects the evolving risk landscape. As the first step, an initial screening is completed by relationship management team via the ESE Risk Assessment questionnaire for customers/transactions falling under the Risk Assessment Criteria sectors.</p> <p>The nine sectors for which Risk Assessment Criteria are available are:</p> <ul style="list-style-type: none"> – Adult Entertainment – Animal Welfare – Defence – Forest, Fisheries and Agribusiness – Gambling – Mining & Metals – Oil & Gas – Power Generation – Private Security Companies <p>NatWest Group also has an ESE Risk Concerns process which seeks to ensure that ESE risk is identified and managed for customers and transactions in sectors which are not covered by RAC, or where there may be multiple issues or complexities.</p> <p>Also, scenario analysis has been used to identify risk mitigating measures and activities, and its transmission channels. For further details on scenario analysis, refer response to question (l) in this Environmental Risk section.</p> <p>Developing key risk indicators</p> <p>RBSH N.V. have established both Key Risk Indicators (KRIs) and Risk Appetite Metric (RAM)/ operational limits to oversee our climate-related and environmental risk tolerance in line with risk appetite. Such as metrics around financed emissions, exposure to Heightened Climate Risk Sector with an overlay, facilitated emissions, etc. Considering evolving data, we keep working on improving these KRIs. Any breach in KRIs and RAM is captured in risk reports which is reported to the Managing Board.</p>
(n) Implementation of tools for identification, measurement and management of environmental risks	Please refer response to question (l) and (m) for details on the implementation tools that we use for identification and management of environmental risks such as scenario analysis, scorecards, Key Risk Indicators etc.

EBA Questions	Response
Risk management continued	
(o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	<p>For outcomes of scenario analysis, refer response to question (l) in this Environmental Risk section.</p> <p>Capital risk Climate risk is explicitly considered under 2024 Internal Capital Adequacy Assessment Process (ICAAP) scenarios of NatWest Group (including RBSH N.V. Group). ICAAP2 is NatWest Group's primary scenario to test the resilience of the balance sheet to climate driven macroeconomic stress. This scenario falls into the 'constrained progress' transition archetype⁽¹⁾ with 'severe' physical risk. To calibrate and quantify the size of the climate shocks implied by the qualitative narratives, NatWest Group used scenarios developed by United Nations Environment Programme Finance Initiative and National Institute of Economic and Social Research⁽²⁾. Transition risks (driven by carbon prices and greenflation⁽³⁾) and chronic and acute physical risks were incorporated. In the 2024 ICAAP2 scenario, the climate shocks accounted for two thirds of the overall shock.</p> <p>In 2024 for the first time NatWest Group's ICAAP1 scenario also included climate considerations. Physical climate change and some forms of transition are inevitable in all forward-looking views of the economy. This scenario aligns to the qualitative 'Fragmented decline' archetype⁽⁴⁾ where the climate transition is secondary to more urgent macroeconomic shocks. Simultaneously, chronic physical risks act as a drag on growth and slows down the economic recovery.</p> <p>Liquidity risk Within RBSH N.V. Group climate and environmental (including nature) risk drivers are included in the 2024 Internal Liquidity Adequacy Process (ILAAP), including an internal liquidity scenario in the form of major environmental disruption in the UK and northern Europe. For 2024, outputs from the scenario were not the most severe within the suite of scenarios, so although included in the framework, did not directly impact the internal stress testing results. Two climate-related internal reverse stress testing scenarios are also included in the ILAAP, one covering physical risks arising from flooding in the Netherlands and one covering transition risks arising from the earlier than planned adoption of stricter emission standards. An environmental and climate change Key Reporting Indicator (KRI) was developed to track RBSH N.V. Group's liquidity exposure to corporate sectors which are vulnerable to environmental and climate risk factors.</p> <p>(1) Constrained progress transition archetype: Economic volatility and weak public finances act to restrict the effectiveness of coordinated policy action. Given the limited fiscal resource, policy is weighted towards tax-based disincentives rather than supply side subsidies. Mediocre growth hampers green investment and a boom-bust cycle in fossil fuels leads to fossil fuel asset stranding. (2) [UNEP-FI and NIESR2 scenarios]. (3) Greenflation: inflationary pressure as a result of transitioning from fossil fuels to renewable energy and higher demand for transition minerals. (4) Fragmented decline archetype: Rising nationalism and geopolitical conflicts create a weak growth environment and energy trade wars. Transition momentum is weak as governments prioritize domestic energy security. Renewed enthusiasm for fossil fuels leads to green assets stranding.</p>
(p) Data availability, quality and accuracy, and efforts to improve these aspects	<p>RBSH N.V. Group makes use of the NatWest Group system and data infrastructure. NatWest Group have a central Climate Data & Technology team who manage a data platform which is dedicated to centrally collecting and storing Climate & Sustainability data for the group (Snowflake). The platform has been established to ensure consistency of this data across the group and is governed under the bank's data & analytics framework. This platform holds the data which is utilised across our CR&E risk initiatives which focus on modelling and understanding the CR&E risks posed to our customers & the bank. The data is currently ingested from externally procured data (either through suppliers or publicly available information). Apart from existing internally available data, NatWest Group (as well as RBSH N.V. Group) has already started the collection of data directly from our customers to augment and improve our customer data coverage specifically for climate information. Some systems have already been adapted for this data collection & further work is progressing on this. In addition, we are engaged in wider industry initiatives looking to collect CR&E risk data directly from our clients. All of this data will be housed centrally in the data platform or data lake managed by the Climate data & technology team. For ESG Instrument data, pre-existing NWM feeds are used from market data providers. NWM distribute all ESG data through existing golden source systems with relevant governance, controls and monitoring processes in place.</p> <p>NatWest Group recognises that although internationally recognised or accepted sustainability-related reporting principles and standards continue to evolve, there is a lack of commonly accepted sustainability-related reporting practices to follow or align to. NatWest Group plans to continue to review available data sources and enhance methodologies and processes to improve the robustness of its sustainability-related reporting over time, aligned with recognised industry developments. For example, NatWest Group continues to engage with customers, stakeholders and data vendors, and participate in wider initiatives to help enhance the availability of robust climate-related data, and over time we have observed gradual improvement in our customers' PCAF scores. During 2024, we have used financial and emissions data from additional sources and continue to supplement our own estimates of financed emissions with emission estimates provided by a data vendor. Use of vendor estimates is limited to situations where we do not have company published emissions data (PCAF 1 or 2) or do not estimate emissions using production or activity data (PCAF 3). During 2024, in line with PCAF guidance, we have also begun using Enterprise Value Including Cash (EVIC) for listed companies in our attribution factor estimation.</p>

<p>(q) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits</p>	<p>Work continued in 2024 to mature NatWest Group's climate-related risk capabilities.</p> <p>These risk appetite measures alongside additional segment-specific risk measures were used to inform climate risk reporting to senior risk management forums, linking risk management to NatWest Group's strategic priorities.</p>
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EBA Questions	Response
Risk management continued	
	<p>To enhance monitoring of the climate-related risk within RBSH N.V. Group, in 2024, the climate and nature-related key risk indicators were further developed. This review resulted in a quantitative climate risk appetite measure being approved in line with the risk appetite framework, focused on excess exposures to heightened climate-related risk sectors. RBSH N.V. Group have also developed Key Risk Indicators (KRIs) to oversee our climate-related and environmental risk tolerance in line with risk appetite. Such as metrics around financed emissions, exposure to Heightened Climate Risk Sector, facilitated emissions, etc. Considering evolving data, we keep working on improving these KRIs. Any breach in KRIs and RAM is captured in risk reports which is reported to Managing Board.</p> <p>NatWest Group used its EWRMF to identify the principal risks which could impact the organisation. As NatWest Group's climate capabilities mature, climate-related risks are planned to be effectively managed through existing policies and these policies are captured within the EWRMF. The EWRMF sets out the requirements on how risk appetite is implemented through risk policies and standards and translated into operational procedures. The impact of climate-related risk as a causal factor to other principal risks will be reassessed and managed through the annual refresh of the EWRMF and its individual components.</p> <p>Under the ESE Risk Framework, based on the activity which the customer/transaction is involved in, the relationship management team conducts the initial screening and assigns one of the Environmental, Social and Ethical (ESE) Risk Acceptance Criteria. In case the initial risk rating is "Restricted", a specialist ESE assessments team conducts enhanced due diligence on the customer relationship or transaction and confirms the ESE risk rating. The risk rating determines approval requirements and when the next ESE assessment is required in the customer lifecycle. Risk ratings and associated governance processes are detailed below:</p> <p>Normal: For new customers, if rating is confirmed as Normal, no further action required. Existing Normal rated customers to be evaluated every 5 years. Continuation of the relationship is automatically approved in case there is no change to Normal rating.</p> <p>Restricted: For new customers with Restricted rating, enhanced due diligence is conducted by the ESE assessments team and result is sent to the accountable Executive for approval. Ratings of existing customers are reassessed every year or every two years based on specific risk concern.</p> <p>Prohibited: New customer/transaction cannot be supported/processed. For existing customers/transactions that have moved to the Prohibited category, an approval to exit has to be taken from the accountable Executive.</p>
(r) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	<p>Climate risk is recognised as a principal risk as well as a factor affecting other financial and non-financial risks. The approach of NatWest Group (including RBSH N.V. Group) to integrating climate risk continues to focus on embedding climate risk management practices throughout the group, advancing its capability to identify and assess, manage and mitigate, monitor and report on these risks. NatWest Group (including RBSH N.V. Group) has made iterative progress, continuing to update its approach as its capabilities mature. We are in the early stages of embedding nature into our risk management processes. Climate and nature risk is a principal risk in the NatWest Group Enterprise Wide Risk Management Framework (EWRMF) and a cross cutting risk which impacts other principal risks. As NatWest Group's (including RBSH N.V. Group's) capabilities mature, it plans for the effective management of climate and nature risk through existing policies captured within the NatWest Group EWRMF.</p> <p>RBSH N.V. Group with support of NatWest Group, continues to enhance its processes to effectively identify and assess the potential size and scope of climate risks. Materiality Risk Assessment, consolidates the key outputs of individual components across all key risks (i.e., materiality, transmission channels, and risk quantification) with a detailed overview of the most material risk, being credit risk, with analysis on sectors and counterparties. It identifies sectors and counterparties with material CR&E risks taking financial exposure into account. Additionally, NFR Climate and Environmental heatmaps were developed in 2022 and 2023 which indicated key risks and resulted in an action plan to mitigate these through activities which is embedded in BAU, as appropriate.</p> <p>Prior to the development of the Materiality Risk Assessment the underlying components were previously summarised as part of the Material Risk Assessment (MRA) completed for RBSH N.V. in 2024. This brings together several detailed assessments completed as part of ICAAP, ILAAP and Risk Appetite i.e. Capital Risk Assessment, Liquidity & Funding Vulnerabilities, Risk & Control Self Assessments and Risk Appetite annual refresh, which determines materiality based on the defined thresholds per the framework. Conclusions are summarised and supported by detailed analysis including stress testing, sensitivity analysis, scenario analysis. Where applicable, SME judgement also supports based on industry insight.</p>

Table 2: Qualitative information on Social Risk

EBA Questions	Response
Business Strategy and Processes	
(a) Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	<p>RBSH N.V. Group Strategy</p> <p>In 2023 RBSH N.V. Group formulated our own high level aspirational strategic direction to become one of the forward-thinking banks in Europe with a focus on sustainability related matters, including social factors.</p> <p>The approach to sustainability was formulated in 2023 and refreshed in 2024. It is built around four interconnected pillars:</p> <ul style="list-style-type: none"> – Customers: Continually engaging with our customers to understand their evolving aspirations and needs. – Propositions: Deepening and growing our propositions across climate and ESG asset classes and digital solutions. – Market presence: Building market recognition and contributing to application of sustainability principles in capital markets. – Tools and portfolio: Developing and embedding tools that enable risk management, portfolio transition and decision-making. <p>Social considerations apply across these pillars. NWM N.V. Group aims to address the social components of sustainability as well as the increasing sustainability-focused European legal and regulatory requirements such as CSRD.</p> <p>Customers and prospective customers associated with lending and loan underwriting activities, and belonging to certain high risk sectors, are evaluated using the Environmental, Social and Ethical (ESE) Risk Framework as detailed in responses to questions (b), (m) and (q) in the Environmental Risk section.</p> <p>Advisory services, trainings and facilitation of funding is also provided to help customers tackle social risks.</p>
(b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	<p>To assess the social impacts of the activities of our customers, RBSH N.V. Group has integrated NatWest Group's ESE Risk Framework into our business processes and risk management practices. Under the ESE risk framework, the relationship management team submits a questionnaire which triggers an ESE risk rating (Normal, Sensitive, High, Restricted or Prohibited) based on the activity in which the customer or transaction is involved. The rating defines the level of ESE risk NatWest Group (including RBSH N.V. Group) is prepared to accept. It also determines the approval requirements and the timing for the next ESE assessment within the customer lifecycle. If the initial risk rating is other than "Normal", a specialist ESE assessment team conducts enhanced due diligence on the customer relationship or transaction and confirms the ESE risk rating. In case of a "Prohibited" rating, new customers or transactions may not be supported and approval to exit existing ones may be triggered.. Further details about the ESE risk assessment are provided in responses to questions (b), (m) and (q) in the Environmental risk section. The suite of sector ESE RAC is reviewed and updated regularly to ensure it reflects the evolving risk landscape.</p> <p>During 2023 NatWest Group also developed a new ESE Human Rights RAC, which applies requirements around human rights due diligence to a range of sectors with heightened risk around human rights and modern slavery, not already covered by the other ESE RACs.</p> <p>RBSH N.V. Group aims to explore further measures to assess and address social risks across its value chain in the future.</p>
(c) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	<p>Clients</p> <p>NatWest Group's (including RBSH N.V. Group) engage with existing and new customers, to understand their evolving sustainability-related aspirations and needs. Such engagement is led by the relevant coverage and sales teams and supported, where required, by the Climate & ESG Capital Markets team.</p> <p>Such engagement is particularly pronounced when customers intend to embed their overall corporate social goals (for instance in relation to healthy and safety of community engagement) within their financial products, such as through sustainability-linked lending. Or when a client is subject to our ESE policy (see answer b of this Social Risk section). Indirect engagement with customers is done through participation in various industry bodies and events.</p> <p>Human rights</p> <p>NatWest Group (including RBSH N.V. Group), approach to human rights is informed and guided by internationally recognised standards including the United Nations Guiding Principles (UNGPs) on Business and Human Rights. Our programme of engagement with various stakeholders including charities, investors and non-governmental organisations (NGOs) continues to help deepen our knowledge and understanding of human rights issues. We remain signatories of the UN Global Compact (UNGC) and continue to adhere to reporting requirements under a range of initiatives, including the Equator Principles.</p>

EBA Questions	Response
Business Strategy and Processes continued	
	<p>Our approach to modern slavery and human trafficking is continuously evolving to assist us with keeping pace with the changing external environment. We publish an annual statement which sets out the steps that we are taking to identify and address modern slavery and human trafficking within our own operation and throughout our value chain.</p> <p>We are committed to our responsibilities to respect and uphold human rights across our business. The Modern Slavery Act 2015 (MSA) is important to our approach to human rights. We procure a range of goods and services (ranging from computers to lighting) and are not only connected to the workers within our direct supply chain but also indirectly to potentially thousands of workers within their operations and supply chain. We expect suppliers to uphold the same values as the NatWest Group, and encourage them to implement the standards with their own subcontractors.</p>
Governance	
(d) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to: (i) Activities towards the community and society (ii) Employee relationships and labour standards (iii) Customer protection and product responsibility (iv) Human rights	<p>The governance structure, and its roles and responsibilities around strategy and management of Social Risk at NWM N.V., as the main operating subsidiary of RBSH N.V., are the same as those for Environment Risk.</p> <p>Therefore, please refer to the response to question (e) in the Environmental Risk section for the answer to this question.</p>
(e) Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	<p>The integration of measures to manage social factors and risks in internal governance arrangements, at NWM N.V., as the main operating subsidiary of RBSH N.V., are the same as those for Environment Risk.</p> <p>Please refer to the responses to questions (e) and (f) in the Environmental Risk section for the answer to this question.</p>
(f) Lines of reporting and frequency of reporting relating to social risk	Please refer to the responses to questions (e) and (f) in the Environmental Risk section for the answer to this question.
(g) Alignment of the remuneration policy in line with institution's social risk-related objectives	Please refer to the response to question (i) in the Environmental Risk section for the answer to this question.

EBA Questions	Response
Risk management	
(h) Definitions, methodologies and international standards on which the social risk management framework is based	<p>NatWest Group (including RBSH N.V.) have a set of policies and procedures designed to mitigate the threats posed by Social Risks. NatWest Group's (including RBSH N.V. Group's) social risk related policies and procedures are informed and guided by multiple internationally recognized frameworks, standards and initiatives such as:</p> <ul style="list-style-type: none"> – UN Principles of Responsible Banking (PRB) – UN Sustainable Development Goals (SDGs) – UN Global Compact – UN Guiding Principles on Business and Human Rights (UNGPs) – International Labour Organization Fundamental Conventions – The Equator Principles
(i) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels	<p>To measure and monitor social risks arising from the activities of customers or prospective customers, NatWest Group (including RBSH N.V. Group) uses the - ESE Risk and Human Rights Frameworks.</p> <p>Environmental, Social and Ethical (ESE) Risk Management Framework</p> <ul style="list-style-type: none"> – The Environmental, Social and Ethical (ESE) Risk Framework forms part of NatWest Group's overall reputational risk policy and requires enhanced due diligence to be performed for certain customer relationships, transactions, activities and projects. The NatWest Group ESE Risk Framework applies to all legal entities within NatWest Group (including RBSH N.V. Group) for the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services). Customers are assessed at onboarding and during the lifecycle of their relationship. – We also have an ESE risk concerns process which seeks to ensure that ESE risk is identified and managed for customers and transactions in sectors which are not covered by RAC (Risk Acceptance Criteria), or where there may be multiple issues or complexities. Examples might include major or sustained environmental, human rights, modern slavery issues in sectors such as agriculture and food, chemicals, tobacco, pharmaceuticals and waste management, or companies associated with controversial projects. – All customers who fall into the 'Restricted' ESE risk category are subject to enhanced due diligence. This includes ensuring that companies have relevant policies and procedures to manage ESE risks and the capacity to manage these risks through good governance and control. The risk management framework assesses the companies' external ESE track record. All restricted customer relationships are approved by a business segment or legal entity accountable executive and where material, may be escalated to the Group Reputational Risk Committee. The Group Reputational Risk Committee may review the appropriateness of transaction, customer or product specific cases, or specific matters which could have bank-wide reputational risk implications. ESE Risk Framework oversight and effectiveness is provided by the Risk Function and reported annually to the Group Reputational Risk Committee. – Further, requirements of the Equator Principles (EP) are included in the ESE Risk Framework. The EP is a voluntary framework adopted by financial institutions to help determine, assess and monitor environmental and social risks associated with projects-related transactions. – All transactions that fall within the scope of EP undergo an initial environmental and social risk screening (using a questionnaire). Typically for project finance deals, a suitably qualified technical advisor is engaged, who provides an opinion on potential environmental and social impacts of the project and compliance with the EP. These transactions must satisfy the full requirements of the latest version of the EP guidance (currently EP4) related to: revenue and categorisation; environmental & social standards and assessment; management system and action plan; stakeholder engagement; grievance mechanism; independent review, monitoring and reporting; covenants; transparency and reporting. <p>Human Rights</p> <ul style="list-style-type: none"> – NatWest Group have established a policy framework to respect and promote human rights with our customers, our colleagues and our suppliers. – Our programme of engagement with various stakeholders including charities, investors and non-governmental organisations (NGOs) continues to help deepen our knowledge and understanding of human rights issues. We remain signatories of the UN Global Compact (UNGC) and continue to adhere to reporting requirements under a range of initiatives, including the Equator Principles. We participated in the UNGC Business & Human Rights Accelerator, and the UK Network's Climate & Human Rights and Modern Slavery working groups. In 2024, we continued to enhance policies and practices covering colleagues, customers, investments and suppliers. We participated in benchmarks and monitored developments in regulatory frameworks, such as the EU's Corporate Sustainability Due Diligence Directive (CSDDD), which will guide us further.

EBA Questions	Response
Risk management continued	
	<ul style="list-style-type: none"> We identified six salient human rights issues in 2023 which have the most potential to occur if action is not taken to prevent or address them. Our salient human rights issues are centred on five roles: Employer, Procurer, Retail Banker, Investor and Commercial Banker. We recognise that issues such as contribution to climate change and conflict and security are continuing to unfold within the current global political and environmental landscapes. We will continue to review our salient human rights issues as our business, value chain and operating environment evolve and have provided some illustrative examples of work done in 2024 in our most recent Sustainability Report.
(j) Activities, commitments and assets contributing to mitigate social risk	<p>Supporting our customers in ESG-related matters</p> <p>We offer customers a broad range of sustainable finance and advisory services and products. Our Climate and ESG Capital Markets and Advisory services can help customers with the design, structuring and execution of sustainability labelled debt, including the creation of frameworks and the selection of appropriate use of proceeds and key performance indicators. Through non-deal roadshow and investor engagement, we seek to facilitate current and potential investors with a specific focus on strategic ESG and sustainable finance topics.</p> <p>ESG ratings advisory</p> <p>Our ESG ratings advisory service is a key element of our Corporates and Institutional ESG offering, providing analysis, and insights on the maintenance of ESG ratings to our corporate and financial institutional customers, including sovereigns, supranationals and agencies (SSAs). We aim to provide useful insights on ESG ratings, helping customers to improve their ESG reporting and sustainability performance.</p> <p>Environmental, Social and Ethical (ESE) Risk Management Framework</p> <ul style="list-style-type: none"> To manage Environmental, Social and Ethical (ESE) risks, NatWest Group have developed Risk Acceptance Criteria (RAC) for nine sectors which present heightened ESE risk. These define the level of ESE risk the bank is prepared to accept. The ESE Risk Framework applies to all legal entities within NatWest Group for the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services). Customers are assessed at onboarding and during the lifecycle of their relationship. Some of the activities which we prohibit include: provision of sexual entertainment venues, the manufacture, sale, trade, servicing or stockpiling of highly controversial weapons, establishing new coal relationships and customers using harmful child labour, forced labour, modern slavery or human trafficking. <p>Human Rights</p> <p>During 2023 NatWest Group also developed a new standalone ESE Human Rights RAC that covers a range of sectors which have heightened risk specifically around human rights and modern slavery. This standalone RAC applies to all legal entities within NatWest Group for the onboarding of non-personal customers.</p> <p>Equator Principles (EP)</p> <ul style="list-style-type: none"> The Equator Principles (EP) are a voluntary set of standards adopted by financial institutions for determining, assessing and managing environmental and social risks in project-related transactions. NatWest Group has been a member since 2003. All transactions that fall within the scope of EP are subject to enhanced due diligence. This includes a review of the project-related transaction for compliance with the EP. The end result is documented, and forms part of the credit application pack submitted for approval. The EP use a scale of categorisation – A to C – to determine the scale of environmental and social impacts, with Category A being projects with the highest impacts and Category C, the lowest. Depending on the risk category, the prospective financing may be subject to a further and separate review by a Risk Committee. <p>NatWest Group Collective Action Activities</p> <ul style="list-style-type: none"> International Capital Markets Association (ICMA) – NWM N.V. is a member of ICMA and contribute to several of their working groups, such as those on ESG indices, climate transition finance, and sustainability-linked bonds. We helped review and update the ICMA's Climate Transition Finance Handbook, which provides guidance on how green bonds, sustainability bonds or sustainability-linked bonds can contribute towards transition strategy, and Sustainability-Linked Bond Principles, both published in June 2023. UN Global Compact (UNGC) - During 2023, we continued our participation in the UN Global Compact (UNGC), remaining as members of the Making Global Goals Local Working Group and the Modern Slavery Working Group. We continue to actively monitor UNGC's reporting requirements. UN Principles for Responsible Banking (PRB) - We were founding signatories of the PRB in 2019 and our ambition is to align our strategy with the 2015 Paris Agreement and UN Sustainable Development Goals (SDGs). In 2023, we continued our support for the Net-Zero Banking Alliance (NZBA) and announced a new ambition for financial wellbeing, baselined and SDG-aligned in line with PRB Target setting guidance.

EBA Questions	Response
Risk management continued	
(k) Implementation of tools for identification and management of social risk	<p>Please refer to the ESE Risk Assessments for customers mentioned in the response to question (b) of this Social Risk section.</p> <p>In addition to this: It is acknowledged that RBSH N.V. Group's use of tools to support the identification and management of social risks is currently limited, and more needs to be done to develop capabilities to support ongoing risk identification and management of social risks that are material to RBSH N.V. Group. For example, RBSH N.V. Group does not currently apply scenario analysis as a tool to identify or manage social risks.</p> <p>However, is underway following the DMA of RBSH N.V., we are reviewing the outcome and defining the next steps in order to by RBSH N.V. Group to assess the materiality of social risks, as part of preparations for CSRD reporting from early 2026 (for 2025 financial year). We therefore anticipate that future disclosures will evolve to include detail on the methodologies, data sources and tools used to support the identification, assessment and management of social risks which are considered material to RBSH N.V. Group.</p> <p>NatWest Group (including RBSH N.V. Group) does currently make use of tools within its Environmental, Social and Ethical (ESE) Framework.</p> <p>Although the framework's main focus is on the Environment risk and certain high risk sectors, its governance and controls may also mitigate certain social risks posed by companies on local communities or their employees, and the society more broadly:</p> <ul style="list-style-type: none"> – Under the ESE risk framework, the front office submits a questionnaire which triggers an ESE risk rating (Normal, Sensitive, High, Restricted or Prohibited) based on the activity in which the customer or transaction is involved or where the relationship team has risk concerns for a certain prospect client – The rating defines the level of ESE risk NatWest Group (including NWM N.V. Group) is prepared to accept. It also determines the approval requirements and the timing for the next ESE assessment within the customer lifecycle. – If the initial risk rating is other than "Normal", enhanced due diligence on the customer relationship or transaction is conducted. – In case of a "Prohibited" rating, new customers or transactions may not be supported and approval to exit existing ones may be triggered.
(l) Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching of limits	<p>Please refer to the ESE Risk Assessments for customers mentioned in the response to question (b) of this Social Risk section. Our Environmental, Social and Ethical (ESE) Risk Acceptance Criteria (RAC) defines the level of ESE risk the bank is prepared to accept and therefore constitutes activity-based limits for nine sectors which present heightened ESE risk.</p> <p>The ESE framework includes definitions for activities subject to enhanced due diligence, escalation and prohibition.</p> <p>Further information on our RAC's can be found here: https://www.natwestgroup.com/sustainability/governance-and-responsible-business/ease-and-reputational-risk-management.html</p> <p>RBSH N.V. Group expects to explore further measures to assess and address social risks for customers in the future.</p>
(m) Description of the link (transmission channels) between social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	<p>Owing to the proportionately small lending book, RBSH N.V. Group's exposure to financial risks (credit, liquidity, and funding) are expected to be limited. However, RBSH N.V. Group can be exposed to market risk owing to changes in economy and business environment based on social factors. RBSH N.V. Group can also be exposed to operational and reputational risks, owing to the actions of its customers, its supplier, and its own operations (such as extreme weather events, devaluation of assets, social unrest and political instability etc). While the ESE Risk Framework and other supplier and workplace related practices and policies may help mitigate such risks, further materiality assessments, which will help in identifying transmission channels and the extent to which social risk are linked to other prudential risks, are yet to be undertaken at RBSH N.V. Group.</p>

Table 3: Qualitative information on Governance Risk

EBA Questions	Response
Governance	
(a) Institution's integration in their governance arrangements, the governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	<p>Climate and Environment Risk Scorecards within CDF, and C&E Risk Assessments as mentioned in responses to questions (c), (d) and (l), in the Environmental Risk section, are used to ascertain customers' climate risk related performance.</p> <p>For the limited lending portfolio that RBSH N.V. Group holds, it tries to ascertain the capabilities of its customers to understand and act on ESG issues, and follows ESE governance, under the ESE process, as described in responses to questions (b), (m) and (q) in the Environmental Risk section. Further, RBSH N.V. Group, in line with NatWest Group, has also implemented policies, processes and systems that aim to ensure detection and prevention of risks from financial crime across RBSH N.V. Group's operations, and in dealings with its customers and suppliers. NatWest Group's Financial Crime policies and procedures, applicable to all legal entities including RBSH N.V. Group, covers anti-money laundering and counter terrorist financing, anti-bribery and corruption, anti-tax evasion, sanctions and fraud. Our financial crime framework is built on the following pillars:</p> <ul style="list-style-type: none"> – Policies and Procedures these support our business to prevent, detect and address financial crime that may arise as a result of our operations, products, services, our customers and suppliers. – Regular risk assessments: these support the bank to continue to strengthen procedures in line with our inherent risks. – Independent Audit: this continuously assesses the effectiveness of our controls. – Customers: we seek to know our customers by undertaking risk based due diligence and monitoring. – Process and technology: we aim to have high-quality detection and prevention systems and controls across the bank to manage the risks presented. – Culture and colleagues: we aim to have a culture of financial crime detection and prevention among all our colleagues, with deep expertise in all specialist roles. We undertake annual colleague training, and colleague awareness activity so everyone understands the role they play in tackling financial crime. We undertake customer awareness to help them protect themselves from financial crime. – Partnership working: we recognise that we cannot tackle financial crime in isolation. However, we strive to be an industry leader, and we work with partners including industry bodies, law enforcement, regulators and government to tackle financial crime. – Governance: we have financial crime governance in place to enable the oversight of our financial crime framework. <p>For more information on NatWest Group's approach to detecting, preventing, and monitoring financial crime risk, you may refer to the Financial Crime Statement available at www.natwestgroup.com.</p> <p>RBSH N.V. Group recognises that the measures mentioned above are just a starting point and there is more work to do in the areas of:</p> <ul style="list-style-type: none"> – understanding the governance arrangements of counterparties with regards to ESG and non-financial reporting; – monitoring the performance of the counterparties' governance; and – integration the performance of the counterparties' governance in its risk management arrangements.
(b) Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	<p>RBSH N.V. Group and NatWest Group collect some non-financial data from our counterparties, to better understand our value chain's environmental and social impact. While this has enhanced our understanding of counterparty reporting levels, additional efforts are needed to clarify the role and oversight of counterparties' governance bodies on non-financial reporting. As part of the recently implemented C&E Risk Assessment the RBSH N.V. Group has started to assess counterparty governance and board responsibilities around sustainability.</p> <p>This was implemented in March 2024 and comprises of counterparty level review using a risk-based approach. It originally applied to all new on-boards, and is gradually expanding to the existing counterparty population in line with the Financial Crime-Anti-Money Laundering reviews.</p> <p>RBSH N.V. Group have aligned with NatWest Group's ESE Risk Framework whereby an ESE risk assessment is required when a client has certain activities in listed sectors for which ESE Risk Acceptance Criteria (RAC) exists. The ESE RACs applies to the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services) and define the level of ESE risk the bank is prepared to accept. This includes considering that companies have relevant policies and procedures to manage ESE risks and the capacity to manage these risks through good governance and control.</p>

EBA Questions	Response
Governance continued	
<p>(c) Institution's integration in governance arrangements of the governance performance of their counterparties including:</p> <ul style="list-style-type: none"> (i) Ethical Considerations (ii) Strategy and risk management (iii) Inclusiveness (iv) Transparency (v) Management of conflict of interest (vi) Internal communication on critical concerns 	<p>Ethical considerations and inclusiveness are a part of the NatWest Group's ESE risk assessments of clients active in specific sensitive activities. All customers who fall into the 'Restricted' ESE risk category are subject to enhanced due diligence. This includes ensuring that companies have relevant policies and procedures to manage ESE risks and the capacity to manage these risks through good governance and control. It also assesses the companies' external ESE track record. All restricted customer relationships are approved by a business segment or legal entity accountable executive and where material, may be escalated to the NatWest Group Reputational Risk Committee. The Group Reputational Risk Committee reviews the appropriateness of transactions, customers, product specific cases, and specific matters which could have bank-wide reputational risk implications. ESE Risk Framework oversight and effectiveness is provided by the Risk Function and reported annually to the Group Reputational Risk Committee.</p> <p>Transparency with regards to counterparties' financial transactions fall under the scope of Financial Crime Programme. RBSH N.V. Group, in line with NatWest Group, has also implemented policies, processes and systems that ensure detection and prevention of risks from financial crime across RBSH N.V. Group's operations, and in dealings with its customers and suppliers. NatWest Group's Financial Crime Programme, applicable to all legal entities (including NWM N.V. Group) covers anti-money laundering and counter terrorist financing, anti-bribery and corruption, anti-tax evasion, sanctions and fraud. Financial crime risks are identified and reported through continuous risk management and regular reporting. Material financial crime risks and issues are reviewed by the Financial Crime Risk Committee, chaired by NWM Plc's Head of Compliance & Financial Crime, and where applicable, escalated to NWM Plc's Executive Risk Committee and Board Risk Committee. Additionally, RBSH N.V. Group is represented on NatWest Group's Financial Crime Executive Steering Group, which oversees financial crime risk management, operational performance, and transformation matters across NatWest Group. As part of the CRO report, Financial Crime Risk is a standard part for the NWM N.V. Risk & Control Committee and is regularly discussed by its Managing Board, Board Risk Committee and Supervisory Board.</p> <p>RBSH N.V. Group is still to structure processes to monitor performance of counterparties' governance with regards to monitoring of strategy, risk management, conflict of interest and internal communication at its counterparties.</p>
Risk Management	
<p>(d) Institution's integration in risk management arrangements the governance performance of their counterparties considering:</p> <ul style="list-style-type: none"> (i) Ethical considerations (ii) Strategy and risk management (iii) Inclusiveness (iv) Transparency (v) Management of conflict of interest (vi) Internal communication on critical concerns 	<p>Same as the response to question (c) in this Governance Risk section.</p>

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

This template reflects RBSH N.V. Banking book Loans and advances (€482 million) and debt securities (€96 million) to non-financial corporations. This portfolio is relatively a small portion of the total balance sheet 1.9%. The largest exposures originate from drawings under revolving credit facilities.

The identification of exposures to counterparties excluded from the EU-Paris-aligned benchmarks (Article 12(1), points (d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818) was carried out by assessing exposures towards companies in the following NACE sectors Electricity & Gas, Manufacturing, and Transport (of oil or fuels). Taking the data availability into consideration, further split out of the counterparty sector was based on the primary activity and the gross exposure of the counterparty. Specifically for the power generation companies, the reported emission intensity for scope 1, 2 and 3 were used to determine the alignment with the Paris benchmark threshold.

Scope 3 emissions have been reported since June 2024. Availability of Scope 3 emissions directly from the counterparties continues to be limited, however data quality and availability of Scope 3 emissions is expected to improve in following submissions. For the few cases, we have reported Scope 3 emissions (in Column j), we have relied on internal NatWest Group models for the estimation of these emissions. Since Column k is specifically asking for percentage of portfolio for which all three scopes of emission are derived directly from the counterparty, we have answered this as nil across all sectors.

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d)					Accumulated impairment, accumulated negative changes in			GHG financed emissions (scope 1, scope 2 and scope 3		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from					
	Gross carrying amount	to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
1 Exposures towards sectors that highly contribute to climate change	380	103	117	36	-	(2)	(1)	-	71,733	1,426	-	368	12	-	-	2
2 A - Agriculture, forestry and fishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 B - Mining and quarrying	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	2
4 B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 B.07 - Mining of metal ores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 B.08 - Other mining and quarrying	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	2
8 B.09 - Mining support service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 C - Manufacturing	143	-	44	28	-	(2)	(1)	-	16,196	1,001	-	136	7	-	-	2
10 C.10 - Manufacture of food products	7	-	-	-	-	-	-	-	676	-	-	5	2	-	-	5
11 C.11 - Manufacture of beverages	7	-	-	-	-	-	-	-	331	-	-	7	-	-	-	2
12 C.12 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 C.13 - Manufacture of textiles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 C.14 - Manufacture of wearing apparel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
1 Exposures towards sectors that highly contribute to climate change	464	136	105	94	-	(3)	(1)	-	105,922	-	87	453	12	-	-	3
2 A - Agriculture, forestry and fishing	1	-	-	-	-	(0)	-	-	223	-	-	1	-	-	-	5
3 B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 B.07 - Mining of metal ores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 B.08 - Other mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 B.09 - Mining support service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 C - Manufacturing	175	-	63	65	-	(2)	(1)	-	6,211	-	34	165	10	-	-	3
10 C.10 - Manufacture of food products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 C.11 - Manufacture of beverages	6	-	-	-	-	(0)	-	-	-	-	-	4	2	-	-	1
12 C.12 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 C.13 - Manufacture of textiles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 C.14 - Manufacture of wearing apparel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount	Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non-performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent))	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
15 C.15 - Manufacture of leather and related products	1	-	-	-	-	-	-	-	5	-	-	1	-	-	-	2
16 C.16 - Manufacture of wood and of products of wood and cork except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 C.17 - Manufacture of paper and paper products	2	-	-	-	-	-	-	-	1,231	-	-	2	-	-	-	3
18 C.18 - Printing and reproduction of recorded media	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 C.19 - Manufacture of coke and refined petroleum products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 C.20 - Manufacture of chemicals and chemical products	18	-	2	-	-	-	-	-	7,782	-	-	18	-	-	-	2
21 C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	21	-	2	1	-	-	-	-	251	-	-	19	2	-	-	2
22 C.22 - Manufacture of rubber products	2	-	-	-	-	-	-	-	419	-	-	2	-	-	-	4

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
15 C.15 - Manufacture of leather and related products	3	-	-	-	-	(1)	-	-	131	-	-	3				3
16 C.16 - Manufacture of wood and of products of wood and cork except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 C.17 - Manufacture of paper and paper products	2	-	-	-	-	(0)	-	-	1,100	-	-	2				4
18 C.18 - Printing and reproduction of recorded media	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 C.19 - Manufacture of coke and refined petroleum products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 C.20 - Manufacture of chemicals and chemical products	20	-	1	-	-	(0)	-	-	1,434	-	-	17	3			3
21 C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	19	-	-	-	-	(0)	-	-	176	-	28	17	2			3
22 C.22 - Manufacture of rubber products	2	-	-	-	-	(0)	-	-	246	-	-	2				4

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity Years
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	€m
23 C.23 - Manufacture of other non-metallic mineral products	4	-	1	-	-	-	-	-	53	-	-	4	-	-	-	2
24 C.24 - Manufacture of basic metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	5	-	-	-	-	-	-	-	2,357	-	-	5	-	-	-	3
26 C.26 - Manufacture of computer, electronic and optical products	13	-	-	-	-	-	-	-	129	-	-	13	-	-	-	2
27 C.27 - Manufacture of electrical equipment	11	-	3	-	-	-	-	-	727	-	-	8	3	-	-	3
28 C.28 - Manufacture of machinery and equipment n.e.c.	15	-	4	-	-	-	-	-	500	-	-	15	-	-	-	2
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	6	-	3	-	-	-	-	-	1,252	1,001	-	6	-	-	-	-
30 C.30 - Manufacture of other transport equipment	30	-	28	27	-	(2)	(1)	-	483	-	-	30	-	-	-	3
31 C.31 - Manufacture of furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 C.32 - Other manufacturing	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
33 C.33 - Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent))	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
23 C.23 - Manufacture of other non-metallic mineral products	4	-	1	-	-	(0)	-	-	-	-	-	2	2			3
24 C.24 - Manufacture of basic metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	64	-	58	58	-	(0)	(0)	-	1,378	-	91	64				4
26 C.26 - Manufacture of computer, electronic and optical products	18	-	-	5	-	(1)	(0)	-	671	-	-	18				3
27 C.27 - Manufacture of electrical equipment	12	-	0	2	-	(0)	(0)	-	325	-	-	12				3
28 C.28 - Manufacture of machinery and equipment n.e.c.	12	-	1	-	-	(0)	-	-	732	-	-	12				3
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	5	-	3	-	-	-	-	-	-	-	-	5				1
30 C.30 - Manufacture of other transport equipment	6	-	-	-	-	(0)	-	-	18	-	-	5	1			4
31 C.31 - Manufacture of furniture	-	-	-	-	-	-	-	-	-	-	-	-				-
32 C.32 - Other manufacturing	1	-	-	-	-	-	-	-	-	-	-	1				2
33 C.33 - Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
34 D - Electricity, gas, steam and air conditioning supply	103	103	33	-	-	-	-	-	37,036	-	-	103	-	-	-	1
35 D35.1 - Electric power generation, transmission and distribution	102	102	33	-	-	-	-	-	36,960	-	-	102	-	-	-	1
36 D35.11 - Production of electricity	95	95	30	-	-	-	-	-	35,095	-	-	95				2
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	1	1	-	-	-	-	-	-	76	-	-	1	-	-	-	2
38 D35.3 - Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 E - Water supply; sewerage, waste management and remediation activities	7	-	2	-	-	-	-	-	2,347	-	-	7	-	-	-	2
40 F - Construction	3	-	1	-	-	-	-	-	92	-	-	1	2	-	-	3
41 F.41 - Construction of buildings	1	-	1	-	-	-	-	-	53	-	-	1	-	-	-	1
42 F.42 - Civil engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 F.43 - Specialised construction activities	2	-	-	-	-	-	-	-	39	-	-	-	2	-	-	5
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	20	-	-	1	-	-	-	-	3,607	-	-	18	2	-	-	1
45 H - Transportation and storage	77	-	36	7	-	-	-	-	11,870	425	-	76	1	-	-	1

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
34 D - Electricity, gas, steam and air conditioning supply	136	136	38	-	-	(0)	-	-	44,393	-	100	136	-	-	-	2
35 D35.1 - Electric power generation, transmission and distribution	136	136	38	-	-	(0)	-	-	44,393	-	100	136	-	-	-	2
36 D35.11 - Production of electricity	101	101	-	-	-	(0)	-	-	474,393	-	100	101				3
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 D35.3 - Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 E - Water supply; sewerage, waste management and remediation activities	23	-	1	16	-	(0)	(0)	-	46,455	-	90	23	-	-	-	3
40 F - Construction	2	-	-	-	-	(0)	-	-	-	-	-	2	-	-	-	3
41 F.41 - Construction of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 F.42 - Civil engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 F.43 - Specialised construction activities	2	-	-	-	-	(0)	-	-	-	-	-	2				3
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	26	-	-	2	-	(0)	(0)	-	6,242	-	9	25	0		-	3
45 H - Transportation and storage	72	-	2	5	-	(0)	(0)	-	2,088	-	80	72	-	-	-	2

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity Years
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	€m
46 H.49 - Land transport and transport via pipelines	15	-	10	-	-	-	-	-	8,453	425	-	15	-	-	-	3
47 H.50 - Water transport	2	-	1	-	-	-	-	-	1,312	-	-	1	1	-	-	3
48 H.51 - Air transport	1	-	-	-	-	-	-	-	1,081	-	-	1	-	-	-	-
49 H.52 - Warehousing and support activities for transportation	57	-	24	6	-	-	-	-	883	-	-	57	-	-	-	1
50 H.53 - Postal and courier activities	2	-	1	1	-	-	-	-	141	-	-	2	-	-	-	1
51 I - Accommodation and food service Activities	3	-	-	-	-	-	-	-	112	-	-	3	-	-	-	2
52 L - Real estate activities	22	-	-	-	-	-	-	-	250	-	-	22	-	-	-	-
53 Exposures towards sectors other than those that highly contribute to climate change*	198	-	3	31	34	(4)	(1)	(1)				192	6	-	-	3
54 K - Financial and insurance activities	-	-	-	-	-	-	-	-				-	-	-	-	-
55 Exposures to other sectors (NACE codes J, M - U)	198	-	3	31	34	(4)	(1)	(1)				192	6	-	-	3
56 Total	578	103	120	67	34	(6)	(2)	(1)	71,733	1,426	-	560	18	-	-	2

Template 1 – Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Of which: Exposures towards companies excluded from EU-Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which: Environmentally sustainable (CCM)	Of which: Stage 2 exposures	Of which: Non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: Non- performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty (in tons of CO2 equivalent)	Of which: Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m			%	€m	€m	€m	€m	Years
46 H.49 - Land transport and transport via pipelines	13	-	-	-	-	(0)	-	-	-	-	80	13				4
47 H.50 - Water transport	3	-	1	-	-	(0)	-	-	548	-	-	3				2
48 H.51 - Air transport	1	-	-	-	-	-	-	-	-	-	-	1				2
49 H.52 - Warehousing and support activities for transportation	53	-	-	5	-	(0)	(0)	-	1,536	-	87	53				1
50 H.53 - Postal and courier activities	2	-	1	-	-	-	-	-	-	-	-	2				2
51 I - Accommodation and food service Activities	2	-	-	-	-	(0)	-	-	15	-	-	1	1			2
52 L - Real estate activities	27	-										27				2
53 Exposures towards sectors other than those that highly contribute to climate change*	188	-	1	43	-	(3)	(1)	-				176	12	-	-	4
54 K - Financial and insurance activities	-	-	-	-	-	-	-	-				-				-
55 Exposures to other sectors (NACE codes J, M - U)	188	-	1	43	-	(3)	(1)	-				176	12			3
56 Total	652	136	106	138	-	(6)	(1)	-	105,922	-		629	24	-	-	3

Template 5 – Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk (I)

The table below provides information on exposures subject to climate change physical risk (acute, chronic or both) and includes a sectoral breakdown of gross exposures to non-financial corporations. The exposures include loans and advances, debt securities and equity instruments other than those held-for-trading or for sale. RBSH N.V. does not currently have any loans collateralized by residential and commercial property, or any repossessed collaterals. Hence those fields have been left blank.

RBSH N.V. has used MSCI 3°C REMIND Orderly scenario results to Report Physical Risk. Acute risk has been checked per MSCI Scenarios on Extreme Wind, Coastal Flooding, Fluvial Flooding, River Low Flow, Tropical Cyclones and Wildfire. Chronic Risk has been checked per MSCI Scenarios on Extreme Cold, Extreme Heat, Extreme Precipitation, Extreme Snowfall and Extreme Wind. MSCI ESG Research's scenario analysis is designed to be closely aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations that institutional investors are now expected to disclose the risks and opportunities associated with climate change of the companies and assets in which they are invested. MSCI ESG Research provides physical risks for a variety of scenarios. The scenarios are aligned with those recommended by the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC).

For more details on Methodology, refer to <https://www.msci.com/esg-and-climate-methodologies>.

MSCI provides the scenario against two outcomes, for which we will use the former of these:

- Average outcome - A company's expected downside or upside potential.
- Aggressive outcome - A company's "worst-case" (95th percentile) downside or upside potential.

We have seen Data points in MSCI for 70 out of 208 Clients, this covers 40% of overall Lending balance. This covers balances presented in both templates D 05.00a and D05.00b. Those exposures identified as subject to both acute and chronic physical risk are required to be reported in the combined column along with reflecting in Individual column basis significant impact. Financial Risk Categories as defined in MSCI are Risk Reduction, Negligible Risk Reduction, No Identifiable Risk, Negligible Risk, Moderate Risk, Significant Risk and Severe Risk. RBSH N.V. reports in this template risk categories of moderate and above. Where client data was not available in MSCI the information of the clients' parent has been used.

RBSH N.V. clients are mostly EU based. There are a small number of non-EU clients, representing an insignificant lending value and very limited sensitivity to physical risk. Thus they have been incorporated within one template instead of breaking down into multiple templates on the basis of geography. In addition, we have €6.5 million in exposure toward sector P and R. They have however not been included in the table because their sensitivity data could not be found in MSCI.

The second sheet of Template 5 (II), consists of the breakdown of line 13; other relevant sectors.

Template 5 – Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk (I) continued

Geographical area subject to climate change physical risk - acute and chronic events: EU

		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Of which exposures sensitive to impact from climate change physical events													
		Gross carrying amount	Breakdown by maturity bucket					Of which: exposures sensitive to impact from chronic climate change events	Of which: exposures sensitive to impact from acute climate change events	Of which: exposures sensitive to impact both from chronic and acute climate change events	Of which: Stage 2 exposures	Of which: non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: non-performing exposures
			<= 5 years	<= 10 years	<= 20 years	> 20 years	Average weighted maturity								
			€m	€m	€m	€m	€m	Years	€m	€m	€m	€m	€m	€m	€m
31 December 2024															
1	A - Agriculture, forestry and fishing														
2	B - Mining and quarrying	1	1				2	-	-	1			-		
3	C - Manufacturing	143	53	1			1	45	1	8	28		-	-	-
4	D - Electricity, gas, steam and air conditioning supply	103	98				2	19	2	77	-		-	-	-
5	E - Water supply; sewerage, waste management and remediation activities	7	3				1	2	-	1	-		-	-	-
6	F - Construction	3	1				1	-	-	1	-		-		
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	20	5				1	2	-	3	-		-	-	-
8	H - Transportation and storage	77	56				1	53	-	3	1		-		
9	L - Real estate activities	22	-				-	-	-	-	-		-	-	-
10	Loans collateralised by residential immovable property														
11	Loans collateralised by commercial immovable property														
12	Reposessed collaterals														

Template 5 – Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk (I) continued

Geographical area subject to climate change physical risk - acute and chronic events: EU continued

		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Of which exposures sensitive to impact from climate change physical events													
		Gross carrying amount €m	Breakdown by maturity bucket				Average weighted maturity Years	Of which: exposures sensitive to impact from chronic climate change events €m	Of which: exposures sensitive to impact from acute climate change events €m	Of which: exposures sensitive to impact both from chronic and acute climate change events €m	Of which: Stage 2 exposures €m	Of which: non-performing exposures €m	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions €m	Of which: Stage 2 exposures €m	Of which: non-performing exposures €m
			<= 5 years	<= 10 years	<= 20 years	> 20 years									
			€m	€m	€m	€m									
31 December 2023															
1	A - Agriculture, forestry and fishing	1	-				-	-	-	-	-		-	-	-
2	B - Mining and quarrying														
3	C - Manufacturing	141	88				2	74	4	10	58		0	0	-
4	D - Electricity, gas, steam and air conditioning supply	130	105				2	1	3	101	-		0	-	-
5	E - Water supply; sewerage, waste management and remediation activities	20	19				2	1	17	1	16		0	0	-
6	F - Construction	2													
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	21	5				2	4		1	-		0	-	-
8	H - Transportation and storage	67	5				2	2	1	2	-				
9	L - Real estate activities	26	6				2	-	6	-	-		0	-	-
10	Loans collateralised by residential immovable property														
11	Loans collateralised by commercial immovable property														
12	Reposessed collaterals														

Template 5 – Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk (II)

		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Of which exposures sensitive to impact from climate change physical events													
	Gross carrying amount	Breakdown by maturity bucket					Of which: exposures sensitive to impact from chronic climate change events	Of which: exposures sensitive to impact from acute climate change events	Of which: exposures sensitive to impact both from chronic and acute climate change events	Of which: Stage 2 exposures	Of which: non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: non-performing exposures	
		<= 5 years	<= 10 years	<= 20 years	> 20 years	Average weighted maturity									
		€m	€m	€m	€m	€m	Years	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2024		€m	€m	€m	€m	€m	Years	€m	€m	€m	€m	€m	€m	€m	€m
I	Accommodation and food service activities	3	2				1	2	-	-	-	-	-		-
J	Information and communication	72	4				1	2	1	1	-	-	-		-
M	Professional, scientific and technical activities	46	1				2	-	-	1	-	-	-		-
N	Administrative and support service activities	49	1				3			1			-		
Q	Human health and social work activities	24	-				-	-	-	-	-	-	-		-

		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Of which exposures sensitive to impact from climate change physical events													
		Breakdown by maturity bucket					Of which: exposures sensitive to impact from chronic climate change events	Of which: exposures sensitive to impact from acute climate change events	Of which: exposures sensitive to impact both from chronic and acute climate change events	Of which: Stage 2 exposures	Of which: non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: Stage 2 exposures	Of which: non- performing exposures	
		Gross carrying amount	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	Average weighted maturity									
		€m	€m	€m	€m	€m	Years	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2023															
I	Accommodation and food service activities	2	1				1	1	-	-	-	-	-	-	-
J	Information and communication	62	2				2	-	1	1	-	-	-	-	-
M	Professional, scientific and technical activities	44	18				3	-	17	1	17	-	-	-	-
Q	Human health and social work activities	36	2				3	-	2	-	-	-	-	-	-

Common Narratives for GAR Templates.

Trading and capital market services, form the bulk of RBSH N.V.'s business. As of 31 December 2024, our trading book and exposures to central banks or sovereigns made up 85% of our assets, with nostro, settlement balances, and inter-group demand accounts making up another 6%. Drawn lending exposures, accounted for approximately 8% of RBSH N.V. Group's total assets, with exposure to non-financial corporates at less than 2%. Assets eligible for GAR, therefore, represents a very small proportion of total assets. Out of total assets eligible for GAR, only EU non-financial corporates subject to NFRD (€527 million) were considered, of which only €65 million were found to be taxonomy aligned, yielding a GAR of just 1.39% (stock).

For the purpose of the GAR calculation, Institutions are only allowed to use publicly available, client published data to establish taxonomy-aligned environmental sustainability for climate change mitigation and climate change adaptation. This is the process we have followed for all exposures towards non-financial customers. The availability of GAR related data as required by non-financial undertakings under NFRD, is limited. Where client does not publish sustainability reports, then the associated exposure has been treated as non-aligned.

Settlement balances are excluded from the GAR numerator but account for a significant part of the GAR denominator. They vary considerably across submissions, which may impact the GAR ratio and its variability over time.

The GAR for Stock and Flow have been calculated in line with section 1.2.1.1 of the EU Taxonomy Delegated Disclosure Act based on Turnover KPI alone, as prescribed for EBA ITS Pillar 3 disclosure. Key point to note:

The gross carrying amount of project finance exposures was deemed to zero; all calculations treated exposures as being 'general-purpose' – i.e. the use of proceeds was unknown

Template 6 - Summary of GAR KPIs (I)

		KPI			
		Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + climate change adaptation)	% coverage (over total assets)*
		%	%	%	%
31 December 2024					
010	GAR stock	1.39	-	1.39	8.37
020	GAR flow	2.12	-	2.12	0.44
		KPI			
		Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + climate change adaptation)	% coverage (over total assets)*
		%	%	%	%
31 December 2023					
010	GAR stock	1.38	-	1.38	11.22
020	GAR flow	0.73	-	0.73	7.98

Template 7 - Mitigating actions – Assets for the calculation of GAR (I)

	a	b					f	g					k	l					p
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)						TOTAL (CCM + CCA)					
		Of which: towards taxonomy relevant sectors (taxonomy-eligible)						Of which: towards taxonomy relevant sectors (taxonomy-eligible)						Of which: towards taxonomy relevant sectors (taxonomy-eligible)					
		Of which: environmentally sustainable (taxonomy-aligned)						Of which: environmentally sustainable (taxonomy-aligned)						Of which: environmentally sustainable (taxonomy-aligned)					
		Total gross carrying amount			Of which: specialised lending	Of which: transitional		Of which: enabling			Of which: specialised lending	Of which: transitional		Of which: enabling			Of which: specialised lending	Of which: transitional	
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m		
GAR - Covered assets in both numerator and denominator																			
010	Loans and advances, debt securities and equity instruments not HFT-eligible																		
	GAR calculation	2,558	120	65	-	1	37	-	-	-	-	-	-	120	65	-	1	37	
020	Financial corporations	2,031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
030	Credit institutions	130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
040	Loans and advances	59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	Debt securities, including UoP	71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
060	Equity instruments	-	-			-	-	-			-	-	-	-			-	-	
070	Other financial corporations	1,901	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
080	Of which: investment firms	319	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
090	Loans and advances	319	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
110	Equity instruments	-	-			-	-	-			-	-	-	-			-	-	
120	Of which: management companies	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
130	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Template 7 - Mitigating actions – Assets for the calculation of GAR (I) continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
	Of which: towards taxonomy relevant sectors (taxonomy-eligible)						Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)				
	Of which: environmentally sustainable (taxonomy-aligned)						Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)				
Total gross carrying amount			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling	
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
GAR - Covered assets in both numerator and denominator																
010 Loans and advances, debt securities and equity instruments not HFT-eligible																
GAR calculation	3,168	105.51	72.96	-	1	49	1	0	-	-	0	106	73	-	1	49
020 Financial corporations	73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 Credit institutions	73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 Loans and advances	73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
050 Debt securities, including UoP	-	-			-	-	-			-	-	-			-	-
060 Equity instruments	-	-			-	-	-			-	-	-			-	-
070 Other financial corporations	2,528	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080 <i>Of which: investment firms</i>	288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090 Loans and advances	288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 Debt securities, including UoP	-	-			-	-	-			-	-	-			-	-
110 Equity instruments	-	-			-	-	-			-	-	-			-	-
120 <i>Of which: management companies</i>	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Loans and advances	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 7 - Mitigating actions – Assets for the calculation of GAR (I) continued

	a	b c d e f					g h i j k					l m n o p				
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)				
		Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)				
	Total gross carrying amount		Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling	
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
140 Debt securities, including UoP	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160 Of which: insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 Non-financial corporations (subject to NFRD disclosure obligations)	527	120	65	-	1	37	-	-	-	-	-	120	65	-	1	37
210 Loans and advances	432	92	57	-	-	3	-	-	-	-	-	92	57	-	-	3
220 Debt securities, including UoP	95	28	8	-	1	34	-	-	-	-	-	28	8	-	1	34
230 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
240 Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
250 Of which: loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
260 Of which: building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
270 Of which: motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
280 Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
290 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320 Total GAR assets	2,558	120	65	-	1	37	-	-	-	-	-	120	65	-	1	37

Template 7 - Mitigating actions – Assets for the calculation of GAR (I) continued

	a	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)				
		Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)				
		Total gross carrying amount	Of which: specialised lending	Of which: transitional	Of which: enabling		Total gross carrying amount	Of which: specialised lending	Of which: transitional	Of which: enabling		Total gross carrying amount	Of which: specialised lending	Of which: transitional	Of which: enabling	
		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2023																
140 Debt securities, including UoP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Equity instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160 <i>Of which: insurance undertakings</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 Loans and advances		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Debt securities, including UoP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 Equity instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 Non-financial corporations (subject to NFRD disclosure obligations)		567	106	73	-	1	49	1	-	-	-	106	73	-	1	49
210 Loans and advances		510	94	70	-	1	48	-	-	-	-	94	70	-	1	48
220 Debt securities, including UoP		57	11	3	-	-	1	1	-	-	-	12	3	-	-	1
230 Equity instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
240 Households		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
250 <i>Of which: loans collateralised by residential immovable property</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
260 <i>Of which: building renovation loans</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
270 <i>Of which: motor vehicle loans</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
280 Local governments financing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
290 Housing financing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 Collateral obtained by taking possession: residential and commercial immovable properties		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320 Total GAR assets		3,168	106	73	-	1	49	1	-	-	-	106	73	-	1	49

Template 7 - Mitigating actions – Assets for the calculation of GAR (I) continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)					
	Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)					
Total gross carrying amount			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling	
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
325 Assets excluded from the numerator for GAR calculation (covered in the denominator)																
330 EU Non-financial corporations (not subject to NFRD disclosure obligations)	-															
340 Loans and advances	-															
350 Debt securities	-															
360 Equity instruments	-															
370 Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	51															
380 Loans and advances	50															
390 Debt securities	1															
400 Equity instruments	-															
410 Derivatives																
420 On demand interbank loans	948															
430 Cash and cash-related assets	-															
440 Other assets (e.g. Goodwill, commodities etc.)	1,115															
450 Total assets in the denominator (GAR)	4,672															
455 Other assets excluded from both the numerator and denominator for GAR calculation																
460 Sovereigns	519															
470 Central banks exposure	6,187															
480 Trading book	18,873															
490 Total assets excluded from numerator and denominator	25,579															
500 Total assets	30,251															

Template 7 - Mitigating actions – Assets for the calculation of GAR (I) continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)					Of which: towards taxonomy relevant sectors (taxonomy-eligible)					
	Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)					Of which: environmentally sustainable (taxonomy-aligned)					
Total gross carrying amount			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling	
31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
325 Assets excluded from the numerator for GAR calculation (covered in the denominator)																
330 EU Non-financial corporations (not subject to NFRD disclosure obligations)	-															
340 Loans and advances	-															
350 Debt securities	-															
360 Equity instruments	-															
370 Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	79															
380 Loans and advances	79															
390 Debt securities	1															
400 Equity instruments	-															
410 Derivatives	-															
420 On demand interbank loans	898															
430 Cash and cash-related assets	-															
440 Other assets (e.g. Goodwill, commodities etc.)	1,133															
450 Total assets in the denominator (GAR)	5,279															
455 Other assets excluded from both the numerator and denominator for GAR calculation																
460 Sovereigns	338															
470 Central banks exposure	5,979															
480 Trading book	16,646															
490 Total assets excluded from numerator and denominator	22,963															
500 Total assets	28,242															

Template 8 - GAR% (I)- KPIs on stock

		a					b					c					d					e					f					g					h					i					j					k					l					m					n					o					p																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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Template 8 - GAR% (I)- KPIs on stock continued

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Template 8 - GAR %(II)- KPIs on flow

		q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					KPI's in stock
		Proportion of new eligible assets funding taxonomy-relevant sectors					Proportion of new eligible assets funding taxonomy-relevant sectors					Proportion of new eligible assets funding taxonomy-relevant sectors					
		Of which: environmentally sustainable					Of which: environmentally sustainable					Of which: environmentally sustainable					
				Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling	
31 December 2024		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
010	GAR	6.60	2.12	-	0.16	0.58	-	-	-	-	-	6.60	2.12	-	0.16	0.58	0.44
020	Loans and advances, debt securities and equity instruments not HFT-eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.44
030	Financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.29
040	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
050	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.22
060	Of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
070	Of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Non-financial corporations subject to NFRD disclosure obligations	20.11	6.47	-	0.49	1.78	-	-	-	-	-	20.11	6.47	-	0.49	1.78	0.15
100	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	Of which loans collateralised by residential immovable property	-	-	-	-	-						-	-	-	-	-	-
120	Of which building renovation loans	-	-	-	-	-						-	-	-	-	-	-
130	Of which motor vehicle loans	-	-	-	-	-						-	-	-	-	-	-
140	Local government financing	-	-	-	-	-						-	-	-	-	-	-
150	Housing financing																-
160	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-						-	-	-	-	-	-

Template 8 - GAR %(II)- KPIs on flow continued

		q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					KPI's in stock
		Proportion of new eligible assets funding taxonomy-relevant sectors					Proportion of new eligible assets funding taxonomy-relevant sectors					Proportion of new eligible assets funding taxonomy-relevant sectors					
		Of which: environmentally sustainable					Of which: environmentally sustainable					Of which: environmentally sustainable					
				Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling			Of which: specialised lending	Of which: transitional	Of which: enabling	Proportion of total new assets covered
31 December 2023		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
010	GAR	1.10	0.73	-	-	0.65	0.03	-	-	-	-	1.12	0.73	-	-	0.65	7.98
020	Loans and advances, debt securities and equity instruments not HFT-eligible for GAR calculation	1.10	0.73	-	-	0.65	0.03	-	-	-	-	1.12	0.73	-	-	0.65	7.98
030	Financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.42
060	Of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
070	Of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Non-financial corporations subject to NFRD disclosure obligations	1.10	0.73	-	-	0.65	0.03	-	-	-	-	1.12	0.73	-	-	0.65	2.56
100	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	Of which loans collateralised by residential immovable property	-	-	-	-	-						-	-	-	-	-	-
120	Of which building renovation loans	-	-	-	-	-						-	-	-	-	-	-
130	Of which motor vehicle loans	-	-	-	-	-						-	-	-	-	-	-
140	Local government financing	-	-	-	-	-						-	-	-	-	-	-
150	Housing financing											-	-	-	-	-	-
160	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-						-	-	-	-	-	-

Common Narratives on BTAR Templates.

The templates bellow present assets relevant for the calculation of BTAR and its corresponding eligibility and alignment with EU taxonomy. BTAR has a larger scope for eligible assets, covering non-EU exposures and other exposures not subject to NFRD. BTAR assets consist of 2,609 million EUR, where the 51 million increase is attributed to non-EU Non-financial exposures that were excluded from the GAR numerator in template 7. Despite efforts, RBS Holdings NV was unable to gather data on EU-taxonomy for these exposures and therefore disclose a BTAR of 0%

Template 9.1 - Mitigating actions: Assets for the calculation of BTAR

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Total gross carrying amount		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which: Towards taxonomy relevant sectors (Taxonomy-eligible)					Of which: Towards taxonomy relevant sectors (Taxonomy-eligible)					Of which: Towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which: environmentally sustainable (Taxonomy-aligned)					Of which: environmentally sustainable (Taxonomy-aligned)					Of which: environmentally sustainable (Taxonomy-aligned)				
			Of which: specialised lending	Of which: transitional	Of which: enabling		Of which: specialised lending	Of which: transitional	Of which: enabling		Of which: specialised lending	Of which: transitional	Of which: enabling			
31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
1 Total GAR assets	2,558	120	65		1	37						120	65		1	37
Assets excluded from the numerator for GAR calculation (covered in the denominator but included in the numerator and denominator of the BTAR)																
2 EU non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Of which: loans collateralised by commercial immovable property	-	-	-	-	-	-						-	-	-	-	-
5 Of which: building renovation loans	-	-	-	-	-	-						-	-	-	-	-
6 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Non-EU non-financial corporations (not subject to NFRD disclosure obligations)	51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Total BTAR assets	2,609	120	65		1	37						120	65		1	37
Assets excluded from the numerator of BTAR (covered in the denominator)																
13 Derivatives	-															
14 On demand interbank loans	984															
15 Cash and cash-related assets																
16 Other assets (e.g. goodwill, commodities etc.)	1,120															
17 Total assets in the denominator	4,672															
Other assets excluded from both the numerator and denominator for BTAR calculation																
18 Total assets excluded from numerator and denominator	25,579															
19 Total assets	30,251															

Template 9.2 - BTAR %

																	KPIs on stock															KPIs on flows																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Template 9.3 - Summary table BTAR %

		KPI			
		Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	TOTAL (CCM + CCA)	% coverage (over total assets)*
31 December 2024		%	%	%	%
1	BTAR stock	-	-	-	8.63
2	BTAR flow	-	-	-	0

Important information in relation to ESG disclosures

Caution about the information this report is based on

This report is prepared based on reviews and analysis of (i) our data derived from management systems that are not necessarily part of the internal controls and procedures over financial reporting used for the preparation of our IFRS financial statements as adopted by the EU; and (ii) financial, statistical and other information and data published by third parties.

Caution about information that is subject to significant measurement uncertainties

The information in this report includes non-financial metrics, estimates or other information that are subject to significant measurement uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and/or underlying data that is obtained from third parties, some of which cannot be independently verified. The preparation of certain information in this report requires the application of a number of key judgments, assumptions and estimates, including with respect to the classification of climate and sustainable funding and financing activities. There is a risk that these judgments, assumptions or estimates may subsequently prove to be incorrect and/or may need to be restated or changed.

Caution about data quality

In general, the quality of the data relied upon for the purposes of climate and sustainability-related reporting presented in this report is often not yet of the same standard as more traditional financial reporting as the data relied upon is derived from management systems that (a) are not necessarily part of the internal controls and procedures over financial reporting used for the preparation of our IFRS financial reports, as adopted by the EU, and that may be subject to assurance procedures; and (b) are generally considerably less sophisticated than the systems and controls for financial reporting and also include manual processes. This may result in the information presented in this report being less comparable, verifiable, timely, understandable and useful for the purposes of decision-making than information in our financial reports. Further to it, financial, statistical and other information and data published by third parties and included in this report have not been independently verified by RBS Holdings N.V. (together with its subsidiaries the 'RBS Holdings Group').

Caution about lack of commonly accepted sustainability-related reporting practices

Climate and sustainability-related reporting is less mature compared to financial reporting. There is a lack of commonly accepted sustainability-related reporting practices for RBS Holdings Group to follow or align to. Accordingly, climate and sustainability-related measures between organisations in our industry and between reporting periods within organisations may be non-comparable as reporting principles and standards develop.

Caution about Green Asset Ratio (GAR)

The GAR may give rise to several challenges in terms of its usability and its calculation methodology which may potentially make it a less reliable or useful metric for investors or other stakeholders to assess the progress of a bank in financing the sustainability transition. Some challenges may include (but not limited to):

- The absence of available adequate GAR data, limited access to Annex II (Delegated Disclosure Act) data by non-financial undertakings subject to the Non-financial Reporting Directive (Directive (EU) 2014/95/EU, NFRD).
- Sequencing of financial and non-financial sector reporting: data gaps arising from sequencing challenges of the disclosure requirements applicable to financial institutions in advance of the information being available from their clients and counterparties.
- Absence of a principle of materiality: challenges for entities to report under Pillar 3 where a counterparty or investee company has not disclosed the relevant data point(s) because it is not assessed as material under the Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464, CSRD).
- Different entities have different business models and the current GAR formula may not enable meaningful comparison between reporting entities as different banks have different proportions of taxonomy eligible activities on their balance sheet. The ratio may be significantly impacted by factors such as the proportion of business in sectors covered by the EU Taxonomy, the services that they provide (including the proportion of retail counterparties on their balance sheet) and the proportion of their balance sheet outside the EU (which is unlikely to be eligible for the EU Taxonomy). The asymmetrical treatment of derivatives in the GAR ratio may also need refining.
- The lack of symmetry between the numerator and the denominator in the GAR may lead to a lack of comparability of its disclosures amongst reporting entities.
- The GAR only captures taxonomy-aligned activities. It therefore may not adequately capture financing of activities that contribute to the transition and fall within the European Commission's definition of transition finance, but which are not currently aligned with the EU Taxonomy.

Caution about forward-looking statements in this report

Certain sections in this report contain forward-looking statements, such as aims, ambitions, estimates, forecasts, plans, projections and targets and other metrics. Words or phrases such as 'ambition', 'aim', 'believe', 'budget', 'continue', 'could', 'effort', 'estimate', 'expect', 'goal', 'guidance', 'intend', 'intention', 'may', 'objective', 'plan', 'potential', 'predict', 'seek', 'should', 'target', 'will', 'would' or similar expressions that convey the prospective nature of events or outcomes generally indicate other forward-looking statements.

Important information in relation to ESG disclosures

Caution about forward-looking statements in this report continued

There are many significant uncertainties, assumptions, judgements, opinions, estimates, forecasts and statements made of future expectations underlying these forward-looking statements which could cause actual results, performance, outcomes or events to differ materially from those expressed or implied in these forward-looking such statements.

The most important of these uncertainties and factors that could cause actual results and outcomes to differ materially from those expressed or implied in forward-looking statements are summarized in the 'Risk Factors' included on pages 136 to 155 of RBS Holdings N.V.'s subsidiary NatWest Markets N.V.'s 2024 Annual Report and Accounts (with special regard to the risk factors in relation to 'Climate and sustainability-related risks' that describe several particular uncertainties, climate and sustainability-related risks to which NatWest Markets N.V. is exposed and which may be amended from time to time).

Accordingly, undue reliance should not be placed on these statements.

Furthermore, changing national and international standards, industry and scientific practices, regulatory requirements, government policy and market expectations regarding climate change and other sustainability-related matters, which remain under continuous development, are subject to different interpretations. There can be no assurance that these standards, practices, requirements and expectations will not be interpreted differently across different regulators in different jurisdictions, or to what was RBS Holdings Group's understanding when defining its climate and sustainability-related ambitions and targets or change in a manner that substantially increases the cost or effort for RBS Holdings Group (including NWM N.V.) to contribute to achieve such ambitions and targets of NatWest Group.

No duty to update

The forward-looking statements contained in this report only speak as of the date they were published. Except to the extent legally required, we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements in this report, whether to reflect any change in our expectations regarding those forward-looking statements, any change in events, conditions or circumstances on which any such statement is based, or otherwise.

No offer of securities or investment

The information, statements and opinions contained in this report do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. This report, the information, statements and disclosure included in this report are not formally part of any offering documents and are not contractually binding.