NatWest Group

National Westminster Bank Plc

2024 Pillar 3 Report

Contents

Forward-looking statements

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

Attestation statement

We confirm that the 2024 Pillar 3 Report meets the relevant requirements for Pillar 3 disclosures and has been prepared in line with the internal control agreed by the NatWest Holding 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.

The 2024 Pillar 3 Report was approved by the NatWest Holdings Group Board on 13 February 2025.

Katie Murray

Group Chief Financial Officer

Executive Director, NatWest Group Board

Keiran Foad

Group Chief Risk Officer

Member, Executive Committee

Presentation of information

This document presents the Pillar 3 disclosures for National Westminster Bank Plc (NWB Plc) as at 31 December 2024. It should be read in conjunction with the 2024 NatWest Holdings Group Pillar 3 report and NWB Plc's 2024 Annual Report and Accounts, which are published in the same location at: investors.natwestgroup.com/reports-archive/2024

NWB Plc is incorporated in the United Kingdom and is a wholly-owned subsidiary of NatWest Holdings Limited ('NWH Ltd'). NatWest Group plc is 'the ultimate holding company'. The term 'NatWest Group' refers to NatWest Group plc and its subsidiary and associated undertakings.

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

NWB Plc, being a large, listed subsidiary of NatWest Group, is subject to a reduced number of disclosures as set out in the Level of Application chapter in the Disclosure (CRR) part of the PRA Rulebook. The required disclosures are as follows:

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

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

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

Within this document, row and column references are based on those prescribed in the PRA templates. The IFRS 9 - FL and TLAC2 disclosures have been prepared using uniform format published by the EBA.

Certain fixed-format disclosure tables include bespoke requirements for comparatives. Where the requirements do not prescribe a particular comparative, the comparative selected is 31 December 2023.

A subset of the Pillar 3 templates that are required to be disclosed were not applicable to NWB Plc at 31 December 2024 and have therefore not been included in this report. Certain qualitative and qualitative disclosures are provided in the NatWest Holdings Group Pillar 3 report. These excluded disclosures are listed below, together with a summary of the reason for their exclusion.

PRA template reference	Template name	Reasons for exclusion
UK CCR7	RWA flow statements of CCR exposures under the IMM	No reportable exposures
UK MR2-B	RWA flow statements of market risk exposures under the IMA	No reportable exposures
UK LIQ1	Quantitative information on LCR	Refer to the liquidity and funding disclosures in the NatWest Holdings Group Pillar 3 report
UK LIQB	Qualitative information on LCR	
UK LIQ2	Net Stable Funding Ratio	
UK LIQA	Liquidity risk management	
UK REMA	Remuneration Policy	Refer to the Remuneration Policy disclosure in the NatWest Holdings Group Pillar 3 report
UK CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Threshold for disclosure not met
UK CQ2	Quality of forbearance	Threshold for disclosure not met
UK CQ6	Collateral valuation - loans and advances	Threshold for disclosure not met
UK CQ7	Collateral obtained by taking possession and execution processes	No reportable exposures
UK CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	No reportable exposures
UK CR10.3	Specialised Lending: Object Finance (Slotting approach)	No reportable exposures
UK CR10.4	Specialised Lending: Commodities Finance (Slotting approach)	No reportable exposures
UK CR10.5	Equity exposures under the simple risk-weighted approach	No reportable exposures
UK CCA	Main features of regulatory own funds instruments and eligible liabilities instruments	Published as supplement alongside this report

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

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

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

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

NatWest Bank Plc - Key points

CET1 ratio

11.4%

(Q3 2024 – 12.0%)

The CET1 ratio decreased by 60 basis points to 11.4%. The decrease in the CET1 ratio was due to a £0.5 billion decrease in CET1 capital and a £2.2 billion increase in RWAs. The CET1 capital decrease was due to a foreseeable dividend accrual and regulatory adjustments partially offset by the profit in the period.

RWAs

£124.5 bn

(Q3 2024 - £122.3bn)

Total RWAs increased by £2.2 billion to £124.5 billion primarily reflecting:

- An increase in credit risk RWAs of £2.0 billion primarily reflecting an increase in drawdowns, new facilities, and securitisations within Commercial & Institutional, increased lending within Retail Banking, and an uplift in IRB Temporary Model Adjustment's. A further increase in RWAs from foreign exchange movements was due to sterling weakening against the US dollar and strengthening against the euro. These movements were partially offset by active RWA management.
- An increase in counterparty credit risk RWAs of £0.1 billion primarily driven by over-the-counter exposures.

UK leverage ratio

4.4%

(Q3 2024 – 4.7%)

The leverage ratio decreased by 30 basis points to 4.4%. This was driven by a £0.5 billion decrease in Tier 1 capital and a £8.3 billion increase in leverage exposure. The key drivers in the leverage exposure were an increase in other financial assets and other off balance sheet items, partially offset by a decrease in net central bank balances.

UK average leverage ratio

4.5%

(Q3 2024 – 4.6%)

The average leverage ratio decreased by 10 basis points to 4.5%. This was driven by a £12.5 billion increase in average leverage exposure partially offset by a £0.3 billion increase in 3-month average Tier 1 capital. The key drivers in the average leverage exposure were an increase in other financial assets and other off balance sheet items.

UK KM1: Key metrics template

The table below provides a summary of the main prudential regulation ratios and measures. NWB Plc has elected to take advantage of the IFRS 9 transitional capital rules in respect of ECL provisions. The revised transition amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024.

		31 December 2024 £m	30 September 2024 £m	30 June 2024 £m	31 March 2024 £m	31 December 2023 £m
Available own funds (amounts)						
1	Common equity tier 1 (CET1) capital	**14,181**	14,722	13,813	14,823	14,082
2	Tier 1 capital	**17,258**	17,799	16,890	17,101	16,360
3	Total capital	**20,629**	21,172	20,273	20,497	19,798
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**124,522**	122,340	120,780	124,523	121,740
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	**11.4**	12.0	11.4	11.9	11.6
6	Tier 1 ratio (%)	**13.9**	14.5	14.0	13.7	13.4
7	Total capital ratio (%)	**16.6**	17.3	16.8	16.5	16.3
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	**1.5**	1.5	1.6	1.6	1.5
UK 7b	Additional AT1 SREP requirements (%)	**0.5**	0.5	0.5	0.5	0.6
UK 7c	Additional Tier 2 SREP requirements (%)	**0.7**	0.7	0.7	0.7	0.7
UK 7d	Total SREP own funds requirements (%)	**10.7**	10.7	10.8	10.8	10.8
Combined buffer requirement (as a percentage of risk-weighted exposure amount						
8	Capital conservation buffer (%)	**2.5**	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%) (1)	**1.8**	1.9	1.9	1.8	1.8
11	Combined buffer requirement (%)	**4.3**	4.4	4.4	4.3	4.3
UK 11a	Overall capital requirements (%)	**15.0**	15.1	15.2	15.1	15.1
12	CET1 available after meeting the total SREP own funds requirements (%)	**5.4**	6.0	5.4	5.7	5.4
Leverage ratio						
13	Total exposure measure excluding claims on central banks	**390,032**	381,762	366,912	358,649	359,897
14	Leverage ratio excluding claims on central banks (%)	**4.4**	4.7	4.6	4.8	4.5
Additional leverage ratio disclosure requirements						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.4**	4.7	4.6	4.8	4.5
UK 14b	Leverage ratio including claims on central banks (%)	**4.1**	4.3	4.1	4.2	4.0
UK 14c	Average leverage ratio excluding claims on central banks (%)	**4.5**	4.6	4.8	4.6	4.5
UK 14d	Average leverage ratio including claims on central banks (%)	**4.2**	4.2	4.3	4.1	4.1
UK 14e	Countercyclical leverage ratio buffer (%) (1)	**0.6**	0.6	0.7	0.6	0.6
Liquidity coverage ratio (2)						
15	Total high-quality liquid assets (HQLA) (weighted value-average)					
UK 16a	Cash outflows - Total weighted value					
UK 16b	Cash inflows - Total weighted value					
16	Total net cash outflows (adjusted value)					
17	Liquidity coverage ratio (%)					
Net stable funding ratio (2)						
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio (%)					

(1) The institution specific countercyclical capital buffer (CCyB) requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures. The UK CCyB is currently being maintained at 2%. The countercyclical leverage ratio buffer is set at 35% of NWB Plc CCyB.
(2) Under the UK DoLSub waiver NWB plc liquidity is managed and disclosed at the sub-group level rather entity level.
(3) The following rows are not presented in the table above because they are not applicable: UK8a, UK9a, 10 and UK10a.

IFRS 9-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECL

The table below shows key prudential regulation ratios and measures with and without the application of IFRS 9 transitional relief. NWB Plc has elected to take advantage of the transitional capital rules in respect of ECL provisions. Following the adoption of IFRS 9 from 1 January 2018, the CRR introduced transitional rules to phase in the full CET1 effect over a five-year period. The revised transitional amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024. Capital measures in this table are presented in line with table UK KM1.

		31 December 2024 £m	30 September 2024 £m	30 June 2024 £m	31 March 2024 £m	31 December 2023 £m
Available capital (amounts) - transitional						
1	Common equity tier 1	**14,181**	14,722	13,813	14,823	14,082
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**14,146**	14,679	13,774	14,755	13,913
3	Tier 1 capital	**17,258**	17,799	16,890	17,101	16,360
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**17,223**	17,756	16,851	17,033	16,191
5	Total capital	**20,629**	21,172	20,273	20,497	19,798
6	Total capital as if IFRS 9 transitional arrangements had not been applied	**20,594**	21,129	20,234	20,509	19,830
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	**124,522**	122,340	120,780	124,253	121,740
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	**124,510**	122,327	120,770	124,512	121,716
Capital ratios		**%**	%	%	%	%
9	Common equity tier 1 ratio	**11.4**	12.0	11.4	11.9	11.6
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**11.4**	12.0	11.4	11.9	11.4
11	Tier 1 ratio	**13.9**	14.5	14.0	13.7	13.4
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**13.8**	14.5	14.0	13.7	13.3
13	Total capital ratio	**16.6**	17.3	16.8	16.5	16.3
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	**16.5**	17.3	16.8	16.5	16.3
Leverage ratio						
15	Leverage ratio exposure measure (£m)	**390,032**	381,762	366,912	358,649	359,897
16	Leverage ratio (%)	**4.4**	4.7	4.6	4.8	4.5
17	Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	**4.4**	4.7	4.6	4.8	4.5

UK OV1: Overview of risk-weighted exposure amounts

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

		a	b	c
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements
		31 December 2024 £m	30 September 2024 £m	31 December 2024 £m
1	Credit risk (excluding counterparty credit risk)	**106,185**	104,346	**8,495**
2	*Of which: standardised approach*	***12,001***	*11,701*	***960***
3	*Of which: the foundation IRB (FIRB) approach*	-	-	-
4	*Of which: slotting approach*	***9,814***	*9,026*	***785***
UK 4a	*Of which: equities under the simple risk-weighted approach*	-	-	-
5	*Of which: the advanced IRB (AIRB) approach*	***84,370***	*83,619*	***6,750***
5a	*Of which: non-credit obligation assets* (2)	***2,987***	*3,049*	***239***
6	Counterparty credit risk	**606**	474	**48**
7	*Of which: standardised approach*	***222***	*151*	***18***
8	*Of which: internal model method (IMM)*	-	-	-
UK 8a	*Of which: exposures to a CCP*	***23***	*23*	***2***
UK 8b	*Of which: credit valuation adjustment (CVA)*	***130***	*105*	***10***
9	*Of which: other counterparty credit risk*	***231***	*195*	***18***
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	**1,737**	1,588	**139**
17	*Of which: SEC-IRBA approach*	***1,305***	*1,208*	***104***
18	*Of which: SEC-ERBA (including IAA)*	***44***	*45*	***4***
19	*Of which: SEC-SA approach*	***388***	*335*	***31***
UK 19a	*Of which: 1,250%/deduction*	-	-	-
20	*Position, foreign exchange and commodities risk (market risk)*	**71**	9	**6**
21	*Of which: standardised approach*	***71***	*9*	***6***
22	*Of which: IMA*	-		-
UK 22a	Large exposures	-		-
23	Operational risk	**15,923**	15,923	**1,274**
UK 23a	*Of which: basic indicator approach*	-	-	-
UK 23b	*Of which: standardised approach*	***15,923***	*15,923*	***1,274***
UK 23c	*Of which: advanced measurement approach*	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (1)	**4,711**	4,791	**377**
29	Total	**124,522**	122,340	**9,962**

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

UK OVC: ICAAP information

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

UK CR8: RWA flow statements 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 and non-credit obligation assets.

		a
		RWAs
		£m
1	At 31 December 2023	91,606
2	Asset size	680
3	Asset quality	230
4	Model updates	208
7	Foreign exchange movements	(53)
9	At 31 March 2024	92,671
2	Asset size	(1,115)
3	Asset quality	(4)
4	Model updates	(345)
7	Foreign exchange movements	(44)
8	Other	(1,602)
9	At 30 June 2024	89,561
2	Asset size	2,168
3	Asset quality	(536)
4	Model updates	186
7	Foreign exchange movements	(372)
8	Other	(1,411)
9	At 30 September 2024	89,596
2	Asset size	1,436
3	Asset quality	64
4	Model updates	337
7	Foreign exchange movements	331
5	Other	(567)
9	At 31 December 2024	91,197

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

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- The increase in RWAs related to asset size was driven by drawdowns and new facilities within both Commercial & Institutional and Retail Banking.
- The increase in RWAs relating to asset quality was primarily driven by PD deterioration and partially offset by a decrease due to customers moving into default within Commercial & Institutional.
- The increase in RWAs for model updates was primarily due to an increase in the IRB Temporary Model Adjustment, mainly relating to mortgages within Retail Banking.
- The increase in foreign exchange movements was mainly a result of sterling weakening against the US dollar and strengthening against the euro during the period.
- The decrease in RWAs in other reflects capital management activity in Commercial & Institutional.

Annex VII: Capital

UK CC1: Composition of regulatory own funds

The table below shows the capital resources on a transitional basis. Regulatory adjustments comprise deductions from own funds and prudential filters. The table also includes a cross reference to the corresponding rows in template UK CC2 to facilitate full reconciliation of accounting and regulatory own funds.

	CET1 capital: instruments and reserves	31 December 2024 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 £m
1	Capital instruments and the related share premium accounts	**3,903**		3,903
	of which: ordinary shares	***1,678***	***(a)***	*1,678*
	of which: share premium	***2,225***	***(k)***	*2,225*
2	Retained earnings	**12,189**	**(b)**	10,486
3	Accumulated other comprehensive income (and other reserves)	**417**	**(c)**	149
UK-3a	Funds for general banking risk	**-**		-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	**-**		-
5	Minority interests (amount allowed in consolidated CET1)	**-**		-
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	**199**	**(b)**	1,714
6	CET1 capital before regulatory adjustments	**16,708**		16,252
	CET1 capital: regulatory adjustments			
7	(-) Additional value adjustments	**(26)**		(41)
8	(-) Intangible assets (net of related tax liability)	**(1,626)**	**(d)**	(1,698)
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)	**(319)**	**(e)**	(332)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**307**	**(i)**	601
12	(-) Negative amounts resulting from the calculation of expected loss amounts	**(123)**		-
13	(-) Any increase in equity that results from securitised assets	**-**		-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	**-**		-
15	(-) Defined-benefit pension fund assets	**-**	**(f) & (g)**	-
16	(-) Direct, indirect and synthetic holdings by an institution of own CET1 instruments	**-**		-
17	(-) Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	**-**		-
18	(-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	**-**		-
19	(-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	**(775)**		(869)
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	**-**		-
UK-20b	*(-) of which: qualifying holdings outside the financial sector*	**-**		-
UK-20c	*(-) of which: securitisation positions*	**-**		-
UK-20d	*(-) of which: free deliveries*	**-**		-
21	(-) Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**-**		-

UK 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
CET1 capital: regulatory adjustments				
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*	-	*(b)*	-
UK-25a	(-) Losses for the current financial year	-		-
UK-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 AT1 deductions that exceed the AT1 items of the institution	-		-
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	35		169
28	Total regulatory adjustments to CET1	(2,527)		(2,170)
29	CET1 capital	14,181		14,082
AT1 capital: instruments				
30	Capital instruments and the related share premium accounts	3,317	(h)	2,518
31	*of which: classified as equity under applicable accounting standards*	*3,317*		*2,518*
32	*of which: classified as liabilities under applicable accounting standards*	-		-
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	-	(j)	-
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-		-
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-		-
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	(j)	-
35	*of which: instruments issued by subsidiaries subject to phase out*	-		-
36	AT1 capital before regulatory adjustments	3,317		2,518
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)	(240)		(240)
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	(240)		(240)
44	AT1 capital	3,077		2,278
45	T1 capital (T1 = CET1 + AT1)	17,258		16,360

UK 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			
46	Capital instruments and the related share premium accounts	**3,673**	**(j)**	3,704
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	**-**	**(j)**	-
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	**-**		-
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	**-**		-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	**-**	**(j)**	-
49	*of which: instruments issued by subsidiaries subject to phase out*	**-**		-
50	Credit risk adjustments	**-**		36
51	T2 capital before regulatory adjustments	**3,673**		3,740
	T2 capital: regulatory adjustments			
52	(-) Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	**-**		-
53	(-) Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	**-**		-
54	(-) Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	**-**		-
55	(-) Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	**(302)**		(302)
UK-56a	(-) Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution	**-**		-
UK-56b	Other regulatory adjustments to T2 capital	**-**		-
57	Total regulatory adjustments to T2 capital	**(302)**		(302)
58	T2 capital	**3,371**		3,438
59	Total capital (TC = T1 + T2)	**20,629**		19,798
60	Total risk exposure amount	**124,522**		121,740
	Capital ratios and buffers			
61	CET1 (as a percentage of total risk exposure amount)	**11.4%**		11.6%
62	T1 (as a percentage of total risk exposure amount)	**13.9%**		13.4%
63	Total capital (as a percentage of total risk exposure amount)	**16.6%**		16.3%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	**10.3%**		10.3%
65	*of which: capital conservation buffer requirement*	***2.5%***		*2.5%*
66	*of which: counter cyclical buffer requirement*	***1.8%***		*1.8%*
67	*of which: systemic risk buffer requirement*			
UK-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*			
68	CET1 available to meet buffers (as a percentage of risk exposure amount) (1)	**5.4%**		5.4%

UK 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
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)	**3**		2
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)	**1,496**		1,497
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**398**		400
Applicable caps on the inclusion of provisions in T2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	**-**		-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	**150**		140
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	**-**		36
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**576**		573
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

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

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

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

	As at period end 31 December 2024		
	a	b	
Assets	Balance sheet as in published financial statements as at period end £m	Under regulatory scope of consolidation as at period end £m	References
Cash and balances at central banks	35,083	35,083	
Derivatives	2,892	2,892	
Loans to banks - amortised cost	3,148	3,148	
Loans to customers - amortised cost	297,548	297,548	
Amounts due from holding companies and fellow subsidiaries	36,383	36,383	
Other financial assets	38,798	38,798	
Investment in group undertakings	2,520	2,520	
Property, plant and equipment	1,873	1,873	
Current and deferred tax assets	813	813	
of which: DTAs that rely on future profitability and do not arise from temporary differences	*319*	*319*	*(e)*
Prepayments, accrued income and other assets	2,817	2,817	*(d)*
of which: defined benefit pension fund assets	-	-	*(f)*
Total assets	421,875	421,875	
Liabilities			
Bank deposits	24,778	24,778	
Customer deposits	275,972	275,972	
Amounts due to holding companies and fellow subsidiaries	90,925	90,925	*(j)*
Derivatives	1,323	1,323	
Other financial liabilities	3,824	3,824	*(j)*
Subordinated liabilities	119	119	*(j)*
Notes in circulation	935	935	
Provisions, deferred income and other liabilities	2,382	2,382	
Current and deferred tax liabilities	8	8	
of which: defined benefit pension scheme assets	-	-	*(g)*
Total liabilities	400,266	400,266	
Shareholders' Equity			
Owners' equity			
Called up share capital	1,678	1,678	*(a)*
Reserves	19,931	19,931	
of which: amount eligible for retained earnings	*13,972*	*13,972*	*(b)*
of which: amount eligible for accumulated OCI and other reserves	*417*	*417*	*(c) & (i)*
of which: amount of other equity instruments	*3,317*	*3,317*	*(h)*
of which: share premium accounts	*2,225*	*2,225*	*(k)*
Non-controlling interests	-	-	
Total shareholders' equity	21,609	21,609	

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

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

The following disclosures provide information on the creditor hierarchy for NWB Plc (material entity within the resolution group). The disclosures include information on the nominal value of all own funds instruments and other liabilities to the extent that they are subordinate to or rank pari passu with the most senior MREL claim. Where the instrument is denominated in foreign currency, the nominal value is converted into sterling using the rate as at 31 December 2024.

		Insolvency ranking								
		Shareholders equity (3)		Preference shares and contingent capital notes		Subordinated debt		Senior non-preferential debt		
	31 December 2024	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Total £m
3	Total liabilities and own funds	**18,292**	**-**	**3,317**	**-**	**3,673**	**116**	**6,899**	**-**	**32,297**
4	o/w excluded liabilities	**-**	**-**	**-**	**-**	**-**	**116**	**-**	**-**	**116**
5	Total liabilities and own funds less excluded liabilities	**18,292**	**-**	**3,317**	**-**	**3,673**	**-**	**6,899**	**-**	**32,181**
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	**18,292**	**-**	**3,317**	**-**	**3,673**	**-**	**6,899**	**-**	**32,181**
7	o/w residual maturity ≥ 1 year < 2 years	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	o/w residual maturity ≥ 2 year < 5 years	**-**	**-**	**-**	**-**	**-**	**-**	**4,554**	**-**	**4,554**
9	o/w residual maturity ≥ 5 years < 10 years	**-**	**-**	**-**	**-**	**3,673**	**-**	**1,149**	**-**	**4,822**
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	**-**	**-**	**-**	**-**	**-**	**-**	**1,196**	**-**	**1,196**
11	o/w perpetual securities	**18,292**	**-**	**3,317**	**-**	**-**	**-**	**-**	**-**	**21,609**

		Insolvency ranking								
		Shareholders equity (3)		Preference shares and contingent capital notes		Subordinated debt		Senior non-preferential debt		
	31 December 2023	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Resolution entity £m	Other £m	Total £m
3	Total liabilities and own funds	17,183	-	2,518	-	3,704	116	6,879	-	30,400
4	o/w excluded liabilities	-	-	-	-	-	116	-	-	116
5	Total liabilities and own funds less excluded liabilities	17,183	-	2,518	-	3,704	-	6,879	-	30,284
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	17,183	-	2,518	-	3,704	-	6,879	-	30,284
7	o/w residual maturity ≥ 1 year < 2 years	-	-	-	-	-	-	1,177	-	1,177
8	o/w residual maturity ≥ 2 year < 5 years	-	-	-	-	-	-	2,396	-	2,396
9	o/w residual maturity ≥ 5 years < 10 years	-	-	-	-	3,096	-	3,306	-	6,402
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	608	-	-	-	608
11	o/w perpetual securities	17,183	-	2,518	-	-	-	-	-	19,701

(1) Amounts shown include balances indirectly due to resolution entity (NWG Plc) through NWH Limited, a wholly owned subsidiary of NatWest Group plc.
(2) Maturity band based on final contractual instrument maturity.
(3) Shareholder's equity includes the value of share capital, share premium and reserves.

Annex IX: Countercyclical capital buffers

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

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

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2024	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures - Credit risk £m	Relevant credit exposures - Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Breakdown by country (with existing CCyB rates) (1)													
Norway	129	97	-	-	-	226	17	-	-	17	216	0.21%	2.50%
Denmark	-	112	-	-	-	112	3	-	-	3	40	0.04%	2.50%
United Kingdom	20,252	281,306	-	-	10,883	312,441	7,228	-	128	7,356	91,938	89.07%	2.00%
Sweden	491	917	-	-	-	1,408	71	-	-	71	887	0.86%	2.00%
Netherlands	204	1,225	-	-	296	1,725	59	-	4	63	783	0.76%	2.00%
Bulgaria	-	1	-	-	-	1	-	-	-	-	-	-	2.00%
Ireland	82	1,317	-	-	4	1,403	61	-	-	61	759	0.74%	1.50%
Slovakia	-	1	-	-	-	1	-	-	-	-	-	-	1.50%
Czech Republic	-	2	-	-	-	2	-	-	-	-	1	-	1.25%
France	25	670	-	-	214	909	25	-	2	27	337	0.33%	1.00%
Belgium	42	367	-	-	-	409	22	-	-	22	272	0.26%	1.00%
Australia	-	116	-	-	-	116	2	-	-	2	31	0.03%	1.00%
Cyprus	-	7	-	-	-	7	-	-	-	-	1	-	1.00%
Romania	-	1	-	-	-	1	-	-	-	-	1	-	1.00%
Korea, Republic of	-	1	-	-	-	1	-	-	-	-	-	-	1.00%
Lithuania	-	1	-	-	-	1	-	-	-	-	-	-	1.00%
Germany	152	1,351	-	-	52	1,555	-	-	-	-	-	-	0.75%
Luxembourg	13	293	-	-	-	306	67	-	1	68	852	0.83%	0.50%
Hong Kong	-	67	-	-	-	67	19	-	-	19	241	0.23%	0.50%
Hungary	-	2	-	-	-	2	1	-	-	1	17	0.02%	0.50%
Chile	-	1	-	-	-	1	-	-	-	-	-	-	0.50%
Total (countries with existing CCyB rates)	21,390	287,855	-	-	11,449	320,694	7,575	-	135	7,710	96,376	93.38%	

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2024	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures - Credit risk £m	Relevant credit exposures - Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Total (rest of the world with zero CCyB rate and below 1% requirement)													
United States	224	8,828	-	-	44	9,096	284	-	1	285	3,558	3.45%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	224	8,828	-	-	44	9,096	284	-	1	285	3,558	3.45%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	751	5,015	-	-	220	5,986	259	-	3	262	3,273	3.17%	-
Total	22,365	301,698	-	-	11,713	335,776	8,118	-	139	8,257	103,207	100%	

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2023	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures - Credit risk £m	Relevant credit exposures - Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Breakdown by country (with existing CCyB rates)													
Norway	107	213	-	-	-	320	18	-	-	18	221	0.22%	2.50%
Denmark	-	120	-	-	-	120	4	-	-	4	56	0.05%	2.50%
United Kingdom	19,603	281,913	-	-	4,430	305,946	7,121	-	61	7,182	89,774	88.77%	2.00%
Sweden	541	864	-	-	-	1,405	87	-	-	87	1,085	1.07%	2.00%
Czech Republic	-	2	-	-	-	2	-	-	-	-	-	-	2.00%
Bulgaria	-	2	-	-	-	2	-	-	-	-	-	-	2.00%
Iceland	-	-	-	-	-	-	-	-	-	-	-	-	2.00%
Estonia	-	-	-	-	-	-	-	-	-	-	-	-	1.50%
Slovakia	-	1	-	-	-	1	-	-	-	-	-	-	1.50%
Netherlands	324	1,203	-	-	72	1,599	73	-	1	74	925	0.91%	1.00%
Ireland	52	1,075	-	-	-	1,127	53	-	-	53	657	0.65%	1.00%
Australia	5	132	-	-	-	137	4	-	-	4	45	0.04%	1.00%
Hong Kong	-	63	-	-	2	65	1	-	-	1	16	0.02%	1.00%
Romania	-	1	-	-	-	1	-	-	-	-	-	-	1.00%
Lithuania	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Croatia	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Germany	51	1,835	-	-	258	2,144	94	-	2	96	1,221	1.21%	0.75%
France	46	1,811	-	-	175	2,032	53	-	1	54	675	0.67%	0.50%
Luxembourg	27	177	-	-	-	204	12	-	-	12	147	0.15%	0.50%
Cyprus	-	8	-	-	-	8	-	-	-	-	1	-	0.50%
Total (countries with existing CCyB rates)	20,756	289,420	-	-	4,937	315,113	7,520	-	65	7,585	94,823	93.76%	

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2023	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures - Credit risk £m	Relevant credit exposures - Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Total (rest of the world with zero CCyB rate and below 1% requirement)													
United States	133	7,560	-	-	13	7,706	265	-	-	265	3,316	3.28%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	133	7,560	-	-	13	7,706	265	-	-	265	3,316	3.28%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	763	4,480	-	-	24	5,267	239	-	2	241	2,997	2.96%	
Total	21,652	301,460	-	-	4,974	328,086	8,024	-	67	8,091	101,136	100%	

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

UK CCyB2: Amount of institution-specific countercyclical capital buffer

		31 December 2024 £m	31 December 2023 £m
1	Total risk exposure amount	**124,522**	121,740
2	Institution specific countercyclical capital buffer	**1.84%**	1.83%
3	Institution specific countercyclical capital buffer requirement (1)	**2,297**	2,231

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

Annex XI: Leverage

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

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

		31 December 2024 £m	31 December 2023 £m
1	Total assets as per published financial statements (1)	421,875	411,749
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for exemption of exposures to central banks)	(33,978)	(47,297)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (1) of Article 429a(1) of the CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	(4)
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	(404)	(1,675)
9	Adjustment for securities financing transactions (SFTs)	1,179	383
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	36,408	29,664
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(171)	(72)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	(29,951)	(26,753)
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12	Other adjustments	(4,926)	(6,098)
13	Total exposure measure	390,032	359,897

(1) NWB Plc publishes audited financial statements on an annual basis. For further details, refer to table UK CC2.

UK LR2 - LRCom: Leverage ratio common disclosure

The table below shows the leverage ratio common disclosure on a transitional basis. The leverage metrics are calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

		31 December 2024 £m	31 December 2023 £m
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**383,852**	379,293
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	**-**	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	**(2,416)**	(3,460)
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))	**(3,074)**	(3,011)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	**378,362**	372,822
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation	**3,293**	3,461
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	**-**	-
9	Add-on amounts for PFE associated with SA-CCR derivatives transactions	**1,612**	1,537
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	**-**	-
UK-9b	Exposure determined under the original exposure method	**-**	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	**-**	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	**-**	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	**-**	-
11	Adjusted effective notional amount of written credit derivatives	**-**	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**-**	-
13	Total derivative exposures	**4,905**	4,998
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**40,595**	34,682
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(7,466)**	(8,570)
16	Counterparty credit risk exposure for SFT assets	**1,179**	383
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	**-**	-
UK-17	Agent transaction exposures	**-**	-
UK-17a	(Exempted CCP leg of client cleared SFT exposures)	**-**	-
18	Total securities financing transaction exposures	**34,308**	26,495
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	**99,677**	91,128
20	(Adjustments for conversion to credit equivalent amounts)	**(63,269)**	(61,464)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	**(22)**	(32)
22	Off-balance sheet exposures	**36,386**	29,632

UK LR2 - LRCom: Leverage ratio common disclosure continued

		31 December 2024 £m	31 December 2023 £m
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**(29,951)**	(26,753)
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	**-**	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	**-**	-
UK-22k	(Total exempted exposures)	**(29,951)**	(26,753)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	**17,258**	16,360
24	Total exposure measure including claims on central banks	**424,010**	407,194
UK-24a	(-) Claims on central banks excluded	**(33,978)**	(47,297)
UK-24b	Total exposure measure excluding claims on central banks	**390,032**	359,897
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**4.4**	4.5
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.4**	4.5
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	**4.4**	4.5
UK-25c	Leverage ratio including claims on central banks (%)	**4.1**	4.0
26	Regulatory minimum leverage ratio requirement (%)(1)	**3.25**	3.25
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)	**0.6**	0.6
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	**-**	-
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.6**	0.6
Additional leverage ratio disclosure requirements - disclosure of mean values (1)			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	**26,940**	26,335
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	**33,129**	26,112
UK-31	Average total exposure measure excluding claims on central banks	**388,122**	364,826
UK-32	Average total exposure measure including claims on central banks	**422,376**	404,702
UK-33	Average leverage ratio excluding claims on central banks	**4.5**	4.5
UK-34	Average leverage ratio including claims on central banks	**4.2**	4.1

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

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

The table below shows the breakdown of the leverage ratio exposures on a transitional basis.

		31 December 2024 £m	31 December 2023 £m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**314,909**	299,291
UK-2	Trading book exposures	**-**	-
UK-3	Banking book exposures, of which:	**314,909**	299,291
UK-4	Covered bonds	**3,818**	5,495
UK-5	Exposures treated as sovereigns	**22,442**	17,803
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	**9,057**	5,410
UK-7	Institutions	**4,186**	3,527
UK-8	Secured by mortgages of immovable properties	**200,503**	196,522
UK-9	Retail exposures	**17,062**	16,069
UK-10	Corporate	**41,781**	44,862
UK-11	Exposures in default	**4,265**	3,914
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	**11,795**	5,689

UK 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 transfer pricing processes, 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.

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

The leverage ratio as at 31 December 2024 is 4.4%. The leverage ratio decreased by 10 points compared with 31 December 2023. The leverage ratio decreased driven by a £30.1 billion increase in leverage exposure partially offset by a £0.9 billion increase in Tier 1 capital. The key drivers in the leverage exposure were an increase in other financial assets and other off balance sheet items.

Annex XV: Credit risk quality

UK CQ1: Credit quality of forborne exposures

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

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	*Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures*
	31 December 2024	Performing forborne £m	Non-performing forborne £m	*Of which: defaulted* £m	*Of which: impaired* £m	On performing forborne exposures £m	On non-performing forborne exposures £m	£m	£m
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	**2,733**	**1,829**	**1,742**	**1,757**	**(82)**	**(525)**	**2,973**	**1,070**
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	***18***	***18***	***18***	-	***(5)***	***13***	***13***
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	***44***	***50***	***50***	***50***	***(1)***	***(37)***	***20***	***12***
060	*Non-financial corporations*	***1,963***	***753***	***725***	***727***	***(74)***	***(284)***	***1,483***	***291***
070	*Households*	***726***	***1,008***	***949***	***962***	***(7)***	***(199)***	***1,457***	***754***
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	**341**	**55**	**51**	**52**	**(1)**	-	**116**	**13**
100	Total	**3,074**	**1,884**	**1,793**	**1,809**	**(83)**	**(525)**	**3,089**	**1,083**

UK CQ1: Credit quality of forborne exposures continued

	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
31 December 2023	Performing forborne £m	Non-performing forborne £m	*Of which: defaulted* £m	*Of which: impaired* £m	On performing forborne exposures £m	On non-performing forborne exposures £m	Collateral received and financial guarantees received on forborne exposures £m	*Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures* £m
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	2,640	1,459	1,350	1,369	(91)	(358)	2,545	940
020 *Central banks*	-	-	-	-	-	-	-	-
030 *General governments*	*14*	*22*	*22*	*22*	-	*(2)*	*34*	*20*
040 *Credit institutions*	-	-	-	-	-	-	-	-
050 *Other financial corporations*	*125*	*2*	*2*	*2*	*(3)*	*(2)*	*39*	-
060 *Non-financial corporations*	*1,887*	*592*	*554*	*555*	*(79)*	*(197)*	*1,250*	*279*
070 *Households*	*614*	*843*	*772*	*790*	*(9)*	*(157)*	*1,222*	*641*
080 Debt securities	-	-	-	-	-	-	-	-
090 Loan commitments given	457	69	61	61	(1)	-	102	20
100 Total	3,097	1,528	1,411	1,430	(92)	(358)	2,647	960

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

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

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
	31 December 2024	Performing exposures £m	Of which: Not past due or past due ≤ 30 days £m	Of which: Past due > 30 days ≤ 90 days £m	Non-performing exposures £m	Unlikely to pay that are not past due or are past due ≤ 90 days £m	Of which: Past due > 90 days ≤ 180 days £m	Of which: Past due > 180 days ≤ 1 year £m	Of which: Past due > 1 year ≤ 2 years £m	Of which: Past due > 2 years ≤ 5 years £m	Of which: Past due > 5 years ≤ 7 years £m	Of which: Past due > 7 years £m	Of which: Defaulted £m
005	Cash balances at central banks and other demand deposits	37,019	37,019	-	-	-	-	-	-	-	-	-	-
1	Loans and advances	331,967	331,588	379	4,288	2,258	502	458	493	480	64	33	4,070
2	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
3	*General governments*	2,454	2,454	-	21	21	-	-	-	-	-	-	21
4	*Credit institutions*	21,922	21,922	-	-	-	-	-	-	-	-	-	-
5	*Other financial corporations*	49,040	49,039	1	55	5	49	-	-	1	-	-	55
6	*Non-financial corporations*	61,213	61,056	157	1,217	680	104	54	125	215	19	20	1,178
7	*Of which: SMEs*	13,029	12,931	98	607	238	23	47	91	180	12	16	589
8	*Households*	197,338	197,117	221	2,995	1,552	349	404	368	264	45	13	2,816
9	Debt securities	38,765	38,765	-	-	-	-	-	-	-	-	-	-
10	*Central banks*	47	47	-	-	-	-	-	-	-	-	-	-
11	*General governments*	21,857	21,857	-	-	-	-	-	-	-	-	-	-
12	*Credit institutions*	11,582	11,582	-	-	-	-	-	-	-	-	-	-
13	*Other financial corporations*	5,278	5,278	-	-	-	-	-	-	-	-	-	-
14	*Non-financial corporations*	1	1	-	-	-	-	-	-	-	-	-	-
15	Off-balance sheet exposures	94,183			519								503
16	*Central banks*	-			-								-
17	*General governments*	203			-								-
18	*Credit institutions*	1,170			-								-
19	*Other financial corporations*	12,604			49								49
20	*Non-financial corporations*	47,854			152								148
21	*Households*	32,352			318								306
22	Total	501,934	407,372	379	4,807	2,258	502	458	493	480	64	33	4,573

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

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
31 December 2023		Performing exposures £m	*Of which: Not past due or past due ≤ 30 days* £m	*Of which: Past due > 30 days ≤ 90 days* £m	Non-performing exposures £m	*Unlikely to pay that are not past due or are past due ≤ 90 days* £m	*Of which: Past due > 90 days ≤ 180 days* £m	*Of which: Past due > 180 days ≤ 1 year* £m	*Of which: Past due > 1 year ≤ 2 years* £m	*Of which: Past due > 2 years ≤ 5 years* £m	*Of which: Past due > 5 years ≤ 7 years* £m	*Of which: Past due > 7 years* £m	*Of which: Defaulted* £m
005	Cash balances at central banks and other demand deposits	49,519	49,519	-	-	-	-	-	-	-	-	-	-
1	Loans and advances	316,455	316,044	411	4,178	2,085	442	505	524	503	85	34	3,937
2	*Central banks*	*1,112*	*1,112*	-	-	-	-	-	-	-	-	-	-
3	*General governments*	*2,328*	*2,323*	*5*	*22*	*22*	-	-	-	-	-	-	*22*
4	*Credit institutions*	*17,251*	*17,251*	-	-	-	-	-	-	-	-	-	-
5	*Other financial corporations*	*44,230*	*44,229*	*1*	*11*	*6*	*2*	*1*	*1*	*1*	-	-	*10*
6	*Non-financial corporations*	*58,418*	*58,263*	*155*	*1,291*	*801*	*36*	*76*	*158*	*156*	*40*	*24*	*1,241*
7	*Of which: SMEs*	*12,995*	*12,882*	*113*	*598*	*195*	*31*	*70*	*123*	*149*	*12*	*18*	*574*
8	*Households*	*193,116*	*192,866*	*250*	*2,854*	*1,256*	*404*	*428*	*365*	*346*	*45*	*10*	*2,664*
9	Debt securities	31,207	31,207	-	-	-	-	-	-	-	-	-	-
10	*Central banks*	*97*	*97*	-	-	-	-	-	-	-	-	-	-
11	*General governments*	*15,972*	*15,972*	-	-	-	-	-	-	-	-	-	-
12	*Credit institutions*	*9,131*	*9,131*	-	-	-	-	-	-	-	-	-	-
13	*Other financial corporations*	*6,007*	*6,007*	-	-	-	-	-	-	-	-	-	-
14	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
15	Off-balance sheet exposures	89,183			386								355
16	*Central banks*	-			-								-
17	*General governments*	*262*			*17*								*17*
18	*Credit institutions*	*1,689*			-								-
19	*Other financial corporations*	*14,839*			*2*								*2*
20	*Non-financial corporations*	*46,294*			*82*								*62*
21	*Households*	*26,099*			*285*								*274*
22	Total	486,364	396,770	411	4,564	2,085	442	505	524	503	85	34	4,292

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

UK CQ4: Quality of 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	Of which; Non-performing	Of which: defaulted	Of which: subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	31 December 2024	£m	£m	£m	£m	£m	£m	£m
010	On-balance sheet exposures	375,020	4,288	4,070	373,927	(2,546)	-	-
020	*UK*	335,052	4,044	3,826	334,070	(2,368)	-	-
030	*RoI*	1,827	-	-	1,806	(3)	-	-
040	*Other Western Europe*	16,742	150	150	16,703	(91)	-	-
050	*US*	6,994	-	-	6,943	(14)	-	-
060	*Other countries*	14,405	94	94	14,405	(70)	-	-
070	Off-balance sheet exposures	94,702	519	503	-	-	(37)	-
080	*UK*	76,206	487	471	-	-	(33)	-
090	*RoI*	914	-	-	-	-	-	-
100	*Other Western Europe*	6,480	19	19	-	-	(3)	-
110	*US*	9,308	-	-	-	-	(1)	-
120	*Other countries*	1,794	13	13	-	-	-	-
130	Total	469,722	4,807	4,573	373,927	(2,546)	(37)	-

UK CQ4: Quality of non-performing exposures by geography continued

		a	b	c	d	e	f	g
31 December 2023		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
010	On-balance sheet exposures	351,840	4,178	3,937	351,052	(2,665)	-	-
020	*UK*	321,428	3,985	3,744	320,640	(2,481)	-	-
030	*RoI*	930	-	-	930	(2)	-	-
040	*Other Western Europe*	12,218	144	144	12,218	(135)	-	-
050	*US*	7,308	-	-	7,308	(11)	-	-
060	*Other countries*	9,956	49	49	9,956	(36)	-	-
070	Off-balance sheet exposures	89,569	386	355	-	-	(53)	-
080	*UK*	71,576	330	313	-	-	(47)	-
090	*RoI*	1,535	-	-	-	-	-	-
100	*Other Western Europe*	7,171	36	22	-	-	(3)	-
110	*US*	7,841	-	-	-	-	(3)	-
120	*Other countries*	1,446	20	20	-	-	-	-
130	Total	441,409	4,564	4,292	351,052	(2,665)	(53)	-

(1) The geographical breakdown disclosed is based on combined on and off-balance sheet exposures and represent 97% (2023 – 97%) 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.

UK CQ5: Credit quality of loans and advances by industry

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

		a	b	c	d	e	f
		Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
31 December 2024		£m	£m	£m	£m	£m	£m
010	Agriculture, forestry and fishing	**2,295**	**55**	**53**	**2,295**	**(33)**	**-**
020	Mining and quarrying	**117**	**54**	**54**	**117**	**(50)**	**-**
030	Manufacturing	**4,582**	**110**	**101**	**4,571**	**(77)**	**-**
040	Electricity, gas, steam and air conditioning supply	**6,293**	**79**	**79**	**6,293**	**(59)**	**-**
050	Water supply	**2,890**	**6**	**6**	**2,890**	**(8)**	**-**
060	Construction	**3,348**	**112**	**106**	**3,348**	**(85)**	**-**
070	Wholesale and retail trade	**6,331**	**104**	**103**	**6,307**	**(99)**	**-**
080	Transport and storage	**2,952**	**15**	**15**	**2,952**	**(24)**	**-**
090	Accommodation and food service activities	**3,181**	**149**	**135**	**3,181**	**(96)**	**-**
100	Information and communication	**4,192**	**89**	**89**	**4,078**	**(58)**	**-**
110	Financial and insurance activities	**8**	**-**	**-**	**8**	**-**	**-**
120	Real estate activities	**15,879**	**172**	**167**	**15,875**	**(115)**	**-**
130	Professional, scientific and technical activities	**2,203**	**30**	**29**	**2,202**	**(34)**	**-**
140	Administrative and support service activities	**3,508**	**43**	**43**	**3,459**	**(39)**	**-**
150	Public administration and defence, compulsory social security	**34**	**1**	**1**	**34**	**-**	**-**
160	Education	**372**	**19**	**19**	**372**	**(6)**	**-**
170	Human health services and social work activities	**2,752**	**62**	**62**	**2,752**	**(43)**	**-**
180	Arts, entertainment and recreation	**979**	**22**	**22**	**979**	**(19)**	**-**
190	Other services	**514**	**95**	**94**	**514**	**(33)**	**-**
200	Total	**62,430**	**1,217**	**1,178**	**62,227**	**(878)**	**-**

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

		a	b	c	d	e	f
31 December 2023		Gross carrying amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
010	Agriculture, forestry and fishing	2,296	56	51	2,296	(39)	-
020	Mining and quarrying	159	25	25	159	(26)	-
030	Manufacturing	4,561	108	95	4,561	(79)	-
040	Electricity, gas, steam and air conditioning supply	5,309	39	39	5,309	(47)	-
050	Water supply	2,633	5	5	2,633	(8)	-
060	Construction	3,286	175	174	3,286	(90)	-
070	Wholesale and retail trade	6,922	232	230	6,745	(168)	-
080	Transport and storage	2,799	14	14	2,799	(25)	-
090	Accommodation and food service activities	3,269	165	151	3,269	(97)	-
100	Information and communication	3,763	23	23	3,763	(43)	-
110	Financial and insurance activities	8	-	-	8	-	-
120	Real estate activities	14,172	155	145	14,172	(115)	-
130	Professional, scientific and technical activities	2,434	32	31	2,434	(40)	-
140	Administrative and support service activities	3,502	44	44	3,502	(36)	-
150	Public administration and defence, compulsory social security	85	1	1	85	(1)	-
160	Education	364	10	6	364	(7)	-
170	Human health services and social work activities	2,651	75	75	2,651	(54)	-
180	Arts, entertainment and recreation	1,050	22	22	1,050	(19)	-
190	Other services	446	110	110	446	(26)	-
200	Total	59,709	1,291	1,241	59,532	(920)	-

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

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

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

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	Collateral and financial 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	**37,019**	**36,921**	**98**	**-**	**-**	**-**	**(4)**	**(4)**	**-**	**-**	**-**	**-**	**-**	**1**	**-**
010	Loans and advances	**331,967**	**300,647**	**30,837**	**4,288**	**159**	**4,107**	**(1,040)**	**(453)**	**(587)**	**(1,499)**	**(17)**	**(1,482)**	**(128)**	**258,604**	**2,360**
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	*2,454*	*2,281*	*172*	*21*	-	*21*	*(1)*	-	*(1)*	*(5)*	-	*(5)*	-	*2,195*	*13*
040	*Credit institutions*	*21,922*	*21,922*	-	-	-	-	*(25)*	*(25)*	-	-	-	-	-	*1,531*	-
050	*Other financial corporations*	*49,040*	*47,885*	*905*	*55*	-	*55*	*(29)*	*(21)*	*(8)*	*(38)*	-	*(38)*	-	*32,572*	*14*
060	*Non-financial corporations*	*61,213*	*53,631*	*7,379*	*1,217*	*35*	*1,182*	*(366)*	*(153)*	*(213)*	*(512)*	*(2)*	*(510)*	-	*37,848*	*527*
070	*Of which: SMEs*	*13,029*	*10,632*	*2,394*	*607*	*15*	*592*	*(126)*	*(40)*	*(86)*	*(264)*	*(1)*	*(263)*	-	*11,346*	*298*
080	*Households*	*197,338*	*174,928*	*22,381*	*2,995*	*124*	*2,849*	*(619)*	*(254)*	*(365)*	*(944)*	*(15)*	*(929)*	*(128)*	*184,458*	*1,806*
090	Debt securities	**38,765**	**38,211**	**-**	**-**	**-**	**-**	**(7)**	**(7)**	**-**	**-**	**-**	**-**	**-**	**84**	**-**
100	*Central banks*	*47*	*47*	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*21,857*	*21,856*	-	-	-	-	*(2)*	*(2)*	-	-	-	-	-	-	-
120	*Credit institutions*	*11,582*	*11,030*	-	-	-	-	*(4)*	*(4)*	-	-	-	-	-	*84*	-
130	*Other financial corporations*	*5,278*	*5,278*	-	-	-	-	*(1)*	*(1)*	-	-	-	-	-	-	-
140	*Non-financial corporations*	*1*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	**94,183**	**88,010**	**6,173**	**519**	**7**	**505**	**(37)**	**(17)**	**(20)**	**-**	**-**	**-**		**10,024**	**39**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	*203*	*140*	*63*	-	-	-	-	-	-	-	-	-		*68*	-
180	*Credit institutions*	*1,170*	*1,170*	-	-	-	-	-	-	-	-	-	-		*222*	-
190	*Other financial corporations*	*12,604*	*12,587*	*17*	*49*	-	*49*	*(1)*	*(1)*	-	-	-	-		*115*	*3*
200	*Non-financial corporations*	*47,854*	*44,297*	*3,557*	*152*	*4*	*148*	*(18)*	*(9)*	*(9)*	-	-	-		*9,039*	*25*
210	*Households*	*32,352*	*29,816*	*2,536*	*318*	*3*	*308*	*(18)*	*(7)*	*(11)*	-	-	-		*580*	*11*
220	Total	**501,934**	**463,789**	**37,108**	**4,807**	**166**	**4,612**	**(1,088)**	**(481)**	**(607)**	**(1,499)**	**(17)**	**(1,482)**	**(128)**	**268,713**	**2,399**

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

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	Collateral and financial guarantees received	
	31 December 2023	Total £m	*Of which: Stage 1* £m	*Of which: Stage 2* £m	Total £m	*Of which: Stage 2* £m	*Of which: Stage 3* £m	Total £m	*Of which: Stage 1* £m	*Of which: Stage 2* £m	Total £m	*Of which: Stage 2* £m	*Of which: Stage 3* £m	£m	On performing exposures £m	On non-performing exposures £m
005	Cash balances at central banks and other demand deposits	49,519	49,519	-	-	-	-	(6)	(6)	-	-	-	-	-	4	-
010	Loans and advances	316,455	288,387	27,842	4,178	159	3,998	(1,218)	(523)	(695)	(1,431)	(15)	(1,416)	(153)	244,307	2,350
020	*Central banks*	*1,112*	*1,112*	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	*2,328*	*2,277*	*50*	*22*	-	*22*	-	-	-	*(2)*	-	*(2)*	-	*2,257*	*20*
040	*Credit institutions*	*17,251*	*17,251*	-	-	-	-	*(26)*	*(26)*	-	-	-	-	-	*527*	-
050	*Other financial corporations*	*44,230*	*44,046*	*184*	*11*	-	*11*	*(28)*	*(24)*	*(4)*	*(3)*	-	*(3)*	-	*26,927*	*4*
060	*Non-financial corporations*	*58,418*	*50,224*	*8,018*	*1,291*	*40*	*1,251*	*(460)*	*(195)*	*(265)*	*(460)*	*(3)*	*(457)*	*(19)*	*33,168*	*672*
070	*Of which: SMEs*	*12,995*	*9,977*	*3,018*	*598*	*14*	*584*	*(166)*	*(54)*	*(112)*	*(233)*	*(1)*	*(232)*	-	*11,379*	*316*
080	*Households*	*193,116*	*173,477*	*19,590*	*2,854*	*119*	*2,714*	*(704)*	*(278)*	*(426)*	*(966)*	*(12)*	*(954)*	*(134)*	*181,428*	*1,654*
090	Debt securities	31,207	30,394	254	-	-	-	(16)	(12)	(4)	-	-	-	-	-	-
100	*Central banks*	*97*	*97*	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*15,972*	*15,972*	-	-	-	-	*(2)*	*(2)*	-	-	-	-	-	-	-
120	*Credit institutions*	*9,131*	*8,365*	*207*	-	-	-	*(7)*	*(5)*	*(2)*	-	-	-	-	-	-
130	*Other financial corporations*	*6,007*	*5,960*	*47*	-	-	-	*(7)*	*(5)*	*(2)*	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	89,183	82,397	6,786	386	24	356	(53)	(22)	(31)	-	-	-		7,338	40
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	*262*	*262*	-	*17*	-	*17*	-	-	-	-	-	-		*80*	*8*
180	*Credit institutions*	*1,689*	*1,682*	*7*	-	-	-	-	-	-	-	-	-		*87*	-
190	*Other financial corporations*	*14,839*	*14,773*	*66*	*2*	-	*2*	*(1)*	*(1)*	-	-	-	-		*192*	*1*
200	*Non-financial corporations*	*46,294*	*42,510*	*3,784*	*82*	*20*	*62*	*(27)*	*(12)*	*(15)*	-	-	-		*6,308*	*23*
210	*Households*	*26,099*	*23,170*	*2,929*	*285*	*4*	*275*	*(25)*	*(9)*	*(16)*	-	-	-		*671*	*8*
220	Total	486,364	450,697	34,882	4,564	183	4,354	(1,293)	(563)	(730)	(1,431)	(15)	(1,416)	(153)	251,649	2,390

(1) The gross NPL ratio for NWB Plc is 1.28% (2023 - 1.30%). 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.

UK CR1-A: Maturity of exposures

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

		a	b	c	d	e	f
		Net exposure value					
31 December 2024		On demand £m	<= 1 year £m	> 1 year <= 5 years £m	> 5 years £m	No stated maturity £m	Total £m
1	Loans and advances	**15,454**	**13,881**	**99,515**	**204,866**	**-**	**333,716**
2	Debt securities	**-**	**9,929**	**19,847**	**8,982**	**-**	**38,758**
3	Total	**15,454**	**23,810**	**119,362**	**213,848**	**-**	**372,474**

		a	b	c	d	e	f
		Net exposure value					
31 December 2023		On demand £m	<= 1 year £m	> 1 year <= 5 years £m	> 5 years £m	No stated maturity £m	Total £m
1	Loans and advances	15,136	15,324	84,798	202,726	-	317,984
2	Debt securities	-	7,311	15,966	7,914	-	31,191
3	Total	15,136	22,635	100,764	210,640	-	349,175

(1) 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.

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

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

		a
		Gross carrying amount £m
010	Initial stock of non-performing loans and advances at 1 January 2024	**4,178**
020	Inflows to non-performing portfolios	**2,346**
030	Outflows from non-performing portfolios	**(2,236)**
040	Outflows due to write-offs	**(536)**
050	Outflow due to other situations	**(1,700)**
060	Final stock of non-performing loans and advances at 31 December 2024	**4,288**

(1) Outflow due to other situations in the table above primarily includes outflow due to loan repayment & transfer to performing portfolio.
(2) Exposures classified as held-for-trading are excluded from the table in accordance with FINREP definitions.

UK 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 (PDs). Performing loans are defined as AQ1-AQ9 (where the 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. NWB Plc's IFRS 9 provisioning models, which use existing internal ratings based (IRB) models as a starting point, incorporate term structures and economic forecasts. 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** – 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

Personal models

Personal 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.

Non-Personal models

Non-Personal PD models use a point-in-time/through-the-cycle framework to convert one-year regulatory PDs into point-in-time estimates that reflect economic conditions at the reporting date. The framework utilises credit cycle indices (CCIs) for a comprehensive set of region/industry segments. One year PDs are extended to lifetime PDs using a conditional transition matrix approach and economic forecasts.

LGD estimates

The general approach for the IFRS 9 LGD models is to leverage corresponding IRB LGD models with bespoke adjustments to ensure estimates are unbiased and, where relevant, include economic forecasts.

Personal

Economic forecasts are incorporated for the secured portfolios, where changes in property prices can be readily accommodated. Analysis has shown minimal impact of economic conditions on LGDs for the other Personal portfolios.

Non-Personal

Economic forecasts are incorporated into LGD estimates using the existing point-in-time/through-the-cycle framework. 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

Personal

The IFRS 9 Personal modelling approach for EAD is dependent on product type.

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

Analysis has indicated that there is minimal impact on EAD arising from changes in the economy for all Personal portfolios except mortgages. Therefore, forward-looking information is only incorporated in the mortgage EAD model (through forecast changes in interest rates).

Non-Personal

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

No explicit economic forecasts are incorporated, on the basis of analysis showing the movement in CCFs is mainly attributable to changes in exposure management practices rather than economic conditions.

Governance and post model adjustments

The IFRS 9 PD, EAD and LGD models are subject to NatWest Group'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 NWB Plc'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.

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). NWB Plc 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 NWB Plc 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. For Non-Personal, a doubling of PD would indicate a SICR subject to a minimum PD uplift of 0.1%. For Personal portfolios, the criteria vary by risk band, with lower risk exposures needing to deteriorate more than higher risk exposures.
- **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, Non-Personal exposures managed within the Wholesale Problem Debt Management framework, and adverse credit bureau results for Personal customers.
- **Persistence (Personal and business banking customers only)** – the persistence rule ensures that accounts which have met the criteria for PD-driven deterioration are still considered to be significantly deteriorated for three months thereafter. This additional rule enhances the timeliness of capture in Stage 2. The persistence rule is applied to PD-driven deterioration only.

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

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

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

		a	b	c	d	e
31 December 2024		**Unsecured carrying amount £m**	**Secured carrying amount £m**	**Of which: secured by collateral £m**	**Of which: secured by financial guarantees £m**	**Of which: secured by credit derivatives £m**
1	Loans and advances	**103,331**	**267,400**	**253,790**	**7,175**	**-**
2	Debt securities	**38,674**	**84**	**-**	**84**	**-**
3	Total	**142,005**	**267,484**	**253,790**	**7,259**	**-**
4	*Of which: non-performing exposures*	***354***	***2,435***	***2,167***	***193***	**-**
5	*Of which: defaulted*	***322***	***2,273***	***2,014***	***189***	**-**

		a	b	c	d	e
31 December 2023		Unsecured carrying amount £m	Secured carrying amount £m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives £m
1	Loans and advances	114,395	253,102	240,303	6,358	-
2	Debt securities	31,191	-	-	-	-
3	Total	145,586	253,102	240,303	6,358	-
4	*Of which: non-performing exposures*	*325*	*2,422*	*2,083*	*267*	-
5	*Of which: defaulted*	*299*	*2,231*	*1,901*	*261*	-

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

UK CRC: Qualitative disclosure

Requirements related to CRM techniques

Credit risk mitigation

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

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

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

Mitigation techniques, as set out in the appropriate credit risk toolkits and transactional acceptance standards, are used in the management of credit portfolios across NWB Plc. These techniques mitigate credit concentrations in relation to an individual customer, a borrower group or a collection of related borrowers. 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 NWB Plc considers the following:

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

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

Non-Personal

NWB Plc mitigates credit risk relating to Non-Personal customers through the use of netting, collateral and market standard documentation, depending on the nature of the counterparty and its assets. The most common types of mitigation are:

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

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

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

For CRE valuations, NWB Plc has an actively managed panel of chartered surveying firms that cover the spectrum of geography and property sectors in which NWB Plc takes collateral. Suitable Royal Institution of Chartered Surveyors (RICS) registered valuers for particular assets are contracted through a service agreement to ensure consistency of quality and advice. Valuations are generally commissioned when an asset is taken as security; a material increase in a facility is requested; or a default event is anticipated or has occurred. In the UK, an independent third-party market indexation is applied to update external valuations for commercial property once they are more than a year old and every three years, a formal independent valuation review is commissioned.

Personal

NWB Plc takes collateral in the form of residential property to mitigate the credit risk arising from mortgages. NWB Plc values residential property individually during the loan underwriting process, either by obtaining an appraisal by a suitably qualified appraiser (for example, RICS) or using a statistically valid model. In both cases, a sample of the valuation outputs are periodically reviewed by an independent RICS qualified appraiser. NWB Plc updates Retail Banking UK residential property values quarterly using country (Scotland, Wales and Northern Ireland) or English regional specific Office for National Statistics House Price indices.

Annex XIX: Credit risk – standardised approach

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

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

		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
		On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
31 December 2024		**£m**	**£m**	**£m**	**£m**	**£m**	**%**
1	Central governments or central banks	**43,173**	**140**	**44,023**	**356**	**995**	**2**
2	Regional governments or local authorities	**199**	**21**	**189**	**-**	**-**	**-**
3	Public sector entities	**-**	**-**	**-**	**-**	**-**	**-**
4	Multilateral development banks	**5,321**	**-**	**5,321**	**-**	**-**	**-**
5	International organisations	**-**	**-**	**-**	**-**	**-**	**-**
6	Institutions	**22,016**	**10,132**	**21,879**	**4,767**	**779**	**3**
7	Corporates	**16,332**	**10,522**	**15,593**	**482**	**4,062**	**25**
8	Retail	**1,540**	**1,676**	**1,540**	**-**	**684**	**44**
9	Secured by mortgages on immovable property	**2,829**	**355**	**2,829**	**136**	**1,676**	**57**
10	Exposures in default	**69**	**21**	**51**	**-**	**68**	**133**
11	Items associated with particularly high risk	**-**	**-**	**-**	**-**	**-**	**-**
12	Covered bonds	**-**	**-**	**-**	**-**	**-**	**-**
13	Institutions and corporates with a short-term	**-**					
	credit assessment	**-**	**-**	**-**	**-**	**-**	**-**
14	Collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**-**
15	Equity	**1,489**	**-**	**1,489**	**-**	**3,718**	**250**
16	Other items	**19**	**-**	**19**	**-**	**19**	**100**
17	Total	**92,987**	**22,867**	**92,933**	**5,741**	**12,001**	**12**

		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
		On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
31 December 2023		£m	£m	£m	£m	£m	%
1	Central governments or central banks	50,733	165	51,317	213	1,000	2
2	Regional governments or local authorities	183	28	182	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	1,964	-	1,964	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	17,995	10,275	17,995	4,955	838	4
7	Corporates	17,318	12,427	16,691	520	4,081	24
8	Retail	1,887	1,658	1,887	-	806	43
9	Secured by mortgages on immovable property	463	298	462	147	628	103
10	Exposures in default	88	35	63	1	91	143
11	Items associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	1,500	-	1,500	-	3,745	250
16	Other items	30	-	30	-	30	100
17	Total	92,161	24,886	92,091	5,836	11,219	11

Annex XXI: Credit risk – IRB approach

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

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

		31 December 2024	
		a	**b**
		Pre-credit derivatives RWAs £m	**Actual RWAs £m**
5	Exposures under AIRB	**81,383**	**81,383**
6	Central governments and central banks	**1,168**	**1,168**
7	Institutions	**1,967**	**1,967**
8	Corporates	**28,497**	**28,497**
8.1	*Of which: SME*	***4,683***	***4,683***
8.2	*Of which: specialised lending*	**-**	**-**
8.3	*Of which: Other*	***23,814***	***23,814***
9	Retail	**49,751**	**49,751**
9.1	*Of which: secured by real estate SME - secured by immovable property collateral*	***292***	***292***
9.2	*Of which: secured by real estate non-SME - secured by immovable property collateral*	***33,226***	***33,226***
9.3	*Of which: qualifying revolving*	***6,575***	***6,575***
9.4	*Of which: other SMEs*	***2,668***	***2,668***
9.5	*Of which: other non-SME*	***6,990***	***6,990***
10	Total	**81,383**	**81,383**

		31 December 2023	
		a	b
		Pre-credit derivatives RWAs £m	Actual RWAs £m
5	Exposures under AIRB	82,500	82,500
6	Central governments and central banks	979	979
7	Institutions	3,083	3,083
8	Corporates	31,785	31,785
8.1	*Of which: SME*	*5,108*	*5,108*
8.2	*Of which: specialised lending*	-	-
8.3	*Of which: Other*	*26,677*	*26,677*
9	Retail	46,653	46,653
9.1	*Of which: secured by real estate SME - secured by immovable property collateral*	*301*	*301*
9.2	*Of which: secured by real estate non-SME - secured by immovable property collateral*	*31,444*	*31,444*
9.3	*Of which: qualifying revolving*	*5,347*	*5,347*
9.4	*Of which: other SMEs*	*2,654*	*2,654*
9.5	*Of which: other non-SME*	*6,907*	*6,907*
10	Total	82,500	82,500

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

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

			Credit risk mitigation techniques											
			Funded credit protection (FCP)								Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
		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 %	RWA post all CRM assigned to the obligor exposure class £m	RWA with substitution effects £m
	31 December 2024	a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	**14,241**	**0.51**	-	-	-	-	-	-	-	-	-	-	**1,168**	**1,168**
2	Institutions	**8,115**	**17.33**	-	-	-	-	-	-	-	-	**2.56**	-	**1,967**	**1,967**
3	Corporates	**56,379**	**0.61**	**45.90**	**30.36**	**0.27**	**15.27**	-	-	-	-	**3.91**	-	**28,497**	**28,497**
3.1	*Of which: SME*	**8,486**	**0.84**	**101.28**	**83.07**	-	**18.22**	**0.01**	-	-	**0.01**	**4.43**	-	**4,683**	**4,683**
3.3	*Of which: other*	**47,893**	**0.57**	**36.08**	**21.01**	**0.31**	**14.75**	-	-	-	-	**3.82**	-	**23,814**	**23,814**
4	Retail	**225,320**	-	**175.94**	**175.94**	-	-	-	-	-	-	**1.48**	-	**49,751**	**49,751**
4.1	*Of which: immovable property SME*	**660**	-	-	-	-	-	-	-	-	-	**0.83**	-	**292**	**292**
4.2	*Of which: immovable property non-SME*	**189,177**	-	**209.55**	**209.55**	-	-	-	-	-	-	-	-	**33,226**	**33,226**
4.3	*Of which: qualifying revolving*	**20,332**	-	-	-	-	-	-	-	-	-	-	-	**6,575**	**6,575**
4.4	*Of which: other SME*	**9,216**	-	-	-	-	-	-	-	-	-	**36.15**	-	**2,668**	**2,668**
4.5	*Of which: other non-SME*	**5,935**	-	-	-	-	-	-	-	-	-	-	-	**6,990**	**6,990**
5	Total	**304,055**	**0.60**	**138.89**	**136.01**	**0.05**	**2.83**	-	-	-	-	**1.89**	-	**81,383**	**81,383**

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

		Credit risk mitigation techniques												
		Funded credit protection (FCP)									Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
	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 %	RWA post all CRM assigned to the obligor exposure class £m	RWA with substitution effects £m
31 December 2024	a	b	c	d	e	f	g	h	i	j	k	l	m	n
6 Specialised lending under the slotting approach	15,611												9,814	9,814
	-												-	-
7 Equity Exposures	2												-	-
8 Total	15,613												9,814	9,814

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

		Total exposures £m	Credit risk mitigation techniques – Funded credit protection (FCP): 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 %	Unfunded credit protection (UFCP): Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	Credit risk mitigation methods in the calculation of RWAs: RWA post all CRM assigned to the obligor exposure class £m	RWA with substitution effects £m
31 December 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	15,248	0.40	-	-	-	-	-	-	-	-	-	-	979	979
2	Institutions	9,609	16.19	-	-	-	-	-	-	-	-	-	-	3,083	3,083
3	Corporates	61,507	10.09	128.76	59.34	0.01	69.41	-	-	-	-	2.28	-	31,785	31,785
3.1	*Of which: SME*	9,526	3.45	136.74	62.38	0.01	74.35	0.01	-	-	0.01	7.06	-	5,108	5,108
3.3	*Of which: other*	51,981	11.31	127.30	58.78	0.01	68.51	-	-	-	-	1.41	-	26,677	26,677
4	Retail	220,313	-	182.00	182.00	-	-	-	-	-	-	1.92	-	46,653	46,653
4.1	*Of which: immovable property SME*	732	-	-	-	-	-	-	-	-	-	1.13	-	301	301
4.2	*Of which: immovable property non-SME*	185,185	-	216.52	216.52	-	-	-	-	-	-	-	-	31,444	31,444
4.3	*Of which: qualifying revolving*	18,598	-	-	-	-	-	-	-	-	-	-	-	5,347	5,347
4.4	*Of which: other SME*	10,019	-	-	-	-	-	-	-	-	-	42.15	-	2,654	2,654
4.5	*Of which: other non-SME*	5,779	-	-	-	-	-	-	-	-	-	-	-	6,907	6,907
5	Total	306,677	2.55	156.57	142.65	-	13.92	-	-	-	-	1.84	-	82,500	82,500

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

		Credit risk mitigation techniques												
		Funded credit protection (FCP)									Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
	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 %	RWA post all CRM assigned to the obligor exposure class £m	RWA with substitution effects £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	14,219												9,106	9,106
7 Equity Exposures	-												-	-
8 Total	14,219												9,106	9,106

Annex XXIII: Specialised lending

UK CR10: Specialised lending exposures

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

CR10.1

		a	b	c	d	e	f
		Specialised lending: project finance (slotting approach)					
31 December 2024	**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	**929**	**527**	**50%**	**1,190**	**488**	**-**
	Equal to or more than 2.5 years	**3,182**	**2,506**	**70%**	**4,913**	**2,792**	**20**
Category 2	Less than 2.5 years	**47**	**151**	**70%**	**166**	**108**	**1**
	Equal to or more than 2.5 years	**704**	**185**	**90%**	**843**	**640**	**7**
Category 3	Less than 2.5 years	**25**	**8**	**115%**	**27**	**24**	**1**
	Equal to or more than 2.5 years	**136**	**17**	**115%**	**148**	**156**	**4**
Category 4	Less than 2.5 years	**1**	**-**	**250%**	**1**	**2**	**-**
	Equal to or more than 2.5 years	**96**	**5**	**250%**	**98**	**184**	**8**
Category 5	Less than 2.5 years	**-**	**-**	**-**	**-**	**-**	**-**
	Equal to or more than 2.5 years	**104**	**2**	**-**	**105**	**-**	**52**
Total	Less than 2.5 years	**1,002**	**686**		**1,384**	**622**	**2**
	Equal to or more than 2.5 years	**4,222**	**2,715**		**6,107**	**3,772**	**91**

		a	b	c	d	e	f
		Specialised lending: project finance (slotting approach)					
31 December 2023	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	846	464	50%	1,168	499	-
	Equal to or more than 2.5 years	3,235	2,381	70%	5,285	3,153	21
Category 2	Less than 2.5 years	15	86	70%	95	67	-
	Equal to or more than 2.5 years	375	175	90%	496	394	4
Category 3	Less than 2.5 years	18	18	115%	32	37	1
	Equal to or more than 2.5 years	114	6	115%	117	109	3
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	43	3	250%	44	83	4
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	63	9	-	71	-	35
Total	Less than 2.5 years	879	568		1,295	603	1
	Equal to or more than 2.5 years	3,830	2,574		6,013	3,739	67

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

CR10.2

		a	b	c	d	e	f
		Specialised lending: income-producing real estate and high volatility commercial real estate (slotting approach)					
31 December 2024	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	2,486	220	50%	2,596	1,298	-
	Equal to or more than 2.5 years	1,751	152	70%	1,852	1,296	7
Category 2	Less than 2.5 years	1,889	193	70%	1,997	1,397	8
	Equal to or more than 2.5 years	1,123	283	90%	1,377	1,239	12
Category 3	Less than 2.5 years	98	6	115%	100	115	3
	Equal to or more than 2.5 years	6	-	115%	6	7	-
Category 4	Less than 2.5 years	24	-	250%	24	61	2
	Equal to or more than 2.5 years	3	-	250%	3	7	-
Category 5	Less than 2.5 years	147	3	-	149	-	74
	Equal to or more than 2.5 years	15	1	-	16	-	8
Total	Less than 2.5 years	4,644	422		4,866	2,871	87
	Equal to or more than 2.5 years	2,898	436		3,254	2,549	27

		a	b	c	d	e	f
		Specialised lending: income-producing real estate and high volatility commercial real estate (slotting approach)					
31 December 2023	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	1,573	163	50%	1,657	828	-
	Equal to or more than 2.5 years	1,673	229	70%	1,806	1,264	7
Category 2	Less than 2.5 years	1,711	169	70%	1,818	1,272	7
	Equal to or more than 2.5 years	1,166	270	90%	1,401	1,261	12
Category 3	Less than 2.5 years	42	-	115%	42	49	1
	Equal to or more than 2.5 years	14	1	115%	15	17	-
Category 4	Less than 2.5 years	26	-	250%	26	65	2
	Equal to or more than 2.5 years	3	-	250%	3	8	-
Category 5	Less than 2.5 years	121	2	-	122	-	62
	Equal to or more than 2.5 years	21	-	-	21	-	10
Total	Less than 2.5 years	3,473	334		3,665	2,214	72
	Equal to or more than 2.5 years	2,877	500		3,246	2,550	29

Annex XXXIII: Remuneration

This section contains disclosures which are required in accordance with UK regulatory requirements and the Basel Committee on Banking Supervision Pillar 3 disclosure requirements. They also take into account the European Banking Authority (EBA) guidelines on sound remuneration policies. It should be read in conjunction with the Directors' remuneration report starting on page 126 of the NatWest Group 2024 ARA.

The disclosure requirements for this section; which is applicable to entities within the NatWest Holdings Group is set out in the NatWest Holdings Group Pillar 3 Disclosure; Annex XXXIII: Remuneration (UK REM A – Remuneration policy for all colleagues) from pages 154 to 156. The NatWest Holdings Group Pillar 3 Disclosure has been published at investors.natwestgroup.com/reports-archive/2024

Remuneration of Material Risk Takers ('MRTs') – National Westminster Bank Plc

The quantitative disclosures below are made in accordance with regulatory requirements in relation to 348 individuals who have been identified as MRTs for National Westminster Bank Plc (NWB). 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 44 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 NatWest 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.

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

- reviewing and recommending, or where appropriate ratifying, remuneration arrangements for key employees;
- providing input on the proposed bonus pool for relevant entities, and ensuring such proposals are adjusted for performance and risk and meet capital adequacy requirements; and
- inputting to and subsequently adopting the NatWest Group Remuneration Policy Principles on behalf of NWB and the other entities within the NWH Sub Group.

The NWH RemCo must be able to act independently and the non-executive directors serving on it are supported by the necessary entity-specific management information in order to carry out their duties. The NWH RemCo held five scheduled meetings and a further three ad hoc meetings in 2024.

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

		Non-executive directors	Executive directors	Other senior mngt.	Other MRTs	Other senior management and other MRTs split by business area: Investment Banking	Retail Banking	Corporate Functions	Control Functions	Total
Fixed remuneration	Total number of MRTs	11	2	9	249	-	-	-	-	271
	Other senior management - split by business area	-	-	-	-	-	1	5	3	9
	Other MRTs - split by business area	-	-	-	-	-	61	33	155	249
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total fixed remuneration of MRTs	2.6	5.5	10.3	70.5	-	23.0	21.1	36.6	88.9
	Cash-based	2.6	2.9	8.7	70.4	-	22.7	20.7	35.8	84.6
	Share-based	-	2.6	1.6	0.1	-	0.4	0.5	0.8	4.3
Variable remuneration	Total number of MRTs	-	2	9	249	-	-	-	-	260
	Other senior management - split by business area	-	-	-	-	-	1	5	3	9
	Other MRTs - split by business area	-	-	-	-	-	61	33	155	249
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total variable remuneration of MRTs	-	4.4	9.0	41.0	-	15.6	13.6	20.7	54.3
	Cash-based	-	0.7	2.2	23.0	-	7.4	6.5	11.1	25.9
	Of which: deferred cash	-	-	0.4	7.5	-	2.9	2.4	2.7	7.9
	Share-based (annual bonus)	-	0.7	2.1	18.0	-	7.1	5.8	7.1	20.8
	Of which: deferred shares	-	-	0.4	7.5	-	2.9	2.4	2.7	7.9
	Share-based (LTI awards)	-	2.9	4.8	-	-	1.1	1.2	2.5	7.7
	Of which: deferred shares	-	2.9	4.8	-	-	1.1	1.2	2.5	7.7
Total remuneration of MRTs		2.6	9.9	19.3	111.4	-	38.7	34.7	57.3	143.2

(1) The breakdown by business areas required in template UK REM5 has been combined with UK REM1 above, as permitted under regulatory guidance for the templates.
(2) Retail Banking includes Wealth and Commercial Banking.
(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.

UK REMA - Derogations

The regulations allow some flexibility not to apply certain requirements that would normally apply to MRTs where an individual's annual variable remuneration does not exceed £44,000 and does not represent more than one third of the individual's total annual remuneration (derogations permitted under point (b) of Article 94(3) of CRD V). We have used this flexibility to disapply MRT rules relating to deferral and delivery of awards in shares for 87 MRTs in respect of performance year 2024. Total remuneration for these individuals in 2024 was £12.82 million, of which £11.04 million was fixed pay and £1.78 million was variable pay.

UK REMA - Ratio between fixed and variable remuneration

The variable component of total remuneration for MRTs at NatWest Group is generally awarded up to 100% of the fixed component. However, this may be awarded up to 200% for use on a gradual and targeted basis. A ratio of 100% is applicable for all MRTs for entities based in an EU jurisdiction, except where country specific regulatory requirements apply. The average ratio between fixed and variable remuneration for 2024 was approximately 1 to 0.57. The majority of MRTs were based in the UK.

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

Special payments	NWB Plc NEDs	NWB Plc EDs	Other senior management	Other MRTs
Guaranteed awards and sign on awards				
Number of MRTs	-	-	-	1
	£m	£m	£m	£m
Total amount	-	-	-	0.5
Of which: paid during the financial year that are not taken into account in *the bonus cap*	-	-	-	-
Severance payments awarded in previous periods, paid out during the financial year				
Number of MRTs	-	-	-	-
	£m	£m	£m	£m
Total amount	-	-	-	-
Severance payments awarded during the financial year				
Number of MRTs	-	-	1	18
	£m	£m	£m	£m
Total amount	-	-	0.1	3.4
Of which: paid during the financial year	-	-	0.1	3.4
Of which: deferred	-	-	-	-
Of which: paid during the financial year that are not taken into account in *the bonus cap*	-	-	0.1	3.4
Of which: highest payment that has been awarded to a single person	-	-	0.1	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.

UK REM3 - Outstanding deferred remuneration

The table below includes deferred remuneration awarded or paid out in 2024 relating to prior performance years.

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods £m	Of which: due to vest in the financial year £m	Of which: vesting in subsequent financial years £m	Amount of performance adjustment to deferred remuneration that was due to vest in the financial year £m	Amount of performance adjustment to deferred remuneration due to vest in future financial years £m	Total amount of adjustment during the financial year due to ex post implicit adjustments (2) £m	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year £m	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention £m
NWB NEDs - No deferred or retained remuneration held								
NWB EDs								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent interests	12.7	1.6	11.1	-	-	11.0	1.6	1.5
Share-linked or equivalent non-cash instruments								
Other instruments or forms								
Other senior management								
Cash-based	2.6	0.8	1.9	-	-	-	0.7	-
Shares or equivalent interests	10.2	1.1	9.1	-	-	8.8	1.1	1.1
Share-linked or equivalent non-cash instruments								
Other instruments or forms								
Other MRTs								
Cash-based	9.7	2.5	7.2	-	-	-	2.5	-
Shares or equivalent interests	15.8	6.0	9.7	-	-	12.8	6.0	4.7
Share-linked or equivalent non-cash instruments								
Other instruments or forms								
Total amount	51.0	12.0	39.0	-	-	32.6	12.0	7.3

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

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

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

Total remuneration by band for employees earning >€1 million for 2024	Number of MRTs
€1.0 million to below €1.5 million	18
€1.5 million to below €2.0 million	5
€2.0 million to below €2.5 million	1
€2.5 million to below €3.0 million	4
€3.0 million to below €3.5 million	1
€3.5 million to below €4.0 million	-
More than €4.0 million	1
Total	30

(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.