NatWest Group

NatWest Markets 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 NWM 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 NWM 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: NWM Group's economic and political risks financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), the implementation of NWM Group's strategy and NatWest Group's strategy, its climate and sustainability related ambitions and targets, its access to adequate sources of liquidity and funding, its regulatory capital position and related requirements, 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, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, exposure to third party risk, operational risk, conduct risk, cyber, data and IT risk, financial crime risk, key person risk, 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 NWM Group's actual results are discussed in NWM Plc's 2024 Annual Report and Accounts (ARA), and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NWM Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Attestation statement

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

As set out in the Compliance report of the 2024 NatWest Group Annual Report and Accounts, the NatWest Group Board is responsible for the system of internal controls that is designed to maintain effective and efficient operations, compliant with applicable laws and regulations. The system of internal control is designed to manage risk or mitigate it to an acceptable residual level rather than eliminate it entirely. Systems of internal control can only provide reasonable and not absolute assurance against misstatement, fraud, or loss.

Simon Lowe

Chief Financial Officer

Executive Director, NatWest Markets Plc Board

Presentation of information

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

NWM Plc is incorporated in the United Kingdom and is a subsidiary of NatWest Group plc. 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.

NWM Plc, as a large, listed subsidiary of NatWest Group, is subject to a reduced set of disclosures as set out in the PRA Rulebook. The required disclosures are as follows:

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

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

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 the 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 NWM Plc at 31 December 2024 and have therefore not been included in the document. Certain quantitative and qualitative disclosures are provided in the NatWest Group Pillar 3 report. These excluded templates are listed below, together with a summary of the reason for their exclusion.

PRA template reference	Template name	Reasons for exclusion
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	Collateral obtained by taking possession is not recognised on the balance sheet
UK CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	Collateral obtained by taking possession is not recognised on the balance sheet and threshold not met
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 LIQA	Liquidity risk management	Refer to UK LIQA in the NatWest Group P3 report
UK REMA	Remuneration Policy	Refer to UK REMA in the NatWest Group P3 report
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 Markets Plc - Key points

CET1 ratio

18.2%

(Q3 2024 – 17.3%)

The CET1 ratio increased by 90 basis points to 18.2% at 31 December 2024, compared with 17.3% at 30 September 2024. The increase in the period was driven by a £0.1 billion increase in CET1 capital and a £0.7 billion decrease in RWAs. The CET1 capital increase was mainly driven by reserve movements.

RWAs

£20.8bn

(Q3 2024 - £21.5bn)

Total RWAs decreased by £0.7 billion to £20.8 billion reflecting:
- an increase in credit risk RWAs of £0.7 billion to £8.9 billion driven by increased securitisation activity and new lending.
- a reduction in counterparty credit risk RWAs of £0.3 billion to £5.8 billion due to reduced exposures in securities financing transactions.
- a reduction in market risk RWAs of £1.1 billion to £5.1 billion driven by VaR and SVaR-based RWAs related to interest rate risk.

UK leverage ratio

5.5%

(Q3 2024 – 4.6%)

The leverage ratio increased by 90 basis points to 5.5%. The increase was due to a £0.7 billion increase in Tier 1 capital partially offset by a £3.4 billion decrease in leverage exposure. The key drivers in the leverage exposure were a decrease in trading assets, partially offset by an increase in other financial assets, SFT add on and net settlement balances.

UK average leverage ratio

4.8%

(Q3 2024 – 4.8%)

The average leverage ratio remained static at 4.8%. This was driven by a £9.3 billion increase in average leverage exposure offset by a £0.4 billion increase in 3-month average Tier 1 capital. The key drivers in the average leverage exposure were an increase in trading and other financial assets, net settlement balances and other off balance sheet items.

LCR average

192%

(Q3 2024 - 189%)

The average Liquidity Coverage Ratio (LCR) increased 3% compared to Q3 2024. The increase in LCR was driven by funding raised to support planned business growth.

NSFR average

120%

(Q3 2024 – 117%)

The average Net Stable Funding Ratio (NSFR) was 120% compared to 117% in Q3 2024. The increase in NSFR was driven by funding raised to support planned business growth.

UK KM1: Key metrics

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

		31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
Available own funds (amounts)		**£m**	£m	£m	£m	£m
1	Common equity tier 1 (CET1) capital	**3,779**	3,720	3,840	3,901	3,776
2	Tier 1 capital	**5,067**	4,416	4,519	4,580	4,455
3	Total capital	**5,779**	5,066	5,198	5,274	5,072
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**20,812**	21,476	20,542	21,506	22,099
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	**18.2**	17.3	18.7	18.1	17.1
6	Tier 1 ratio (%)	**24.3**	20.6	22.0	21.3	20.2
7	Total capital ratio (%)	**27.8**	23.6	25.3	24.5	23.0
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	**3.1**	3.1	3.1	3.1	3.1
UK 7b	Additional AT1 SREP requirements (%)	**1.0**	1.0	1.0	1.0	1.0
UK 7c	Additional Tier 2 SREP requirements (%)	**1.4**	1.4	1.4	1.4	1.4
UK 7d	Total SREP own funds requirements (%)	**13.5**	13.5	13.5	13.5	13.5
Combined buffer requirement (as a percentage of risk-weighted exposure amount) (1)						
8	Capital conservation buffer (%)	**2.5**	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%) (2)	**1.0**	1.0	1.0	1.0	1.0
11	Combined buffer requirement (%)	**3.5**	3.5	3.5	3.5	3.5
UK 11a	Overall capital requirements (%)	**17.0**	17.0	17.0	17.0	17.0
12	CET1 available after meeting the total SREP own funds requirements (%)	**10.6**	9.8	11.1	10.5	9.4
Leverage ratio						
13	Total exposure measure excluding claims on central banks	**92,859**	96,209	86,275	91,464	89,929
14	Leverage ratio excluding claims on central banks (%)	**5.5**	4.6	5.2	5.0	5.0
Additional leverage ratio disclosure requirements						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.5**	4.6	5.2	5.0	5.0
UK 14b	Leverage ratio including claims on central banks (%)	**4.9**	4.2	4.6	4.5	4.5
UK 14c	Average leverage ratio excluding claims on central banks (%)	**4.8**	4.8	4.8	5.0	4.9
UK 14d	Average leverage ratio including claims on central banks (%)	**4.3**	4.3	4.3	4.4	4.3
UK 14e	Countercyclical leverage ratio buffer (%) (2)	**0.3**	0.4	0.4	0.4	0.4
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA) (weighted value-average)	**18,804**	18,283	18,873	19,280	19,620
UK 16a	Cash outflows - Total weighted value	**12,878**	12,969	12,773	12,656	11,986
UK 16b	Cash inflows - Total weighted value	**3,046**	3,272	3,392	3,801	3,696
16	Total net cash outflows (adjusted value)	**9,832**	9,697	9,381	8,855	8,290
17	Liquidity coverage ratio (%) (3)	**192**	189	203	219	240
Net stable funding ratio						
18	Total available stable funding	**36,499**	33,992	32,824	32,012	31,864
19	Total required stable funding	**30,522**	29,155	27,788	26,446	25,065
20	NSFR ratio (%) (4)	**120**	117	118	121	127

(1) The following rows are not presented in the table above as not applicable: UK8a, UK9a, 10 and UK10a.
(2) 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 maintained at 2%. The countercyclical leverage ratio buffer is set at 35% of NWM Plc CCyB.
(3) The Liquidity Coverage Ratio (LCR) is calculated as the average of the preceding 12 months.
(4) The Net Stable Funding Ratio (NSFR) is calculated as the average of the preceding four quarters.

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. NWM 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	30 September 2024	30 June 2024	31 March 2024	31 December 2023
Available capital (amounts) - transitional		£m	£m	£m	£m	£m
1	Common equity Tier 1	**3,779**	3,720	3,840	3,901	3,776
2	Common equity Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**3,779**	3,720	3,839	3,900	3,775
3	Tier 1 capital	**5,067**	4,416	4,519	4,580	4,455
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**5,067**	4,416	4,518	4,579	4,454
5	Total capital	**5,779**	5,066	5,198	5,274	5,072
6	Total capital as if IFRS 9 transitional arrangements had not been applied	**5,779**	5,066	5,197	5,273	5,071
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	**20,812**	21,476	20,542	21,506	22,099
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	**20,812**	21,476	20,541	21,505	22,098
Capital ratios		**%**	%	%	%	%
9	Common equity Tier 1 ratio	**18.2**	17.3	18.7	18.1	17.1
10	Common equity Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**18.2**	17.3	18.7	18.1	17.1
11	Tier 1 ratio	**24.3**	20.6	22.0	21.3	20.2
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**24.3**	20.6	22.0	21.3	20.2
13	Total capital ratio	**27.8**	23.6	25.3	24.5	23.0
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	**27.8**	23.6	25.3	24.5	22.9
Leverage ratio						
15	Leverage ratio exposure measure (£m)	**92,859**	96,209	86,275	91,464	89,929
16	Leverage ratio (%)	**5.5**	4.6	5.2	5.0	5.0
17	Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	**5.5**	4.6	5.2	5.0	5.0

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)	**5,892**	5,533	**472**
2	*Of which: standardised approach*	***2,606***	*1,972*	***209***
3	*Of which: the foundation IRB (FIRB) approach*	-	-	-
4	*Of which: slotting approach*	***152***	*132*	***12***
UK 4a	*Of which: equities under the simple risk-weighted approach*	-	*125*	-
5	*Of which: the advanced IRB (AIRB) approach (1)*	***3,134***	*3,304*	***251***
5a	*Of which: non-credit obligation assets (3)*	***102***	*117*	***8***
6	Counterparty credit risk	**5,712**	6,003	**457**
7	*Of which: standardised approach*	***902***	*892*	***72***
8	*Of which: internal model method (IMM)*	***3,510***	*3,459*	***281***
UK 8a	*Of which: exposures to a CCP*	***76***	*79*	***6***
UK 8b	*Of which: credit valuation adjustment (CVA)*	***743***	*769*	***59***
9	*Of which: other counterparty credit risk*	***481***	*804*	***39***
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	**3,101**	2,811	**248**
17	*Of which: SEC-IRBA approach*	-	-	-
18	*Of which: SEC-ERBA (including IAA)*	***90***	*85*	***7***
19	*Of which: SEC-SA approach*	***2,963***	*2,677*	***237***
UK 19a	*Of which: 1,250%/deduction*	***48***	*49*	***4***
20	Position, foreign exchange and commodities risk (market risk)	**5,099**	6,127	**408**
21	*Of which: standardised approach*	***313***	*343*	***25***
22	*Of which: IMA*	***4,786***	*5,784*	***383***
UK 22a	Large exposures	-	-	-
23	Operational risk	**1,002**	1,002	**80**
UK 23a	*Of which: basic indicator approach*	-	-	-
UK 23b	*Of which: standardised approach*	***1,002***	*1,002*	***80***
UK 23c	*Of which: advanced measurement approach*	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	**1,325**	1,311	**106**
25	Other Risk Exposure amount	**6**	-	-
25a	*Of which : Additional risk exposure amount due to Article 3 CRR*	**6**	-	-
29	Total	**20,812**	21,476	**1,665**

(1) Of which £14 million RWAs (30 September 2024 - £12 million) relate to equity IRB under the probability of default/loss given default approach.
(2) The amount is shown for information only, as these exposures are already included in rows 1 and 2.
(3) 5a is subset of total IRB RWAs disclosed in Row 5.

UK OVC - ICAAP information

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

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

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

		a
		RWAs
		£m
1	At 31 December 2023	3,480
2	Asset size	5
3	Asset quality	140
4	Model updates	3
7	Foreign exchange movements	(3)
9	At 31 March 2024	3,625
2	Asset size	(163)
3	Asset quality	(51)
4	Model updates	(4)
7	Foreign exchange movements	(15)
9	At 30 June 2024	3,392
2	Asset size	127
4	Model updates	(85)
7	Foreign exchange movements	(127)
9	At 30 September 2024	3,307
2	Asset size	(297)
3	Asset quality	32
4	Model updates	9
7	Foreign exchange movements	119
9	At 31 December 2024	3,170

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

Q4 2024

- The decrease in RWAs relating to asset size was mainly driven by settlement of syndicated projects.
- The increase asset quality RWAs was mainly due to PD deterioration.
- 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.

UK CCR7 – RWA flow statement of counterparty credit risk exposures under the IMM

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

		a RWAs £m
1	At 31 December 2023	3,762
2	Asset size	(246)
3	Credit quality of counterparties	(28)
7	Foreign exchange movements	(33)
9	At 31 March 2024	3,455
2	Asset size	(98)
3	Credit quality of counterparties	(13)
7	Foreign exchange movements	(12)
9	At 30 June 2024	3,332
2	Asset size	241
3	Credit quality of counterparties	(30)
7	Foreign exchange movements	(84)
9	At 30 September 2024	3,459
2	Asset size	42
3	Credit quality of counterparties	(28)
7	Foreign exchange movements	37
9	At 31 December 2024	3,510

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

Q4 2024

– IMM RWAs remained broadly stable over the fourth quarter.

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

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

		a	b	c	e	f	g
		Value-at-risk (VaR) £m	Stressed value-at-risk (SVaR) £m	Incremental risk charge (IRC) £m	Other (Risks Not In VaR) (RNIV) £m	Total RWAs £m	Total own funds requirements £m
1	At 31 December 2023	1,597	2,295	802	1,278	5,972	477
1a	*Regulatory adjustment (1)*	*(1,214)*	*(1,796)*	*(168)*	*-*	*(3,178)*	*(255)*
1b	*RWAs at 31 December 2023 (end of day)*	*383*	*499*	*634*	*1,278*	*2,794*	*222*
2	Movement in risk levels	(103)	(63)	443	(217)	60	5
3	Model updates/changes	-	-	-	(116)	(116)	(9)
8a	*RWAs at 31 March 2024 (end of day)*	*280*	*436*	*1,077*	*945*	*2,738*	*218*
8b	*Regulatory adjustment (1)*	*1,368*	*1,727*	*6*	*-*	*3,101*	*249*
8	At 31 March 2024	1,648	2,163	1,083	945	5,839	467
1a	*Regulatory adjustment (1)*	*(1,368)*	*(1,727)*	*(6)*	*-*	*(3,101)*	*(249)*
1b	*RWAs at 31 March 2024 (end of day)*	*280*	*436*	*1,077*	*945*	*2,738*	*218*
2	Movement in risk levels	186	275	114	64	639	52
3	Model updates/changes	-	-	-	(110)	(110)	(9)
8a	*RWAs at 30 June 2024 (end of day)*	*466*	*711*	*1,191*	*899*	*3,267*	*261*
8b	*Regulatory adjustment (1)*	*670*	*1,259*	*-*	*-*	*1,929*	*154*
8	At 30 June 2024	1,136	1,970	1,191	899	5,196	415
1a	*Regulatory adjustment (1)*	*(670)*	*(1,259)*	*-*	*-*	*(1,929)*	*(154)*
1b	*RWAs at 30 June 2024 (end of day)*	*466*	*711*	*1,191*	*899*	*3,267*	*261*
2	Movement in risk levels	*(59)*	*243*	*(117)*	*116*	*183*	*15*
3	Model updates/changes	*(135)*	*(274)*	*(8)*	*44*	*(373)*	*(30)*
8a	*RWAs at 30 September 2024 (end of day)*	*272*	*680*	*1,066*	*1,059*	*3,077*	*246*
8b	*Regulatory adjustment (1)*	*848*	*1,763*	*96*	*-*	*2,707*	*217*
8	At 30 September 2024	1,120	2,443	1,162	1,059	5,784	463
1a	*Regulatory adjustment (1)*	*(848)*	*(1,763)*	*(96)*	*-*	*(2,707)*	*(217)*
1b	*RWAs at 30 September 2024 (end of day)*	*272*	*680*	*1,066*	*1,059*	*3,077*	*246*
2	Movement in risk levels	*(38)*	*(127)*	*(256)*	*(244)*	*(665)*	*(53)*
3	Model updates/changes	*-*	*-*	*384*	*-*	*384*	*31*
8a	*RWAs at 31 December 2024 (end of day)*	*234*	*553*	*1,194*	*815*	*2,796*	*224*
8b	*Regulatory adjustment (1)*	*461*	*1,322*	*207*	*-*	*1,990*	*159*
8	At 31 December 2024	695	1,875	1,401	815	4,786	383

(1) Regulatory adjustments in rows 1a and 8b represent the difference in RWA terms between the risk spot measure at the end of the reporting period and the 60-day average of that measure, multiplied by the multiplication factor.

(2) The following rows and/or columns are not presented because they had zero values or are not used by NWM Plc: column (d) comprehensive risk measure, row (4) methodology and policy, row (5) acquisitions and disposals, and row (7) other. In addition, row (6) foreign exchange movements is not presented. This is because changes in market risk arising from foreign currency retranslation are included within row (2) movement in risk levels as they are managed together with portfolio changes.

Q4 2024

– Overall, market risk RWAs under the IMA fell during the fourth quarter.
– The decreases in VaR and SVaR-based RWAs were largely driven by interest rate risk.
– The increase in the incremental risk charge largely reflected the new multi-factor Monte Carlo model, which took effect during Q4 2024 following PRA approval.
– The decrease in RNIV-based RWAs notably reflected the booking of a new hedge to mitigate foreign exchange risk.

Annex VII: Capital

UK CC1: Composition of regulatory own funds

The table below sets out 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	**2,346**		2,346
	of which: ordinary shares	***400***	**(a)**	*400*
	of which: share premium	***1,946***	**(j)**	*1,946*
2	Retained earnings	**3,420**	**(b)**	3,646
3	Accumulated other comprehensive income (and other reserves)	**(337)**	**(c)**	(344)
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	**-**		-
6	CET1 capital before regulatory adjustments	**5,429**		5,648
	CET1 capital: regulatory adjustments			
7	(-) Additional value adjustments	**(148)**		(160)
8	(-) Intangible assets (net of related tax liability)	**-**		-
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)	**-**	**(d)**	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**203**	**(h)**	187
12	(-) Negative amounts resulting from the calculation of expected loss amounts	**(6)**		(6)
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	**37**		25
15	(-) Defined-benefit pension fund assets	**(109)**	**(e) & (f)**	(94)
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)	**(1,521)**		(1,585)
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	**-**		-
UK-20b	*(-) of which: qualifying holdings outside the financial sector*	**-**		-
UK-20c	*(-) of which: securitisation positions*	**-**		-
UK-20d	*(-) of which: free deliveries*	**-**		-
21	(-) Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**-**		-
22	(-) Amount exceeding the 17.65% threshold	**-**		-

UK CC1: Composition of regulatory own funds continued

	CET1 capital: regulatory adjustments	31 December 2024 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 £m
23	*(-) of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-		-
25	*(-) of which: deferred tax assets arising from temporary differences*	-		-
UK-25a	(-) Losses for the current financial year	***(106)***	**(b)**	*(239)*
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)	-		-
28	Total regulatory adjustments to CET1	**(1,650)**		(1,872)
29	CET1 capital	**3,779**		3,776
	AT1 capital: instruments			
30	Capital instruments and the related share premium accounts	**1,496**	**(g)**	904
31	*of which: classified as equity under applicable accounting standards*	***1,496***		*904*
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	-		-
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-		-
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-		-
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5 CET1) issued by subsidiaries and held by third parties	-		-
35	*of which: instruments issued by subsidiaries subject to phase out*	-		-
36	AT1 capital before regulatory adjustments	**1,496**		904
	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)	**(208)**		(225)
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	**(208)**		(225)
44	AT1 capital	**1,288**		679
45	T1 capital (T1 = CET1 + AT1)	**5,067**		4,455

UK CC1: Composition of regulatory own funds continued

	T2 capital: instruments	31 December 2024 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 £m
46	Capital instruments and the related share premium accounts	**1,124**	**(i)**	1,022
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	**-**		-
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	**-**		-
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	**-**		-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	**-**		-
49	*of which: instruments issued by subsidiaries subject to phase out*	**-**		-
50	Credit risk adjustments	**7**		16
51	T2 capital before regulatory adjustments	**1,131**		1,038
	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 the 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)	**(419)**		(421)
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	**(419)**		(421)
58	T2 capital	**712**		617
59	Total capital (TC = T1 + T2)	**5,779**		5,072
60	Total risk exposure amount	**20,812**		22,099
	Capital ratios and buffers			
61	CET1 (as a percentage of total risk exposure amount)	**18.2%**		17.1%
62	T1 (as a percentage of total risk exposure amount)	**24.3%**		20.2%
63	Total capital (as a percentage of total risk exposure amount)	**27.8%**		23.0%
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) Article 104 (1) CRD plus combined buffer requirement in accordance with Article 128 (6) CRD) expressed as a percentage of risk exposure amount)	**11.1%**		11.1%
65	*of which: capital conservation buffer requirement*	***2.5%***		*2.5%*
66	*of which: counter cyclical buffer requirement*	***1.0%***		*1.0%*
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)	**10.6%**		9.4%

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)	**454**		399
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)	**530**		536
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)	**-**		-
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	**33**		25
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	**7**		16
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**38**		35
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

(1) Row 68: represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).
(2) The references (a) to (j) identify balance sheet components in table UK CC2 that are used in the calculation of regulatory capital in table UK CC1. Amounts between UK CC2 and UK CC1 are not always directly comparable due to differences in definitions and application of prudential requirements for the calculation of regulatory capital.
(3) The following lines are not presented as they are not applicable under the UK disclosure requirements: 9, 20, 24, 26, 41, 54a, 56, 69, 70, 71 and 74.

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

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

	As at period end 31 December 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	**11,069**	**11,069**	
Trading assets	**26,186**	**26,186**	
Derivatives	**74,982**	**74,982**	
Settlement balances	**550**	**550**	
Loans to banks - amortised cost	**897**	**897**	
Loans to customers - amortised cost	**17,089**	**17,089**	
Amounts due from holding companies and fellow subsidiaries	**3,341**	**3,341**	
Other financial assets	**16,081**	**16,081**	
Investment in group undertakings	**2,263**	**2,263**	
Property, plant and equipment	**14**	**14**	
Current and deferred tax assets	**223**	**223**	
of which: DTAs that rely on future profitability and do not arise from temporary differences	**-**	**-**	*(d)*
Prepayments, accrued income and other assets	**242**	**242**	
of which: defined benefit pension fund assets	***146***	***146***	*(e)*
Total assets	**152,937**	**152,937**	
Liabilities			
Bank deposits	**4,069**	**4,069**	
Customer deposits	**2,350**	**2,350**	
Amounts due to holding companies and fellow subsidiaries	**10,757**	**10,757**	*(i)*
Settlement balances	**444**	**444**	
Trading liabilities	**30,130**	**30,130**	
Derivatives	**70,016**	**70,016**	
Other financial liabilities	**27,966**	**27,966**	*(i)*
Provisions, deferred income and other liabilities	**345**	**345**	
Current and deferred tax liabilities	**41**	**41**	
of which: defined benefit pension scheme assets	***37***	***37***	*(f)*
Total liabilities	**146,118**	**146,118**	
Shareholders' Equity			
Owners' equity			
Called up share capital	**400**	**400**	*(a)*
Reserves	**6,419**	**6,419**	
of which: amount eligible for retained earnings	***3,314***	***3,314***	*(b)*
of which: amount eligible for accumulated OCI and other reserves	***(337)***	***(337)***	*(c) & (h)*
of which: amount of other equity instruments	***1,496***	***1,496***	*(g)*
of which: share premium accounts	***1,946***	***1,946***	*(j)*
Non-controlling interests			
Total shareholders' equity	**6,819**	**6,819**	

(1) NWM Plc publishes audited financial statements on an annual basis. For year end disclosures, the reconciliation shown in UK CC2 is completed in accordance with Financial Reporting outcomes (i.e. FINREP).
(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 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 NWM 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		
		Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	Total
	31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m
3	Total liabilities and own funds	**5,323**	**-**	**1,496**	**-**	**1,124**	**17**	**4,259**	**-**	**12,219**
4	o/w excluded liabilities	**-**	**-**	**-**	**-**	**-**	**17**	**-**	**-**	**17**
5	Total liabilities and own funds less excluded liabilities	**5,323**	**-**	**1,496**	**-**	**1,124**	**-**	**4,259**	**-**	**12,202**
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	**5,323**	**-**	**1,496**	**-**	**1,124**	**-**	**4,259**	**-**	**12,202**
7	o/w residual maturity ≥ 1 year < 2 years	**-**	**-**	**-**	**-**	**-**	**-**	**917**	**-**	**917**
8	o/w residual maturity ≥ 2 year < 5 years	**-**	**-**	**-**	**-**	**-**	**-**	**2,545**	**-**	**2,545**
9	o/w residual maturity ≥ 5 years < 10 years	**-**	**-**	**-**	**-**	**997**	**-**	**797**	**-**	**1,794**
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	**-**	**-**	**-**	**-**	**127**	**-**	**-**	**-**	**127**
11	o/w perpetual securities	**5,323**	**-**	**1,496**	**-**	**-**	**-**	**-**	**-**	**6,819**

		Insolvency ranking								
		Shareholders equity (3)		Preference shares and contingent capital notes		Subordinated debt		Senior non-preferential debt		
		Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	Total
	31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m
3	Total liabilities and own funds	5,409	-	904	-	1,022	17	2,988	-	10,340
4	o/w excluded liabilities	-	-	-	-	-	17	432	-	449
5	Total liabilities and own funds less excluded liabilities	5,409	-	904	-	1,022	-	2,556	-	9,891
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	5,409	-	904	-	1,022	-	2,556	-	9,891
7	o/w residual maturity ≥ 1 year < 2 years	-	-	-	-	-	-	-	-	-
8	o/w residual maturity ≥ 2 year < 5 years	-	-	-	-	-	-	1,687	-	1,687
9	o/w residual maturity ≥ 5 years < 10 years	-	-	-	-	826	-	869	-	1,695
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	196	-	-	-	196
11	o/w perpetual securities	5,409	-	904	-	-	-	-	-	6,313

(1) Amounts shown include balances due to resolution entity (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 table below summarises NWM 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	Risk-weighted exposure amounts £m	Own fund requirements weights %	Countercycle buffer rate %
Breakdown by country (with existing CCyB rates) (1)													
Norway	-	9	-	-	-	9	-	3	-	3	36	0.30%	2.50%
Denmark	-	131	-	4	-	135	1	1	-	2	25	0.21%	2.50%
United Kingdom	1,150	4,703	14	1,006	5,909	12,782	296	21	73	390	4,881	40.39%	2.00%
Netherlands	22	572	-	147	81	822	9	7	5	21	267	2.21%	2.00%
Sweden	-	8	-	24	-	32	-	2	-	2	19	0.16%	2.00%
Ireland	9	192	-	24	117	342	6	1	1	8	98	0.81%	1.50%
Czech Republic	-	-	-	4	-	4	-	-	-	-	-	-	1.25%
France	5	187	-	73	560	825	4	7	8	19	236	1.95%	1.00%
Belgium	5	6	-	109	-	120	1	7	-	8	106	0.88%	1.00%
Australia	-	37	-	3	-	40	1	1	-	2	16	0.14%	1.25%
Germany	1	231	-	115	198	545	5	4	3	12	153	1.27%	0.75%
Luxembourg	7	3,900	-	19	-	3,926	68	1	-	69	859	7.10%	0.50%
Hong Kong	-	2	-	-	-	2	-	-	-	-	5	0.04%	0.50%
Hungary	-	2	-	-	-	2	-	-	-	-	-	-	0.50%
Total (countries with existing CCyB rates)	1,199	9,980	14	1,528	6,865	19,586	391	55	90	536	6,701	55.46%	

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 %
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
United States	755	7,193	1	273	11,781	20,003	134	6	151	291	3,635	30.08%	
Cayman Islands	1,075	1,473	-	8	442	2,998	68	1	5	74	922	7.63%	
Guernsey	237	366	-	-	-	603	13	-	-	13	167	1.38%	
Jersey	1	531	-	2	327	861	9	-	4	13	166	1.38%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	2,068	9,563	1	283	12,550	24,465	224	7	160	391	4,890	40.47%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	59	450	2	1,032	188	1,731	15	22	3	40	492	4.07%	
Total	3,326	19,993	17	2,843	19,603	45,782	630	84	253	967	12,083	100.00%	

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	Countercycle buffer rate
Breakdown by country (with existing CCyB rates) (1)													
Norway	-	51	-	-	-	51	2	-	-	2	20	0.19%	2.50%
Denmark	-	120	-	-	-	120	1	-	-	1	17	0.16%	2.50%
United Kingdom	1,382	5,058	14	324	5,306	12,084	313	16	67	396	4,969	45.22%	2.00%
Sweden	-	32	-	-	-	32	-	3	-	3	32	0.29%	2.00%
Czech Republic	-	-	-	4	-	4	-	-	-	-	-	0.00%	2.00%
Netherlands	26	266	-	88	31	411	7	6	4	17	210	1.91%	1.00%
Ireland	16	144	-	11	333	504	5	1	4	10	120	1.09%	1.00%
Australia	-	16	-	1	-	17	1	-	-	1	9	0.08%	1.00%
Hong Kong	-	1	-	-	-	1	-	-	-	-	1	0.01%	1.00%
Germany	2	182	-	82	4	270	4	1	-	5	66	0.60%	0.75%
Luxembourg	4	3,761	-	63	329	4,157	69	5	4	78	973	8.86%	0.50%
France	6	307	-	107	891	1,311	8	3	12	23	287	2.61%	0.50%
Total (countries with existing CCyB rates)	1,436	9,938	14	680	6,894	18,962	410	35	91	536	6,704	61.02%	

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 zero CCyB rates and with own funds requirement weights 1% and above)													
United States	658	8,132	9	105	7,742	16,646	157	5	99	261	3,256	29.64%	
Cayman islands	26	1,463	-	-	-	1,489	26	-	-	26	323	2.94%	
Jersey	3	613	-	-	131	747	12	-	2	14	169	1.54%	
Italy	34	47	-	22	9	112	6	2	-	8	113	1.03%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	721	10,255	9	127	7,882	18,994	201	7	101	309	3,861	35.15%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	104	783	4	2,533	1	3,425	25	9	-	34	422	3.83%	
Total	2,261	20,976	27	3,340	14,777	41,381	636	51	192	879	10,987	100.00%	

(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	**20,812**	22,099
2	Institution specific countercyclical capital buffer	**0.96%**	1.01%
3	Institution specific countercyclical capital buffer requirement (1)	**200**	224

(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 the 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)	**152,937**	150,658
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)	**(11,055)**	(8,604)
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	**(458)**	(1,307)
7	Adjustment for eligible cash pooling transactions	**-**	-
8	Adjustment for derivative financial instruments	**(57,066)**	(58,236)
9	Adjustment for securities financing transactions (SFTs)	**1,959**	1,301
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**8,825**	8,496
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital (leverage))	**(157)**	(169)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**(288)**	(310)
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	**(1,838)**	(1,900)
13	Total exposure measure	**92,859**	89,929

(1) NWM 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)	**63,033**	56,970
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)	**(5,457)**	(7,428)
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))	**(1,992)**	(2,068)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	**55,584**	47,474
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**7,661**	8,837
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	**15,093**	15,691
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	**4,258**	4,277
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(3,640)**	(3,780)
13	Total derivative exposures	**23,372**	25,025
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**25,589**	18,448
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(10,940)**	(1,898)
16	Counterparty credit risk exposure for SFT assets	**1,959**	1,301
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	**16,608**	17,851
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount		
20	(Adjustments for conversion to credit equivalent amounts)	**12,803**	13,121
21	(General provisions deducted in determining Tier 1 capital (leverage) and specific provisions	**(4,162)**	(4,625)
	associated with off-balance sheet exposures)	**(3)**	(3)
22	Off-balance sheet exposures	**8,638**	8,493

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)	**(288)**	(310)
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)	**(288)**	(310)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	**5,067**	4,455
24	Total exposure measure including claims on central banks	**103,914**	98,533
UK-24a	(-) Claims on central banks excluded	**(11,055)**	(8,604)
UK-24b	Total exposure measure excluding claims on central banks	**92,859**	89,929
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**5.5**	5.0
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.5**	5.0
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	**5.5**	5.0
UK-25c	Leverage ratio including claims on central banks (%)	**4.9**	4.5
26	Regulatory minimum leverage ratio requirement (%) (1)	**3.25**	3.25
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)	**0.3**	0.4
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	**-**	-
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.3**	0.4
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	**14,922**	13,316
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	**14,649**	16,550
UK-31	Average total exposure measure excluding claims on central banks	**102,335**	88,365
UK-32	Average total exposure measure including claims on central banks	**112,266**	99,745
UK-33	Average leverage ratio excluding claims on central banks	**4.8**	4.9
UK-34	Average leverage ratio including claims on central banks	**4.3**	4.3

(1) NWM Plc is an LREQ firm therefore subject to the additional quarterly disclosures for averaging and the 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:	**45,370**	42,056
UK-2	Trading book exposures	**19,919**	16,174
UK-3	Banking book exposures, of which:	**25,451**	25,882
UK-4	Covered bonds	**-**	-
UK-5	Exposures treated as sovereigns	**3,275**	3,209
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	**957**	708
UK-7	Institutions	**894**	1,248
UK-8	Secured by mortgages of immovable properties	**39**	38
UK-9	Retail exposures	**-**	-
UK-10	Corporate	**4,703**	7,696
UK-11	Exposures in default	**3**	-
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	**15,580**	12,983

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 5.5%. The ratio increased by 50 basis points in the period since 31 December 2023. The increase was due to a £0.6 billion increase in Tier 1 capital partially offset by a £2.9 billion increase in leverage exposure. The key drivers in the leverage exposure were an increase in other financial assets and net derivatives, partially offset by a decrease in trading assets and net settlement balances.

Annex XIII: Liquidity

UK LIQ1: Quantitative information of LCR

The tables below show the breakdown of high-quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the liquidity coverage ratio for NWM Plc. The weightings applied reflect the stress factors applicable under the UK LCR rules. The values presented are the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table. LCR outflows do not capture all liquidity risks (e.g. intra-day liquidity). NatWest Group assesses these risks as part of its Individual Liquidity Adequacy Assessment Process and maintains appropriate levels of liquidity.

		Total unweighted value (average)				Total weighted value (average)			
		31 December 2024	30 September 2024	30 June 2024	31 March 2024	**31 December 2024**	30 September 2024	30 June 2024	31 March 2024
	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
		£m	£m	£m	£m	**£m**	£m	£m	£m
	High-quality liquid assets								
1	Total high-quality liquid assets (HQLA)					**18,804**	18,283	18,873	19,280
	Cash - outflows								
2	Retail deposits and deposits from small business customers, of which:	**42**	42	47	51	**1**	1	1	1
3	*Stable deposits*	***6***	*7*	*6*	*5*	**-**	-	-	-
4	*Less stable deposits*	***8***	*8*	*6*	*6*	***1***	*1*	*1*	*1*
5	Unsecured wholesale funding	**3,071**	3,137	3,103	2,993	**2,617**	2,642	2,567	2,442
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	**-**	-	-	-	**-**	-	-	-
7	*Non-operational deposits (al counterparties)*	***1,391***	*1,475*	*1,463*	*1423*	***937***	*980*	*927*	*872*
8	*Unsecured debt*	***1,680***	*1,662*	*1,640*	*1570*	***1,680***	*1,662*	*1,640*	*1,570*
9	*Secured wholesale funding*					**1,367**	1,312	1,242	1,103
10	Additional requirements	**11,116**	11,280	11,341	11,349	**7,613**	7,760	7,751	7,793
11	*Outflows related to derivative exposures and other collateral requirements*	***3,530***	*3,769*	*3,952*	*4,329*	***3,480***	*3,699*	*3,852*	*4,168*
12	*Outflows related to loss of funding on debt products*	**-**	-	-	-	**-**	-	-	-
13	*Credit and liquidity facilities*	***7,586***	*7,511*	*7,389*	*7,020*	***4,133***	*4,061*	*3,899*	*3,625*
14	Other contractual funding obligations	**20,424**	19,209	16,177	13,435	**1,271**	1,245	1,202	1,307
15	Other contingent funding obligations	**1,952**	1,998	2,119	2,172	**9**	9	10	10
16	Total cash outflows					**12,878**	12,969	12,773	12,656
	Cash - inflows								
17	Secured lending (e.g. reverse repos)	**18,494**	19,219	18,270	17,195	**546**	738	862	991
18	Inflows from fully performing exposures	**550**	589	602	643	**550**	588	601	640
19	Other cash inflows	**10,781**	9,771	7,253	5,559	**1,950**	1,946	1,929	2,170
UK-19a	(Difference between total weighted inflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					**-**	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					**-**	-	-	-
20	Total cash inflows	**29,825**	29,579	26,125	23,397	**3,046**	3,272	3,392	3,801
UK-20a	*Fully exempt inflows*								
UK-20b	*Inflows subject to 90% cap*								
UK-20c	*Inflows subject to 75% cap*	***27,669***	*27,296*	*23,809*	*21,104*	***3,046***	*3,272*	*3,392*	*3,801*
	Total adjusted value								
UK-21	Liquidity buffer					**18,804**	18,283	18,873	19,280
22	Total net cash outflows					**9,832**	9,697	9,381	8,855
23	Liquidity coverage ratio (%)					**192**	189	203	219

UK LIQ2: Net stable funding ratio

31 December 2024		a	b	c	d	e
(In £m)		Unweighted value by residual maturity (average)				Weighted Value (average)
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	6,396	-	-	1,096	7,492
2	*Own funds*	6,396	-	-	1,096	7,492
3	*Other capital instruments*		-	-	-	-
4	Retail Deposits		36	2	2	38
5	*Stable deposits*		14	1	1	16
6	*Less stable deposits*		22	1	1	22
7	Wholesale funding		32,645	5,856	25,092	28,957
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		32,645	5,856	25,092	28,957
10	Interdependent liabilities		-	-	-	-
11	Other liabilities	21	4,046	-	12	12
12	*NSFR derivative liabilities*	21				
13	*All other liabilities and capital instruments not included in the above categories*		4,046	-	12	12
14	Total available stable funding (ASF)					36,499
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					646
UK-15a	Assets encumbered for more than 12 million in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		12,910	3,858	23,678	24,717
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		9,331	597	257	555
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		3,293	3,138	11,000	13,066
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		11	16	367	294
21	*With a risk-weight of less than or equal to 35% under Basel II Standardised Approach for credit risk*		5	6	156	161
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk-weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		275	107	12,054	10,802
25	Interdependent assets		-	-	-	-
26	Other assets:	-	12,426	1	4,558	4,723
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	1,840	1,564
29	*NSFR derivative assets*		284	-	-	284
30	*NSFR derivative liabilities before deduction of variation margin posted*		8,349	-	-	417
31	*All other assets not included in the above categories*		3,793	1	2,717	2,457
32	Off-balance sheet items		8,728	-	-	436
33	Total RSF					30,522
34	Net Stable Funding Ratio (%)					120%

UK LIQ2: Net stable funding ratio continued

31 December 2023		a	b	c	d	e
(In £m)		Unweighted value by residual maturity (average)				Weighted Value (average)
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	6,266	-	-	1,146	7,413
2	*Own funds*	6,266	-	-	1,146	7,413
3	*Other capital instruments*		-	-	-	-
4	Retail Deposits		37	20	-	53
5	*Stable deposits*		18	10	-	26
6	*Less stable deposits*		19	10	-	27
7	Wholesale funding		32,148	4,375	20,955	24,377
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		32,148	4,375	20,955	24,377
10	Interdependent liabilities		-	-	-	-
11	Other liabilities	6,037	4,042	-	21	21
12	*NSFR derivative liabilities*	6,037				
13	*All other liabilities and capital instruments not included in the above categories*		4,042	-	21	21
14	Total available stable funding (ASF)					31,864
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					612
UK-15a	Assets encumbered for more than 12 million in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		14,300	2,310	17,844	18,644
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		10,313	74	239	276
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		3,726	2,176	8,799	10,504
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		30	22	634	509
21	*With a risk-weight of less than or equal to 35% under Basel II Standardised Approach for credit risk*		12	10	278	288
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk-weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		231	38	8,172	7,355
25	Interdependent assets		-	-	-	-
26	Other assets:	-	15,532	-	4,997	5,446
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	2,124	1,805
29	*NSFR derivative assets*		264	-	-	264
30	*NSFR derivative liabilities before deduction of variation margin posted*		11,558	-	-	578
31	*All other assets not included in the above categories*		3,711	-	2,873	2,799
32	Off-balance sheet items		7,257	-	-	363
33	Total RSF					25,065
34	Net Stable Funding Ratio (%)					127%

UK LIQB: Qualitative information on LCR, which complements template UK LIQ1

LCR inputs & results over time

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

All figures included in the table represent a 12-month rolling average. The average Liquidity Coverage Ratio (LCR) has increased by 3% compared to Q3 24 from 189% to 192%. The increase in LCR is driven by funding raised to support planned business growth.

Concentration of funding sources

NWM Plc covers its funding requirements with secured and unsecured wholesale funding from a wide depositor and investor base. Repos, short positions, and derivative cash collateral provide approximately half of the balance sheet funding with the remainder funded by capital and MREL-eligible bonds (issued and down streamed by NatWest Group plc), term unsecured, short term unsecured and secured funding.

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

The primary risk to funding stability is refinancing - the ability to replace maturing funding with new or rolled transactions. The risk is mitigated through diversification to prevent concentrations and mismatches in the funding profile. NWM monitors and manages funding concentration risk across tenors, counterparties, currencies, products and markets.

Liquidity buffer composition

HQLA is primarily held in Level 1 cash and central bank reserves (51%) and Level 1 high quality securities (43%). Level 2 securities account for 6%.

Derivative exposures and potential collateral calls

NWM Plc actively manages its derivative exposures and potential calls, including both due collateral and excess collateral with derivative outflows under stress are captured under the Historical Look-Back Approach which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a three-notch downgrade of the NWM Plc credit rating are also captured.

Currency mismatch in the LCR

The LCR is calculated for euro, US dollar and sterling, which have been identified as significant currencies (having liabilities greater than, or equal to, 5% of total group liabilities excluding regulatory capital and off-balance sheet liabilities) in accordance with the Liquidity Coverage Ratio (CRR) part of the PRA Rulebook (subject to modification). NWM Plc manages currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.

Annex XV: Credit risk quality

UK CQ1: Credit quality of forborne exposures

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

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	*Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures*
		Performing forborne	Non-performing forborne	*Of which: Defaulted*	*Of which: Impaired*	On performing forborne exposures	On non-performing forborne exposures		
31 December 2024		£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	-	12	12	12	-	(2)	10	10
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	-	*12*	*12*	*12*	-	*(2)*	*10*	*10*
070	*Households*	-	-	-	-	-	-	-	-
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	-	12	12	12	-	(2)	10	10

UK CQ1: Credit quality of forborne exposures continued

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	*Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures*
31 December 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	£m	£m
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	-	4	4	4	-	(1)	3	3
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	-	*4*	*4*	*4*	-	*(1)*	*3*	*3*
070	*Households*	-	-	-	-	-	-	-	-
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	-	4	4	4	-	(1)	3	3

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

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	Not past due or past due ≤ 30 days £m	Past due > 30 days ≤ 90 days £m	Non-performing exposures £m	Unlikely to pay that are not past due or are past due ≤ 90 days £m	Past due > 90 days ≤ 180 days £m	Past due > 180 days ≤ 1 year £m	Past due > 1 year ≤ 2 years £m	Past due > 2 years ≤ 5 years £m	Past due > 5 years ≤ 7 years £m	Past due > 7 years £m	Of which: Defaulted £m
1	Cash balances at central banks and other demand deposits	11,511	11,511	-	-	-	-	-	-	-	-	-	-
2	Loans and advances	20,159	20,159	-	25	25	-	-	-	-	-	-	25
3	*Central banks*	682	682	-	-	-	-	-	-	-	-	-	-
4	*General governments*	3	3	-	-	-	-	-	-	-	-	-	-
5	*Credit institutions*	1,066	1,066	-	-	-	-	-	-	-	-	-	-
6	*Other financial corporations*	18,167	18,167	-	-	-	-	-	-	-	-	-	-
7	*Non-financial corporations*	241	241	-	25	25	-	-	-	-	-	-	25
8	*Of which: SMEs*	-	-	-	-	-	-	-	-	-	-	-	-
9	*Households*	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities	16,154	16,154	-	-	-	-	-	-	-	-	-	-
11	*Central banks*	138	138	-	-	-	-	-	-	-	-	-	-
12	*General governments*	3,085	3,085	-	-	-	-	-	-	-	-	-	-
13	*Credit institutions*	743	743	-	-	-	-	-	-	-	-	-	-
14	*Other financial corporations*	12,188	12,188	-	-	-	-	-	-	-	-	-	-
15	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
16	Off-balance sheet exposures	9,732			2								2
17	*Central banks*	-			-								-
18	*General governments*	40			-								-
19	*Credit institutions*	282			-								-
20	*Other financial corporations*	8,320			-								-
21	*Non-financial corporations*	1,090			2								2
22	*Households*	-			-								-
23	Total	57,556	47,824		27	25							27

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	*Not past due or past due ≤ 30 days* £m	*Past due > 30 days ≤ 90 days* £m	Non-performing exposures £m	*Unlikely to pay that are not past due or are past due ≤ 90 days* £m	*Past due > 90 days ≤ 180 days* £m	*Past due > 180 days ≤ 1 year* £m	*Past due > 1 year ≤ 2 years* £m	*Past due > 2 years ≤ 5 years* £m	*Past due > 5 years ≤ 7 years* £m	*Past due > 7 years* £m	*Of which: Defaulted* £m
1	Cash balances at central banks and other demand deposits	9,017	9,017	-	-	-	-	-	-	-	-	-	-
2	Loans and advances	17,608	17,608	-	25	21	-	-	-	-	-	4	25
3	*Central banks*	487	487	-	-	-	-	-	-	-	-	-	-
4	*General governments*	620	620	-	-	-	-	-	-	-	-	-	-
5	*Credit institutions*	2,383	2,383	-	-	-	-	-	-	-	-	-	-
6	*Other financial corporations*	12,555	12,555	-	-	-	-	-	-	-	-	-	-
7	*Non-financial corporations*	1,563	1,563	-	25	21	-	-	-	-	-	4	25
8	*Of which: SMEs*	-	-	-	-	-	-	-	-	-	-	-	-
9	*Households*	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities	13,511	13,511	-	-	-	-	-	-	-	-	-	-
11	*Central banks*	115	115	-	-	-	-	-	-	-	-	-	-
12	*General governments*	2,943	2,943	-	-	-	-	-	-	-	-	-	-
13	*Credit institutions*	478	478	-	-	-	-	-	-	-	-	-	-
14	*Other financial corporations*	9,975	9,975	-	-	-	-	-	-	-	-	-	-
15	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
16	Off-balance sheet exposures	9,964			21								21
17	*Central banks*	-			-								-
18	*General governments*	39			-								-
19	*Credit institutions*	358			-								-
20	*Other financial corporations*	8,251			-								-
21	*Non-financial corporations*	1,316			21								21
22	*Households*	-			-								-
23	Total	50,100	40,136	-	46	21	-	-	-	-	-	4	46

(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
31 December 2024		**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	**36,338**	**25**	**25**	**35,613**	**(38)**	**-**	**-**
020	*UK*	**10,761**	**7**	**7**	**10,366**	**(15)**	**-**	**-**
030	*RoI*	**135**	**-**	**-**	**128**	**-**	**-**	**-**
040	*Other Western Europe*	**5,536**	**5**	**5**	**5,255**	**(9)**	**-**	**-**
050	*US*	**16,063**	**-**	**-**	**16,041**	**(7)**	**-**	**-**
060	*Other countries*	**3,843**	**13**	**13**	**3,823**	**(7)**	**-**	**-**
070	Off-balance sheet exposures	**9,734**	**2**	**2**	**-**	**-**	**(3)**	**-**
080	*UK*	**2,167**	**-**	**-**	**-**	**-**	***(1)***	**-**
090	*RoI*	**114**	**-**	**-**	**-**	**-**	**-**	**-**
100	*Other Western Europe*	**2,358**	**2**	**2**	**-**	**-**	***(2)***	**-**
110	*US*	**3,912**	**-**	**-**	**-**	**-**	**-**	**-**
120	*Other countries*	***1,183***	**-**	**-**	**-**	**-**	**-**	**-**
130	Total	**46,072**	**27**	**27**	**35,613**	**(38)**	**(3)**	**-**

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	31,144	25	25	28,834	(43)	-	-
020	*UK*	10,075	12	12	9,012	(19)	-	-
030	*RoI*	292	-	-	285	(1)	-	-
040	*Other Western Europe*	5,398	9	9	4,947	(12)	-	-
050	*US*	12,422	-	-	12,399	(5)	-	-
060	*Other countries*	2,957	4	4	2,191	(6)	-	-
070	Off-balance sheet exposures	9,985	21	21	-	-	(5)	-
080	*UK*	2,247	-	-	-	-	-	-
090	*RoI*	87	-	-	-	-	-	-
100	*Other Western Europe*	2,668	4	4	-	-	*(3)*	-
110	*US*	3,924	-	-	-	-	-	-
120	*Other countries*	*1,059*	*17*	*17*	-	-	*(2)*	-
130	Total	41,129	46	46	28,834	(43)	(5)	-

(1) The geographical breakdown disclosed is based on combined on and off-balance sheet exposures and represent 89% (2023 – 90%) 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
31 December 2024		Gross carrying amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
010	Agriculture, forestry and fishing	-	-	-	-	-	-
020	Mining and quarrying	1	1	1	1	(1)	-
030	Manufacturing	16	3	3	3	(3)	-
040	Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-
050	Water supply	-	-	-	-	-	-
060	Construction	3	2	2	3	(2)	-
070	Wholesale and retail trade	60	4	4	47	(3)	-
080	Transport and storage	8	8	8	8	(1)	-
090	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	28	-	-	-	-	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	62	3	3	19	(1)	-
130	Professional, scientific and technical activities	47	4	4	4	(4)	-
140	Administrative and support service activities	9	-	-	-	-	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health services and social work activities	24	-	-	22	-	-
180	Arts, entertainment and recreation	8	-	-	-	-	-
190	Other services	-	-	-	-	-	-
200	Total	266	25	25	107	(15)	-

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	-	-	-	-	-	-
020	Mining and quarrying	1	1	1	1	(1)	-
030	Manufacturing	33	7	7	7	(5)	-
040	Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-
050	Water supply	-	-	-	-	-	-
060	Construction	5	2	2	2	(2)	-
070	Wholesale and retail trade	374	3	3	345	(3)	-
080	Transport and storage	1	-	-	1	-	-
090	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	116	-	-	90	-	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	65	8	8	24	(6)	-
130	Professional, scientific and technical activities	898	4	4	4	(4)	-
140	Administrative and support service activities	55	-	-	20	-	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health services and social work activities	40	-	-	22	-	-
180	Arts, entertainment and recreation	-	-	-	-	-	-
190	Other services	-	-	-	-	-	-
200	Total	1,588	25	25	516	(21)	-

(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	**11,511**	**11,511**	**-**	**-**	**-**	**-**	**(2)**	**(2)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010 Loans and advances	**20,159**	**19,859**	**253**	**25**	**-**	**25**	**(15)**	**(12)**	**(3)**	**(15)**	**-**	**(15)**	**-**	**3,612**	**10**
020 *Central banks*	**682**	**682**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**399**	**-**
030 *General governments*	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 *Credit institutions*	**1,066**	**1,066**	**-**	**-**	**-**	**-**	**(2)**	**(2)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
050 *Other financial corporations*	**18,167**	**17,935**	**232**	**-**	**-**	**-**	**(13)**	**(10)**	**(3)**	**-**	**-**	**-**	**-**	**3,163**	**-**
060 *Non-financial corporations*	**241**	**176**	**21**	**25**	**-**	**25**	**-**	**-**	**-**	**(15)**	**-**	**(15)**	**-**	**50**	**10**
070 *Of which: SMEs*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 *Households*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
090 Debt securities	**16,154**	**16,153**	**-**	**-**	**-**	**-**	**(8)**	**(8)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100 *Central banks*	**138**	**138**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
110 *General governments*	**3,085**	**3,085**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
120 *Credit institutions*	**743**	**743**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
130 *Other financial corporations*	**12,188**	**12,187**	**-**	**-**	**-**	**-**	**(8)**	**(8)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
140 *Non-financial corporations*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
150 Off-balance sheet exposures	**9,732**	**9,307**	**425**	**2**	**-**	**2**	**(2)**	**(1)**	**(1)**	**(1)**	**-**	**(1)**		**272**	**1**
160 *Central banks*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
170 *General governments*	**40**	**40**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
180 *Credit institutions*	**282**	**282**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
190 *Other financial corporations*	**8,320**	**8,100**	**220**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**231**	**-**
200 *Non-financial corporations*	**1,090**	**885**	**205**	**2**	**-**	**2**	**(2)**	**(1)**	**(1)**	**(1)**	**-**	**(1)**		**41**	**1**
210 *Households*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
220 Total	***57,556***	***56,830***	***678***	***27***	***-***	***27***	***(27)***	***(23)***	***(4)***	***(16)***	***-***	***(16)***	***-***	***3,884***	***11***

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

		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 2023		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	9,017	9,017	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
010	Loans and advances	17,608	17,126	436	25	-	25	(13)	(11)	(2)	(20)	-	(20)	-	2,002	3
020	*Central banks*	487	487	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	620	617	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	2,383	2,383	-	-	-	-	(2)	(2)	-	-	-	-	-	238	-
050	*Other financial corporations*	12,555	12,146	408	-	-	-	(10)	(9)	(1)	-	-	-	-	1,642	-
060	*Non-financial corporations*	1,563	1,493	28	25	-	25	(1)	-	(1)	(20)	-	(20)	-	122	3
070	*Of which: SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Debt securities	13,511	13,401	109	-	-	-	(10)	(6)	(4)	-	-	-	-	-	-
100	*Central banks*	115	115	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	2,943	2,943	-	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	478	478	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	9,975	9,865	109	-	-	-	(10)	(6)	(4)	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	9,964	9,493	471	21	-	21	(3)	(2)	(1)	(2)	-	(2)		242	16
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	39	39	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	358	318	40	-	-	-	-	-	-	-	-	-		-	-
190	*Other financial corporations*	8,251	8,051	200	-	-	-	(1)	(1)	-	-	-	-		170	-
200	*Non-financial corporations*	1,316	1,085	231	21	-	21	(2)	(1)	(1)	(2)	-	(2)		72	16
210	*Households*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
220	Total	*50,100*	*49,037*	*1,016*	*46*	-	*46*	*(27)*	*(20)*	*(7)*	*(22)*	-	*(22)*	-	*2,244*	*19*

(1) The gross non-performing loan ratio for NWM Plc is 0.12% (2023 – 0.14%). 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
		Net exposure value				
				> 1 year		
		On demand	<= 1 year	<= 5 years	> 5 years	Total
31 December 2024		£m	£m	£m	£m	£m
1	Loans and advances	**918**	**5,160**	**10,676**	**3,400**	**20,154**
2	Debt securities	**-**	**887**	**5,401**	**9,858**	**16,146**
3	Total	**918**	**6,047**	**16,077**	**13,258**	**36,300**

		a	b	c	d	e
		Net exposure value				
				> 1 year		
		On demand	<= 1 year	<= 5 years	> 5 years	Total
31 December 2023		£m	£m	£m	£m	£m
1	Loans and advances	2,549	4,743	9,005	1,303	17,600
2	Debt securities	-	641	4,022	8,838	13,501
3	Total	2,549	5,384	13,027	10,141	31,101

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	**25**
020	Inflows to non-performing portfolios	**26**
030	Outflows from non-performing portfolios	**(26)**
040	Outflows due to write-offs	**(2)**
050	Outflow due to other situations	**(24)**
060	Final stock of non-performing loans and advances at 31 December 2024	**25**

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

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 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.

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

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.

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

Governance and post model adjustments

The IFRS 9 PD, EAD and LGD models are subject to 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 NWM 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 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). NWM 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 NWM 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) is compared to the current PD. If the current lifetime PD exceeds the residual origination PD by more than a threshold amount, deterioration is assumed to have occurred and the exposure transferred into Stage 2 for a lifetime loss assessment. In broad terms, a doubling of PD would indicate a SICR. However, the PD uplift must be at least 0.1%.
- **Qualitative high-risk backstops** – the PD assessment is complemented with the use of qualitative high-risk backstops to further inform whether significant deterioration in lifetime risk of default has occurred. The qualitative high-risk backstop assessment includes the use of the mandatory 30+ days past due backstop, as prescribed by IFRS 9 guidance, and other features such as forbearance support and exposures managed within the Wholesale Problem Debt Management framework.

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

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

Annex XVII: Credit risk mitigation

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	**27,817**	**3,846**	**3,504**	**118**	**-**
2	Debt securities	**16,146**	**-**	**-**	**-**	**-**
3	Total	**43,963**	**3,846**	**3,504**	**118**	**-**
4	*Of which: non-performing exposures*	***-***	***10***	***3***	***7***	***-***
5	*Of which: defaulted*	***-***	***10***	***3***	***7***	***-***

		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	24,283	2,333	1,830	175	-
2	Debt securities	13,501	-	-	-	-
3	Total	37,784	2,333	1,830	175	-
4	*Of which: non-performing exposures*	*2*	*3*	*3*	*-*	*-*
5	*Of which: defaulted*	*-*	*3*	*3*	*-*	*-*

(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 NWM 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.

NWM Plc uses a number of credit risk mitigation approaches. Mitigation techniques, as set out in the appropriate credit risk toolkits and transactional acceptance standards, are used in the management of credit portfolios across NWM 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 NWM 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. NWM 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.
NWM Plc mitigates credit risk relating to customers through the use of netting, collateral and market standard documentation, depending on the nature of the counterparty and its assets. The most common types of mitigation are:

- **Commercial real estate**.
- **Other physical assets** – Including stock, plant, equipment, machinery, vehicles, ships and aircraft. Such assets are suitable collateral only if NWM Plc can identify, locate, and segregate them from other assets on which it does not have a claim. NWM 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 NWM 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. NWM Plc monitors the value of the collateral and, if there is a shortfall, will review the position, which may lead to seeking additional collateral.

Annex XIX: 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	**8,344**	**-**	**8,344**	**-**	**-**	**-**
2	Regional governments or local authorities	**-**	**-**	**-**	**-**	**-**	**-**
3	Public sector entities	**-**	**-**	**-**	**-**	**-**	**-**
4	Multilateral development banks	**927**	**-**	**927**	**-**	**-**	**-**
5	International organisations	**-**	**-**	**-**	**-**	**-**	**-**
6	Institutions	**707**	**252**	**707**	**102**	**311**	**38**
7	Corporates	**1,724**	**1,091**	**1,724**	**547**	**920**	**41**
8	Retail	**-**	**-**	**-**	**-**	**-**	**75**
9	Secured by mortgages on immovable property	**-**	**-**	**-**	**-**	**-**	**-**
10	Exposures in default	**2**	**-**	**2**	**-**	**4**	**150**
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	**576**	**-**	**576**	**-**	**1,371**	**238**
16	Other items	**-**	**-**	**-**	**-**	**-**	**100**
17	Total	**12,280**	**1,343**	**12,280**	**649**	**2,606**	**20**

		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	3,540	-	3,612	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	680	-	680	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	1,054	337	1,054	139	411	34
7	Corporates	708	695	636	330	232	24
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
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	549	-	549	-	1,351	246
16	Other items	1	-	1	-	1	100
17	Total	6,532	1,032	6,532	469	1,995	29

Annex XXI: Credit risk – IRB approach

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

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

		a	b	a	b
		31 December 2024		31 December 2023	
		Pre-credit derivatives RWAs	**Actual RWAs**	Pre-credit derivatives RWAs	Actual RWAs
		£m	**£m**	£m	£m
5	Exposures under AIRB	**3,019**	**3,019**	3,344	3,344
6	Central governments and central banks	**354**	**354**	331	331
7	Institutions	**69**	**69**	140	140
8	Corporates	**2,596**	**2,596**	2,873	2,873
8.1	*Of which: SME*	**-**	**-**	-	-
8.2	*Of which: Specialised lending*	**-**	**-**	-	-
8.3	*Of which: Other*	***2,596***	***2,596***	*2,873*	*2,873*
9	Retail	**-**	**-**	-	-
9.1	*Of which: Secured by real estate SME - Secured by immovable property collateral*	**-**	**-**	-	-
9.2	*Of which: Secured by real estate non-SME - Secured by immovable property collateral*	**-**	**-**	-	-
9.3	*Of which: Qualifying revolving*	**-**	**-**	-	-
9.4	*Of which: Other SME*	**-**	**-**	-	-
9.5	*Of which: Other non-SME*	**-**	**-**	-	-
10	Total	**3,019**	**3,019**	3,344	3,344

(1) Rows 1 - 4.2 are not presented as NatWest Group does not use FIRB to calculate capital requirements for IRB exposures.
(2) Specialised lending exposures under the slotting approach are excluded.

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

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

	A-IRB		Credit risk mitigation techniques												
			Funded credit protection (FCP)									Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWEAs	
		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 exposures 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	6,151	-	-	-	-	-	-	-	-	-	-	-	354	354
2	Institutions	232	-	-	-	-	-	-	-	-	-	-	-	69	69
3	Corporates	13,186	0.01	0.44	0.43	-	0.01	-	-	-	-	0.12	-	2,596	2,596
3.1	*Of which: SME*	2	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	*Of which: Other*	*13,184*	0.01	0.44	0.43	-	0.01	-	-	-	-	0.12	-	2,596	2,596
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	*Of which: Immovable property SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	*Of which: Immovable property non-SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.3	*Of which: Qualifying revolving*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4	*Of which: Other SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	*Of which: Other non-SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Total	19,569	-	0.30	0.29	-	-	-	-	-	-	0.08	-	3,019	3,019

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

A-IRB		Credit risk mitigation techniques												
		Funded credit protection (FCP)									Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWEAs	
	Total exposures £m	Part of exposures covered by financial collaterals %	Part of exposures covered by other eligible collaterals %	Part of exposures covered by immovable property collaterals %	Part of exposures covered by receivables %	Part of exposures covered by other physical collaterals %	Part of exposures covered by other funded credit protection %	Part of exposures covered by cash on deposit %	Part of exposures covered by life insurance policies %	Part of exposures covered by instruments held by a third party %	Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	RWEA post all CRM assigned to the obligor exposures class £m	RWEA 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	**211**												**152**	**152**
7 Equity Exposures	**5**												**14**	**14**
8 Total	**216**												**166**	**166**

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

	A-IRB	Credit risk mitigation techniques													
			Funded credit protection (FCP)									Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWEAs	
		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 exposures 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	8,521	-	-	-	-	-	-	-	-	-	-	-	331	331
2	Institutions	238	-	-	-	-	-	-	-	-	-	-	-	140	140
3	Corporates	13,253	0.02	4.03	4.03	-	0.01	-	-	-	-	0.13	-	2,873	2,873
3.1	*Of which: SME*	*2*	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	*Of which: Other*	*13,251*	0.02	4.03	4.03	-	0.01	-	-	-	-	0.13	-	2,873	2,873
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	*Of which: Immovable property SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	*Of which: Immovable property non-SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.3	*Of which: Qualifying revolving*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4	*Of which: Other SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	*Of which: Other non-SME*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Total	22,012	0.01	2.43	2.42	-	0.01	-	-	-	-	0.08	-	3,344	3,344

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

A-IRB		Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWEAs	
		Funded credit protection (FCP)									Unfunded credit protection (UFCP)			
	Total exposures £m	Part of exposures covered by financial collaterals %	Part of exposures covered by other eligible collaterals %	Part of exposures covered by immovable property collaterals %	Part of exposures covered by receivables %	Part of exposures covered by other physical collaterals %	Part of exposures covered by other funded credit protection %	Part of exposures covered by cash on deposit %	Part of exposures covered by life insurance policies %	Part of exposures covered by instruments held by a third party %	Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	RWEA post all CRM assigned to the obligor exposures class £m	RWEA 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	225												137	137
7 Equity Exposures	4												12	12
8 Total	229												149	149

Annex XXIII: Specialised lending

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

The table below shows 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	**28**	**-**	**50%**	**28**	**11**	**-**
	Equal to or more than 2.5 years	**294**	**14**	**70%**	**308**	**174**	**1**
Category 2	Less than 2.5 years	**-**	**-**	**70%**	**-**	**-**	**-**
	Equal to or more than 2.5 years	**151**	**4**	**90%**	**155**	**107**	**1**
Category 3	Less than 2.5 years	**-**	**-**	**115%**	**-**	**-**	**-**
	Equal to or more than 2.5 years	**-**	**-**	**115%**	**-**	**-**	**-**
Category 4	Less than 2.5 years	**-**	**-**	**250%**	**-**	**-**	**-**
	Equal to or more than 2.5 years	**2**	**-**	**250%**	**2**	**3**	**-**
Category 5	Less than 2.5 years	**1**	**-**	**-**	**1**	**-**	**1**
	Equal to or more than 2.5 years	**-**	**-**	**-**	**-**	**-**	**-**
Total	Less than 2.5 years	**29**	**-**		**29**	**11**	**1**
	Equal to or more than 2.5 years	**447**	**18**		**465**	**284**	**2**

		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	25	20	50%	39	15	-
	Equal to or more than 2.5 years	391	36	70%	422	237	1
Category 2	Less than 2.5 years	2	-	70%	2	1	-
	Equal to or more than 2.5 years	29	3	90%	32	23	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	1	-	115%	1	1	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	1	-	-	1	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	1
Total	Less than 2.5 years	28	20		42	16	-
	Equal to or more than 2.5 years	421	39		455	261	2

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)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2024	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	4	-	50%	4	2	-
	Equal to or more than 2.5 years	9	-	70%	9	7	-
Category 2	Less than 2.5 years	5	-	70%	5	4	-
	Equal to or more than 2.5 years	52	4	90%	57	50	1
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	2	-	250%	2	5	-
Category 5	Less than 2.5 years	5	-	-	5	-	3
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	14	-		14	6	3
	Equal to or more than 2.5 years	63	4		68	62	1

		Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
31 December 2023	Remaining maturity	£m	£m		£m	£m	£m
Category 1	Less than 2.5 years	6	-	50%	6	3	-
	Equal to or more than 2.5 years	6	-	70%	6	4	-
Category 2	Less than 2.5 years	9	-	70%	9	7	-
	Equal to or more than 2.5 years	54	4	90%	58	53	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	3	-	250%	3	7	-
Category 5	Less than 2.5 years	7	-	-	7	-	4
	Equal to or more than 2.5 years	3	-	-	3	-	2
Total	Less than 2.5 years	22	-		22	10	4
	Equal to or more than 2.5 years	66	4		70	64	2

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 is set out in the NatWest Group plc Pillar 3 Disclosure; Annex XXXIII: Remuneration (UK REM A – Remuneration policy for all colleagues) from pages 164 to 166; as it is also applicable to NatWest Markets Plc. The NatWest Group plc Pillar 3 Disclosure has been published at investors.natwestgroup.com/reports-archive/2024

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

The quantitative disclosures below are made in accordance with regulatory requirements in relation to 383 individuals who have been identified as MRTs for NatWest Markets Plc (NWM). 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 247 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.

NWM has a Performance and Remuneration Committee (NWM RemCo). The NWM RemCo is expected to ensure that the remuneration policies, procedures and practices being applied are appropriate for NatWest Markets plc. The key areas of focus for the NWM 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 of those entities; and
- inputting to and subsequently adopting the NatWest Group Remuneration Policy Principles.

The NWM 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 NWM RemCo met six times 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	5	3	18	98	-	-	-	-	124
	Other senior management - split by business area	-	-	-	-	6	-	7	5	18
	Other MRTs - split by business area	-	-	-	-	65	-	1	32	98
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total fixed remuneration of MRTs	0.7	3.1	10.7	41.4	38.9	-	3.6	9.6	55.9
	Cash-based	0.7	2.8	10.4	41.1	38.3	-	3.6	9.6	55.0
	Share-based	-	0.4	0.3	0.3	0.6	-	-	-	0.9
Variable remuneration	Total number of MRTs	-	3	18	98	-	-	-	-	119
	Other senior management - split by business area	-	-	-	-	6	-	7	5	18
	Other MRTs - split by business area	-	-	-	-	65	-	1	32	98
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total variable remuneration of MRTs	-	2.8	6.9	32.8	33.4	-	2.1	4.2	42.5
	Cash-based	-	0.9	3.6	17.6	17.6	-	1.0	2.6	22.1
	Of which: deferred cash	-	0.4	1.6	7.5	8.0	-	0.4	0.6	9.4
	Share-based (annual bonus)	-	0.9	3.3	15.2	15.8	-	1.0	1.6	19.4
	Of which: deferred shares	-	0.4	1.6	7.5	8.0	-	0.4	0.6	9.4
	Share-based (LTI awards)	-	1.1	-	-	-	-	-	-	1.1
	Of which: deferred shares	-	1.1	-	-	-	-	-	-	1.1
Total remuneration of MRTs		0.7	5.9	17.6	74.2	72.2	-	5.7	13.8	98.4

(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) Investment Banking includes Capital Markets, Sales, and Trading.
(3) Fixed remuneration consists of salaries, allowances, pension and benefit funding.
(4) Variable remuneration consists of a combination of annual bonus and RSP awards, deferred over a four to seven year period in accordance with regulatory requirements; and (where applicable) severance payments. Under the NatWest Group bonus deferral structure, immediate cash awards are limited to £2,000 per person, with a further payment of cash and shares within Year 0.
(5) RSP awards vest subject to the extent to which performance conditions are met and can result in zero payment.

UK REMA - Derogations

The regulations allow some flexibility not to apply certain requirements that would normally apply to MRTs where an individual's annual variable remuneration does not exceed £44,000 and does not represent more than one third of the individual's total annual remuneration (derogations permitted under point (b) of Article 94(3) of CRD V). We have used this flexibility to disapply MRT rules relating to deferral and delivery of awards in shares for 18 MRTs in respect of performance year 2024. Total remuneration for these individuals in 2024 was £3.52 million, of which £3.03 million was fixed pay and £0.49 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 0.72. The majority of MRTs were based in the UK.

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

Special payments	NWM Plc NEDs	NWM Plc EDs	Other senior management	Other MRTs
Guaranteed awards and sign on awards				
Number of MRTs	-	-	-	-
	£m	£m	£m	£m
Total amount	-	-	-	-
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	-	-	-	**1**
	£m	£m	£m	£m
Total amount	-	-	-	**0.3**
Severance payments awarded during the financial year				
Number of MRTs	-	-	**1**	**8**
	£m	£m	£m	£m
Total amount	-	-	**0.3**	**2.0**
Of which: paid during the financial year	-	-	**0.3**	**2.0**
Of which: deferred	-	-	-	-
Of which: paid during the financial year that are not taken into account *in the bonus cap*	-	-	**0.3**	**2.0**
Of which: highest payment that has been awarded to a single person	-	-	**0.3**	**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
NWM NEDs - No deferred or retained remuneration held								
NWM EDs								
Cash-based	0.8	-	0.8	-	-	-	-	-
Shares or equivalent interests	3.1	0.5	2.6	-	-	2.8	0.5	0.5
Share-linked or equivalent non-cash instruments								
Other instruments or forms								
Other senior management								
Cash-based	2.4	0.4	2.0	-	-	-	0.4	-
Shares or equivalent interests	4.7	1.4	3.3	-	-	4.1	1.4	1.4
Share-linked or equivalent non-cash instruments								
Other instruments or forms								
Other MRTs								
Cash-based	7.8	2.0	5.8	-	-	-	2.0	-
Shares or equivalent interests	14.5	6.1	8.4	-	-	12.0	6.1	5.1
Share-linked or equivalent non-cash instruments								
Other instruments or forms								
Total amount	33.3	10.5	22.9	-	-	18.8	10.4	7.1

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

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

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	27
€1.5 million to below €2.0 million	10
€2.0 million to below €2.5 million	2
€2.5 million to below €3.0 million	4
€3.0 million to below €3.5 million	-
€3.5 million to below €4.0 million	-
More than €4.0 million	-
Total	43

(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.