



NatWest
Group

The Royal Bank of Scotland plc

2024 Pillar 3 Report

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Forward-looking statement

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to RBS plc's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about RBS plc's beliefs and expectations, are forward-looking statements. Words such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'target', 'goal', 'objective', 'may', 'outlook', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document may include forward-looking statements relating, but not limited to: RBS plc's credit risk; its regulatory capital position and related requirements, its financial position, profitability and financial performance, its liquidity and funding risk and non-traded market risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, the exposure to third party risk, operational risk, compliance and conduct risk, cyber, data and IT risk, financial crime risk, key person risk, credit rating risk, model risk, reputational risk and the impact of climate related risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or RBS plc's actual results are discussed in RBS 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 RBS plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Attestation statement

We confirm that the 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 Holdings Group Board.

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

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

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

Keiran Foad
Group Chief Risk Officer
Member, Executive Committee

Presentation of information

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

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

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

RBS plc, as a large, non-listed subsidiary of NatWest Group, is subject to a reduced number of disclosures as set out in the PRA Rulebook. The required disclosures are as follows:

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

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

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

Within this document, row and column references are based on those prescribed in the PRA templates. The IFRS 9-FL and TLAC2 disclosures have been prepared using 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 RBS plc at 31 December 2024 and have therefore not been included in this report. Certain quantitative and qualitative disclosures are provided in the NatWest Holdings Group Pillar 3 report. These excluded disclosures are listed below, together with a summary of the reason for their exclusion.

PRA template reference	Template name	Reasons for exclusion
UK CCR7	RWA flow statements of CCR exposures under the IMM	No reportable exposures
UK MR2-B	RWA flow statements of market risk exposures under the IMA	No reportable exposures
UK LIQ1	Quantitative information on LCR	Refer to the liquidity & funding disclosures in the NatWest Holdings Group Pillar 3 report
UK LIQB	Qualitative information on LCR	
UK LIQ2	Net Stable Funding Ratio	
UK LIQA	Liquidity risk management	
UK REMA	Remuneration Policy	Refer to the Remuneration Policy disclosures in the NatWest Holdings Group Pillar 3 report
UK CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Threshold for disclosure not met
UK CQ2	Quality of forbearance	Threshold for disclosure not met
UK CQ4	Quality of non-performing exposures by geography	Threshold for disclosure not met
UK CQ6	Collateral valuation - loans and advances	Threshold for disclosure not met
UK CQ7	Collateral obtained by taking possession and execution processes	No reportable exposures
UK CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	No reportable exposures
UK CR10.3	Specialised Lending: Object Finance (Slotting Approach)	No reportable exposures
UK CR10.4	Specialised Lending: Commodities Finance (Slotting Approach)	No reportable exposures
UK CR10.5	Equity exposures under the simple risk-weighted approach	No reportable exposures
UK CCA	Main features of regulatory own funds instruments and eligible liabilities instruments	Published as supplement alongside this report

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

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

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

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

RBS plc – key points

CET1 ratio

11.1%

(Q3 2024 – 13.4%)

The CET1 ratio decreased by 230 basis points to 11.1%. The decrease in the CET1 ratio was due to a £0.4 billion decrease in CET1 capital and a £0.1 billion increase in RWAs. The CET1 capital decrease mainly driven by a foreseeable dividend accrual and regulatory adjustments partially offset by the profit in the period.

RWAs

£17.6bn

(Q3 2024 – £17.5bn)

Total RWAs increased by £0.1 billion to £17.6 billion mainly reflecting an increase in Credit Risk driven by the deterioration in risk parameters within Commercial & Institutional and an increase in RWAs from foreign exchange movements due to sterling weakening against the US dollar and strengthening against the euro. These movements are offset by active RWA management.

UK leverage ratio

5.8%

(Q3 2024 – 6.7%)

The leverage ratio decreased by 90 basis points to 5.8%. This was driven by a £0.4 billion decrease in Tier 1 capital partially offset by an immaterial decrease in leverage exposure. The key drivers in the leverage exposure were a decrease in other financial assets and net derivatives partially offset by an increase in other assets.

UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures. RBS 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 £m	30 September 2024 £m	30 June 2024 £m	31 March 2024 £m	31 December 2023 £m
Available own funds (amounts)					
1 Common equity tier 1 (CET1) capital	1,956	2,349	2,035	2,215	2,042
2 Tier 1 capital	2,456	2,849	2,535	2,715	2,542
3 Total capital	3,080	3,431	3,494	3,718	2,998
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	17,591	17,540	18,075	18,600	18,228
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	11.1	13.4	11.3	11.9	11.2
6 Tier 1 ratio (%)	14.0	16.2	14.0	14.6	13.9
7 Total capital ratio (%)	17.5	19.6	19.3	20.0	16.4
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	1.5	1.5	1.5	1.5	1.5
UK 7b Additional AT1 SREP requirements (%)	0.5	0.5	0.5	0.5	0.5
UK 7c Additional T2 SREP requirements (%)	0.6	0.6	0.7	0.7	0.7
UK 7d Total SREP own funds requirements (%)	10.6	10.6	10.7	10.7	10.7
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8 Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9 Institution specific countercyclical capital buffer (%) (1)	1.9	1.9	1.9	1.9	1.9
11 Combined buffer requirement (%)	4.4	4.4	4.4	4.4	4.4
UK 11a Overall capital requirements (%)	15.0	15.0	15.1	15.1	15.1
12 CET1 available after meeting the total SREP own funds requirements (%)	5.2	7.4	5.2	5.9	5.2
Leverage ratio					
13 Total exposure measure excluding claims on central banks	42,687	42,730	43,479	43,334	43,770
14 Leverage ratio excluding claims on central banks (%)	5.8	6.7	5.8	6.3	5.8
Additional leverage ratio disclosure requirements (2)					
UK 14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)					
UK 14b Leverage ratio including claims on central banks (%)					
UK 14c Average leverage ratio excluding claims on central banks (%)					
UK 14d Average leverage ratio including claims on central banks (%)					
UK 14e Countercyclical leverage ratio buffer (%)					
Liquidity coverage ratio (3)					
15 Total high-quality liquid assets (HQLA) (weighted value-average)					
UK 16a Cash outflows - Total weighted value					
UK 16b Cash inflows - Total weighted value					
16 Total net cash outflows (adjusted value)					
17 Liquidity coverage ratio (%)					
Net stable funding ratio (3)					
18 Total available stable funding					
19 Total required stable funding					
20 NSFR ratio (%)					

(1) The institution specific countercyclical capital buffer (CCyB) requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures. The UK CCyB rate is currently being maintained at 2%.

(2) RBS plc is not an LREQ firm therefore not subject to the additional leverage ratio disclosure requirements.

(3) Under the UK DoLS waiver RBS plc liquidity is managed and disclosed at the sub-group level rather than entity level.

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

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

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

	31 December 2024 £m	30 September 2024 £m	30 June 2024 £m	31 March 2024 £m	31 December 2023 £m
Available capital (amounts) - transitional					
1 Common equity tier 1	1,956	2,349	2,035	2,215	2,042
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	1,949	2,338	2,024	2,200	2,002
3 Tier 1 capital	2,456	2,849	2,535	2,715	2,542
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	2,449	2,838	2,524	2,700	2,502
5 Total capital	3,080	3,431	3,494	3,718	2,998
6 Total capital as if IFRS 9 transitional arrangements had not been applied	3,084	3,435	3,498	3,705	2,978
Risk-weighted assets (amounts)					
7 Total risk-weighted assets	17,591	17,540	18,075	18,600	18,228
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	17,591	17,540	18,075	18,600	18,225
Capital ratios					
	%	%	%	%	%
9 Common equity tier 1 ratio	11.1	13.4	11.3	11.9	11.2
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	11.1	13.3	11.2	11.8	11.0
11 Tier 1 ratio	14.0	16.2	14.0	14.6	13.9
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	13.9	16.2	14.0	14.5	13.7
13 Total capital ratio	17.5	19.6	19.3	20.0	16.4
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	17.5	19.6	19.4	19.9	16.3
Leverage ratio					
15 Leverage ratio exposure measure (£m)	42,687	42,730	43,479	43,334	43,770
16 Leverage ratio (%)	5.8	6.7	5.8	6.3	5.8
17 Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.7	6.6	5.8	6.2	5.7

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	31 December 2023 £m	31 December 2024 £m
1	Credit risk (excluding counterparty credit risk)	13,757	14,887	1,100
2	Of which: standardised approach	471	519	38
3	Of which: the foundation IRB (FIRB) approach	-	-	-
4	Of which: slotting approach	1,975	2,230	158
UK 4a	Of which: equities under the simple risk-weighted approach	-	-	-
5	Of which: the advanced IRB (AIRB) approach (1)	11,311	12,138	904
5a	Of which: non-credit obligation assets (3)	181	201	15
6	Counterparty credit risk	-	-	-
7	Of which: standardised approach	-	-	-
8	Of which: internal model method (IMM)	-	-	-
UK 8a	Of which: exposures to a CCP	-	-	-
UK 8b	Of which: credit valuation adjustment (CVA)	-	-	-
9	Of which: other counterparty credit risk	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	195	63	16
17	Of which: SEC-IRBA approach (2)	195	63	16
18	Of which: SEC-ERBA (including IAA)	-	-	-
19	Of which: SEC-SA approach	-	-	-
UK 19a	Of which: 1,250%/deduction	-	-	-
20	Position, foreign exchange and commodities risk (market risk)	21	14	2
21	Of which: standardised approach	21	14	2
22	Of which: IMA	-	-	-
UK 22a	Large exposures	-	-	-
23	Operational risk	3,618	3,264	289
UK 23a	Of which: basic indicator approach	-	-	-
UK 23b	Of which: standardised approach	3,618	3,264	289
UK 23c	Of which: advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	100	95	8
29	Total	17,591	18,228	1,407

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

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

UK OVC: ICAAP information

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

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

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

	a
	RWAs £m
1 At 31 December 2023	14,165
2 Asset size	(529)
3 Asset quality	(5)
4 Model updates	55
7 Foreign exchange movements	(6)
8 Other	(576)
9 At 31 December 2024	13,104

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

Q4 2024

- The decrease in RWAs related to asset size was driven by drawdowns and new facilities within both Commercial & Institutional and Retail Banking.
- The increase in RWAs for model updates was primarily due to an increase in the IRB Temporary Model Adjustment, mainly related to mortgages within Retail Banking.
- The decrease in RWAs in other reflects capital management activity in Commercial & Institutional.

Annex VII: Capital

UK CC1: Composition of regulatory own funds

The table below 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.

	31 December 2024 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 £m
CET1 capital: instruments and reserves			
1 Capital instruments and the related share premium accounts <i>of which: ordinary shares</i>	20 20	(a)	20
2 Retained earnings	2,573	(b)	2,456
3 Accumulated other comprehensive income (and other reserves)	(538)	(c)	(739)
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	34	(b)	118
6 CET1 capital before regulatory adjustments	2,089		1,855
CET1 capital: regulatory adjustments			
7 (-) Additional value adjustments	(1)		(3)
8 (-) Intangible assets (net of related tax liability)	-	(d)	-
10 (-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	(677)	(e)	(587)
11 Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	538	(i)	737
12 (-) Negative amounts resulting from the calculation of expected loss amounts	-		-
13 (-) Any increase in equity that results from securitised assets	-		-
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-		-
15 (-) Defined-benefit pension fund assets	-	(f) & (g)	-
16 (-) Direct, indirect and synthetic holdings by an institution of own CET1 instruments	-		-
17 (-) Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-		-
18 (-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	-		-
19 (-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-		-
UK-20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-		-
UK-20b (-) of which: qualifying holdings outside the financial sector	-		-
UK-20c (-) of which: securitisation positions	-		-
UK-20d (-) of which: free deliveries	-		-
21 (-) Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-		-
22 (-) Amount exceeding the 17.65% threshold	-		-

UK CC1: Composition of regulatory own funds continued

	31 December 2024 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 £m
CET1 capital: regulatory adjustments			
23 (-) of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-		-
25 (-) of which: deferred tax assets arising from temporary differences	-		-
UK-25a (-) Losses for the current financial year	-	(b)	-
UK-25b (-) Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses	-		-
27 (-) Qualifying AT1 deductions that exceed the AT1 items of the institution	-		-
27a Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	7		40
28 Total regulatory adjustments to CET1	(133)		187
29 CET1 capital	1,956		2,042
AT1 capital: instruments			
30 Capital instruments and the related share premium accounts	500	(h)	500
31 of which: classified as equity under applicable accounting standards	500		500
32 of which: classified as liabilities under applicable accounting standards	-		-
33 Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	-	(i)	-
UK-33a Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-		-
UK-33b Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-		-
34 Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	(j)	-
35 of which: instruments issued by subsidiaries subject to phase out	-		-
36 AT1 capital before regulatory adjustments	500		500
AT1 capital: regulatory adjustments			
37 (-) Direct, indirect and synthetic holdings by an institution of own AT1 instruments	-		-
38 (-) Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-		-
39 (-) Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-		-
40 (-) Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	-		-
42 (-) Qualifying T2 deductions that exceed the T2 items of the institution	-		-
42a Other regulatory adjustments to AT1 capital	-		-
43 Total regulatory adjustments to AT1 capital	-		-
44 AT1 capital	500		500
45 T1 capital (T1 = CET1 + AT1)	2,456		2,542

UK CC1: Composition of regulatory own funds continued

	31 December 2024 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023 £m
T2 capital: instruments			
46 Capital instruments and the related share premium accounts	550	(j)	390
47 Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	(j)	-
UK-47a Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-		-
UK-47b Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-		-
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	(j)	-
49 of which: instruments issued by subsidiaries subject to phase out	-		-
50 Credit risk adjustments	74		66
51 T2 capital before regulatory adjustments	624		456
T2 capital: regulatory adjustments			
52 (-) Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	-		-
53 (-) Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-		-
54 (-) Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-		-
55 (-) Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	-		-
UK-56a (-) Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution	-		-
UK-56b Other regulatory adjustments to T2 capital	-		-
57 Total regulatory adjustments to T2 capital	-		-
58 T2 capital	624		456
59 Total capital (TC = T1 + T2)	3,080		2,998
60 Total risk exposure amount	17,591		18,228
Capital ratios and buffers			
61 CET1 (as a percentage of total risk exposure amount)	11.1%		11.2%
62 T1 (as a percentage of total risk exposure amount)	14.0%		13.9%
63 Total capital (as a percentage of total risk exposure amount)	17.5%		16.4%
64 Institution CET1 overall capital requirement (CET1 requirement in accordance with article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	10.4%		10.4%
65 of which: capital conservation buffer requirement	2.5%		2.5%
66 of which: counter cyclical buffer requirement	1.9%		1.9%
67 of which: systemic risk buffer requirement			
UK-67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer			
68 CET1 available to meet buffers (as a percentage of risk exposure amount) (1)	5.2%		5.2%

UK CC1: Composition of regulatory own funds continued

	31 December 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)	1		1
73 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% threshold and net of eligible short positions)	9		9
75 Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	31		28
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	6		6
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	73		67
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	81		87
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
80 Current cap on CET1 instruments subject to phase out arrangements			
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82 Current cap on AT1 instruments subject to phase out arrangements			
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84 Current cap on T2 instruments subject to phase out arrangements			
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

(1) Row 68: represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).

(2) The references (a) to (k) identify balance sheet components in table 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		References
	a	b	
	Balance sheet as in published financial statements as at period end £m	Under regulatory scope of consolidation as at period end £m	
Assets			
Cash and balances at central banks	26,630	26,630	
Derivatives	465	465	
Loans to banks - amortised cost	484	484	
Loans to customers - amortised cost	33,524	33,524	
Amounts due from holding companies and fellow subsidiaries	28,060	28,060	
Property, plant and equipment	94	94	
Current and deferred tax assets	917	917	
<i>of which: DTAs that rely on future profitability and do not arise from temporary differences</i>	677	677	(e)
Prepayments, accrued income and other assets	302	302	(d)
<i>of which: defined benefit pension fund assets</i>	-	-	(f)
Total assets	90,476	90,476	
Liabilities			
Bank deposits	921	921	
Customer deposits	78,069	78,069	
Amounts due to holding companies and fellow subsidiaries	3,755	3,755	(j)
Derivatives	1,411	1,411	
Notes in circulation	2,381	2,381	
Provisions, deferred income and other liabilities	391	391	
Current and deferred tax liabilities	299	299	
<i>of which: defined benefit pension scheme assets</i>	-	-	(g)
Total liabilities	87,227	87,227	
Shareholders' Equity			
Owners' equity			
Called up share capital	20	20	(a)
Reserves	3,229	3,229	
<i>of which: amount eligible for retained earnings</i>	3,267	3,267	(b)
<i>of which: amount eligible for accumulated OCI and other reserves</i>	(538)	(538)	(c) & (i)
<i>of which: amount of other equity instruments</i>	500	500	(h)
<i>of which: share premium accounts</i>	-	-	
Non-controlling interests	-	-	
Total shareholders' equity	3,249	3,249	

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

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

The following disclosures provide information on the creditor hierarchy for RBS 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
		£m	£m	£m	£m	£m	£m	£m	£m
31 December 2024									
3	Total liabilities and own funds	2,749	-	500	-	550	-	1,116	-
4	o/w excluded liabilities	-	-	-	-	-	-	-	-
5	Total liabilities and own funds less excluded liabilities	2,749	-	500	-	550	-	1,116	-
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	2,749	-	500	-	550	-	1,116	-
7	o/w residual maturity ≥ 1 year < 2 years	-	-	-	-	-	-	-	-
8	o/w residual maturity ≥ 2 year < 5 years	-	-	-	-	-	-	1,116	-
9	o/w residual maturity ≥ 5 years < 10 years	-	-	-	-	-	-	-	-
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	550	-	-	-
11	o/w perpetual securities	2,749	-	500	-	-	-	-	-

		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
		£m	£m	£m	£m	£m	£m	£m	£m
31 December 2023									
3	Total liabilities and own funds	2,603	-	500	-	392	-	1,373	-
4	o/w excluded liabilities	-	-	-	-	-	-	-	-
5	Total liabilities and own funds less excluded liabilities	2,603	-	500	-	392	-	1,373	-
6	Subset of TLOF less of excluded liabilities that are own funds and eligible liabilities for the purpose of MREL	2,603	-	500	-	392	-	1,373	-
7	o/w residual maturity ≥ 1 year < 2 years	-	-	-	-	-	-	392	-
8	o/w residual maturity ≥ 2 year < 5 years	-	-	-	-	392	-	-	-
9	o/w residual maturity ≥ 5 years < 10 years	-	-	-	-	-	-	981	-
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-	-
11	o/w perpetual securities	2,603	-	500	-	-	-	-	-

(1) Amounts shown include balances indirectly due to resolution entity (NWG Plc) through NWH Limited, a wholly owned subsidiary of NatWest Group plc.

(2) Maturity band based on final contractual instrument maturity.

(3) Shareholder's equity includes the value of share capital, share premium and reserves.

Annex IX: Countercyclical capital buffers

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

As part of the banking reforms introduced by Basel III, a countercyclical capital buffer is required to ensure banks take account of the macro-financial environment when assessing adequate capital requirements. The buffer is to help protect banks during periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk. This regime is intended to help reduce the risk that the supply of credit will be constrained during a period of economic downturn, which in turn could undermine the performance of the real economy and consequently result in additional credit losses in the banking system. The table below summarises RBS plc's total exposures and own funds requirements based on country of economic operation of the customer. Where applicable, a countercyclical capital buffer rate is applied to the own funds requirement for the geographic region to capture an additional countercyclical requirement. General credit and trading book exposures exclude those with central governments/banks, regional governments, local authorities, public sector entities, multilateral development banks, international organisations and institutions. The exposures below therefore differ from those presented in the credit and counterparty credit risk sections.

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -												
	General credit exposures					Own fund requirements							
	Market risk		Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures value for non-trading book	Total exposure value	Relevant credit risk exposures - credit exposures		Relevant credit exposures - securitisation positions in the non trading book		Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach					Relevant credit risk exposures - credit exposures	Relevant credit exposures - securitisation positions in the non trading book					
	£m	£m					£m	£m	£m	£m			
31 December 2024													
Breakdown by country (with existing CCyB rates) (1)													
Denmark	-	109	-	-	-	109	2	-	-	2	19	0.14%	2.50%
Norway	16	2	-	-	-	18	1	-	-	1	17	0.13%	2.50%
United Kingdom	7,722	36,647	-	-	1,292	45,661	1,021	-	16	1,037	12,956	94.58%	2.00%
Netherlands	-	49	-	-	-	49	5	-	-	5	56	0	2.00%
Sweden	-	117	-	-	1	118	1	-	-	1	13	0	2.00%
Ireland	-	71	-	-	-	71	1	-	-	1	17	0	1.50%
France	-	107	-	-	-	107	2	-	-	2	28	0	1.00%
Belgium	1	19	-	-	-	20	1	-	-	1	14	0	1.00%
Australia	-	22	-	-	-	22	-	-	-	-	2	0	1.00%
Cyprus	-	1	-	-	-	1	-	-	-	-	-	-	1.00%
Germany	-	43	-	-	1	44	-	-	-	-	6	0.04%	0.75%
Luxembourg	-	25	-	-	-	25	1	-	-	1	14	0.10%	0.50%
Hong Kong	-	5	-	-	-	5	-	-	-	-	-	0.00%	0.50%
Hungary	-	1	-	-	-	1	-	-	-	-	-	0.00%	0.50%
Total (countries with existing CCyB rates)	7,739	37,218	-	-	1,294	46,251	1,035	-	16	1,051	13,142	95.95%	

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisations exposures	Total exposure	Relevant credit exposures -			Total	Risk weighted exposure	Own fund requirements	Countercyclical
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Securitisations exposures - positions in the non trading book				
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
31 December 2024													
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
United States	-	2,571	-	-	-	2,571	28	-	-	28	352	2.57%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	-	2,571	-	-	-	2,571	28	-	-	28	352	2.57%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	-	724	-	-	-	724	17	-	-	17	203	1.48%	
Total	7,739	40,513	-	-	1,294	49,546	1,080	-	16	1,096	13,697	100.00%	

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisation exposures	Total exposure value	Relevant credit exposures -			Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Securitisation positions in the non trading book				
31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with existing CCyB rates) ⁽¹⁾													
Denmark	-	266	-	-	-	266	3	-	-	3	37	0.25%	2.50%
Norway	19	1	-	-	-	20	2	-	-	2	19	0.13%	2.50%
United Kingdom	7,347	40,197	-	-	268	47,812	1,097	-	5	1,102	13,784	94.43%	2.00%
Sweden	-	176	-	-	-	176	2	-	-	2	23	0.16%	2.00%
Netherlands	-	72	-	-	-	72	6	-	-	6	71	0.49%	1.00%
Ireland	29	43	-	-	-	72	3	-	-	3	39	0.27%	1.00%
Australia	-	27	-	-	-	27	-	-	-	-	3	0.02%	1.00%
Hong Kong	-	5	-	-	-	5	-	-	-	-	-	0.00%	1.00%
Germany	-	79	-	-	-	79	1	-	-	1	9	0.06%	0.75%
France	-	172	-	-	-	172	3	-	-	3	35	0.24%	0.50%
Luxembourg	-	27	-	-	-	27	1	-	-	1	15	0.10%	0.50%
Cyprus	-	1	-	-	-	1	-	-	-	-	-	-	0.50%
Total (countries with existing CCyB rates)	7,395	41,066	-	-	268	48,729	1,118	-	5	1,123	14,035	96.15%	

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisation exposures	Total exposure value	Relevant credit exposures -			Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non trading book				
31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
US	5	1,990	-	-	-	1,995	25	-	-	25	316	2.17%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	5	1,990	-	-	-	1,995	25	-	-	25	316	2.17%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	2	646	-	-	-	648	20	-	-	20	245	1.68%	
Total	7,402	43,702	-	-	268	51,372	1,163	-	5	1,168	14,596	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	17,591	18,228
2 Institution specific countercyclical capital buffer	1.91%	1.91%
3 Institution specific countercyclical capital buffer requirement (1)	337	348

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

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

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

	31 December 2024 £m	31 December 2023 £m
1 Total assets as per published financial statements	90,476	90,389
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)	(24,052)	(21,399)
5 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (1) of Article 429a(1) of the CRR)	-	-
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7 Adjustment for eligible cash pooling transactions	-	-
8 Adjustment for derivative financial instruments	1,051	1,138
9 Adjustment for securities financing transactions (SFTs)	-	-
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	6,871	6,214
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(4)	(9)
UK-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	(30,590)	(31,385)
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	(1,065)	(1,178)
13 Total exposure measure	42,687	43,770

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	31 December 2023
		£m	£m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	89,614	89,135
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital (leverage))	(670)	(551)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	88,944	88,584
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	650	881
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	867	881
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures	1,517	1,762
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
UK-17	Agent transaction exposures	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	Total securities financing transaction exposures	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	20,483	20,583
20	(Adjustments for conversion to credit equivalent amounts)	(13,612)	(14,369)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	(3)	(6)
22	Off-balance sheet exposures	6,868	6,208

UK LR2: LRCom: Leverage ratio common disclosure continued

		RBS Plc	
		31 December 2024	31 December 2023
		£m	£m
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	(30,590)	(31,385)
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)	(30,590)	(31,385)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	2,456	2,542
24	Total exposure measure including claims on central banks	66,739	65,169
UK-24a	(-) Claims on central banks excluded	(24,052)	(21,399)
UK-24b	Total exposure measure excluding claims on central banks	42,687	43,770
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.8	5.8
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.7	5.7
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.8	5.8
UK-25c	Leverage ratio including claims on central banks (%)	3.7	3.9
26	Regulatory minimum leverage ratio requirement (%) (1)		
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)		
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)		
UK-27b	Of which: countercyclical leverage ratio buffer (%)		
Additional leverage ratio disclosure requirements - disclosure of mean values (1)			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and receivable netted of amounts of associated cash payables and cash		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and receivables netted of amounts of associated cash payables and cash		
UK-31	Average total exposure measure excluding claims on central banks		
UK-32	Average total exposure measure including claims on central banks		
UK-33	Average leverage ratio excluding claims on central banks		
UK-34	Average leverage ratio including claims on central banks		

(1) RBS plc is not an LREQ firm therefore not subject to the additional leverage ratio disclosure requirements.

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

The table below shows the breakdown of the leverage ratio exposures 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:	36,868	38,717
UK-2 Trading book exposures	-	-
UK-3 Banking book exposures, of which:	36,868	38,717
UK-4 Covered bonds	-	-
UK-5 Exposures treated as sovereigns	2,020	2,288
UK-6 Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	316	254
UK-7 Institutions	488	715
UK-8 Secured by mortgages of immovable properties	18,809	19,872
UK-9 Retail exposures	3,472	3,520
UK-10 Corporate	8,816	9,531
UK-11 Exposures in default	861	873
UK-12 Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	2,086	1,664

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 5.8%. The leverage ratio has remained static compared to 31 December 2023 driven by a £0.1bn decrease in Tier 1 capital offset by a £1.1 billion decrease in leverage exposure. The key drivers in the leverage exposure were a decrease in other financial assets partially offset by an increase in other off balance sheet items.

Annex XV: Credit risk quality

UK CQ1: Credit quality of forborne exposures

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

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures			Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures	
		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	631	446	420	424	(17)	(148)	847	280
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	6	-	-	-	-	-	1	-
060	Non-financial corporations	523	197	185	183	(16)	(77)	583	113
070	Households	102	249	235	241	(1)	(71)	263	167
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	89	11	11	11	-	-	40	7
100	Total	720	457	431	435	(17)	(148)	887	287

UK CQ1: Credit quality of forborne exposures continued

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures			Of which: impaired	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
		Performing forborne	Non-performing forborne	Of which: defaulted		On performing forborne exposures	On non-performing forborne exposures		
31 December 2023		£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	736	465	423	430	(23)	(124)	996	329
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	652	209	183	183	(22)	(59)	736	148
070	Households	84	256	240	247	(1)	(65)	260	181
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	157	13	10	11	-	-	43	9
100	Total	893	478	433	441	(23)	(124)	1,039	338

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

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

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

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

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Performing exposures	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Non-performing exposures	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which: defaulted
31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balances at central banks and other demand deposits	24,471	24,471	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	62,971	62,860	111	1,043	481	113	132	152	127	22	16	981
020 <i>Central banks</i>	228	228	-	-	-	-	-	-	-	-	-	-
030 <i>General governments</i>	321	321	-	-	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	21,279	21,279	-	-	-	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	7,546	7,546	-	4	1	-	-	1	-	2	-	4
060 <i>Non-financial corporations</i>	18,608	18,551	57	310	173	19	21	44	37	7	9	283
070 <i>Of which SMEs</i>	3,442	3,412	30	147	58	6	18	26	30	4	5	133
080 <i>Households</i>	14,989	14,935	54	729	307	94	111	107	90	13	7	694
090 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
110 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-
120 <i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-
130 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-
140 <i>Non-financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance-sheet exposures	20,151			106								101
160 <i>Central banks</i>	-			-								-
170 <i>General governments</i>	501			-								-
180 <i>Credit institutions</i>	1,184			-								-
190 <i>Other financial corporations</i>	1,942			-								-
200 <i>Non-financial corporations</i>	9,656			24								22
210 <i>Households</i>	6,868			82								79
220 Total	107,593	87,331	111	1,149	481	113	132	152	127	22	16	1,082

UK CQ5: Credit quality of loans and advances by industry

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

	a	b	c	d	e	f
	Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	£m	£m	£m	£m	£m	£m
31 December 2024						
010 Agriculture, forestry and fishing	577	12	10	577	(10)	-
020 Mining and quarrying	336	-	-	207	(2)	-
030 Manufacturing	2,293	6	6	2,293	(8)	-
040 Electricity, gas, steam and air conditioning supply	244	-	-	244	-	-
050 Water supply	51	-	-	51	-	-
060 Construction	654	41	41	654	(25)	-
070 Wholesale and retail trade	2,626	2	2	2,624	(12)	-
080 Transport and storage	975	33	33	975	(26)	-
090 Accommodation and food service activities	968	38	28	968	(21)	-
100 Information and communication	1,018	2	2	1,018	(2)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	7,390	109	109	7,390	(63)	-
130 Professional, scientific and technical activities	537	14	13	537	(10)	-
140 Administrative and support service activities	190	5	5	190	(4)	-
150 Public administration and defence, compulsory social security	2	-	-	2	-	-
160 Education	96	2	2	96	(1)	-
170 Human health services and social work activities	1,139	17	17	1,139	(15)	-
180 Arts, entertainment and recreation	94	1	1	94	(2)	-
190 Other services	73	13	13	73	(3)	-
200 Total	19,263	295	282	19,132	(204)	-

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

	a	b	c	d	e	f
	Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
31 December 2023	£m	£m	£m	£m	£m	£m
010 Agriculture, forestry and fishing	614	8	8	614	(11)	-
020 Mining and quarrying	305	-	-	305	(2)	-
030 Manufacturing	1,908	11	11	1,908	(16)	-
040 Electricity, gas, steam and air conditioning supply	423	-	-	423	-	-
050 Water supply	60	-	-	60	(1)	-
060 Construction	709	52	44	709	(29)	-
070 Wholesale and retail trade	2,535	5	5	2,410	(17)	-
080 Transport and storage	1,054	38	38	1,054	(12)	-
090 Accommodation and food service activities	1,105	44	32	1,105	(27)	-
100 Information and communication	877	2	2	877	(3)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	7,151	82	78	7,151	(50)	-
130 Professional, scientific and technical activities	497	14	14	497	(14)	-
140 Administrative and support service activities	153	14	13	153	(12)	-
150 Public administration and defence, compulsory social security	3	-	-	3	-	-
160 Education	105	2	2	105	(1)	-
170 Human health services and social work activities	1,220	20	18	1,220	(21)	-
180 Arts, entertainment and recreation	116	1	1	116	(2)	-
190 Other services	83	17	17	83	(2)	-
200 Total	18,918	310	283	18,793	(220)	-

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

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

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	Collateral and financial guarantee received	
	Of which: Stage 1	Of which: Stage 2		Of which: Stage 2	Of which: Stage 3		Of which: Total	Of which: Stage 1	Of which: Stage 2	Of which: Stage 2	Of which: Stage 3			On performing exposures	On non-performing exposures
31 December 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	26,947	26,947	-	-	-	-	(4)	(4)	-	-	-	-	-	2	-
010 Loans and advances	60,904	56,490	4,239	981	40	938	(183)	(84)	(99)	(385)	(4)	(381)	(36)	25,073	545
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	324	286	-	-	-	-	-	-	-	-	-	-	-	286	-
040 Credit institutions	20,329	20,329	-	-	-	-	(18)	(18)	-	-	-	-	-	-	-
050 Other financial corporations	8,106	8,093	12	3	-	3	(1)	(1)	-	(2)	-	(2)	-	731	1
060 Non-financial corporations	18,968	17,043	1,795	295	15	279	(68)	(28)	(40)	(136)	(1)	(135)	-	13,351	159
070 Of which: SMEs	4,350	3,647	703	147	12	135	(33)	(10)	(23)	(56)	(1)	(55)	-	4,024	86
080 Households	13,177	10,739	2,432	683	25	656	(96)	(37)	(59)	(247)	(3)	(244)	(36)	10,705	385
090 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	19,422	18,254	1,168	86	2	82	(9)	(4)	(5)	(1)	-	(1)		4,941	13
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170 General governments	489	489	-	-	-	-	-	-	-	-	-	-		1	-
180 Credit institutions	1,183	1,183	-	-	-	-	-	-	-	-	-	-		-	-
190 Other financial corporations	1,669	1,658	11	-	-	-	-	-	-	-	-	-		86	-
200 Non-financial corporations	9,452	9,021	431	9	1	8	(5)	(3)	(2)	(1)	-	(1)		3,027	5
210 Households	6,629	5,903	726	77	1	74	(4)	(1)	(3)	-	-	-		1,827	8
220 Total	107,273	101,691	5,407	1,067	42	1,020	(196)	(92)	(104)	(386)	(4)	(382)	(36)	30,016	558

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

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral and financial guarantee received		Accumulated partial write-off	On performing exposures	On non-performing exposures
	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3		Of which: Stage 1	Of which: Stage 2	Of which: Stage 2	Of which: Stage 3					
31 December 2023	£m	£m	£m	£m	£m		£m	£m	£m	£m		£m	£m	£m	£m
005 Cash balances at central banks and other demand deposits	24,471	24,471	-	-	-	-	(4)	(4)	-	-	-	-	-	1	-
010 Loans and advances	62,971	57,874	4,916	1,043	48	992	(258)	(110)	(148)	(377)	(4)	(373)	(47)	25,864	613
020 Central banks	228	228	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	321	276	-	-	-	-	-	-	-	-	-	-	-	276	-
040 Credit institutions	21,279	21,279	-	-	-	-	(25)	(25)	-	-	-	-	-	-	-
050 Other financial corporations	7,546	7,536	10	4	-	4	(2)	(1)	(1)	(3)	-	(3)	-	590	1
060 Non-financial corporations	18,608	16,307	2,176	310	27	283	(103)	(40)	(63)	(117)	(2)	(115)	(5)	12,555	193
070 Of which: SMEs	3,442	2,620	822	147	14	133	(48)	(14)	(34)	(67)	(1)	(66)	-	3,024	76
080 Households	14,989	12,248	2,730	729	21	705	(128)	(44)	(84)	(257)	(2)	(255)	(42)	12,443	419
090 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	20,151	18,539	1,612	106	3	101	(12)	(5)	(7)	(1)	-	(1)		4,980	26
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170 General governments	501	501	-	-	-	-	-	-	-	-	-	-		-	-
180 Credit institutions	1,184	1,184	-	-	-	-	-	-	-	-	-	-		-	-
190 Other financial corporations	1,942	1,880	62	-	-	-	-	-	-	-	-	-		65	-
200 Non-financial corporations	9,656	8,986	670	24	2	22	(7)	(3)	(4)	(1)	-	(1)		2,748	16
210 Households	6,868	5,988	880	82	1	79	(5)	(2)	(3)	-	-	-		2,167	10
220 Total	107,593	100,884	6,528	1,149	51	1,093	(274)	(119)	(155)	(378)	(4)	(374)	(47)	30,845	639

(1) The gross NPL ratio for RBS plc is 1.59% (2023 – 1.63%). Cash balances at central banks and other demand deposits were excluded from the ratio calculation.

UK CR1-A: Maturity of exposures

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

	a	b	c	d	e	f
	Net exposure value					
	On demand £m	<= 1 year £m	> 1 year <= 5 years £m	> 5 years £m	No stated maturity £m	Total £m
31 December 2024						
1 Loans and advances	7,057	12,610	25,997	15,653	-	61,317
2 Debt securities	-	-	-	-	-	-
3 Total	7,057	12,610	25,997	15,653	-	61,317
	a	b	c	d	e	f
	Net exposure value					
	On demand £m	<= 1 year £m	> 1 year <= 5 years £m	> 5 years £m	No stated maturity £m	Total £m
31 December 2023						
1 Loans and advances	6,949	12,453	26,671	17,306	-	63,379
2 Debt securities	-	-	-	-	-	-
3 Total	6,949	12,453	26,671	17,306	-	63,379

(1) Cash balances at central banks and other demand deposits are excluded.

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

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

	a
	Gross carrying amount £m
010 Initial stock of non-performing loans and advances at 1 January 2024	1,043
020 Inflows to non-performing portfolios	443
030 Outflows from non-performing portfolios	(505)
040 Outflows due to write-offs	(100)
050 Outflow due to other situations	(405)
060 Final stock of non-performing loans and advances at 31 December 2024	981

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

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

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. RBS plc's IFRS 9 provisioning models, which use existing internal ratings based (IRB) models as a starting point, incorporate term structures and economic forecasts. Regulatory conservatism within the IRB models has been removed as appropriate to comply with the IFRS 9 requirement for unbiased ECL estimates.

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

Model build

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

Model application

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

IFRS 9 ECL model design principles

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

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

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

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

PD estimates

Personal models

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

Non-Personal models

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

LGD estimates

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

Personal

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

Non-Personal

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

EAD estimates

Personal

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

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

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

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

Non-Personal

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

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

Governance and post model adjustments

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

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

SICR

Exposures that are considered significantly credit deteriorated since initial recognition are classified in Stage 2 and assessed for lifetime ECL measurement (exposures not considered deteriorated carry a 12 month ECL). RBS 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 RBS plc and align to credit risk management practices, where appropriate.

The framework comprises the following elements:

- **IFRS 9 lifetime PD assessment (the primary driver)** – on modelled portfolios, the assessment is based on the relative deterioration in forward-looking lifetime PD and is assessed monthly. To assess whether credit deterioration has occurred, the residual lifetime PD at balance sheet date (which PD is established at date of initial recognition (DOIR)) is compared to the current PD. If the current lifetime PD exceeds the residual origination PD by more than a threshold amount, deterioration is assumed to have occurred and the exposure transferred into Stage 2 for a lifetime loss assessment. For Non-Personal, a doubling of PD would indicate a SICR subject to a minimum PD uplift of 0.1%. For Personal portfolios, the criteria vary by risk band, with lower risk exposures needing to deteriorate more than higher risk exposures.
- **Qualitative high-risk backstops** – the PD assessment is complemented with the use of qualitative high-risk backstops to further inform whether significant deterioration in lifetime risk of default has occurred. The qualitative high-risk backstop assessment includes the use of the mandatory 30+ days past due backstop, as prescribed by IFRS 9 guidance, and other features such as forbearance support, Non-Personal exposures managed within the Wholesale Problem Debt Management framework, and adverse credit bureau results for Personal customers.
- **Persistence (Personal and business banking customers only)** – the persistence rule ensures that accounts which have met the criteria for PD-driven deterioration are still considered to be significantly deteriorated for three months thereafter. This additional rule enhances the timeliness of capture in Stage 2. The persistence rule is applied to PD-driven deterioration only.

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

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

Annex XVII: Credit risk mitigation

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

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

		a	b	c	d	e
		Unsecured carrying amount £m	Secured carrying amount £m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives £m
31 December 2024						
1	Loans and advances	61,762	26,498	24,839	781	-
2	Debt securities	-	-	-	-	-
3	Total	61,762	26,498	24,839	781	-
4	Of which: non-performing exposures	46	550	518	27	-
5	Of which: defaulted	39	513	480	27	-
		a	b	c	d	e
		Unsecured carrying amount £m	Secured carrying amount £m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives £m
31 December 2023						
1	Loans and advances	60,700	27,146	25,303	1,175	-
2	Debt securities	-	-	-	-	-
3	Total	60,700	27,146	25,303	1,175	-
4	Of which: non-performing exposures	50	616	573	40	-
5	Of which: defaulted	44	567	527	40	-

UK CRC: Qualitative disclosure requirements related to CRM techniques

Credit risk mitigation

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

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

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

Mitigation techniques, as set out in the appropriate credit risk toolkits and transactional acceptance standards, are used in the management of credit portfolios across RBS 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 RBS plc considers the following:

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

The business and credit teams are supported by specialist in-house documentation teams. RBS plc uses industry-standard loan and security documentation wherever possible.

However, when non-standard documentation is used, external lawyers are employed to review the documentation on a case-by-case basis. Mitigants (including any associated insurance) are monitored throughout the life of the transaction to ensure they perform as anticipated. Similarly, documentation is also monitored to ensure it remains enforceable.

Non-Personal

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

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

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

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

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

Personal

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

Annex XIX: Credit risk – standardised approach

UK CR4: standardised approach – Credit risk exposure and CRM effects

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

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

		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
		On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
Exposure Classes							
31 December 2023							
1	Central governments or central banks	23,737	452	23,784	-	73	-
2	Regional governments or local authorities	-	13	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	21,568	979	21,568	510	21	-
7	Corporates	7,044	1,650	6,998	84	159	2
8	Retail	176	643	176	-	113	64
9	Secured by mortgages on immovable property	90	38	90	21	100	90
10	Exposures in default	19	-	18	-	25	139
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	10	-	10	-	24	235
16	Other items	4	-	4	-	4	100
17	Total	52,648	3,775	52,648	615	519	1

Annex XXI: Credit risk – IRB approach

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

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

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

		31 December 2023	
		a	b
		Pre-credit derivatives RWAs	Actual RWAs
		£m	£m
5	Exposures under AIRB	11,934	11,934
6	Central governments and central banks	-	-
7	Institutions	261	261
8	Corporates	6,358	6,358
8.1	Of which: SME	1,000	1,000
8.2	Of which: Specialised lending (2)	-	-
8.3	Of which: Other	5,358	5,358
9	Retail	5,315	5,315
9.1	Of which: Secured by real estate SME		
	- Secured by immovable property collateral	95	95
9.2	Of which: Secured by real estate non-SME		
	- Secured by immovable property collateral	2,251	2,251
9.3	Of which: Qualifying revolving	1,109	1,109
9.4	Of which: Other SME	540	540
9.5	Of which: Other non-SME	1,320	1,320
10	Total	11,934	11,934

(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 NatWest Group does not apply the FIRB method. The table excludes counterparty credit risk, securitisations and non-credit obligation assets.

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

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

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

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

		Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
		Funded credit protection (FCP)													
		Total exposures	Part of exposures covered by financial collaterals	Part of exposures covered by other eligible collaterals	Part of exposures covered by		Part of exposures covered by other physical collaterals	Part of exposures covered by other funded credit protection	Part of exposures covered by		Part of exposures covered by instruments held by a third party	Part of exposures covered by guarantees	Part of exposures covered by credit derivatives	RWA post all CRM assigned to the obligor exposure class	RWA with substitution effects
					immovable property collaterals	exposures covered by receivables			cash on deposit	exposures covered by life insurance policies					
		£m	%	%	%	%	%	%	%	%	%	%		£m	£m
31 December 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	867	27.36	1.72	1.72	-	-	-	-	-	-	-	-	261	261
3	Corporates	17,046	37.85	109.05	87.21	-	21.84	0.01	-	-	0.01	2.18	-	6,358	6,358
3.1	Of which: SME	2,595	28.91	108.16	63.18	-	44.98	0.03	-	-	0.03	6.39	-	1,000	1,000
3.3	Of which: Other	14,451	39.45	109.21	91.53	-	17.68	-	-	-	-	1.43	-	5,358	5,358
4	Retail	22,419	-	224.76	224.76	-	-	-	-	-	-	3.63	-	5,315	5,315
4.1	Of which: Immovable property SME	240	-	-	-	-	-	-	-	-	-	0.96	-	95	95
4.2	Of which: Immovable property non-SME	14,589	-	345.39	345.39	-	-	-	-	-	-	-	-	2,251	2,251
4.3	Of which: Qualifying revolving	4,127	-	-	-	-	-	-	-	-	-	-	-	1,109	1,109
4.4	Of which: Other SMEs	2,110	-	-	-	-	-	-	-	-	-	38.47	-	540	540
4.5	Of which: Other non-SME	1,353	-	-	-	-	-	-	-	-	-	-	-	1,320	1,320
5	Total	40,332	16.58	171.06	161.83	-	9.23	-	-	-	-	2.94	-	11,934	11,934

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

		Credit risk mitigation techniques												Credit risk mitigation methods in the calculation of RWAs	
		Funded credit protection (FCP)													
		Total exposures	Part of exposures covered by financial collaterals	Part of exposures covered by other eligible collaterals	Part of exposures covered by		Part of exposures covered by other physical collaterals	Part of exposures covered by other funded credit protection	Part of exposures covered by cash on deposit	Part of exposures covered by		Unfunded credit protection (UFCP)			
					immovable property collaterals	Part of exposures covered by receivables				exposures covered by life insurance policies	exposures covered by instruments held by a third party	Part of exposures covered by guarantees	Part of exposures covered by credit derivatives	RWA post all CRM assigned to the obligor exposure class	RWA with substitution effects
		£m	%	%	%	%	%	%	%	%	%	%	£m	£m	
31 December 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n
6	Specialised lending under the slotting approach	3,316												2,230	2,230
7	Equity Exposures	1												3	3
8	Total	3,317												2,233	2,233

Annex XXIII: Specialised lending

UK CR10: Specialised lending exposures

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

CR10.1

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

		RBS plc					
		a	b	c	d	e	f
		Specialised lending: Project finance (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2023	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	1	-	50%	1	-	-
	Equal to or more than 2.5 years	550	34	70%	564	310	2
Category 2	Less than 2.5 years	3	-	70%	3	2	-
	Equal to or more than 2.5 years	1	31	90%	13	9	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	2	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	-	-	-	-	-	-
	Equal to or more than 2.5 years	26	-	-	26	-	13
Total	Less than 2.5 years	4	-		4	2	-
	Equal to or more than 2.5 years	577	67		604	320	15

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

CR10.2

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

		RBS plc					
		a	b	c	d	e	f
		Specialised lending: Income-producing real estate and high volatility commercial real estate (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2023	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	752	129	50%	795	398	-
	Equal to or more than 2.5 years	342	16	70%	348	243	1
Category 2	Less than 2.5 years	782	36	70%	800	560	3
	Equal to or more than 2.5 years	479	26	90%	506	456	4
Category 3	Less than 2.5 years	153	3	115%	152	174	4
	Equal to or more than 2.5 years	9	-	115%	9	10	-
Category 4	Less than 2.5 years	22	-	250%	23	56	2
	Equal to or more than 2.5 years	4	-	250%	4	10	-
Category 5	Less than 2.5 years	47	1	-	48	-	24
	Equal to or more than 2.5 years	24	-	-	24	-	13
Total	Less than 2.5 years	1,756	169		1,818	1,188	33
	Equal to or more than 2.5 years	858	42		891	719	18

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 Annual Report and Accounts.

The disclosure requirements for this section; which is applicable to entities within the NatWest Holdings Group is set out in the NatWest Holdings Group Pillar 3 Disclosure; Annex XXXIII: Remuneration (UK REM A – Remuneration policy for all colleagues) from pages 154 to 155. The NatWest Holdings Group Pillar 3 Disclosure has been published at investors.natwestgroup.com/reports-archive/2024

Remuneration of Material Risk Takers ('MRTs') – The Royal Bank of Scotland plc

The quantitative disclosures below are made in accordance with regulatory requirements in relation to 361 individuals who have been identified as MRTs for The Royal Bank of Scotland plc (RBS). These are individuals who perform their primary role for this entity. In order to ensure consistency across remuneration disclosures, we continue to exclude from the total number of MRTs, any individual who left the Group prior to year end (but their remuneration remains within the pay values reported).

We have excluded 311 individuals from the tables below on the basis that, although they have been identified as an MRT in relation to a role within this subsidiary entity, they do not receive any remuneration for this role and they perform their primary role for another entity within NatWest Group. You can find details of remuneration paid to MRTs in our Pillar 3 reporting for other entities within NatWest Group, at a consolidated, sub-consolidated and solo entity level, at natwestgroup.com. Note the numbers in the tables all agree to the underlying source data, but when presented to one decimal place and aggregated, this can result in small rounding differences.

All severance payments made to MRTs are included in the variable remuneration value disclosed, even when some or all of that severance does not count towards the calculation of the ratio of fixed to variable pay.

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

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

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

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

		Other senior management and other MRTs								Total
		Non-executive directors	Executive directors	Other senior mngt.	Other MRTs	Investment Banking	Retail Banking	Corporate Functions	Control Functions	
Fixed remuneration	Total number of MRTs	-	-	-	42	-	-	-	-	42
	Other senior management - split by business area	-	-	-	-	-	-	-	-	-
	Other MRTs - split by business area	-	-	-	-	-	-	-	42	42
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total fixed remuneration of MRTs	-	-	-	3.5	-	-	-	3.5	3.5
	Cash-based	-	-	-	3.5	-	-	-	3.5	3.5
	Share-based	-	-	-	-	-	-	-	-	-
Variable remuneration	Total number of MRTs	-	-	-	42	-	-	-	-	42
	Other senior management - split by business area	-	-	-	-	-	-	-	-	-
	Other MRTs - split by business area	-	-	-	-	-	-	-	42	42
		£m	£m	£m	£m	£m	£m	£m	£m	£m
	Total variable remuneration of MRTs	-	-	-	1.3	-	-	-	1.3	1.3
	Cash-based	-	-	-	1.2	-	-	-	1.2	1.2
	Of which: deferred cash	-	-	-	-	-	-	-	-	-
	Share-based (annual bonus)	-	-	-	0.1	-	-	-	0.1	0.1
	Of which: deferred shares	-	-	-	-	-	-	-	-	-
	Share-based (LTI awards)	-	-	-	-	-	-	-	-	-
	Of which: deferred shares	-	-	-	-	-	-	-	-	-
Total remuneration of MRTs		-	-	-	4.8	-	-	-	4.8	4.8

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

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

(3) Variable remuneration consists of a combination of annual bonus 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.

(4) 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 42 MRTs in respect of performance year 2024. Total remuneration for these individuals in 2024 was £3.70 million, of which £3.24 million was fixed pay and £0.46 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 0.13. The majority of MRTs were based in the UK.

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

	RBS Plc NEDs	RBS Plc EDs	Other senior management	Other MRTs
Special payments				
Guaranteed awards and sign on awards				
Number of MRTs	-	-	-	-
	£m	£m	£m	£m
Total amount	-	-	-	-
<i>Of which: paid during the financial year that are not taken into account in the bonus cap</i>	-	-	-	-
Severance payments awarded in previous periods, paid out during the financial year				
Number of MRTs	-	-	-	-
	£m	£m	£m	£m
Total amount	-	-	-	-
Severance payments awarded during the financial year				
Number of MRTs	-	-	-	7
	£m	£m	£m	£m
Total amount	-	-	-	0.8
<i>Of which: paid during the financial year</i>	-	-	-	0.8
<i>Of which: deferred</i>	-	-	-	-
<i>Of which: paid during the financial year that are not taken into account in the bonus cap</i>	-	-	-	0.8
<i>Of which: highest payment that has been awarded to a single person</i>	-	-	-	0.3

(1) This table reports details of new hire guarantees and severance. The disclosures do not include buy-outs or retention bonuses (where these have been granted).

(2) No severance payments in excess of contractual payments, local policies, standards, statutory amounts or amounts assessed by reference to legal risk and/or exposure to litigation were made to MRTs during the year.

UK REM3 - Outstanding deferred remuneration

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

	Total amount of deferred remuneration awarded for previous performance periods	Of which: due to vest in the financial year	Of which: vesting in subsequent financial years	Amount of performance adjustment to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment to deferred remuneration due to vest in future financial years	Total amount of adjustment during the financial year due to ex post implicit adjustments (2)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention
	£m	£m	£m	£m	£m	£m	£m	£m
Deferred and retained remuneration								
RBS plc NEDs - No deferred or retained remuneration held								
RBS plc EDs								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent interests	-	-	-	-	-	-	-	-
Share-linked or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-
Other senior management								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent interests	-	-	-	-	-	-	-	-
Share-linked or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-
Other MRTs								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent interests	-	-	-	-	-	-	-	-
Share-linked or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-
Total amount	-	-	-	-	-	-	-	-

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

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

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

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

(1) Total remuneration in the table above includes fixed pay, pension and benefit funding and variable pay (including severance, where applicable).

(2) Where applicable, the table is based on an average exchange rate of €1.181341 to £1 for 2024.