



NatWest
Group

NatWest Markets Plc

H1 2024 Pillar 3

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Forward-looking statements

This document contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as NWM Group's future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NWM Group in respect of, but not limited to: its economic and political risks (including due to GDP growth, inflation and interest rates, supply chain disruption and geopolitical developments), its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), implementation of NWM Group's strategy and NatWest Group's strategy and NatWest Group's creation of its Commercial & Institutional franchise (of which NWM Group forms part), its sustainability and climate related targets, its access to adequate sources of liquidity and funding, increasing competition from new incumbents and disruptive technologies, its exposure to third party risks, its ongoing compliance with the UK ring-fencing regime and ensuring operational continuity in resolution, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations, and NWM Group's exposure to operational risk, conduct risk, financial crime risk, cyber, data and IT risk, key person risk and credit rating 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, political uncertainty or instability, the impact of climate related risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or NWM Group's actual results are discussed in NWM Plc's 2023 Annual Report and Accounts (ARA), NWM Group's Interim Management Statement for Q1 and H1 2024, and other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NWM Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the interim Pillar 3 disclosures for NatWest Markets Plc (NWM Plc) as at 30 June 2024 which complement those in the NWM Group H1 2024 Interim Management Statement (IMS), which is published in the same location at: investors.natwestgroup.com/reports-archive/2024.

NWM Plc is incorporated in the United Kingdom and is a subsidiary of NatWest Group plc. NatWest Group plc is 'the ultimate holding company'. The term 'NatWest Group' refers to NatWest Group plc and its subsidiary and associated undertakings.

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

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

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

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

A subset of the Pillar 3 templates that are required to be disclosed on a semi-annual basis were not applicable to NWM Plc at 30 June and have therefore not been included in the document. These excluded templates are listed below, together with a summary of the reason for their exclusion.

PRA template reference	Template name	Reasons for exclusion
UK CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Threshold for disclosure not met
UK CQ2	Quality of forbearance	Threshold for disclosure not met
UK CQ6	Collateral valuation - loans and advances	Threshold for disclosure not met
UK CQ7	Collateral obtained by taking possession and execution processes	Collateral obtained by taking possession is not recognised on the balance sheet
UK CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	Collateral obtained by taking possession is not recognised on the balance sheet and threshold not met
UK CR10.3	Specialised lending : Object finance (Slotting approach)	No reportable exposures
UK CR10.4	Specialised lending : Commodities finance (Slotting approach)	No reportable exposures

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

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

For definitions of terms, refer to the Glossary and Acronyms document available on investors.natwestgroup.com/reports-archive/2023.

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

NatWest Markets Plc - Key points

CET1 ratio

18.7%

(Q1 2024 – 18.1%)

The CET1 ratio increased by 60 basis points to 18.7%. The increase in the CET1 ratio was due to a £1.0 billion decrease in RWAs partially offset by a £0.1 billion decrease in CET1 capital. The CET1 capital decrease was mainly driven by reserve movements.

RWAs

£20.5bn

(Q1 2024 - £21.5bn)

Total RWAs decreased by £1.0 billion to £20.5 billion mainly reflecting:

- a reduction in market risk RWAs of £0.6 billion to £5.6 billion due to VaR based RWAs reflecting RWA reduction activity, partially offset by an increase to incremental risk charge due to government bond positions.
- a reduction in counterparty credit risk RWAs of £0.3 billion to £5.9 billion driven by reduced over-the-counter exposure.

UK leverage ratio

5.2%

(Q1 2024 – 5.0%)

The leverage ratio increased by 20 basis points to 5.2% driven by a £5.2 billion decrease in leverage exposure partially offset by a £0.1 billion decrease in Tier 1 capital. The key drivers in the leverage exposure were a decrease in trading and other financial assets, net derivatives and other off balance sheet items, partially offset by an increase in the SFT add on.

UK average leverage ratio

4.8%

(Q1 2024 – 5.0%)

The average leverage ratio decreased by 20 basis points to 4.8% driven by a £3.5 billion increase in average leverage exposure partially offset by an immaterial increase in 3-month average Tier 1 capital. The key drivers in the average leverage exposure were an increase in trading and other financial assets and net settlement balances.

LCR average

203%

(Q1 2024 - 219%)

The average Liquidity Coverage Ratio (LCR) decreased 16% compared to Q1 2024. The reduction in LCR was due to management of excess liquidity to reduce funding costs.

NSFR average

118%

(Q1 2024 - 121%)

The Net Stable Funding Ratio (NSFR) was 118% compared to 121% in Q1 2024. The reduction was due to increased lending in the banking book.

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

UK KM1: Key metrics

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

	30 June 2024 £m	31 March 2024 £m	31 December 2023 £m	30 September 2023 £m	30 June 2023 £m
Available own funds (amounts)					
1 Common equity tier 1 (CET1) capital	3,840	3,901	3,776	3,523	3,542
2 Tier 1 capital	4,519	4,580	4,455	4,202	4,221
3 Total capital	5,198	5,274	5,072	4,828	4,841
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	20,542	21,506	22,099	23,392	20,159
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	18.7	18.1	17.1	15.1	17.6
6 Tier 1 ratio (%)	22.0	21.3	20.2	18.0	20.9
7 Total capital ratio (%)	25.3	24.5	23.0	20.6	24.0
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	3.1	3.1	3.1	2.6	2.6
UK 7b Additional AT1 SREP requirements (%)	1.0	1.0	1.0	0.9	0.9
UK 7c Additional Tier 2 SREP requirements (%)	1.4	1.4	1.4	1.2	1.2
UK 7d Total SREP own funds requirements (%)	13.5	13.5	13.5	12.7	12.7
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)	1.0	1.0	1.0	1.1	0.6
11 Combined buffer requirement (%)	3.5	3.5	3.5	3.6	3.1
UK 11a Overall capital requirements (%)	17.0	17.0	17.0	16.3	15.8
12 CET1 available after meeting the total SREP own funds requirements (%)	11.1	10.5	9.4	8.0	10.5
Leverage ratio					
13 Total exposure measure excluding claims on central banks	86,275	91,464	89,929	85,706	78,064
14 Leverage ratio excluding claims on central banks (%)	5.2	5.0	5.0	4.9	5.4
Additional leverage ratio disclosure requirements					
UK 14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.2	5.0	5.0	4.9	5.4
UK 14b Leverage ratio including claims on central banks (%)	4.6	4.5	4.5	4.2	4.6
UK 14c Average leverage ratio excluding claims on central banks (%)	4.8	5.0	4.9	5.2	5.4
UK 14d Average leverage ratio including claims on central banks (%)	4.3	4.4	4.3	4.5	4.6
UK 14e Countercyclical leverage ratio buffer (%) (1)	0.4	0.4	0.4	0.4	0.2
Liquidity coverage ratio					
15 Total high-quality liquid assets (HQLA) (weighted value-average)	18,873	19,280	19,620	19,781	19,671
UK 16a Cash outflows - Total weighted value	12,773	12,656	11,986	11,876	12,245
UK 16b Cash inflows - Total weighted value	3,392	3,801	3,696	4,012	4,336
16 Total net cash outflows (adjusted value)	9,381	8,855	8,290	7,864	7,909
17 Liquidity coverage ratio (%) (2)	203	219	240	255	253
Net stable funding ratio					
18 Total available stable funding	32,824	32,012	31,864	31,923	31,783
19 Total required stable funding	27,788	26,446	25,065	23,604	23,117
20 NSFR ratio (%) (3)	118	121	127	135	137

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

(2) The Liquidity Coverage Ratio (LCR) uses the simple average of the preceding 12 monthly periods ending on the quarterly reporting date as specified in the table.

(3) The Net Stable Funding Ratio (NSFR) is calculated as the average of the preceding four quarters.

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

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

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

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

	30 June 2024 £m	31 March 2024 £m	31 December 2023 £m	30 September 2023 £m	30 June 2023 £m
Available capital (amounts) - transitional					
1 Common equity Tier 1	3,840	3,901	3,776	3,523	3,542
2 Common equity Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	3,839	3,900	3,775	3,522	3,541
3 Tier 1 capital	4,519	4,580	4,455	4,202	4,221
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	4,518	4,579	4,454	4,201	4,220
5 Total capital	5,198	5,274	5,072	4,828	4,841
6 Total capital as if IFRS 9 transitional arrangements had not been applied	5,197	5,273	5,071	4,827	4,840
Risk-weighted assets (amounts)					
7 Total risk-weighted assets	20,542	21,506	22,099	23,392	20,159
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	20,541	21,505	22,098	23,390	20,158
Capital ratios					
	%	%	%	%	%
9 Common equity Tier 1 ratio	18.7	18.1	17.1	15.1	17.6
10 Common equity Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.7	18.1	17.1	15.1	17.6
11 Tier 1 ratio	22.0	21.3	20.2	18.0	20.9
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	22.0	21.3	20.2	18.0	20.9
13 Total capital ratio	25.3	24.5	23.0	20.6	24.0
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	25.3	24.5	22.9	20.6	24.0
Leverage ratio					
15 Leverage ratio exposure measure (£m)	86,275	91,464	89,929	85,706	78,064
16 Leverage ratio (%)	5.2	5.0	5.0	4.9	5.4
17 Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.2	5.0	5.0	4.9	5.4

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

UK OV1: Overview of risk-weighted exposure amounts

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

		NWM Plc			
		a		b	c
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements	
		30 June 2024	31 March 2024	30 June 2024	
		£m	£m	£m	
1	Credit risk (excluding counterparty credit risk)	5,582	5,687	446	
2	Of which: standardised approach	1,968	1,920	157	
3	Of which: the foundation IRB (FIRB) approach	-	-	-	
4	Of which: slotting approach	130	137	10	
UK 4a	Of which: equities under the simple risk-weighted approach	100	-	8	
5	Of which: the advanced IRB (AIRB) approach (1)	3,384	3,630	271	
5a	Of which: non-credit obligation assets (3)	111	129	9	
6	Counterparty credit risk	5,796	6,038	464	
7	Of which: standardised approach	954	1,069	76	
8	Of which: internal model method (IMM)	3,332	3,455	267	
UK 8a	Of which: exposures to a CCP	71	70	6	
UK 8b	Of which: credit valuation adjustment (CVA)	797	807	64	
9	Of which: other counterparty credit risk	642	637	51	
15	Settlement risk	-	-	-	
16	Securitisation exposures in the non-trading book (after the cap)	2,588	2,567	207	
17	Of which: SEC-IRBA approach	-	-	-	
18	Of which: SEC-ERBA (including IAA)	116	185	9	
19	Of which: SEC-SA approach	2,424	2,334	194	
UK 19a	Of which: 1,250%/deduction	48	48	4	
20	Position, foreign exchange and commodities risk (market risk)	5,574	6,212	446	
21	Of which: standardised approach	378	373	30	
22	Of which: IMA	5,196	5,839	416	
UK 22a	Large exposures	-	-	-	
23	Operational risk	1,002	1,002	80	
UK 23a	Of which: basic indicator approach	-	-	-	
UK 23b	Of which: standardised approach	1,002	1,002	80	
UK 23c	Of which: advanced measurement approach	-	-	-	
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	1,331	1,344	106	
29	Total	20,542	21,506	1,643	

(1) Of which £11.7 million RWAs (31 March 2024 - £13.4 million) relate to equity IRB under the probability of default/loss given default approach.

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

(3) 5a is subset of total IRB RWAs disclosed in Row 5.

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

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

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

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

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

Q2 2024

- The reduction in RWAs was mainly within asset size, along with a decrease in RWA relating to asset quality due to probability of default and loss given default improvements. This was combined with the foreign exchange rate effect due to sterling strengthening against the US dollar and the euro during the period.

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

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

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

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

Q2 2024

- IMM RWAs decreased, mainly reflecting an overall reduction in asset size.

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

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

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

	a	b	c	e	f	g
	Value-at-risk (VaR)	Stressed value-at-risk (SVaR)	Incremental risk charge	Other risks-not-in-VaR (RNIV)	Total RWAs	Total own funds requirements
	£m	£m	£m	£m	£m	£m
1 At 31 December 2023	1,597	2,295	802	1,278	5,972	477
1a <i>Regulatory adjustment (1)</i>	<i>(1,214)</i>	<i>(1,796)</i>	<i>(168)</i>	-	<i>(3,178)</i>	<i>(255)</i>
1b <i>RWAs at 31 December 2023 (end of day)</i>	<i>383</i>	<i>499</i>	<i>634</i>	<i>1,278</i>	<i>2,794</i>	<i>222</i>
2 <i>Movement in risk levels</i>	<i>(103)</i>	<i>(63)</i>	<i>443</i>	<i>(217)</i>	<i>60</i>	<i>5</i>
3 <i>Model updates/changes</i>	-	-	-	<i>(116)</i>	<i>(116)</i>	<i>(9)</i>
8a <i>RWAs at 31 March 2024 (end of day)</i>	<i>280</i>	<i>436</i>	<i>1,077</i>	<i>945</i>	<i>2,738</i>	<i>218</i>
8b <i>Regulatory adjustment (1)</i>	<i>1,368</i>	<i>1,727</i>	<i>6</i>	-	<i>3,101</i>	<i>249</i>
8 At 31 March 2024	1,648	2,163	1,083	945	5,839	467
1a <i>Regulatory adjustment (1)</i>	<i>(1,368)</i>	<i>(1,727)</i>	<i>(6)</i>	-	<i>(3,101)</i>	<i>(249)</i>
1b <i>RWAs at 31 March 2024 (end of day)</i>	<i>280</i>	<i>436</i>	<i>1,077</i>	<i>945</i>	<i>2,738</i>	<i>218</i>
2 <i>Movement in risk levels</i>	<i>186</i>	<i>275</i>	<i>114</i>	<i>64</i>	<i>639</i>	<i>52</i>
3 <i>Model updates/changes</i>	-	-	-	<i>(110)</i>	<i>(110)</i>	<i>(9)</i>
8a <i>RWAs at 30 June 2024 (end of day)</i>	<i>466</i>	<i>711</i>	<i>1,191</i>	<i>899</i>	<i>3,267</i>	<i>261</i>
8b <i>Regulatory adjustment (1)</i>	<i>670</i>	<i>1,259</i>	-	-	<i>1,929</i>	<i>154</i>
8 At 30 June 2024	1,136	1,970	1,191	899	5,196	415

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

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

Q2 2024

- Overall, market risk RWAs under the IMA fell during the second quarter.
- This was largely due to a decrease in VaR-based RWAs, reflecting RWA reduction activity and periods of market volatility in 2022 dropping out of the VaR calculation window. SVaR-based RWAs also fell, mainly related to RWA reduction activity.
- The increase in the incremental risk charge mainly reflected increases in government bond positions.
- RNIV-based RWAs were broadly unchanged.

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.

		NWM Plc		
		30 June 2024	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023
		£m		£m
CET1 capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	2,346		2,346
	<i>of which: ordinary shares</i>	400	(a)	400
	<i>of which: share premium</i>	1,946	(j)	1,946
2	Retained earnings	3,408	(b)	3,646
3	Accumulated other comprehensive income (and other reserves)	(381)	(c)	(344)
UK-3a	Funds for general banking risk	-		-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-		-
5	Minority interests (amount allowed in consolidated CET1)	-		-
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-		-
6	CET1 capital before regulatory adjustments	5,373		5,648
CET1 capital: regulatory adjustments				
7	(-) Additional value adjustments	(149)		(160)
8	(-) Intangible assets (net of related tax liability)	-		-
10	(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	(d)	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	217	(h)	187
12	(-) Negative amounts resulting from the calculation of expected loss amounts	(4)		(6)
13	(-) Any increase in equity that results from securitised assets	-		-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	35		25
15	(-) Defined-benefit pension fund assets	(112)	(e) & (f)	(94)
16	(-) Direct, indirect and synthetic holdings by an institution of own CET1 instruments	-		-
17	(-) Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-		-
18	(-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (above the 10% threshold and net of eligible short positions)	-		-
19	(-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	(1,485)		(1,585)
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-		-
UK-20b	<i>(-) of which: qualifying holdings outside the financial sector</i>	-		-
UK-20c	<i>(-) of which: securitisation positions</i>	-		-
UK-20d	<i>(-) of which: free deliveries</i>	-		-
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	-		-

Annex VII: Capital continued

UK CC1: Composition of regulatory own funds continued

		NWM Plc	
		30 June 2024	31 December 2023
		£m	£m
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	of consolidation
CET1 capital: regulatory adjustments			
23	<i>(-) 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</i>	-	-
25	<i>(-) of which: deferred tax assets arising from temporary differences</i>	-	-
UK-25a	(-) Losses for the current financial period	(36)	(239)
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)	1	-
28	Total regulatory adjustments to CET1	(1,533)	(1,872)
29	CET1 capital	3,840	3,776
AT1 capital: instruments			
30	Capital instruments and the related share premium accounts	904	904
31	<i>of which: classified as equity under applicable accounting standards</i>	904	904
32	<i>of which: classified as liabilities under applicable accounting standards</i>	-	-
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1 as described in Article 486 (3) CRR	-	-
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5 CET1) issued by subsidiaries and held by third parties	-	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
36	AT1 capital before regulatory adjustments	904	904
AT1 capital: regulatory adjustments			
37	(-) Direct, indirect and synthetic holdings by an institution of own AT1 instruments	-	-
38	(-) Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-	-
39	(-) Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-
40	(-) Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	(225)	(225)
42	(-) Qualifying T2 deductions that exceed the T2 items of the institution	-	-
42a	Other regulatory adjustments to AT1 capital	-	-
43	Total regulatory adjustments to AT1 capital	(225)	(225)
44	AT1 capital	679	679
45	T1 capital (T1 = CET1 + AT1)	4,519	4,455

Annex VII: Capital continued

UK CC1: Composition of regulatory own funds continued

		NWM Plc	
		30 June 2024	31 December 2023
		£m	£m
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	(i)
T2 capital: instruments			
46	Capital instruments and the related share premium accounts	1,098	(i) 1,022
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-	-
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in 5 or 34) issued by subsidiaries and held by third parties	-	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
50	Credit risk adjustments	1	16
51	T2 capital before regulatory adjustments	1,099	1,038
T2 capital: regulatory adjustments			
52	(-) Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	-	-
53	(-) Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-	-
54	(-) Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	-	-
55	(-) Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	(420)	(421)
UK-56a	(-) Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution	-	-
UK-56b	Other regulatory adjustments to T2 capital	-	-
57	Total regulatory adjustments to T2 capital	(420)	(421)
58	T2 capital	679	617
59	Total capital (TC = T1 + T2)	5,198	5,072
60	Total risk exposure amount	20,542	22,099
Capital ratios and buffers			
61	CET1 (as a percentage of total risk exposure amount)	18.7%	17.1%
62	T1 (as a percentage of total risk exposure amount)	22.0%	20.2%
63	Total capital (as a percentage of total risk exposure amount)	25.3%	23.0%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) Article 104 (1) CRD plus combined buffer requirement in accordance with Article 128 (6) CRD) expressed as a percentage of risk exposure amount)	11.1%	11.1%
65	<i>Of which: capital conservation buffer requirement</i>	2.5%	2.5%
66	<i>of which: counter cyclical buffer requirement</i>	1.0%	1.0%
67	<i>of which: systemic risk buffer requirement</i>	-	-
UK-67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	-	-
68	CET1 available to meet buffers (as a percentage of risk exposure amount) (1)	11.1%	9.4%

Annex VII: Capital continued

UK CC1: Composition of regulatory own funds continued

		NWM Plc	
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2023
		30 June 2024 £m	£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)	460	399
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% threshold and net of eligible short positions)	532	536
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	-
Available caps on the inclusion of provisions in T2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	25	25
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	1	16
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	37	35
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

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

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

Annex VII: Capital continued

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

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

	NWM Plc		References
	As at period end 30 June 2024		
	a	b	
	Balance sheet as in published financial statements as at period end (1)	Under regulatory scope of consolidation as at period end	
	£m	£m	
Assets			
Cash and balances at central banks	12,491	12,491	
Trading assets	26,249	26,249	
Derivatives	63,818	63,818	
Settlement balances	3,247	3,247	
Loans to banks - amortised cost	847	847	
Loans to customers - amortised cost	13,320	13,320	
Amounts due from holding companies and fellow subsidiaries	4,401	4,401	
Other financial assets	14,490	14,490	
Investment in group undertakings	2,240	2,240	
Property, plant and equipment	3	3	
Current and deferred tax assets	253	253	
<i>of which: DTAs that rely on future profitability and do not arise from temporary differences</i>	-	-	(d)
Prepayments, accrued income and other assets	269	269	
<i>of which: defined benefit pension fund assets</i>	150	150	(e)
Total assets	141,628	141,628	
Liabilities			
Bank deposits	2,560	2,560	
Customer deposits	3,060	3,060	
Amounts due to holding companies and fellow subsidiaries	11,566	11,566	(i)
Settlement balances	2,856	2,856	
Trading liabilities	31,701	31,701	
Derivatives	58,145	58,145	
Other financial liabilities	25,063	25,063	(i)
Subordinated liabilities	19	19	(i)
Provisions, deferred income and other liabilities	380	380	
Current and deferred tax liabilities	38	38	
<i>of which: defined benefit pension scheme assets</i>	38	38	(f)
Total liabilities	135,388	135,388	
Shareholders' Equity			
Owners' equity			
Called up share capital	400	400	(a)
Reserves	5,840	5,840	
<i>of which: amount eligible for retained earnings</i>	3,371	3,371	(b)
<i>of which: amount eligible for accumulated OCI and other reserves</i>	(381)	(381)	(c) & (h)
<i>of which: amount of other equity instruments</i>	904	904	(g)
<i>of which: share premium accounts</i>	1,946	1,946	(j)
Non-controlling interests	-	-	
Total shareholders' equity	6,240	6,240	

(1) NWM Plc publishes audited financial statements on an annual basis. For H1 disclosures, the reconciliation shown in UK CC2 is completed in accordance with Financial Reporting outcomes (i.e. FINREP).

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

Annex IX: Countercyclical capital buffers

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

As part of the banking reforms introduced by Basel III, a countercyclical capital buffer is required to ensure banks take account of the macro-financial environment when assessing adequate capital requirements.

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

	NWM Plc															
	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	Relevant credit risk exposures -		Relevant credit exposures -		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	Exposure value for non-trading book			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Securitisation positions in the non trading book	Total						
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%			
30 June 2024																
Breakdown by country (with existing CCyB rates)⁽¹⁾																
Denmark	-	124	-	-	-	124	1	-	-	1	17	0.15%	2.50%			
Norway	-	9	-	46	-	55	-	1	-	1	16	0.15%	2.50%			
United Kingdom	1,209	5,001	14	745	6,069	13,038	304	23	74	401	5,009	44.14%	2.00%			
Netherlands	26	340	-	165	21	552	6	8	4	18	231	2.04%	2.00%			
Sweden	-	8	-	18	-	26	-	1	-	1	14	0.12%	2.00%			
Czech Republic	-	-	-	4	-	4	-	-	-	-	-	0.00%	1.75%			
Ireland	11	109	-	24	151	295	3	2	2	7	91	0.81%	1.50%			
France	6	268	-	210	828	1,312	6	6	11	23	285	2.51%	1.00%			
Australia	-	20	-	8	-	28	1	-	-	1	8	0.07%	1.00%			
Hong Kong	-	1	-	-	-	1	-	-	-	-	1	0.01%	1.00%			
Germany	1	256	-	91	4	352	7	4	-	11	133	1.17%	0.75%			
Luxembourg	1	3,978	-	26	355	4,360	70	2	4	76	951	8.38%	0.50%			
Belgium	7	20	-	34	-	61	1	2	-	3	42	0.37%	0.50%			
Total (countries with existing CCyB rates)	1,261	10,134	14	1,371	7,428	20,208	399	49	95	543	6,798	59.92%				

Annex IX: Countercyclical capital buffers continued

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

	NWM Plc												
	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	Relevant credit risk exposures -		Relevant credit exposures -		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	Exposure value for non-trading book			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Securitisation positions in the non trading book	Total			
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
30 June 2024													
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
United States	778	7,910	9	97	8,637	17,431	163	10	109	282	3,528	31.08%	
Cayman Islands	29	1,444	-	-	-	1,473	23	-	-	23	282	2.49%	
Italy	31	41	-	106	9	187	5	9	-	14	179	1.58%	
Jersey	3	696	-	4	148	851	11	-	2	13	165	1.46%	
Total (Countries with zero CCyB rates and with own funds requirement weights 1% and above)	841	10,091	9	207	8,794	19,942	202	19	111	332	4,154	36.61%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	112	746	4	1,192	1	2,055	22	10	1	33	396	3.47%	
Total	2,214	20,971	27	2,770	16,223	42,205	623	78	207	908	11,348	100.00%	

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

Annex IX: Countercyclical capital buffers continued

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

	NWM Plc												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -												
	General credit exposures		Market risk		Own fund requirements								
Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non trading book	Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate	
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
31 December 2023													
Breakdown by country (with existing CCyB rates)													
Norway	-	51	-	-	-	51	2	-	-	2	20	0.19%	2.50%
Denmark	-	120	-	-	-	120	1	-	-	1	17	0.16%	2.50%
United Kingdom	1,382	5,058	14	324	5,306	12,084	313	16	67	396	4,969	45.22%	2.00%
Sweden	-	32	-	-	-	32	-	3	-	3	32	0.29%	2.00%
Czech Republic	-	-	-	4	-	4	-	-	-	-	-	-	2.00%
Iceland	-	-	-	-	-	-	-	-	-	-	-	-	2.00%
Bulgaria	-	-	-	-	-	-	-	-	-	-	-	-	2.00%
Slovakia	-	-	-	-	-	-	-	-	-	-	-	-	1.50%
Netherlands	26	266	-	88	31	411	7	6	4	17	210	1.91%	1.00%
Ireland	16	144	-	11	333	504	5	1	4	10	120	1.09%	1.00%
Australia	-	16	-	1	-	17	1	-	-	1	9	0.08%	1.00%
Hong Kong	-	1	-	-	-	1	-	-	-	-	1	0.01%	1.00%
Croatia	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Lithuania	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Romania	-	-	-	-	-	-	-	-	-	-	-	-	1.00%
Germany	2	182	-	82	4	270	4	1	-	5	66	0.60%	0.75%
Luxembourg	4	3,761	-	63	329	4,157	69	5	4	78	973	8.86%	0.50%
France	6	307	-	107	891	1,311	8	3	12	23	287	2.61%	0.50%
Cyprus	-	-	-	-	-	-	-	-	-	-	-	-	0.50%
Slovenia	-	-	-	-	-	-	-	-	-	-	-	-	0.50%
Total (countries with existing CCyB rates)	1,436	9,938	14	680	6,894	18,962	410	35	91	536	6,704	61.02%	

Annex IX: Countercyclical capital buffers continued

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

NWM Plc														
	a	b	c	d	e	f	g	h	i	j	k	l	m	
	Relevant credit exposures -													
	General credit exposures		Market risk		Own fund requirements									
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non trading book	Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate	
31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)														
United States	658	8,132	9	105	7,742	16,646	157	5	99	261	3,256	29.64%		
Cayman Islands	26	1,463	-	-	-	1,489	26	-	-	26	323	2.94%		
Jersey	3	613	-	-	131	747	12	-	2	14	169	1.54%		
Italy	34	47	-	22	9	112	6	2	-	8	113	1.03%		
Total (Countries with zero CCyB rates and with own funds requirement weights 1% and above)	721	10,255	9	127	7,882	18,994	201	7	101	309	3,861	35.15%		
Total (rest of the world with zero CCyB rate and below 1% requirement)	104	783	4	2,533	1	3,425	25	9	-	34	422	3.83%		
Total	2,261	20,976	27	3,340	14,777	41,381	636	51	192	879	10,987	100.00%		

Annex IX: Countercyclical capital buffers continued

UK CCyB2: Amount of institution-specific countercyclical capital buffer

	NWM Plc	
	30 June 2024 £m	31 December 2023 £m
1 Total risk exposure amount	20,542	22,099
2 Institution specific countercyclical capital buffer	1.02%	1.01%
3 Institution specific countercyclical capital buffer requirement (1)	210	224

(1) The UK CCyB rate is currently being maintained at 2%. This may vary in either direction in the future depending on how risks develop. Foreign exposures may be subject to different CCyB rates depending on the rate set in those jurisdictions.

Annex XI: Leverage

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

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

		NWM Plc	
		30 June 2024	31 December 2023
		£m	£m
1	Total assets as per published financial statements (1)	141,628	150,658
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for exemption of exposures to central banks)	(12,489)	(8,604)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (1) of Article 429a(1) of the CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(3,593)	(1,307)
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	(46,872)	(58,236)
9	Adjustment for securities financing transactions (SFTs)	1,649	1,301
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	8,225	8,496
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital (leverage))	(157)	(169)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	(297)	(310)
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12	Other adjustments	(1,819)	(1,900)
13	Total exposure measure	86,275	89,929

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

Annex XI: Leverage continued

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.

		NWM Plc	
		30 June	31 December
		2024	2023
		£m	£m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	65,703	56,970
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(5,964)	(7,428)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital (leverage))	(1,972)	(2,068)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	57,767	47,474
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	7,208	8,837
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for PFE associated with SA-CCR derivatives transactions	15,110	15,691
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	5,019	4,277
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(4,429)	(3,780)
13	Total derivative exposures	22,908	25,025
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	14,272	18,448
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(5,638)	(1,898)
16	Counterparty credit risk exposure for SFT assets	1,649	1,301
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
UK-17	Agent transaction exposures	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	Total securities financing transaction exposures	10,283	17,851
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	11,917	13,121
20	(Adjustments for conversion to credit equivalent amounts)	(3,811)	(4,625)
21	(General provisions deducted in determining Tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	(3)	(3)
22	Off-balance sheet exposures	8,103	8,493

Annex XI: Leverage continued

UK LR2 - LRCom: Leverage ratio common disclosure continued

		NWM Plc	
		30 June 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)	(297)	(310)
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	-	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	-	-
UK-22k	(Total exempted exposures)	(297)	(310)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	4,519	4,455
24	Total exposure measure including claims on central banks	98,764	98,533
UK-24a (-)	Claims on central banks excluded	(12,489)	(8,604)
UK-24b	Total exposure measure excluding claims on central banks	86,275	89,929
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.2	5.0
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.2	5.0
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.2	5.0
UK-25c	Leverage ratio including claims on central banks (%)	4.6	4.5
26	Regulatory minimum leverage ratio requirement (%) (1)	3.25	3.25
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)	0.4	0.4
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	-	-
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.4	0.4
Additional leverage ratio disclosure requirements - disclosure of mean values (1)			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	12,456	13,316
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	8,634	16,550
UK-31	Average total exposure measure excluding claims on central banks	94,236	88,365
UK-32	Average total exposure measure including claims on central banks	104,598	99,745
UK-33	Average leverage ratio excluding claims on central banks	4.8	4.9
UK-34	Average leverage ratio including claims on central banks	4.3	4.3

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

Annex XI Leverage continued

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.

		NWM Plc	
		30 June	31 December
		2024	2023
		£m	£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which	46,273	42,056
UK-2	Trading book exposures	23,841	16,174
UK-3	Banking book exposures, of which:	22,432	25,882
UK-4	Covered bonds	-	-
UK-5	Exposures treated as sovereigns	3,277	3,209
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	812	708
UK-7	Institutions	767	1,248
UK-8	Secured by mortgages of immovable properties	37	38
UK-9	Retail exposures	-	-
UK-10	Corporate	6,874	7,696
UK-11	Exposures in default	13	-
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	10,652	12,983

Annex XIII: Liquidity

UK LIQ1: Quantitative information of LCR

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

		NWM Plc							
		Total unweighted value (average)				Total weighted value (average)			
		30 June 2024	31 March 2024	31 December 2023	30 September 2023	30 June 2024	31 March 2024	31 December 2023	30 September 2023
Number of data points used in the calculation of averages		12	12	12	12	12	12	12	12
		£m	£m	£m	£m	£m	£m	£m	£m
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA)					18,873	19,280	19,620	19,781
Cash - outflows									
2	Retail deposits and deposits from small business customers, of which:	47	51	60	60	1	1	1	1
3	Stable deposits	6	5	6	6	-	-	-	-
4	Less stable deposits	6	6	7	7	1	1	1	1
5	Unsecured wholesale funding	3,103	2,993	2,627	2,329	2,567	2,442	2,118	1,833
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	1,463	1,423	1,330	1,295	927	872	821	799
8	Unsecured debt	1,640	1,570	1,297	1,034	1,640	1,570	1,297	1,034
9	Secured wholesale funding					1,242	1,103	882	808
10	Additional requirements	11,341	11,349	11,251	11,287	7,751	7,793	7,748	7,773
11	Outflows related to derivative exposures and other collateral requirements	3,952	4,329	4,645	4,940	3,852	4,168	4,426	4,698
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	7,389	7,020	6,606	6,347	3,899	3,625	3,322	3,075
14	Other contractual funding obligations	16,177	13,435	10,082	9,392	1,202	1,307	1,227	1,452
15	Other contingent funding obligations	2,119	2,172	2,030	1,965	10	10	10	9
16	Total cash outflows					12,773	12,656	11,986	11,876
Cash - inflows									
17	Secured lending (e.g. reverse repos)	18,270	17,195	16,208	15,531	862	991	977	899
18	Inflows from fully performing exposures	602	643	674	724	601	640	670	718
19	Other cash inflows	7,253	5,559	2,846	2,396	1,929	2,170	2,049	2,395
UK-19a	(Difference between total weighted inflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	Total cash inflows	26,125	23,397	19,728	18,651	3,392	3,801	3,696	4,012
UK-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
UK-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
UK-20c	Inflows subject to 75% cap	23,809	21,104	17,381	16,318	3,392	3,801	3,696	4,012
Total adjusted value									
UK-21	Liquidity buffer					18,873	19,280	19,620	19,781
22	Total net cash outflows					9,381	8,855	8,290	7,864
23	Liquidity coverage ratio (%)					203	219	240	255

Annex XIII: Liquidity continued

UK LIQ2: Net stable funding ratio

30 June 2024		NWM Plc				
		a	b	c	d	e
		Unweighted value by residual maturity (average)				Weighted Value (average)
No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr			
Available stable funding (ASF) Items						
1	Capital items and instruments	6,255	-	-	1,064	7,319
2	Own funds	6,255	-	-	1,064	7,319
3	Other capital instruments					
4	Retail Deposits		38	5	-	39
5	Stable deposits		19	3	-	20
6	Less stable deposits		19	2	-	19
7	Wholesale funding		33,650	5,036	21,751	25,449
8	Operational deposits		-	-	-	-
9	Other wholesale funding		33,650	5,036	21,751	25,449
10	Interdependent liabilities		-	-	-	-
11	Other liabilities	21	3,653	-	17	17
12	NSFR derivative liabilities	21				
13	All other liabilities and capital instruments not included in the above categories		3,653	-	17	17
14	Total available stable funding (ASF)					32,824
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					547
UK-15a	Assets encumbered for more than 12 months in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		13,347	2,818	21,318	21,880
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		9,679	141	328	398
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		3,418	2,582	9,879	11,587
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		9	17	635	497
21	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		3	7	278	283
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		241	78	10,476	9,398
25	Interdependent assets		-	-	-	-
26	Other assets:		13,914	-	4,656	4,962
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	1,886	1,603
29	NSFR derivative assets		294	-	-	294
30	NSFR derivative liabilities before deduction of variation margin posted		10,008	-	-	500
31	All other assets not included in the above categories		3,613	-	2,770	2,564
32	Off-balance sheet items		7,986	-	-	399
33	Total RSF					27,788
34	Net Stable Funding Ratio (%)					118%

Annex XIII: Liquidity continued

UK LIQ2: Net stable funding ratio continued

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

Annex XIII: Liquidity continued

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

LCR inputs & results over time

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

All figures included in the table represent a 12 month rolling average. The average LCR for the 12 months to 30 June 2024 decreased by 16% over the previous quarter, from 219% to 203%. The reduction in LCR is due to management of excess liquidity to reduce funding costs.

Concentration of funding sources

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

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

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

Liquidity buffer composition

HQLA is primarily held in Level 1 cash and central bank reserves (59%) and Level 1 high quality securities (36%). Level 2 securities account for 5%.

Derivative exposures and potential collateral calls

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

Currency mismatch in the LCR

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

Annex XV: Credit risk quality

UK CQ1: Credit quality of forborne exposures

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

		NWM Plc								
		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 £m	Non-performing forborne £m	Of which: Defaulted £m	Of which: Impaired £m	On performing forborne exposures £m	On non-performing forborne exposures £m			£m
30 June 2024										
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-
010	Loans and advances	-	21	21	21	-	(3)	3		3
020	<i>Central banks</i>	-	-	-	-	-	-	-		-
030	<i>General governments</i>	-	-	-	-	-	-	-		-
040	<i>Credit institutions</i>	-	-	-	-	-	-	-		-
050	<i>Other financial corporations</i>	-	-	-	-	-	-	-		-
060	<i>Non-financial corporations</i>	-	21	21	21	-	(3)	3		3
070	<i>Households</i>	-	-	-	-	-	-	-		-
080	Debt securities	-	-	-	-	-	-	-		-
090	Loan commitments given	-	17	17	17	-	-	16		16
100	Total	-	38	38	38	-	(3)	19		19

Annex XV: Credit risk quality continued

UK CQ1: Credit quality of forborne exposures continued

		NWM Plc							
		a	b	c	d	e		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		On performing forborne exposures	On non-performing forborne exposures			
		£m	£m	Of which: Defaulted £m	Of which: Impaired £m	£m	£m	£m	£m
31 December 2023									
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	-	4	4	4	-	(1)	3	3
020	<i>Central banks</i>	-	-	-	-	-	-	-	-
030	<i>General governments</i>	-	-	-	-	-	-	-	-
040	<i>Credit institutions</i>	-	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	-	-	-	-	-	-	-	-
060	<i>Non-financial corporations</i>	-	4	4	4	-	(1)	3	3
070	<i>Households</i>	-	-	-	-	-	-	-	-
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	-	4	4	4	-	(1)	3	3

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

Annex XV: Credit risk quality continued

UK CQ4: Quality of non-performing exposures by geography

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

		NWM Plc						
		a	b	c	d	e	f	g
		Gross carrying/ nominal amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: subject to impairment £m	Accumulated impairment £m	Provisions on off-balance sheet commitments and financial guarantees given £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
30 June 2024								
010	On-balance sheet exposures	34,376	34	34	30,241	(36)	-	-
020	UK	10,644	7	7	8,343	(15)	-	-
030	Rol	114	-	-	105	-	-	-
040	Other Western Europe	6,561	5	5	5,618	(9)	-	-
050	US	14,093	-	-	13,794	(5)	-	-
060	Other countries	2,964	22	22	2,381	(7)	-	-
070	Off-balance sheet exposures	8,850	21	21	-	-	(3)	-
080	UK	2,413	-	-	-	-	(1)	-
090	Rol	84	-	-	-	-	-	-
100	Other Western Europe	1,935	4	4	-	-	(2)	-
110	US	3,493	-	-	-	-	-	-
120	Other countries	925	17	17	-	-	-	-
130	Total	43,226	55	55	30,241	(36)	(3)	-

Annex XV: Credit risk quality continued

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

		NWM Plc						
		a	b	c	d	e	f	g
		Gross carrying/ nominal amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: subject to impairment £m	Accumulated impairment £m	Provisions on off-balance sheet commitments and financial guarantees given £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
31 December 2023								
010	On-balance sheet exposures	31,144	25	25	28,834	(43)	-	-
020	UK	10,075	12	12	9,012	(19)	-	-
030	Rol	292	-	-	285	(1)	-	-
040	Other Western Europe	5,398	9	9	4,947	(12)	-	-
050	US	12,422	-	-	12,399	(5)	-	-
060	Other countries	2,957	4	4	2,191	(6)	-	-
070	Off-balance sheet exposures	9,985	21	21	-	-	(5)	-
080	UK	2,247	-	-	-	-	-	-
090	Rol	87	-	-	-	-	-	-
100	Other Western Europe	2,668	4	4	-	-	(3)	-
110	US	3,924	-	-	-	-	-	-
120	Other countries	1,059	17	17	-	-	(2)	-
130	Total	41,129	46	46	28,834	(43)	(5)	-

(1) The geographical breakdown disclosed is based on combined on and off-balance sheet exposures and represent 91% (31 December 2023 – 90%) of total exposure.

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

Annex XV: Credit risk quality continued

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.

		NWM Plc					
		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
30 June 2024							
010	Agriculture, forestry and fishing	-	-	-	-	-	-
020	Mining and quarrying	1	1	1	1	(1)	-
030	Manufacturing	8	3	3	3	(3)	-
040	Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-
050	Water supply	-	-	-	-	-	-
060	Construction	10	2	2	3	(2)	-
070	Wholesale and retail trade	80	3	3	58	(3)	-
080	Transport and storage	17	17	17	17	(2)	-
090	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	129	-	-	68	-	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	61	4	4	19	(1)	-
130	Professional, scientific and technical activities	40	4	4	4	(4)	-
140	Administrative and support service activities	13	-	-	2	-	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health services and social work activities	40	-	-	22	-	-
180	Arts, entertainment and recreation	26	-	-	-	-	-
190	Other services	-	-	-	-	-	-
200	Total	425	34	34	197	(16)	-

Annex XV: Credit risk quality continued

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

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

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

Annex XV: Credit risk quality continued

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.

		NWM Plc														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral and financial guarantees received		
		Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
30 June 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	12,755	12,755	-	-	-	-	(2)	(2)	-	-	-	-	-	-	-
010	Loans and advances	19,786	19,607	134	34	-	34	(12)	(11)	(1)	(15)	-	(15)	-	1,745	3
020	Central banks	623	623	-	-	-	-	-	-	-	-	-	-	-	318	-
030	General governments	23	20	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	2,420	2,420	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
050	Other financial corporations	16,329	16,214	115	-	-	-	(10)	(10)	-	-	-	-	-	1,323	-
060	Non-financial corporations	391	330	19	34	-	34	(1)	-	(1)	(15)	-	(15)	-	104	3
070	Of which: SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Debt securities	14,556	14,447	108	-	-	-	(9)	(7)	(2)	-	-	-	-	-	-
100	Central banks	136	136	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	3,070	3,070	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	607	607	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	10,743	10,634	108	-	-	-	(9)	(7)	(2)	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	8,829	8,330	499	21	-	21	(2)	(1)	(1)	(1)	-	(1)	-	192	16
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	40	40	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	294	294	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	7,091	6,843	248	-	-	-	-	-	-	-	-	-	-	121	-
200	Non-financial corporations	1,404	1,153	251	21	-	21	(2)	(1)	(1)	(1)	-	(1)	-	71	16
210	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220	Total	55,926	55,139	741	55	-	55	(25)	(21)	(4)	(16)	-	(16)	-	1,937	19

Annex XV: Credit risk quality continued

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

		NWM Plc																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions										
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral and financial guarantees received				
		Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures		
31 December 2023		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
005	Cash balances at central banks and other demand deposits	9,017	9,017	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-		
010	Loans and advances	17,608	17,126	436	25	-	25	(13)	(11)	(2)	(20)	-	(20)	-	2,002	3		
020	Central banks	487	487	-	-	-	-	-	-	-	-	-	-	-	-	-		
030	General governments	620	617	-	-	-	-	-	-	-	-	-	-	-	-	-		
040	Credit institutions	2,383	2,383	-	-	-	-	(2)	(2)	-	-	-	-	-	238	-		
050	Other financial corporations	12,555	12,146	408	-	-	-	(10)	(9)	(1)	-	-	-	-	1,642	-		
060	Non-financial corporations	1,563	1,493	28	25	-	25	(1)	-	(1)	(20)	-	(20)	-	122	3		
070	Of which: SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
080	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
090	Debt securities	13,511	13,401	109	-	-	-	(10)	(6)	(4)	-	-	-	-	-	-		
100	Central banks	115	115	-	-	-	-	-	-	-	-	-	-	-	-	-		
110	General governments	2,943	2,943	-	-	-	-	-	-	-	-	-	-	-	-	-		
120	Credit institutions	478	478	-	-	-	-	-	-	-	-	-	-	-	-	-		
130	Other financial corporations	9,975	9,865	109	-	-	-	(10)	(6)	(4)	-	-	-	-	-	-		
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
150	Off-balance sheet exposures	9,964	9,493	471	21	-	21	(3)	(2)	(1)	(2)	-	(2)	-	242	16		
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
170	General governments	39	39	-	-	-	-	-	-	-	-	-	-	-	-	-		
180	Credit institutions	358	318	40	-	-	-	-	-	-	-	-	-	-	-	-		
190	Other financial corporations	8,251	8,051	200	-	-	-	(1)	(1)	-	-	-	-	-	170	-		
200	Non-financial corporations	1,316	1,085	231	21	-	21	(2)	(1)	(1)	(2)	-	(2)	-	72	16		
210	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
220	Total	50,100	49,037	1,016	46	-	46	(27)	(20)	(7)	(22)	-	(22)	-	2,244	19		

(1) The gross non-performing loan ratio for NWM Plc was 0.17% (31 December 2023 – 0.14%). Cash balances at central banks and other demand deposits were excluded from the ratio calculation.

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

Annex XV: Credit risk quality continued

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.

		NWM Plc				
		a	b	c	d	e
		Net exposure value				
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	Total
		£m	£m	£m	£m	£m
30 June 2024						
1	Loans and advances	4,353	4,868	8,982	1,590	19,793
2	Debt securities	-	499	5,421	8,627	14,547
3	Total	4,353	5,367	14,403	10,217	34,340

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

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

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

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

		NWM Plc
		a
		Gross carrying amount
		£m
30 June 2024		
010	Initial stock of non-performing loans and advances	25
020	Inflows to non-performing portfolios	24
030	Outflows from non-performing portfolios	(15)
040	Outflows due to write-offs	(1)
050	Outflow due to other situations	(14)
060	Final stock of non-performing loans and advances	34

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

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

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.

		NWM Plc				
		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount	Of which: secured by collateral	Of which: secured by financial guarantees	Of which: secured by credit derivatives
		£m	£m	£m	£m	£m
30 June 2024						
1	Loans and advances	30,324	2,222	1,539	209	-
2	Debt securities	14,547	-	-	-	-
3	Total	44,871	2,222	1,539	209	-
4	<i>Of which: non-performing exposures</i>	15	4	3	-	-
5	<i>Of which: defaulted</i>	15	4	3	-	-

		NWM Plc				
		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount	Of which: secured by collateral	Of which: secured by financial guarantees	Of which: secured by credit derivatives
		£m	£m	£m	£m	£m
31 December 2023						
1	Loans and advances	24,283	2,333	1,830	175	-
2	Debt securities	13,501	-	-	-	-
3	Total	37,784	2,333	1,830	175	-
4	<i>Of which: non-performing exposures</i>	2	3	3	-	-
5	<i>Of which: defaulted</i>	-	3	3	-	-

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

Annex XIX: Credit risk – standardised approach

UK CR4: Standardised approach – Credit risk exposures 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.

		NWM Plc					
		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
		On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
		£m	£m	£m	£m	£m	%
30 June 2024							
1	Central governments or central banks	6,984	-	7,039	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	783	-	783	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	664	245	664	93	277	37
7	Corporates	756	807	701	368	345	32
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
11	Items associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	546	-	546	-	1,345	246
16	Other items	1	-	1	-	1	100
17	Total	9,734	1,052	9,734	461	1,968	19

		NWM Plc					
		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
		On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
		£m	£m	£m	£m	£m	%
31 December 2023							
1	Central governments or central banks	3,540	-	3,612	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	680	-	680	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	1,054	337	1,054	139	411	34
7	Corporates	708	695	636	330	232	23
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
11	Items associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	549	-	549	-	1,351	246
16	Other items	1	-	1	-	1	100
17	Total	6,532	1,032	6,532	469	1,995	29

Annex XXI: Credit risk – IRB approach

UK CR7: IRB approach – Effect on the 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.

		NWM Plc			
		a		b	
		30 June 2024		31 December 2023	
		Pre-credit derivatives RWAs	Actual RWAs	Pre-credit derivatives RWAs	Actual RWAs
		£m	£m	£m	£m
5	Exposures under AIRB	3,262	3,262	3,344	3,344
6	Central governments and central banks	401	401	331	331
7	Institutions	62	62	140	140
8	Corporates	2,799	2,799	2,873	2,873
8.1	Of which: SME	-	-	-	-
8.3	Of which: Other	2,799	2,799	2,873	2,873
9	Retail	-	-	-	-
9.1	Of which: Secured by real estate SME	-	-	-	-
	- Secured by immovable property collateral	-	-	-	-
9.2	Of which: Secured by real estate non-SME	-	-	-	-
	- Secured by immovable property collateral	-	-	-	-
9.3	Of which: Qualifying revolving	-	-	-	-
9.4	Of which: Other SME	-	-	-	-
9.5	Of which: Other non-SME	-	-	-	-
10	Total	3,262	3,262	3,344	3,344

(1) Rows 1-4.2 are not presented as NatWest Group does not use FIRB to calculate capital requirements for IRB exposures.

(2) Specialised lending exposures under the slotting approach are excluded.

Annex XXI: Credit risk – IRB approach continued

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 exposures class only as NWM Plc does not apply the FIRB method. The table excludes counterparty credit risk, securitisations and non-credit obligation assets.

A-IRB		NWM Plc														
		Credit risk mitigation techniques											Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWEAs	
		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 exposures class	RWA with substitution effects	
£m	%	%	%	%	%	%	%	%	%	%	%	£m	£m			
a	b	c	d	e	f	g	h	i	j	k	l	m	n			
30 June 2024																
1	Central governments and central banks	9,036	-	-	-	-	-	-	-	-	-	401	401			
2	Institutions	154	-	-	-	-	-	-	-	-	-	62	62			
3	Corporates	13,807	0.01	0.42	0.42	-	0.01	-	-	-	0.12	2,799	2,799			
3.1	Of which: SME	2	-	-	-	-	-	-	-	-	-	-	-			
3.3	Of which: Other	13,805	0.01	0.42	0.42	-	0.01	-	-	-	0.12	2,799	2,799			
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-			
4.1	Of which: Immovable property SME	-	-	-	-	-	-	-	-	-	-	-	-			
4.2	Of which: Immovable property non-SME	-	-	-	-	-	-	-	-	-	-	-	-			
4.3	Of which: Qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-			
4.4	Of which: Other SME	-	-	-	-	-	-	-	-	-	-	-	-			
4.5	Of which: Other non-SME	-	-	-	-	-	-	-	-	-	-	-	-			
5	Total	22,997	0.01	0.25	0.25	-	0.01	-	-	-	0.07	3,262	3,262			

Annex XXI: Credit risk – IRB approach continued

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

		NWM Plc												
		Credit risk mitigation techniques									Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWEAs	
		Funded credit protection (FCP)												
		Part of exposures covered by financial collaterals	Part of exposures covered by other eligible collaterals	Part of exposures covered by immovable property collaterals	Part of exposures covered by receivables	Part of exposures covered by other physical collaterals	Part of exposures covered by other funded credit protection	Part of exposures covered by cash on deposit	Part of exposures covered by life insurance policies	Part of exposures covered by instruments held by a third party	Part of exposures covered by guarantees	Part of exposures covered by credit derivatives	RWEA post all CRM assigned to the obligor exposures class	RWEA with substitution effects
Total exposures	£m	%	%	%	%	%	%	%	%	%	%	%	£m	£m
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
30 June 2024														
6	Specialised lending under the slotting approach	207											129	129
7	Equity exposures	31											112	112
8	Total	238											241	241

Annex XXI: Credit risk – IRB approach continued

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

		NWM Plc																										
		Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs														
		Funded credit protection (FCP)																										
		Part of exposures covered by financial collaterals		Part of exposures covered by other eligible collaterals		Part of exposures covered by immovable property collaterals		Part of exposures covered by other receivables		Part of exposures covered by 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 assigned to the obligor exposure class		RWA with substitution effects		
Total exposures		£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£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	8,521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	331	331		
2	Institutions	238	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140	140		
3	Corporates	13,253	0.02	4.03	4.03	-	0.01	-	-	-	-	0.13	-	2,873	2,873													
3.1	Of which: SME	2	-	-	-	-	-	-	-	-	-	-	-	-	-													
3.3	Of which: Other	13,251	0.02	4.03	4.03	-	0.01	-	-	-	-	0.13	-	2,873	2,873													
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
4.1	Of which: Immovable property SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
4.2	Of which: Immovable property non-SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
4.3	Of which: Qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
4.4	Of which: Other SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
4.5	Of which: Other non-SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
5	Total	22,012	0.01	2.43	2.42	-	0.01	-	-	-	-	0.08	-	3,344	3,344													

Annex XXI: Credit risk – IRB approach continued

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

NWM Plc														
	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 assigned to the obligor exposure class	RWA with substitution effects
£m	%	%	%	%	%	%	%	%	%	%	%	£m	£m	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
31 December 2023														
6	Specialised lending under the slotting approach	225											137	137
7	Equity exposures	4											12	12
8	Total	229											149	149

Annex XXIII: Specialised lending

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

The table below shows specialised lending exposures subject to the supervisory slotting approach analysed by type of lending and regulatory category. NWM Plc does not have object finance and commodities finance and equity exposures; therefore, those are not presented separately.

CR10.1

		NWM 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
		£m	£m	%	£m	£m	£m
30 June 2024	Remaining maturity						
Category 1	Less than 2.5 years	9	-	50%	9	3	-
	Equal to or more than 2.5 years	400	14	70%	414	229	2
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	26	2	90%	28	21	-
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	1	-	-	1	-	1
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	10	-	-	10	3	1
	Equal to or more than 2.5 years	426	16	-	442	250	2

		NWM 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
		£m	£m	%	£m	£m	£m
31 December 2023	Remaining maturity						
Category 1	Less than 2.5 years	25	20	50%	39	15	-
	Equal to or more than 2.5 years	391	36	70%	422	237	1
Category 2	Less than 2.5 years	2	-	70%	2	1	-
	Equal to or more than 2.5 years	29	3	90%	32	23	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	1	-	115%	1	1	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	1	-	-	1	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	1
Total	Less than 2.5 years	28	20	-	42	16	-
	Equal to or more than 2.5 years	421	39	-	455	261	2

Annex XXIII: Specialised lending continued

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

CR10.2

		NWM 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
30 June 2024	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	4	-	50%	4	2	-
	Equal to or more than 2.5 years	8	-	70%	8	5	-
Category 2	Less than 2.5 years	6	-	70%	6	4	-
	Equal to or more than 2.5 years	51	4	90%	55	51	1
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	2	-	250%	2	5	-
Category 5	Less than 2.5 years	3	-	-	3	-	2
	Equal to or more than 2.5 years	2	-	-	2	-	1
Total	Less than 2.5 years	13	-	-	13	6	2
	Equal to or more than 2.5 years	63	4	-	67	61	2

		NWM 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	6	-	50%	6	3	-
	Equal to or more than 2.5 years	6	-	70%	6	4	-
Category 2	Less than 2.5 years	9	-	70%	9	7	-
	Equal to or more than 2.5 years	54	4	90%	58	53	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	3	-	250%	3	7	-
Category 5	Less than 2.5 years	7	-	-	7	-	4
	Equal to or more than 2.5 years	3	-	-	3	-	2
Total	Less than 2.5 years	22	-	-	22	10	4
	Equal to or more than 2.5 years	66	4	-	70	64	2

Annex XXIII: Specialised lending continued

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

CR10.5

	NWM Plc					
	a	b	c	d	e	f
	Equity exposures under the simple risk-weighted approach					
	On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
	£m	£m	%	£m	£m	£m
30 June 2024						
Private equity exposures	-	-	190%	-	-	-
Exchange-traded equity exposures	-	-	290%	-	-	-
Other equity exposures	27	-	370%	27	100	1
Total	27	-		27	100	1

	NWM Plc					
	a	b	c	d	e	f
	Equity exposures under the simple risk-weighted approach					
	On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
	£m	£m	%	£m	£m	£m
31 December 2023						
Private equity exposures			190%			
Exchange-traded equity exposures			290%			
Other equity exposures			370%			
Total						