



NatWest
Group

NatWest Group plc

Q3 2026 Pillar 3

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Forward-looking statements

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to NatWest Group's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability-related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about NatWest Group's beliefs and expectations, are forward-looking statements. Words, such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'target', 'goal', 'objective', 'may', 'outlook', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document may include forward-looking statements relating, but not limited to: NatWest Group's outlook, guidance and targets (including in relation to RoTE, total income, other operating expenses, loan impairment rate, capital generation pre-distributions, customer assets and liabilities growth rate, cost-income ratio, CET1 ratio, RWA levels and payment of dividends), its financial position, profitability and financial performance, the implementation of its strategy, its access to adequate sources of liquidity and funding, its regulatory capital position and related requirements, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, future growth initiatives (including acquisitions, joint ventures and strategic partnerships), the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments such as artificial intelligence, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, exposure to third party risk, operational risk, conduct risk, cyber, data and IT risk, financial crime risk, key person risk and credit rating risk and the impact of climate and sustainability-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 NatWest Group plc's actual results are discussed in NatWest Group plc's 2025 Annual Report on Form 20-F, NatWest Group's Interim Management Statements for Q1, H1 and Q3 2026 on Form 6-K, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NatWest Group plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the consolidated Pillar 3 disclosures for NatWest Group as at 30 September 2026, which complement those in the NatWest Group Q3 2026 Interim Results (IMS).

The Pillar 3 disclosures required for NatWest Group's ring-fenced body sub-group (NWH Group) and those required for NatWest Group's UK large subsidiaries (National Westminster Bank Plc, The Royal Bank of Scotland plc, NatWest Markets Plc, Coutts & Company) will be published separately in November 2026. These disclosures will be available on the NatWest Group website, located at investors.natwestgroup.com/reports-archive/2026

The disclosures for NatWest Group are presented in accordance with the Disclosure (CRR) part of the PRA rulebook.

Any rows or columns that are not applicable have not been shown however explanations have been added as appropriate.

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.

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

NatWest Group - Key points

CET1 ratio

13.5%

(Q2 2026 – 13.2%)

The CET1 ratio increased by 30 basis points to 13.5% due to a £0.8 billion increase in CET1 capital partially offset by a £1.0 billion increase in RWAs.

The CET1 capital increase was mainly driven by an attributable profit to ordinary shareholders of £1.5 billion and other movements on reserves and regulatory adjustments of £0.1 billion, partially offset by a foreseeable ordinary dividend accrual of £0.8 billion.

RWAs

£200.5bn

(Q2 2026 – £199.5bn)

Total RWAs increased by £1.0 billion to £200.5 billion mainly reflecting:

- A net increase in credit risk RWAs of £0.6 billion, primarily driven by lending growth and movements in risk metrics. These increases were partially offset by the benefit of RWA management actions, CRD IV model updates and FX movements.
- An increase in market risk RWAs of £0.4 billion to £4.9 billion, mainly driven by SVaR-based RWAs related to client trading activity in the currency options business.

UK leverage ratio

4.6%

(Q2 2026 – 4.7%)

The leverage ratio decreased by 10 basis points to 4.6% due to a £22.6 billion increase in leverage exposure partially offset by a £0.8 billion increase in Tier 1 capital. The key driver of the leverage exposure movement was an increase in other financial assets.

UK average leverage ratio

4.6%

(Q2 2026 – 4.8%)

The average leverage ratio decreased by 20 basis points to 4.6% due to a £12.1 billion increase in average leverage exposure and a £0.6 billion decrease in 3-month average Tier 1 capital. The key driver of the average leverage exposure movement was an increase in other financial assets.

LCR average

137%

(Q2 2026 – 140%)

The average Liquidity Coverage Ratio (LCR) decreased by 3 percentage points to 137% during the quarter, driven by lending growth and changes to outflow assumptions partly offset by issuance and increased deposits.

NSFR average

131%

(Q2 2026 – 132%)

The average Net Stable Funding Ratio (NSFR) decreased by 1 percentage point to 131% during the quarter due to lending growth partly offset by issuance and increased deposits

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 based on current PRA rules.

	30 September 2026 £m	30 June 2026 £m	31 March 2026 £m	31 December 2025 £m	30 September 2025 £m
Available own funds (amounts)					
1 Common equity tier 1 (CET1) capital	27,107	26,306	27,996	27,066	26,769
2 Tier 1 capital	32,177	31,376	32,567	31,621	32,540
3 Total capital	37,335	37,651	38,850	37,375	38,292
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	200,518	199,480	196,010	193,288	189,126
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	13.5	13.2	14.3	14.0	14.2
6 Tier 1 ratio (%)	16.0	15.7	16.6	16.4	17.2
7 Total capital ratio (%)	18.6	18.9	19.8	19.3	20.2
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	1.6	1.6	1.6	1.6	1.6
UK 7b Additional AT1 SREP requirements (%)	0.6	0.6	0.6	0.6	0.5
UK 7c Additional Tier 2 SREP requirements (%)	0.7	0.7	0.7	0.7	0.7
UK 7d Total SREP own funds requirements (%)	10.9	10.9	10.9	10.9	10.9
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 (%) (2)	1.7	1.7	1.7	1.7	1.7
11 Combined buffer requirement (%)	4.2	4.2	4.2	4.2	4.2
UK 11a Overall capital requirements (%)	15.1	15.1	15.1	15.1	15.1
12 CET1 available after meeting the total SREP own funds requirements (%)	7.4	7.1	8.2	7.9	8.0
Leverage ratio					
13 Total exposure measure excluding claims on central banks	695,603	673,021	673,673	654,954	649,220
14 Leverage ratio excluding claims on central banks (%)	4.6	4.7	4.8	4.8	5.0
Additional leverage ratio disclosure requirements					
UK 14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.6	4.7	4.8	4.8	5.0
UK 14b Leverage ratio including claims on central banks (%)	4.2	4.2	4.4	4.3	4.5
UK 14c Average leverage ratio excluding claims on central banks (%)	4.6	4.8	4.8	4.9	4.9
UK 14d Average leverage ratio including claims on central banks (%)	4.2	4.3	4.3	4.3	4.3
UK 14e Countercyclical leverage ratio buffer (%) (2)	0.6	0.6	0.6	0.6	0.6
Liquidity coverage ratio					
15 Total high-quality liquid assets (HQLA) (weighted value-average)	153,976	155,983	157,047	158,667	159,634
UK 16a Cash outflows - Total weighted value	125,952	124,624	121,885	120,800	120,261
UK 16b Cash inflows - Total weighted value	12,922	12,709	12,745	12,654	12,203
16 Total net cash outflows (adjusted value)	113,030	111,915	109,140	108,146	108,058
17 Liquidity coverage ratio (%) (3)	137	140	144	147	148
Net stable funding ratio					
18 Total available stable funding	446,629	443,082	440,349	438,001	434,231
19 Total required stable funding	342,156	335,039	329,299	324,800	320,987
20 NSFR ratio (%) (4)	131	132	134	135	135

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

(2) The institution-specific Countercyclical Capital buffer (CCyB) requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures. The UK CCyB buffer is currently being maintained at 2%. The countercyclical leverage ratio buffer is set at 35% of NatWest Group plc CCyB.

(3) The Liquidity Coverage Ratio (LCR) is calculated as the average of the preceding 12 months.

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

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.

		a		b	c
		Risk-weighted exposure amounts (RWAs)		30 June 2026 £m	Total own funds requirements
		30 September 2026 £m			30 September 2026 £m
1	Credit risk (excluding counterparty credit risk)	152,611	152,452		12,208
2	Of which: standardised approach	21,042	20,103		1,683
3	Of which: the foundation IRB (FIRB) approach	-	-		-
4	Of which: slotting approach	12,009	11,677		961
UK 4a	Of which: equities under the simple risk-weighted approach	1,533	1,791		123
5	Of which: the advanced IRB (AIRB) approach	118,027	118,881		9,441
5a	Of which: non-credit obligation assets (1)	3,924	4,109		314
6	Counterparty credit risk	7,654	7,670		612
7	Of which: standardised approach	878	903		70
8	Of which: internal model method (IMM)	3,959	3,739		317
UK 8a	Of which: exposures to a CCP	256	198		20
UK 8b	Of which: credit valuation adjustment (CVA)	804	889		64
9	Of which: other counterparty credit risk	1,757	1,941		141
15	Settlement risk	-	-		-
16	Securitisation exposures in the non-trading book (after the cap)	8,984	8,538		719
17	Of which: SEC-IRBA approach	4,439	4,128		355
18	Of which: SEC-ERBA (including IAA)	219	256		18
19	Of which: SEC-SA approach	4,287	4,105		343
UK 19a	Of which: 1,250%/deduction	39	49		3
20	Position, foreign exchange and commodities risk (market risk)	4,934	4,485		395
21	Of which: standardised approach	827	831		66
22	Of which: IMA	4,107	3,654		329
UK 22a	Large exposures	-	-		-
23	Operational risk	26,327	26,327		2,106
UK 23a	Of which: basic indicator approach	-	-		-
UK 23b	Of which: standardised approach	26,327	26,327		2,106
UK 23c	Of which: advanced measurement approach	-	-		-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	1,297	1,232		104
25	Other Risk Exposure amount	8	8		1
25a	Of which : Additional risk exposure amount due to Article 3 CRR	8	8		1
29	Total	200,518	199,480		16,041

(1) 5a is subset of total IRB RWAs disclosed in Row 5.

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

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 2025	121,389
2 Asset size	2,921
3 Asset quality	259
4 Model updates	17
7 Foreign exchange movements	192
8 Other	(2,172)
9 At 31 March 2026	122,606
2 Asset size	2,737
3 Asset quality	364
4 Model updates	845
7 Foreign exchange movements	(102)
9 At 30 June 2026	126,449
2 Asset size	2,126
3 Asset quality	367
4 Model updates	(1,558)
7 Foreign exchange movements	(78)
8 Other	(1,194)
9 At 30 September 2026	126,112

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

Q3 2026

- The increase in RWAs related to asset size was primarily driven by lending growth within Commercial & Institutional.
- The increase in RWAs relating to asset quality was mainly due to movements in risk metrics with an increase in Retail Banking partially offset by a decrease in Commercial & Institutional.
- The decrease in RWAs related to model updates was primarily driven by CRD IV model updates with a reduction in Retail Banking partially offset by an increase in Commercial & Institutional.
- The decrease in foreign exchange movement was primarily due to sterling appreciating against the euro and the US dollar.
- The decrease in RWAs in other was due to the benefit of RWA management actions within Commercial & Institutional.

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

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

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

	a
	RWAs £m
1 At 31 December 2025	3,714
2 Asset size	(71)
3 Credit quality of counterparties	10
4 Model updates	61
7 Foreign exchange movements	21
9 At 31 March 2026	3,735
2 Asset size	60
3 Credit quality of counterparties	(39)
4 Model updates	(6)
7 Foreign exchange movements	(11)
9 At 30 June 2026	3,739
2 Asset size	209
3 Credit quality of counterparties	(10)
4 Model updates	23
7 Foreign exchange movements	(2)
9 At 30 September 2026	3,959

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

Q3 2026

- The increase in IMM RWAs was largely driven by an increase in asset size in over-the-counter derivative transactions.

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) £m	Stressed value-at-risk (SVaR) £m	Incremental risk charge £m	Other risks-not-in Var (RNIV) £m	Total RWAs £m	Total own funds requirements £m
1 At 31 December 2025	372	1,899	639	618	3,528	281
1a <i>Regulatory adjustment (1)</i>	(278)	(1,373)	(243)	-	(1,894)	(151)
1b <i>RWAs at 31 December 2025 (end of day)</i>	94	526	396	618	1,634	130
2 Movement in risk levels	(8)	(5)	529	(34)	482	39
3 Model updates/changes	-	-	-	-	-	-
8a <i>RWAs at 31 March 2026 (end of day)</i>	86	521	925	584	2,116	169
8b <i>Regulatory adjustment (1)</i>	315	1,669	(26)	-	1,958	157
8 At 31 March 2026	401	2,190	899	584	4,074	326
1a <i>Regulatory adjustment (1)</i>	(268)	(1,662)	-	-	(1,930)	(154)
1b <i>RWAs at 31 March 2026 (end of day)</i>	133	528	899	584	2,144	172
2 Movement in risk levels	(18)	295	(141)	(10)	126	10
3 Model updates/changes	-	-	-	12	12	1
8a <i>RWAs at 30 June 2026 (end of day)</i>	115	823	758	586	2,282	183
8b <i>Regulatory adjustment (1)</i>	273	857	242	-	1,372	109
8 At 30 June 2026	388	1,680	1,000	586	3,654	292
1a <i>Regulatory adjustment (1)</i>	(273)	(857)	(242)	-	(1,372)	(109)
1b <i>RWAs at 30 June 2026 (end of day)</i>	115	823	758	586	2,282	183
2 Movement in risk levels	(13)	(25)	191	(34)	119	10
3 Model updates/changes	-	-	14	-	14	1
8a <i>RWAs at 30 September 2026 (end of day)</i>	102	798	963	552	2,415	194
8b <i>Regulatory adjustment (1)</i>	266	1,426	-	-	1,692	135
8 At 30 September 2026	368	2,224	963	552	4,107	329

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

Q3 2026

- Total market risk RWAs under the IMA increased in the third quarter.
- The main driver was in SVaR-based RWAs, chiefly related to client trading activity in the currency options business.

Annex XI: Leverage

UK LR2 - LRCom: Leverage ratio common disclosure

The table below shows an abridged version of the disclosure template UK LR2 – LRCom for NatWest Group. The leverage metrics are calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

		30 September 2026 £m	30 June 2026 £m
Capital and total exposure measure			
UK-24b	Total exposure measure excluding claims on central banks	695,603	673,021
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	4.6	4.7
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.6	4.7
UK-25c	Leverage ratio including claims on central banks (%)	4.2	4.2
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	0.6	0.6
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	-	-
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.6	0.6
Additional leverage ratio disclosure requirements - disclosure of mean values			
UK-31	Average total exposure measure excluding claims on central banks	687,741	675,637
UK-32	Average total exposure measure including claims on central banks	758,122	751,003
UK-33	Average leverage ratio excluding claims on central banks (%)	4.6	4.8
UK-34	Average leverage ratio including claims on central banks (%)	4.2	4.3

(1) NatWest Group is a LREQ firm therefore subject to the additional quarterly disclosures for averaging and the countercyclical leverage ratio buffer.

Annex XIII: Liquidity

UK LIQ1: Quantitative information of LCR

The table below shows 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 NatWest Group. 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. High-quality liquid assets cover both Pillar 1 and Pillar 2 risks.

	Total unweighted value (average)				Total weighted value (average)			
	30 September 2026 12 £m	30 June 2026 12 £m	31 March 2026 12 £m	31 December 2025 12 £m	30 September 2026 12 £m	30 June 2026 12 £m	31 March 2026 12 £m	31 December 2025 12 £m
Number of data points used in the calculation of averages								
High - quality liquid assets								
1 Total high-quality liquid assets (HQLA)					153,976	155,983	157,047	158,667
Cash - outflows								
2 Retail deposits and deposits from small business customers, of which:	275,093	273,279	271,943	270,151	19,550	19,676	19,844	19,918
3 <i>Stable deposits</i>	151,726	149,004	146,061	143,044	7,586	7,450	7,303	7,152
4 <i>Less stable deposits</i>	82,224	84,949	88,009	90,153	10,701	10,930	11,250	11,506
5 Unsecured wholesale funding	154,562	152,658	150,331	149,201	77,169	75,896	74,158	73,230
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	58,325	58,038	57,094	56,702	14,262	14,190	13,954	13,856
7 <i>Non-operational deposits (all counterparties)</i>	92,358	90,436	89,056	88,235	59,028	57,522	56,023	55,110
8 <i>Unsecured debt</i>	3,879	4,184	4,181	4,264	3,879	4,184	4,181	4,264
9 Secured wholesale funding					2,040	2,344	2,260	2,286
10 Additional requirements	84,534	80,003	76,704	74,887	22,463	21,550	20,590	20,144
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	3,626	3,679	3,694	3,803	3,535	3,552	3,546	3,637
12 <i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
13 <i>Credit and liquidity facilities</i>	80,908	76,324	73,010	71,084	18,928	17,998	17,044	16,507
14 Other contractual funding obligations	23,306	23,583	24,315	24,486	1,114	1,579	1,746	2,034
15 Other contingent funding obligations	64,169	67,064	68,494	69,245	3,616	3,579	3,287	3,188
16 Total cash outflows					125,952	124,624	121,885	120,800
Cash - inflows								
17 Secured lending (e.g. reverse repos)	68,269	67,604	68,097	65,807	1,804	1,747	1,760	1,580
18 Inflows from fully performing exposures	6,819	6,598	6,670	6,829	5,563	5,330	5,429	5,620
19 Other cash inflows	25,829	25,871	25,867	25,121	5,555	5,632	5,556	5,454
UK-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b (Excess inflows from a related specialised credit institution)					-	-	-	-
20 Total cash inflows	100,917	100,073	100,634	97,757	12,922	12,709	12,745	12,654
UK-20a <i>Fully exempt inflows</i>								
UK-20b <i>Inflows subject to 90% cap</i>								
UK-20c <i>Inflows subject to 75% cap</i>	98,785	97,798	98,084	95,081	12,922	12,709	12,745	12,654
Total adjusted value								
UK-21 Liquidity buffer					153,976	155,983	157,047	158,667
22 Total net cash outflows					113,030	111,915	109,140	108,146
23 Liquidity coverage ratio (%)					137	140	144	147

Annex XIII: Liquidity continued

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

LCR inputs and results over time

The LCR aims to ensure that banks and banking groups 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 ratio for the 12 months to 30 September 2026 has decreased by 3 percentage points over the previous quarter, from 140% to 137%, driven by lending growth and changes to outflow assumptions partly offset by issuance and increased deposits.

Concentration of funding sources

NatWest Group maintains a diversified set of funding sources of which retail, SME and corporate deposits are the biggest contributors. Other sources include wholesale unsecured funding, capital (including equity and MREL-eligible bonds), central banks (TFSME), repos, covered bonds and derivative cash collateral. Wholesale unsecured funding includes a range of products including deposits, commercial paper, certificates of deposit and medium-term notes, and is accepted from various corporate counterparties and financial institutions.

Liquidity buffer composition

HQLA is primarily held in Level 1 cash and central bank Reserves (47%) and Level 1 high quality securities (47%). Level 2 securities account for 6%.

Derivative exposures and potential collateral calls

NatWest Group 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 credit ratings of the entities within NatWest Group are also captured.

Currency mismatch in the LCR

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