National Westminster Bank Plc

Q3 2025 **Pillar 3 Report**

Contents

Forward-looking statements

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to NWB Group's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about NWB Group's beliefs and expectations, are forward-looking statements. Words such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'target', 'goal', 'objective', 'may', 'outlook', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document may include forward-looking statements relating, but not limited to: NWB Group's economic and political risks, its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), the implementation of NatWest Group's strategy, its climate and sustainability related ambitions and targets, its access to adequate sources of liquidity and funding, its ongoing compliance with the UK ring-fencing regime and ensuring operational continuity in resolution, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, future growth initiatives (including acquisitions, joint ventures and strategic partnerships), the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, and general economic and political conditions, exposure to third party risk, operational risk, compliance and conduct risk, cyber, data and IT risk, financial crime risk, key person risk, credit rating risk, model risk, reputational risk, and the impact of climate 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 the NWB Group's actual results are discussed in the NWB Plc's 2024 Annual Report and Accounts, NWB Plc's Interim Results for H1 2025, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NWB Plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the Pillar 3 disclosures for National Westminster Bank Plc (NWB Plc) at 30 September 2025. It should be read in conjunction with the Q3 2025 NatWest Holdings Group Pillar 3 report, published in the same location at: investors.natwestgroup.com/reports-archive/2025.

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

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

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

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

Within this document, row and column references are based on those prescribed in the PRA templates. Any rows or columns that are not applicable have not been shown however explanations have been added as appropriate.

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

PRA template reference	Template name	Reasons for exclusion
UK CCR7	RWEA flow statements of CCR exposures under the IMM approach	No reportable exposures
UK MR2-B	RWA flow statements of market risk exposures under the IMA 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/2024

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

NatWest Bank Plc - Key points

CET1 ratio

12.4%

(Q2 2025 – 11.3%)

The CET1 ratio increased by 110 basis points to 12.4% due to a £1.3 billion increase in CET1 capital and a £0.2 billion decrease in RWAs.

The CET1 capital increase was due to a profit in the period of £1.1 billion and other movements on reserves and regulatory adjustments of £0.2 billion.

RWAs

£130.5bn

(Q2 2025 - £130.7bn)

Total RWAs decreased by £0.2 billion to £130.5 billion mainly reflecting a decrease in credit risk RWAs.

Credit risk RWAs decrease was primarily driven by reductions as a result of RWA management actions and movements in risk metrics partially offset by lending growth, CRD IV model updates and the impact of foreign exchange movements.

UK leverage ratio

4.9%

(Q2 2025 – 4.5%)

The leverage ratio increased by 40 basis points to 4.9% due to a £1.8 billion increase in Tier 1 capital partially offset by a £2.3 billion increase in leverage exposure. The key drivers of the leverage exposure movement were an increase in other financial assets partially offset by a decrease in net central bank items.

UK average leverage ratio

4.6%

(Q2 2025 – 4.6%)

The average leverage ratio remained static at 4.6% due to a £7.3 billion increase in average leverage exposure offset by a £0.2 billion increase in 3-month average Tier 1 capital. The key drivers of the average leverage exposure movement were an increase in other financial assets and off balance sheet items partially offset by a decrease in net central bank items.

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 2025 £m	30 June 2025 £m	31 March 2025 £m	31 December 2024 £m	30 September 2024 £m
Available own funds (amounts)						
1	Common equity tier 1 (CET1) capital	**16,128**	14,828	15,271	14,181	14,722
2	Tier 1 capital	**20,147**	18,346	18,848	17,258	17,799
3	Total capital	**23,937**	22,104	23,064	20,629	21,172
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**130,496**	130,712	127,480	124,522	122,340
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	**12.4**	11.3	12.0	11.4	12.0
6	Tier 1 ratio (%)	**15.4**	14.0	14.8	13.9	14.5
7	Total capital ratio (%)	**18.3**	16.9	18.1	16.6	17.3
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	**1.3**	1.5	1.5	1.5	1.5
UK 7b	Additional AT1 SREP requirements (%)	**0.5**	0.5	0.5	0.5	0.5
UK 7c	Additional Tier 2 SREP requirements (%)	**0.6**	0.7	0.7	0.7	0.7
UK 7d	Total SREP own funds requirements (%)	**10.4**	10.7	10.7	10.7	10.7
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	**2.5**	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%) (3)	**1.8**	1.8	1.8	1.8	1.9
11	Combined buffer requirement (%)	**4.3**	4.3	4.3	4.3	4.4
UK 11a	Overall capital requirements (%)	**14.7**	15.0	15.0	15.0	15.1
12	CET1 available after meeting the total SREP own funds requirements (%)	**6.5**	5.3	6.0	5.4	6.0
Leverage ratio						
13	Total exposure measure excluding claims on central banks	**413,717**	411,371	397,065	390,032	381,762
14	Leverage ratio excluding claims on central banks (%)	**4.9**	4.5	4.7	4.4	4.7
Additional leverage ratio disclosure requirements						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.9**	4.5	4.7	4.4	4.7
UK 14b	Leverage ratio including claims on central banks (%)	**4.6**	4.2	4.4	4.1	4.3
UK 14c	Average leverage ratio excluding claims on central banks (%)	**4.6**	4.6	4.5	4.5	4.6
UK 14d	Average leverage ratio including claims on central banks (%)	**4.3**	4.3	4.1	4.2	4.2
UK 14e	Countercyclical leverage ratio buffer (%) (3)	**0.6**	0.6	0.6	0.6	0.6
Liquidity coverage ratio (4)						
15	Total high-quality liquid assets (HQLA) (weighted value-average)					
UK 16a	Cash outflows - Total weighted value					
UK 16b	Cash inflows - Total weighted value					
16	Total net cash outflows (adjusted value)					
17	Liquidity coverage ratio (%)					
Net stable funding ratio (4)						
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio (%)					

(1) The following rows are not presented in the table above because they are not applicable: UK8a, UK9a, 10 and UK10a.
(2) NWB Plc elected to take advantage of the IFRS 9 transitional capital adjustments in respect of ECL provisions, which were maintained until 31 December 2024. Prior period comparatives for CET1 capital, RWAs and leverage include the impact of those adjustments where applicable.
(3) 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 NWB Plc CCyB.
(4) Under the UK DoLSub waiver NWB plc liquidity is managed and disclosed at the sub-group level rather entity level.

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)		Total own funds requirements
		30 September 2025 £m	30 June 2025 £m	30 September 2025 £m
1	Credit risk (excluding counterparty credit risk)	109,745	109,899	8,780
2	*Of which: standardised approach*	14,027	14,120	1,122
3	*Of which: the foundation IRB (FIRB) approach*	-	-	-
4	*Of which: slotting approach*	11,037	10,477	883
UK 4a	*Of which: equities under the simple risk-weighted approach*	11	11	1
5	*Of which: the advanced IRB (AIRB) approach*	84,670	85,291	6,774
5a	*Of which: non-credit obligation assets (1)*	2,767	2,830	221
6	Counterparty credit risk	560	630	45
7	*Of which: standardised approach*	107	140	9
8	*Of which: internal model method (IMM)*	-	-	-
UK 8a	*Of which: exposures to a CCP*	34	30	3
UK 8b	*Of which: credit valuation adjustment (CVA)*	105	114	8
9	*Of which: other counterparty credit risk*	314	346	25
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	2,214	2,197	177
17	*Of which: SEC-IRBA approach*	1,684	1,706	135
18	*Of which: SEC-ERBA (including IAA)*	43	43	3
19	*Of which: SEC-SA approach*	487	448	39
UK 19a	*Of which: 1,250%/deduction*	-	-	-
20	*Position, foreign exchange and commodities risk (market risk)*	161	170	13
21	*Of which: standardised approach*	161	170	13
22	*Of which: IMA*	-	-	-
UK 22a	Large exposures	-	-	-
23	Operational risk	17,816	17,816	1,425
UK 23a	*Of which: basic indicator approach*	-	-	-
UK 23b	*Of which: standardised approach*	17,816	17,816	1,425
UK 23c	*Of which: advanced measurement approach*	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	5,040	4,797	403
29	Total	130,496	130,712	10,440

(1) 5a is a 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 and non-credit obligation assets.

		a
		RWAs
		£m
1	**At 31 December 2024**	**91,197**
2	Asset size	**1,096**
3	Asset quality	**403**
4	Model updates	**545**
7	Foreign exchange movements	**(114)**
8	Other	**(1,403)**
9	**At 31 March 2025**	**91,724**
2	Asset size	**1,950**
3	Asset quality	**(425)**
4	Model updates	**1,073**
7	Foreign exchange movements	**(216)**
8	Other	**(1,168)**
9	**At 30 June 2025**	**92,938**
2	Asset size	**(277)**
3	Asset quality	**(246)**
4	Model updates	**350**
7	Foreign exchange movements	**175**
9	**At 30 September 2025**	**92,940**

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

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- The decrease in RWAs related to asset size was primarily driven by reductions as a result of RWA management actions, partially offset by an increase in drawdowns and new facilities within Commercial & Institutional and lending in Retail Banking.
- The reduction in RWAs relating to asset quality was primarily driven by movements in risk metrics within Commercial & Institutional and Retail Banking.
- The increase in RWAs relating to model updates was primarily due to CRD IV model updates within Retail Banking.
- The RWA increase due to foreign exchange movements was mainly a result of sterling depreciating against the US dollar and the euro during the period.

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 NWB Plc. The leverage metrics are calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

		30 September 2025 £m	30 June 2025 £m
Total exposure measure			
UK-24b	Total exposure measure excluding claims on central banks	**413,717**	411,371
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**4.9**	4.5
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.9**	4.5
UK-25c	Leverage ratio including claims on central banks (%)	**4.6**	4.2
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)	**0.6**	0.6
UK-27b	*Of which: countercyclical leverage ratio buffer (%)*	***0.6***	*0.6*
Additional leverage ratio disclosure requirements - disclosure of mean values (1)			
UK-31	Average total exposure measure excluding claims on central banks	**409,925**	402,653
UK-32	Average total exposure measure including claims on central banks	**438,277**	432,689
UK-33	Average leverage ratio excluding claims on central banks (%)	**4.6**	4.6
UK-34	Average leverage ratio including claims on central banks (%)	**4.3**	4.3

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