



NatWest
Group

NatWest Holdings Group

Q3 2025 **Pillar 3 Report**

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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 Holdings 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 Holdings 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 Holdings Group's credit risk; its regulatory capital position and related requirements, its financial position, profitability and financial performance, its liquidity and funding risk and non-traded market risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, the exposure to third party risk, operational risk, pension 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 NatWest Holdings Group's actual results are discussed in NatWest Holdings Limited's 2024 Annual Report and Accounts, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NatWest Holdings 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 consolidated Pillar 3 disclosures for NatWest Holdings Group (NWH Group) as at 30 September 2025.

NWH Ltd is a wholly owned subsidiary of NatWest Group plc and its ring-fenced bank (RFB) sub-group. The term 'NatWest Group' refers to NatWest Group plc and its subsidiary and associated undertakings. As of the date of this report, NWH Ltd is regulated on a sub-consolidated basis under the UK Capital Requirements Regulation (CRR) and the associated onshored binding technical standards that were created by the European Union (Withdrawal) Act 2018. The CRR was subsequently amended by a number of statutory instruments and is currently split across primary legislation and the PRA rulebook.

Under the PRA disclosure framework, large subsidiaries of NatWest Group plc are also required to complete a reduced set of disclosures depending on their listed/non-listed status. NatWest Group plc primarily determines its large subsidiaries, in accordance with the UK CRR requirements, as those designated as an O-SII firm by the PRA or with a value of total assets equal to or greater than €30 billion. As at 30 September 2025, the large subsidiaries within the RFB sub-group were the following:

- National Westminster Bank Plc (NWB Plc)
- The Royal Bank of Scotland plc (RBS plc)
- Coutts & Company (Coutts & Co)

Where applicable, the liquidity disclosures in this report are completed for the consolidated NWH Group and the UK Domestic Liquidity Subgroup (UK DoLSub). The UK DoLSub waiver allows NWB Plc, RBS plc and Coutts & Co to manage liquidity and funding as a single sub-group rather than at an entity level.

The disclosures for NWH 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.

A subset of the Pillar 3 templates that are required to be disclosed on a quarterly basis were not applicable to NWH Group at 30 September 2025 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 CCR7	RWA flow statements of CCR exposures under the IMM	No reportable exposures
UK MR2-B	RWA flow statements of market risk exposures under the IMA	No reportable exposures

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

The Pillar 3 disclosures for NWH Ltd and those required for its large subsidiaries are available on the NatWest Group website, located at: investors.natwestgroup.com/reports-archive/2025

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

NatWest Holdings Group - Key points

CET1 ratio

13.7%

(Q2 2025 – 12.6%)

The CET1 ratio increased by 110 basis points to 13.7% due to a £1.6 billion increase in CET1 capital and a £1.2 billion decrease in RWAs.

The CET1 capital increase was due to a profit in the period of £1.4 billion and other movements on reserves and regulatory adjustments of £0.2 billion.

RWAs

£157.4bn

(Q2 2025 – £158.6bn)

Total RWAs decreased by £1.2 billion to £157.4 billion mainly reflecting a decrease in credit risk RWAs.

Credit risk RWAs decrease of £1.1 billion 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

5.4%

(Q2 2025 – 5.1%)

The leverage ratio increased by 30 basis points to 5.4% due to a £2.1 billion increase in Tier 1 capital partially offset by a £6.6 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 derivatives.

UK average leverage ratio

5.2%

(Q2 2025 – 5.2%)

The average leverage ratio remained static at 5.2% due to a £0.4 billion increase in 3-month average Tier 1 capital offset by a £8.3 billion increase in average leverage exposure. The key drivers of the average leverage exposure movement were an increase in other financial assets and off balance sheet items.

LCR average

138%

(Q2 2025 – 141%)

The Liquidity Coverage Ratio (LCR) decreased 3% compared to Q2 2025 from 141% to 138%, mainly due to higher lending.

NSFR average

133%

(Q2 2025 – 134%)

The Net Stable Funding Ratio (NSFR) decreased 1% compared to Q2 2025 from 134% to 133% mainly due to increased lending and decreased wholesale funding, partially offset by increased deposits and issuance.

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	21,586	20,017	20,511	19,227	20,154
2 Tier 1 capital	26,453	24,384	24,936	23,152	24,080
3 Total capital	31,354	29,302	30,287	27,656	28,551
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	157,398	158,625	155,354	152,199	149,636
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	13.7	12.6	13.2	12.6	13.5
6 Tier 1 ratio (%)	16.8	15.4	16.1	15.2	16.1
7 Total capital ratio (%)	19.9	18.5	19.5	18.2	19.1
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
UK 10a Other Systemically Important Institution buffer (%)	1.5	1.5	1.5	1.5	1.5
11 Combined buffer requirement (%)	5.8	5.8	5.8	5.8	5.9
UK 11a Overall capital requirements (%)	16.2	16.5	16.5	16.5	16.6
12 CET1 available after meeting the total SREP own funds requirements (%)	7.9	6.6	7.2	6.6	7.5
Leverage ratio					
13 Total exposure measure excluding claims on central banks	485,433	478,881	464,472	462,127	448,844
14 Leverage ratio excluding claims on central banks (%)	5.4	5.1	5.4	5.0	5.4
Additional leverage ratio disclosure requirements					
UK 14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.4	5.1	5.4	5.0	5.4
UK 14b Leverage ratio including claims on central banks (%)	4.9	4.6	4.7	4.4	4.6
UK 14c Average leverage ratio excluding claims on central banks (%)	5.2	5.2	5.2	5.2	5.1
UK 14d Average leverage ratio including claims on central banks (%)	4.7	4.6	4.5	4.6	4.5
UK 14e Countercyclical leverage ratio buffer (%) (3)	0.6	0.6	0.6	0.6	0.6
Liquidity coverage ratio					
15 Total high-quality liquid assets (HQLA) (weighted value-average)	111,896	112,582	111,965	110,348	108,277
UK 16a Cash outflows - Total weighted value	87,036	86,146	84,923	83,494	82,994
UK 16b Cash inflows - Total weighted value	5,973	6,177	6,140	6,096	6,069
16 Total net cash outflows (adjusted value)	81,063	79,969	78,783	77,398	76,925
17 Liquidity coverage ratio (%) (4)	138	141	142	143	141
Net stable funding ratio					
18 Total available stable funding	364,536	364,071	363,166	361,171	357,947
19 Total required stable funding	273,825	271,517	268,128	266,482	265,409
20 NSFR ratio (%) (5)	133	134	135	136	135

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

(2) NWH Group 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 rate is currently being maintained at 2%. The countercyclical leverage ratio buffer is set at 35% of NWH Group CCyB.

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

(5) The Net Stable Funding Ratio (NSFR) is calculated at 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)		Total own funds requirements
		30 September 2025 £m	30 June 2025 £m	30 September 2025 £m
1	Credit risk (excluding counterparty credit risk)	132,205	133,276	10,576
2	Of which: standardised approach	17,946	18,548	1,436
3	Of which: the foundation IRB (FIRB) approach	-	-	-
4	Of which: slotting approach	13,217	12,632	1,057
UK 4a	Of which: equities under the simple risk-weighted approach	16	16	1
5	Of which: the advanced IRB (AIRB) approach	101,026	102,080	8,082
5a	Of which: non-credit obligation assets (1)	3,664	3,839	293
6	Counterparty credit risk	611	717	49
7	Of which: standardised approach	134	181	11
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)	129	160	10
9	Of which: other counterparty credit risk	314	346	25
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	2,446	2,453	196
17	Of which: SEC-IRBA approach	1,916	1,961	154
18	Of which: SEC-ERBA (including IAA)	43	43	3
19	Of which: SEC-SA approach	487	449	39
UK 19a	Of which: 1,250%/deduction	-	-	-
20	Position, foreign exchange and commodities risk (market risk)	392	435	31
21	Of which: standardised approach	392	435	31
22	Of which: IMA	-	-	-
UK 22a	Large exposures	-	-	-
23	Operational risk	21,744	21,744	1,740
UK 23a	Of which: basic indicator approach	-	-	-
UK 23b	Of which: standardised approach	21,744	21,744	1,740
UK 23c	Of which: advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	916	929	73
29	Total	157,398	158,625	12,592

(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 and non-credit obligation assets.

		a
		RWAs
		£m
1	At 31 December 2024	109,584
2	Asset size	1,085
3	Asset quality	167
4	Model updates	777
7	Foreign exchange movements	(118)
8	Other	(1,551)
9	At 31 March 2025	109,944
2	Asset size	1,864
3	Asset quality	(554)
4	Model updates	1,144
7	Foreign exchange movements	(241)
8	Other	(1,284)
9	At 30 June 2025	110,873
2	Asset size	(595)
3	Asset quality	(255)
4	Model updates	338
7	Foreign exchange movements	218
9	At 30 September 2025	110,579

(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 NWH Group. The leverage metrics are calculated in accordance with 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	485,433	478,881
Leverage ratio		
25 Leverage ratio excluding claims on central banks (%)	5.4	5.1
UK-25a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.4	5.1
UK-25c Leverage ratio including claims on central banks (%)	4.9	4.6
Additional leverage ratio disclosure requirements – leverage ratio buffers (1)		
27 Leverage ratio buffer (%)	1.125	1.125
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	481,957	473,646
UK-32 Average total exposure measure including claims on central banks	535,556	532,478
UK-33 Average leverage ratio excluding claims on central banks (%)	5.2	5.2
UK-34 Average leverage ratio including claims on central banks (%)	4.7	4.6

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

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 NWH Group and UK DoLSUB. 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.

		NWH Group							
		Total unweighted value (average)				Total weighted value (average)			
		30 September 2025 £m	30 June 2025 £m	31 March 2025 £m	31 December 2024 £m	30 September 2025 £m	30 June 2025 £m	31 March 2025 £m	31 December 2024 £m
Number of data points used in the calculation of averages		12	12	12	12	12	12	12	12
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA)					111,896	112,582	111,965	110,348
Cash - outflows									
2	Retail deposits and deposits from small business customers of which:	259,829	258,588	257,127	255,047	18,933	18,794	18,601	18,416
3	<i>Stable deposits</i>	141,057	140,822	140,364	140,857	7,053	7,041	7,018	7,043
4	<i>Less stable deposits</i>	85,817	85,019	84,032	83,223	10,926	10,840	10,706	10,576
5	Unsecured wholesale funding	124,996	124,596	123,327	122,146	56,997	56,414	55,144	53,848
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	50,464	50,336	50,751	51,556	12,304	12,271	12,375	12,576
7	<i>Non-operational deposits (all counterparties)</i>	73,021	72,577	70,607	68,360	43,182	42,460	40,800	39,042
8	Unsecured debt	1,511	1,683	1,969	2,230	1,511	1,683	1,969	2,230
9	Secured wholesale funding					342	27	19	15
10	Additional requirements	51,002	52,481	53,844	54,391	7,656	7,972	8,390	8,692
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,239	1,421	1,655	1,840	1,190	1,349	1,560	1,744
12	<i>Outflows related to loss of funding on debt products</i>	-	-	89	89	-	-	89	89
13	<i>Credit and liquidity facilities</i>	49,763	51,060	52,100	52,462	6,466	6,623	6,741	6,859
14	Other contractual funding obligations	1,514	1,750	1,747	1,758	89	99	95	92
15	Other contingent funding obligations	63,097	59,053	54,378	50,955	3,019	2,840	2,674	2,431
16	Total cash outflows					87,036	86,146	84,923	83,494
Cash - inflows									
17	Secured lending (e.g., reverse repos)	22,778	21,692	20,280	18,645	263	240	260	223
18	Inflows from fully performing exposures	4,602	4,951	5,034	5,169	3,392	3,638	3,708	3,758
19	Other cash inflows	10,328	10,289	10,032	9,999	2,318	2,299	2,172	2,115
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there is transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	Total cash inflows	37,708	36,932	35,346	33,813	5,973	6,177	6,140	6,096
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>	37,708	36,932	35,346	33,813	5,973	6,177	6,140	6,096
Total adjusted value									
UK-21	Liquidity buffer					111,896	112,582	111,965	110,348
22	Total net cash outflows					81,063	79,969	78,783	77,398
23	Liquidity coverage ratio (%)					138	141	142	143

Annex XIII: Liquidity continued

UK LIQ1: Quantitative information of LCR continued

		UK DoI Sub							
		Total unweighted value (average)				Total weighted value (average)			
		30 September 2025	30 June 2025	31 March 2025	31 December 2024	30 September 2025	30 June 2025	31 March 2025	31 December 2024
		£m	£m	£m	£m	£m	£m	£m	£m
Number of data points used in the calculation of averages									
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA)					111,219	111,940	111,362	109,797
Cash - outflows									
2	Retail deposits and deposits from small business customers	259,824	258,575	257,089	254,967	18,929	18,781	18,566	18,360
	of which:								
3	Stable deposits	141,057	140,822	140,360	140,837	7,053	7,041	7,018	7,042
4	Less stable deposits	85,817	85,019	84,031	83,217	10,926	10,840	10,706	10,575
5	Unsecured wholesale funding	126,039	125,735	124,484	123,318	58,039	57,552	56,302	55,022
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	50,464	50,336	50,751	51,555	12,303	12,271	12,375	12,576
7	Non-operational deposits (all counterparties)	74,064	73,716	71,764	69,533	44,225	43,598	41,958	40,216
8	Unsecured debt	1,511	1,683	1,969	2,230	1,511	1,683	1,969	2,230
9	Secured wholesale funding					342	27	19	15
10	Additional requirements	48,175	49,700	51,152	51,965	7,435	7,756	8,186	8,545
11	Outflows related to derivative exposures and other collateral requirements	1,255	1,420	1,631	1,795	1,207	1,348	1,536	1,699
12	Outflows related to loss of funding on debt products	-	-	89	89	-	-	89	89
13	Credit and liquidity facilities	46,920	48,280	49,432	50,081	6,228	6,408	6,561	6,757
14	Other contractual funding obligations	1,603	1,834	1,817	1,822	178	183	164	156
15	Other contingent funding obligations	61,064	56,859	52,052	48,636	3,020	2,842	2,674	2,430
16	Total cash outflows					87,943	87,141	85,911	84,528
Cash - inflows									
17	Secured lending (e.g., reverse repos)	22,778	21,692	20,279	18,645	263	240	260	223
18	Inflows from fully performing exposures	5,333	5,563	5,667	5,808	4,298	4,481	4,559	4,617
19	Other cash inflows	10,322	10,284	10,033	10,006	2,312	2,295	2,173	2,122
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there is transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	Total cash inflows	38,433	37,539	35,979	34,459	6,873	7,016	6,992	6,962
UK-20a	Fully exempt inflows								
UK-20b	Inflows subject to 90% cap								
UK-20c	Inflows subject to 75% cap	38,433	37,539	35,979	34,459	6,873	7,016	6,992	6,962
Total adjusted value									
UK-21	Liquidity buffer					111,219	111,940	111,362	109,797
22	Total net cash outflows					81,070	80,125	78,919	77,566
23	Liquidity coverage ratio (%)					137	140	141	142

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 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 2025 has decreased 3% for NWH Group (3% for UK DoLSub) over the previous quarter, from 141% to 138% for NWH Group (from 140% to 137% for UK DoLSub). The NWH Group main drivers include higher lending.

Concentration of funding sources

NWH Group and the UK DoLSub both maintain 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 and covered bonds. Wholesale unsecured funding includes a range of products including deposits, commercial paper and certificates of deposit, and is accepted from various corporate counterparties and financial institutions.

Liquidity buffer composition

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

Derivative exposures and potential collateral calls

NWH Group and UK DoLSub actively manage their derivative exposures and potential calls with derivative outflows under stress captured within the Historical Look Back Approach which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a 3-notch downgrade of the credit ratings of the entities within NWH Group are also captured.

Currency mismatch in the LCR

The LCR is calculated for the 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. NWH Group and UK DoLSub manage currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.