

UK CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

This annex has been prepared in accordance with the Disclosure (CRR) part of the PRA rulebook and Bank of England's requirement for own funds and eligible liabilities (MREL).

It provides a description of the main features of capital instruments issued by NatWest Markets Plc ("NWM Plc"), a large subsidiary of NatWest Group.

It complements the NWM plc 2022 Pillar 3 Report which is published in the same location at: investors.natwestgroup.com/reports-archive/2022

Assumptions on the regulatory treatment of the capital instruments described herein reflect NatWest Group interpretations of current rules.

This document is for information only and is not an offer of securities nor an invitation or recommendation to invest. No investor or prospective investor in the securities described herein should rely upon the relevant description contained in this document and NatWest Group shall not be held liable for any inaccuracy or misstatement.

		Included only in own funds (but not eligible liabilities)	Included in own funds and eligible liabilities	Included in own funds and eligible liabilities
		Tier 2	Common Equity Tier 1	Additional Tier 1
1	Issuer	NatWest Markets Plc	NatWest Markets Plc	NatWest Markets Plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS0357281046		n/a
2a	Public or private placement	Public	n/a	Private
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	n/a	No
Regulatory Treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	Common Equity Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Tier 2	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 Securities	Ordinary Shares	Contingent Capital Note
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	GBP 7m	GBP 3,682m	GBP 749m
9	Nominal amount of instrument in 'Currency of issue'	EUR 123,300,000	GBP 3,682,000,000	USD 950,000,000
	Nominal amount of instrument in 'Currency of reporting'	GBP 109,337,590	n/a	GBP 748,502,994
UK-9a	Issue price	100 per cent	n/a	100 per cent
UK-9b	Redemption price	100 per cent	n/a	100 per cent
10	Accounting classification	Amortised Cost	Shareholder's equity	Equity
11	Original date of issuance	23/04/2008	n/a	28/12/2018
12	Perpetual or dated	Dated	Perpetual	Perpetual
13	Original maturity date	23/04/2023	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	n/a	Yes
15	Optional call date, contingent call dates and redemption amount	Tax and Regulatory Call on any Interest Payment Date/ €50,000 per calculation amount	n/a	Issuer Call 10 Aug 2025/ 100 per cent
16	Subsequent call dates, if applicable	n/a	n/a	On any Reset date after 10 August 2025 (every five years)
Coupons / dividends				
17	Fixed or floating dividend/coupon	Floating	n/a	Fixed to Fixed
18	Coupon rate and any related index	Index Inflation Ratio plus 4 per cent (floored at 6 per cent)	n/a	Fixed 7.9604% until 10 August 2025 then 5-year mid-swap plus margin, payable quarterly
19	Existence of a dividend stopper	No	n/a	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	n/a	Fully discretionary
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	n/a	Fully discretionary
21	Existence of step up or other incentive to redeem	No	n/a	No
22	Non-cumulative or cumulative	Cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Convertible	Non-convertible	Convertible
24	If convertible, conversion trigger(s)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)	n/a	NatWest Markets Plc CET1 Ratio is less than 7.00 per cent. Statutory bail-in power and mandatory write-down/conversion of capital instruments power under the UK Banking Act 2009 (as amended)
25	If convertible, fully or partially	Fully or partially	n/a	Fully or partially
26	If convertible, conversion rate	To be determined at conversion	n/a	To be determined at conversion
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	n/a	Mandatory upon satisfaction of certain conditions
28	If convertible, specify instrument type convertible into	Common Equity Tier 1	n/a	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	NatWest Markets Plc	n/a	NatWest Markets Plc
30	Write-down features	Yes	n/a	Yes
31	If write-down, write-down trigger(s)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)	n/a	NatWest Markets Plc CET1 ratio is less than 7.00 per cent. Statutory bail-in power and mandatory write-down/conversion of capital instruments power under the UK Banking Act 2009 (as amended)
32	If write-down, full or partial	Fully or partially	n/a	Fully or partially
33	If write-down, permanent or temporary	Permanent	n/a	Permanent
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a
UK-34a	Type of subordination (only for eligible liabilities)	n/a	n/a	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	Subordinated debt ranking junior to Senior non preferred debt and Senior to AT1	Shareholder's equity - subordinate to AT1, Tier 2 and senior creditors	Subordinated debt qualifying as AT1 ranking junior to Tier 2 and senior to CET1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to Senior Creditors	Immediately subordinate to additional tier 1	Subordinate to Tier 2
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	n/a	n/a	n/a
37a	Link to the full term and conditions of the instrument (signposting)	https://investors.natwestgroup.com/fixed-income-investors/unsecured-securities-documentation/securities-disclaimer.aspx		n/a
(1)	Notes Nominal Value versus Regulatory Value • Regulatory value for equity accounted instrument is translated to GBP at the FX rate on time of issuance • Regulatory value for amortised cost accounted instrument is translated to GBP at the current FX rate			
(2)	• Regulatory value for a Tier 2 instrument within its last five years to maturity will be subject to straight line amortisation Amounts reported for Additional Tier 1 and Tier 2 instruments are before grandfathering restrictions imposed by CRR			
(3)	For 8 - Regulatory value provided for instruments in the Own funds only or Own funds and eligible liabilities section. Notional provided for instruments in the eligible liabilities only section.			

		Included in own funds and eligible liabilities	Included in own funds and eligible liabilities	Included in own funds and eligible liabilities
		Additional Tier 1	Tier 2	Tier 2
1	Issuer	NatWest Markets Plc	NatWest Markets Plc	NatWest Markets Plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	n/a	n/a	n/a
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	No	No
Regulatory Treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Additional Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Contingent Capital Note	Tier 2 Securities	Tier 2 Securities
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	GBP 155m	GBP 498m	GBP 842m
9	Nominal amount of instrument in 'Currency of issue'	USD 200,000,000	USD 600,000,000	EUR 950,000,000
	Nominal amount of instrument in 'Currency of reporting'	GBP 154,667,079	GBP 498,338,870	GBP 842,422,630
UK-9a	Issue price	100 per cent	100 per cent	100 per cent
UK-9b	Redemption price	100 per cent	100 per cent	100 per cent
10	Accounting classification	Equity	Amortised Cost	Amortised Cost
11	Original date of issuance	29/11/2019	19/03/2008	25/03/2019
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	No maturity	No maturity	25/03/2029
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Issuer Call 10 Aug 2025/ 100 per cent	Issuer Call every 5 years on quarterly interest payment date/ 100 per cent	Issuer Call 25 Mar 2024/ 100 per cent
16	Subsequent call dates, if applicable	On any Reset date after 10 August 2025 (every five years)	Issuer Call every 5 years on quarterly interest payment date	Issuer Call on any interest payment date after initial call
Coupons / dividends				
17	Fixed or floating dividend/coupon	Fixed to Fixed	Floating	Fixed to Fixed
18	Coupon rate and any related index	5.54 per cent	USD 3M LIBOR plus 300 basis points (3.0 per cent).	3.276 per cent fixed, thereafter EURIBOR plus 3.275 per cent at the reset date.
19	Existence of a dividend stopper	No	No	€ 0
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	NatWest Markets Plc CET1 Ratio is less than 7.00 per cent. Statutory bail-in power and mandatory write-down/conversion of capital instruments power under the UK Banking Act 2009 (as amended)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)
25	If convertible, fully or partially	Fully or partially	Fully or partially	Fully or partially
26	If convertible, conversion rate	To be determined at conversion	To be determined at conversion	To be determined at conversion
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory	Mandatory
28	If convertible, specify instrument type convertible into	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	NatWest Markets Plc	NatWest Markets Plc	NatWest Markets Plc
30	Write-down features	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	NatWest Markets Plc CET1 ratio is less than 7.00 per cent. Statutory bail-in power and mandatory write-down/conversion of capital instruments power under the UK Banking Act 2009 (as amended)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)
32	If write-down, full or partial	Fully or partially	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a
UK-34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	Subordinated debt qualifying as AT1 ranking junior to Tier 2 and senior to CET1	Subordinated debt ranking junior to Senior non preferred debt and Senior to AT1	Subordinated debt ranking junior to Senior non preferred debt and Senior to AT1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to Tier 2	Subordinate to Senior Creditors	Subordinate to Senior Creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	n/a	n/a	n/a
37a	Link to the full term and conditions of the intrument (signposting)	n/a		
(1)	Notes Nominal Value versus Regulatory Value • Regulatory value for equity accounted instrument is translated to GBP at the FX rate on time of issuance • Regulatory value for amortised cost accounted instrument is translated to GBP at the current FX rate			
(2)	• Regulatory value for a Tier 2 instrument within its last five years to maturity will be subject to straight line amortisation Amounts reported for Additional Tier 1 and Tier 2 instruments are before grandfathering restrictions imposed by CRR			
(3)	For 8 - Regulatory value provided for instruments in the Own funds only or Own funds and eligible liabilities section. Notional provided for instruments in the eligible liabilities only section.			

		Included in own funds and eligible liabilities	Included only in eligible liabilities (but not own funds)	Included only in eligible liabilities (but not own funds)
		Tier 2	Senior unsecured debt	Senior unsecured debt
1	Issuer	NatWest Markets Plc	NatWest Markets Plc	NatWest Markets Plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	n/a	n/a	n/a
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	No	No
Regulatory Treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	n/a	n/a
5	Post-transitional CRR rules	Tier 2	n/a	n/a
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 Securities	Senior unsecured debt	Senior unsecured debt
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	GBP 208m	GBP 2,201m	GBP 955m
9	Nominal amount of instrument in 'Currency of issue'	USD 250,000,000	USD 2,650,000,000	USD 1,150,000,000
	Nominal amount of instrument in 'Currency of reporting'	GBP 207,641,196	GBP 2,200,996,678	GBP 955,149,502
UK-9a	Issue price	100 per cent	100 per cent	100 per cent
UK-9b	Redemption price	100 per cent	100 per cent	100 per cent
10	Accounting classification	Amortised Cost	Amortised Cost	Amortised Cost
11	Original date of issuance	28/06/2019	20/12/2020	10/11/2022
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	27/01/2034	12/09/2024	10/11/2026
14	Issuer call subject to prior supervisory approval	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	Issuer Call 27 Jan 2029/ 100 per cent	Issuer Call 12 Sep 2023/ 100 per cent	Issuer Call 10 Nov 2025/ 100 per cent
16	Subsequent call dates, if applicable	Issuer Call on any interest payment date after initial call	Issuer Call on any time after initial call	None after initial call
Coupons / dividends				
17	Fixed or floating dividend/coupon	Fixed to Fixed	Fixed to Fixed	Fixed to Fixed
18	Coupon rate and any related index	4.959 per cent fixed, thereafter reset to US LIBOR plus 2.956 per cent	Fixed 5.052% until 12 Sept 2023 thereafter Floating 3-Month USD LIBOR + 2.247% payable 6 monthly	Fixed 7.472% until 25 Nov 2025 thereafter resetting to the applicable US Treasury Rate plus 2.850% p.a.
19	Existence of a dividend stopper	€ 0	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)	Exercise of Resolution Powers with respect to NatWest Markets Plc by the UK Resolution Authority, or by any other authority in UK that is competent under the law to exercise Resolution Powers.	Exercise of Resolution Powers with respect to NatWest Markets Plc by the UK Resolution Authority, or by any other authority in UK that is competent under the law to exercise Resolution Powers.
25	If convertible, fully or partially	Fully or partially	Fully or partially	Fully or partially
26	If convertible, conversion rate	To be determined at conversion	At the discretion of UK Resolution Authority	At the discretion of UK Resolution Authority
27	If convertible, mandatory or optional conversion	Mandatory	Optional (at the discretion of UK Resolution Authority)	Optional (at the discretion of UK Resolution Authority)
28	If convertible, specify instrument type convertible into	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	NatWest Markets Plc	NatWest Markets Plc	NatWest Markets Plc
30	Write-down features	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Statutory bail-in power and mandatory write-down/conversion of capital instruments power under The UK Banking Act 2009 (as amended)	Exercise of Resolution Powers with respect to NatWest Markets Plc by the UK Resolution Authority, or by any other authority in UK that is competent under the law to exercise Resolution Powers.	Exercise of Resolution Powers with respect to NatWest Markets Plc by the UK Resolution Authority, or by any other authority in UK that is competent under the law to exercise Resolution Powers.
32	If write-down, full or partial	Fully or partially	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a
UK-34a	Type of subordination (only for eligible liabilities)	Contractual	Statutory	Statutory
UK-34b	Ranking of the instrument in normal insolvency proceedings	Subordinated debt ranking junior to Senior non preferred debt and Senior to AT1	Senior Non-Preferred debt ranking junior to Senior Preferred debt and Senior to Tier 2	Senior Non-Preferred debt ranking junior to Senior Preferred debt and Senior to Tier 2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to Senior Creditors	Ordinary non-preferential debts	Ordinary non-preferential debts
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	n/a	n/a	n/a
37a	Link to the full term and conditions of the instrument (signposting)	n/a		
(1)	Notes Nominal Value versus Regulatory Value • Regulatory value for equity accounted instrument is translated to GBP at the FX rate on time of issuance • Regulatory value for amortised cost accounted instrument is translated to GBP at the current FX rate			
(2)	• Regulatory value for a Tier 2 instrument within its last five years to maturity will be subject to straight line amortisation Amounts reported for Additional Tier 1 and Tier 2 instruments are before grandfathering restrictions imposed by CRR			
(3)	For 8 - Regulatory value provided for instruments in the Own funds only or Own funds and eligible liabilities section. Notional provided for instruments in the eligible liabilities only section.			