NatWest
Group

National Westminster Bank Plc
H1 2023 Pillar 3

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 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 NWB Group's future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NWB Group in respect of, but not limited to: its 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 purpose-led strategy, its environmental, social and governance 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, the transition of LIBOR and IBOR rates to replacement risk free rates and NWB Group's exposure to, operational risk, conduct risk, cyber, data and IT risk, financial crime 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, 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 and 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 the NWB Group's actual results are discussed in the NWB Plc's UK 2022 Annual Report and Accounts (ARA), and NWB Plc's Interim Results for H1 2023. 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 interim Pillar 3 disclosures for National Westminster Bank Plc (NWB Plc) at 30 June 2023. It should be read in conjunction with the H1 2023 NWB Plc Interim Management Statement (IMS) and the NatWest Holdings Group Pillar 3 report, which are published in the same location at: investors.natwestgroup.com/reports-archive/2023

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.

NWB Plc as a large, listed subsidiary of NatWest Group, is subject to a reduced number of disclosures as set out in in 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 sub-group rather than at an entity level.

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 NWB 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 LIQ1	Quantitative information on LCR	Refer to UK DoLSub liquidity disclosures in the NWH Group Pillar 3 document
UK LIQB	Qualitative information on LCR, which complements template UK LIQ1	
UK LIQ2	Net Stable Funding Ratio (NSFR)	
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 & 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
UK CR10.5	Equity exposures under the simple risk-weighted approach	No reportable exposures
UK CCR7	RWA 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.

Capital, liquidity and funding
NatWest Bank Plc - key points

CET1 ratio

The CET1 ratio increased by 40 basis points to 11.7%. The increase was due to a £0.9 billion increase in CET1 capital, partially offset by a £4.4 billion increase in RWAs.

The CET1 increase was mainly driven by a £1.8 billion profit, offset with a foreseeable dividend of £0.8 billion and other reserves movements in the period.

RWAs

Total RWAs increased by £4.4 billion to £116.8 billion mainly reflecting:

- an increase in credit risk RWAs of £2.9 billion, primarily due to increased exposures within Retail Banking and Commercial & Institutional, in addition to model adjustments applied as a result of regulations applied to IRB models.
- an increase in operational risk RWAs of £1.3 billion following the annual recalculation.
- an increase in counterparty credit risk RWAs of £0.2 billion, due to an increase in exposures.

UK leverage

The leverage ratio remained static at 4.4%. There was a £0.9 billion increase in Tier 1 capital offset by a £21.7 billion increase in leverage exposure. The key driver in the leverage exposure was an increase in other financial assets and net central bank exposures.

Capital, liquidity and funding continued

UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures. Capital ratios and measures are presented on a transitional basis, and therefore include permissible adjustments for the extended CRR2 grandfathering provisions and remaining IFRS 9 relief. NatWest Group 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.

		NWB Plc				
		30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022
Available own funds (amounts)		£m	£m	£m	£m	£m
1	Common equity Tier 1 (CET1) capital	**13,609**	13,640	12,713	12,437	12,335
2	Tier 1 capital	**15,852**	15,883	14,956	14,680	14,591
3	Total capital	**19,235**	19,343	17,877	17,719	17,503
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**116,811**	116,122	112,428	107,157	106,211
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity Tier 1 ratio (%)	**11.7**	11.7	11.3	11.6	11.6
6	Tier 1 ratio (%)	**13.6**	13.7	13.3	13.7	13.7
7	Total capital ratio (%)	**16.5**	16.7	15.9	16.5	16.5
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	**1.4**	1.4	1.4	1.2	1.2
UK 7b	Additional AT1 SREP requirements (%)	**0.5**	0.5	0.5	0.4	0.5
UK 7c	Additional Tier 2 SREP requirements (%)	**0.7**	0.7	0.7	0.6	0.5
UK 7d	Total SREP own funds requirements (%)	**10.6**	10.6	10.6	10.2	10.2
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)	**0.9**	0.9	0.9	0.0	0.0
11	Combined buffer requirement (%)	**3.4**	3.4	3.4	2.5	2.5
UK 11a	Overall capital requirements (%)	**14.0**	14.0	14.0	12.7	12.7
12	CET1 available after meeting the total SREP own funds requirements (%) (2)	**5.8**	5.8	5.4	5.9	5.9
Leverage ratio						
13	Total exposure measure excluding claims on central banks	**363,052**	349,719	341,308	343,343	340,086
14	Leverage ratio excluding claims on central banks (%)	**4.4**	4.5	4.4	4.3	4.3
Additional leverage ratio disclosure requirements (3)						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.3**	4.5			
UK 14b	Leverage ratio including claims on central banks (%)	**3.9**	4.1			
UK 14c	Average leverage ratio excluding claims on central banks (%)	**4.4**	4.5			
UK 14d	Average leverage ratio including claims on central banks (%)	**4.0**	4.0			
UK 14e	Countercyclical leverage ratio buffer (%)	**0.3**	0.3			
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 institution-specific countercyclical capital buffer requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures.
(2) Represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).
(3) As of 1 January 2023, NWB Plc is subject to additional disclosure requirements for LREQ firms. Therefore, comparatives were not presented.
(4) Under the UK DoLSub waiver NWB plc liquidity is managed and disclosed at the sub-group level rather than entity level.
(5) The following rows are not presented in the table above because they are not applicable: UK8a, UK9a, 10 and UK10a..

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. NWB Plc has elected to take advantage of 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.

		NWB Plc				
		30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022
	Available capital (amounts) - transitional	**£m**	£m	£m	£m	£m
1	Common equity Tier 1	**13,609**	13,640	12,713	12,437	12,335
2	Common equity Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**13,441**	13,466	12,432	12,183	12,127
3	Tier 1 capital	**15,852**	15,883	14,956	14,680	14,591
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**15,684**	15,709	14,675	14,426	14,383
5	Total capital	**19,235**	19,343	17,877	17,719	17,503
6	Total capital as if IFRS 9 transitional arrangements had not been applied	**19,267**	19,368	17,830	17,764	17,537
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	**116,811**	116,122	112,428	107,157	106,211
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	**116,787**	116,094	112,380	107,124	106,180
	Capital ratios	**%**	%	%	%	%
9	Common equity Tier 1 ratio	**11.7**	11.7	11.3	11.6	11.6
10	Common equity Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**11.5**	11.6	11.1	11.4	11.4
11	Tier 1 ratio	**13.6**	13.7	13.3	13.7	13.7
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**13.4**	13.5	13.1	13.5	13.5
13	Total capital ratio	**16.5**	16.7	15.9	16.5	16.5
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	**16.5**	16.7	15.9	16.6	16.5
	Leverage ratio					
15	Leverage ratio exposure measure (£m)	**363,052**	349,719	341,308	343,343	340,086
16	Leverage ratio (%)	**4.4**	4.5	4.4	4.3	4.3
17	Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	**4.3**	4.5	4.3	4.2	4.2

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.

		NWB Plc		
	CET1 capital: instruments and reserves	30 June 2023 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2022 £m
1	Capital instruments and the related share premium accounts	**3,903**		3,903
	Of which: ordinary shares	***1,678***	*(a)*	*1,678*
	Of which: share premium	***2,225***	*(k)*	*2,225*
2	Retained earnings	***10,535***	*(b)*	*10,226*
3	Accumulated other comprehensive income (and other reserves)	**209**	(c)	331
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	**970**	*(b)*	—
6	CET1 capital before regulatory adjustments	**15,617**		14,460
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	(-) Additional value adjustments	**(32)**		(20)
8	(-) Intangible assets (net of related tax liability)	**(1,548)**	(d)	(1,458)
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)	**(276)**	(e)	(421)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**548**	(i)	393
12	(-) Negative amounts resulting from the calculation of expected loss amounts	**—**		(86)
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	**—**		—
15	(-) Defined-benefit pension fund assets	**—**	(f) & (g)	—
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 (amount above 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)	***(858)***		(430)
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	*(-) Of which: qualifying holdings outside the financial sector*	**—**		—
UK-20c	*(-) Of which: securitisation positions*	**—**		—
UK-20d	*(-) Of which: free deliveries*	**—**		—
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)*	**—**		—

Capital, liquidity and funding continued
UK CC1: Composition of regulatory own funds continued

		NWB Plc		
		30 June 2023 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2022 £m
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
22	(-) Amount exceeding the 17.65% threshold	—		—
23	*(-) 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*	—		—
25	*(-) Of which: deferred tax assets arising from temporary differences*	—	*(b)*	—
UK-25a	*(-) Losses for the current financial year*	—		—
UK-25b	(-) Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items in so far as such tax charges reduce the amount up to which those items may be used to cover risks or losses	—		—
27	(-) Qualifying Additional Tier 1 (AT1) deductions that exceed the AT1 items of the institution	—		—
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	*158*		275
28	Total regulatory adjustments to CET1	(2,008)		(1,747)
29	CET1 capital	13,609		12,713
AT1 capital: instruments				
30	Capital instruments and the related share premium accounts	2,518	(h)	2,518
31	*Of which: classified as equity under applicable accounting standards*	*2,518*		*2,518*
32	*Of which: classified as liabilities under applicable accounting standards*	—		—
33	Amount of qualifying items referred to in Article 484 (4) CRR 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 Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	—		—
35	*Of which: instruments issued by subsidiaries subject to phase out*	—		—
36	AT1 capital before regulatory adjustments	2,518		2,518
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)	(275)		(275)
42	(-) Qualifying T2 deductions that exceed the T2 items of the institution	—		—
42a	Other regulatory adjustments to AT1 capital	—		—

Capital, liquidity and funding continued

UK CC1: Composition of regulatory own funds continued

		NWB Plc		
T2 capital: instruments		30 June 2023 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2022 £m
43	Total regulatory adjustments to AT1 capital	**(275)**		(275)
44	AT1 capital	**2,243**		2,243
45	Tier 1 capital (T1 = CET1 + AT1)	**15,852**		14,956
46	Capital instruments and the related share premium accounts	**3,694**	**(j)**	3,188
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	**—**	**(j)**	—
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 rows 5 or 34) issued by subsidiaries and held by third parties	**—**		—
49	*Of which: instruments issued by subsidiaries subject to phase out*	**—**		—
50	Credit risk adjustments	**36**		—
51	T2 capital before regulatory adjustments	**3,730**		3,188
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, indirect and synthetic 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 10% threshold and net of eligible short positions)	**—**		—
55	(-) Direct, indirect and synthetic 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)	**(347)**		(267)
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	**(347)**		(267)
58	T2 capital	**3,383**		2,921
59	Total capital (TC = T1 + T2)	**19,235**		17,877
60	Total risk exposure amount	**116,811**		112,428
Capital ratios and buffers				
61	CET1 (as a percentage of total risk exposure amount)	**11.7%**		11.3%
62	Tier 1 (as a percentage of total risk exposure amount)	**13.6%**		13.3%
63	Total capital (as a percentage of total risk exposure amount)	**16.5%**		15.9%
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) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	**9.3%**		9.3%

UK CC1: Composition of regulatory own funds continued

		NWB Plc		
		30 June 2023 £m	Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2022 £m
65	*Of which: capital conservation buffer requirement*	**2.5%**		2.5%
66	*Of which: countercyclical buffer requirement*	***0.9%***		*0.9%*
67	*Of which: systemic risk buffer requirement*	**—**		—
UK-67a	*Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	**—**		—
68	CET1 available to meet buffers (as a percentage of risk exposure amount) (1)	**5.8%**		5.4%
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)	**2**		2
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)	**1,447**		1,314
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)	**476**		530
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	**167**		161
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	**36**		—
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**531**		516
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) Represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A)
(2) The references (a) to (k) 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.

Capital, liquidity and funding 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.

	NWB Plc		
	As at period end 30 June 2023		
	a	b	
	Balance sheet as in published financial statements as at period end	Under regulatory scope of consolidation as at period end	
Assets	£m	£m	References
Cash and balances at central banks	52,400	52,400	
Derivatives	4,773	4,773	
Loans to banks - amortised cost	3,328	3,328	
Loans to customers - amortised cost	277,793	277,793	
Other financial assets	18,000	18,000	
Property, plant and equipment	1,790	1,790	
Current and deferred tax assets	1,344	1,344	
of which: DTAs that rely on future profitability and do not arise from temporary differences	*276*	*276*	*(e)*
Prepayments, accrued income and other assets	2,558	2,558	
of which: intangible assets	*1,548*	*1,548*	*(d)*
of which: defined benefit pension fund assets	—	—	*(f)*
Investment in group undertakings	2,589	2,589	
Amounts due from holding companies and fellow subsidiaries	34,910	34,910	
Total assets	**399,485**	**399,485**	
Liabilities			
Bank deposits	17,012	17,012	
Customer deposits	271,054	271,054	
Derivatives	2,373	2,373	
Other financial liabilities	10,142	10,142	
Provisions, deferred income and other liabilities	2,614	2,614	
Current and deferred tax liabilities	1	1	
of which: defined benefit pension scheme assets	—	—	*(g)*
Subordinated liabilities	119	119	*(j)*
Notes in circulation	798	798	
Amounts due to holding companies and fellow subsidiaries	76,399	76,399	*(j)*
Total liabilities	**380,512**	**380,512**	
Shareholders' Equity			
Non-controlling interests			
Owners' equity			
Called up share capital	1,678	1,678	*(a)*
Reserves	17,295	17,295	
of which: amount eligible for retained earnings	*12,343*	*12,343*	*(b)*
of which: amount eligible for accumulated OCI and other reserves	*209*	*209*	*(c) & (i)*
of which: amount of other equity instruments	*2,518*	*2,518*	*(h)*
of which: share premium accounts	*2,225*	*2,225*	*(k)*
Total shareholders' equity	**18,973**	**18,973**	

(1) The references (a) to (k) 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 Capital Requirements Directive for the calculation of regulatory capital.

Capital, liquidity and funding 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.

		NWB Plc		
		a	b	c
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements
		30 June 2023 £m	31 March 2023 £m	30 June 2023 £m
1	Credit risk (excluding counterparty credit risk)	**101,062**	100,951	**8,085**
2	*Of which: standardised approach*	***13,322***	*13,174*	***1,066***
3	*Of which: the foundation IRB (FIRB) approach*	—	—	—
4	*Of which: slotting approach*	***8,338***	*8,711*	***667***
UK 4a	*Of which: equities under the simple risk-weighted approach*	—	—	—
5	*Of which: the advanced IRB (AIRB) approach*	***79,402***	*79,066*	***6,352***
6	Counterparty credit risk	**674**	652	**54**
7	*Of which: standardised approach*	***211***	*255*	***17***
8	*Of which: internal model method (IMM)*	—	—	—
UK 8a	*Of which: exposures to a CCP*	***58***	*14*	***5***
UK 8b	*Of which: credit valuation adjustment (CVA)*	***158***	*191*	***13***
9	*Of which: other counterparty credit risk*	***247***	*192*	***19***
15	Settlement risk	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	**741**	192	**59**
17	*Of which: SEC-IRBA approach* (2)	***549***	—	***44***
18	*Of which: SEC-ERBA (including IAA)*	***4***	*4*	—
19	*Of which: SEC-SA approach*	***188***	*188*	***15***
UK 19a	*Of which: 1,250%/deduction*	—	—	—
20	*Position, foreign exchange and commodities risk (market risk)*	**15**	8	**1**
21	*Of which: standardised approach*	***15***	*8*	***1***
22	*Of which: IMA*	—	—	—
UK 22a	Large exposures	—	—	—
23	Operational risk	**14,319**	14,319	**1,146**
UK 23a	*Of which: basic indicator approach*	—	—	—
UK 23b	*Of which: standardised approach*	***14,319***	*14,319*	***1,146***
UK 23c	*Of which: advanced measurement approach*	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (1)	**4,805**	4,762	**384**
29	Total	**116,811**	116,122	**9,345**

(1) The amount is shown for information only, as these exposures are already included in rows 1 and 2.
(2) The Securitisation SEC-IRBA value of £549 million reflects changes in the regulatory treatment of certain structured transactions.

Capital, liquidity and funding 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 exposures and non-credit obligation assets.

		NWB Plc
		a
		RWAs
		£m
1	**At 31 December 2022**	**83,005**
2	Asset size	2,664
3	Asset quality	(303)
4	Model updates	(120)
7	Foreign exchange movements	(227)
9	**At 31 March 2023**	**85,019**
2	Asset size	1,119
3	Asset quality	(714)
4	Model updates	792
5	Methodology and policy	450
7	Foreign exchange movements	(167)
8	Other	(1,438)
9	**At 30 June 2023**	**85,061**

(1) The following row is not presented because it had zero values for the quarter ended 30 June 2023: (6) acquisitions and disposals.

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- The decrease in other RWAs reflected changes in the regulatory treatment of certain structured transactions.
- The uplift in asset size RWAs primarily related to increased lending in Retail Banking. These movements were partially offset by repayments and expired facilities in Commercial & Institutional.
- The uplift in RWAs relating to model updates was mainly due to adjustments as a result of regulations applicable to IRB models.
- The reduction in RWAs for asset quality reflected improved risk metrics within Commercial & Institutional. Additional decreases were a result of customers moving into default within Commercial & Institutional.
- The increase in methodology and policy RWAs was mainly due to the revised loss given default approach for non-UK covered bonds.
- The decrease in foreign exchange movements RWAs was mainly a result of sterling strengthening against the US dollar and euro during the period.

Capital, liquidity and funding continued

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.

		NWB Plc	
		30 June 2023 £m	31 December 2022 £m
1	Total assets as per published financial statements	**399,485**	401,747
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)	**(38,912)**	(62,228)
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	**(155)**	(2)
7	Adjustment for eligible cash pooling transactions	**—**	—
8	Adjustment for derivative financial instruments	**(1,249)**	(1,621)
9	Adjustment for securities financing transactions (SFTs)	**614**	2,391
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**30,155**	29,621
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	**(59)**	(133)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**(20,757)**	(22,080)
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	**(6,070)**	(6,387)
13	Total exposure measure	**363,052**	341,308

Capital, liquidity and funding 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.

		NWB Plc	
		30 June 2023	31 December 2022
On-balance sheet exposures (excluding derivatives and SFTs)		£m	£m
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**369,169**	373,593
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)	**(3,511)**	(3,695)
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))	**(2,283)**	(2,022)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	**363,375**	367,876
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**5,284**	4,812
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	**1,750**	1,692
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	**—**	—
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**—**	—
13	Total derivative exposures	**7,034**	6,504
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**27,921**	23,341
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(6,350)**	(4,090)
16	Counterparty credit risk exposure for SFT assets	**614**	2,391
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	**22,185**	21,642
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	**95,965**	94,608
20	(Adjustments for conversion to credit equivalent amounts)	**(65,810)**	(64,987)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	**(28)**	(27)
22	Off-balance sheet exposures	**30,127**	29,594

UK LR2 - LRCom: Leverage ratio common disclosure continued

		NWB Plc	
		30 June 2023 £m	31 December 2022 £m
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	(20,757)	(22,080)
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)	(20,757)	(22,080)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	15,852	14,956
24	Total exposure measure including claims on central banks	401,964	403,536
UK-24a	(-) Claims on central banks excluded	(38,912)	(62,228)
UK-24b	Total exposure measure excluding claims on central banks	363,052	341,308
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	4.4	4.4
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.3	4.3
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 (%)	4.4	4.4
UK-25c	Leverage ratio including claims on central banks (%)	3.9	3.7
26	Regulatory minimum leverage ratio requirement (%)(1)	3.25	
Additional leverage ratio disclosure requirements - leverage ratio buffers (1)			
27	Leverage ratio buffer (%)	0.3	
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	—	
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.3	
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	23,347	
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	21,571	
UK-31	Average total exposure measure excluding claims on central banks	355,750	
UK-32	Average total exposure measure including claims on central banks	389,901	
UK-33	Average leverage ratio excluding claims on central banks	4.4	
UK-34	Average leverage ratio including claims on central banks	4.0	

1) As of 1 January 2023, NWB Plc is subject to additional disclosure requirements for LREQ firms for averaging and the countercyclical leverage ratio buffer.

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NWB Plc average leverage ratio decreased from 4.5% to 4.4% in the quarter. There was an increase in average leverage exposure driven by an increase in average balance sheet assets partially offset by an increase in 3-month average Tier 1 capital.

Capital, liquidity and funding 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.

		NWB Plc	
		30 June 2023 £m	31 December 2022 £m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**304,477**	284,248
UK-2	Trading book exposures	**—**	—
UK-3	Banking book exposures, of which:	**304,477**	284,248
UK-4	Covered bonds	**4,554**	4,568
UK-5	Exposures treated as sovereigns	**24,591**	18,718
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	**3,290**	3,435
UK-7	Institutions	**6,515**	4,966
UK-8	Secured by mortgages of immovable properties	**196,069**	190,209
UK-9	Retail exposures	**14,904**	13,848
UK-10	Corporate	**42,149**	39,300
UK-11	Exposures in default	**3,433**	3,201
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	**8,972**	6,003

Capital, liquidity and funding continued

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 buffer is to help protect banks during periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk. This regime is intended to help reduce the risk that the supply of credit will be constrained during a period of economic downturn, which in turn could undermine the performance of the real economy and consequently result in additional credit losses in the banking system.

The table below summarises NWB 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 risk section.

	NWB Plc												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
30 June 2023	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures -Credit risk £m	Relevant credit exposures -Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Breakdown by country (with existing CCyB rates)													
Norway	115	407	—	—	—	522	28	—	—	28	348	0.36%	2.50%
Denmark	—	124	—	—	—	124	2	—	—	2	23	0.02%	2.50%
Czech Republic	—	2	—	—	—	2	—	—	—	—	—	0.00%	2.50%
Sweden	491	1,066	—	—	—	1,557	91	—	—	91	1,141	1.19%	2.00%
Iceland	—	—	—	—	—	—	—	—	—	—	—	0.00%	2.00%
Bulgaria	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.50%
United Kingdom	19,523	281,178	—	—	3,888	304,589	6,727	—	53	6,780	84,742	88.66%	1.00%
Netherlands	284	1,143	—	—	16	1,443	71	—	—	71	896	0.94%	1.00%
Australia	1	138	—	—	—	139	3	—	—	3	41	0.04%	1.00%
Hong Kong	—	65	—	—	1	66	2	—	—	2	20	0.02%	1.00%
Slovakia	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.00%
Estonia	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%
Germany	32	1,907	—	—	6	1,945	100	—	—	100	1,258	1.32%	0.75%
France	66	1,696	—	—	100	1,862	75	—	1	76	942	0.99%	0.50%
Ireland	59	1,027	—	—	—	1,086	49	—	—	49	616	0.64%	0.50%
Luxembourg	41	135	—	—	5	181	11	—	—	11	134	0.14%	0.50%
Romania	—	1	—	—	—	1	—	—	—	—	—	0.00%	0.50%
Croatia	—	—	—	—	—	—	—	—	—	—	—	0.00%	0.50%
Total (countries with existing CCyB rates)	**20,612**	**288,891**	**—**	**—**	**4,016**	**313,519**	**7,159**	**—**	**54**	**7,213**	**90,161**	**94.32%**	

Capital, liquidity and funding continued

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

	NWB Plc												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
30 June 2023	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures -Credit risk £m	Relevant credit exposures -Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
US	64	7,629	—	—	3	7,696	241	—	—	241	3,009	3.15%	—
Total (countries with zero CCyB rate and with own funds requirement weights 1% and above)	64	7,629	—	—	3	7,696	241	—	—	241	3,009	3.15%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	810	3,240	—	—	217	4,267	188	—	5	193	2,420	2.53%	—
Total	21,486	299,760	—	—	4,236	325,482	7,588	—	59	7,647	95,590	100.00%	

Capital, liquidity and funding continued

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

	NWB Plc												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2022	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures -Credit risk £m	Relevant credit exposures -Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Breakdown by country (with existing CCyB rates)													
Norway	171	509	—	—	—	680	21	—	—	21	257	28.00%	2.00%
Denmark	—	96	—	—	—	96	2	—	—	2	27	0.03%	2.00%
Iceland	—	—	—	—	—	—	—	—	—	—	—	—	2.00%
Czech Republic	—	—	—	—	—	—	—	—	—	—	—	—	1.50%
United Kingdom	20,708	277,361	—	—	1,412	299,481	6,458	—	14	6,472	80,899	87.52%	1.00%
Sweden	510	739	—	—	—	1,249	75	—	—	75	935	1.01%	1.00%
Hong Kong	—	57	—	—	—	57	1	—	—	1	15	0.02%	1.00%
Slovakia	—	1	—	—	—	1	—	—	—	—	—	—	1.00%
Estonia	—	—	—	—	—	—	—	—	—	—	—	—	1.00%
Bulgaria	—	—	—	—	—	—	—	—	—	—	—	—	1.00%
Luxembourg	55	490	—	—	—	545	27	—	—	27	337	0.36%	0.50%
Romania	—	2	—	—	—	2	—	—	—	—	—	—	0.50%
Total (countries with existing CCyB rates)	21,444	279,255	—	—	1,412	302,111	6,584	—	14	6,584	82,470	89.22%	

Capital, liquidity and funding continued

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

	NWB Plc												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk				Own fund requirements						
31 December 2022	Exposure value under the standardised approach £m	Exposure value under the IRB approach £m	Sum of long and short positions of trading book exposures for SA £m	Value of trading book exposures for internal models £m	Securitisation exposures Exposure value for non-trading book £m	Total exposure value £m	Relevant credit risk exposures -Credit risk £m	Relevant credit exposures -Market risk £m	Relevant credit exposures - Securitisation positions in the non trading book £m	Total £m	Risk weighted exposure amounts £m	Own fund requirements weights %	Countercyclical buffer rate %
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
US	51	6,772	—	—	—	6,823	240	—	—	240	3,004	3.25%	—
Germany	62	1,698	—	—	—	1,760	89	—	—	89	1,113	1.21%	—
Total (countries with zero CCyB rate and with own funds requirement weights 1% and above)	113	8,470	—	—	—	8,583	329	—	—	329	4,118	4.45%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	1,174	8,352	—	—	107	9,633	467	—	1	468	5,845	6.32%	—
Total	22,731	296,077	—	—	1,519	320,327	7,380	—	15	7,395	92,432	100.00%	

Capital, liquidity and funding continued
UK CCyB2: Amount of institution-specific countercyclical capital buffer

		NWB Plc	
		30 June 2023 £m	31 December 2022 £m
1	Total risk exposure amount	**116,811**	112,428
2	Institution specific countercyclical capital buffer	**0.95%**	0.89%
3	Institution specific countercyclical capital buffer requirement (1)	**1,108**	1,005

(1) The UK CCyB rate increased to 2% effective from 5 July 2023; the June 2023 buffer requirement was calculated using the applicable UK rate at the period end i.e 1%. The Central Bank or Ireland (CBI) announced the CCyB on Irish exposures will increase from 0.5% to 1% from 24 November 2023. A further increase to 1.5% will be effective June 2024.

Credit risk

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.

		NWB 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			Accumulated partial write-off	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*		On performing exposures	On non-performing exposures
30 June 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	53,998	53,998	—	—	—	—	(5)	(5)	—	—	—	—	—	2	—
010	Loans and advances	311,360	279,557	31,615	3,874	172	3,686	(1,156)	(479)	(677)	(1,303)	(15)	(1,288)	(147)	239,410	2,175
020	*Central banks*	1,177	1,177	—	—	—	—	—	—	—	—	—	—	—	—	—
030	*General governments*	2,394	2,284	110	24	—	24	—	—	—	(1)	—	(1)	—	2,173	23
040	*Credit institutions*	18,566	18,566	—	—	—	—	(24)	(24)	—	—	—	—	—	255	—
050	*Other financial corporations*	38,700	38,519	181	24	1	23	(23)	(19)	(4)	(8)	—	(8)	—	21,884	5
060	*Non-financial corporations*	58,546	47,941	10,468	1,207	48	1,159	(476)	(183)	(293)	(385)	(2)	(383)	(20)	34,019	635
070	*Of which: SMEs*	13,586	10,266	3,320	637	19	618	(178)	(53)	(125)	(225)	(1)	(224)	—	12,001	355
080	*Households*	191,977	171,070	20,856	2,619	123	2,480	(633)	(253)	(380)	(909)	(13)	(896)	(127)	181,079	1,512
090	Debt securities	18,202	17,512	90	—	—	—	(9)	(7)	(2)	—	—	—	—	—	—
100	*Central banks*	63	63	—	—	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	9,283	9,283	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
120	*Credit institutions*	5,915	5,225	90	—	—	—	(5)	(3)	(2)	—	—	—	—	—	—
130	*Other financial corporations*	2,833	2,833	—	—	—	—	(3)	(3)	—	—	—	—	—	—	—
140	*Non-financial corporations*	108	108	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance sheet exposures	94,062	85,897	8,165	424	84	332	(57)	(23)	(34)	—	—	—		7,502	55
160	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—		—	—
170	*General governments*	319	317	2	17	—	17	—	—	—	—	—	—		101	8
180	*Credit institutions*	1,455	1,448	7	—	—	—	—	—	—	—	—	—		—	—
190	*Other financial corporations*	14,651	14,582	69	—	—	—	(1)	(1)	—	—	—	—		134	—
200	*Non-financial corporations*	46,515	40,784	5,731	132	80	52	(34)	(13)	(21)	—	—	—		6,499	40
210	*Households*	31,122	28,766	2,356	275	4	263	(22)	(9)	(13)	—	—	—		768	7
220	Total	477,622	436,964	39,870	4,298	256	4,018	(1,227)	(514)	(713)	(1,303)	(15)	(1,288)	(147)	246,914	2,230

Credit risk continued

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

		NWB 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	
31 December 2022		Total £m	*Of which: Stage 1* £m	*Of which: Stage 2* £m	Total £m	*Of which: Stage 2* £m	*Of which: Stage 3* £m	Total £m	*Of which: Stage 1* £m	*Of which: Stage 2* £m	Total £m	*Of which: Stage 2* £m	*Of which: Stage 3* £m	Accumulated partial write-off £m	On performing exposures £m	On non-performing exposures £m
005	Cash balances at central banks and other demand deposits	73,936	73,935	1	—	—	—	(8)	(8)	—	—	—	—	—	—	—
010	Loans and advances	298,379	264,895	33,353	3,549	156	3,381	(1,190)	(471)	(719)	(1,185)	(13)	(1,172)	(144)	231,076	2,079
020	*Central banks*	1,275	1,275	—	—	—	—	—	—	—	—	—	—	—	—	—
030	*General governments*	2,389	2,321	68	22	—	22	—	—	—	—	—	—	—	2,247	22
040	*Credit institutions*	14,342	14,333	8	—	—	—	(28)	(28)	—	—	—	—	—	274	—
050	*Other financial corporations*	37,735	36,410	1,325	34	—	34	(35)	(27)	(8)	(14)	—	(14)	—	19,831	6
060	*Non-financial corporations*	57,862	45,455	12,335	1,090	35	1,055	(517)	(188)	(329)	(361)	(2)	(359)	(21)	34,092	633
070	*Of which: SMEs*	15,394	11,675	3,719	600	12	588	(186)	(63)	(123)	(203)	—	(203)	—	13,684	357
080	*Households*	184,776	165,101	19,617	2,403	121	2,270	(610)	(228)	(382)	(810)	(11)	(799)	(123)	174,632	1,418
090	Debt securities	14,361	13,002	756	—	—	—	(5)	(4)	(1)	—	—	—	—	—	—
100	*Central banks*	37	37	—	—	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	5,912	5,912	—	—	—	—	—	—	—	—	—	—	—	—	—
120	*Credit institutions*	5,706	4,347	756	—	—	—	(5)	(4)	(1)	—	—	—	—	—	—
130	*Other financial corporations*	2,682	2,682	—	—	—	—	—	—	—	—	—	—	—	—	—
140	*Non-financial corporations*	24	24	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance sheet exposures	94,021	83,822	10,199	517	148	362	(55)	(25)	(30)	(1)	(1)	—		7,135	42
160	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—		—	—
170	*General governments*	554	550	4	19	—	19	—	—	—	—	—	—		152	9
180	*Credit institutions*	6,429	6,414	15	—	—	—	—	—	—	—	—	—		—	—
190	*Other financial corporations*	9,396	8,878	518	1	—	1	(2)	(1)	(1)	—	—	—		148	1
200	*Non-financial corporations*	44,414	36,365	8,049	237	144	93	(32)	(13)	(19)	—	—	—		6,007	26
210	*Households*	*33,228*	*31,615*	*1,613*	*260*	*4*	*249*	*(21)*	*(11)*	*(10)*	*(1)*	*(1)*	—		*828*	*6*
220	Total	480,697	*435,654*	*44,309*	4,066	*304*	*3,743*	(1,258)	*(508)*	*(750)*	(1,186)	*(14)*	*(1,172)*	(144)	238,211	2,121

(1) The gross NPL ratio for NWB Plc is 1.23% (31 December 2022 – 1.18%). 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.

Credit risk 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.

		NWB Plc					
		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
30 June 2023		£m	£m	£m	£m	£m	£m
1	Loans and advances	**15,249**	**39,061**	**56,918**	**201,547**	**—**	**312,775**
2	Debt securities	**—**	**2,687**	**9,899**	**5,607**	**—**	**18,193**
3	Total	**15,249**	**41,748**	**66,817**	**207,154**	**—**	**330,968**

		NWB Plc					
		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	<= 5 years	No stated maturity	Total
31 December 2022		£m	£m	£m	£m	£m	£m
1	Loans and advances	13,616	39,931	52,390	193,616	—	299,553
2	Debt securities	—	813	9,415	4,128	—	14,356
3	Total	13,616	40,744	61,805	197,744	—	313,909

(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.

		NWB Plc
		a
		Gross carrying amount
30 June 2023		£m
010	Initial stock of non-performing loans and advances	**3,549**
020	Inflows to non-performing portfolios	**1,143**
030	Outflows from non-performing portfolios	**(818)**
040	Outflows due to write-offs	**(81)**
050	Outflow due to other situations	**(737)**
060	Final stock of non-performing loans and advances	**3,874**

(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.

Credit risk continued

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.

	NWB 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			
30 June 2023	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	Collateral received and financial guarantees received on forborne exposures £m	*Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures* £m
005 Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010 Loans and advances	2,410	1,279	1,190	1,197	(91)	(312)	2,383	785
020 *Central banks*	—	—	—	—	—	—	—	—
030 *General governments*	*15*	*24*	*24*	*24*	—	—	*39*	*23*
040 *Credit institutions*	—	—	—	—	—	—	—	—
050 *Other financial corporations*	*58*	*20*	*20*	*20*	*(2)*	*(8)*	*22*	*2*
060 *Non-financial corporations*	*1,958*	*535*	*495*	*490*	*(80)*	*(166)*	*1,448*	*230*
070 *Households*	*379*	*700*	*651*	*663*	*(9)*	*(138)*	*874*	*530*
080 Debt securities	—	—	—	—	—	—	—	—
090 Loan commitments given	453	116	36	36	(4)	—	134	36
100 Total	2,863	1,395	1,226	1,233	(95)	(312)	2,517	821

Credit risk
UK CQ1: Credit quality of forborne exposures continued

	NWB 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			
31 December 2022	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	Collateral received and financial guarantees received on forborne exposures £m	*Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures* £m
005 Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010 Loans and advances	2,714	1,143	1,049	1,057	(105)	(301)	2,386	688
020 *Central banks*	—	—	—	—	—	—	—	—
030 *General governments*	*23*	—	—	—	—	—	*23*	—
040 *Credit institutions*	—	—	—	—	—	—	—	—
050 *Other financial corporations*	*21*	*28*	*28*	*28*	*(1)*	*(13)*	*9*	*2*
060 *Non-financial corporations*	*2,285*	*455*	*421*	*423*	*(94)*	*(168)*	*1,573*	*170*
070 *Households*	*385*	*660*	*600*	*606*	*(10)*	*(120)*	*781*	*516*
080 Debt securities	—	—	—	—	—	—	—	—
090 Loan commitments given	414	104	40	41	(1)	(1)	163	8
100 Total	3,128	1,247	1,089	1,098	(106)	(302)	2,549	696

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

Credit risk 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.

		NWB Plc						
		a	b	c	d	e	f	g
30 June 2023		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
010	**On-balance sheet exposures**	333,436	3,874	3,636	332,494	(2,468)	—	—
020	*UK*	307,484	3,660	3,422	306,542	(2,322)	—	—
030	*RoI*	4,551	1	1	4,551	(7)	—	—
040	*Other Western Europe*	7,973	144	144	7,973	(82)	—	—
050	*US*	7,749	—	—	7,749	(19)	—	—
060	*Other countries*	5,679	69	69	5,679	(38)	—	—
070	**Off-balance sheet exposures**	94,486	424	331	—	—	(57)	—
080	*UK*	77,032	302	285	—	—	(50)	—
090	*RoI*	1,347	—	—	—	—	—	—
100	*Other Western Europe*	7,970	47	28	—	—	(4)	—
110	*US*	6,835	57	—	—	—	(3)	—
120	*Other countries*	1,302	18	18	—	—	—	—
130	**Total**	427,922	4,298	3,967	332,494	(2,468)	(57)	—

Credit risk continued

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

		NWB Plc						
		a	b	c	d	e	f	g
31 December 2022		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
010	On-balance sheet exposures	316,289	3,549	3,345	315,551	(2,380)	—	—
020	*UK*	292,755	3,435	3,234	292,017	(2,218)	—	—
030	*RoI*	3,504	1	1	3,504	(7)	—	—
040	*Other Western Europe*	7,136	31	28	7,136	(71)	—	—
050	*US*	7,104	—	—	7,104	(43)	—	—
060	*Other countries*	5,790	82	82	5,790	(41)	—	—
070	Off-balance sheet exposures	94,538	517	361	—	—	(56)	—
080	*UK*	72,613	298	282	—	—	(47)	—
090	*RoI*	6,300	—	—	—	—	—	—
100	*Other Western Europe*	7,841	141	60	—	—	(4)	—
110	*US*	6,578	59	—	—	—	(5)	—
120	*Other countries*	1,206	19	19	—	—	—	—
130	Total	410,827	4,066	3,706	315,551	(2,380)	(56)	—

(1) The geographical breakdown disclosed is based on combined on and off-balance sheet exposures and represent 98% 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.

UK CQ5: Credit quality of loans and advances to non-financial corporations 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.

		NWB Plc					
		a	b	c	d	e	f
30 June 2023		Gross carrying amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
010	Agriculture, forestry and fishing	2,336	49	44	2,336	(40)	—
020	Mining and quarrying	169	25	25	169	(26)	—
030	Manufacturing	5,017	112	82	5,017	(66)	—
040	Electricity, gas, steam and air conditioning supply	4,426	45	45	4,426	(27)	—
050	Water supply	2,616	5	5	2,616	(9)	—
060	Construction	3,524	181	180	3,524	(92)	—
070	Wholesale and retail trade	6,969	163	146	6,858	(128)	—
080	Transport and storage	2,766	16	15	2,766	(28)	—
090	Accommodation and food service activities	3,393	94	94	3,393	(92)	—
100	Information and communication	4,293	27	27	4,293	(46)	—
110	Financial and insurance activities	8	—	—	8	—	—
120	Real estate activities	13,533	167	157	13,507	(110)	—
130	Professional, scientific and technical activities	2,676	34	34	2,676	(47)	—
140	Administrative and support service activities	3,368	42	41	3,368	(43)	—
150	Public administration and defence, compulsory social security	124	1	1	124	(1)	—
160	Education	341	6	6	341	(6)	—
170	Human health services and social work supply	2,693	81	76	2,693	(57)	—
180	Arts, entertainment and recreation	1,013	9	9	1,013	(17)	—
190	Other services	488	150	150	488	(26)	—
200	Total	59,753	1,207	1,137	59,616	(861)	—

Credit risk continued

UK CQ5: Credit quality of loans and advances to non-financial corporations by industry continued

		NWB Plc					
		a	b	c	d	e	f
31 December 2022		Gross carrying amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
010	Agriculture, forestry and fishing	2,366	42	37	2,366	(43)	—
020	Mining and quarrying	178	35	35	178	(27)	—
030	Manufacturing	5,187	111	99	5,187	(76)	—
040	Electricity, gas, steam and air conditioning supply	4,022	1	1	4,022	(17)	—
050	Water supply	2,166	5	4	2,166	(8)	—
060	Construction	3,330	191	190	3,330	(90)	—
070	Wholesale and retail trade	7,541	64	59	7,469	(96)	—
080	Transport and storage	2,688	17	17	2,688	(50)	—
090	Accommodation and food service activities	3,274	96	94	3,274	(109)	—
100	Information and communication	3,924	57	57	3,924	(44)	—
110	Financial and insurance activities	8	—	—	8	—	—
120	Real estate activities	13,282	143	129	13,282	(112)	—
130	Professional, scientific and technical activities	2,779	40	40	2,779	(41)	—
140	Administrative and support service activities	3,210	43	43	3,210	(59)	—
150	Public administration and defence, compulsory social security	136	—	—	136	(1)	—
160	Education	400	5	5	400	(5)	—
170	Human health services and social work supply	2,814	94	88	2,814	(57)	—
180	Arts, entertainment and recreation	1,148	9	9	1,148	(18)	—
190	Other services	499	137	137	499	(25)	—
200	Total	58,952	1,090	1,044	58,880	(878)	—

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

Credit risk continued

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. The credit risk exposures in scope of this template are presented irrespective of whether the standardised approach or the IRB approach is used for RWA calculation. Counterparty credit risk exposures are excluded.

		NWB Plc				
		a	b	c	d	e
30 June 2023		Unsecured carrying amount £m	Secured carrying amount £m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives £m
1	Loans and advances	**119,631**	**247,137**	**234,358**	**7,229**	**—**
2	Debt securities	**18,193**	**—**	**—**	**—**	**—**
3	Total	**137,824**	**247,137**	**234,358**	**7,229**	**—**
4	*Of which: non-performing exposures*	**325**	**2,246**	**1,813**	**362**	**—**
5	*Of which: defaulted*	***298***	***2,057***	***1,652***	***356***	**—**

		NWB Plc				
		a	b	c	d	e
31 December 2022		Unsecured carrying amount £m	Secured carrying amount £m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives £m
1	Loans and advances	135,718	237,763	225,183	7,972	—
2	Debt securities	14,356	—	—	—	—
3	Total	150,074	237,763	225,183	7,972	—
4	*Of which: non-performing exposures*	258	2,106	1,704	375	—
5	*Of which: defaulted*	*231*	*1,986*	*1,555*	*373*	—

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

Credit risk continued

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.

		NWB Plc					
		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
30 June 2023		On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
1	Central governments or central banks	42,047	208	42,649	141	1,190	3
2	Regional governments or local authorities	117	40	81	—	—	—
3	Public sector entities	—	—	—	—	—	—
4	Multilateral development banks	1,564	—	1,564	—	—	—
5	International organisations	—	—	—	—	—	—
6	Institutions	19,443	9,880	19,443	4,843	2,553	11
7	Corporates	17,083	12,441	16,453	494	4,018	24
8	Retail	1,370	1,630	1,370	—	959	70
9	Secured by mortgages on immovable property	1,215	344	1,215	170	864	62
10	Exposures in default	80	35	51	—	80	155
11	Items associated with particularly high risk	—	—	—	—	—	—
12	Covered bonds	50	—	50	—	10	20
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14	Collective investment undertakings	—	—	—	—	—	—
15	Equity	1,449	—	1,449	—	3,618	250
16	Other items	30	—	30	—	30	100
17	Total	84,448	24,578	84,355	5,648	13,322	15

		NWB Plc					
		a	b	c	d	e	f
		Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
31 December 2022		On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
1	Central governments or central banks	62,626	327	63,226	166	1,325	2
2	Regional governments or local authorities	89	168	79	—	—	—
3	Public sector entities	—	—	—	—	—	—
4	Multilateral development banks	1,843	—	1,843	—	—	—
5	International organisations	—	—	—	—	—	—
6	Institutions	15,550	28,185	15,550	13,984	3,026	10
7	Corporates	18,487	7,157	17,790	446	3,618	20
8	Retail	903	1,656	903	—	598	66
9	Secured by mortgages on immovable property	1,768	249	1,766	123	938	50
10	Exposures in default	51	18	47	—	68	142
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	1,297	—	1,297	—	3,239	250
16	Other items	53	—	53	—	53	100
17	Total	102,667	37,760	102,554	14,719	12,865	11

Credit risk continued

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.

		NWB Plc		NWB Plc	
		30 June 2023		31 December 2022	
		a	b	a	b
		Pre-credit derivatives RWAs £m	Actual RWAs £m	Pre-credit derivatives RWAs £m	Actual RWAs £m
5	Exposures under AIRB	**76,723**	**76,723**	74,728	74,651
6	Central governments and central banks	**588**	**588**	405	405
7	Institutions	**2,044**	**2,044**	1,893	1,893
8	Corporates	**31,109**	**31,109**	31,163	31,086
8.1	*Of which: SME*	***5,178***	***5,178***	*5,376*	*5,339*
8.3	*Of which: Other*	***25,931***	***25,931***	*28,787*	*25,747*
9	Retail	**42,982**	**42,982**	41,267	41,267
9.1	*Of which: secured by real estate SME - secured by immovable property collateral*	***309***	***309***	*313*	*313*
9.2	*Of which: secured by real estate non-SME - secured by immovable property collateral*	***28,586***	***28,586***	*27,850*	*27,850*
9.3	*Of which: qualifying revolving*	***4,711***	***4,711***	*4,098*	*4,098*
9.4	*Of which: other SMEs*	***2,692***	***2,692***	*2,728*	*2,728*
9.5	*Of which: other non-SME*	***6,684***	***6,684***	*6,277*	*6,277*
10	Total	**76,723**	**76,723**	74,728	74,651

(1) Rows 1 - 4.2 are not presented as NWB Plc does not use FIRB to calculate capital requirements for IRB exposures.
(2) Specialised lending exposures under the slotting approach are excluded.

Credit risk 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 NWB Plc does not apply the FIRB method. The table excludes counterparty credit risk, securitisations and non-credit obligation assets.

A-IRB		NWB Plc													
			Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs	
			Funded credit protection (FCP)									Unfunded credit protection (UFCP)			
		Total exposures £m	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 exposure class £m	RWA with substitution effects £m
30 June 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n
	Central governments and central														
1	banks	**22,034**	**0.38**	—	—	—	—	—	—	—	—	—	—	**1,115**	**588**
	central banks														
2	Institutions	**5,902**	**24.47**	—	—	—	—	—	—	—	—	—	—	**2,225**	**2,044**
3	Corporates	**59,886**	**11.12**	**122.14**	**62.33**	**0.01**	**59.81**	—	—	—	—	**3.08**	—	**31,936**	**31,109**
3.1	*Of which: SME*	**9,459**	***3.57***	**227.47**	**149.12**	**0.01**	**78.33**	**0.01**	—	—	**0.01**	**8.68**	—	**5,561**	***5,178***
3.3	*Of which: other*	**50,427**	***12.53***	**102.38**	**46.04**	**0.01**	**56.33**	—	—	—	—	**2.03**	—	**26,375**	***25,931***
4	Retail	**222,928**	—	**177.15**	**177.15**	—	—	—	—	—	—	**2.11**	—	**17,623**	***42,982***
4.1	*Of which: immovable property SME*	**772**	—	—	—	—	—	—	—	—	—	**1.27**	—	**3**	***309***
4.2	*Of which: immovable property*	**188,054**	—	**210.00**	**210.00**	—	—	—	—	—	—	—	—	**15,571**	***28,586***
	non-SME	**17,856**	—	—	—	—	—	—	—	—	—	—	—	**577**	***4,711***
4.3	*Of which: qualifying revolving*														
4.4	*Of which: other SME*	**10,556**	—	—	—	—	—	—	—	—	—	***44.14***	—	***129***	***2,692***
4.5	Of which: other non-SME	**5,690**	—	—	—	—	—	—	—	—	—	—	—	**1,343**	**6,684**
5	Total	**310,750**	**2.63**	**150.62**	**139.10**	—	**11.53**	—	—	—	—	**2.11**	—	**52,899**	**76,723**

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

A-IRB	NWB Plc													
		Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs	
		Funded credit protection (FCP)									Unfunded credit protection (UFCP)			
	Total exposures £m	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 exposure class £m	RWA with substitution effects £m
30 June 2023	a	b	c	d	e	f	g	h	i	j	k	l	m	n
6 Specialised lending under the slotting approach	**13,006**	—	—	—	—	—	—	—	—	—	—	—	**8,448**	**8,338**
7 Equity Exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8 Total	**13,006**	—	—	—	—	—	—	—	—	—	—	—	**8,448**	**8,338**

Credit risk continued

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

NWB Plc

		Total exposures £m	Credit risk mitigation techniques: 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 %	Unfunded credit protection (UFCP): Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	Credit risk mitigation methods in the calculation of RWAs: RWA post all assigned to the obligor exposure class £m	RWA with substitution effects £m
31 December 2022		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	18,579	0.32	—	—	—	—	—	—	—	—	—	—	847	405
2	Institutions	5,197	31.51	—	—	—	—	—	—	—	—	—	—	2,130	1,893
3	Corporates	59,324	10.26	212.66	158.19	0.04	54.43	—	—	—	—	3.45	—	32,222	31,087
3.1	*Of which: SME*	*10,712*	*5.13*	*752.74*	*677.58*	*0.01*	*75.15*	*0.01*	—	—	*0.01*	*9.46*	—	*5,709*	*5,339*
3.3	*Of which: Other*	*48,612*	*11.39*	*93.65*	*43.74*	*0.04*	*49.86*	—	—	—	—	*2.13*	—	*26,513*	*25,747*
4	Retail	218,989	—	181.49	181.49	—	—	—	—	—	—	2.38	—	17,395	41,266
4.1	*Of which: Immovable property SME*	*813*	—	—	—	—	—	—	—	—	—	*1.45*	—	*312*	*313*
4.2	*Of which: Immovable property non-SME*	*184,699*	—	*215.19*	*215.19*	—	—	—	—	—	—	—	—	*15,258*	*27,850*
4.3	*Of which: Qualifying revolving*	*16,903*	—	—	—	—	—	—	—	—	—	—	—	*482*	*4,098*
4.4	*Of which: Other SMEs*	*11,189*	—	—	—	—	—	—	—	—	—	*46.52*	—	*144*	*2,728*
4.5	*Of which: Other non-SME*	*5,385*	—	—	—	—	—	—	—	—	—	—	—	*1,200*	*6,277*
5	Total	302,089	2.58	173.33	162.63	0.01	10.69	—	—	—	—	2.40	—	52,594	74,651

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

A-IRB

		NWB Plc												
		Credit risk mitigation techniques												
		Funded credit protection (FCP)									Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
	Total exposures £m	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 £m	RWA with substitution effects £m
31 December 2022	a	b	c	d	e	f	g	h	i	j	k	l	m	n
6 Specialised lending under the slotting approach	13,442	0.06	111.53	109.31	—	2.22	—	—	—	—	1.85	—	8,426	8,354
7 Equity Exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8 Total	13,442	0.06	111.53	109.31	—	2.22	—	—	—	—	1.85	—	8,426	8,354

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

The table below shows IRB specialised lending exposures subject to the supervisory slotting approach analysed by type of lending and regulatory category. NWB plc does not have Object Finance and Commodities Finance exposures; therefore, those are not presented separately. It also excludes counterparty credit risk and securitisations.

CR10.1

		NWB Plc					
		a	b	c	d	e	f
		Specialised lending: project finance (slotting approach)					
30 June 2023	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	800	303	50%	1038	430	—
	Equal to or more than 2.5 years	3,437	2,259	70%	5,349	3,224	21
Category 2	Less than 2.5 years	—	75	70%	74	52	—
	Equal to or more than 2.5 years	298	250	90%	491	393	4
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	112	44	115%	154	152	4
Category 4	Less than 2.5 years	—	—	250%	—	—	—
	Equal to or more than 2.5 years	44	2	250%	45	84	4
Category 5	Less than 2.5 years	—	—	—	—	—	—
	Equal to or more than 2.5 years	69	3	—	70	—	35
Total	Less than 2.5 years	800	378		1,112	482	—
	Equal to or more than 2.5 years	3,960	2,558		6,109	3,853	68

		NWB Plc					
		Specialised lending : Project finance (Slotting approach)					
31 December 2022	Remaining Maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	883	273	50%	1,081	439	—
	Equal to or more than 2.5 years	3133	1,874	70%	4,800	2,882	19
Category 2	Less than 2.5 years	—	76	70%	75	52	—
	Equal to or more than 2.5 years	22	245	90%	410	316	3
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	51	4	115%	55	52	2
Category 4	Less than 2.5 years	—	—	250%	—	—	—
	Equal to or more than 2.5 years	—	—	250%	—	—	—
Category 5	Less than 2.5 years	—	—	—	—	—	—
	Equal to or more than 2.5 years	61	—	—	61	—	31
Total	Less than 2.5 years	883	349		1,156	491	—
	Equal to or more than 2.5 years	3468	2,123		5,326	3,250	55

Credit risk continued

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

CR10.2

		NWB Plc					
		a	b	c	d	e	f
		Specialised lending: income-producing real estate and high volatility commercial real estate (slotting approach)					
30 June 2023	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	**1,914**	**224**	**50%**	**2,029**	**1,014**	**—**
	Equal to or more than 2.5 years	**1,591**	**121**	**70%**	**1,654**	**1,157**	**7**
Category 2	Less than 2.5 years	**2,038**	**304**	**70%**	**2,253**	**1,578**	**9**
	Equal to or more than 2.5 years	**728**	**94**	**90%**	**789**	**710**	**6**
Category 3	Less than 2.5 years	**103**	**—**	**115%**	**103**	**118**	**3**
	Equal to or more than 2.5 years	**26**	**—**	**115%**	**26**	**30**	**1**
Category 4	Less than 2.5 years	**18**	**—**	**250%**	**18**	**44**	**1**
	Equal to or more than 2.5 years	**1**	**—**	**250%**	**2**	**5**	**—**
Category 5	Less than 2.5 years	**138**	**—**	**—**	**139**	**—**	**70**
	Equal to or more than 2.5 years	**17**	**2**	**—**	**18**	**—**	**9**
Total	Less than 2.5 years	**4,211**	**528**		**4,542**	**2,754**	**83**
	Equal to or more than 2.5 years	**2,363**	**217**		**2,489**	**1,902**	**23**

		NWB Plc					
		Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)					
31 December 2022	Remaining Maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	2,358	209	50%	2,453	1,227	—
	Equal to or more than 2.5 years	1,616	269	70%	1754	1,227	7
Category 2	Less than 2.5 years	1,547	168	70%	1,684	1178	7
	Equal to or more than 2.5 years	742	116	90%	843	759	7
Category 3	Less than 2.5 years	137	1	115%	138	159	4
	Equal to or more than 2.5 years	11	1	115%	12	14	—
Category 4	Less than 2.5 years	17	—	250%	17	43	1
	Equal to or more than 2.5 years	3	—	250%	3	8	—
Category 5	Less than 2.5 years	40	—	—	40	—	20
	Equal to or more than 2.5 years	17	1	—	18	—	9
Total	Less than 2.5 years	4,099	378		4,332	2,607	32
	Equal to or more than 2.5 years	2,389	387		2,630	2,008	23