



NatWest
Group

NatWest Holdings Group

H1 2023 Pillar 3

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Forward-looking statements

This document may contain 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 NatWest Holdings Limited's future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NatWest Holdings Limited in respect of, but not limited to: its credit risk; its capital, liquidity and funding risk; its non-traded market risk; its pension risk; its compliance and conduct risk; its financial crime risk; its climate risk; its operational risk; its model risk; and its reputational risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions, 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 NatWest Holdings Limited's actual results are discussed in NatWest Holdings Limited's 2022 Annual Report and Accounts, NatWest Group plc's 2022 Annual Report, NatWest Group plc's Interim Management Statement for Q1 2023, NatWest Group plc's Interim Management Statement for H1 2023, and other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NatWest Holdings Limited does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the interim consolidated Pillar 3 disclosures for NatWest Holdings Group (NWH Group) as at 30 June 2023.

As of the date of this report, NatWest Holdings Limited ('NWH Ltd') is regulated under the UK Capital Requirements Regulation (CRR) and the associated onshored binding technical standards that were created by the European Union (Withdrawal) Act 2018.

NWH Ltd is a wholly owned subsidiary of NatWest Group plc and its ring-fenced bank (RFB) sub-group. The Pillar 3 disclosures made by NWH Ltd and its consolidated subsidiaries (together 'NatWest Holdings Group' or 'NWH Group') are designed to comply with the Disclosure (CRR) Part of the PRA Rulebook. Where applicable, additional disclosures are made in accordance with supervisory expectations mainly relating to the IFRS 9 transitional relief in respect of ECL provisions.

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

NWH Ltd's large subsidiaries as at 30 June 2023 were:

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

In addition, under the EU CRR rules, Ulster Bank Ireland DAC (UBIDAC) is also considered a large subsidiary of NWH Ltd as the entity continues to be designated as an O-SII firm by its supervisors.

The Pillar 3 disclosures for NWH Ltd's large subsidiaries are provided in separate documents. Disclosures for large subsidiaries that are non-UK entities are calculated in accordance with regulatory requirements applicable in the countries in which they are incorporated. These are published in the same location and are available on the NatWest Group website, located at: investors.natwestgroup.com/reports-archive/2023

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

A subset of the Pillar 3 templates that are required to be disclosed on a semi-annual basis were not applicable to NWH Group at 30 June 2023 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 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 CCR5	Composition of collateral for CCR exposures	Threshold for disclosure not met
UK CCR6	Credit derivatives exposures	No reportable exposures
UK CCR7	RWA flow statements of CCR exposures under the IMM	No reportable exposures
UK MR2-A	Market risk under the internal Model Approach	No reportable exposures
UK MR2-B	RWA flow statements of market risk exposures under the IMA	No reportable exposures
UK MR3	IMA values for trading portfolios	No reportable exposures
UK MR4	Comparison of VaR estimates with gains/losses	No reportable exposures
UK SEC2	Securitisation exposures in the trading book	No reportable exposures

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.

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 Holdings Group - Key points

CET1 ratio



The CET1 ratio increased by 20 basis points to 13.0%. The increase was due to a £0.5 billion increase in CET1 capital, partially offset by a £2.7 billion increase in RWAs.

The CET1 increase was mainly driven by profit in the period of £2.0 billion offset by:

- a foreseeable ordinary dividend accrual of £1.3 billion;
- a £0.1 billion decrease in the IFRS 9 transitional adjustment, primarily due to the annual update in the dynamic stage transition percentage and the end of transition on the static and historic stages; and
- other movements on reserves and regulatory adjustments.

RWAs



Total RWAs increased by £2.7 billion to £146.2 billion during H1 2023 primarily reflecting:

- an increase in credit risk RWAs of £1.3 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. This was partially offset by reduced exposures within Ulster Bank Rol as a result of the phased withdrawal from the Irish market.
- an increase in operational risk RWAs of £1.1 billion following the annual recalculation.
- an increase in counterparty credit risk RWAs of £0.2 billion, due to an increase in exposures.

UK leverage ratio



The leverage ratio decreased by 10 basis points to 5.3%. The decrease was due to a £17.7 billion increase in leverage exposure partially offset by a £0.5 billion increase in Tier 1 capital. The key driver in the leverage exposure was an increase in other financial assets and net central bank exposures.

LCR average



The average liquidity coverage ratio (LCR) decreased 18% compared to Q4 2022. The main drivers include a reduction in customer deposits (wholesale and retail) and increase in customer lending.

NSFR average



The average net stable funding ratio (NSFR) was 140% compared to 149% at Q4 2022. The decrease was due to lower deposits combined with higher lending.

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. NWH 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.

		NWH Group				
		30 June 2023 £m	31 March 2023 £m	31 December 2022 £m	30 September 2022 £m	30 June 2022 £m
Available own funds (amounts)						
1	Common equity tier 1 (CET1) capital	18,961	19,505	18,426	18,949	18,769
2	Tier 1 capital	22,643	23,187	22,108	22,631	22,451
3	Total capital	28,218	28,831	27,100	28,003	27,655
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	146,229	146,518	143,574	142,637	144,465
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	13.0	13.3	12.8	13.3	13.0
6	Tier 1 ratio (%)	15.5	15.8	15.4	15.9	15.5
7	Total capital ratio (%)	19.3	19.7	18.9	19.6	19.1
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	1.5	1.4
UK 7b	Additional AT1 SREP requirements (%)	0.5	0.5	0.5	0.5	0.5
UK 7c	Additional Tier 2 SREP requirements (%)	0.7	0.7	0.7	0.6	0.7
UK 7d	Total SREP own funds requirements (%)	10.6	10.6	10.6	10.6	10.6
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
UK 10a	Other Systemically Important Institution buffer (%)	1.5	1.5	1.5	1.5	1.5
11	Combined buffer requirement (%)	4.9	4.9	4.9	4.0	4.0
UK 11a	Overall capital requirements (%)	15.5	15.5	15.5	14.6	14.6
12	CET1 available after meeting the total SREP own funds requirements (%) (2)	7.1	7.4	6.9	7.3	7.1
Leverage ratio						
13	Total exposure measure excluding claims on central banks	430,594	421,792	412,906	417,683	420,093
14	Leverage ratio excluding claims on central banks (%)	5.3	5.5	5.4	5.4	5.3
Additional leverage ratio disclosure requirements						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.2	5.4	5.3	5.3	5.3
UK 14b	Leverage ratio including claims on central banks (%)	4.5	4.7	4.3	4.2	4.0
UK 14c	Average leverage ratio excluding claims on central banks (%)	5.4	5.3	5.4	5.4	5.5
UK 14d	Average leverage ratio including claims on central banks (%)	4.6	4.5	4.3	4.1	4.2
UK 14e	Countercyclical leverage ratio buffer (%)	0.3	0.3	0.3	0.0	0.0
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA) (weighted value-average)	123,023	137,346	150,282	160,257	160,810
UK 16a	Cash outflows - Total weighted value	97,532	102,450	105,814	107,012	106,045
UK 16b	Cash inflows - Total weighted value	7,309	7,726	8,634	8,431	8,120
16	Total net cash outflows (adjusted value)	90,223	94,724	97,180	98,581	97,925
17	Liquidity coverage ratio (%) (3)	136	144	154	163	164
Net stable funding ratio (4)						
18	Total available stable funding	361,681	370,206	376,909		
19	Total required stable funding	257,606	254,980	253,576		
20	NSFR ratio (%)	140	145	149		

(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) The Liquidity coverage ratio (LCR) is calculated as the average of the preceding 12 monthly periods ending on the quarterly reporting date as specified in the table.

(4) The Net Stable funding ratio (NSFR) is calculated as the average of the preceding 4 quarters reflecting PRA's guidance which came in effect last year. The prior period ratios have not been restated.

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

Capital, liquidity and funding continued

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. NWH Group has elected to take advantage of the 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. Capital measures in this table are presented in line with table UK KM1.

		NWH Group				
		30 June 2023 £m	31 March 2023 £m	31 December 2022 £m	30 September 2022 £m	30 June 2022 £m
Available capital (amounts) - transitional						
1	Common equity tier 1	18,961	19,505	18,426	18,949	18,769
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	18,733	19,278	18,052	18,571	18,453
3	Tier 1 capital	22,643	23,187	22,108	22,631	22,451
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	22,415	22,960	21,734	22,253	22,135
5	Total capital	28,218	28,831	27,100	28,003	27,655
6	Total capital as if IFRS 9 transitional arrangements had not been applied	28,255	28,864	27,135	28,034	27,726
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	146,229	146,518	143,574	142,637	144,465
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	146,192	146,481	143,503	142,557	144,432
Capital ratios		%	%	%	%	%
9	Common equity tier 1 ratio	13.0	13.3	12.8	13.3	13.0
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	12.8	13.2	12.6	13.0	12.8
11	Tier 1 ratio	15.5	15.8	15.4	15.9	15.5
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.3	15.7	15.1	15.6	15.3
13	Total capital ratio	19.3	19.7	18.9	19.6	19.1
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	19.3	19.7	18.9	19.7	19.2
Leverage ratio						
15	Leverage ratio exposure measure (£m)	430,594	421,792	412,906	417,683	420,093
16	Leverage ratio (%)	5.3	5.5	5.4	5.4	5.3
17	Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.2	5.4	5.3	5.3	5.3

Capital, liquidity and funding continued

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.

		NWH Group	
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	
		30 June 2023 £m	31 December 2022 £m
CET1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts <i>Of which: ordinary shares</i>	3,263 3,263	3,263 3,263
2	Retained earnings	34,467	33,881
3	Accumulated other comprehensive income (and other reserves)	(13,807)	(13,406)
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	720	246
6	CET1 capital before regulatory adjustments	24,643	23,984
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	(-) Additional value adjustments	(51)	(25)
8	(-) Intangible assets (net of related tax liability)	(6,905)	(6,769)
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)	(700)	(866)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	2,184	1,797
12	(-) Negative amounts resulting from the calculation of expected loss amounts	—	(6)
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	(419)	(46)
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 (above the 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)	—	—
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	(-) <i>Of which: qualifying holdings outside the financial sector</i>	—	—
UK-20c	(-) <i>Of which: securitisation positions</i>	—	—
UK-20d	(-) <i>Of which: free deliveries</i>	—	—
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)	—	—
22	(-) Amount exceeding the 17.65% threshold	—	—
23	(-) <i>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</i>	—	—

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

		NWH Group	
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	
		30 June 2023 £m	31 December 2022 £m
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
25	(-) Of which: deferred tax assets arising from temporary differences	—	—
UK-25a	(-) Losses for the current financial period	—	(b) —
UK-25b	(-) Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar 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)	209	357
28	Total regulatory adjustments to CET1	(5,682)	(5,558)
29	CET1 capital	18,961	18,426
AT1 capital: instruments			
30	Capital instruments and the related share premium accounts	3,682	(h) 3,682
31	Of which: classified as equity under applicable accounting standards	3,682	3,682
32	Of which: classified as liabilities under applicable accounting standards	—	—
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1 as described in Article 486 (3) CRR	—	(i) —
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 CET1) issued by subsidiaries and held by third parties	—	(i) —
35	Of which: instruments issued by subsidiaries subject to phase out	—	—
36	AT1 capital before regulatory adjustments	3,682	3,682
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)	—	—
42	(-) Qualifying Tier 2 deductions that exceed the Tier 2 items of the institution	—	—
42a	Other regulatory adjustments to AT1 capital	—	—
43	Total regulatory adjustments to AT1 capital	—	—
44	AT1 capital	3,682	3,682
45	Tier 1 capital (Tier 1 = CET1 + AT1)	22,643	22,108

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

		NWH Group	
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2022
		30 June 2023 £m	£m
Tier 2 capital: instruments			
46	Capital instruments and the related share premium accounts	5,363	4,917
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from Tier 2 as described in Article 486 (4) CRR	—	—
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from Tier 2	—	—
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from Tier 2	—	—
48	Qualifying own funds instruments included in consolidated Tier 2 capital (including minority interests and AT1 instruments not included in 5 or 34 issued by subsidiaries and held by third parties)	73	75
49	Of which: instruments issued by subsidiaries subject to phase out	73	75
50	Credit risk adjustments	139	—
51	Tier 2 capital before regulatory adjustments	5,575	4,992
Tier 2 capital: regulatory adjustments			
52	(-) Direct, indirect and synthetic holdings by an institution of own Tier 2 instruments and subordinated loans	—	—
53	(-) Direct, indirect and synthetic holdings of the Tier 2 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 and indirect holdings of the Tier 2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	—	—
55	(-) Direct and indirect holdings by the institution of the Tier 2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	—	—
UK-56a	(-) Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution	—	—
UK-56b	(-) Other regulatory adjustments to Tier 2 capital	—	—
57	Total regulatory adjustments to Tier 2 capital	—	—
58	Tier 2 capital	5,575	4,992
59	Total capital (Total capital = Tier 1 + Tier 2)	28,218	27,100
60	Total risk exposure amount	146,229	143,574
Capital ratios and buffers			
61	CET1 (as a percentage of total risk exposure amount)	13.0%	12.8%
62	Tier 1 (as a percentage of total risk exposure amount)	15.5%	15.4%
63	Total capital (as a percentage of total risk exposure amount)	19.3%	18.9%
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	10.8%	10.8%
65	Of which: capital conservation buffer requirement	2.5%	2.5%
66	Of which: counter cyclical buffer requirement	0.9%	0.9%
67	Of which: systemic risk buffer requirement	0.0%	0.0%
UK-67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.5%	1.5%
68	CET1 available to meet buffers (as a percentage of risk exposure amount) ⁽¹⁾	7.1%	6.9%

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

		NWH Group	
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2022
		30 June 2023 £m	£m
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)	4	3
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)	—	—
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 met)	461	512
Available caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in Tier 2 in respect of exposures subject to standardised approach (prior to the application of the cap)	—	—
77	Cap on inclusion of credit risk adjustments in Tier 2 under standardised approach	239	248
78	Credit risk adjustments included in Tier 2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	139	—
79	Cap for inclusion of credit risk adjustments in Tier 2 under internal ratings-based approach	647	635
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 Tier 2 instruments subject to phase out arrangements	—	—
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	—	—

(1) Row 68: Represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).

(2) The references (a) to (j) 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.

	NWH Group		
	As at period end 30 June 2023		
	a	b	
	Balance sheet as in published financial statements as at period end £m	Under regulatory scope of consolidation as at period end £m	References
Assets			
Cash and balances at central banks	82,782	82,816	
Derivatives	1,343	1,343	
Loans to banks - amortised cost	4,680	4,754	
Loans to customers - amortised cost	349,184	349,179	
Other financial assets	19,590	19,221	
Intangible assets	6,905	6,905	(d)
Property, plant and equipment	3,592	3,592	
Current and deferred tax assets	2,114	2,114	
of which: DTAs that rely on future profitability and do not arise from temporary differences	700	700	(e)
Prepayments, accrued income and other assets	1,458	1,470	
of which: defined benefit pension fund assets	61	61	(f)
Assets of Disposal groups	4,575	4,575	
Amounts due from holding company and fellow subsidiaries	641	641	
Total assets	476,864	476,610	
Liabilities			
Bank deposits	18,156	18,660	
Customer deposits	388,487	388,561	
Derivatives	1,391	1,391	
Other financial liabilities	10,999	10,142	
Provisions, deferred income and other liabilities	3,926	3,954	
Current and deferred tax liabilities	347	347	
of which: defined benefit pension scheme assets	7	7	(g)
Subordinated liabilities	196	193	(j)
Notes in circulation	3,159	3,159	
Amounts due to holding company and fellow subsidiaries	20,555	20,555	(j)
Total liabilities	447,216	446,962	
Shareholders' Equity			
Non-controlling interests	41	41	
Owners' equity			
Called up share capital	3,263	3,263	(a)
Reserves	26,344	26,344	
of which: amount eligible for retained earnings	36,469	36,469	(b)
of which: amount eligible for accumulated OCI and other reserves	(13,807)	(13,807)	(c) & (i)
of which: amount of other equity instruments	3,682	3,682	(h)
Total shareholders' equity	29,648	29,648	

(1) The references (a) to (j) identify balance sheet components in table 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.

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.

		NWH Group		
		a	b	c
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements
		30 June 2023	31 March 2023	30 June 2023
		£m	£m	£m
1	Credit risk (excluding counterparty credit risk)	126,141	127,094	10,090
2	Of which: standardised approach	19,122	19,638	1,529
3	Of which: the foundation IRB (FIRB) approach	—	—	—
4	Of which: slotting approach	10,720	11,183	858
UK 4a	Of which: equities under the simple risk-weighted approach	—	—	—
5	Of which: the advanced IRB (AIRB) approach (2)	96,299	96,273	7,703
6	Counterparty credit risk	675	667	54
7	Of which: standardised approach	191	244	15
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)	179	216	14
9	Of which: other counterparty credit risk	247	193	20
15	Settlement risk	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	849	192	68
17	Of which: SEC-IRBA approach (3)	656	—	53
18	Of which: SEC-ERBA (including IAA)	4	4	—
19	Of which: SEC-SA approach	189	188	15
UK 19a	Of which: 1,250%/deduction	—	—	—
20	Position, foreign exchange and commodities risk (market risk)	207	208	17
21	Of which: standardised approach	207	208	17
22	Of which: IMA	—	—	—
UK 22a	Large exposures	—	—	—
23	Operational risk	18,357	18,357	1,469
UK 23a	Of which: basic indicator approach	—	—	—
UK 23b	Of which: standardised approach	18,357	18,357	1,469
UK 23c	Of which: advanced measurement approach	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (1)	1,154	1,224	92
29	Total	146,229	146,518	11,698

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

(2) Of which £3 million RWAs (31 March 2023 - £3 million) relate to equity IRB under the probability of default/loss given default approach.

(3) The Securitisation SEC-IRBA value of £656 million is reported in SEC 3.

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.

		NWH Group
		a
		RWAs £m
1	At 31 December 2022	101,522
2	Asset size	2,752
3	Asset quality	(292)
4	Model updates	(307)
7	Foreign exchange movements	(243)
9	At 31 March 2023	103,432
2	Asset size	1,143
3	Asset quality	(778)
4	Model updates	772
5	Methodology and policy	450
7	Foreign exchange movements	(297)
8	Other	(1,612)
9	At 30 June 2023	103,110

(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 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 uplift in RWAs relating to model updates was mainly due to adjustments as a result of regulations applicable to IRB models.
- 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.

		NWH Group	
		30 June 2023 £m	31 December 2022 £m
1	Total assets as per published financial statements	476,864	493,725
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(254)	(154)
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)	(69,232)	(101,973)
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	(2,682)	(3,194)
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)	35,787	33,157
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital (leverage))	(90)	(72)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	—	—
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	(10,258)	(10,972)
13	Total exposure measure	430,594	412,906

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.

		NWH Group	
		30 June 2023	31 December 2022
		£m	£m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	448,914	467,344
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)	(3,579)	(3,768)
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))	(5,682)	(5,558)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	439,653	458,018
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	1,111	1,068
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	1,129	1,035
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	2,240	2,103
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	112,659	111,954
20	(Adjustments for conversion to credit equivalent amounts)	(76,872)	(78,797)
21	(General provisions deducted in determining Tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	(39)	(41)
22	Off-balance sheet exposures	35,748	33,116

Capital, liquidity and funding continued

UK LR2 - LRCom: Leverage ratio common disclosure continued

		NWH Group	
		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)	—	—
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)	—	—
Capital and total exposure measure			
23	Tier 1 capital (leverage)	22,643	22,108
24	Total exposure measure including claims on central banks	499,826	514,879
UK-24a	(-) Claims on central banks excluded	(69,232)	(101,973)
UK-24b	Total exposure measure excluding claims on central banks	430,594	412,906
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.3	5.4
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.2	5.3
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 (%)	5.3	5.4
UK-25c	Leverage ratio including claims on central banks (%)	4.5	4.3
26	Regulatory minimum leverage ratio requirement (%)	3.25	3.25
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	0.825	0.825
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.525	0.525
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.3	0.3
Additional leverage ratio disclosure requirements - disclosure of mean values			
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	21,164
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	19,251
UK-31	Average total exposure measure excluding claims on central banks	427,603	411,581
UK-32	Average total exposure measure including claims on central banks	493,497	526,041
UK-33	Average leverage ratio excluding claims on central banks	5.4	5.4
UK-34	Average leverage ratio including claims on central banks	4.6	4.3

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

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NWH Group average leverage ratio increased from 5.3% to 5.4% in the quarter. There was an increase in 3-month average Tier 1 capital partially offset by an increase in average leverage exposure driven by an increase in net central bank exposures.

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.

		NWH Group	
		30 June	31 December
		2023	2022
		£m	£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	370,733	356,045
UK-2	Trading book exposures	—	—
UK-3	Banking book exposures, of which:	370,733	356,045
UK-4	Covered bonds	4,794	4,868
UK-5	Exposures treated as sovereigns	24,763	16,231
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	3,944	4,127
UK-7	Institutions	3,854	3,405
UK-8	Secured by mortgages of immovable properties	238,320	235,589
UK-9	Retail exposures	20,905	20,015
UK-10	Corporate	60,878	60,499
UK-11	Exposures in default	4,990	4,987
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	8,285	6,324

Capital, liquidity and funding continued

UK CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital 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 NWH Group'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 and Counterparty credit risk sections.

30 June 2023	NWH Group												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures - Market risk		Own fund requirements								
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures - exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with existing CCyB rates)													
Norway	83	621	—	—	—	704	27	—	—	27	343	0.28%	2.50%
Denmark	1	192	—	—	—	193	3	—	—	3	36	0.03%	2.50%
Czech Republic	—	2	—	—	—	2	—	—	—	—	1	0.00%	2.50%
Sweden	172	1,515	—	—	—	1,687	70	—	—	70	879	0.72%	2.00%
Iceland	—	—	—	—	—	—	—	—	—	—	—	0.00%	2.00%
Bulgaria	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.50%
United Kingdom	24,131	339,940	—	—	4,289	368,360	8,590	—	60	8,650	108,118	88.07%	1.00%
Netherlands	382	1,198	—	—	16	1,596	77	—	—	77	973	0.79%	1.00%
Australia	8	168	—	—	—	176	4	—	—	4	48	0.04%	1.00%
Hong Kong	2	70	—	—	1	73	2	—	—	2	22	0.02%	1.00%
Slovakia	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.00%
Estonia	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%
Germany	36	2,047	—	—	7	2,090	106	—	—	106	1,323	1.08%	0.75%
Ireland	5,313	1,162	—	—	—	6,475	265	—	—	265	3,311	2.70%	0.50%
France	243	2,106	—	—	101	2,450	95	—	1	96	1,199	0.98%	0.50%
Luxembourg	41	175	—	—	5	221	12	—	—	12	151	0.12%	0.50%
Romania	—	1	—	—	—	1	—	—	—	—	—	0.00%	0.50%
Croatia	—	—	—	—	—	—	—	—	—	—	—	0.00%	0.50%
Total (countries with existing CCyB rates)	30,412	349,199	—	—	4,419	384,030	9,251	—	61	9,312	116,404	94.83%	

Capital, liquidity and funding continued

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

	NWH Group													
	a	b	c	d	e	f	g	h	i	j	k	l	m	
	General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures - exposure value for non-trading book	Total exposure value	Own fund requirements					Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total				
30 June 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)														
US	82	9,571	—	—	14	9,667	276	—	—	276	3,444	2.81%		
Total (Countries with zero CCyB rate and own funds requirement weights 1% and above)	82	9,571	—	—	14	9,667	276	—	—	276	3,444	2.81%		
Total (rest of the world with zero CCyB rate and below 1% requirement)	994	4,346	—	—	275	5,615	226	—	7	233	2,909	2.37%		
Total	31,488	363,116	—	—	4,708	399,312	9,753	—	68	9,821	122,757	100.00%		

Capital, liquidity and funding continued

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

	NWH Group													
	a	b	c	d	e	f	g	h	i	j	k	l	m	
	Relevant credit exposures -													
	General credit exposures		Market risk		Securitisation exposures - exposure value for non-trading book	Own fund requirements								
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate	
31 December 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%	
Breakdown by country (with existing CCyB rates)														
Iceland	—	—	—	—	—	—	—	—	—	—	—	0.20%	2.00%	
Norway	142	763	—	—	—	905	19	—	—	19	242	0.02%	1.50%	
Czech Republic	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.50%	
United Kingdom	23,641	337,169	—	—	1,412	362,222	8,367	—	14	8,381	104,765	0.00%	1.00%	
Sweden	169	1,325	—	—	—	1,494	54	—	—	54	677	86.13%	1.00%	
Hong Kong	2	63	—	—	—	65	1	—	—	1	17	0.56%	1.00%	
Denmark	—	174	—	—	—	174	2	—	—	2	29	0.01%	1.00%	
Slovakia	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.00%	
Estonia	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.00%	
Bulgaria	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%	
Luxembourg	56	580	—	—	—	636	32	—	—	32	386	0.32%	0.50%	
Romania	—	2	—	—	—	2	—	—	—	—	—	0.00%	0.50%	
Total (countries with existing CCyB rates)	24,010	340,078	—	—	1,412	365,500	8,475	—	14	8,489	106,116	87.24%		

Capital, liquidity and funding continued

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

	NWH Group												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -												
	General credit exposures		Market risk		Own fund requirements								
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures - exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total	Risk weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
31 December 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country (with zero CCyB rates and with own funds requirement weights 1% and above)													
Ireland	8,095	1,092	—	—	—	9,187	381	—	—	381	4,768	3.92%	—
US	70	8,838	—	—	—	8,908	274	—	—	274	3,424	2.82%	—
Total (Countries with zero CCyB rate and own funds requirement weights 1% and above)	8,165	9,930	—	—	—	18,095	655	—	—	655	8,192	6.73%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	1,586	11,176	—	—	107	12,869	585	—	1	586	7,323	6.03%	—
Total	33,761	361,184	—	—	1,519	396,464	9,715	—	15	9,730	121,631	100.00%	

Capital, liquidity and funding continued

UK CCyB2: Amount of institution-specific countercyclical capital buffer

		NWH Group	
		30 June	31 December
		2023	2022
		£m	£m
1	Total risk exposure amount	146,229	143,574
2	Institution specific countercyclical capital buffer	0.94%	0.87%
3	Institution specific countercyclical capital buffer requirement (1)	1,372	1,254

(1) The Financial Policy Committee announced an increase in the UK CCyB rate from 1% to 2% effective from 5 July 2023. The Central Bank of Ireland (CBI) announced the CCyB on Irish exposures will increase from 0.5% to 1.0% from 24 November 2023. A further increase to 1.5% will be effective June 2024.

Capital, liquidity and funding continued

UK LIQ1: Quantitative information of LCR

The tables below show the breakdown of high-quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the liquidity coverage ratio for NWH Group and UK DoLSUB. The weightings applied reflect the stress factors applicable under the UK LCR rules. The values presented are the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table. LCR outflows do not capture all liquidity risks (e.g. intra-day liquidity). NatWest Group assesses these risks as part of its Individual Liquidity Adequacy Assessment Process and maintains appropriate levels of liquidity.

	NWH Group							
	Total unweighted value (average)				Total weighted value (average)			
	30 June 2023 12 £m	31 March 2023 12 £m	31 December 2022 12 £m	30 September 2022 12 £m	30 June 2023 12 £m	31 March 2023 12 £m	31 December 2022 12 £m	30 September 2022 12 £m
Number of data points used in the calculation of averages								
High-quality liquid assets								
1 Total high-quality liquid assets (HQLA)					123,023	137,346	150,282	160,257
Cash - outflows								
2 Retail deposits and deposits from small business customers, of which:	253,935	258,628	262,174	262,096	19,497	20,098	20,491	20,534
3 Stable deposits	153,479	156,567	158,894	160,422	7,674	7,828	7,945	8,021
4 Less stable deposits	91,530	94,948	97,013	97,249	11,526	11,969	12,245	12,254
5 Unsecured wholesale funding	146,004	155,011	161,821	165,424	63,530	67,859	71,122	72,803
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	61,189	63,438	65,088	65,902	14,984	15,547	15,959	16,163
7 Non-operational deposits (all counterparties)	83,664	90,790	96,207	98,999	47,395	51,529	54,637	56,117
8 Unsecured debt	1,151	783	526	523	1,151	783	526	523
9 Secured wholesale funding					6	6	6	5
10 Additional requirements	54,913	54,352	53,634	53,985	9,127	8,860	8,610	8,606
11 Outflows related to derivative exposures and other collateral requirements	2,097	2,026	2,016	2,072	2,094	2,008	1,938	1,868
12 Outflows related to loss of funding on debt products	63	63	—	—	63	63	—	—
13 Credit and liquidity facilities	52,753	52,263	51,618	51,913	6,970	6,789	6,672	6,738
14 Other contractual funding obligations	580	477	465	540	97	13	16	9
15 Other contingent funding obligations	48,883	49,253	48,512	46,622	5,275	5,614	5,569	5,055
16 Total cash outflows					97,532	102,450	105,814	107,012
Cash - inflows								
17 Secured lending (e.g. reverse repos)	8,790	8,382	8,997	9,682	1	1	—	—
18 Inflows from fully performing exposures	6,415	6,802	7,851	7,707	4,996	5,328	6,333	6,177
19 Other cash inflows	10,047	10,364	10,428	10,404	2,312	2,397	2,301	2,254
UK-19a (Difference between total weighted inflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)						—	—	—
UK-19b (Excess inflows from a related specialised credit institution)						—	—	—
20 Total cash inflows	25,252	25,548	27,276	27,793	7,309	7,726	8,634	8,431
UK-20a Fully exempt inflows								
UK-20b Inflows subject to 90% cap								
UK-20c Inflows subject to 75% cap	25,252	25,548	27,276	27,793	7,309	7,726	8,634	8,431
Total adjusted value								
UK-21 Liquidity buffer					123,023	137,346	150,282	160,257
22 Total net cash outflows					90,223	94,724	97,180	98,581
23 Liquidity coverage ratio (%)					136	144	154	163

Capital, liquidity and funding continued

UK LIQ1: Quantitative information of LCR continued

		UK DoLSub							
		Total unweighted value (average)				Total weighted value (average)			
		30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2023	31 March 2023	31 December 2022	30 September 2022
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
		£m	£m	£m	£m	£m	£m	£m	£m
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA)					119,973	132,954	145,498	154,616
Cash - outflows									
2	Retail deposits and deposits from small business customers, of which:	251,268	253,751	254,906	252,957	19,319	19,778	20,017	19,934
3	Stable deposits	151,776	153,436	154,227	154,462	7,589	7,672	7,711	7,723
4	Less stable deposits	90,618	93,323	94,635	94,279	11,433	11,803	12,002	11,950
5	Unsecured wholesale funding	144,781	152,151	157,631	160,629	64,006	67,603	70,178	71,657
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	60,463	62,313	63,664	64,326	14,803	15,265	15,603	15,769
7	Non-operational deposits (all counterparties)	83,167	89,055	93,441	95,780	48,052	51,555	54,049	55,365
8	Unsecured debt	1,151	783	526	523	1,151	783	526	523
9	Secured wholesale funding					6	6	6	5
10	Additional requirements	56,915	57,570	57,399	56,242	10,664	10,948	10,981	10,454
11	Outflows related to derivative exposures and other collateral requirements	2,052	2,000	2,020	2,112	2,049	1,982	1,943	1,908
12	Outflows related to loss of funding on debt products	63	63	—	—	63	63	—	—
13	Credit and liquidity facilities	54,800	55,507	55,379	54,130	8,552	8,903	9,038	8,546
14	Other contractual funding obligations	706	690	700	739	223	230	256	212
15	Other contingent funding obligations	47,168	48,008	47,576	45,825	5,265	5,599	5,546	5,022
16	Total cash outflows					99,483	104,164	106,984	107,284
Cash - inflows									
17	Secured lending (e.g. reverse repos)	8,898	8,682	9,297	9,867	109	171	170	118
18	Inflows from fully performing exposures	7,012	7,456	7,808	7,764	5,751	6,154	6,477	6,419
19	Other cash inflows	10,224	10,530	10,559	10,505	2,493	2,569	2,441	2,366
UK-19a	(Difference between total weighted inflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					—	—	—	—
UK-19b	(Excess inflows from a related specialised credit institution)					—	—	—	—
20	Total cash inflows	26,134	26,668	27,664	28,136	8,353	8,894	9,088	8,903
UK-20a	Fully exempt inflows								
UK-20b	Inflows subject to 90% cap								
UK-20c	Inflows subject to 75% cap	26,134	26,668	27,664	28,136	8,353	8,894	9,088	8,903
Total adjusted value									
UK-21	Liquidity buffer					119,973	132,954	145,498	154,616
22	Total net cash outflows					91,130	95,270	97,896	98,381
23	Liquidity coverage ratio (%)					131	139	148	157

Capital, liquidity and funding continued

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

LCR inputs & results over time

The LCR aims to ensure that banks and banking groups hold a sufficient reserve of High-Quality Liquid Assets (HQLA) to survive a period of liquidity stress lasting 30 calendar days.

All figures included in the table represent a 12-month rolling average.

The average LCR ratio for the 12 months to 30 June 2023 has decreased 8% for NWH Group (8% for UK DoLSUB) over the previous quarter, from 144% to 136% for NWH Group (from 139% to 131% for UK DoLSUB). The main drivers include a reduction in customer deposits (wholesale and retail) and increase in customer lending.

Concentration of funding sources

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

Liquidity buffer composition

NWH Group and UK DoLSUB HQLA is primarily held in Level 1 cash and central bank reserves (83%) and Level 1 high quality securities (15%), Level 2 securities account for (2%).

Derivative exposures and potential collateral calls

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

Currency mismatch in the LCR

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

Capital, liquidity and funding continued

UK LIQ2: Net Stable Funding Ratio

		NWH Group				
30 June 2023		a	b	c	d	e
(In currency amount)		Unweighted value by residual maturity				Weighted Value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	28,982	—	—	5,288	34,270
2	Own funds	28,982	—	—	5,288	34,270
3	Other capital instruments		—	—	—	—
4	Retail Deposits		249,095	2,815	1,336	235,792
5	Stable deposits		153,675	1,093	889	147,918
6	Less stable deposits		95,420	1,722	447	87,874
7	Wholesale funding		164,274	4,473	25,455	91,280
8	Operational deposits		56,050	—	6	7,202
9	Other wholesale funding		108,224	4,473	25,449	84,078
10	Interdependent liabilities		—	—	—	—
11	Other liabilities	3,457	6,048	—	339	339
12	NSFR derivative liabilities	3,457				
13	All other liabilities and capital instruments not included in the above categories		6,048	—	339	339
14	Total available stable funding (ASF)					361,681
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					943
UK-15a	Assets encumbered for more than 12 month in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		58,507	16,268	283,165	232,840
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		20,418	1,584	116	2,025
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		5,346	234	3,459	4,110
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		26,702	9,186	81,964	92,374
21	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		9,232	2,500	23,195	29,061
22	Performing residential mortgages, of which:		6,041	5,264	196,681	133,495
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		6,041	5,264	196,681	133,495
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		—	—	945	836
25	Interdependent assets		—	—	—	—
26	Other assets:	—	6,087	118	17,766	19,560
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		—	—	1,615	1,373
29	NSFR derivative assets		708	—	—	708
30	NSFR derivative liabilities before deduction of variation margin posted		3,481	—	—	174
31	All other assets not included in the above categories		1,898	118	16,151	17,305
32	Off-balance sheet items		85,256	—	—	4,263
33	Total RSF					257,606
34	Net Stable Funding Ratio (%)					140

Capital, liquidity and funding continued

UK LIQ2: Net Stable Funding Ratio continued

		NWH Group				
31 December 2022		a	b	c	d	e
(In currency amount)		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	Weighted Value
Available stable funding (ASF) Items						
1	Capital items and instruments	29,228	—	—	4,965	34,193
2	Own funds	29,228	—	—	4,965	34,193
3	Other capital instruments		—	—	—	—
4	Retail Deposits		259,799	1,649	721	244,030
5	Stable deposits		159,430	677	431	152,533
6	Less stable deposits		100,369	972	290	91,497
7	Wholesale funding		185,724	3,577	26,740	98,334
8	Operational deposits		60,307	—	7	7,712
9	Other wholesale funding		125,417	3,577	26,734	90,622
10	Interdependent liabilities		—	—	—	—
11	Other liabilities	2,944	6,303	—	353	353
12	NSFR derivative liabilities	2,944				
13	All other liabilities and capital instruments not included in the above categories		6,303	—	353	353
14	Total available stable funding (ASF)					376,909
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					495
UK-15a	Assets encumbered for more than 12 million in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		61,568	17,033	277,222	230,085
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		21,527	2,636	63	3,020
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		6,478	265	3,963	4,743
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		27,389	8,766	81,042	91,503
21	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		9,193	2,219	22,720	28,427
22	Performing residential mortgages, of which:		6,174	5,366	191,414	130,189
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		6,174	5,366	191,414	130,189
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		—	—	740	629
25	Interdependent assets		—	—	—	—
26	Other assets:		4,390	131	17,715	18,844
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				1,540	1,309
29	NSFR derivative assets		501			501
30	NSFR derivative liabilities before deduction of variation margin posted		2,971			149
31	All other assets not included in the above categories		918	131	16,175	16,886
32	Off-balance sheet items		83,041	—	—	4,152
33	Total RSF					253,576
34	Net Stable Funding Ratio (%)					149

Capital, liquidity and funding continued

UK LIQ2: Net Stable Funding Ratio continued

30 June 2023		UK DoLSub				
		a	b	c	d	e
(In £m)		Unweighted value by residual maturity (average)				Weighted Value (average)
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	18,636	—	—	4,807	23,443
2	Own funds	18,636	—	—	4,807	23,443
3	Other capital instruments		—	—	—	—
4	Retail Deposits		247,145	2,813	1,334	233,969
5	Stable deposits		152,329	1,092	888	146,639
6	Less stable deposits		94,816	1,721	446	87,330
7	Wholesale funding		164,556	5,159	21,303	86,297
8	Operational deposits		55,454	—	6	7,171
9	Other wholesale funding		109,102	5,159	21,297	79,126
10	Interdependent liabilities		—	—	—	—
11	Other liabilities	3,415	12,007	—	129	129
12	NSFR derivative liabilities	3,415				
13	All other liabilities and capital instruments not included in the above categories		12,007	—	129	129
14	Total available stable funding (ASF)					343,838
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					962
EU-15a	Assets encumbered for more than 12 month in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		55,415	17,175	280,082	232,325
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		20,418	1,584	116	2,025
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		7,393	2,792	16,677	18,794
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		21,862	7,781	71,505	81,245
21	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		7,326	1,907	18,775	23,391
22	Performing residential mortgages, of which:		5,742	5,018	190,840	129,426
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,742	5,018	190,840	129,426
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		—	—	944	835
25	Interdependent assets		—	—	—	—
26	Other assets:	—	4,493	105	16,717	17,669
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		—	—	1,615	1,373
29	NSFR derivative assets		613	—	—	613
30	NSFR derivative liabilities before deduction of variation margin posted		3,415	—	—	171
31	All other assets not included in the above categories		466	105	15,102	15,513
32	Off-balance sheet items		77,712	—	—	3,886
33	Total RSF					254,842
34	Net Stable Funding Ratio (%)					135

Capital, liquidity and funding continued

UK LIQ2: Net Stable Funding Ratio continued

		UK DoLSub				
31 December 2022		a	b	c	d	e
(In £m)		Unweighted value by residual maturity (average)				Weighted Value (average)
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	18,433	—	—	4,513	22,946
2	Own funds	18,433	—	—	4,513	22,946
3	Other capital instruments		—	—	—	—
4	Retail Deposits		253,204	1,587	718	237,816
5	Stable deposits		155,082	632	429	148,358
6	Less stable deposits		98,121	955	289	89,458
7	Wholesale funding		182,667	3,930	21,776	91,043
8	Operational deposits		58,962	—	7	7,641
9	Other wholesale funding		123,705	3,930	21,769	83,403
10	Interdependent liabilities		—	—	—	—
11	Other liabilities	2,915	12,753	—	117	117
12	NSFR derivative liabilities	2,915				
13	All other liabilities and capital instruments not included in the above categories		12,753	—	117	117
14	Total available stable funding (ASF)					351,922
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					481
EU-15a	Assets encumbered for more than 12 million in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		59,124	17,223	268,446	224,648
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		21,527	2,636	63	3,020
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		9,321	2,174	14,960	16,950
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		22,483	7,374	70,024	79,904
21	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		7,367	1,639	18,143	22,647
22	Performing residential mortgages, of which:		5,793	5,039	182,660	124,145
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,793	5,039	182,660	124,145
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		—	—	739	628
25	Interdependent assets		—	—	—	—
26	Other assets:		3,912	112	15,174	15,956
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				1,540	1,309
29	NSFR derivative assets		418			418
30	NSFR derivative liabilities before deduction of variation margin posted		2,915			146
31	All other assets not included in the above categories		579	112	13,634	14,083
32	Off-balance sheet items		78,799	—	—	3,940
33	Total RSF					245,025
34	Net Stable Funding Ratio (%)					144

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.

		NWH Group														
		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		
		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	Accumulated partial write-off	On performing exposures	On non-performing exposures
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2023																
005	Cash balances at central banks and other demand deposits	84,484	84,484	—	—	—	—	(11)	(11)	—	—	—	—	—	4	—
010	Loans and advances	349,928	307,434	41,988	5,901	283	5,246	(1,484)	(582)	(902)	(2,036)	(20)	(1,836)	(197)	295,185	3,363
020	Central banks	1,491	1,491	—	—	—	—	—	—	—	—	—	—	—	—	—
030	General governments	3,065	2,891	128	25	—	25	(1)	—	(1)	(1)	—	(1)	—	2,676	23
040	Credit institutions	624	624	—	—	—	—	—	—	—	—	—	—	—	257	—
050	Other financial corporations	25,747	25,483	264	32	1	31	(14)	(9)	(5)	(11)	—	(11)	—	22,901	10
060	Non-financial corporations	95,453	77,784	17,543	1,886	96	1,788	(690)	(267)	(423)	(626)	(3)	(623)	(24)	60,372	1,046
070	Of which: SMEs	25,202	19,476	5,726	1,023	59	963	(272)	(87)	(185)	(361)	(1)	(360)	—	21,060	572
080	Households	223,548	199,161	24,053	3,958	186	3,402	(779)	(306)	(473)	(1,398)	(17)	(1,201)	(173)	208,979	2,284
090	Debt securities	18,342	18,252	90	—	—	—	(9)	(7)	(2)	—	—	—	—	—	—
100	Central banks	63	63	—	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	9,644	9,644	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	5,495	5,405	90	—	—	—	(5)	(3)	(2)	—	—	—	—	—	—
130	Other financial corporations	3,032	3,032	—	—	—	—	(4)	(4)	—	—	—	—	—	—	—
140	Non-financial corporations	108	108	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance sheet exposures	110,599	99,277	11,322	585	92	471	(74)	(30)	(44)	(5)	—	(5)	—	17,470	95
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
170	General governments	851	849	2	17	—	17	—	—	—	—	—	—	—	104	8
180	Credit institutions	593	586	7	—	—	—	—	—	—	—	—	—	—	—	—
190	Other financial corporations	4,074	3,934	140	2	2	—	(1)	(1)	—	—	—	—	—	234	1
200	Non-financial corporations	63,741	55,739	8,002	190	84	106	(46)	(19)	(27)	(4)	—	(4)	—	12,036	57
210	Households	41,340	38,169	3,171	376	6	348	(27)	(10)	(17)	(1)	—	(1)	—	5,096	29
220	Total	563,353	509,447	53,400	6,486	375	5,717	(1,578)	(630)	(948)	(2,041)	(20)	(1,841)	(197)	312,659	3,458

Credit risk continued

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

		NWH Group														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Accumulated impairment, accumulated negative changes in fair value														
		Gross carrying amount/nominal amount												due to credit risk and provisions		
		Performing exposures						Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received		
		Performing exposures			Non-performing exposures			impairment and provisions			value due to credit risk and provisions			Accumulated	On	On non-
		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	partial write-off	performing exposures	performing exposures
31 December 2022		£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	111,639	111,638	1	—	—	—	(11)	(11)	—	—	—	—	—	6	—
010	Loans and advances	340,779	295,027	45,235	5,588	229	4,912	(1,515)	(552)	(963)	(1,913)	(18)	(1,699)	(195)	287,747	3,274
020	Central banks	1,617	1,617	—	—	—	—	—	—	—	—	—	—	—	—	—
030	General governments	3,057	2,846	161	23	—	23	(2)	(1)	(1)	—	—	—	—	2,746	23
040	Credit institutions	533	525	8	—	—	—	—	—	—	—	—	—	—	274	—
050	Other financial corporations	23,205	22,484	720	45	—	45	(19)	(10)	(9)	(17)	—	(17)	—	20,850	14
060	Non-financial corporations	94,668	73,236	21,367	1,752	60	1,684	(736)	(263)	(473)	(609)	(4)	(605)	(26)	60,548	1,005
070	Of which: SMEs	26,769	20,449	6,320	1,012	31	973	(290)	(95)	(195)	(352)	(2)	(350)	—	22,768	576
080	Households	217,699	194,319	22,979	3,768	169	3,160	(758)	(278)	(480)	(1,287)	(14)	(1,077)	(169)	203,329	2,232
090	Debt securities	14,319	13,563	756	—	—	—	(5)	(4)	(1)	—	—	—	—	—	—
100	Central banks	37	37	—	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	5,935	5,935	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	5,384	4,628	756	—	—	—	(4)	(3)	(1)	—	—	—	—	—	—
130	Other financial corporations	2,939	2,939	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
140	Non-financial corporations	24	24	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance sheet exposures	111,160	95,979	15,181	685	151	523	(74)	(31)	(43)	(5)	(1)	(4)		17,145	76
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—		—	—
170	General governments	875	871	4	19	—	19	—	—	—	—	—	—		153	9
180	Credit institutions	443	425	18	—	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	3,930	3,264	666	1	—	1	(2)	(1)	(1)	—	—	—		259	—
200	Non-financial corporations	61,892	49,704	12,188	321	146	174	(46)	(18)	(28)	(4)	(1)	(3)		11,543	49
210	Households	44,020	41,715	2,305	344	5	329	(26)	(12)	(14)	(1)	—	(1)		5,190	18
220	Total	577,897	516,207	61,173	6,273	380	5,435	(1,605)	(598)	(1,007)	(1,918)	(19)	(1,703)	(195)	304,898	3,350

(1) The gross NPL ratio for NWH Group is 1.66% (31 December 2022 – 1.61%). Loans and advances classified as held-for-sale, cash balances at central banks and other demand deposits were excluded from the ratio calculation.

(2) Exposures classified as held-for-trading and held-for-sale 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.

		NWH Group				
		a	b	c	d	e
		Net exposure value				
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity
		£m	£m	£m	£m	£m
30 June 2023						
010	Loans and advances	20,707	43,415	58,689	229,498	—
020	Debt securities	—	3,075	9,938	5,320	—
030	Total	20,707	46,490	68,627	234,818	—

		NWH Group				
		a	b	c	d	e
		Net exposure value				
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity
		£m	£m	£m	£m	£m
31 December 2022						
010	Loans and advances	19,257	40,993	59,053	223,636	—
020	Debt securities	—	1,065	9,414	3,835	—
030	Total	19,257	42,058	68,467	227,471	—

(1) Exposures classified as held-for-trading and held-for-sale 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.

		NWH Group
		a
		Gross carrying amount £m
30 June 2023		
010	Initial stock of non-performing loans and advances	5,588
020	Inflows to non-performing portfolios	1,774
030	Outflows from non-performing portfolios	(1,461)
040	Outflows due to write-offs	(119)
050	Outflow due to other situations	(1,342)
060	Final stock of non-performing loans and advances	5,901

(1) Outflow due to other situations in the table above primarily includes outflow due to loan repayment, transfer to performing portfolio and reclassification as held-for-sale.
(2) Exposures classified as held-for-trading and held-for-sale 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.

		NWH Group							
		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		Collateral received and financial guarantees received on forborne exposures	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
		Performing forborne	Non-performing forborne	Of which: defaulted	Of which: impaired	On performing forborne exposures	On non-performing forborne exposures		
		£m	£m	£m	£m	£m	£m	£m	£m
30 June 2023									
005	Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010	Loans and advances	3,574	2,121	2,008	1,712	(127)	(589)	3,923	1,330
020	Central banks	—	—	—	—	—	—	—	—
030	General governments	15	24	24	24	—	(1)	38	23
040	Credit institutions	—	—	—	—	—	—	—	—
050	Other financial corporations	58	20	20	20	(2)	(8)	22	2
060	Non-financial corporations	3,019	835	786	755	(115)	(238)	2,570	452
070	Households	482	1,242	1,178	913	(10)	(342)	1,293	853
080	Debt securities	—	—	—	—	—	—	—	—
090	Loan commitments given	627	132	49	50	(4)	—	183	48
100	Total	4,201	2,253	2,057	1,762	(131)	(589)	4,106	1,378

Credit risk continued

UK CQ1: Credit quality of forborne exposures continued

		NWH Group							
		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		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
		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		
31 December 2022									
005	Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010	Loans and advances	3,986	2,020	1,894	1,586	(159)	(624)	3,961	1,218
020	Central banks	—	—	—	—	—	—	—	—
030	General governments	23	—	—	—	—	—	23	—
040	Credit institutions	—	—	—	—	—	—	—	—
050	Other financial corporations	22	29	29	29	(1)	(13)	10	3
060	Non-financial corporations	3,440	760	714	702	(146)	(274)	2,698	358
070	Households	501	1,231	1,151	855	(12)	(337)	1,230	857
080	Debt securities	—	—	—	—	—	—	—	—
090	Loan commitments given	656	116	51	51	(1)	(1)	220	17
100	Total	4,642	2,136	1,945	1,637	(160)	(625)	4,181	1,235

(1) Exposures classified as held-for-trading and held-for-sale 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.

		NWH Group						
		a	b	c	d	e	f	g
		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
30 June 2023								
010	On-balance sheet exposures	374,171	5,901	5,580	373,170	(3,349)	—	(180)
020	<i>UK</i>	348,724	5,215	4,904	348,375	(3,088)	—	—
030	<i>Rol</i>	1,769	463	453	1,162	(101)	—	(180)
040	<i>Other Western Europe</i>	8,247	144	144	8,202	(90)	—	—
050	<i>US</i>	9,377	—	—	9,377	(22)	—	—
060	<i>Other countries</i>	6,054	79	79	6,054	(48)	—	—
070	Off-balance sheet exposures	111,184	585	477	—	—	(79)	—
080	<i>UK</i>	91,931	441	416	—	—	(69)	—
090	<i>Rol</i>	979	21	14	—	—	(2)	—
100	<i>Other Western Europe</i>	9,247	47	28	—	—	(4)	—
110	<i>US</i>	7,589	57	—	—	—	(4)	—
120	<i>Other countries</i>	1,438	19	19	—	—	—	—
130	Total	485,355	6,486	6,057	373,170	(3,349)	(79)	(180)

Credit risk continued

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

		NWH Group						
		a	b	c	d	e	f	g
		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
31 December 2022		£m	£m	£m	£m	£m	£m	£m
010	On-balance sheet exposures	360,686	5,588	5,299	359,778	(3,236)	—	(197)
020	UK	335,688	4,956	4,672	335,553	(2,955)	—	(3)
030	Rol	2,024	503	501	1,306	(105)	—	(192)
040	Other Western Europe	7,869	31	28	7,814	(73)	—	—
050	US	8,704	—	—	8,704	(45)	—	(1)
060	Other countries	6,401	98	98	6,401	(58)	—	(1)
070	Off-balance sheet exposures	111,845	685	523	—	—	(79)	—
080	UK	92,564	426	404	—	—	(63)	—
090	Rol	1,569	20	20	—	—	(2)	—
100	Other Western Europe	8,654	141	60	—	—	(4)	—
110	US	7,672	59	—	—	—	(10)	—
120	Other countries	1,386	39	39	—	—	—	—
130	Total	472,531	6,273	5,822	359,778	(3,236)	(79)	(197)

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

(2) Exposures classified as held-for-trading and held-for-sale are excluded from the table in accordance with FINREP definitions. Cash balances at central banks and other demand deposits are also excluded.

Credit risk continued

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.

NWH Group						
	a	b	c	d	e	f
	Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	£m	£m	£m	£m	£m	£m
30 June 2023						
010 Agriculture, forestry and fishing	3,915	79	66	3,915	(61)	—
020 Mining and quarrying	584	27	27	584	(30)	—
030 Manufacturing	8,817	158	125	8,817	(104)	—
040 Electricity, gas, steam and air conditioning supply	4,979	46	46	4,979	(29)	—
050 Water supply	3,788	14	14	3,788	(12)	—
060 Construction	5,335	262	259	5,335	(145)	—
070 Wholesale and retail trade	13,899	190	167	13,797	(178)	—
080 Transport and storage	5,728	87	85	5,728	(67)	—
090 Accommodation and food service activities	5,436	192	184	5,436	(156)	—
100 Information and communication	5,658	38	37	5,658	(58)	—
110 Financial and insurance activities	13	—	—	13	—	—
120 Real estate activities	21,665	304	293	21,639	(194)	—
130 Professional, scientific and technical activities	3,474	81	80	3,474	(73)	—
140 Administrative and support service activities	7,166	68	66	7,166	(70)	—
150 Public administration and defence, compulsory social security	133	1	1	133	(1)	—
160 Education	467	12	12	467	(8)	—
170 Human health services and social work activities	4,297	138	132	4,297	(84)	—
180 Arts, entertainment and recreation	1,196	13	13	1,196	(21)	—
190 Other services	789	176	176	789	(25)	—
200 Total	97,339	1,886	1,783	97,211	(1,316)	—

NWH Group						
	a	b	c	d	e	f
	Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	£m	£m	£m	£m	£m	£m
31 December 2022						
010 Agriculture, forestry and fishing	3,661	65	57	3,661	(61)	—
020 Mining and quarrying	605	38	38	605	(33)	—
030 Manufacturing	9,032	155	138	9,032	(110)	—
040 Electricity, gas, steam and air conditioning supply	4,538	6	6	4,538	(18)	—
050 Water supply	3,307	7	6	3,307	(10)	—
060 Construction	5,137	287	272	5,137	(134)	—
070 Wholesale and retail trade	14,393	92	85	14,328	(140)	—
080 Transport and storage	5,741	113	112	5,741	(109)	—
090 Accommodation and food service activities	5,190	187	179	5,190	(190)	—
100 Information and communication	4,945	68	67	4,945	(53)	—
110 Financial and insurance activities	13	—	—	13	—	—
120 Real estate activities	21,485	268	257	21,484	(196)	—
130 Professional, scientific and technical activities	3,811	68	67	3,811	(55)	—
140 Administrative and support service activities	7,171	70	64	7,171	(92)	—
150 Public administration and defence, compulsory social security	146	1	1	146	(2)	—
160 Education	535	9	9	535	(9)	—
170 Human health services and social work activities	4,419	142	133	4,419	(83)	—
180 Arts, entertainment and recreation	1,353	13	12	1,353	(23)	—
190 Other services	938	163	163	938	(27)	—
200 Total	96,420	1,752	1,666	96,354	(1,345)	—

(1) Exposures classified as held-for-trading and held-for-sale 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.

		NWH Group				
		a	b	c	d	e
		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
30 June 2023						
1	Loans and advances	129,351	307,431	289,747	8,805	—
2	Debt securities	18,333	—	—	—	—
3	Total	147,684	307,431	289,747	8,805	—
4	Of which: non-performing exposures	414	3,451	2,932	431	—
5	Of which: defaulted	376	3,202	2,713	424	—

		NWH Group				
		a	b	c	d	e
		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
31 December 2022						
1	Loans and advances	154,793	299,774	281,178	9,849	—
2	Debt securities	14,314	—	—	—	—
3	Total	169,107	299,774	281,178	9,849	—
4	Of which: non-performing exposures	351	3,324	2,822	452	—
5	Of which: defaulted	318	3,133	2,609	449	—

(1) Exposures classified as held-for-trading and held-for-sale 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.

NWH Group						
Exposure classes	a	b	c	d	e	f
	Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
30 June 2023						
1 Central governments or central banks	72,081	612	72,924	153	1,154	2
2 Regional governments or local authorities	136	59	100	—	4	4
3 Public sector entities	—	—	—	—	—	—
4 Multilateral development banks	1,649	—	1,649	—	—	—
5 International organisations	—	—	—	—	—	—
6 Institutions	919	20	922	8	242	26
7 Corporates	5,468	2,013	4,191	658	4,471	92
8 Retail	3,391	3,959	3,223	35	2,114	65
9 Secured by mortgages on immovable property	21,826	1,616	21,718	367	10,104	46
10 Exposures in default	717	68	668	4	755	112
11 Items associated with particularly high risk	2	1	2	—	3	150
12 Covered bonds	290	—	290	—	34	12
13 Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14 Collective investment undertakings	—	—	—	—	—	—
15 Equity	4	—	4	—	5	118
16 Other items	279	—	279	—	236	84
17 Total	106,762	8,348	105,970	1,225	19,122	18

NWH Group						
Exposure classes	a	b	c	d	e	f
	Exposures pre CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %
31 December 2022						
1 Central governments or central banks	99,497	459	100,410	180	1,280	1
2 Regional governments or local authorities	110	247	100	—	4	4
3 Public sector entities	—	—	—	—	—	—
4 Multilateral development banks	2,001	—	2,001	—	—	—
5 International organisations	—	—	—	—	—	—
6 Institutions	957	44	956	21	300	31
7 Corporates	5,375	2,225	3,919	673	4,208	92
8 Retail	3,154	4,343	2,980	46	1,883	62
9 Secured by mortgages on immovable property	24,145	1,599	24,031	347	10,993	45
10 Exposures in default	779	64	746	3	827	110
11 Items associated with particularly high risk	2	1	2	—	3	150
12 Covered bonds	301	—	301	—	30	10
13 Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14 Collective investment undertakings	—	—	—	—	—	—
15 Equity	4	—	4	—	5	119
16 Other items	644	—	644	—	337	52
17 Total	136,969	8,982	136,094	1,270	19,870	14

Credit risk continued

UK CR5: Standardised approach

The table below shows credit risk EAD post CRM under the standardised approach by risk-weight, split by exposure class. It excludes counterparty credit risk and securitisations.

Exposure classes	NWH Group																
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Risk-weight																
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Others	Total	Of which: unrated
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2023																	
1 Central governments or central banks	72,608	—	—	—	8	—	—	—	—	—	—	461	—	—	—	73,077	2,630
2 Regional governments or local authorities	81	—	—	—	19	—	—	—	—	—	—	—	—	—	—	100	19
3 Public sector entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Multilateral development banks	1,649	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,649	—
5 International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Institutions	—	—	—	—	742	—	188	—	—	—	—	—	—	—	—	930	11
7 Corporates	48	—	—	—	182	—	32	—	—	4,587	—	—	—	—	—	4,849	1,603
8 Retail exposures	—	—	—	—	224	—	—	—	3,032	1	1	—	—	—	—	3,258	—
9 Exposures secured by mortgages on immovable property	—	—	—	—	—	17,977	—	—	390	3,704	14	—	—	—	—	22,085	22,078
10 Exposures in default	—	—	—	—	—	—	—	—	1	517	154	—	—	—	—	672	671
11 Exposure associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	2	—	—	—	—	2	2
12 Covered bonds	—	—	—	241	49	—	—	—	—	—	—	—	—	—	—	290	—
13 Exposures to institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Units or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15 Equity exposures	—	—	—	—	—	—	—	—	—	4	—	—	—	—	—	4	—
16 Other items	4	—	—	—	1	—	21	—	—	219	—	—	—	—	34	279	279
17 Total	74,390	—	—	241	1,225	17,977	241	—	3,423	9,032	171	461	—	—	34	107,195	27,293

Credit risk continued
UK CR5: Standardised approach continued

Exposure classes	NWH Group																
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Risk-weight																Of which:
	0% £m	2% £m	4% £m	10% £m	20% £m	35% £m	50% £m	70% £m	75% £m	100% £m	150% £m	250% £m	370% £m	1,250% £m	Others £m	Total £m	unrated £m
31 December 2022																	
1 Central governments or central banks	100,078	—	—	—	—	—	—	—	—	—	—	512	—	—	—	100,590	513
2 Regional governments or local authorities	79	—	—	—	21	—	—	—	—	—	—	—	—	—	—	100	21
3 Public sector entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Multilateral development banks	2,001	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,001	—
5 International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Institutions	—	—	—	—	630	—	347	—	—	—	—	—	—	—	—	977	21
7 Corporates	44	—	—	—	146	—	72	—	—	4,330	—	—	—	—	—	4,592	1,624
8 Retail exposures	—	—	—	—	268	48	—	—	2,708	—	2	—	—	—	—	3,026	—
9 Exposures secured by mortgages on immovable property	—	—	—	—	—	20,033	—	—	491	3,842	12	—	—	—	—	24,378	24,378
10 Exposures in default	—	—	—	—	—	—	—	—	—	591	158	—	—	—	—	749	749
11 Exposure associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	2	—	—	—	—	2	2
12 Covered bonds	—	—	—	301	—	—	—	—	—	—	—	—	—	—	—	301	—
13 Exposures to institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Units or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15 Equity exposures	—	—	—	—	—	—	—	—	—	4	—	—	—	—	—	4	—
15 Other items	267	—	—	—	12	—	18	—	—	324	—	—	—	—	23	644	644
17 Total	102,469	—	—	301	1,077	20,081	437	—	3,199	9,091	174	512	—	—	23	137,364	27,952

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range

The table below shows the key parameters used for the calculation of capital requirements for credit risk exposures under the Advanced IRB approach, split by PD range. All exposures are presented both pre and post CRM and CCF (EAD). The table excludes counterparty credit risk, securitisations, equity, and non-credit obligation exposures. Gross exposures are presented before credit impairment provisions.

	NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m		
	Central Governments and Central Banks												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions	
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m	
30 June 2023													
0.00 to <0.15	22,574	66	32	22,543	0.01	31	49	0.79	592	3	1	—	
0.00 to <0.10	22,574	66	32	22,543	0.01	31	49	0.79	592	3	1	—	
0.10 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—	
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—	
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	—	
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—	
0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—	
0.75 to <1.75	—	—	—	—	—	—	—	—	—	—	—	—	
1.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—	
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—	
2.50 to <5.00	—	—	—	—	—	—	—	—	—	—	—	—	
5.00 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—	
10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—	
10.00 to <20.00	—	—	—	—	—	—	—	—	—	—	—	—	
20.00 to <30.00	—	—	—	—	—	—	—	—	—	—	—	—	
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—	
100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—	
Subtotal (exposure class)	22,574	66	32	22,543	0.01	31	49	0.79	592	3	1	—	
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958	

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Central Governments and Central Banks												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	19,057	63	29	19,033	0.01	29	45	0.79	410	2	1	—
0.00 to <0.10	19,057	63	29	19,033	0.01	29	45	0.79	410	2	1	—
0.10 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	—
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <1.75	—	—	—	—	—	—	—	—	—	—	—	—
1.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
2.50 to <5.00	—	—	—	—	—	—	—	—	—	—	—	—
5.00 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <20.00	—	—	—	—	—	—	—	—	—	—	—	—
20.00 to <30.00	—	—	—	—	—	—	—	—	—	—	—	—
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal (exposure class)	19,057	63	29	19,033	0.01	29	45	0.79	410	2	1	—
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Institutions											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	3,862	332	57	3,966	0.10	197	45	1.21	1,055	27	2	3
0.00 to <0.10	1,439	128	54	1,398	0.07	129	43	2.98	512	36	—	3
0.10 to <0.15	2,423	204	59	2,568	0.11	68	46	0.25	543	21	2	—
0.15 to <0.25	2,601	190	31	2,669	0.20	82	33	2.59	1,198	45	2	2
0.25 to <0.50	477	30	38	490	0.36	39	17	3.32	135	28	—	—
0.50 to <0.75	1	4	36	3	0.64	13	59	0.98	3	94	—	—
0.75 to <2.50	15	13	38	20	1.27	18	42	1.53	19	92	—	—
0.75 to <1.75	15	13	38	20	1.27	16	42	1.53	19	92	—	—
1.75 to <2.50	—	—	20	—	1.81	2	75	0.84	—	199	—	—
2.50 to <10.00	6	2	42	5	5.49	98	73	0.95	12	265	—	—
2.50 to <5.00	4	—	100	2	3.23	91	70	0.92	4	206	—	—
5.00 to <10.00	2	2	36	3	6.85	7	75	0.97	8	300	—	—
10.00 to <100.00	—	—	—	—	15.22	4	75	1.00	1	107	—	—
10.00 to <20.00	—	—	—	—	10.24	2	75	1.00	—	366	—	—
20.00 to <30.00	—	—	—	—	20.48	2	75	1.00	1	449	—	—
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (default)	5	—	—	—	100.00	1	38	1.17	—	—	—	—
Subtotal (exposure class)	6,967	571	47	7,153	0.16	452	38	1.87	2,423	34	4	5
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Institutions												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	3,282	238	51	3,312	0.10	198	39	1.44	727	22	1	2
0.00 to <0.10	1,274	141	53	1,243	0.07	144	30	3.12	286	23	—	2
0.10 to <0.15	2,008	97	47	2,069	0.11	54	44	0.43	441	21	1	—
0.15 to <0.25	2,728	184	35	2,799	0.19	83	33	2.99	1,397	50	3	3
0.25 to <0.50	262	32	33	272	0.36	34	17	2.71	72	26	—	—
0.50 to <0.75	1	4	54	3	0.64	13	55	0.88	2	81	—	—
0.75 to <2.50	12	13	40	17	1.30	16	35	1.97	13	77	—	—
0.75 to <1.75	12	11	43	16	1.27	11	33	2.04	11	72	—	—
1.75 to <2.50	—	2	20	1	1.81	5	75	0.69	2	195	—	—
2.50 to <10.00	15	2	41	14	3.20	98	55	0.98	21	154	—	—
2.50 to <5.00	14	—	100	12	2.57	92	52	0.99	15	129	—	—
5.00 to <10.00	1	2	35	2	6.79	6	75	0.97	6	296	—	—
10.00 to <100.00	—	—	31	—	20.70	3	75	1.62	1	455	—	—
10.00 to <20.00	—	—	—	—	14.48	1	75	1.00	—	412	—	—
20.00 to <30.00	—	—	31	—	22.10	2	75	1.76	1	465	—	—
30.00 to <100.00	—	—	—	—	—	—	—	0.00	—	—	—	—
100.00 (default)	5	—	32	1	100.00	3	40	1.50	—	—	—	—
Subtotal (exposure class)	6,305	473	43	6,418	0.17	448	36	2.17	2,233	35	4	5
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Exposures to corporates – SME											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	7	2	75	9	0.09	35	37	2.73	263	2,823	—	—
0.00 to <0.10	4	—	103	4	0.06	3	48	2.66	217	5,421	—	—
0.10 to <0.15	3	2	75	5	0.11	32	29	2.78	46	862	—	—
0.15 to <0.25	547	278	50	686	0.21	1,475	26	3.12	243	35	1	1
0.25 to <0.50	3,121	1,121	48	3,659	0.40	5,564	23	3.05	1,050	29	4	11
0.50 to <0.75	2,613	879	45	3,017	0.64	3,345	22	2.71	983	33	5	12
0.75 to <2.50	5,413	1,687	42	6,108	1.24	6,607	21	2.56	2,492	41	18	50
0.75 to <1.75	4,123	1,254	42	4,662	1.07	5,135	21	2.62	1,839	39	12	33
1.75 to <2.50	1,290	433	41	1,446	1.81	1,472	20	2.36	653	45	6	17
2.50 to <10.00	1,820	426	51	2,050	3.43	2,325	22	2.47	1,106	54	17	58
2.50 to <5.00	1,473	351	47	1,648	2.88	1,914	22	2.54	850	52	11	43
5.00 to <10.00	347	75	69	402	5.68	411	23	2.18	256	64	6	15
10.00 to <100.00	234	49	51	262	14.70	356	21	2.23	210	80	9	16
10.00 to <20.00	176	44	52	201	12.39	275	20	2.27	144	71	5	10
20.00 to <30.00	55	5	42	57	21.17	66	27	2.13	63	110	4	6
30.00 to <100.00	3	—	30	4	40.96	15	22	2.19	3	95	—	—
100.00 (default)	397	38	20	407	100.00	899	38	2.19	552	136	161	163
Subtotal (exposure class)	14,152	4,480	45	16,198	3.87	20,606	22	2.70	6,899	43	215	311
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Exposures to corporates – SME												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	246	53	41	268	0.04	42	35	4.52	142	53	—	—
0.00 to <0.10	238	50	40	259	0.04	1	35	4.57	106	41	—	—
0.10 to <0.15	8	3	59	9	0.11	41	29	3.20	36	375	—	—
0.15 to <0.25	596	255	51	727	0.21	1,461	25	3.26	226	31	1	1
0.25 to <0.50	3,030	1,243	47	3,613	0.40	5,643	22	3.08	975	27	4	9
0.50 to <0.75	2,584	803	47	2,967	0.64	3,520	23	2.79	993	33	5	11
0.75 to <2.50	5,738	1,627	44	6,469	1.26	7,423	22	2.69	2,646	41	19	51
0.75 to <1.75	4,237	1,193	44	4,769	1.07	5,659	22	2.71	1,925	40	12	31
1.75 to <2.50	1,501	434	45	1,700	1.81	1,764	20	2.63	721	42	7	20
2.50 to <10.00	2,198	444	50	2,436	3.39	2,733	23	2.62	1,307	54	21	62
2.50 to <5.00	1,798	384	50	2,002	2.84	2,191	23	2.69	1,033	52	15	46
5.00 to <10.00	400	60	52	434	5.93	542	21	2.29	274	63	6	16
10.00 to <100.00	223	41	42	242	15.25	368	24	2.47	212	87	10	15
10.00 to <20.00	171	29	44	186	12.19	267	24	2.49	156	83	6	10
20.00 to <30.00	44	11	32	48	22.72	85	24	2.49	47	99	3	4
30.00 to <100.00	8	1	70	8	40.96	16	29	1.97	9	110	1	1
100.00 (default)	408	31	27	418	100.00	882	40	2.20	843	202	155	165
Subtotal (exposure class)	15,023	4,497	46	17,140	3.82	22,072	23	2.82	7,344	43	215	314
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Exposures to corporates – other											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	20,349	29,242	46	33,672	0.06	1,361	40	3.24	7,708	23	8	15
0.00 to <0.10	17,521	24,394	46	28,641	0.05	1,017	41	3.25	6,068	21	6	10
0.10 to <0.15	2,828	4,848	46	5,031	0.11	344	39	3.23	1,640	33	2	5
0.15 to <0.25	6,412	7,856	45	9,790	0.19	1,076	39	2.61	4,057	41	7	15
0.25 to <0.50	5,786	6,111	47	8,508	0.39	2,236	36	2.63	4,710	55	12	34
0.50 to <0.75	3,529	2,329	47	4,578	0.64	1,313	33	2.43	2,752	60	10	22
0.75 to <2.50	11,873	6,446	45	14,700	1.32	5,120	29	2.42	10,445	71	55	131
0.75 to <1.75	8,080	4,645	46	10,235	1.11	3,542	30	2.38	7,082	69	33	71
1.75 to <2.50	3,793	1,801	42	4,465	1.81	1,578	27	2.54	3,363	75	22	60
2.50 to <10.00	3,617	2,053	45	4,469	3.41	2,970	27	2.20	3,668	82	40	90
2.50 to <5.00	2,825	1,717	46	3,544	2.81	2,544	27	2.29	2,868	81	27	61
5.00 to <10.00	792	336	41	925	5.73	426	24	1.86	800	86	13	29
10.00 to <100.00	464	105	34	500	13.29	301	24	1.72	547	109	17	17
10.00 to <20.00	412	104	34	448	11.48	218	23	1.59	469	105	12	15
20.00 to <30.00	40	1	49	40	23.13	42	28	2.63	61	152	3	2
30.00 to <100.00	12	—	24	12	49.32	41	33	3.60	17	152	2	—
100.00 (default)	430	46	24	427	100.00	475	34	2.47	133	31	140	153
Subtotal (exposure class)	52,460	54,188	46	76,644	1.23	14,852	36	2.81	34,020	44	289	477
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Exposures to corporates – other												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	18,738	28,805	46	31,882	0.06	1,347	40	3.27	7,278	23	8	19
0.00 to <0.10	15,748	23,557	46	26,421	0.05	965	40	3.33	5,612	21	6	13
0.10 to <0.15	2,990	5,248	48	5,461	0.11	382	40	2.94	1,666	30	2	6
0.15 to <0.25	7,016	8,194	43	10,328	0.19	1,003	41	2.46	4,078	39	8	20
0.25 to <0.50	5,229	5,367	47	7,657	0.39	1,991	35	2.65	4,203	55	11	46
0.50 to <0.75	4,024	2,597	45	5,147	0.64	1,216	33	2.46	3,108	60	11	33
0.75 to <2.50	11,466	6,403	46	14,301	1.33	5,231	29	2.38	10,170	71	54	124
0.75 to <1.75	8,110	4,344	47	10,129	1.13	3,651	31	2.38	7,157	71	34	80
1.75 to <2.50	3,356	2,059	44	4,172	1.81	1,580	27	2.39	3,013	72	20	44
2.50 to <10.00	4,295	2,182	45	5,222	3.55	3,054	27	2.26	4,546	87	51	109
2.50 to <5.00	3,138	1,743	45	3,852	2.83	2,596	27	2.32	3,114	81	29	54
5.00 to <10.00	1,157	439	49	1,370	5.57	458	29	2.10	1,432	105	22	55
10.00 to <100.00	376	76	32	397	14.08	258	20	1.50	378	95	12	14
10.00 to <20.00	335	73	32	354	12.15	206	20	1.42	324	91	9	10
20.00 to <30.00	34	3	54	35	27.65	35	16	1.86	34	96	2	2
30.00 to <100.00	7	—	44	8	41.13	17	46	3.79	20	267	1	2
100.00 (default)	633	124	33	660	100.00	598	41	2.18	161	24	265	180
Subtotal (exposure class)	51,777	53,748	46	75,594	1.58	14,698	36	2.78	33,922	45	420	545
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Retail exposures – SME secured by immovable property collateral											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	1	100	—	0.17	79	59		—	17	—	—
0.25 to <0.50	—	63	100	43	0.31	4,520	62		12	27	—	—
0.50 to <0.75	61	2	100	63	0.63	1,156	31		15	23	—	—
0.75 to <2.50	619	39	100	643	1.19	8,308	25		195	30	2	8
0.75 to <1.75	528	10	100	535	1.03	6,028	21		119	22	1	5
1.75 to <2.50	91	29	100	108	2.02	2,280	45		76	71	1	3
2.50 to <10.00	194	2	100	196	4.79	2,292	27		134	69	3	5
2.50 to <5.00	117	1	100	118	3.57	1,458	27		71	61	2	3
5.00 to <10.00	77	1	100	78	6.64	834	27		63	81	1	2
10.00 to <100.00	51	—	100	50	24.44	509	22		49	96	3	3
10.00 to <20.00	27	—	100	26	14.06	297	25		28	105	1	1
20.00 to <30.00	—	—	—	—	—	—	—		—	—	—	—
30.00 to <100.00	24	—	100	24	35.69	212	19		21	86	2	2
100.00 (default)	39	—	100	41	100.00	653	16		7	17	6	12
Subtotal (exposure class)	964	107	100	1,036	6.83	17,517	27		412	40	14	28
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Retail exposures – SME secured by immovable property												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	1	100	—	0.17	77	59		—	—	—	—
0.25 to <0.50	—	74	100	49	0.30	4,959	61		13	27	—	—
0.50 to <0.75	63	2	100	65	0.63	1,223	31		15	23	—	—
0.75 to <2.50	634	40	100	660	1.20	8,568	24		188	28	2	8
0.75 to <1.75	537	10	100	545	1.03	6,225	20		113	21	1	5
1.75 to <2.50	97	30	100	115	2.03	2,343	41		75	66	1	3
2.50 to <10.00	223	3	100	225	4.79	2,482	26		151	67	3	5
2.50 to <5.00	134	1	100	135	3.59	1,587	26		79	58	1	3
5.00 to <10.00	89	2	100	90	6.60	895	27		72	80	2	2
10.00 to <100.00	56	1	100	56	24.82	535	22		53	94	3	3
10.00 to <20.00	28	1	100	28	14.13	298	25		29	102	1	1
20.00 to <30.00	—	—	—	—	—	—	—		—	—	—	—
30.00 to <100.00	28	—	100	28	35.75	237	19		24	86	2	2
100.00 (default)	41	—	100	43	100.00	673	16		8	18	6	12
Subtotal (exposure class)	1,017	121	100	1,098	6.92	18,517	26		428	39	14	28
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Retail exposures – non-SME secured by immovable property collateral											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	2,853	2,409	100	5,304	0.08	42,026	10		214	4	1	1
0.00 to <0.10	2,051	1,038	100	3,113	0.05	19,450	11		114	4	1	1
0.10 to <0.15	802	1,371	100	2,191	0.13	22,576	9		100	5	—	—
0.15 to <0.25	37,497	56	100	37,593	0.15	309,209	10		2,805	7	8	17
0.25 to <0.50	104,766	11,638	100	114,318	0.31	727,357	10		16,691	15	52	75
0.50 to <0.75	35,203	88	100	35,330	0.56	190,583	12		5,502	16	28	32
0.75 to <2.50	6,358	81	100	6,449	1.21	42,586	11		2,239	35	12	13
0.75 to <1.75	5,623	69	100	5,700	1.10	36,376	11		1,766	31	9	11
1.75 to <2.50	735	12	100	749	2.07	6,210	10		473	63	3	2
2.50 to <10.00	1,285	6	100	1,294	5.29	9,587	11		923	71	9	5
2.50 to <5.00	639	5	100	645	3.65	4,556	9		331	51	3	2
5.00 to <10.00	646	1	100	649	6.92	5,031	9		592	91	6	3
10.00 to <100.00	1,344	2	100	1,348	28.45	10,434	9		1,503	111	47	7
10.00 to <20.00	576	1	100	579	14.36	4,723	9		610	105	10	2
20.00 to <30.00	22	—	100	22	24.23	191	10		34	152	1	—
30.00 to <100.00	746	1	100	747	39.51	5,520	9		859	115	36	5
100.00 (default)	1,943	17	100	2,129	100.00	17,919	12		822	39	289	228
Subtotal (exposure class)	191,249	14,297	100	203,765	1.61	1,349,701	10		30,699	15	446	378
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Retail exposures – non-SME secured by immovable property												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	2,623	1,840	100	4,507	0.06	32,984	11		199	4	—	—
0.00 to <0.10	2,251	1,115	100	3,392	0.05	21,005	11		126	4	—	—
0.10 to <0.15	372	725	100	1,115	0.11	11,979	11		73	7	—	—
0.15 to <0.25	38,087	785	100	38,914	0.15	318,345	10		2,815	7	8	15
0.25 to <0.50	106,568	14,354	100	119,791	0.32	761,898	10		17,530	15	56	70
0.50 to <0.75	27,620	95	100	27,746	0.56	151,808	12		4,298	15	22	25
0.75 to <2.50	6,081	79	100	6,171	1.20	42,461	10		2,084	34	11	11
0.75 to <1.75	5,190	66	100	5,264	1.08	35,107	10		1,695	32	8	9
1.75 to <2.50	891	13	100	907	1.89	7,354	12		389	43	3	2
2.50 to <10.00	1,230	6	100	1,238	5.28	9,057	11		944	76	9	6
2.50 to <5.00	567	5	100	573	3.41	4,229	12		311	54	3	3
5.00 to <10.00	663	1	100	665	6.90	4,828	10		633	95	6	3
10.00 to <100.00	1,149	2	100	1,152	29.29	9,353	10		1,418	123	44	6
10.00 to <20.00	456	2	100	457	14.32	4,100	10		582	127	9	2
20.00 to <30.00	16	—	100	17	24.42	154	11		29	176	1	—
30.00 to <100.00	677	—	100	678	39.51	5,099	10		807	119	34	4
100.00 (default)	1,796	15	100	1,963	100.00	17,091	12		796	41	265	209
Subtotal (exposure class)	185,154	17,176	100	201,482	1.51	1,342,997	10		30,084	15	415	342
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Retail exposures – qualifying revolving											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	78	6,213	100	11,182	0.04	10,082,329	53		188	2	3	10
0.00 to <0.10	5	5,282	100	9,721	0.03	8,500,626	52		125	1	2	5
0.10 to <0.15	73	931	100	1,461	0.12	1,581,703	57		63	4	1	5
0.15 to <0.25	162	219	100	455	0.17	148,696	64		30	7	1	6
0.25 to <0.50	300	1,334	100	1,509	0.35	1,509,754	60		170	11	3	12
0.50 to <0.75	832	6,198	100	1,711	0.60	1,527,114	68		331	19	7	18
0.75 to <2.50	1,845	7,438	100	3,662	1.43	2,984,234	70		1,425	39	39	63
0.75 to <1.75	895	5,024	100	2,164	1.08	1,955,925	70		680	31	17	31
1.75 to <2.50	950	2,414	100	1,498	1.92	1,028,309	72		745	50	22	32
2.50 to <10.00	2,156	940	100	2,780	4.54	1,210,766	74		2,575	93	99	135
2.50 to <5.00	1,400	757	100	1,899	3.56	924,730	73		1,460	77	51	67
5.00 to <10.00	756	183	100	881	6.65	286,036	76		1,115	127	48	68
10.00 to <100.00	241	41	100	303	21.47	156,657	72		597	197	49	37
10.00 to <20.00	156	31	100	201	13.46	100,266	73		357	177	21	20
20.00 to <30.00	—	—	100	1	25.11	1,688	67		3	302	—	—
30.00 to <100.00	85	10	100	101	37.45	54,703	70		237	235	28	17
100.00 (default)	353	314	100	366	100.00	368,540	78		457	125	264	270
Subtotal (exposure class)	5,967	22,697	100	21,968	2.87	17,988,090	61		5,773	26	465	551
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Retail exposures – qualifying revolving												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	56	6,175	100	11,069	0.04	10,051,253	53		185	2	3	9
0.00 to <0.10	4	5,295	100	9,646	0.03	8,486,331	52		124	1	2	4
0.10 to <0.15	52	880	100	1,423	0.12	1,564,922	57		61	4	1	5
0.15 to <0.25	172	228	100	474	0.17	157,583	64		32	7	1	7
0.25 to <0.50	305	1,556	100	1,518	0.36	1,546,088	60		173	11	4	12
0.50 to <0.75	803	5,944	100	1,648	0.60	1,481,549	68		319	19	7	17
0.75 to <2.50	1,553	6,917	100	3,189	1.40	2,788,727	70		1,223	38	34	50
0.75 to <1.75	746	4,738	100	1,944	1.07	1,850,238	70		606	31	16	25
1.75 to <2.50	807	2,179	100	1,245	1.92	938,489	71		617	50	18	25
2.50 to <10.00	1,886	827	100	2,429	4.65	1,057,028	74		2,243	92	89	130
2.50 to <5.00	1,167	656	100	1,594	3.56	780,990	73		1,187	74	44	58
5.00 to <10.00	719	171	100	835	6.74	276,038	76		1,056	126	45	72
10.00 to <100.00	212	35	100	265	20.99	142,149	72		521	197	43	36
10.00 to <20.00	140	27	100	179	13.43	91,569	73		321	179	19	20
20.00 to <30.00	—	—	100	1	26.02	1,626	61		3	288	—	—
30.00 to <100.00	72	8	100	85	36.94	48,954	69		197	233	24	16
100.00 (default)	314	297	100	325	100.00	355,921	78		412	127	240	240
Subtotal (exposure class)	5,301	21,979	100	20,917	2.67	17,580,298	61		5,108	24	421	501
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Retail exposures – SME other											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	11	100	9	0.17	4,226	59		2	18	—	—
0.25 to <0.50	—	701	100	761	0.32	375,036	63		212	28	2	5
0.50 to <0.75	749	38	100	851	0.63	89,913	34		189	22	2	3
0.75 to <2.50	6,356	359	100	6,854	1.25	505,094	27		1,674	24	25	57
0.75 to <1.75	5,161	133	100	5,392	1.04	322,464	24		1,080	20	14	28
1.75 to <2.50	1,195	226	100	1,462	2.02	182,630	39		594	41	11	29
2.50 to <10.00	2,425	40	100	2,611	4.55	279,124	29		897	34	34	40
2.50 to <5.00	1,527	21	100	1,673	3.39	218,026	29		550	33	16	19
5.00 to <10.00	898	19	100	938	6.63	61,098	30		347	37	18	21
10.00 to <100.00	547	9	100	564	23.64	41,068	28		274	49	34	28
10.00 to <20.00	293	6	100	304	13.66	22,961	32		148	49	13	14
20.00 to <30.00	12	—	100	12	23.11	521	33		8	63	1	—
30.00 to <100.00	242	3	100	248	35.90	17,586	22		118	48	20	14
100.00 (default)	1,707	3	100	1,734	100.00	76,796	14		223	13	231	224
Subtotal (exposure class)	11,784	1,161	100	13,384	15.54	1,371,257	28		3,471	26	328	357
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Retail exposures – SME other												
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
31 December 2022												
0.00 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	11	100	8	0.17	4,013	59		1	17	—	—
0.25 to <0.50	—	775	100	797	0.32	374,598	62		221	28	2	5
0.50 to <0.75	802	41	100	905	0.63	89,832	33		196	22	2	3
0.75 to <2.50	6,918	366	100	7,423	1.24	515,230	25		1,653	22	26	58
0.75 to <1.75	5,651	145	100	5,891	1.04	330,073	22		1,081	18	14	30
1.75 to <2.50	1,267	221	100	1,532	2.03	185,157	36		572	37	12	28
2.50 to <10.00	2,702	43	100	2,886	4.59	277,593	28		941	33	38	42
2.50 to <5.00	1,673	22	100	1,816	3.39	215,605	27		563	31	18	21
5.00 to <10.00	1,029	21	100	1,070	6.62	61,988	29		378	35	20	21
10.00 to <100.00	635	9	100	652	24.22	43,136	26		297	45	37	29
10.00 to <20.00	328	6	100	340	13.74	23,615	30		156	46	14	14
20.00 to <30.00	15	—	14	14	23.12	646	30		8	58	1	—
30.00 to <100.00	292	3	100	298	36.24	18,875	21		133	45	22	15
100.00 (default)	1,473	3	100	1,496	100.00	66,966	15		219	15	211	203
Subtotal (exposure class)	12,530	1,248	100	14,167	13.31	1,371,368	27		3,528	25	316	340
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

	NWH Group											
a	b	c	d	e	f	g	h	i	j	k	m	
	Retail exposures – non-SME other											
	On-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
PD range	£m	£m	%	£m	%		%		£m	%	£m	£m
30 June 2023												
0.00 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	—	—	—	—	—	—		—	—	—	—
0.25 to <0.50	—	—	—	—	0.45	53	63		23	7,072	—	—
0.50 to <0.75	91	—	—	92	0.69	18,366	68		73	79	1	1
0.75 to <2.50	4,169	—	—	4,271	1.48	578,499	73		4,246	99	53	91
0.75 to <1.75	2,670	—	—	2,734	1.15	442,789	71		2,445	89	25	42
1.75 to <2.50	1,499	—	—	1,537	2.09	135,710	77		1,801	117	28	49
2.50 to <10.00	1,608	—	—	1,643	5.05	161,339	77		2,170	132	71	118
2.50 to <5.00	975	—	—	997	3.74	96,707	77		1,250	125	31	66
5.00 to <10.00	633	—	—	646	7.08	64,632	77		920	142	40	52
10.00 to <100.00	420	—	—	426	21.00	46,855	78		827	194	79	73
10.00 to <20.00	291	—	—	297	13.54	30,384	78		510	172	35	40
20.00 to <30.00	2	—	—	2	22.86	63	44		6	348	1	—
30.00 to <100.00	127	—	—	127	38.36	16,408	80		311	244	43	33
100.00 (default)	676	—	100	725	100.00	105,043	78		762	105	567	568
Subtotal (exposure class)	6,964	—	100	7,157	13.44	910,155	75		8,101	113	771	851
Total (all exposure classes)	313,081	97,567	67	369,848		21,672,661		0.79	92,390	25	2,533	2,958

Credit risk continued

UK CR6: IRB approach – Credit risk exposures by exposure class and PD range continued

NWH Group												
a	b	c	d	e	f	g	h	i	j	k	m	
Retail exposures – non-SME other												
PD range	On-balance sheet gross exposure £m	Off-balance sheet exposures pre CCF £m	Exposure weighted average CCF %	Exposure post CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjustments and provisions £m
31 December 2022												
0.00 to <0.15	—	—	100	—	0.06	1	62		—	—	—	—
0.00 to <0.10	—	—	100	—	0.06	1	62		—	—	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	—	100	—	0.20	2	68		—	—	—	—
0.25 to <0.50	—	—	—	—	0.45	46	66		24	8,840	—	—
0.50 to <0.75	74	—	—	75	0.69	15,162	69		67	90	1	1
0.75 to <2.50	4,115	—	—	4,213	1.48	580,010	73		4,140	98	53	95
0.75 to <1.75	2,678	—	—	2,741	1.15	449,560	71		2,441	89	26	42
1.75 to <2.50	1,436	—	—	1,471	2.09	130,450	77		1,698	115	27	54
2.50 to <10.00	1,468	—	—	1,499	5.08	149,007	77		1,990	133	68	130
2.50 to <5.00	886	—	—	905	3.75	89,116	78		1,143	126	29	74
5.00 to <10.00	582	—	—	594	7.11	59,891	77		847	143	39	56
10.00 to <100.00	385	—	—	390	21.51	43,219	79		763	195	77	76
10.00 to <20.00	264	—	—	269	13.59	27,993	78		467	173	34	42
20.00 to <30.00	3	—	—	3	22.98	98	45		9	313	1	—
30.00 to <100.00	118	—	—	118	39.58	15,128	80		287	244	42	34
100.00 (default)	585	—	100	624	100.00	90,781	78		686	110	497	494
Subtotal (exposure class)	6,627	—	100	6,801	12.45	878,228	75		7,670	113	696	796
Total (all exposure classes)	302,791	99,305	68	362,650		21,228,655		0.79	90,727	25	2,502	2,871

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.

		NWH Group			
		a		b	
		30 June 2023		31 December 2022	
		Pre-credit derivatives RWAs £m	Actual RWAs £m	Pre-credit derivatives RWAs £m	Actual RWAs £m
5	Exposures under AIRB	92,390	92,390	90,832	90,727
6	Central governments and central banks	592	592	410	410
7	Institutions	2,423	2,423	2,233	2,233
8	Corporates	40,919	40,919	41,372	41,267
8.1	Of which: SME	6,899	6,899	7,400	7,344
8.3	Of which: Other	34,020	34,020	33,972	33,923
9	Retail	48,456	48,456	46,817	46,817
9.1	Of which: secured by real estate SME - secured by immovable property collateral	412	412	428	428
9.2	Of which: secured by real estate non-SME - secured by immovable property collateral	30,699	30,699	30,083	30,083
9.3	Of which: qualifying revolving	5,773	5,773	5,109	5,109
9.4	Of which: Other SME	3,471	3,471	3,527	3,527
9.5	Of which: Other non-SME	8,101	8,101	7,670	7,670
10	Total	92,390	92,390	90,832	90,727

(1) Rows 1 - 4.2 are not presented as NWH Group 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 NWH Group does not apply the FIRB method. The table excludes counterparty credit risk, securitisations and non-credit obligation assets.

A-IRB		NWH Group													
			Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs	
			Funded credit protection (FCP)										Unfunded credit protection (UFCP)		
					Part of exposures covered by		Part of exposures covered by		Part of exposures covered by	Part of exposures covered by		Part of exposures covered by			
					immovable property collaterals	exposures covered by receivables	other physical collaterals	other funded credit protection		cash on deposit	life insurance policies				
		Total exposures	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	RWA with substitution effects
		£m	%	%	%	%	%	%	%	%	%	%	%	£m	£m
30 June 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	22,543	0.37	0.14	0.14	—	—	—	—	—	—	—	—	1,130	592
2	Institutions	7,153	26.44	1.45	1.39	—	0.06	—	—	—	—	—	—	2,472	2,423
3	Corporates	92,842	14.59	111.31	59.68	8.45	43.18	0.02	—	—	0.02	2.68	—	42,226	40,919
3.1	Of which: SME	16,198	6.92	187.05	112.21	22.07	52.78	0.06	—	—	0.06	6.31	—	7,443	6,899
3.3	Of which: other	76,644	16.21	95.31	48.58	5.58	41.15	0.01	—	—	0.01	1.92	—	34,783	34,020
4	Retail	247,310	—	180.91	180.91	—	—	—	—	—	—	2.27	—	19,110	48,456
	Of which: immovable property														
4.1	SME	1,036	—	—	—	—	—	—	—	—	—	1.21	—	4	412
4.2	Of which: immovable property non-SME	203,765	—	219.57	219.57	—	—	—	—	—	—	—	—	16,780	30,699
4.3	Of which: qualifying revolving	21,968	—	—	—	—	—	—	—	—	—	—	—	643	5,773
4.4	Of which: other SME	13,384	—	—	—	—	—	—	—	—	—	41.64	—	154	3,471
4.5	Of which: other non-SME	7,157	—	—	—	—	—	—	—	—	—	—	—	1,529	8,101
5	Total	369,848	4.20	148.95	135.99	2.12	10.84	—	—	—	—	2.19	—	64,938	92,390

Credit risk continued

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

A-IRB

A-IRB		NWH Group														
			Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWEAs	
			Funded credit protection (FCP)													
			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		16,544	—	—	—	—	—	—	—	—	—	—	—	10,798	10,720	
7 Equity Exposures		1	—	—	—	—	—	—	—	—	—	—	—	3	3	
8 Total		16,545	—	—	—	—	—	—	—	—	—	—	—	10,801	10,723	

Credit risk continued

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

		NWH Group													
		Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
		Funded credit protection (FCP)													
		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	
1	Central governments and central banks	19,033	0.32	0.17	0.17	—	—	—	—	—	—	—	—	860	410
2	Institutions	6,418	32.00	1.54	1.36	—	0.18	—	—	—	—	—	—	2,477	2,233
3	Corporates	92,734	14.17	168.37	120.59	8.39	39.39	0.02	—	—	0.02	2.92	—	42,464	41,267
3.1	Of which: SME	17,140	9.17	520.29	449.92	17.45	52.93	0.01	—	—	0.01	7.35	—	7,790	7,344
3.2	Of which: Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.3	Of which: Other	75,594	15.30	88.57	45.91	6.34	36.32	0.02	—	—	0.02	1.92	—	34,674	33,922
4	Retail	244,465	—	186.12	186.12	—	—	—	—	—	—	2.56	—	18,981	46,817
4.1	Of which: Immovable property SME	1,098	—	—	—	—	—	—	—	—	—	1.39	—	425	428
4.2	Of which: Immovable property non-SME	201,482	—	225.82	225.82	—	—	—	—	—	—	—	—	16,440	30,084
4.3	Of which: Qualifying revolving	20,917	—	—	—	—	—	—	—	—	—	—	—	542	5,109
4.4	Of which: Other SMEs	14,167	—	—	—	—	—	—	—	—	—	43.99	—	171	3,527
4.5	Of which: Other non-SME	6,801	—	—	—	—	—	—	—	—	—	—	—	1,403	7,670
5	Total	362,650	4.20	168.55	156.33	2.15	10.08	—	—	—	—	2.47	—	64,782	90,727

Credit risk continued

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

NWH Group														
A-IRB	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	17,099	0.35	123.64	118.21	—	5.43	—	—	—	—	2.71	—	10,865	10,796
7 Equity Exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Credit risk continued

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. NWH Group does not have object finance and commodities finance exposures and therefore these are not presented separately. It also excludes counterparty credit risk and securitisations.

CR10.1

		NWH Group					
		a	b	c	d	e	f
		Specialised lending: project finance (slotting approach)					
		On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk- weighted exposure amount £m	Expected loss amount £m
30 June 2023	Remaining maturity						
Category 1	Less than 2.5 years	800	304	50%	1,038	431	—
	Equal to or more than 2.5 years	4,198	2,376	70%	6,184	3,706	25
Category 2	Less than 2.5 years	4	75	70%	78	54	—
	Equal to or more than 2.5 years	312	300	90%	551	446	4
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	118	46	115%	160	159	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	97	3	—	98	—	49
Total	Less than 2.5 years	804	379		1,116	485	—
	Equal to or more than 2.5 years	4,769	2,727		7,038	4,395	86

		NWH Group					
		a	b	c	d	e	f
		Specialised lending: project finance (slotting approach)					
		On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk- weighted exposure amount £m	Expected loss amount £m
31 December 2022	Remaining maturity						
Category 1	Less than 2.5 years	890	285	50%	1,093	444	—
	Equal to or more than 2.5 years	3,795	1,916	70%	5,485	3,256	22
Category 2	Less than 2.5 years	—	76	70%	75	52	—
	Equal to or more than 2.5 years	223	249	90%	412	317	3
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	56	6	115%	61	59	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	91	—	—	91	—	46
Total	Less than 2.5 years	890	361		1,168	496	—
	Equal to or more than 2.5 years	4,165	2,171		6,049	3,632	73

Credit risk continued

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

CR10.2

		NWH Group					
		a	b	c	d	e	f
		Specialised lending: income-producing real estate and high volatility commercial real estate (slotting approach)					
		On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
30 June 2023	Remaining maturity						
Category 1	Less than 2.5 years	2,503	329	50%	2,665	1,332	—
	Equal to or more than 2.5 years	2,083	130	70%	2,153	1,507	9
Category 2	Less than 2.5 years	3,010	394	70%	3,257	2,279	13
	Equal to or more than 2.5 years	1,118	113	90%	1,188	1,069	9
Category 3	Less than 2.5 years	252	7	115%	257	296	7
	Equal to or more than 2.5 years	44	—	115%	44	51	1
Category 4	Less than 2.5 years	31	—	250%	31	79	3
	Equal to or more than 2.5 years	6	—	250%	7	17	1
Category 5	Less than 2.5 years	246	1	—	246	—	123
	Equal to or more than 2.5 years	26	2	—	28	—	14
Total	Less than 2.5 years	6,042	731		6,456	3,986	146
	Equal to or more than 2.5 years	3,277	245		3,420	2,644	34

		NWH Group					
		a	b	c	d	e	f
		Specialised lending: income-producing real estate and high volatility commercial real estate (slotting approach)					
		On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
31 December 2022	Remaining maturity						
Category 1	Less than 2.5 years	3,080	295	50%	3,219	1,610	—
	Equal to or more than 2.5 years	2,122	306	70%	2,278	1,594	9
Category 2	Less than 2.5 years	2,561	280	70%	2,754	1,928	11
	Equal to or more than 2.5 years	1,044	132	90%	1,152	1,037	9
Category 3	Less than 2.5 years	252	10	115%	263	302	7
	Equal to or more than 2.5 years	92	1	115%	92	106	3
Category 4	Less than 2.5 years	32	—	250%	32	79	3
	Equal to or more than 2.5 years	5	—	250%	5	13	—
Category 5	Less than 2.5 years	60	—	—	60	—	30
	Equal to or more than 2.5 years	28	2	—	29	—	15
Total	Less than 2.5 years	5,985	585		6,328	3,919	51
	Equal to or more than 2.5 years	3,291	441		3,556	2,750	36

Counterparty credit risk

UK CCR1: Analysis of CCR exposure by approach

The table below shows the methods used to calculate counterparty credit risk exposure and RWAs. It excludes the CVA charge, exposures to central counterparties (CCPs) and exposures to securitisation positions ⁽¹⁾.

		NWH Group							
		a	b	c	d	e	f	g	h
		Potential Replacement cost/current (RC) £m	future exposure (PPE) £m	EEPE £m	Alpha used for computing regulatory exposure value £m	Exposure value pre-CRM £m	Exposure value post-CRM £m	Exposure value £m	RWA £m
30 June 2023									
1	SA-CCR (for derivatives)	29	302	—	1.4	1,261	464	464	191
4	Financial collateral comprehensive method (for SFTs)					50,936	1,536	1,536	247
6	Total					52,197	2,000	2,000	438

		NWH Group							
		a	b	c	d	e	f	g	h
		Replacement cost/current (RC) £m	Potential future exposure (PPE) £m	EEPE £m	Alpha used for computing regulatory exposure value £m	Exposure value pre-CRM £m	Exposure value post-CRM £m	Exposure value £m	RWA £m
31 December 2022									
1	SA-CCR (for derivatives)	40	276	—	1.4	1,280	442	442	219
4	Financial collateral comprehensive method (for SFTs)					44,890	1,245	1,245	86
6	Total					46,170	1,687	1,687	305

- (1) Disclosures relating to the items excluded from the scope of this table are presented as follows: a) Table UK CCR2 (CVA charge), b) Table UK CCR8 (exposures to CCPs) and c) Tables UK SEC1, UK SEC3 and UK SEC4 (exposures to securitisation positions).
- (2) The following rows and/or columns are not presented in the table because they had zero values for the period or are not used by NWH Group: row (UK1) Original Exposure Method (for derivatives), row (UK2) Simplified SA-CCR (for derivatives), row (2) IMM (for derivatives and SFTs), row (2a) IMM (for derivatives and SFTs) Of which securities financing transactions netting sets, row (2b) Of which derivatives and long settlement transactions netting sets, row (2c) IMM (for derivatives and SFTs) Of which from contractual cross-product netting sets, row (3) Financial collateral simple method (for SFTs) and row (5) VaR for SFTs.

- The increase under the financial collateral comprehensive method for SFTs reflects a rise in repurchase agreement transactions during the period, as part of liquidity management activities.

Counterparty credit risk continued

UK CCR2: Transactions subject to own funds requirements for CVA risk

The table below shows the CVA charge, split by approach.

NWH Group				
a		b		
30 June 2023		31 December 2022		
Exposure		Exposure		
value	RWAs	amount	RWAs	
£m	£m	£m	£m	
4	Transactions subject to the standardised method	384	179	268 137

(1) The following rows and/or columns are not presented in the table because they had zero values for the period or are not used by NWH Group: row (1) Total transactions subject to the Advanced method, row (2) VaR component (including the multiplier), row (3) stressed VaR component (including the multiplier) and row (UK4) Transactions subject to the Alternative approach (Based on the Original Exposure Method).

- The RWA increase was driven by increased exposure to external counterparties, reflecting over-the-counter foreign exchange hedging by NatWest Group Treasury for managing its liquidity and funding needs.

Counterparty credit risk continued

UK CCR3: Standardised approach – CCR exposures by regulatory exposure class and risk weights

The table below shows a view of counterparty credit risk positions subject to the standardised risk-weight approach by exposure class. It excludes the CVA charge and exposures to securitisation positions but includes exposures to qualifying CCPs.

NWH Group												
Risk-weight												
Exposure class	a	b	c	d	e	f	g	h	i	j	k	l
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2023												
1 Central governments or central banks	380	—	—	—	—	—	—	—	—	—	—	380
6 Institutions	—	375	—	—	135	34	—	—	—	—	—	544
7 Corporates	—	—	—	—	—	—	—	—	50	—	—	50
11 Total exposure value	380	375	—	—	135	34	—	—	50	—	—	974

NWH Group												
Risk-weight												
Exposure class	a	b	c	d	e	f	g	h	i	j	k	l
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December 2022												
1 Central governments or central banks	380	—	—	—	—	—	—	—	—	—	—	380
6 Institutions	—	413	—	—	115	38	—	—	—	—	—	566
7 Corporates	—	—	—	—	—	—	—	—	64	—	—	64
11 Total exposure value	380	413	—	—	115	38	—	—	64	—	—	1,010

(1) The following rows are not presented in the table because they had zero values for the period: row (2) Regional government or local authorities, row (3) Public sector entities, row (4) multilateral development banks, row (5) International organisations, row (8) Retail, row (9) Institutions and corporates with a short-term credit assessment and row (10) other items.

Counterparty credit risk continued

UK CCR4: IRB approach – CCR exposures by exposure class and PD scale

The table below shows a detailed view of counterparty credit risk positions subject to the IRB risk-weight approach by exposure class and PD scale. It excludes the CVA charge, exposures to CCPs and exposures to securitisation positions. Counterparty credit risk exposures subject to the supervisory slotting method are not included in this table and they are disclosed in table UK CR10.

			NWH Group						
			a	b	c	d	e	f	g
			Exposure value £m	Exposure weighted Average PD %	Number of obligors	Exposure weighted Average LGD %	Exposure weighted Average maturity Years	RWAs £m	Destiny of risk weighted exposure amounts %
30 June 2023	PD scale								
Central governments and central banks	0.00 to <0.15	94	0.03	2	45	0.3	4	4	
Central governments and central banks	0.15 to <0.25	—	—	—	—	—	—	—	
Central governments and central banks	0.25 to <0.50	—	—	—	—	—	—	—	
Central governments and central banks	0.50 to <0.75	—	—	—	—	—	—	—	
Central governments and central banks	0.75 to <2.50	—	—	—	—	—	—	—	
Central governments and central banks	2.50 to <10.00	—	—	—	—	—	—	—	
Central governments and central banks	10.00 to <100.00	—	—	—	—	—	—	—	
Central governments and central banks	100.00 (Default)	—	—	—	—	—	—	—	
Total - Central governments and central banks		94	0.03	2	45	0.3	4	4	
Institutions	0.00 to <0.15	17	0.11	1	45	0.0	3	19	
Institutions	0.15 to <0.25	443	0.20	10	45	0.9	182	41	
Institutions	0.25 to <0.50	47	0.32	3	45	1.1	23	50	
Institutions	0.50 to <0.75	—	—	—	—	—	—	—	
Institutions	0.75 to <2.50	—	—	—	—	—	—	—	
Institutions	2.50 to <10.00	—	—	—	—	—	—	—	
Institutions	10.00 to <100.00	—	—	—	—	—	—	—	
Institutions	100.00 (Default)	—	—	—	—	—	—	—	
Total - Institutions		507	0.21	14	45	0.9	208	41	
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—	
Corporates - SME	0.15 to <0.25	—	—	—	—	—	—	—	
Corporates - SME	0.25 to <0.50	—	—	—	—	—	—	—	
Corporates - SME	0.50 to <0.75	—	—	—	—	—	—	—	
Corporates - SME	0.75 to <2.50	—	—	—	—	—	—	—	
Corporates - SME	2.50 to <10.00	—	—	—	—	—	—	—	
Corporates - SME	10.00 to <100.00	—	—	—	—	—	—	—	
Corporates - SME	100.00 (Default)	—	—	—	—	—	—	—	
Total - Corporates - SME		—	—	—	—	—	—	—	

Counterparty credit risk continued

UK CCR4: IRB approach – CCR exposures by exposure class and PD scale continued

		NWH Group						
		a	b	c	d	e	f	g
	PD scale	Exposure value £m	Exposure weighted Average PD %	Number of obligors	Exposure weighted Average LGD %	Exposure weighted Average maturity Years	RWAs £m	Destiny of risk weighted exposure amounts %
30 June 2023								
Corporates - Other	0.00 to <0.15	685	0.05	172	45	0.7	92	13
Corporates - Other	0.15 to <0.25	113	0.19	5	44	0.7	40	35
Corporates - Other	0.25 to <0.50	—	—	—	—	—	—	—
Corporates - Other	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - Other	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - Other	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - Other	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - Other	100.00 (Default)	—	—	—	—	—	—	—
Total - Corporates - Other		798	0.07	177	45	0.7	132	17
Total - Wholesale all portfolios		1,399	0.12	193	45	0.7	344	25

Counterparty credit risk continued

UK CCR4: IRB approach – CCR exposures by exposure class and PD scale continued

		NWH Group						
		a	b	c	d	e	f	g
		Exposure value £m	Exposure weighted Average PD %	Number of obligors	Exposure weighted Average LGD %	Exposure weighted Average maturity Years	RWAs £m	Destiny of risk weighted exposure amounts %
31 December 2022	PD scale							
Central governments and central banks	0.00 to <0.15	63	0.03	2	45	—	2	3
Central governments and central banks	0.15 to <0.25	—	—	—	—	—	—	—
Central governments and central banks	0.25 to <0.50	—	—	—	—	—	—	—
Central governments and central banks	0.50 to <0.75	—	—	—	—	—	—	—
Central governments and central banks	0.75 to <2.50	—	—	—	—	—	—	—
Central governments and central banks	2.50 to <10.00	—	—	—	—	—	—	—
Central governments and central banks	10.00 to <100.00	—	—	—	—	—	—	—
Central governments and central banks	100.00 (Default)	—	—	—	—	—	—	—
Total - Central governments and central banks		63	0.03	2	45	—	2	3
Institutions	0.00 to <0.15	5	0.11	2	45	3	2	47
Institutions	0.15 to <0.25	74	0.20	7	45	—	24	33
Institutions	0.25 to <0.50	61	0.32	3	45	2	38	62
Institutions	0.50 to <0.75	—	—	—	—	—	—	—
Institutions	0.75 to <2.50	—	—	—	—	—	—	—
Institutions	2.50 to <10.00	—	—	—	—	—	—	—
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
Total - Institutions		140	0.25	12	45	1	64	46
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—
Corporates - SME	0.15 to <0.25	—	—	—	—	—	—	—
Corporates - SME	0.25 to <0.50	—	—	—	—	—	—	—
Corporates - SME	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - SME	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - SME	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - SME	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - SME	100.00 (Default)	—	—	—	—	—	—	—
Total - Corporates - SME		—	—	—	—	—	—	—

Counterparty credit risk continued

UK CCR4: IRB approach – CCR exposures by exposure class and PD scale continued

		NWH Group						
		a	b	c	d	e	f	g
		Exposure value £m	Exposure weighted Average PD %	Number of obligors	Exposure weighted Average LGD %	Exposure weighted Average maturity Years	RWAs £m	Destiny of risk weighted exposure amounts %
31 December 2022	PD scale							
Corporates - Other	0.00 to <0.15	822	0.04	190	45	1	106	13
Corporates - Other	0.15 to <0.25	62	0.20	5	42	1	25	40
Corporates - Other	0.25 to <0.50	—	—	—	—	—	—	—
Corporates - Other	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - Other	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - Other	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - Other	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - Other	100.00 (Default)	—	—	—	—	—	—	—
Total - Corporates - Other		884	0.05	195	45	1	131	15
Total - Wholesale all portfolios		1,087	0.07	209	45	1	197	18

- The increase in exposure value and RWAs were driven by the institutions exposure class, due to a rise in repurchase agreement transactions, as part of liquidity management activities.

Counterparty credit risk continued

UK CCR8: Exposures to CCPs

The table below shows counterparty credit risk exposures to CCPs including default fund contributions. A qualifying CCP (QCCP) means a CCP that has been either authorised or recognised in accordance with the relevant regulation.

		NWH Group			
		a	b	a	b
		30 June 2023		31 December 2022	
		Exposure value	RWA	Exposure value	RWA
		£m	£m	£m	£m
1	Exposures to QCCPs (total)		58		41
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)				
	Of which:				
3	(i) OTC derivatives	148	—	201	4
4	(ii) Exchange-traded derivatives	—	—	—	—
5	(iii) Securities financing transactions	226	5	212	4
6	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
7	Segregated initial margin	—	—	—	—
8	Non-segregated initial margin	—	—	—	—
9	Pre-funded default fund contributions	136	53	176	33

(1) The following rows are not presented in the table because they had zero values for the period: Exposures to QCCPs; row (4) Exchange-traded derivatives, row (6) Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which Netting sets where cross-product netting has been approved, row (7) Segregated initial margin, row (8) Non-segregated initial margin and row (10) Unfunded default fund contributions. Row (11) Exposures to non-QCCPs (total), row (12) Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions), row (13) OTC derivatives, row (14) Exchange-traded derivatives, row (15) SFTs, row (16) Netting sets where cross-product netting has been approved, row (17) Segregated initial margin, row (18) Non-segregated initial margin, row (19) Prefunded default fund contributions and row (20) Unfunded default fund contributions.

- Exposures to OTC derivatives decreased during the period due to reduced business activity.
- Exposures to securities financing transactions increased due to a rise in repurchase agreement transactions, as part of liquidity management activities.

Market risk

UK MR1: Market risk under the standardised approach

The table below shows market risk RWAs by type of risk under the standardised approach.

		NWH Group	
		30 June 2023	31 December 2022
		£ RWAs	£ RWAs
Outright products			
3	Foreign exchange risk	207	208
9	Total	207	208

(1) The following rows are not presented in the table because they had zero values for the period or are not used by NWH Group: (1) Interest rate risk (general and specific), (2) Equity risk (general and specific), (4) Commodity risk, (5) Simplified approach, (6) Delta-plus approach, (7) Scenario approach and (8) Securitisation (specific risk).

- NWH Group's RWA exposure – which relates solely to the foreign exchange banking book charge – includes the position in NatWest Holdings Limited and its subsidiaries.
- Overall, market risk RWAs remained broadly unchanged over the period.

Interest rate risk in the banking book

UK IRRBB1: Quantitative information on interest rate risk in the banking book (IRRBB)

The table below shows information on changes in economic value of equity (Δ EVE) and net interest income (Δ NII) under each of the prescribed interest rate shock scenarios. These scenarios are prescribed in Rule 9.7 of the ICAA Part of the PRA Rulebook and in accordance with points (a) and (b) of CRR Article 448(1).

NWH Group						
	a	b	c	d	e	f
	Δ EVE		Δ NII		Tier 1 capital	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	£m	£m	£m	£m	£m	£m
010 Parallel shock up	(1,903)	(1,602)	537	1,213		
020 Parallel shock down	766	537	(1,067)	(1,827)		
030 Steepener shock	(144)	11				
040 Flattener shock	(308)	(308)				
050 Short rates shock up	(1,304)	(1,104)				
060 Short rates shock down	487	458				
070 Maximum	(1,903)	(1,602)	(1,067)	(1,827)		
080 Tier 1 capital					22,643	22,108

- The most adverse EVE result under the six scenarios was the £1,903 million reduction in economic value relative to a base-case projection. This occurred in the parallel up scenario at 30 June 2023. The main driver of the parallel up scenario is the sensitivity of the equity structural hedge.
- The most adverse one-year NII result was the £1,067 million reduction in net interest income relative to a base-case projection. This occurred in the parallel down scenario at 30 June 2023. The main driver of the parallel down scenario is margin compression risk to deposits across Retail Banking, Commercial & Institutional and Private Banking.

Securitisation

UK SEC1: Securitisation exposures in the non-trading book

The table below shows total non-trading book securitisation exposures where NWH Group acted as originator, sponsor or investor. These are presented by exposure type.

		NWH Group																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
		Institution acts as Originator							Institution acts as Sponsor				Institution acts as Investor					
		Traditional			Synthetic		Sub-total	Traditional		Synthetic		Sub-total	Traditional		Synthetic		Sub-total	
		STS		Non-STS														
		of which SRT		of which SRT		of which SRT		STS		Non-STS		STS		Non-STS				
30 June 2023		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
1	Total exposures	—	—	—	—	4,840	3,066	4,840	—	—	—	—	1,206	436	—	1,642		
2	Retail (total)	—	—	—	—	1,871	97	1,871	—	—	—	—	1,166	436	—	1,602		
3	Residential mortgages	—	—	—	—	1,774	—	1,774	—	—	—	—	514	436	—	950		
4	Credit card	—	—	—	—	—	—	—	—	—	—	—	652	—	—	652		
5	Other retail exposures	—	—	—	—	97	97	97	—	—	—	—	—	—	—	—		
7	Wholesale (total)	—	—	—	—	2,969	2,969	2,969	—	—	—	—	40	—	—	40		
8	Loans to corporates	—	—	—	—	2,460	2,460	2,460	—	—	—	—	—	—	—	—		
9	Commercial Mortgages	—	—	—	—	509	509	509	—	—	—	—	—	—	—	—		
10	Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	40	—	—	40		
11	Other wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		

		NWH Group															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Institution acts as Originator						Institution acts as Sponsor				Institution acts as Investor					
		Traditional			Synthetic		Sub-total	Traditional		Synthetic		Sub-total	Traditional		Synthetic		Sub-total
		STS		Non-STS													
		of which SRT		of which SRT		of which SRT		STS		Non-STS		STS		Non-STS			
31 December 2022		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Total exposures	—	—	—	—	4,004	—	4,004	—	—	—	—	1,037	483	—	—	1,519
2	Retail (total)	—	—	—	—	—	—	—	—	—	—	—	1,037	483	—	—	1,519
3	Residential mortgages	—	—	—	—	—	—	—	—	—	—	—	386	483	—	—	868
4	Credit card	—	—	—	—	—	—	—	—	—	—	—	651	—	—	—	651
5	Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Wholesale (total)	—	—	—	—	4,004	—	4,004	—	—	—	—	—	—	—	—	—
8	Loans to corporates	—	—	—	—	3,256	—	3,256	—	—	—	—	—	—	—	—	—
9	Commercial Mortgages	—	—	—	—	748	—	748	—	—	—	—	—	—	—	—	—
10	Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Other wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

(1) The re-securitisation rows are not presented in UK SEC1, 3, 4 and 5 as there were no applicable exposures in NWH Group in either period.

— Total exposures increased, due to the Mortgage Guarantee Scheme on transactions in NWH Group.

Securitisation continued

UK SEC3: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

The table below shows securitisation exposures in the non-trading book and associated regulatory capital requirements where NWH Group acted as originator or sponsor. These are presented by exposure type.

	NWH Group																
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values					Exposure values					RWA				Capital charge after cap		
	(by RW bands/deductions)					(by regulatory approach)					(by regulatory approach)						
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC- IRBA	SEC- ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRBA	SEC- ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC-IRBA	SEC ERBA (including IAA)	SEC- SA	1250%/ deductions
30 June 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total Exposures	2,191	21	—	838	16	3,066	—	—	—	656	—	—	—	53	—	—	—
Synthetic																	
9 transactions	2,191	21	—	838	16	3,066	—	—	—	656	—	—	—	53	—	—	—
10 Securitisation	2,191	21	—	838	16	3,066	—	—	—	656	—	—	—	53	—	—	—
Retail																	
11 underlying	43	3	—	51	—	97	—	—	—	13	—	—	—	1	—	—	—
12 Wholesale	2,148	18	—	787	16	2,969	—	—	—	643	—	—	—	52	—	—	—

		NWH Group																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values				Exposure values				RWA				Capital charge after cap				
		(by RW bands/deductions)				(by regulatory approach)				(by regulatory approach)								
		≤20%	>20% to	>50% to	>100%	1250%	SEC-	SEC-	1250%/	SEC-	SEC-	SEC-	1250%/	SEC-IRBA	SEC	SEC-	1250%/	
		RW	50% RW	100% RW	<1250% RW	deductions	IRBA	(including IAA)	SA	deductions	IRBA	(including IAA)	SA	deductions	(including IAA)	SA	deductions	
31 December 2022		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
1	Total Exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9	Synthetic transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
10	Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Retail																	
11	underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
12	Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

(1) Rows 2-8 are not presented as there were no traditional securitisations where NWH Group acted as originator or sponsor in either period.

— At 30 June 2022, no transactions where NWH Group acted as originator were capitalised under the securitisation framework.

Securitisation continued

UK SEC4: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

The table below shows securitisation exposures in the non-trading book and associated regulatory capital requirements where NWH Group acted as originator or investor. These are presented by exposure type.

NWH Group																	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
30 June 2023																	
1 Total exposures	1,642	—	—	—	—	—	40	1,602	—	—	4	189	—	—	—	15	—
Traditional																	
2 securitisation	1,642	—	—	—	—	—	40	1,602	—	—	4	189	—	—	—	15	—
3 Securitisation	1,642	—	—	—	—	—	40	1,602	—	—	4	189	—	—	—	15	—
4 Retail underlying	1,602	—	—	—	—	—	—	1,602	—	—	—	189	—	—	—	15	—
5 Of which STS	1,166	—	—	—	—	—	—	1,166	—	—	—	123	—	—	—	10	—
6 Wholesale	40	—	—	—	—	—	40	—	—	—	4	—	—	—	—	—	—
7 Of which STS	40	—	—	—	—	—	40	—	—	—	4	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

NWH Group																	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
31 December 2022																	
1 Total exposures	1,519	—	—	—	—	—	—	1,519	—	—	—	182	—	—	—	15	—
Traditional																	
2 securitisation	1,519	—	—	—	—	—	—	1,519	—	—	—	182	—	—	—	15	—
3 Securitisation	1,519	—	—	—	—	—	—	1,519	—	—	—	182	—	—	—	15	—
4 Retail underlying	1,519	—	—	—	—	—	—	1,519	—	—	—	182	—	—	—	15	—
5 Of which STS	1,037	—	—	—	—	—	—	1,037	—	—	—	110	—	—	—	9	—
6 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7 Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Securitisation continued

UK SEC5: Exposure securitised by the institution – Exposure in default and specific credit risk adjustments

		NWH Group		
		30 June 2023		
		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
		Of which exposures in default		
		£m	£m	£m
1	Total exposures	3,066	54	7
2	Retail (total)	97	1	7
3	Residential mortgage	—	—	—
4	Credit card	—	—	—
5	Other retail exposures	97	1	7
7	Wholesale (total)	2,969	53	—
8	Loans to corporates	2,460	13	(5)
9	Commercial mortgage	509	40	5
10	Lease and receivables	—	—	—
11	Other wholesale	—	—	—