



NatWest
Group

NatWest Group plc

H1 2023 Pillar 3

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Forward-looking statements

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements 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 Group's future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NatWest Group plc in respect of, but not limited to: its economic and political risks, its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), the implementation of its purpose-led strategy, its environmental, social and governance and climate related targets, its access to adequate sources of liquidity and funding, increasing competition from new incumbents and disruptive technologies, its exposure to third party risks, its ongoing compliance with the UK ring-fencing regime and ensuring operational continuity in resolution, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations, the transition of LIBOR and IBOR rates to replacement risk free rates and NatWest Group's exposure to operational risk, conduct risk, cyber, data and IT risk, financial crime risk, key person risk and credit rating risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, future growth initiatives (including acquisitions, joint ventures and strategic partnerships), the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and the impact of climate-related risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or NatWest Group plc's actual results are discussed in NatWest Group plc's 2022 Annual Report on Form 20-F, NatWest Group plc's Interim Management Statement for Q1 and H1 2023 on Form 6-K and its other filings with the US Securities and Exchange Commission. The forward-looking statements contained in this document speak only as of the date of this document and NatWest Group plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the consolidated Pillar 3 disclosures for NatWest Group, which complement those in the NatWest Group H1 2023 Interim Results: Risk and capital management.

As of the date of this report, NatWest Group plc 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. The CRR has subsequently been amended by a number of statutory instruments and is split across primary legislation and the PRA rulebook.

NatWest Group's consolidated disclosures in this document are presented in accordance with the Disclosure (CRR) part of the PRA rulebook.

The Pillar 3 disclosures required for NatWest Group's ring-fenced body sub-group (NWH Group) and those required for NatWest Group's large subsidiaries (National Westminster Bank Plc, The Royal Bank of Scotland plc, Ulster Bank Ireland Designated Activity Company, NatWest Markets Plc, Coutts & Company and The Royal Bank of Scotland International Limited) will be published separately on 14 August 2023. They will be available on the NatWest Group website, located at natwestgroup.com/results-investors.natwestgroup.com/reports-archive/2023

Within this document, row and column references are based on those prescribed in the PRA templates. Any rows or columns that are not applicable have not been shown. Where applicable, comparatives have not been provided for first-time disclosures.

A subset of the Pillar 3 templates that are required to be disclosed on a semi-annual basis were not applicable to NatWest Group at 30 June 2023 and have therefore not been included in this 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 CCR5	Composition of collateral for CCR exposures	Threshold for disclosure not met
UK CR6 Corporate Specialised Lending	IRB approach – Credit risk exposures by exposure class and PD range	Zero balances for Corporate Specialised lending exposure class for both current and previous period.





Capital, liquidity and funding

NatWest Group plc - Key points

CET1 ratio		<p>The CET1 ratio decreased by 70 basis points to 13.5%. The decrease in CET1 ratio was due to a £1.0 billion decrease in CET1 capital and a £1.4 billion increase in RWAs.</p> <p>The CET1 decrease is mainly driven by:</p> <ul style="list-style-type: none"> – the directed buyback of £1.3 billion; – a foreseeable ordinary dividend accrual of £0.8 billion; – a foreseeable charge for the on-market ordinary share buyback programme of £0.5 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; – an increase in intangible assets deduction of £0.3 billion; and – other movements on reserves and regulatory adjustments of £0.3 billion. <p>These reductions were partially offset by the £2.3 billion attributable profit in the period.</p>
	<p>Q2 2023 13.5%</p> <p>Q4 2022 14.2%</p>	
MREL		<p>Own funds and eligible liabilities decreased to £55.3 billion due to a £1.0 billion decrease in CET1 capital (explained above), a £0.1 billion decrease in MREL eligible Tier 2 capital and a £0.9 billion increase in MREL eligible senior unsecured liabilities.</p> <p>The MREL ratio as a percentage of RWAs decreased to 31.2% from 31.5% primarily driven by the £1.4 billion increase in RWAs (explained below).</p> <p>In the first half of 2023 there were new issues of \$3.3 billion and €1.5 billion senior unsecured debt and €0.7 billion Tier 2 instruments. These were partially offset by redemptions of \$2.6 billion senior unsecured debt, and £0.2 billion Tier 2 instruments.</p>
	<p>Q2 2023 £55.3bn</p> <p>Q4 2022 £55.5bn</p>	
RWAs		<p>Total RWAs increased by £1.4 billion to £177.5 billion mainly reflecting:</p> <ul style="list-style-type: none"> – an increase in operational risk RWAs of £1.1 billion following the annual recalculation. – an increase in counterparty credit risk RWAs of £1.0 billion, primarily due to the removal of credit risk mitigation for a particular trade in Q2. – an increase in credit risk RWAs of £0.7 billion, primarily due to increased exposures within Retail Banking and Commercial & Institutional, in addition to model adjustments applied as a result of new 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. – a reduction in market risk RWAs of £1.3 billion, primarily due to lower volatility than in Q4 2022, and further reductions in the capital multiplier for NWM Plc in Q2, driven by a fall in the VaR back-testing exception count.
	<p>Q2 2023 £177.5bn</p> <p>Q4 2022 £176.1bn</p>	
UK leverage		<p>The leverage ratio decreased by 40 basis points to 5.0%. The decrease was due to a £1.0 billion decrease in Tier 1 capital and a £18 billion increase in leverage exposure. The key driver in the leverage exposure was an increase in other financial assets, central bank exposures and other off balance sheet items.</p>
	<p>Q2 2023 5.0%</p> <p>Q4 2022 5.4%</p>	

Capital, liquidity and funding continued

NatWest Group - Key points continued

LCR average		The average liquidity coverage ratio (LCR) has decreased 12% compared to Q4 2022 from 157% to 145%. The main drivers include a reduction in customer deposits (wholesale and retail) and increased customer lending, partly offset by increased issuance.
Q2 2023	 145%	
Q4 2022	 157%	
NSFR average		The average net stable funding ratio (NSFR) was 143% compared to 150% at Q4 2022. The decrease was due to lower deposits combined with higher lending.
Q2 2023	 143%	
Q4 2022	 150%	

Capital, liquidity and funding continued

UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures. Capital ratios and measures are presented on a transitional basis, and therefore include permissible adjustments for the extended CRR2 grandfathering provisions and remaining IFRS 9 relief. NatWest Group has elected to take advantage of the IFRS 9 transitional capital rules in respect of ECL provisions. The revised transitional amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024.

		NatWest 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	24,013	25,650	24,992	25,556	25,693
2	Tier 1 capital	27,888	29,525	28,867	29,431	29,568
3	Total capital	33,325	35,002	33,920	34,230	34,751
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	177,544	178,135	176,101	178,494	179,795
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	13.5	14.4	14.2	14.3	14.3
6	Tier 1 ratio (%)	15.7	16.6	16.4	16.5	16.4
7	Total capital ratio (%)	18.8	19.6	19.3	19.2	19.3
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	1.7	1.7	1.7	1.8	1.7
UK 7b	Additional AT1 SREP requirements (%)	0.6	0.6	0.6	0.5	0.6
UK 7c	Additional Tier 2 SREP requirements (%)	0.7	0.7	0.7	0.8	0.8
UK 7d	Total SREP own funds requirements (%)	11.0	11.0	11.0	11.1	11.1
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	0.8	0.8	—	—
11	Combined buffer requirement (%)	3.4	3.3	3.3	2.5	2.5
UK 11a	Overall capital requirements (%)	14.4	14.3	14.3	13.6	13.6
12	CET1 available after meeting the total SREP own funds requirements (%) (2)	7.3	8.2	8.0	8.0	8.1
Leverage ratio						
13	Total exposure measure excluding claims on central banks	552,595	543,513	534,613	564,866	570,752
14	Leverage ratio excluding claims on central banks (%)	5.0	5.4	5.4	5.2	5.2
Additional leverage ratio disclosure requirements						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.0	5.4	5.3	5.2	5.1
UK 14b	Leverage ratio including claims on central banks (%)	4.2	4.5	4.3	4.1	4.0
UK 14c	Average leverage ratio excluding claims on central banks (%)	5.2	5.4	5.6	5.3	5.3
UK 14d	Average leverage ratio including claims on central banks (%)	4.3	4.4	4.3	4.1	4.1
UK 14e	Countercyclical leverage ratio buffer (%)	0.3	0.3	0.3	—	—
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA) (weighted value-average)	168,676	182,133	193,872	204,269	204,862
UK 16a	Cash outflows - Total weighted value	130,566	135,309	138,594	139,646	137,363
UK 16b	Cash inflows - Total weighted value	14,168	14,592	15,421	14,989	14,278
16	Total net cash outflows (adjusted value)	116,398	120,717	123,173	124,657	123,085
17	Liquidity coverage ratio (%) (3)	145	151	157	164	166
Net stable funding ratio (4)						
18	Total available stable funding	416,023	423,884	429,703		
19	Total required stable funding	290,684	288,904	287,375		
20	NSFR ratio (%)	143	147	150		

(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, 10 and UK10a.

Capital, liquidity and funding continued

UK KM2: Key metrics – MREL

The table below provides a summary of own funds, eligible liabilities, ratios and components for NatWest Group.

	NatWest Group	
	Minimum requirement for own funds and eligible liabilities (MREL) 30 June 2023 £m	Minimum requirement for own funds and eligible liabilities (MREL) 31 December 2022 £m
Own funds and eligible liabilities, ratios and components		
1 Own funds and eligible liabilities	55,347	55,473
1a Of which own funds and subordinated liabilities	55,347	55,473
2 Total risk exposure amount of the resolution group (TREA)	177,544	176,101
3 Own funds and eligible liabilities as a percentage of TREA (row1/row2)	31.2%	31.5%
3a Of which own funds and subordinated liabilities	31.2%	31.5%
4 Total exposure measure of the resolution group	552,595	534,613
5 Own funds and eligible liabilities as percentage of the total exposure measure	10.0%	10.4%
5a Of which own funds or subordinated liabilities	10.0%	10.4%
6a Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)	n/a	n/a
6b Does the subordination exemption in Article 72(b)(4) of the CRR apply? (5% exemption)	n/a	n/a
6c Pro-memo item: If a capped subordination exemption applies under Article 72(b)(3) or (4), the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1 0110, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised under row 1 0110 if no cap was applied (%)	n/a	n/a
Minimum requirement for own funds and eligible liabilities (MREL) ⁽²⁾		
7 MREL requirement expressed as percentage of the total risk exposure amount	22.0%	22.0%
9 MREL requirement expressed as percentage of the total exposure measure	7.1%	7.3%

(1) As NatWest Group is a single point of entry resolution firm, the resolution group is equal to the prudential consolidation group.

(2) Based on the end state requirement i.e. higher of 2 x the sum of P1 and P2A add on; and 2 x the applicable Leverage ratio requirement.

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. NatWest 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.

		NatWest 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	24,013	25,650	24,992	25,556	25,693
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	23,790	25,430	24,631	25,198	25,409
3	Tier 1 capital	27,888	29,525	28,867	29,431	29,568
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	27,665	29,305	28,506	29,073	29,284
5	Total capital	33,325	35,002	33,920	34,230	34,751
6	Total capital as if IFRS 9 transitional arrangements had not been applied	33,360	35,031	33,956	34,253	34,813
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	177,544	178,135	176,101	178,494	179,795
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	177,507	178,098	176,030	178,414	179,763
Capital ratios		%	%	%	%	%
9	Common equity tier 1 ratio	13.5	14.4	14.2	14.3	14.3
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	13.4	14.3	14.0	14.1	14.1
11	Tier 1 ratio	15.7	16.6	16.4	16.5	16.4
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.6	16.5	16.2	16.3	16.3
13	Total capital ratio	18.8	19.6	19.3	19.2	19.3
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	18.8	19.7	19.3	19.2	19.4
Leverage ratio						
15	Leverage ratio exposure measure (£m)	552,595	543,513	534,613	564,866	570,752
16	Leverage ratio (%)	5.0	5.4	5.4	5.2	5.2
17	Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.0	5.4	5.3	5.2	5.1

Capital, liquidity and funding continued

UK CC1: Composition of regulatory own funds

The table below shows 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.

		NatWest Group	
		30 June 2023	31 December 2022
		£m	£m
CET1 capital: instruments and reserves		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	
1	Capital instruments and the related share premium accounts	10,513	10,900
	Of which: ordinary shares	9,852	10,539
	Of which: share premium	1,161	1,161
2	Retained earnings	7,277	8,687
3	Accumulated other comprehensive income (and other reserves)	10,279	10,879
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	1,519	—
6	CET1 capital before regulatory adjustments	29,588	30,466
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	(-) Additional value adjustments	(271)	(275)
8	(-) Intangible assets (net of related tax liability)	(7,453)	(7,116)
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)	(742)	(912)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	3,344	2,771
12	(-) Negative amounts resulting from the calculation of expected loss amounts	—	—
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	(49)	(58)
15	(-) Defined-benefit pension fund assets	(608)	(227)
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	(-) Of which: qualifying holdings outside the financial sector	—	—
UK-20c	(-) Of which: securitisation positions	—	—
UK-20d	(-) Of which: free deliveries	—	—
21	(-) Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	—	—

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

		NatWest 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			
22	(-) Amount exceeding the 17.65% threshold	—	—
23	(-) Of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	—	—
25	(-) Of which: deferred tax assets arising from temporary differences	—	—
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)	204	343
28	Total regulatory adjustments to CET1	(5,575)	(5,474)
29	CET1 capital	24,013	24,992
AT1 capital: instruments			
30	Capital instruments and the related share premium accounts	3,875	(h) 3,875
31	Of which: classified as equity under applicable accounting standards	3,875	3,875
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	—	—
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	—	—
35	Of which: instruments issued by subsidiaries subject to phase out	—	—
36	AT1 capital before regulatory adjustments	3,875	3,875
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	3,875	3,875
45	Tier 1 capital (Tier 1 = CET1 + AT1)	27,888	28,867

Capital, liquidity and funding continued

UK CC1: Composition of regulatory own funds continued

		NatWest 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
Tier 2 capital: instruments			
46	Capital instruments and the related share premium accounts	5,189	(j) 4,953
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 rows 5 or 34) issued by subsidiaries and held by third parties	73	(j) 82
49	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	73	(j) 75
50	Credit risk adjustments	175	18
51	Tier 2 capital before regulatory adjustments	5,437	5,053
Tier 2 capital: regulatory adjustments			
52	(-) Direct, indirect and synthetic holdings 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, indirect and synthetic 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	5,437	5,053
59	Total capital (Total capital = Tier 1 + Tier 2)	33,325	33,920
60	Total risk exposure amount	177,544	176,101
Capital ratios and buffers			
61	CET1 (as a percentage of total risk exposure amount)	13.5%	14.2%
62	Tier 1 (as a percentage of total risk exposure amount)	15.7%	16.4%
63	Total capital (as a percentage of total risk exposure amount)	18.8%	19.3%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104 (1) CRD, plus combined buffer requirement in accordance with Article 128 (6) CRD) expressed as a percentage of risk exposure amount)	9.6%	9.5%
65	<i>Of which: capital conservation buffer requirement</i>	2.5%	2.5%
66	<i>Of which: counter cyclical buffer requirement</i>	0.9%	0.8%
67	<i>Of which: systemic risk buffer requirement</i>	—	—

Capital, liquidity and funding continued

UK CC1: Composition of regulatory own funds continued

		NatWest 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
UK-67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	—	—
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) ⁽¹⁾	7.3%	8.0%
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)	329	273
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)	638	727
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)	383	435
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	275	288
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)	175	18
79	Cap for inclusion of credit risk adjustments in Tier 2 under internal ratings-based approach	724	713
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 (k) identify balance sheet components in table UK CC2 that are used in the calculation of regulatory capital in table UK CC1. Amounts between 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: 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 shows the reconciliation between the accounting and regulatory consolidation with references showing the linkage between this table and UK CC1.

	NatWest Group		
	As at period end 30 June 2023		
	a	b	
	Balance sheet	Under regulatory	
	as in published	scope of	
	financial statements	consolidation	
	as at period end	as at period end	
	£m	£m	References
Assets			
Cash and balances at central banks	123,022	123,056	
Trading assets	48,893	48,893	
Derivatives	81,873	81,873	
Settlement balances	11,298	11,298	
Loans to banks - amortised cost	7,338	7,389	
Loans to customers - amortised cost	373,885	373,881	
Other financial assets	35,516	35,371	
Intangible assets	7,453	7,259	(d)
Property, plant and equipment	3,957	3,956	
Current and deferred tax assets	2,215	2,215	
of which: DTAs that rely on future profitability and do not arise from temporary differences	742	742	(e)
Prepayments, accrued income and other assets	2,576	2,766	
of which: defined benefit pension fund assets	335	335	(f)
Assets of disposal groups	4,575	4,575	
Total assets	702,601	702,532	
Liabilities			
Bank deposits	21,721	22,225	
Customer deposits	432,532	432,606	
Settlement balances	10,282	10,282	
Trading liabilities	56,182	56,182	
Derivatives	77,246	77,246	
Other financial liabilities	55,748	54,868	
Provisions, deferred income and other liabilities	4,581	4,819	
Current and deferred tax liabilities	332	330	
of which: defined benefit pension scheme assets	92	92	(g)
Subordinated liabilities	6,020	6,017	(j)
Notes in circulation	3,159	3,159	
Total liabilities	667,803	667,734	
Shareholders' Equity			
Non-controlling interests	40	40	
Owners' equity			
Called up share capital	9,852	9,852	(a)
Reserves	24,906	24,906	
of which: amount eligible for retained earnings	9,576	9,576	(b)
of which: amount eligible for accumulated OCI and other reserves	10,279	10,279	(c) & (i)
of which: amount of other equity instruments	3,890	3,890	(h)
of which: share premium accounts	1,161	1,161	(k)
Total shareholders' equity	34,798	34,798	

(1) The references (a) to (k) identify balance sheet components in table UK CC2 that are used in the calculation of regulatory capital in table UK CC1. Amounts between tables UK CC2 and UK CC1 are not always directly comparable due to differences in definitions and application of Capital Requirements Directive for the calculation of regulatory capital.

Capital, liquidity and funding continued

UK OV1: Overview of risk-weighted exposure amounts

The table below shows RWAs and total own funds requirements by risk type. Total own funds requirements are calculated as 8% of RWAs.

		NatWest 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)	140,042	141,867	11,203	
2	Of which: standardised approach	22,019	22,805	1,761	
3	Of which: the foundation IRB (FIRB) approach	—	—	—	
4	Of which: slotting approach	12,195	12,652	976	
UK 4a	Of which: equities under the simple risk-weighted approach	1,293	1,280	103	
5	Of which: the advanced IRB (AIRB) approach (1)	104,535	105,130	8,363	
6	Counterparty credit risk	7,598	6,557	608	
7	Of which: standardised approach	1,378	1,062	110	
8	Of which: internal model method (IMM)	3,869	3,368	310	
UK 8a	Of which: exposures to a CCP	149	100	12	
UK 8b	Of which: credit valuation adjustment (CVA)	1,167	1,280	93	
9	Of which: other counterparty credit risk	1,035	747	83	
15	Settlement risk	—	—	—	
16	Securitisation exposures in the non-trading book (after the cap)	2,744	1,966	220	
17	Of which: SEC-IRBA approach (3)	656	—	53	
18	Of which: SEC-ERBA (including IAA)	145	180	12	
19	Of which: SEC-SA approach	1,895	1,737	151	
UK 19a	Of which: 1,250%/deduction	48	49	4	
20	Position, foreign exchange and commodities risk (market risk)	6,962	7,547	557	
21	Of which: standardised approach	1,346	1,347	108	
22	Of which: IMA	5,616	6,200	449	
UK 22a	Large exposures	—	—	—	
23	Operational risk	20,198	20,198	1,616	
UK 23a	Of which: basic indicator approach	—	—	—	
UK 23b	Of which: standardised approach	20,198	20,198	1,616	
UK 23c	Of which: advanced measurement approach	—	—	—	
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	2,552	2,893	204	
29	Total	177,544	178,135	14,204	

(1) Of which £415 million RWAs (31 March 2023 – £410 million) relate to equity IRB under the probability of default/loss given default approach.

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

(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 and non-credit obligation assets.

		NatWest Group
		a
		RWAs
		£m
1	At 31 December 2022	111,331
2	Asset size	2,985
3	Asset quality	(316)
4	Model updates	(345)
7	Foreign exchange movements	(342)
9	At 31 March 2023	113,313
2	Asset size	646
3	Asset quality	(840)
4	Model updates	864
5	Methodology and policy	450
7	Foreign exchange movements	(449)
8	Other	(1,612)
9	At 30 June 2023	112,372

(1) The following rows are not presented in the table because they had zero values for the period: (6) acquisitions and disposals.

Q2 2023

- The decrease in other RWAs reflected changes in the regulatory treatment of certain structured transactions.
- The uplift in RWAs relating to model updates was mainly due to adjustments as a result of regulations applicable to IRB models.
- The reduction in RWAs for asset quality reflected improved risk metrics within Commercial & Institutional and Retail Banking. Additional decreases were a result of customers moving into default within Commercial & Institutional.
- 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 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 CCR7: RWA flow statement of counterparty credit risk exposures under the IMM

The table below shows movements in RWAs for counterparty credit risk exposures under the internal model method (IMM). It excludes the CVA capital charge, exposures to central counterparties and securitisations.

		NatWest Group
		a
		RWAs £m
1	At 31 December 2022	3,479
2	Asset size	(65)
3	Credit quality of counterparties	17
7	Foreign exchange movements	(63)
9	At 31 March 2023	3,368
2	Asset size	(359)
3	Credit quality of counterparties	(6)
7	Foreign exchange movements	(79)
8	Other ⁽¹⁾	945
9	At 30 June 2023	3,869

(1) Reflects the call of a portfolio credit default swap.

(2) The following rows are not presented in the table because they had zero values for the period: (4) model updates; (5) methodology and policy; and (6) acquisitions and disposals.

Q2 2023

- IMM RWAs increased, mainly due to the call of a portfolio credit default swap, resulting in a decrease in credit risk mitigation benefit. This was partially offset by a reduction in asset size and by sterling strengthening against the US dollar and euro during the period.

Capital, liquidity and funding continued

UK MR2-B: RWA flow statement of market risk exposures under the IMA

The table below shows movements in RWAs and own funds requirements for market risk exposures under the internal model approach (IMA).

NatWest Group						
	a	b	c	e	f	g
	Value-at-risk (VaR)	Stressed value-at-risk (SVaR)	Incremental risk charge	Other (Risks Not in VaR) (RNIV)	Total RWAs	Total own funds requirements
	£m	£m	£m	£m	£m	£m
1 At 31 December 2022	1,883	2,664	681	1,953	7,181	575
1a <i>Regulatory adjustment (1)</i>	<i>(1,500)</i>	<i>(2,155)</i>	<i>(2)</i>	<i>—</i>	<i>(3,657)</i>	<i>(293)</i>
1b <i>RWAs at 31 December 2022 (end of day)</i>	<i>383</i>	<i>509</i>	<i>679</i>	<i>1,953</i>	<i>3,524</i>	<i>282</i>
2 <i>Movement in risk levels</i>	<i>(154)</i>	<i>29</i>	<i>165</i>	<i>(608)</i>	<i>(568)</i>	<i>(46)</i>
3 <i>Model updates/changes</i>	<i>—</i>	<i>5</i>	<i>—</i>	<i>18</i>	<i>23</i>	<i>2</i>
8a <i>RWAs at 31 March 2023 (end of day)</i>	<i>229</i>	<i>543</i>	<i>844</i>	<i>1,363</i>	<i>2,979</i>	<i>238</i>
8b <i>Regulatory adjustment</i>	<i>1,370</i>	<i>1,850</i>	<i>1</i>	<i>—</i>	<i>3,221</i>	<i>258</i>
8 At 31 March 2023	1,599	2,393	845	1,363	6,200	496
1a <i>Regulatory adjustment (1)</i>	<i>(1,372)</i>	<i>(1,849)</i>	<i>—</i>	<i>—</i>	<i>(3,221)</i>	<i>(258)</i>
1b <i>RWAs at 31 March 2023 (end of day)</i>	<i>227</i>	<i>544</i>	<i>845</i>	<i>1,363</i>	<i>2,979</i>	<i>238</i>
2 <i>Movement in risk levels</i>	<i>455</i>	<i>252</i>	<i>155</i>	<i>(45)</i>	<i>817</i>	<i>65</i>
3 <i>Model updates/changes</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
8a <i>RWAs at 30 June 2023 (end of day)</i>	<i>682</i>	<i>796</i>	<i>1,000</i>	<i>1,318</i>	<i>3,796</i>	<i>303</i>
8b <i>Regulatory adjustment</i>	<i>778</i>	<i>986</i>	<i>56</i>	<i>—</i>	<i>1,820</i>	<i>146</i>
8 At 30 June 2023	1,460	1,782	1,056	1,318	5,616	449

(1) Regulatory adjustments in rows 1a and 8b represent the difference in RWA terms between the risk spot measure at the end of the reporting period and the 60-day average of that measure, multiplied by the multiplication factor.

(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 NatWest Group: (d) comprehensive risk measure; (4) methodology and policy; (5) acquisitions and disposals; and (7) other. In addition, row (6) foreign exchange movements is not presented. This is because changes in market risk arising from foreign currency retranslation are included within row (2) movement in risk levels, as they are managed together with portfolio changes.

Q2 2023

- Overall, market risk RWAs under the IMA fell during the second quarter.
- The decreases in VaR and SVaR-based RWAs were mainly the result of a further reduction in the capital multiplier for NWM Plc during the quarter, due to a fall in the VaR back-testing exception count.
- The higher incremental risk charge was mostly due to longer bond positions.
- A prospective update to make the VaR model more sensitive to recent market conditions remains under review by the PRA. This impact is currently being capitalised through an RNIV.
- Overall, RNIV-based RWAs remained broadly unchanged in the quarter.

Capital, liquidity and funding continued

UK LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

The table below shows a reconciliation between 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.

		NatWest Group	
		30 June 2023 £m	31 December 2022 £m
1	Total assets as per published financial statements	702,601	720,053
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(69)	45
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)	(114,253)	(141,144)
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	(10,282)	(2,012)
7	Adjustment for eligible cash pooling transactions	—	—
8	Adjustment for derivative financial instruments	(66,144)	(82,029)
9	Adjustment for securities financing transactions (SFTs)	2,013	4,147
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	48,929	46,458
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(318)	(320)
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	(9,882)	(10,585)
13	Total exposure measure	552,595	534,613

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.

		NatWest 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)	562,917	571,802
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)	(13,265)	(15,367)
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))	(5,526)	(5,415)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	544,126	551,020
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	11,602	13,864
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	16,654	18,327
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	3,921	5,090
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(3,183)	(4,398)
13	Total derivative exposures	28,994	32,883
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	76,144	61,775
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(33,097)	(20,211)
16	Counterparty credit risk exposure for SFT assets	2,013	4,147
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	45,060	45,711
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	137,167	137,056
20	(Adjustments for conversion to credit equivalent amounts)	(88,452)	(90,867)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	(47)	(46)
22	Off-balance sheet exposures	48,668	46,143

Capital, liquidity and funding continued

UK LR2 - LRCom: Leverage ratio common disclosure continued

		NatWest 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)	27,888	28,867
24	Total exposure measure including claims on central banks	666,848	675,757
UK-24a	(-) Claims on central banks excluded	(114,253)	(141,144)
UK-24b	Total exposure measure excluding claims on central banks	552,595	534,613
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.0	5.4
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.0	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 (%)	5.0	5.4
UK-25c	Leverage ratio including claims on central banks (%)	4.2	4.3
26	Regulatory minimum leverage ratio requirement (%)	3.25	3.25
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	0.3	0.3
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	—	—
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.3	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	49,533	36,076
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	43,047	41,564
UK-31	Average total exposure measure excluding claims on central banks	551,434	531,429
UK-32	Average total exposure measure including claims on central banks	662,031	684,305
UK-33	Average leverage ratio excluding claims on central banks	5.2	5.6
UK-34	Average leverage ratio including claims on central banks	4.3	4.3

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

Q2 2023

- In the quarter the NatWest Group average leverage ratio decreased from 5.4% to 5.2%. There was an increase in average leverage exposure driven by a reduction in the central bank exclusion and a decrease in 3-month average Tier 1 capital.

Capital, liquidity and funding continued

UK LR3 - LRSpl: Split-up of on-balance-sheet exposures (excluding derivatives, SFTs and exempted exposures)

The table below shows the breakdown of the leverage ratio exposures on a transitional basis.

		NatWest Group	
		30 June 2023 £m	31 December 2022 £m
UK-1	Total on balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	429,873	409,876
UK-2	Trading book exposures	19,819	12,330
UK-3	Banking book exposures, of which:	410,054	397,546
UK-4	Covered bonds	4,794	4,868
UK-5	Exposures treated as sovereigns	28,081	20,274
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	5,199	5,060
UK-7	Institutions	5,652	5,415
UK-8	Secured by mortgages of immovable properties	242,170	239,529
UK-9	Retail exposures	20,965	20,075
UK-10	Corporate	78,214	79,765
UK-11	Exposures in default	5,134	5,156
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	19,845	17,404

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 NatWest 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.

	NatWest Group													
	a	b	c	d	e	f	g	h	i	j	k	l	m	
	Relevant credit exposures -													
	General credit exposures		Market risk		Securitisation exposures	Total exposure	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	%	%	
Breakdown by country (with existing CCyB rates)														
Norway	84	670	—	3	—	757	29	—	—	29	363	0.26%	2.50%	
Denmark	2	417	—	39	—	458	7	—	—	7	91	0.06%	2.50%	
Czech Republic	1	2	—	4	—	7	—	—	—	—	1	0.00%	2.50%	
Sweden	178	1,940	—	139	87	2,344	82	3	2	87	1,083	0.76%	2.00%	
Iceland	—	—	—	—	—	—	—	—	—	—	—	0.00%	2.00%	
Bulgaria	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.50%	
United Kingdom	25,652	352,385	15	381	10,033	388,466	9,236	29	130	9,395	117,446	82.60%	1.00%	
Netherlands	412	2,254	—	610	165	3,441	104	8	6	118	1,477	1.04%	1.00%	
Hong Kong	248	72	—	—	1	321	9	—	—	9	111	0.08%	1.00%	
Australia	12	184	—	71	—	267	5	—	—	5	58	0.04%	1.00%	
Slovakia	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.00%	
Estonia	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%	
Germany	51	2,835	—	48	10	2,944	128	5	—	133	1,665	1.17%	0.75%	
Ireland	5,323	1,309	—	10	372	7,014	271	1	6	278	3,473	2.44%	0.50%	
France	301	3,802	—	126	765	4,994	144	8	10	162	2,017	1.42%	0.50%	
Luxembourg	79	8,158	—	20	6	8,263	124	2	—	126	1,586	1.12%	0.50%	
Romania	—	1	—	1	—	2	—	—	—	—	—	0.00%	0.50%	
Croatia	—	—	—	—	—	—	—	—	—	—	—	0.00%	0.50%	
Total (countries with existing CCyB rates)	32,343	374,031	15	1,452	11,439	419,280	10,139	56	154	10,349	129,371	90.98%		

Capital, liquidity and funding continued

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

	NatWest Group												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -												
	General credit exposures		Market risk		Securitisations exposures	Own fund requirements							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		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	
30 June 2023	£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	187	15,843	9	574	4,046	20,659	408	16	51	475	5,942	4.18%	
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	187	15,843	9	574	4,046	20,659	408	16	51	475	5,942	4.18%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	3,133	12,476	4	3,696	808	20,117	523	13	15	551	6,878	4.84%	—
Total	35,663	402,350	28	5,722	16,293	460,056	11,070	85	220	11,375	142,191	100.00%	

Capital, liquidity and funding continued

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

	NatWest Group												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisation exposures					Relevant credit exposures -		Risk weighted exposure amounts	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			
31 December 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Breakdown by country (with existing CCyB rates)													
Denmark	—	287	—	43	—	330	6	—	—	6	78	0.06%	2.00%
Norway	143	794	—	7	—	944	20	—	—	20	256	0.18%	2.00%
Iceland	—	—	—	—	—	—	—	—	—	—	—	0.00%	2.00%
Czech Republic	—	—	—	5	—	5	—	—	—	—	1	0.00%	1.50%
Great Britain	24,969	350,603	18	153	6,554	382,297	9,027	19	78	9,124	114,046	80.70%	1.00%
Sweden	173	1,599	—	162	96	2,030	63	2	1	66	819	0.58%	1.00%
Hong Kong	249	64	—	—	—	313	8	—	—	8	106	0.07%	1.00%
Slovakia	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.00%
Estonia	—	1	—	—	—	1	—	—	—	—	—	0.00%	1.00%
Bulgaria	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%
Luxembourg	108	9,024	—	23	—	9,155	154	1	—	155	1,939	1.37%	0.50%
Romania	—	2	—	—	—	2	—	—	—	—	—	0.00%	0.50%
Total (countries with existing CCyB rates)	25,642	362,375	18	393	6,650	395,078	9,278	22	79	9,379	117,245	82.96%	

Capital, liquidity and funding continued

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

	NatWest Group												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	Relevant credit exposures -					Own fund requirements							
	General credit exposures		Market risk		Securitisation exposures Exposure value for non-trading book				Relevant credit exposures -		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		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			
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)													
US	150	15,095	2	455	3,713	19,415	409	7	45	461	5,758	4.07%	—
Ireland	8,114	1,337	—	2	157	9,610	397	1	2	400	4,989	3.53%	—
Jersey	974	3,304	—	—	264	4,542	161	—	3	164	2,055	1.45%	—
France	312	3,686	—	21	685	4,704	122	5	8	135	1,686	1.19%	—
Netherlands	378	2,573	—	529	27	3,507	118	4	4	126	1,575	1.11%	—
Guernsey	415	3,961	—	—	—	4,376	121	(1)	—	120	1,503	1.06%	—
Germany	77	2,559	1	20	4	2,661	111	2	—	113	1,413	1.00%	—
Total (Countries with zero CCyB rate and with own funds requirement weights 1% and above)	10,420	32,515	3	1,027	4,850	48,815	1,439	18	62	1,519	18,979	13.41%	
Total (rest of the world with zero CCyB rate and below 1% requirement)	1,832	8,034	2	4,124	36	14,028	390	17	—	407	5,095	3.63%	—
Total	37,894	402,924	23	5,544	11,536	457,921	11,107	57	141	11,305	141,319	100.00%	

Capital, liquidity and funding continued

UK CCyB2: Amount of institution-specific countercyclical capital buffer

NatWest Group		
	30 June 2023	31 December 2022
	£m	£m
1 Total risk exposure amount	177,544	176,101
2 Institution specific countercyclical capital buffer rate	0.89%	0.82%
3 Institution specific countercyclical capital buffer requirement (1)	1,588	1,451

(1) The UK CCyB rate increased to 2% effective from 5 July 2023; the June 2023 buffer requirement was calculated using the applicable UK rate at period end i.e. 1%. 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 NatWest Group. 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.

		NatWest Group							
		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)					168,676	182,133	193,872	204,269
Cash - outflows									
2	Retail deposits and deposits from small business customers, of which:	261,985	266,538	269,923	269,534	20,352	20,960	21,352	21,392
3	Stable deposits	154,221	157,333	159,675	161,205	7,711	7,867	7,984	8,060
4	Less stable deposits	96,787	100,512	102,783	103,144	12,219	12,699	12,997	13,022
5	Unsecured wholesale funding	169,609	178,384	185,732	189,696	78,324	82,298	86,024	87,807
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	67,984	70,454	72,101	73,203	16,676	17,294	17,706	17,981
7	Non-operational deposits (all counterparties)	99,108	105,799	111,529	114,495	59,131	62,873	66,216	67,828
8	Unsecured debt	2,517	2,131	2,102	1,998	2,517	2,131	2,102	1,998
9	Secured wholesale funding					875	943	999	926
10	Additional requirements	81,530	80,829	79,414	78,715	23,040	22,613	21,948	21,429
11	Outflows related to derivative exposures and other collateral requirements	7,678	7,316	7,109	6,892	7,287	6,888	6,611	6,293
12	Outflows related to loss of funding on debt products	63	63	—	—	63	63	—	—
13	Credit and liquidity facilities	73,789	73,450	72,305	71,823	15,690	15,662	15,337	15,136
14	Other contractual funding obligations	12,082	15,860	19,348	23,072	2,639	2,812	2,629	2,962
15	Other contingent funding obligations	51,525	51,850	51,177	49,286	5,336	5,683	5,642	5,130
16	Total cash outflows					130,566	135,309	138,594	139,646
Cash - inflows									
17	Secured lending (e.g. reverse repos)	44,328	46,380	49,872	53,142	780	624	598	449
18	Inflows from fully performing exposures	8,999	9,666	10,814	10,655	7,520	8,126	9,222	9,044
19	Other cash inflows	13,602	13,809	13,728	13,646	5,868	5,842	5,601	5,496
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	66,929	69,855	74,414	77,443	14,168	14,592	15,421	14,989
UK-20a	Fully exempt inflows								
UK-20b	Inflows subject to 90% cap								
UK-20c	Inflows subject to 75% cap	64,440	67,006	71,153	73,550	14,168	14,592	15,421	14,989
Total adjusted value									
UK-21	Liquidity buffer					168,676	182,133	193,872	204,269
22	Total net cash outflows					116,398	120,717	123,173	124,657
23	Liquidity coverage ratio (%)					145	151	157	164

Capital, liquidity and funding continued

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

LCR inputs and 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 6% over the previous quarter, from 151% to 145%. The main drivers include a reduction of customer deposits (wholesale and retail) and increased customer lending partially offset by an increase in wholesale funding.

Concentration of funding sources

NatWest Group plc maintains 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, covered bonds and derivative cash collateral. Wholesale unsecured funding includes a range of products including deposits, commercial paper, certificates of deposit and medium-term notes, and is accepted from various corporate counterparties and financial institutions.

Liquidity buffer composition

HQLA is primarily held in Level 1 cash and central bank reserves (81%) and Level 1 high quality securities (17%), Level 2 securities account for (2%)

Derivative exposures and potential collateral calls

NatWest Group plc actively manages its derivative exposures and potential calls, including both due collateral and excess collateral, with derivative outflows under stress captured under 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 NatWest Group plc 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 (CRR) part of the PRA Rulebook. NatWest Group plc manages currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.

Capital, liquidity and funding continued

UK LIQ2: Net Stable Funding Ratio

30 June 2023		NatWest Group				
		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	35,959	—	—	5,215	41,174
2	Own funds	35,959	—	—	5,067	41,026
3	Other capital instruments		—	—	148	148
4	Retail Deposits		256,648	3,534	1,340	243,280
5	Stable deposits		154,425	1,102	889	148,639
6	Less stable deposits		102,223	2,432	451	94,641
7	Wholesale funding		240,934	10,021	50,282	129,416
8	Operational deposits		62,938	—	6	9,858
9	Other wholesale funding		177,996	10,021	50,276	119,558
10	Interdependent liabilities		—	—	—	—
11	Other liabilities	20,146	13,007	—	2,153	2,153
12	NSFR derivative liabilities	20,146				
13	All other liabilities and capital instruments not included in the above categories		13,007	—	2,153	2,153
14	Total available stable funding (ASF)					416,023
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,905
UK-15a	Assets encumbered for more than 12 months in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		89,887	22,400	307,836	259,756
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		42,130	1,866	151	2,200
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		13,776	5,532	14,554	18,943
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		27,676	9,648	85,169	95,565
21	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		9,564	2,757	24,452	30,613
22	Performing residential mortgages, of which:		6,101	5,317	198,880	134,981
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		6,101	5,317	198,880	134,981
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		204	37	9,082	8,067
25	Interdependent assets		—	—	—	—
26	Other assets:		27,922	125	22,227	23,639
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		—	—	4,107	3,491
29	NSFR derivative assets		537	—	—	537
30	NSFR derivative liabilities before deduction of variation margin posted		20,146	—	—	1,007
31	All other assets not included in the above categories		7,238	125	18,120	18,604
32	Off-balance sheet items		107,671	—	—	5,384
33	Total RSF					290,684
34	Net Stable Funding Ratio (%)					143

Capital, liquidity and funding continued

UK LIQ2: Net Stable Funding Ratio continued

31 December 2022		NatWest Group				
		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	37,306	—	—	5,017	42,323
2	Own funds	37,306	—	—	4,869	42,175
3	Other capital instruments		—	—	148	148
4	Retail Deposits		267,248	2,017	723	251,106
5	Stable deposits		160,220	678	431	153,284
6	Less stable deposits		107,028	1,339	292	97,822
7	Wholesale funding		266,159	8,256	49,062	133,679
8	Operational deposits		67,430	0	7	10,410
9	Other wholesale funding		198,728	8,256	49,055	123,269
10	Interdependent liabilities		—	—	—	—
11	Other liabilities		14,353	—	2,594	2,594
12	NSFR derivative liabilities	20,439				
13	All other liabilities and capital instruments not included in the above categories	20,439				
14	Total available stable funding (ASF)		14,353	—	2,594	2,594
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,431
UK-15a	Assets encumbered for more than 12 months in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		93,723	22,952	300,420	255,555
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		43,493	3,038	82	3,241
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		15,343	5,162	14,891	19,223
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		28,519	9,265	84,422	94,912
21	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk		9,633	2,464	24,108	30,157
22	Performing residential mortgages, of which:		6,235	5,425	193,662	131,711
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk			5,425	193,662	131,711
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		132	62	7,364	6,469
25	Interdependent assets		—	—	—	—
26	Other assets:	—	30,242	139	22,518	25,116
27	Physical traded commodities					—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					4,169
29	NSFR derivative assets		1,651			1,651
30	NSFR derivative liabilities before deduction of variation margin posted		20,439			1,022
31	All other assets not included in the above categories		8,151	139	18,349	18,899
32	Off-balance sheet items		105,449	—	—	5,272
33	Total RSF					287,375
34	Net Stable Funding Ratio (%)					150

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.

		NatWest 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						Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	Collateral and financial guarantees received	
															On performing exposures	On non- performing exposures
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					
30 June 2023		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
005	Cash balances at central banks and other demand deposits	126,508	126,508	—	—	—	—	(12)	(12)	—	—	—	—	—	4	—
010	Loans and advances	386,222	342,537	43,136	6,118	297	5,447	(1,525)	(604)	(921)	(2,099)	(20)	(1,899)	(197)	300,837	3,512
020	Central banks	2,439	2,439	—	—	—	—	—	—	—	—	—	—	—	—	—
030	General governments	3,560	3,383	129	28	—	28	(2)	—	(2)	(4)	—	(4)	—	2,926	23
040	Credit institutions	2,794	2,756	38	—	—	—	—	—	—	—	—	—	—	282	—
050	Other financial corporations	52,313	51,659	654	37	1	36	(25)	(18)	(7)	(13)	—	(13)	—	23,542	10
060	Non-financial corporations	99,154	80,757	18,233	2,033	96	1,935	(716)	(278)	(438)	(664)	(3)	(661)	(24)	62,764	1,147
070	Of which: SMEs	25,352	19,575	5,777	1,028	59	968	(274)	(88)	(186)	(363)	(1)	(362)	—	21,190	573
080	Households	225,962	201,543	24,082	4,020	200	3,448	(782)	(308)	(474)	(1,418)	(17)	(1,221)	(173)	211,323	2,332
090	Debt securities	33,906	33,776	129	—	—	—	(17)	(13)	(4)	—	—	—	—	—	—
100	Central banks	194	194	—	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	17,182	17,182	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	6,128	6,038	90	—	—	—	(6)	(3)	(3)	—	—	—	—	—	—
130	Other financial corporations	10,253	10,252	—	—	—	—	(10)	(10)	—	—	—	—	—	—	—
140	Non-financial corporations	149	110	39	—	—	—	(1)	—	(1)	—	—	—	—	—	—
150	Off-balance sheet exposures	135,008	122,648	12,360	594	92	480	(78)	(32)	(46)	(7)	—	(7)	—	19,796	96
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
170	General governments	1,179	1,177	2	17	—	17	—	—	—	—	—	—	—	139	8
180	Credit institutions	1,050	1,040	10	—	—	—	—	—	—	—	—	—	—	436	—
190	Other financial corporations	18,923	18,499	424	2	2	—	(2)	(2)	—	—	—	—	—	685	1
200	Non-financial corporations	72,091	63,338	8,753	194	84	110	(49)	(20)	(29)	(6)	—	(6)	—	13,214	58
210	Households	41,765	38,594	3,171	381	6	353	(27)	(10)	(17)	(1)	—	(1)	—	5,322	29
220	Total	681,644	625,469	55,625	6,712	389	5,927	(1,632)	(661)	(971)	(2,106)	(20)	(1,906)	(197)	320,637	3,608

Credit risk continued

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

NatWest 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			Accumulated partial write-off	Collateral and financial guarantees received	
	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3		On performing exposures	On non-performing exposures
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	147,509	147,507	2	—	—	—	(12)	(12)	—	—	—	—	—	6	—
010 Loans and advances	370,504	323,398	46,545	5,859	280	5,093	(1,552)	(576)	(976)	(1,973)	(19)	(1,752)	(195)	293,797	3,469
020 Central banks	2,110	2,110	—	—	—	—	—	—	—	—	—	—	—	—	—
030 General governments	3,554	3,337	161	26	—	26	(1)	—	(1)	(3)	—	(3)	—	2,999	23
040 Credit institutions	1,654	1,629	25	—	—	—	—	—	—	—	—	—	—	278	—
050 Other financial corporations	44,891	43,568	1,322	46	—	46	(31)	(20)	(11)	(17)	—	(17)	—	21,879	15
060 Non-financial corporations	98,097	75,971	22,022	1,965	104	1,813	(757)	(274)	(483)	(654)	(4)	(643)	(26)	62,875	1,157
070 Of which: SMEs	27,043	20,695	6,348	1,013	31	975	(291)	(96)	(195)	(354)	(2)	(350)	—	23,001	579
080 Households	220,198	196,783	23,015	3,822	176	3,208	(763)	(282)	(481)	(1,299)	(15)	(1,089)	(169)	205,766	2,274
090 Debt securities	29,080	28,323	756	—	—	—	(12)	(11)	(1)	—	—	—	—	—	—
100 Central banks	141	141	—	—	—	—	—	—	—	—	—	—	—	—	—
110 General governments	14,381	14,381	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
120 Credit institutions	5,787	5,031	756	—	—	—	(4)	(3)	(1)	—	—	—	—	—	—
130 Other financial corporations	8,696	8,695	—	—	—	—	(6)	(6)	—	—	—	—	—	—	—
140 Non-financial corporations	75	75	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
150 Off-balance sheet exposures	136,147	118,985	17,161	690	151	528	(80)	(34)	(46)	(8)	(1)	(7)		19,530	77
160 Central banks	—	—	—	—	—	—	—	—	—	—	—	—		—	—
170 General governments	1,067	1,062	4	19	—	19	—	—	—	—	—	—		177	9
180 Credit institutions	1,064	1,023	41	—	—	—	—	—	—	—	—	—		430	—
190 Other financial corporations	18,562	17,388	1,174	1	—	1	(4)	(2)	(2)	—	—	—		677	—
200 Non-financial corporations	71,002	57,372	13,630	326	146	180	(49)	(20)	(29)	(7)	(1)	(6)		12,839	50
210 Households	44,452	42,140	2,312	344	5	328	(27)	(12)	(15)	(1)	—	(1)		5,407	18
220 Total	683,240	618,213	64,464	6,549	431	5,621	(1,656)	(633)	(1,023)	(1,981)	(20)	(1,759)	(195)	313,333	3,546

(1) The gross NPL ratio for NatWest Group is 1.56% (31 December 2022 – 1.56%). 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 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.

		NatWest Group				
		a	b	c	d	e
		Net exposure value				
		On demand	<= 1 year	<= 5 years	> 5 years	No stated maturity
		£m	£m	£m	£m	£m
30 June 2023						
1	Loans and advances	32,762	53,499	68,877	233,578	—
2	Debt securities	—	6,638	15,433	11,818	—
3	Total	32,762	60,137	84,310	245,396	—
		NatWest Group				
		a	b	c	d	e
		Net exposure value				
		On demand	<= 1 year	<= 5 years	> 5 years	No stated maturity
		£m	£m	£m	£m	£m
31 December 2022						
1	Loans and advances	22,707	52,800	69,760	227,571	—
2	Debt securities	—	5,587	15,165	8,316	—
3	Total	22,707	58,387	84,925	235,887	—

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

		NatWest Group
		a
		Gross carrying amount
		£m
30 June 2023		
010	Initial stock of non-performing loans and advances	5,859
020	Inflows to non-performing portfolios	1,787
030	Outflows from non-performing portfolios	(1,528)
040	Outflows due to write-offs	(122)
050	Outflow due to other situations	(1,406)
060	Final stock of non-performing loans and advances	6,118

(1) Outflow due to other situations 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 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.

		NatWest 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			
		Performing forborne £m	Non-performing forborne £m	Of which: defaulted £m	Of which: impaired £m	On performing forborne exposures £m	On non-performing forborne exposures £m	Collateral received and financial guarantees received on forborne exposures £m	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures £m
30 June 2023									
005	Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010	Loans and advances	3,638	2,250	2,136	1,841	(134)	(617)	4,081	1,430
020	Central banks	—	—	—	—	—	—	—	—
030	General governments	15	24	24	24	—	—	39	23
040	Credit institutions	—	—	—	—	—	—	—	—
050	Other financial corporations	58	25	25	25	(2)	(10)	22	2
060	Non-financial corporations	3,082	957	908	877	(121)	(257)	2,726	551
070	Households	483	1,244	1,179	915	(11)	(350)	1,294	854
080	Debt securities	—	—	—	—	—	—	—	—
090	Loan commitments given	635	136	49	52	(4)	—	190	48
100	Total	4,273	2,386	2,185	1,893	(138)	(617)	4,271	1,478

Credit risk continued

UK CQ1: Credit quality of forborne exposures continued

		NatWest 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			
		Performing forborne £m	Non-performing forborne £m	Of which: defaulted £m	Of which: impaired £m	On performing forborne exposures £m	On non-performing forborne exposures £m	Collateral received and financial guarantees received on forborne exposures £m	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures £m
31 December 2022									
005	Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010	Loans and advances	4,080	2,161	1,991	1,683	(161)	(644)	4,168	1,337
020	Central banks	—	—	—	—	—	—	—	—
030	General governments	23	—	—	—	—	—	23	—
040	Credit institutions	—	—	—	—	—	—	—	—
050	Other financial corporations	22	31	31	31	(1)	(14)	11	4
060	Non-financial corporations	3,534	899	809	797	(148)	(292)	2,904	476
070	Households	501	1,231	1,151	855	(12)	(338)	1,230	857
080	Debt securities	—	—	—	—	—	—	—	—
090	Loan commitments given	657	117	51	52	(1)	(1)	221	17
100	Total	4,737	2,278	2,042	1,735	(162)	(645)	4,389	1,354

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

		NatWest 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	426,246	6,118	5,781	414,060	(3,457)	—	(184)
020	UK	375,191	5,415	5,089	368,300	(3,167)	—	—
030	Rol	2,448	463	452	1,503	(101)	—	(184)
040	Other Western Europe	19,732	153	153	16,814	(106)	—	—
050	US	19,173	—	—	18,366	(26)	—	—
060	Other countries	9,702	87	87	9,077	(57)	—	—
070	Off-balance sheet exposures	135,602	594	482	—	—	(85)	—
080	UK	100,734	446	417	—	—	(71)	—
090	Rol	1,067	21	14	—	—	(1)	—
100	Other Western Europe	20,409	51	32	—	—	(7)	—
110	US	10,767	57	—	—	—	(5)	—
120	Other countries	2,625	19	19	—	—	(1)	—
130	Total	561,848	6,712	6,263	414,060	(3,457)	(85)	(184)

Credit risk continued

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

		NatWest 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								
010	On-balance sheet exposures	405,443	5,859	5,517	401,885	(3,334)	—	(203)
020	UK	357,050	5,190	4,854	356,485	(3,019)	—	(6)
030	Rol	2,222	503	501	1,462	(105)	—	(197)
040	Other Western Europe	18,684	41	37	16,908	(90)	—	—
050	US	18,819	—	—	18,497	(51)	—	—
060	Other countries	8,668	125	125	8,533	(69)	—	—
070	Off-balance sheet exposures	136,837	690	529	—	—	(88)	—
080	UK	101,958	427	406	—	—	(65)	—
090	Rol	1,652	20	20	—	—	(2)	—
100	Other Western Europe	20,301	145	64	—	—	(9)	—
110	US	10,714	59	—	—	—	(11)	—
120	Other countries	2,212	39	39	—	—	(1)	—
130	Total	542,280	6,549	6,046	401,885	(3,334)	(88)	(203)

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

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

NatWest Group						
	a	b	c	d	e	f
	Gross carrying amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
30 June 2023						
010 Agriculture, forestry and fishing	3,924	83	71	3,924	(63)	—
020 Mining and quarrying	585	28	28	585	(31)	—
030 Manufacturing	9,132	165	133	9,116	(111)	—
040 Electricity, gas, steam and air conditioning supply	5,111	46	46	5,111	(29)	—
050 Water supply	3,819	14	14	3,819	(12)	—
060 Construction	5,475	280	277	5,469	(151)	—
070 Wholesale and retail trade	14,146	193	171	14,026	(183)	—
080 Transport and storage	5,801	87	85	5,801	(67)	—
090 Accommodation and food service activities	5,475	192	183	5,475	(157)	—
100 Information and communication	5,851	38	37	5,816	(59)	—
110 Financial and insurance activities	14	—	—	14	—	—
120 Real estate activities	23,901	410	396	23,838	(229)	—
130 Professional, scientific and technical activities	3,615	89	89	3,533	(79)	—
140 Administrative and support service activities	7,278	68	66	7,227	(70)	—
150 Public administration and defence, compulsory social security	133	1	1	133	(1)	—
160 Education	478	12	12	478	(8)	—
170 Human health services and social work activities	4,415	138	132	4,364	(85)	—
180 Arts, entertainment and recreation	1,198	13	13	1,198	(21)	—
190 Other services	836	176	176	836	(24)	—
200 Total	101,187	2,033	1,930	100,763	(1,380)	—

NatWest Group						
	a	b	c	d	e	f
	Gross carrying amount £m	Of which: non-performing £m	Of which: defaulted £m	Of which: loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
31 December 2022						
010 Agriculture, forestry and fishing	3,669	69	62	3,669	(63)	—
020 Mining and quarrying	625	57	57	625	(34)	—
030 Manufacturing	9,266	163	146	9,260	(119)	—
040 Electricity, gas, steam and air conditioning supply	4,684	6	6	4,684	(18)	—
050 Water supply	3,339	7	6	3,339	(10)	—
060 Construction	5,328	302	286	5,326	(139)	—
070 Wholesale and retail trade	14,692	95	91	14,619	(143)	—
080 Transport and storage	5,825	114	113	5,825	(111)	—
090 Accommodation and food service activities	5,233	187	179	5,233	(187)	—
100 Information and communication	5,107	68	67	5,092	(55)	—
110 Financial and insurance activities	13	—	—	13	—	—
120 Real estate activities	23,677	414	359	23,598	(221)	(6)
130 Professional, scientific and technical activities	3,888	77	75	3,869	(61)	—
140 Administrative and support service activities	7,247	76	69	7,244	(95)	—
150 Public administration and defence, compulsory social security	159	1	1	159	(2)	—
160 Education	547	9	9	547	(9)	—
170 Human health services and social work activities	4,494	143	133	4,487	(85)	—
180 Arts, entertainment and recreation	1,356	13	12	1,355	(23)	—
190 Other services	913	164	164	913	(30)	—
200 Total	100,062	1,965	1,835	99,857	(1,405)	(6)

(1) Exposures classified as held-for-trading and held-for-sale are excluded 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. Counterparty credit risk exposures are excluded.

		NatWest Group				
		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount	Of which: secured by collateral	Of which: secured by financial guarantees	Of which: secured by credit derivatives
		£m	£m	£m	£m	£m
30 June 2023						
1	Loans and advances	201,722	313,490	294,923	9,430	—
2	Debt securities	33,889	—	—	—	—
3	Total	235,611	313,490	294,923	9,430	—
4	Of which: non-performing exposures	415	3,604	3,080	432	—
5	Of which: defaulted	384	3,343	2,852	425	—

		NatWest Group				
		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount	Of which: secured by collateral	Of which: secured by financial guarantees	Of which: secured by credit derivatives
		£m	£m	£m	£m	£m
31 December 2022						
1	Loans and advances	214,221	306,114	286,908	10,364	—
2	Debt securities	29,068	—	—	—	—
3	Total	243,289	306,114	286,908	10,364	—
4	Of which: non-performing exposures	316	3,570	2,997	472	—
5	Of which: defaulted	322	3,289	2,732	469	—

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

NatWest 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	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
	£m	£m	£m	£m	£m	%
30 June 2023						
1 Central governments or central banks	93,238	655	94,136	180	959	1
2 Regional governments or local authorities	136	61	100	—	4	4
3 Public sector entities	—	—	—	—	—	—
4 Multilateral development banks	2,577	—	2,577	—	—	—
5 International organisations	—	—	—	—	—	—
6 Institutions	912	32	937	5	186	20
7 Corporates	5,921	2,506	4,419	771	4,810	93
8 Retail	3,452	4,193	3,268	46	2,156	65
9 Secured by mortgages on immovable property	24,063	1,704	23,955	410	10,914	45
10 Exposures in default	763	69	714	4	804	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	655	—	655	—	1,611	246
16 Other items	581	—	581	—	538	93
17 Total	132,590	9,221	131,634	1,416	22,019	17

NatWest 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	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
	£m	£m	£m	£m	£m	%
31 December 2022						
1 Central governments or central banks	121,052	502	122,000	216	1,088	1
2 Regional governments or local authorities	110	249	100	—	4	4
3 Public sector entities	—	—	—	—	—	—
4 Multilateral development banks	2,628	—	2,628	—	—	—
5 International organisations	—	—	—	—	—	—
6 Institutions	997	56	1,024	18	209	20
7 Corporates	5,869	2,728	4,170	786	4,571	92
8 Retail	3,216	4,525	3,026	54	1,923	62
9 Secured by mortgages on immovable property	26,449	1,705	26,335	400	11,824	44
10 Exposures in default	830	64	798	3	882	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	742	—	742	—	1,832	247
16 Other items	988	—	988	—	682	69
17 Total	163,184	9,830	162,114	1,477	23,048	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	NatWest Group																
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Risk-weight																Of which: unrated
	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	£m
30 June 2023																	
1 Central governments or central banks	93,925	—	—	—	8	—	—	—	—	—	—	383	—	—	—	94,316	2,594
2 Regional governments or local authorities	81	—	—	—	19	—	—	—	—	—	—	—	—	—	—	100	19
3 Public sector entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Multilateral development banks	2,577	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,577	—
5 International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Institutions	22	—	—	—	912	—	8	—	—	—	—	—	—	—	—	942	11
7 Corporates	49	—	—	—	185	—	37	—	—	4,919	—	—	—	—	—	5,190	1,660
8 Retail exposures	—	—	—	—	224	—	—	—	3,088	1	1	—	—	—	—	3,314	—
9 Exposures secured by mortgages on immovable property	—	—	—	—	—	20,240	—	—	389	3,719	17	—	—	—	—	24,365	24,358
10 Exposures in default	—	—	—	—	—	—	—	—	1	558	159	—	—	—	—	718	717
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	—	—	—	—	—	—	—	—	—	17	—	638	—	—	—	655	638
16 Other items	4	—	—	—	1	—	21	—	—	521	—	—	—	—	34	581	581
17 Total	96,658	—	—	241	1,398	20,240	66	—	3,478	9,735	179	1,021	—	—	34	133,050	30,580

Credit risk continued

UK CR5: Standardised approach continued

		NatWest Group																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Risk-weight																Of which:
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Others	Total	unrated
Exposure classes		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December 2022																		
1	Central governments or central banks	121,781	—	—	—	—	—	—	—	—	—	—	435	—	—	—	122,216	436
2	Regional governments or local authorities	79	—	—	—	21	—	—	—	—	—	—	—	—	—	—	100	21
3	Public sector entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Multilateral development banks	2,628	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,628	—
5	International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Institutions	29	—	—	—	995	—	18	—	—	—	—	—	—	—	—	1,042	21
7	Corporates	43	—	—	—	145	—	90	—	—	4,678	—	—	—	—	—	4,956	1,672
8	Retail exposures	—	—	—	—	268	48	—	—	2,762	—	2	—	—	—	—	3,080	—
9	Exposures secured by mortgages on immovable property	—	—	—	—	—	22,379	—	—	491	3,852	13	—	—	—	—	26,735	26,735
10	Exposures in default	—	—	—	—	—	—	—	—	—	636	165	—	—	—	—	801	801
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	—	—	—	—	—	—	—	—	—	16	—	726	—	—	—	742	726
16	Other items	267	—	—	—	12	—	18	—	—	668	—	—	—	—	23	988	988
17	Total	124,827	—	—	301	1,441	22,427	126	—	3,253	9,850	182	1,161	—	—	23	163,591	31,402

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. The table excludes counterparty credit risk, securitisations, equity and non-credit obligation exposures.

a	NatWest Group											
	b	c	d	e	f	g	h	i	j	k	l	m
	Central Governments and Central Banks											
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
30 June 2023												
0.00 to <0.15	49,891	288	85	50,599	0.01	45	47	0.70	1,130	2	2	—
0.00 to <0.10	49,891	288	85	50,599	0.01	45	47	0.70	1,130	2	2	—
0.10 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
0.25 to <0.50	257	—	—	257	0.32	2	49	1.20	125	49	—	—
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	—	—	—	—	—	1	67	1.00	—	—	—	—
2.50 to < 5.00	—	—	—	—	2.50	1	50	1.00	—	—	—	—
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)	2	—	—	2	100.00	1	56	1.00	—	—	1	3
Subtotal (exposure class)	50,150	288	85	50,858	0.01	49	47	0.70	1,255	2	3	3
Total (all exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Central Governments and Central Banks												
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	40,779	162	36	41,048	0.01	42	45	0.71	764	2	1	1
0.10 to <0.15	40,779	162	36	41,048	0.01	42	45	0.71	764	2	1	1
0.10 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
0.25 to <0.50	279	—	—	279	0.32	2	49	1.19	135	49	—	—
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	—	—	—	—	—	1	50	1.00	—	—	—	—
2.50 to < 5.00	—	—	—	—	2.50	1	50	1.00	—	—	—	—
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)	3	—	—	3	100.00	1	56	1.00	—	—	2	3
Subtotal (exposure class)	41,061	162	36	41,330	0.01	46	45	0.71	899	2	3	4
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
	Institutions											
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
30 June 2023												
0.00 to <0.15	5,240	812	80	5,819	0.10	220	42	1.43	1,422	24	3	3
0.00 to <0.10	1,745	170	51	1,724	0.06	148	43	2.97	601	35	—	3
0.10 to <0.15	3,495	642	87	4,095	0.11	72	41	0.78	821	20	3	—
0.15 to <0.25	3,141	361	35	3,295	0.19	88	35	2.20	1,403	43	3	2
0.25 to <0.50	520	88	39	556	0.36	46	21	3.20	189	34	—	—
0.50 to <0.75	2	4	38	4	0.64	16	57	0.98	3	92	—	—
0.75 to <2.50	16	13	38	21	1.27	19	44	1.50	20	96	—	—
0.75 to <1.75	16	13	38	21	1.27	17	44	1.50	20	96	—	—
1.75 to <2.50	—	—	20	—	1.81	2	75	0.84	—	199	—	—
2.50 to <10.00	8	2	42	6	5.61	98	74	0.96	18	273	—	—
2.50 to < 5.00	5	—	100	2	3.28	91	71	0.94	5	215	—	—
5.00 to < 10.00	3	2	36	4	6.95	7	75	0.98	13	306	—	—
10.00 to <100.00	6	—	20	6	28.33	5	75	1.00	27	462	1	—
10.00 to <20.00	—	—	—	—	10.24	2	75	1.00	—	366	—	—
20.00 to <30.00	6	—	20	6	28.73	3	75	1.00	27	464	1	—
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (default)	5	—	—	—	100.00	2	38	1.17	—	—	—	—
Subtotal (exposure class)	8,938	1,280	64	9,707	0.17	494	38	1.79	3,082	32	7	5
Total (all exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Institutions												
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	4,816	734	83	5,346	0.10	222	38	1.60	1,124	21	3	2
0.00 to <0.10	1,640	185	61	1,648	0.06	165	34	2.99	379	23	—	2
0.10 to <0.15	3,176	549	91	3,698	0.11	57	40	0.97	745	20	3	—
0.15 to <0.25	3,289	362	37	3,445	0.19	92	36	2.49	1,578	46	3	3
0.25 to <0.50	312	110	38	353	0.36	42	24	2.77	138	39	—	—
0.50 to <0.75	1	4	59	4	0.64	15	56	0.81	3	83	—	—
0.75 to <2.50	13	13	40	18	1.32	17	37	1.92	15	84	—	—
0.75 to <1.75	12	11	43	17	1.27	12	34	2.02	12	74	—	—
1.75 to <2.50	1	2	20	1	1.81	5	75	0.83	3	199	—	—
2.50 to <10.00	16	2	41	14	3.23	99	56	0.99	23	158	—	—
2.50 to < 5.00	14	—	100	12	2.60	92	53	0.99	17	133	—	—
5.00 to < 10.00	2	2	35	2	6.81	7	75	0.97	6	297	—	—
10.00 to <100.00	2	—	31	2	27.28	4	75	1.08	7	462	—	—
10.00 to <20.00	—	—	20	—	14.48	2	75	1.00	—	412	—	—
20.00 to <30.00	2	—	31	2	27.60	2	75	1.08	7	463	—	—
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (default)	5	—	32	1	100.00	4	40	1.50	—	—	—	—
Subtotal (exposure class)	8,454	1,225	65	9,183	0.16	495	37	1.97	2,888	31	6	5
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
	Exposures to corporates – SME											
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
30 June 2023												
0.00 to <0.15	14	2	75	16	0.08	37	41	3.49	427	2,615	—	—
0.00 to <0.10	11	—	103	11	0.06	4	46	3.83	371	3,371	—	—
0.10 to <0.15	3	2	75	5	0.11	33	29	2.77	56	1,054	—	—
0.15 to <0.25	551	388	49	739	0.21	1,508	28	2.99	264	36	1	1
0.25 to <0.50	3,167	1,132	48	3,713	0.40	5,639	23	3.05	1,071	29	4	11
0.50 to <0.75	2,637	887	46	3,049	0.64	3,367	22	2.72	1,006	33	5	12
0.75 to <2.50	5,451	1,710	42	6,160	1.25	6,692	21	2.56	2,536	41	19	51
0.75 to <1.75	4,144	1,273	42	4,693	1.07	5,193	21	2.62	1,862	40	13	33
1.75 to <2.50	1,307	437	41	1,467	1.81	1,499	20	2.36	674	46	6	18
2.50 to <10.00	1,839	426	51	2,070	3.42	2,351	22	2.46	1,120	54	17	57
2.50 to < 5.00	1,489	351	47	1,665	2.87	1,933	22	2.53	862	52	11	42
5.00 to < 10.00	350	75	69	405	5.69	418	23	2.17	258	64	6	15
10.00 to <100.00	243	49	51	271	14.89	358	21	2.20	214	79	9	17
10.00 to <20.00	177	44	52	201	12.39	275	20	2.27	144	71	5	11
20.00 to <30.00	63	5	43	66	21.08	68	25	1.98	67	102	4	6
30.00 to <100.00	3	—	30	4	41.00	15	22	2.19	3	95	—	—
100.00 (default)	402	38	20	412	100.00	903	39	2.17	556	135	167	168
Subtotal (exposure class)	14,304	4,632	46	16,430	3.87	20,855	23	2.69	7,194	44	222	317
Total (all exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Exposures to corporates – SME												
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	350	61	41	375	0.06	45	43	4.24	306	81	—	—
0.00 to <0.10	245	50	40	265	0.04	2	35	4.58	218	82	—	—
0.10 to <0.15	105	11	45	110	0.11	43	63	3.42	88	80	—	—
0.15 to <0.25	618	367	49	798	0.21	1,497	27	3.08	251	31	1	1
0.25 to <0.50	3,083	1,336	47	3,710	0.40	5,716	22	3.05	1,016	27	4	9
0.50 to <0.75	2,613	806	47	2,998	0.64	3,547	24	2.78	1,005	34	5	11
0.75 to <2.50	5,788	1,655	44	6,538	1.26	7,525	22	2.68	2,697	41	20	50
0.75 to <1.75	4,265	1,217	44	4,812	1.07	5,728	22	2.71	1,957	41	13	30
1.75 to <2.50	1,523	438	45	1,726	1.81	1,797	20	2.62	740	43	7	20
2.50 to <10.00	2,214	447	51	2,455	3.39	2,774	23	2.61	1,322	54	21	63
2.50 to < 5.00	1,811	386	50	2,018	2.84	2,223	23	2.68	1,045	52	15	47
5.00 to < 10.00	403	61	52	437	5.93	551	21	2.28	277	63	6	16
10.00 to <100.00	223	41	42	242	15.26	370	24	2.47	213	88	10	15
10.00 to <20.00	171	29	44	186	12.19	268	24	2.49	156	83	6	10
20.00 to <30.00	44	11	32	48	22.71	86	24	2.49	48	101	3	4
30.00 to <100.00	8	1	70	8	40.96	16	29	1.97	9	110	1	1
100.00 (default)	414	31	27	425	100.00	890	41	2.18	848	200	161	171
Subtotal (exposure class)	15,303	4,744	46	17,541	3.78	22,364	24	2.80	7,658	44	222	320
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

Credit risk continued

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

a	NatWest Group											
	b	c	d	e	f	g	h	i	j	k	l	m
	Exposures to corporates – 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
30 June 2023												
0.00 to <0.15	34,542	46,848	46	55,961	0.06	2,399	42	2.58	11,531	21	14	20
0.00 to <0.10	30,930	40,230	46	49,413	0.05	1,988	42	2.52	9,376	19	11	14
0.10 to <0.15	3,612	6,618	45	6,548	0.11	411	40	2.96	2,155	33	3	6
0.15 to <0.25	8,200	9,952	46	12,585	0.18	1,162	40	2.51	5,187	41	9	18
0.25 to <0.50	6,222	6,608	47	9,167	0.39	2,272	36	2.60	5,073	55	13	35
0.50 to <0.75	3,622	2,439	48	4,762	0.64	1,335	33	2.40	2,872	60	10	22
0.75 to <2.50	12,088	6,692	46	15,043	1.33	5,248	29	2.44	10,824	72	58	139
0.75 to <1.75	8,176	4,786	47	10,411	1.11	3,608	30	2.39	7,296	70	35	78
1.75 to <2.50	3,912	1,906	43	4,632	1.81	1,640	27	2.55	3,528	76	23	61
2.50 to <10.00	3,850	2,173	47	4,799	3.41	3,054	27	2.23	4,008	84	43	94
2.50 to < 5.00	3,044	1,754	46	3,793	2.80	2,616	28	2.28	3,151	83	29	64
5.00 to < 10.00	806	419	49	1,006	5.60	438	24	2.04	857	85	14	30
10.00 to <100.00	466	105	34	502	13.28	303	24	1.72	549	109	17	17
10.00 to <20.00	414	104	34	450	11.48	220	23	1.59	471	104	12	15
20.00 to <30.00	40	1	49	40	23.13	42	28	2.63	61	153	3	2
30.00 to <100.00	12	—	24	12	49.32	41	33	3.60	17	152	2	—
100.00 (default)	460	50	25	460	100.00	497	36	2.38	145	32	146	186
Subtotal (exposure class)	69,450	74,867	45	103,279	0.98	16,270	38	2.52	40,189	39	310	531
Total (all exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Exposures to corporates – 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	33,939	46,441	46	55,039	0.06	2,439	42	2.57	11,135	20	13	25
0.00 to <0.10	30,369	39,478	46	48,277	0.05	1,994	42	2.53	9,031	19	10	18
0.10 to <0.15	3,570	6,963	46	6,762	0.11	445	41	2.81	2,104	31	3	7
0.15 to <0.25	8,935	10,400	43	13,253	0.19	1,096	41	2.41	5,366	40	10	24
0.25 to <0.50	5,649	5,988	47	8,352	0.39	2,030	36	2.62	4,616	55	12	48
0.50 to <0.75	4,300	2,822	46	5,563	0.64	1,242	33	2.50	3,406	61	12	33
0.75 to <2.50	11,763	6,692	46	14,735	1.33	5,354	30	2.41	10,701	73	58	127
0.75 to <1.75	8,274	4,519	47	10,382	1.13	3,707	31	2.41	7,484	72	37	81
1.75 to <2.50	3,489	2,173	44	4,353	1.81	1,647	27	2.43	3,217	74	21	46
2.50 to <10.00	4,594	2,332	47	5,624	3.54	3,164	28	2.30	4,944	88	55	116
2.50 to < 5.00	3,371	1,859	47	4,176	2.84	2,686	28	2.37	3,472	83	32	60
5.00 to < 10.00	1,223	473	48	1,448	5.57	478	28	2.10	1,472	102	23	56
10.00 to <100.00	391	77	33	413	14.16	264	20	1.52	396	96	12	15
10.00 to <20.00	341	73	32	360	12.12	210	20	1.46	332	92	9	10
20.00 to <30.00	43	4	60	45	26.13	37	17	1.68	44	98	2	3
30.00 to <100.00	7	—	44	8	41.13	17	46	3.79	20	267	1	2
100.00 (default)	775	129	33	804	100.00	636	41	2.03	175	22	310	224
Subtotal (exposure class)	70,346	74,881	46	103,783	1.33	16,225	38	2.50	40,739	39	482	612
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
	Retail exposures – SME secured by immovable property collateral											
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
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	—	64	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	38	100	643	1.19	8,308	25	195	30	2	8	8
0.75 to <1.75	528	10	100	535	1.03	6,028	21	119	22	1	5	5
1.75 to <2.50	91	28	100	108	2.02	2,280	45	76	71	1	3	3
2.50 to <10.00	194	2	100	196	4.79	2,292	27	134	69	3	5	5
2.50 to < 5.00	117	1	100	118	3.57	1,458	27	71	61	2	3	3
5.00 to < 10.00	77	1	100	78	6.64	834	27	63	81	1	2	2
10.00 to <100.00	51	—	100	50	24.44	509	22	49	96	3	3	3
10.00 to <20.00	27	—	100	26	14.06	297	25	28	105	1	1	1
20.00 to <30.00	—	—	—	—	—	—	—	—	—	—	—	—
30.00 to <100.00	24	—	100	24	35.69	212	19	21	86	2	2	2
100.00 (default)	39	—	100	41	100.00	653	16	7	17	6	12	12
Subtotal (exposure class)	964	107	100	1,036	6.83	17,517	27	412	40	14	28	28
Total (all exposures classes)	359,769	119,329	64	427,585		21,674,388	0.84	100,177	23	2,566	3,021	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Retail exposures – SME secured by immovable property												
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	—	—	—	—	—	—	—		—	—	—	—
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	4
1.75 to <2.50	97	30	100	115	2.03	2,343	41		75	66	1	4
2.50 to <10.00	223	3	100	225	4.79	2,482	26		151	67	3	4
2.50 to < 5.00	134	1	100	135	3.59	1,587	26		79	58	1	2
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	13
Subtotal (exposure class)	1,017	121	100	1,098	6.92	18,517	26		428	39	14	28
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538	0.86		99,001	24	2,575	2,949

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
	Retail exposures – non-SME secured by immovable property collateral											
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
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	114,319	0.31	727,357	10		16,692	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	10		923	71	9	5
2.50 to < 5.00	639	5	100	645	3.65	4,556	11		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	1,343	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	745	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)	191,248	14,297	100	203,766	1.61	1,349,701	10		30,700	15	446	378
Total (all exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Retail exposures – non-SME secured by immovable property												
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	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	9		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		795	41	265	209
Subtotal (exposure class)	185,154	17,176	100	201,482	1.51	1,342,997	10		30,083	15	415	342
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
	Retail exposures – qualifying revolving											
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
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	199	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	303	—	—
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 exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Retail exposures – qualifying revolving												
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	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	5,943	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		2,244	92	89	130
2.50 to < 5.00	1,167	656	100	1,594	3.56	780,990	73		1,188	74	43	58
5.00 to < 10.00	719	171	100	835	6.74	276,038	76		1,056	126	46	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	20	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	23	16
100.00 (default)	314	297	100	325	100.00	355,921	78		412	127	240	240
Subtotal (exposure class)	5,301	21,978	100	20,917	2.67	17,580,298	61		5,109	24	421	501
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

Credit risk continued

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

a	NatWest Group											
	b	c	d	e	f	g	h	i	j	k	l	m
	Retail exposures – SME other											
	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
PD range												
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	27	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	35	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	19	21
10.00 to <100.00	547	9	100	564	23.64	41,068	28		274	49	33	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	—	—	12	23.11	521	33		8	63	1	—
30.00 to <100.00	242	3	100	248	35.90	17,586	22		118	48	19	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 exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Retail exposures – 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	—	—	—	—	—	—	—		—	—	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	11	100	8	—	4,013	59		1	18	—	—
0.25 to <0.50	—	775	100	797	—	374,598	62		221	28	2	5
0.50 to <0.75	802	41	100	905	1	89,832	33		196	22	2	3
0.75 to <2.50	6,918	366	100	7,423	1	515,230	25		1,654	22	26	57
0.75 to <1.75	5,651	146	100	5,891	1	330,073	22		1,081	18	14	29
1.75 to <2.50	1,267	220	100	1,532	2	185,157	36		573	37	12	28
2.50 to <10.00	2,702	43	100	2,886	5	277,593	28		940	33	38	42
2.50 to < 5.00	1,673	22	100	1,816	3	215,605	27		562	31	18	21
5.00 to < 10.00	1,029	21	100	1,070	7	61,988	29		378	35	20	21
10.00 to <100.00	635	9	100	653	24	43,136	26		296	45	37	29
10.00 to <20.00	328	6	100	341	14	23,615	30		155	46	14	14
20.00 to <30.00	15	—	—	14	23	646	30		8	58	1	—
30.00 to <100.00	292	3	100	298	36	18,875	21		133	45	22	15
100.00 (default)	1,473	3	100	1,495	100	66,966	15		219	15	211	205
Subtotal (exposure class)	12,530	1,248	100	14,167	13.31	1,371,368	27		3,527	25	316	341
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	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
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 exposures classes)	359,769	119,329	64	427,585		21,674,388		0.84	100,177	23	2,566	3,021

Credit risk continued

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	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		68	90	1	1
0.75 to <2.50	4,115	—	—	4,213	1.48	580,010	73		4,139	98	53	96
0.75 to <1.75	2,679	—	—	2,742	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	493
Subtotal (exposure class)	6,627	—	100	6,801	12.45	878,228	75		7,670	113	696	796
Total (all exposures classes)	345,793	121,535	64	416,302		21,230,538		0.86	99,001	24	2,575	2,949

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.

		NatWest Group			
		30 June 2023		31 December 2022	
		a	b	a	b
		Pre-credit derivatives RWAs £m	Actual RWAs £m	Pre-credit derivatives RWAs £m	Actual RWAs £m
5	Exposures under AIRB	100,295	100,177	99,105	99,001
6	Central governments and central banks	1,255	1,255	899	899
7	Institutions	3,082	3,082	2,887	2,888
8	Corporates	47,501	47,383	48,502	48,397
8.1	Of which: SME	7,253	7,194	7,714	7,658
8.3	Of which: Other	40,248	40,189	40,788	40,739
9	Retail	48,457	48,457	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	30,700	30,700	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	100,295	100,177	99,105	99,001

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

		NatWest Group														
		Total exposures £m	Credit risk mitigation techniques										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
			Funded credit protection (FCP)													
			Part of exposures covered by financial collaterals	Part of exposures covered by other eligible collaterals	Part of exposures covered by immovable property collaterals	Part of exposures covered by receivables	Part of exposures covered by other physical collaterals	Part of exposures covered by other funded credit protection	Part of exposures covered by cash on deposit	Part of exposures covered by life insurance policies	Part of exposures covered by instruments held by a third party	Part of exposures covered by guarantees	Part of exposures covered by credit derivatives	RWA post all assigned to the obligor exposure class	RWA with substitution effects	
																%
30 June 2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	
1	Central governments and central banks	50,858	0.30	0.06	0.06	—	—	—	—	—	—	—	—	1,978	1,255	
2	Institutions	9,707	19.48	1.08	1.04	—	0.04	—	—	—	—	4.93	—	3,275	3,082	
3	Corporates	119,710	11.59	87.87	47.63	6.56	33.69	0.01	—	—	0.01	2.22	0.64	231,844	47,383	
3.1	Of which: SME	16,430	6.88	186.04	112.20	21.75	52.08	0.06	—	—	0.06	6.22	—	7,740	7,194	
3.3	Of which: Other	103,280	12.34	72.25	37.35	4.14	30.76	—	—	—	—	1.59	0.74	224,104	40,189	
4	Retail	247,310	—	180.91	180.91	—	—	—	—	—	—	2.27	—	19,110	48,457	
4.1	Of which: Immovable property SME	1,036	—	—	—	—	—	—	—	—	—	1.21	—	4	412	
4.2	Of which: Immovable property non-SME	203,765	—	219.57	219.57	—	—	—	—	—	—	—	—	16,780	30,700	
4.3	Of which: Qualifying revolving	21,968	—	—	—	—	—	—	—	—	—	—	—	643	5,773	
4.4	Of which: Other SMEs	13,384	—	—	—	—	—	—	—	—	—	41.94	—	154	3,471	
4.5	Of which: Other non-SME	7,157	—	—	—	—	—	—	—	—	—	—	—	1,529	8,101	
5	Total	427,585	3.72	129.27	118.00	1.84	9.43	—	—	—	—	2.05	0.18	256,207	100,177	

Credit risk continued

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

A-IRB

A-IRB		NatWest 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 %		
a	b	c	d	e	f	g	h	i	j	k	l	m	n		
6	Specialised lending under the slotting approach	18,846	—	—	—	—	—	—	—	—	—	—	12,337	12,196	
7	Equity Exposures	802	—	—	—	—	—	—	—	—	—	—	1,705	1,708	
8	Total	19,648	—	—	—	—	—	—	—	—	—	—	14,042	13,904	

Credit risk continued

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

		NatWest 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	41,330	0.31	0.08	0.08	—	—	—	—	—	—	—	—	1,603	899		
2	Institutions	9,183	22.36	1.09	0.96	—	0.12	—	—	—	—	5.37	—	3,405	2,888		
3	Corporates	121,324	11.17	130.96	93.97	6.41	30.57	0.01	—	—	0.01	2.40	0.69	61,300	48,397		
3.1	Of which: SME	17,541	9.01	509.91	441.06	17.05	51.80	0.01	—	—	0.01	7.19	—	8,106	7,658		
3.2	Of which: Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
3.3	Of which: Other	103,783	11.53	66.91	35.31	4.62	26.98	0.01	—	—	0.01	1.59	0.80	53,194	40,739		
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	30,083		
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	416,302	3.78	147.49	136.71	1.87	8.91	—	—	—	—	2.32	0.20	85,289	99,001		

Credit risk continued

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

NatWest 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 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
				covered by property collaterals %	covered by receivables %									
31 December 2022	a	b	c	d	e	f	g	h	i	j	k	l	m	n
6 Specialised lending under the slotting approach	19,219	0.34	128.92	123.87	—	5.05	0.54	—	—	0.54	2.66	—	12,400	12,330
7 Equity Exposures	676	—	—	—	—	—	—	—	—	—	—	—	1,301	1,306
8 Total	19,895	0.33	124.54	119.66	—	4.88	0.52	—	—	0.52	2.57	—	13,701	13,636

Credit risk continued

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

The table below shows specialised lending exposures subject to the supervisory slotting approach analysed by type of lending and regulatory category. NatWest Group does not have object finance and commodities finance exposures; therefore, those are not presented separately. The table excludes exposures subject to the Securitisations framework. This disclosure also includes a separate section (i.e. UK CR10.5) for equity exposures subject to the simple risk-weighted approach.

CR10.1

		NatWest Group					
		a	b	c	d	e	f
		Specialised lending: Project finance (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
30 June 2023	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	863	304	50%	1,101	455	—
	Equal to or more than 2.5 years	4,597	2,532	70%	6,733	4,005	27
Category 2	Less than 2.5 years	4	75	70%	78	55	—
	Equal to or more than 2.5 years	348	316	90%	603	482	5
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	119	46	115%	161	160	5
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	1	—	—	1	—	1
	Equal to or more than 2.5 years	97	3	—	98	—	48
Total	Less than 2.5 years	868	379		1,180	510	1
	Equal to or more than 2.5 years	5,205	2,899		7,640	4,731	89

		NatWest Group					
		a	b	c	d	e	f
		Specialised lending: Project finance (slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2022	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	890	285	50%	1,115	455	—
	Equal to or more than 2.5 years	3,909	2,049	70%	6,094	3,585	24
Category 2	Less than 2.5 years	—	76	70%	75	52	—
	Equal to or more than 2.5 years	245	249	90%	434	332	3
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	57	8	115%	69	68	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	110	—	—	111	—	56
Total	Less than 2.5 years	890	361		1,190	507	—
	Equal to or more than 2.5 years	4,321	2,306		6,708	3,985	85

Credit risk continued

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

CR10.2

		NatWest 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	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
30 June 2023	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	2,890	466	50%	3,110	1,555	—
	Equal to or more than 2.5 years	2,615	224	70%	2,762	1,934	11
Category 2	Less than 2.5 years	3,306	464	70%	3,603	2,523	14
	Equal to or more than 2.5 years	1,458	154	90%	1,553	1,397	13
Category 3	Less than 2.5 years	311	8	115%	317	364	9
	Equal to or more than 2.5 years	46	—	115%	46	53	1
Category 4	Less than 2.5 years	31	—	250%	32	79	3
	Equal to or more than 2.5 years	13	—	250%	14	34	1
Category 5	Less than 2.5 years	393	1	—	393	—	179
	Equal to or more than 2.5 years	30	2	—	32	—	16
Total	Less than 2.5 years	6,931	939		7,455	4,521	205
	Equal to or more than 2.5 years	4,162	380		4,407	3,418	42

		NatWest 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	Off-balance sheet exposure	Risk-weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
31 December 2022	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	3,467	423	50%	3,662	1,831	—
	Equal to or more than 2.5 years	2,626	419	70%	2,838	1,985	11
Category 2	Less than 2.5 years	2,861	303	70%	3,078	2,155	12
	Equal to or more than 2.5 years	1,378	171	90%	1,522	1,370	12
Category 3	Less than 2.5 years	269	10	115%	280	322	8
	Equal to or more than 2.5 years	97	1	115%	101	117	3
Category 4	Less than 2.5 years	113	—	250%	113	283	9
	Equal to or more than 2.5 years	5	—	250%	5	13	—
Category 5	Less than 2.5 years	101	—	—	102	—	51
	Equal to or more than 2.5 years	32	2	—	33	—	17
Total	Less than 2.5 years	6,811	736		7,235	4,591	80
	Equal to or more than 2.5 years	4,138	593		4,499	3,485	43

Credit risk continued

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

CR10.5

	NatWest Group					
	a	b	c	d	e	f
	Equity exposures under the simple risk-weighted 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						
Private equity exposures	602	55	190%	658	1,250	6
Exchange-traded equity exposures	—	—	290%	—	—	—
Other equity exposures	9	3	370%	12	43	—
Total	611	58		670	1,293	6

	NatWest Group					
	a	b	c	d	e	f
	Equity exposures under the simple risk-weighted 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						
Private equity exposures	609	55	190%	665	1,264	6
Exchange-traded equity exposures	—	—	290%	—	—	—
Other equity exposures	9	3	370%	11	42	—
Total	618	58		676	1,306	6

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⁾

		NatWest Group							
		a	b	c	d	e	f	g	h
		Replacement cost/current (RC) £m	Potential future exposure (PFE) £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)	895	862	—	1.4	8,509	2,460	2,411	1,378
2	Internal model method (for derivatives and SFTs)	—	—	6,529	1.4	27,332	9,140	9,076	3,869
2b	of which: derivatives and long settlement transactions	—	—	6,529	1.4	27,332	9,140	9,076	3,869
4	Financial collateral comprehensive method (for SFTs)	—	—	—	—	125,553	4,814	4,814	1,035
6	Total					161,394	16,414	16,301	6,282

		NatWest Group							
		a	b	c	d	e	f	g	h
		Replacement cost/current (RC) £m	Potential future exposure (PFE) £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)	682	973	—	1.4	9,211	2,317	2,271	1,069
2	Internal model method (for derivatives and SFTs)			7,544	1.4	31,980	10,561	10,475	3,479
2b	of which: derivatives and long settlement transactions	—	—	7,544	1.4	31,980	10,561	10,475	3,479
4	Financial collateral comprehensive method (for SFTs)	—	—	—	—	105,025	4,279	4,279	647
6	Total					146,216	17,157	17,025	5,195

- (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 SEC1-5 (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 NatWest Group: row (UK1) Original Exposure Method (for derivatives), row (UK2) Simplified SA-CCR (for derivatives), row (2a) IMM (for derivatives and SFTs) Of which securities financing 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 in RWAs over the period was mainly driven by the call of a portfolio credit default swap, reducing credit risk mitigation benefit. This affected both the SA-CCR and IMM approaches.

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.

NatWest Group				
		a	b	
		30 June 2023		31 December 2022
		Exposure value £m	RWAs £m	Exposure amount £m RWAs £m
1	Total transactions subject to the advanced method	4,655	745	5,281 932
2	(i) VaR component (including the 3x multiplier) ⁽¹⁾		182	196
3	(ii) Stressed VaR component (including the 3x multiplier) ⁽¹⁾		563	736
4	Transactions subject to the standardised method	1,154	422	1,046 368
5	Total transactions subject to own funds requirements for CVA risk	5,809	1,167	6,327 1,300

(1) The calculation of the VaR and SVaR components includes the use of a multiplier, which is at least 3x, as set by the regulator.

(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 NatWest Group: row (UK4) Transactions subject to the Alternative approach (based on the Original Exposure Method).

- For portfolios subject to the advanced charge, exposure decreased reflecting the reduction in asset size and RWAs benefited from a reduced CVA multiplier.
- For portfolios subject to the standardised charge, both exposure and RWAs remain broadly unchanged.

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, exposures to securitisation positions and default fund contributions. Exposures to qualifying CCPs are included.

NatWest Group												
Exposure class	Risk-weight											
	a	b	c	d	e	f	g	h	i	j	k	l
	0% £m	2% £m	4% £m	10% £m	20% £m	50% £m	70% £m	75% £m	100% £m	150% £m	Others £m	Total exposure value £m
30 June 2023												
1 Central governments or central banks	446	—	—	—	24	—	—	—	—	—	—	470
2 Regional government or local	—	—	—	—	3	—	—	—	—	—	—	3
4 Multilateral development banks	58	—	—	—	—	—	—	—	—	—	—	58
6 Institutions	—	2,127	—	—	137	—	—	—	—	—	—	2,264
7 Corporates	—	—	—	—	72	84	—	—	392	—	—	548
11 Total exposure value	504	2,127	—	—	236	84	—	—	392	—	—	3,343

NatWest Group												
Exposure class	Risk-weight											
	a	b	c	d	e	f	g	h	i	j	k	l
	0% £m	2% £m	4% £m	10% £m	20% £m	50% £m	70% £m	75% £m	100% £m	150% £m	Others £m	Total exposure value £m
31 December 2022												
1 Central governments or central banks	470	—	—	—	—	—	—	—	—	—	—	470
2 Regional government or local	—	—	—	—	7	—	—	—	—	—	—	7
4 Multilateral development banks authorities	57	—	—	—	—	—	—	—	—	—	—	57
6 Institutions	239	1,911	—	—	175	—	—	—	—	—	—	2,325
7 Corporates	—	—	—	—	57	93	—	—	140	—	—	290
11 Total exposure value	766	1,911	—	—	239	93	—	—	140	—	—	3,149

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

— The movement in the corporates class was driven by an increase in over-the-counter transactions.

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.

		NatWest 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	378	0.01	23	45	1	19	5
Central governments and central banks	0.15 to <0.25	13	0.23	4	45	5	10	75
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		391	0.02	27	45	1	29	7
Institutions	0.00 to <0.15	1,891	0.09	114	45	2	624	33
Institutions	0.15 to <0.25	2,628	0.19	147	45	2	1,472	56
Institutions	0.25 to <0.50	292	0.33	76	46	3	210	72
Institutions	0.50 to <0.75	59	0.64	23	45	4	68	114
Institutions	0.75 to <2.50	31	1.22	31	49	1	28	90
Institutions	2.50 to <10.00	4	4.16	39	56	4	8	226
Institutions	10.00 to <100.00	—	10.24	1	45	2	—	199
Institutions	100.00 (Default)	—	—	—	—	—	—	—
Total - Institutions		4,905	0.18	431	45	2	2,410	49
Corporates - SME	0.00 to <0.15	—	0.11	2	63	1	—	18
Corporates - SME	0.15 to <0.25	2	0.23	25	51	1	1	29
Corporates - SME	0.25 to <0.50	7	0.39	176	42	1	2	30
Corporates - SME	0.50 to <0.75	3	0.64	92	39	1	1	40
Corporates - SME	0.75 to <2.50	14	1.22	181	43	1	7	57
Corporates - SME	2.50 to <10.00	7	3.83	50	49	1	7	94
Corporates - SME	10.00 to <100.00	—	10.24	2	8	1	—	26
Corporates - SME	100.00 (Default)	—	100.00	2	48	1	—	47
Total - Corporates - SME		33	1.82	530	44	1	18	55

Counterparty credit risk continued

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

		NatWest 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	6,596	0.05	2,428	45	2	1,438	22
Corporates - Other	0.15 to <0.25	1,568	0.19	387	47	3	797	51
Corporates - Other	0.25 to <0.50	867	0.36	325	51	1	528	61
Corporates - Other	0.50 to <0.75	116	0.64	117	42	1	71	62
Corporates - Other	0.75 to <2.50	182	1.33	269	45	2	202	111
Corporates - Other	2.50 to <10.00	59	3.03	341	49	1	79	133
Corporates - Other	10.00 to <100.00	12	12.72	7	48	2	26	216
Corporates - Other	100.00 (Default)	3	100.00	3	45	1	—	—
Total - Corporates - Other		9,403	0.21	3,877	46	2	3,141	33
Total - Wholesale all portfolios		14,732	0.20	4,865	46	2	5,598	38

Counterparty credit risk continued

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

NatWest 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	853	0.01	19	45	1.55	40	5
Central governments and central banks	0.15 to <0.25	10	0.23	1	45	5.00	8	75
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		863	0.01	20	45	1.59	48	5
Institutions	0.00 to <0.15	1,813	0.09	111	45	2.12	417	23
Institutions	0.15 to <0.25	2,201	0.19	134	46	2.25	745	34
Institutions	0.25 to <0.50	366	0.34	77	46	2.80	201	55
Institutions	0.50 to <0.75	68	0.64	17	46	4.33	80	118
Institutions	0.75 to <2.50	15	1.32	28	56	1.49	18	125
Institutions	2.50 to <10.00	6	3.88	22	56	3.06	13	211
Institutions	10.00 to <100.00	—	10.24	1	45	2.16	—	202
Institutions	100.00 (Default)	—	—	—	—	—	—	—
Total - Institutions		4,469	0.17	390	46	2.28	1,474	33
Corporates - SME	0.00 to <0.15	—	0.11	2	63	1.00	—	18
Corporates - SME	0.15 to <0.25	4	0.22	34	46	1.09	1	27
Corporates - SME	0.25 to <0.50	8	0.39	170	44	1.29	3	33
Corporates - SME	0.50 to <0.75	6	0.64	94	44	1.73	3	48
Corporates - SME	0.75 to <2.50	12	1.25	203	33	1.42	5	44
Corporates - SME	2.50 to <10.00	4	3.45	63	40	1.63	3	71
Corporates - SME	10.00 to <100.00	—	10.65	2	55	1.77	—	166
Corporates - SME	100.00 (Default)	—	100.00	3	53	1.00	5	565
Total - Corporates - SME		34	1.53	571	40	1.43	16	45

Counterparty credit risk continued

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

NatWest Group								
		a	b	c	d	e	f	g
		Exposure value	Exposure weighted Average PD	Number of obligors	Exposure weighted Average LGD	Exposure weighted Average maturity	RWAs	Destiny of risk weighted exposure amounts
31 December 2022	PD scale	£m	%		%	Years	£m	%
Corporates - Other	0.00 to <0.15	7,261	0.05	2,424	45	1.88	1,377	19
Corporates - Other	0.15 to <0.25	1,604	0.19	370	46	2.71	694	43
Corporates - Other	0.25 to <0.50	933	0.36	274	50	1.77	590	63
Corporates - Other	0.50 to <0.75	98	0.64	92	39	1.36	63	64
Corporates - Other	0.75 to <2.50	272	1.37	235	46	2.01	302	111
Corporates - Other	2.50 to <10.00	51	2.96	164	46	1.40	7	136
Corporates - Other	10.00 to <100.00	26	19.31	7	46	1.32	64	243
Corporates - Other	100.00 (Default)	—	100.00	4	65	1.46	—	47
Total - Corporates - Other		10,245	0.20	3,570	45	1.99	3,160	31
Total - Wholesale all portfolios		15,611	0.18	4,551	45	2.05	4,698	30

- The increase in RWAs was mainly due to the call of a portfolio credit default swap, reducing credit risk mitigation benefit. This affected the Institutions and Corporates – Other exposure classes.

Counterparty credit risk continued

UK CCR6: Credit derivatives exposures

As part of its strategy to manage credit risk concentrations, NatWest Group buys credit derivative products. The counterparties from which this protection is bought are subject to standard credit risk analysis. Eligibility criteria apply: credit protection bought from the same counterparty group as the reference entity is not eligible in cases where double default applies under the relevant regulation. The table below shows credit derivatives bought and sold by notional and fair values.

		NatWest Group			
		a	b	a	b
		30 June 2023		31 December 2022	
		Protection bought £m	Protection sold £m	Protection bought £m	Protection sold £m
Notionals					
1	Single-name credit default swaps	5,215	4,034	5,783	4,282
2	Index credit default swaps	1,672	817	2,254	1,399
3	Total return swaps	60	60	60	60
4	Credit options	—	—	—	—
5	Other credit derivatives	2,000	—	2,000	—
6	Total notionals	8,947	4,911	10,097	5,741
Fair values					
7	Positive fair value (asset)	42	41	55	38
8	Negative fair value (liability)	(73)	(40)	(72)	(39)

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.

		NatWest Group			
		a	b	a	b
		30 June 2023		31 December 2022	
		Exposure value £m	RWA £m	Exposure value £m	RWA £m
1	Exposures to QCCPs (total)		149		132
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	2,127	40	2,150	38
Of which:					
3	(i) OTC derivatives	520	7	491	10
4	(ii) Exchange-traded derivatives	258	5	489	10
5	(iii) Securities financing transactions	1,349	28	1,170	18
9	Pre-funded default fund contributions	287	109	385	94

(1) The following rows are not presented in the table because they had zero values for the period: Exposures to QCCPs: 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.

- Exposure to exchange-traded derivatives decreased during the period due to reduced business activity.

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.

		NatWest Group	
		30 June 2023	31 December 2022
		a	a
		RWAs	RWAs
		£m	£m
Outright products			
1	Interest rate risk (general and specific)	525	294
2	Equity risk (general and specific)	—	—
3	Foreign exchange risk	743	747
4	Commodity risk	6	6
Options			
5	Simplified approach	—	—
6	Delta-plus approach	—	—
7	Scenario approach	—	—
8	Securitisation (specific risk)	72	72
9	Total	1,346	1,119

- The increase in market risk RWAs under the standardised approach was mainly due to an increase in interest rate risk in NWM Plc and NWM SI.

UK MR2-A: Market risk under the internal model approach (IMA)

		NatWest Group			
		30 June 2023		31 December 2022	
		a	b	a	b
		RWAs	Own funds requirements	RWAs	Own funds requirements
		£m	£m	£m	£m
1	VaR (higher of values a and b)	1,460	117	1,883	151
a	Previous day's VaR (VaRt-1)		55		31
b	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		117		151
2	SVaR (higher values of a and b)	1,782	143	2,664	213
a	Latest available SVaR (SVaRt-1)		64		41
b	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		143		213
3	IRC (higher of values a and b)	1,056	84	681	54
a	Most recent IRC measure		80		54
b	12 weeks average IRC measure		84		56
5	Other (RNIV at period end)	1,318	105	1,953	156
6	Total	5,616	449	7,181	574

- Refer to Table MR2_B.

Market risk continued

UK MR3: IMA values for trading portfolios

The table below shows the minimum, maximum, average and period end values, over the reporting period, derived from the models approved under the IMA for use in calculating market risk capital requirements and RWAs. The reported values do not include any capital multipliers or other additional capital charges that may be applied at the supervisor's discretion.

		NatWest Group	
		30 June 2023	31 December 2022
		£m	£m
VaR (10 day 99%)			
1	Maximum value	55	54
2	Average value	33	34
3	Minimum value	18	23
4	Period end	55	31
SVaR (10 day 99%)			
5	Maximum value	64	112
6	Average value	46	66
7	Minimum value	33	41
8	Period end	64	41
IRC (99.9%)			
9	Maximum value	88	112
10	Average value	77	69
11	Minimum value	68	50
12	Period end	80	54

- The movements in VaR, SVaR and IRC values were broadly in line with the trends in market risk capital requirements under the IMA, as presented in Table MR2-B.

VaR back-testing

The main approach employed to assess the VaR model's ongoing performance is back-testing, which counts the number of days when a loss exceeds the corresponding daily VaR estimate, measured at a 99% confidence level.

Two types of profit and loss (P&L) are used in back-testing comparisons: Actual P&L and Hypothetical P&L.

The Actual P&L for a particular business day is the firm's actual P&L in respect of the trading activities including intraday activities, adjusted by stripping out fees and commissions, brokerage, and additions to and releases from reserves that are not directly related to market risk.

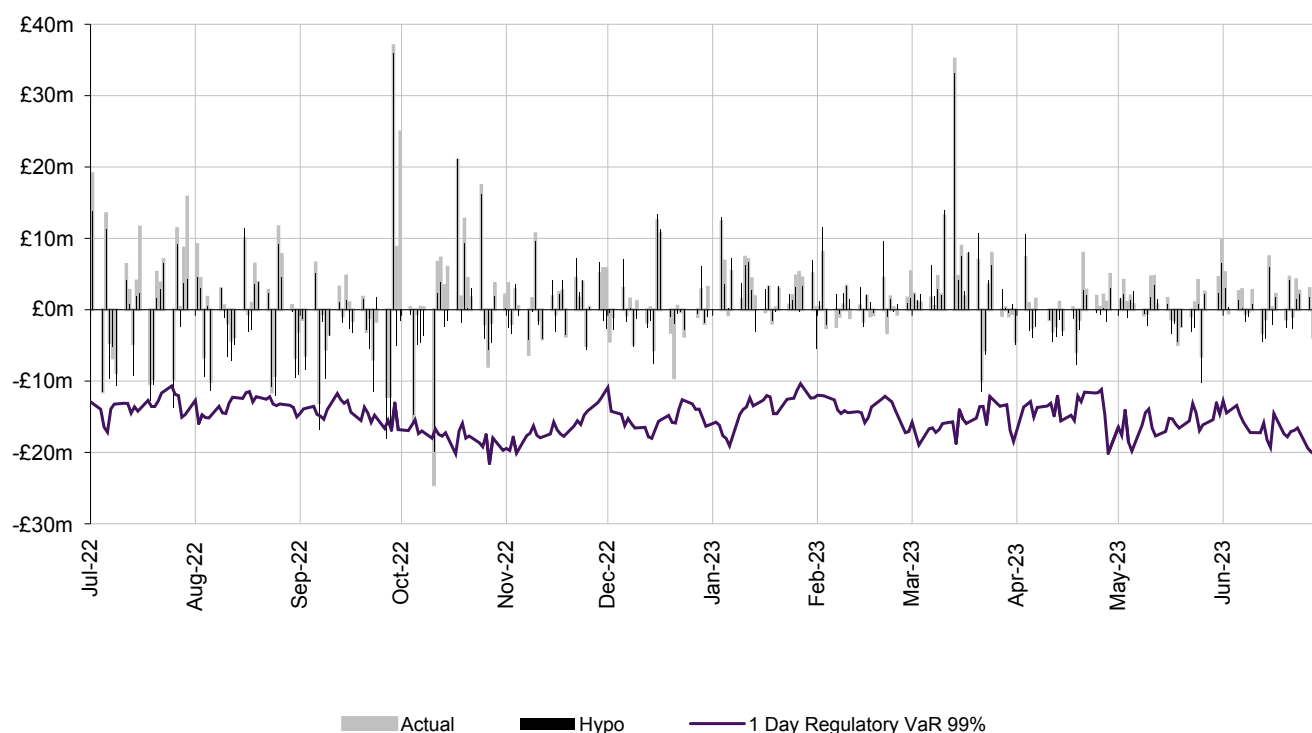
The Hypothetical P&L is the firm's Actual P&L excluding any intra-day activities.

A portfolio is said to produce a back-testing exception when the Actual or Hypothetical P&L exceeds the VaR level on a given day. Such an event may be caused by a large market movement or may highlight issues such as missing risk factors or inappropriate time series. Any such issues identified are analysed and addressed through appropriate remediation or development action. Both Actual and Hypothetical back-testing exceptions are monitored.

Market risk continued

UK MR4: Comparison of VaR estimates with gains/losses

The graph below shows one-day 99% regulatory VaR compared with Actual and Hypothetical (Hypo) P&L for NatWest Markets Plc, NatWest Group's largest legal entity by market risk RWAs and positions.



(1) The back-testing exception on 6 September 2022 was discounted by the PRA for capital requirements calculation purposes.

- In the 250-day rolling window to 30 June 2023, NWM Plc had a total of one Actual and four Hypo VaR back-testing exceptions.
- The exceptions occurred during H2 2022, notably as a result of volatility in long-end sterling rates and inflation.

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).

		NatWest Group					
		a	b	c	d	e	f
		Δ EVE		Δ NII		Tier 1 capital	
		30 June 2023 £m	31 December 2022 £m	30 June 2023 £m	31 December 2022 £m	30 June 2023 £m	31 December 2022 £m
010	Parallel shock up	(2,526)	(2,157)	817	1,505		
020	Parallel shock down	1,128	890	(1,386)	(2,123)		
030	Steeper shock	(366)	(62)				
040	Flattener shock	(233)	(267)				
050	Short rates shock up	(1,420)	(1,238)				
060	Short rates shock down	504	569				
070	Maximum	(2,526)	(2,157)	(1,386)	(2,516)		
080	Tier 1 capital					27,888	28,867

- The most adverse EVE result under the six scenarios was the £2,536m 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 was the sensitivity of the equity structural hedge.
- The most adverse one-year NII result was the £1,386m 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, 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 NatWest Group acted as originator, sponsor or investor. These are presented by exposure type.

		NatWest 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	STS	Non-STS		STS	Non-STS		STS	Non-STS		STS	Non-STS
30 June 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Total exposures	—	—	—	—	4,840	3,066	4,840	—	—	—	—	1,772	11,455	—	13,227		
2	Retail (total)	—	—	—	—	1,871	97	1,871	—	—	—	—	1,459	3,725	—	5,184		
3	Residential mortgage	—	—	—	—	1,774	—	1,774	—	—	—	—	565	2,885	—	3,450		
4	Credit card	—	—	—	—	—	—	—	—	—	—	—	652	—	—	652		
5	Other retail exposures	—	—	—	—	97	97	97	—	—	—	—	242	840	—	1,082		
7	Wholesale (total)	—	—	—	—	2,969	2,969	2,969	—	—	—	—	313	7,730	—	8,043		
8	Loans to corporates	—	—	—	—	2,460	2,460	2,460	—	—	—	—	75	6,524	—	6,599		
9	Commercial Mortgage	—	—	—	—	509	509	509	—	—	—	—	—	734	—	734		
10	Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	238	472	—	710		
11	Other wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		

		NatWest 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		STS		Non-STS		STS		Non-STS			
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December 2022																	
1	Total exposures	—	—	—	—	4,004	—	4,004	—	—	—	—	1,363	10,173	—	11,536	
2	Retail (total)	—	—	—	—	—	—	—	—	—	—	—	1,238	4,090	—	5,328	
3	Residential mortgage	—	—	—	—	—	—	—	—	—	—	—	386	2,650	—	3,036	
4	Credit card	—	—	—	—	—	—	—	—	—	—	—	651	—	—	651	
5	Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	201	1,440	—	1,641	
7	Wholesale (total)	—	—	—	—	4,004	—	4,004	—	—	—	—	125	6,083	—	6,208	
8	Loans to corporates	—	—	—	—	3,256	—	3,256	—	—	—	—	—	4,748	—	4,748	
9	Commercial Mortgage	—	—	—	—	748	—	748	—	—	—	—	—	819	—	819	
10	Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	125	516	—	641	
11	Other wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

(1) The re-securitisation rows are not presented in UK SEC1 – 4 as there were no applicable exposures in NatWest Group in either period.

(2) The overall securitisation non-trading book exposure amount included EAD of £0.1 billion (2022 – £0.1 billion) and RWAs of £.01 billion (2022 – £0.1 billion) related to counterparty credit risk associated with derivative trades. Within this, residential mortgages accounted for EAD of £0.1 billion (2022 – £0.1 billion) and RWAs of £0.1 billion (2022 – £0.1 billion).

- Total exposures increased, primarily due to the Mortgage Guarantee Scheme transactions in NWH Group.
- Total investor positions decreased, primarily driven by NWM Plc.

Securitisation continued

UK-SEC2: Securitisation exposures in the trading book

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

NatWest Group												
	a	b	c	d	e	f	g	h	i	j	k	l
	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			STS	Non-STS			STS	Non-STS		
30 June 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total exposures	—	—	—	—	—	—	—	—	—	27	—	27
2 Retail (total)	—	—	—	—	—	—	—	—	—	12	—	12
3 Residential mortgage	—	—	—	—	—	—	—	—	—	12	—	12
4 Credit card	—	—	—	—	—	—	—	—	—	—	—	—
5 Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—
7 Wholesale (total)	—	—	—	—	—	—	—	—	—	15	—	15
8 Loans to corporates	—	—	—	—	—	—	—	—	—	14	—	14
9 Commercial mortgage	—	—	—	—	—	—	—	—	—	—	—	—
10 Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—
11 Other wholesale	—	—	—	—	—	—	—	—	—	1	—	1

NatWest Group												
	a	b	c	d	e	f	g	h	i	j	k	l
	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			STS	Non-STS			STS	Non-STS		
31 December 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total exposures	—	—	—	—	—	—	—	—	—	21	—	21
2 Retail (total)	—	—	—	—	—	—	—	—	—	5	—	5
3 Residential mortgage	—	—	—	—	—	—	—	—	—	5	—	5
4 Credit card	—	—	—	—	—	—	—	—	—	—	—	—
5 Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—
7 Wholesale (total)	—	—	—	—	—	—	—	—	—	16	—	16
8 Loans to corporates	—	—	—	—	—	—	—	—	—	15	—	15
9 Commercial mortgage	—	—	—	—	—	—	—	—	—	—	—	—
10 Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—
11 Other wholesale	—	—	—	—	—	—	—	—	—	1	—	1

— Securitisation exposures in the trading book were broadly unchanged compared to 31 December 2022.

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 NatWest Group acted as originator or sponsor. These are presented by exposure type.

		NatWest 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)				RWA (by regulatory approach)				Capital charge after cap				
		≤20% RW £m	>20% to 50% RW £m	>50% to 100% RW £m	>100% to <1250% RW £m	1250% RW/ deductions £m	SEC- IRBA £m	SEC- ERBA (including IAA) £m	SEC- SA £m	1250%/ deductions £m	SEC- IRBA £m	SEC- ERBA (including IAA) £m	SEC- SA £m	1250%/ deductions £m	SEC- IRBA £m	SEC- ERBA (including IAA) £m	SEC- SA £m	1250%/ deductions £m
30 June 2023																		
1	Total Exposures	2,191	21	—	838	16	3,066	—	—	—	656	—	—	—	53	—	—	—
2	Traditional																	
3	transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Synthetic transactions	2,191	21	—	838	16	3,066	—	—	—	656	—	—	—	53	—	—	—
11	Securitisation	2,191	21	—	838	16	3,066	—	—	—	656	—	—	—	53	—	—	—
12	Retail underlying	43	3	—	51	—	97	—	—	—	13	—	—	—	1	—	—	—
13	Wholesale	2,148	18	—	787	16	2,969	—	—	—	643	—	—	—	52	—	—	—

— At 30 June 2023 and following PRA approval for SRT, synthetic securitisations are now being reported where the Bank acted as originator under the securitisation framework.

Securitisation continued

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

	Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWA (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	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total Exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2 Traditional	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3 transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8 Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Synthetic transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

(1) Rows 6 and 7 are not presented as there were no traditional securitisations where NWH Group acted as originator or sponsor in either period.

— At 30 June 2023, 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 NatWest Group acted as originator or investor. These are presented by exposure type.

NatWest 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)					RWA (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	12,281	894	40	8	4	—	623	12,600	4	—	145	1,895	48	—	12	152	4
2 Traditional securitisation	12,281	894	40	8	4	—	623	12,600	4	—	145	1,895	48	—	12	152	4
3 Securitisation	12,281	894	40	8	4	—	623	12,600	4	—	145	1,895	48	—	12	152	4
4 Retail underlying	5,175	3	—	2	4	—	5	5,175	4	—	6	711	48	—	—	57	4
5 Of which STS	1,459	—	—	—	—	—	—	1,459	—	—	—	154	—	—	—	12	—
6 Wholesale	7,106	891	40	6	—	—	618	7,425	—	—	139	1,184	—	—	12	95	—
7 Of which STS	305	—	8	—	—	—	112	201	—	—	16	22	—	—	1	2	—
8 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Securitisation continued

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

NatWest 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)				RWA (by regulatory approach)				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	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	11,420	56	44	12	4	—	60	11,472	4	—	51	1,665	45	—	4	133	4
2 Traditional securitisation	11,420	56	44	12	4	—	60	11,472	4	—	51	1,665	45	—	4	133	4
3 Securitisation	11,420	56	44	12	4	—	60	11,472	4	—	51	1,665	45	—	4	133	4
4 Retail underlying	5,313	4	—	7	4	—	11	5,313	4	—	13	743	45	—	1	59	4
5 Of which STS	1,238	—	—	—	—	—	—	1,238	—	—	—	132	—	—	—	11	—
6 Wholesale	6,107	52	44	5	—	—	49	6,159	—	—	38	922	—	—	3	74	—
7 Of which STS	125	—	—	—	—	—	—	125	—	—	—	14	—	—	—	1	—
8 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

— The increase in total exposures was primarily driven by an increase in investor positions in NWM Plc.

Securitisation continued

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

		NatWest 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
		Of which exposures in default		adjustments made during the period
		£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
6	Re-securitisation	—	—	—
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	—	—	—
12	Re-securitisation	—	—	—