Q1 2022
Pillar 3 Supplement
NatWest Holdings Group

Pillar 3 Supplement Q1 2022

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Forward-looking statements

This document contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as NatWest Holdings Limited (NWH Ltd) and its parent, NatWest Group's, future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NWH Ltd or NatWest Group plc in respect of, but not limited to: the impact of the COVID-19 pandemic, 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 and the refocusing of its NatWest Markets franchise, its ESG 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 alternative risk free rates and NWH Ltd (or NatWest Group's) exposure to economic and political risks (including with respect to terms surrounding Brexit and climate change), operational risk, conduct risk, financial crime risk, cyber, data and IT 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, the impact of the COVID-19 pandemic, future acquisitions, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs (including with respect to goodwill), 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 NWH Ltd or NatWest Group plc's actual results are discussed in NatWest Group plc's UK 2021 Annual Report and Accounts (ARA), NatWest Group plc's Interim Results for Q1 2022 and NatWest Group plc's filings with the US Securities and Exchange Commission, including, but not limited to, NatWest Group plc's most recent Annual Report on Form 20-F and Reports on Form 6-K. The forward-looking statements contained in this document speak only as of the date of this document and NWH Ltd or NatWest Group plc do 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

As of the date of this report, NWH Ltd is regulated under the UK Capital Requirements Regulation (CRR) and the associated onshored binding technical standards that were created by the European Union (Withdrawal) Act 2018. The CRR has subsequently been amended by a number of statutory instruments and is split across primary legislation and the PRA rulebook.

NWH Group's consolidated disclosures and those for its large subsidiaries that are UK entities are presented in accordance with the Disclosure (CRR) part of the PRA rulebook. The disclosures required under the PRA framework are substantially equivalent to those required by Part Eight of the EU CRR.

Disclosures for large subsidiaries that are non-UK entities are calculated in accordance with the regulatory requirements applicable in the countries in which they are incorporated. However, they are presented using the prescribed disclosure templates in the PRA rulebook.

Based on the criteria set out in the CRR, NWH Group primarily defines its large subsidiaries as those designated as an Other Systemically Important Institution (O-SII) by the national competent authority or those with total assets equal to or greater than €30 billion.

At 31 March 2022, NWH Group had the following large subsidiaries:

- National Westminster Bank Plc (NWB Plc)
- The Royal Bank of Scotland plc (RBS plc)
- Ulster Bank Ireland Designated Activity Company (UBIDAC)
- Coutts & Company (Coutts & Co)

The liquidity disclosures in this supplement are completed for the consolidated NatWest Holdings Group, the UK Domestic Liquidity Sub Group (DoLSub) and UBIDAC. The DoLSub waiver allows NWB Plc, RBS plc and Coutts & Co to manage liquidity as a single sub-group rather than at an entity level. Ulster Bank Limited was a member of the DoLSub until its removal on 1 January 2022, following the transfer of its business to NWB Plc during 2021. Historic numbers have not been restated.

NWH Group – NatWest Group's ring-fenced body (RFB) sub-group – is subject to an O-SII buffer, which replaced the systemic risk buffer (SRB) used to prevent and mitigate long-term non-cyclical macroprudential or systemic risks set by the PRA to large building societies and RFBs, effective December 2020.

Row and column references are based on those prescribed in the PRA templates.

Regulatory developments

The UK rules on disclosures were finalised as part of the PRA's policy statement PS22/21 in October 2021 and are now incorporated in the PRA rulebook.

PS22/21 also formally introduced the new standardised approach for counterparty credit risk (SA-CCR) as well as rule changes for the calculation of the net stable funding ratio (NSFR) and the liquidity coverage ratio (LCR). NWH Group implemented these changes from 1 January 2022. Affected disclosures in this document are presented in accordance with the new calculation requirements where applicable.

NWH Group has implemented changes reflecting the new definition of default. Additionally, new regulation applicable to internal ratings based (IRB) models from 1 January 2022 has resulted in NWH Group applying temporary model adjustments, with the most material adjustment for mortgages. Affected disclosures in this document are presented in accordance with the new requirements.

Finally, the Financial Policy Committee and the PRA published policy statement PS21/21 in October 2021 introducing changes to the UK leverage ratio framework. As a result of these changes, all firms not in scope of the minimum leverage capital requirements are expected to manage their leverage ratio at the same levels as firms in scope (LREQ firms), with the minimum being 3.25% from 1 January 2022. NWH Group is currently in scope for the minimum leverage ratio capital requirements (LREQ firm) and is therefore also subject to additional disclosure requirements from 1 January 2022. Entities that are new to the minimum leverage ratio capital requirements will be subject to the minimum requirements and additional disclosures from 1 January 2023.

Capital, liquidity and funding
NWH Group - key points

CET1 ratio

Q1 2022	13.9%
Q4 2021	15.9%

The CET1 ratio decreased by 200 basis points to 13.9%. The decrease is primarily due to a £17.9 billion increase in RWAs.
CET1 capital increased by £6 million primarily driven by:
- a £0.2 billion decrease in the IFRS 9 transitional adjustment;
- the removal of adjustment for prudential amortisation on software development costs of £0.4 billion; and
- other reserve movements.
- These reductions were offset by an attributable profit in the period of £0.9 billion.

RWA

Q1 2022	£142.0bn
Q4 2021	£124.1bn

Total RWAs increased by £17.9 billion reflecting:
- an increase in credit risk RWAs of £18.9 billion due to model adjustments applied as a result of new regulation applicable to IRB models from 1 January 2022.
- £0.7 billion reduction in operational risk RWAs following the annual recalculation in Q1 2022.
- £0.2 billion reduction in counterparty credit risk driven by a reduction in exposures.

UK leverage ratio

Q1 2022	5.6%
Q4 2021	5.6%

The leverage ratio at 31 March 2022 is 5.6% and has been calculated in accordance with changes to the UK's leverage ratio framework which were introduced by the PRA and came into effect from 1 January 2022. As at 31 December 2021, the UK leverage ratio was 5.6%, which was calculated under the prior year's UK leverage methodology.

LCR

Q1 2022	164%
Q4 2021	159%

The average LCR ratio has increased 5% over the previous quarter. The main drivers include a significant increase in customer deposits and drawings from TFSME offset by increased customer lending, redemption/maturing issuance and repayment of TLTRO.

NSFR

Q1 2022	152%
Q4 2021	155%

The net stable funding ratio (NSFR) for Q1 2022 was at 152% compared to 155% at Q4 2021. The decrease is mainly due to an increase in loans.

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, 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.

		31 March 2022	31 December 2021	30 September 2021	30 June 2021	31 March 2021
Available own funds (amounts)		£m	£m	£m	£m	£m
1	Common equity tier 1 (CET1) capital	**19,721**	19,715	21,371	21,026	24,017
2	Tier 1 capital	**23,403**	23,397	25,053	24,702	27,721
3	Total capital	**28,450**	28,541	30,123	29,702	32,736
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**142,021**	124,076	125,036	126,797	129,717
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	**13.9**	15.9	17.1	16.6	18.5
6	Tier 1 ratio (%)	**16.5**	18.9	20.0	19.5	21.4
7	Total capital ratio (%)	**20.0**	23.0	24.1	23.4	25.2
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	**1.5**	1.7	1.7	1.6	1.6
UK 7b	Additional AT1 SREP requirements (%)	**0.5**	0.6	0.6	0.7	0.6
UK 7c	Additional T2 SREP requirements (%)	**0.6**	0.7	0.7	0.6	0.6
UK 7d	Total SREP own funds requirements (%)	**10.6**	11.0	11.0	10.9	10.8
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)	**—**	—	—	—	—
UK 10a	Other Systemically Important Institution buffer (%)	**1.5**	1.5	1.5	1.5	1.5
11	Combined buffer requirement (%)	**4.0**	4.0	4.0	4.0	4.0
UK 11a	Overall capital requirements (%)	**14.6**	15.0	15.0	14.9	14.8
12	CET1 available after meeting the total SREP own funds requirements (%) (2)	**7.9**	9.7	10.9	10.5	12.4
Leverage ratio						
13	Total exposure measure excluding claims on central banks	**420,304**	418,306	417,670	420,172	417,781
14	Leverage ratio excluding claims on central banks (%)	**5.6**	5.6	6.0	5.9	6.6
Additional leverage ratio disclosure requirements (4)						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.5**				
UK 14b	Leverage ratio including claims on central banks (%)	**4.2**				
UK 14c	Average leverage ratio excluding claims on central banks (%)	**5.5**				
UK 14d	Average leverage ratio including claims on central banks (%)	**4.1**				
UK 14e	Countercyclical leverage ratio buffer (%)	**—**				
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	**156,754**	149,315	140,048	133,968	128,257
UK 16a	Cash outflows - Total weighted value	**103,529**	101,011	98,619	95,791	93,612
UK 16b	Cash inflows - Total weighted value	**7,908**	7,194	7,319	7,188	7,955
16	Total net cash outflows (adjusted value)	**95,621**	93,817	91,300	88,603	85,657
17	Liquidity coverage ratio (%) (3)	**164**	159	153	151	150
Net Stable Funding Ratio						
18	Total available stable funding	**381,097**	383,859	373,052	368,973	360,037
19	Total required stable funding	**250,433**	247,248	245,981	245,632	242,053
20	NSFR ratio (%)	**152**	155	152	150	149

(1) The institution specific countercyclical capital buffer requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures.
(2) Represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).
(3) The liquidity coverage ratio (LCR) uses the simple average of the preceding 12 monthly periods ending on the quarterly reporting date as specified in the table.
(4) Additional disclosure requirements for LREQ firms from 1 January 2022 therefore comparatives were not presented.
(5) The following rows are not presented in the above table because they have zero values: row UK8a, UK9a and 10.

IFRS 9-FL(1): Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECL

The table below shows key prudential regulation ratios and measures with and without the application of IFRS 9 transitional relief. NWH Group has elected to take advantage of the transitional capital rules in respect of ECL provisions. Following the adoption of IFRS 9 from 1 January 2018, the CRR introduced transitional rules to phase in the full CET1 effect over a five-year period. The revised transitional amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024. Capital measures in this table are presented in line with table UK KM1.

		31 March 2022				
		NWH Group	NWB Plc	RBS plc	UBI DAC	Coutts & Co
	Available capital – transitional	£m	£m	£m	£m	£m
1	Common equity tier 1	**19,721**	**13,802**	**2,815**	**3,168**	**1,269**
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**19,294**	**13,541**	**2,731**	**3,067**	**1,250**
3	Tier 1 capital	**23,403**	**15,917**	**3,784**	**3,168**	**1,471**
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**22,976**	**15,656**	**3,700**	**3,067**	**1,452**
5	Total capital	**28,450**	**18,709**	**5,278**	**3,327**	**1,737**
6	Total capital as if IFRS 9 transitional arrangements had not been applied	**28,347**	**18,775**	**5,198**	**3,226**	**1,718**
	Risk-weighted assets					
7	Total risk-weighted assets	**142,021**	**103,987**	**19,684**	**11,611**	**10,559**
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	**141,992**	**103,965**	**19,680**	**11,611**	**10,540**
	Capital ratios	%	%	%	%	%
9	Common equity tier 1 ratio	**13.9**	**13.3**	**14.3**	**27.3**	**12.0**
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**13.6**	**13.0**	**13.9**	**26.4**	**11.9**
11	Tier 1 ratio	**16.5**	**15.3**	**19.2**	**27.3**	**13.9**
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	**16.2**	**15.1**	**18.8**	**26.4**	**13.8**
13	Total capital ratio	**20.0**	**18.0**	**26.8**	**28.7**	**16.4**
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	**20.0**	**18.1**	**26.4**	**27.8**	**16.3**
	Leverage ratio (2)					
15	Leverage ratio exposure measure (£m)	**420,304**	**338,123**	**51,964**	**19,157**	**19,174**
16	Leverage ratio (%)	**5.6**	**4.7**	**7.3**	**16.5**	**7.7**
17	Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	**5.5**	**4.6**	**7.1**	**16.1**	**7.6**

(1) The requirement to complete this table until the end of transitional period is based on EBA guidelines (EBA/GL/2018/01) and has been onshored in the UK disclosure framework via a joint Statement of Policy by the Bank of England and PRA.
(2) From 1 January 2022, the leverage metrics for UK entities are calculated in accordance with the Leverage (CRR) part of the PRA Rulebook. The leverage metrics for RBSI are calculated in accordance with local regulatory rules.

		31 December 2021				
		NWH Group	NWB Plc	RBS plc	UBI DAC	Coutts & Co
	Available capital (amounts) - transitional	£m	£m	£m	£m	£m
1	Common equity tier 1	19,715	13,924	2,682	3,227	1,235
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	19,066	13,495	2,556	3,104	1,206
3	Tier 1 capital	23,397	16,039	3,651	3,227	1,437
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	22,748	15,610	3,525	3,104	1,408
5	Total capital	28,541	18,945	5,106	3,407	1,703
6	Total capital as if IFRS 9 transitional arrangements had not been applied	27,996	18,770	4,985	3,284	1,674
	Risk-weighted assets					
7	Total risk-weighted assets	124,076	86,217	19,592	11,607	10,367
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	124,038	86,190	19,584	11,606	10,340
	Capital ratios	%	%	%	%	%
9	Common equity tier 1 ratio	15.9	16.1	13.7	27.8	11.9
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.4	15.7	13.1	26.7	11.7
11	Tier 1 ratio	18.9	18.6	18.6	27.8	13.9
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.3	18.1	18.0	26.7	13.6
13	Total capital ratio	23.0	22.0	26.1	29.4	16.4
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	22.6	21.8	25.5	28.3	16.2
	Leverage ratio					
15	CRR leverage ratio exposure measure (£m)	566,064	426,681	88,670	19,796	18,796
16	CRR leverage ratio (%)	4.1	3.8	4.1	16.3	7.6
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.0	3.7	4.0	15.8	7.5

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 continued

		30 September 2021				
	Available capital (amounts) - transitional	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
1	Common equity tier 1	21,371	14,862	2,782	3,421	1,249
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	20,404	14,255	2,600	3,224	1,208
3	Tier 1 capital	25,053	16,977	3,751	3,421	1,451
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	24,086	16,370	3,569	3,224	1,410
5	Total capital	30,123	19,888	5,145	3,632	1,717
6	Total capital as if IFRS 9 transitional arrangements had not been applied	29,347	19,529	5,030	3,435	1,676
	Risk-weighted assets					
7	Total risk-weighted assets	125,036	85,674	20,617	12,860	10,433
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	124,980	85,637	20,609	12,859	10,391
	Capital ratios	%	%	%	%	%
9	Common equity tier 1 ratio	17.1	17.3	13.5	26.6	12.0
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	16.3	16.6	12.6	25.1	11.6
11	Tier 1 ratio	20.0	19.8	18.2	26.6	13.9
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	19.3	19.1	17.3	25.1	13.6
13	Total capital ratio	24.1	23.2	25.0	28.2	16.5
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	23.5	22.8	24.4	26.7	16.1
	Leverage ratio					
15	CRR leverage ratio exposure measure (£m)	554,311	412,246	89,081	21,375	18,734
16	CRR leverage ratio (%)	4.5	4.1	4.2	16.0	7.7
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.4	4.0	4.0	15.2	7.5

		30 June 2021				
	Available capital (amounts) - transitional	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
1	Common equity tier 1	21,026	14,713	2,653	3,394	1,252
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	19,846	13,963	2,432	3,189	1,198
3	Tier 1 capital	24,702	16,821	3,622	3,394	1,454
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	23,522	16,071	3,401	3,189	1,400
5	Total capital	29,702	19,779	4,998	3,630	1,720
6	Total capital as if IFRS 9 transitional arrangements had not been applied	28,739	19,284	4,836	3,425	1,666
	Risk-weighted assets					
7	Total risk-weighted assets	126,797	85,892	21,229	13,258	10,321
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	126,724	85,857	21,221	13,253	10,266
	Capital ratios	%	%	%	%	%
9	Common equity tier 1 ratio	16.6	17.1	12.5	25.6	12.1
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.7	16.3	11.5	24.1	11.7
11	Tier 1 ratio	19.5	19.6	17.1	25.6	14.1
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.6	18.7	16.0	24.1	13.6
13	Total capital ratio	23.4	23.0	23.5	27.4	16.7
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	22.7	22.5	22.8	25.8	16.2
	Leverage ratio					
15	CRR leverage ratio exposure measure (£m)	545,161	401,880	88,976	21,630	18,358
16	CRR leverage ratio (%)	4.5	4.2	4.1	15.7	7.9
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.3	4.0	3.8	14.9	7.6

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 continued

		31 March 2021				
		NWH Group	NWB Plc	RBS plc	UBI DAC	Coutts & Co
	Available capital (amounts) - transitional	£m	£m	£m	£m	£m
1	Common equity tier 1	24,017	15,661	4,611	3,373	1,227
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	22,407	14,686	4,268	3,158	1,153
3	Tier 1 capital	27,721	17,798	5,580	3,373	1,429
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	26,111	16,823	5,237	3,158	1,355
5	Total capital	32,736	20,796	6,942	3,626	1,695
6	Total capital as if IFRS 9 transitional arrangements had not been applied	31,380	20,093	6,683	3,411	1,621
	Risk-weighted assets					
7	Total risk-weighted assets	129,717	84,731	23,141	12,109	10,301
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	129,604	84,697	23,115	12,105	10,227
	Capital ratios	%	%	%	%	%
9	Common equity tier 1 ratio	18.5	18.5	19.9	27.9	11.9
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.3	17.3	18.5	26.1	11.3
11	Tier 1 ratio	21.4	21.0	24.1	27.9	13.9
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	20.1	19.9	22.7	26.1	13.2
13	Total capital ratio	25.2	24.5	30.0	29.9	16.5
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	24.2	23.7	28.9	28.2	15.9
	Leverage ratio					
15	CRR leverage ratio exposure measure (£m)	534,610	388,217	88,329	22,734	18,034
16	CRR leverage ratio (%)	5.2	4.6	6.3	14.8	7.9
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.9	4.3	6.0	14.0	7.5

Large subsidiary key points

Capital and leverage

NWB Plc – 31 March 2022 compared with 31 December 2021

- The CET1 ratio decreased to 13.3% from 16.1% due to a £0.1 billion decrease in CET1 capital and a £17.8 billion increase in RWAs.
- The CET1 decrease is due to profit attributable to ordinary shareholders of £0.6 billion, offset by £0.2 billion decrease in the IFRS 9 transitional adjustment, the removal of adjustment for prudential amortisation on software development costs of £0.4 billion and other reserve movements in the period.
- Total RWAs increased by £17.8 billion driven by a £17.7 billion increase in credit risk RWAs mainly due to model adjustments applied as a result of new regulation applicable to IRB models from 1 January 2022 and a £0.1 billion increase in operational risk RWAs following the annual recalculation in Q1 2022.
- The leverage ratio at 31 March 2022 is 4.7% and has been calculated in accordance with changes to the UK's leverage ratio framework which were introduced by the PRA and came into effect from 1 January 2022. As at 31 December 2021, the UK leverage ratio was 4.8%, which was calculated under the prior year's UK leverage methodology. The key driver of the decrease in the quarter is an increase in balance sheet exposures and off balance sheet items

RBS plc – 31 March 2022 compared with 31 December 2021

- The CET1 ratio increased to 14.3% from 13.7%, due to a £133 million increase in CET1 capital and a £92 million increase in RWAs.
- The CET1 increase is primarily due to profit attributable to ordinary shareholders of £141 million.
- Total RWAs increased by £0.1 billion driven by a £0.7 billion increase in credit risk RWAs due to model adjustments applied as a result of new regulation applicable to IRB models from 1 January 2022 partially offset by a £0.6 billion reduction in operational risk RWAs following the annual recalculation.
- The leverage ratio at 31 March 2022 is 7.3% and has been calculated in accordance with changes to the UK's leverage ratio framework which were introduced by the PRA and came into effect from 1 January 2022. As at 31 December 2021, the UK leverage ratio was 7.0%, which was calculated under the prior year's UK leverage methodology. The leverage exposure increased marginally with offsetting moves between on-balance sheet exposures and regulatory adjustments.

UBIDAC – 31 March 2022 compared with 31 December 2021

- The CET1 ratio decreased to 27.3% from 27.8% driven by a decrease in CET1 capital.
- CET1 reduction of £59 million is primarily due to reserve movements and decrease in the IFRS 9 transitional adjustment.
- RWAs were broadly flat in the quarter, remaining at £11.6 billion.
- The leverage ratio increased to 16.5% from 16.3% as a result of a decrease in balance sheet exposures.

Coutts & Co – 31 March 2022 compared with 31 December 2021

- The CET1 ratio increased to 12.0% from 11.9%.
- CET1 capital increased by £34 million in the period, mainly driven by profit in the period of £48 million, partially offset by the removal of prudential amortisation for software development costs deduction and annual recalculation of the IFRS 9 transitional adjustment.
- RWAs increased by £0.2 billion due to increased lending through the quarter.
- The leverage ratio at 31 March 2022 is 7.7% and has been calculated in accordance with changes to the UK's leverage ratio framework which were introduced by the PRA and came into effect from 1 January 2022. As at 31 December 2021, the UK leverage ratio was also 7.7%, which was calculated under the prior year's UK leverage methodology. The leverage ratio remained static due to offsetting impact of increase in Tier 1 capital and increase in on-balance sheet exposures.

UK CC1[1]: Composition of regulatory own funds

The table below shows a summary of capital resources for NWH Group and its large subsidiaries using an abridged version of the disclosure template UK CC1. The capital ratios and measures presented in this table are shown on a transitional basis, therefore include permissible adjustments for the extended CRR2 grandfathering provisions and IFRS 9 transitional relief.

		31 March 2022				
	CET1 capital: instruments and reserves	NWH Group £m	NWB Plc £m	RBS plc £m	UBIDAC £m	Coutts & co £m
6	CET1 capital before regulatory adjustments	25,978	15,750	2,289	3,248	1,319
28	Total regulatory adjustments to CET1	(6,257)	(1,948)	526	(80)	(50)
29	CET1 capital	19,721	13,802	2,815	3,168	1,269
36	AT1 capital before regulatory adjustments	3,682	2,377	969	—	202
43	Total regulatory adjustments to AT1 capital	—	(262)	—	—	—
44	AT1 capital	3,682	2,115	969	—	202
45	Tier 1 capital (T1 = CET1 + AT1)	23,403	15,917	3,784	3,168	1,471
51	T2 capital before regulatory adjustments	5,047	3,159	1,494	159	266
57	Total regulatory adjustments to T2 capital	—	(367)	—	—	—
58	T2 capital	5,047	2,792	1,494	159	266
59	Total capital (TC = T1 + T2)	28,450	18,709	5,278	3,327	1,737
60	Total risk-weighted assets	142,021	103,987	19,684	11,611	10,559
	Capital ratios and buffers					
61	CET1 (as a percentage of risk exposure amount)	13.9%	13.3%	14.3%	27.3%	12.0%
62	T1 (as a percentage of risk exposure amount)	16.5%	15.3%	19.2%	27.3%	13.9%
63	Total capital (as a percentage of risk exposure amount)	20.0%	18.0%	26.8%	28.7%	16.4%

(1) In accordance with the Disclosure (CRR) part of the PRA rulebook, full disclosure of UK CC1 is required on a semi-annual basis.

		31 December 2021				
	CET1 capital: instruments and reserves	NWH Group £m	NWB Plc £m	RBS plc £m	UBIDAC £m	Coutts & co £m
6	CET1 capital before regulatory adjustments	25,819	15,431	2,553	3,253	1,257
28	Total regulatory adjustments to CET1	(6,104)	(1,507)	129	(26)	(22)
29	CET1 capital	19,715	13,924	2,682	3,227	1,235
36	AT1 capital before regulatory adjustments	3,682	2,377	969	—	202
43	Total regulatory adjustments to AT1 capital	—	(262)	—	—	—
44	AT1 capital	3,682	2,115	969	—	202
45	Tier 1 capital (T1 = CET1 + AT1)	23,397	16,039	3,651	3,227	1,437
51	T2 capital before regulatory adjustments	5,144	3,273	1,455	180	266
57	Total regulatory adjustments to T2 capital	—	(367)	—	—	—
58	T2 capital	5,144	2,906	1,455	180	266
59	Total capital (TC = T1 + T2)	28,541	18,945	5,106	3,407	1,703
60	Total risk-weighted assets	124,076	86,217	19,592	11,607	10,367
	Capital ratios and buffers					
61	CET1 (as a percentage of risk exposure amount)	15.9%	16.1%	13.7%	27.8%	11.9%
62	T1 (as a percentage of risk exposure amount)	18.9%	18.6%	18.6%	27.8%	13.9%
63	Total capital (as a percentage of risk exposure amount)	23.0%	22.0%	26.1%	29.4%	16.4%

UK LR1 - LRSum[1]: Summary reconciliation of accounting assets and leverage ratio exposures

The table below shows a reconciliation between the total assets under IFRS standards and the leverage ratio exposure measure for NWH Group and its large subsidiaries The leverage metrics for UK entities are calculated in accordance with the Leverage ratio (CRR) part of the PRA Rulebook. The leverage metrics for UBIDAC are calculated in accordance with local regulatory rules.

		31 March 2022				
		NWH Group £m	NWB Plc £m	RBS plc £m	UBIDAC £m	Coutts & Co £m
1	Total assets as per published financial statements	537,459	422,341	106,952	22,934	48,999
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(189)	—	—	—	—
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)	(135,482)	(83,842)	(37,041)	(4,620)	(3)
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 (i) of Article 429a(1) of the CRR)	—	—	—	—	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(61)	(61)	—	—	—
7	Adjustment for eligible cash pooling transactions	—	—	—	—	—
8	Adjustment for derivative financial instruments	(1,303)	(224)	865	6	22
9	Adjustment for securities financing transactions (SFTs)	1,212	1,212	—	—	—
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	32,080	28,225	7,632	886	1,089
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(63)	(42)	(17)	(2)	—
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	—	(21,422)	(25,764)	—	(30,834)
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	(13,349)	(8,064)	(663)	(47)	(99)
13	Total exposure measure	420,304	338,123	51,964	19,157	19,174

(1) In accordance with Disclosure (CRR) part of the PRA rulebook, the standard disclosure frequency of UK LR1 - LRSum is semi-annual.

UK LR2 - LRCom: Leverage ratio common disclosure

The table below shows an abridged version of the disclosure template UK LR2 - LRCom for NWH Group and its large subsidiaries. The leverage metrics for UK entities are calculated in accordance with the Leverage ratio (CRR) part of the PRA Rulebook. The leverage metrics for UBIDAC are calculated in accordance with local regulatory rules.

		31 March 2022				
		NWH Group (1)	NWB Plc	RBS plc	UBIDAC	Coutts & Co
	Capital and total exposure measure	£m	£m	£m	£m	£m
UK-24b	Total exposure measure excluding claims on central banks	420,304	338,123	51,964	19,157	19,174
	Leverage ratio					
25	Leverage ratio excluding claims on central banks (%)	5.6	4.7	7.3	16.5	7.7
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.5	4.6	7.1	16.1	7.6
UK-25c	Leverage ratio including claims on central banks (%)	4.2	3.8	4.3	13.3	7.7
	Additional leverage ratio disclosure requirements - leverage ratio buffers					
27	Leverage ratio buffer (%)	0.5				
UK-27b	Of which: countercyclical leverage ratio buffer (%)	—				
	Additional leverage ratio disclosure requirements - disclosure of mean values					
UK-31	Average total exposure measure excluding claims on central banks	418,418				
UK-32	Average total exposure measure including claims on central banks	553,522				
UK-33	Average leverage ratio excluding claims on central banks	5.5				
UK-34	Average leverage ratio including claims on central banks	4.1				

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

UK LIQ1: Quantitative information of LCR

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

		NWH Group							
		Total unweighted value (average)				Total weighted value (average)			
		31 March 2022	31 December 2021	30 September 2021	30 June 2021	**31 March 2022**	31 December 2021	30 September 2021	30 June 2021
	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)					**156,754**	149,315	140,048	133,968
	Cash - outflows								
2	Retail deposits and deposits from small business customers, of which:	**256,359**	251,637	246,150	240,097	**20,018**	19,572	19,031	18,477
3	*Stable deposits*	**160,979**	160,187	158,033	155,166	**8,049**	8,009	7,902	7,758
4	*Less stable deposits*	**94,051**	91,304	87,934	84,719	**11,807**	11,416	10,947	10,507
5	Unsecured wholesale funding	**162,996**	158,912	154,924	149,708	**70,707**	68,830	67,153	64,942
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	**66,178**	64,655	63,173	61,565	**16,232**	15,852	15,480	15,079
7	*Non-operational deposits (all counterparties)*	**96,247**	93,739	91,232	87,627	**53,904**	52,460	51,154	49,347
8	*Unsecured debt*	**571**	518	519	516	**571**	518	519	516
10	Additional requirements	**54,692**	55,302	55,649	55,686	**8,559**	8,540	8,477	8,672
11	*Outflows related to derivative exposures and other collateral requirements*	**2,302**	2,368	2,427	2,558	**1,859**	1,856	1,906	2,028
12	*Outflows related to loss of funding on debt products*	**—**	—	—	151	**—**	—	—	151
13	*Credit and liquidity facilities*	**52,390**	52,934	53,222	52,977	**6,700**	6,684	6,571	6,493
14	Other contractual funding obligations	**496**	1,178	1,029	1,034	**8**	5	5	7
15	Other contingent funding obligations	**44,480**	44,387	45,137	46,181	**4,237**	4,064	3,953	3,693
16	Total cash outflows					**103,529**	101,011	98,619	95,791
	Cash - inflows								
17	Secured lending (e.g. reverse repos)	**11,376**	12,121	12,446	13,385	**—**	—	—	—
18	Inflows from fully performing exposures	**7,233**	6,412	6,244	6,084	**5,692**	4,893	4,760	4,669
19	Other cash inflows	**10,404**	10,473	10,808	10,823	**2,216**	2,301	2,559	2,519
20	Total cash inflows	**29,013**	29,006	29,498	30,292	**7,908**	7,194	7,319	7,188
UK-20c	*Inflows subject to 75% cap*	**29,013**	29,006	29,498	30,292	**7,908**	7,194	7,319	7,188
	Total adjusted value								
UK-21	Liquidity buffer					**156,754**	149,315	140,048	133,968
22	Total net cash outflows					**95,621**	93,817	91,300	88,603
23	Liquidity coverage ratio (%)					**164**	159	153	151

(1) The following rows are not presented in the table because they had zero values for the period: rows 9, 19a, 19b, 20a, 20b.

UK LIQ1: Quantitative information of LCR continued

		UBIDAC							
		Total unweighted value (average)				Total weighted value (average)			
		31 March	31 December	30 September	30 June	**31 March**	31 December	30 September	30 June
Number of data points used in the calculation of averages		**2022**	2021	2021	2021	**2022**	2021	2021	2021
		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)					**7,261**	7,627	7,718	7,730
Cash - outflows									
2	Retail deposits and deposits from small business customers, of which:	**11,378**	11,696	11,869	11,905	**888**	899	902	898
3	*Stable deposits*	**6,068**	6,277	6,418	6,463	**303**	314	321	323
4	*Less stable deposits*	**4,863**	4,883	4,864	4,815	**585**	586	582	574
5	Unsecured wholesale funding	**6,108**	5,936	5,866	5,857	**2,621**	2,510	2,499	2,521
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	**1,538**	1,493	1,475	1,451	**384**	373	369	362
7	*Non-operational deposits (all counterparties)*	**4,570**	4,443	4,391	4,406	**2,237**	2,137	2,130	2,159
10	Additional requirements	**2,514**	2,771	3,000	3,136	**240**	267	289	306
11	*Outflows related to derivative exposures and other collateral requirements*	**1**	1	1	1	**—**	1	1	1
13	*Credit and liquidity facilities*	**2,513**	2,770	2,999	3,135	**240**	266	288	305
14	Other contractual funding obligations	**68**	63	42	42	**22**	22	—	—
15	Other contingent funding obligations	**316**	321	328	336	**16**	16	17	17
16	Total cash outflows					**3,787**	3,714	3,707	3,742
Cash - inflows									
18	Inflows from fully performing exposures	**553**	585	526	429	**490**	526	467	371
19	Other cash inflows	**130**	116	127	143	**43**	26	29	31
20	Total cash inflows	**683**	701	653	572	**533**	552	496	402
UK-20c	*Inflows subject to 75% cap*	**683**	701	653	572	**533**	552	496	402
Total adjusted value									
UK-21	Liquidity buffer					**7,261**	7,627	7,718	7,730
22	Total net cash outflows					**3,254**	3,162	3,211	3,340
23	Liquidity coverage ratio (%)					**228%**	244%	241%	232%

(1) The following rows are not presented in the table because they had zero values for the period: rows 8, 9, 12, 17, 19a, 19b, 20a, 20b.

UK LIQ1: Quantitative information of LCR continued

		UK DoLSub							
		Total unweighted value (average)				Total weighted value (average)			
		31 March	31 December	30 September	30 June	31 March	31 December	30 September	30 June
Number of data points used in the calculation of averages		2022	2021	2021	2021	2022	2021	2021	2021
		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)					**150,007**	141,469	132,107	126,011
Cash - outflows									
2	Retail deposits and deposits from small business customers, of which:	**245,763**	240,793	235,049	228,840	**19,315**	18,845	18,285	17,721
3	*Stable deposits*	**153,920**	152,892	150,575	147,616	**7,696**	7,645	7,529	7,381
4	*Less stable deposits*	**90,617**	87,755	84,292	81,012	**11,456**	11,054	10,575	10,128
5	Unsecured wholesale funding	**158,208**	154,288	150,418	145,197	**69,640**	67,803	66,094	63,755
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	**64,637**	63,201	61,796	60,234	**15,847**	15,488	15,136	14,746
7	*Non-operational deposits (all counterparties)*	**93,000**	90,569	88,103	84,447	**53,222**	51,797	50,439	48,493
8	*Unsecured debt*	**571**	518	519	516	**571**	518	519	516
9	*Secured wholesale funding*								
10	Additional requirements	**53,453**	52,740	52,727	52,488	**9,089**	8,589	8,426	8,528
11	*Outflows related to derivative exposures and other collateral requirements*	**2,375**	2,447	2,506	2,637	**1,932**	1,934	1,985	2,107
12	*Outflows related to loss of funding on debt products*	**—**	—	—	151	**—**	—	—	151
13	*Credit and liquidity facilities*	**51,078**	50,293	50,221	49,700	**7,157**	6,655	6,441	6,270
14	Other contractual funding obligations	**546**	1,199	1,056	1,063	**58**	26	32	36
15	Other contingent funding obligations	**43,571**	43,311	44,135	45,259	**4,176**	3,989	3,863	3,595
16	Total cash outflows					**102,278**	99,252	96,700	93,635
Cash - inflows									
17	Secured lending (e.g. reverse repos)	**11,314**	12,058	12,446	13,385	**—**	—	—	—
18	Inflows from fully performing exposures	**7,690**	7,797	7,887	8,028	**6,356**	6,482	6,614	6,827
19	Other cash inflows	**10,504**	10,574	11,003	11,071	**2,329**	2,413	2,769	2,786
20	Total cash inflows	**29,508**	30,429	31,336	32,484	**8,685**	8,895	9,383	9,613
UK-20c	*Inflows subject to 75% cap*	**29,508**	30,429	31,336	32,484	**8,685**	8,895	9,383	9,613
Total adjusted value									
UK-21	Liquidity buffer					**150,007**	141,469	132,107	126,011
22	Total net cash outflows					**93,593**	90,357	87,317	84,022
23	Liquidity coverage ratio (%)					**160**	156	151	150

(1) The following rows are not presented in the table because they had zero values for the period: rows 8, 19a, 19b, 20a, 20b.

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

Qualitative information	NWH Group	UK DoLSub	UBIDAC
Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation 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. The LCR is prepared in accordance with the Liquidity Coverage Ratio (CRR) part of the PRA Rulebook, subject to modification of Article 10(1)(c)(i), (ii) and (iv), Article 10(1)(d)(i) and Article 11(1)(b) effective from 1 January 2022, as per Directive given by PRA under section 138A of FSMA. Following the UK exit from the European Union the relevant BCBS liquidity standards have been incorporated into the UK regulatory framework by inclusion in the Prudential Regulatory Authority (PRA) Rulebook. The UK liquidity rules came into effect on 1 January 2022, prior to this NWH Group was subject to similar rules due to the onshoring of the Capital Requirements Regulation (575/2013) (CRR). All figures included in the table represent a 12 month rolling average for the period April 2021 - March 2022.	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. The LCR is prepared in accordance with the Liquidity Coverage Ratio (CRR) part of the PRA Rulebook, subject to modification of Article 10(1)(c)(i), (ii) and (iv), Article 10(1)(d)(i) and Article 11(1)(b) effective from 1 January 2022, as per Directive given by PRA under section 138A of FSMA. Following the UK exit from the European Union the relevant BCBS liquidity standards have been incorporated into the UK regulatory framework by inclusion in the Prudential Regulatory Authority (PRA) Rulebook. The UK liquidity rules came into effect on 1 January 2022, prior to this the DoLSub was subject to similar rules due to the onshoring of the Capital Requirements Regulation (575/2013) (CRR). All figures included in the table represent a 12 month rolling average for the period April 2021 - March 2022.	Reduction in Liquid Asset Buffer driven by the repayment of ECB TLTRO funding. Increase in net outflows driven by 1) a change in deposit mix in favour of non financial corporates and 2) term deposits trending downwards as a consequence of the low-rate environment. Monies traditionally held in term are being held increasingly in current / call accounts thereby increasing the volume of deposits inside the 30 day window for the LCR. Noting the change in deposit mix and repayment of TLTRO has been influenced by Ulster Bank Ireland DAC's phased withdrawal from the Republic of Ireland (announced in Q1 2021).
Explanations on the changes in the LCR over time	As at 31 March 2022 the LCR ratio for NWH Group was 166% or £66 billion of excess over the regulatory minimum of 100%. This compares to 155% as at 30 April 2021 or £50 billion of excess over the regulatory minimum of 100%. The average LCR ratio for the 12 months to 31 March 2022 has increased 5% over the previous quarter, from 159% to 164%. The main drivers include a significant increase in customer deposits and drawings from TFSME offset by increased customer lending, redemption/maturing issuance and repayment of TLTRO.	As at 31 March 2022 the LCR ratio for the DoLSub was 160% or £60 billion of excess over the regulatory minimum of 100%. This compares to 153% as at 30 April 2021 or £46 billion of excess over the regulatory minimum of 100%. The average LCR ratio for the 12 months to 31 March 2022 has increased 4% over the previous quarter, from 156% to 160%. The main drivers include a significant increase in customer deposits and drawings from TFSME offset by increased customer lending and redemption/maturing issuance.	Reduction in Liquid Asset Buffer driven by the repayment of ECB TLTRO funding. Increase in net outflows driven by 1) a change in deposit mix in favour of non financial corporates and 2) term deposits trending downwards as a consequence of the low-rate environment. Monies traditionally held in term are being held increasingly in current / call accounts thereby increasing the volume of deposits inside the 30 day window for the LCR. Noting the change in deposit mix and repayment of TLTRO has been influenced by Ulster Bank Ireland DAC's phased withdrawal from the Republic of Ireland (announced in Q1 2021).

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

Qualitative information	NWH Group	UK DoLSub	UBIDAC
Explanations on the actual concentration of funding sources	NWH Group 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 and covered bonds. Wholesale unsecured funding includes a range of products including deposits, commercial paper and certificates of deposit, and is accepted from various corporate counterparties and financial institutions.	The DoLSub 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 and covered bonds. Wholesale unsecured funding includes a range of products including deposits, commercial paper and certificates of deposit, and is accepted from various corporate counterparties and financial institutions.	UBIDAC is predominantly deposit funded. During the timeframe of the submission the deposit base was ~60-65% Retail/SME. With the residual being mostly non financial corporates as well as some non banking finanical institutions / credit unions / government entites. UBIDAC also had TLTRO funding which it repaid in December 2021.
High-level description of the composition of the institution`s liquidity buffer	HQLA is primarily held in Level 1 cash and central bank reserves (83%) and Level 1 high quality securities (17%).	HQLA is primarily held in Level 1 cash and central bank reserves (83%) and Level 1 high quality securities (17%).	All HQLA level 1. ~70% cash the residual being HQLA level 1 bonds.
Derivative exposures and potential collateral calls	NWH Group actively manages its derivative exposures and potential calls with derivative outflows under stress captured within the Historical Look Back Approach which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a 3 notch downgrade of the credit ratings of the entities within NWH Group are also captured.	The DoLSub actively manages its derivative exposures and potential calls with derivative outflows under stress captured within the Historical Look Back Approach which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a 3 notch downgrade of the credit ratings of the entities within the DoLSub are also captured.	N/a, UBIDAC has non material amount of swaps / collateral calls.
Currency mismatch in the LCR	The LCR is calculated for EUR, USD and GBP which have been identified as significant currencies (having liabilities > 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 (subject to modification). NWH Group manages currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.	The LCR is calculated for EUR, USD and GBP which have been identified as significant currencies (having liabilities > 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 (subject to modification). The DoLSub manages currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.	The Bank's balance sheet is c97.5% euro denominated.
Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	We do not consider anything else of material relevance for disclosure.	We do not consider anything else of material relevance for disclosure.	Ulster Bank Ireland DAC's phased withdrawal from the Republic of Ireland (announced in Q1 2021).

UK OV1: Overview of risk weighted exposure amounts

The table below shows RWAs and total own funds requirements by risk type for NWH Group and its large subsidiaries. Total own funds requirements are calculated as 8% of RWAs.

		NWH Group			NWB Plc			RBS plc		
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements	Risk-weighted exposure amounts (RWAs)		Total own funds requirements	Risk-weighted exposure amounts (RWAs)		Total own funds requirements
		a	b	c	a	b	c	a	b	c
	31 March 2022	31 March 2022	31 December 2021	31 March 2022	31 March 2022	31 December 2021	31 March 2022	31 March 2022	31 December 2021	31 March 2022
1	Credit risk (excluding counterparty credit risk)	123,180	103,997	9,854	89,658	71,662	7,173	16,135	15,452	1,291
2	*of which: standardised approach*	*16,332*	*16,127*	*1,307*	*12,412*	*10,811*	*993*	*998*	*1,037*	*80*
3	*of which: the foundation IRB (FIRB) approach*	—	—	—	—	—	—	—	—	—
4	*of which: slotting approach*	*9,494*	*9,299*	*760*	*6,293*	*6,107*	*503*	*2,614*	*2,598*	*209*
UK 4a	*of which: equities under the simple risk-weighted approach*	—	—	—	—	—	—	—	—	—
5	*of which: the advanced IRB (AIRB) approach (1)*	*97,354*	*78,571*	*7,787*	*70,953*	*54,744*	*5,677*	*12,523*	*11,817*	*1,002*
6	Counterparty credit risk	468	705	38	503	574	40	—	—	—
7	*of which: standardised approach*	*177*	*207*	*14*	*254*	*139*	*20*	—	—	—
8	*of which: internal model method (IMM)*	—	—	—	—	—	—	—	—	—
UK 8a	*of which: exposures to a CCP*	*62*	*174*	*5*	*62*	*174*	*5*	—	—	—
UK 8b	*of which: credit valuation adjustment (CVA)*	*120*	*165*	*10*	*88*	*102*	*7*	—	—	—
9	*of which: other counterparty credit risk*	*109*	*159*	*9*	*99*	*159*	*8*	—	—	—
15	Settlement risk	—	—	—	—	—	—	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	927	1,236	74	784	1,054	63	143	182	11
17	*of which: SEC-IRBA approach*	*817*	*911*	*65*	*674*	*729*	*54*	*143*	*182*	*11*
18	*of which: SEC-ERBA (including IAA)*	—	*173*	—	—	*173*	—	—	—	—
19	*of which: SEC-SA approach*	*110*	*152*	*9*	*110*	*152*	*9*	—	—	—
UK 19a	*of which: 1,250%/deduction*	—	—	—	—	—	—	—	—	—
20	*Position, foreign exchange and commodities risk (market risk)*	224	203	18	50	53	4	10	7	1
21	*of which: standardised approach*	*224*	*203*	*18*	*50*	*53*	*4*	*10*	*7*	*1*
22	*of which: IMA*	—	—	—	—	—	—	—	—	—
UK 22a	Large exposures	—	—	—	—	—	—	—	—	—
23	Operational risk	17,222	17,935	1,378	12,992	12,874	1,039	3,396	3,951	272
UK 23a	*of which: basic indicator approach*	—	—	—	—	—	—	—	—	—
UK 23b	*of which: standardised approach*	*17,222*	*17,935*	*1,378*	*12,992*	*12,874*	*1,039*	*3,396*	*3,951*	*272*
UK 23c	*of which: advanced measurement approach*	—	—	—	—	—	—	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	1,486	1,076	119	5,176	5,243	414	115	128	9
29	Total	142,021	124,076	11,362	103,987	86,217	8,319	19,684	19,592	1,575

For the notes to this table refer to the following page.

UK OV1: Overview of risk weighted exposure amounts continued

		UBIDAC			Coutts & Co		
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements	Risk-weighted exposure amounts (RWAs)		Total own funds requirements
		a	b	c	a	b	c
	31 March 2022	31 March 2022	31 December 2021	31 March 2022	31 March 2022	31 December 2021	31 March 2022
1	Credit risk (excluding counterparty credit risk)	10,617	10,604	850	9,496	9,284	760
2	*of which: standardised approach*	*970*	*1,079*	*78*	*9,496*	*9,284*	*760*
3	*of which: the foundation IRB (FIRB) approach*	—	—	—	—	—	—
4	*of which: slotting approach*	*640*	*647*	*51*	—	—	—
UK 4a	*of which: equities under the simple risk-weighted approach*	—	—	—	—	—	—
5	*of which: the advanced IRB (AIRB) approach (1)*	*9,007*	*8,878*	*721*	—	—	—
6	Counterparty credit risk	153	113	12	10	5	1
7	*of which: standardised approach*	*43*	*68*	*3*	—	—	—
8	*of which: internal model method (IMM)*	—	—	—	—	—	—
UK 8a	*of which: exposures to a CCP*	—	—	—	—	—	—
UK 8b	*of which: credit valuation adjustment (CVA)*	*40*	*44*	*3*	—	—	—
9	*of which: other counterparty credit risk*	*70*	*1*	*6*	*10*	*5*	*1*
15	Settlement risk	—	—	—	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	—	—	—	—	—	—
17	*of which: SEC-IRBA approach*	—	—	—	—	—	—
18	*of which: SEC-ERBA (including IAA)*	—	—	—	—	—	—
19	*of which: SEC-SA approach*	—	—	—	—	—	—
UK 19a	*of which: 1,250%/deduction*	—	—	—	—	—	—
20	*Position, foreign exchange and commodities risk (market risk)*	31	17	2	10	4	1
21	*of which: standardised approach*	*31*	*17*	*2*	*10*	*4*	*1*
22	*of which: IMA*	—	—	—	—	—	—
UK 22a	Large exposures	—	—	—	—	—	—
23	Operational risk	810	873	65	1,043	1,074	83
UK 23a	*of which: basic indicator approach*	—	—	—	—	—	—
UK 23b	*of which: standardised approach*	*810*	*873*	*65*	*1,043*	*1,074*	*83*
UK 23c	*of which: advanced measurement approach*	—	—	—	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	1	1	—	289	294	23
29	Total	11,611	11,607	929	10,559	10,367	845

(1) Of which £0 million RWAs 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.

RWA movement table

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 for NWH Group and its large subsidiaries. It excludes counterparty credit risk, securitisations and non-credit obligations. This table is not prepared for Coutts & Co as the entity does not have an IRB waiver for credit risk.

		a		
	RWAs			
	NWH Group	NWB Plc	RBS plc	UBIDAC
	£m	£m	£m	£m
1 At 31 December 2021	83,846	57,852	14,215	9,393
2 Asset size	769	590	464	(321)
3 Asset quality	(1,137)	(127)	(833)	174
4 Model updates	19,066	15,948	1,077	—
5 Methodology and policy	167	—	—	169
7 Foreign exchange movements	185	106	13	49
9 **At 31 March 2022**	**102,896**	**74,369**	**14,936**	**9,464**

(1) The following rows are not presented in the table because they had zero values for the period: row (6) Acquisitions and disposals, and row (8) Other.

- The increase in RWAs relating to model updates and methodology was due to adjustments as a result of new regulations applicable to IRB models from 1 January 2022.
- The reduction relating to asset quality for NWH Group primarily reflected improved risk metrics in Retail Banking and Commercial & Institutional.
- The increase in asset size for NWH Group was mainly within Retail Banking due to growth in the mortgage portfolio. There were additional increases within Group Treasury as a result of new bond positions.
- The increase in foreign exchange movements for NWH Group was mainly a result of sterling weakening against the US dollar during the period.