



NatWest Group

H1 2022 Pillar 3 Supplement

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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 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 ESG and climate related targets, its access to adequate sources of liquidity and funding, increasing competition from new incumbents and disruptive technologies, the impact of the COVID-19 pandemic, 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 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 (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, the impact of climate-related risks and the transitioning to a net zero economy and the impact of the COVID-19 pandemic. 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 UK 2021 Annual Report and Accounts (ARA), NatWest Group plc's Interim Results for Q1 2022 and H1 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 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 2022 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 disclosures required under the PRA framework are substantially equivalent to those required by Part Eight of the EU CRR.

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 12 August 2022. They will be available on the NatWest Group website, located at natwestgroup.com/results.

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 2022 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 LIQ2	Net Stable Funding Ratio (NSFR)	Disclosure does not commence until 2023 based on PRA guidance in PS17/21 and CP3/22
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 SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	No reportable exposures

Capital, liquidity and funding

NatWest Group - key points

CET1 ratio

HY 2022	14.3%	<p>The CET1 ratio decreased by 390 basis points to 14.3%. The decrease is primarily due to a £22.8 billion increase in RWAs and a £2.9 billion decrease in CET1 capital.</p> <p>The CET1 decrease is mainly driven by:</p> <ul style="list-style-type: none"> – the directed buyback of £1.2 billion; – foreseeable dividend accrual of £2.3 billion; – a £0.3 billion decrease in the IFRS 9 transitional adjustment; – the removal of adjustment for prudential amortisation on software development costs of £0.4 billion; – a £0.3 billion decrease due to FX loss on retranslation on the redemption of a USD instrument; and – other reserve movements. <p>These reductions were partially offset by the £1.9 billion attributable profit in the period.</p>
YE 2021	18.2%	

MREL

HY 2022	£57.0bn	<p>NatWest Group total regulatory capital and MREL as at 30 June 2022 was £57.0 billion, the reduction of £5.4 billion relates to a reduction in CET1 capital explained above and a £1.8 billion decrease in eligible instruments. MREL was 31.7% of RWAs, representing a decrease compared to 39.8% of RWAs in 2021.</p>
YE 2021	£62.4bn	

RWA

HY 2022	£179.8bn	<p>Total RWAs increased by £22.8 billion to £179.8 billion during H1 2022 reflecting:</p> <ul style="list-style-type: none"> – An increase in credit risk RWAs of £23.6 billion, primarily due to £19.4 billion of model adjustments applied as a result of new regulation applicable to IRB models from 1 January 2022, in addition to increased exposure in Commercial & Institutional and Retail Banking. This was partially offset by improved risk metrics in Commercial & Institutional and Retail Banking. – An increase in market risk RWAs of £0.6 billion, driven by a raised capital multiplier for NWM Plc affecting VaR and SVaR calculations. – An increase in counterparty credit risk RWAs of £0.4 billion, mainly driven by the implementation of SA-CCR impacting the RWA calculation for the non-internally modelled exposure. – A decrease in operational risk RWAs of £1.9 billion following the annual recalculation.
YE 2021	£157.0bn	

UK leverage ratio

HY 2022	5.2%	<p>The leverage ratio at 30 June 2022 is 5.2% 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 5.9%, which was calculated under the prior year's UK leverage methodology. The key driver of the decrease is a £3.5 billion decrease in Tier 1 capital.</p>
YE 2021	5.9%	

LCR (average)

HY 2022	166%	<p>The average LCR ratio has increased 1% compared to YE 2021. The main drivers include an increase in customer deposits offset by increased customer lending and redemption/maturing issuance.</p>
YE 2021	165%	

NSFR

HY 2022	153%	<p>The net stable funding ratio (NSFR) for H1 2022 was 153% compared to 157% at YE 2021. The decrease is mainly due to an increase in loans greater than the increase in deposits.</p>
YE 2021	157%	

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 2022 £m	31 March 2022 £m	31 December 2021 £m	30 September 2021 £m	30 June 2021 £m
Available own funds (amounts)						
1	Common equity tier 1 (CET1) capital	25,693	26,889	28,596	29,862	29,660
2	Tier 1 capital	29,568	30,764	33,042	34,308	36,145
3	Total capital	34,751	36,044	38,748	40,192	41,658
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	179,795	176,818	156,971	159,755	162,970
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common equity tier 1 ratio (%)	14.3	15.2	18.2	18.7	18.2
6	Tier 1 ratio (%)	16.4	17.4	21.0	21.5	22.2
7	Total capital ratio (%)	19.3	20.4	24.7	25.2	25.6
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	1.7	1.8	2.0	2.0	2.0
UK 7b	Additional AT1 SREP requirements (%)	0.6	0.6	0.7	0.7	0.7
UK 7c	Additional Tier 2 SREP requirements (%)	0.8	0.8	0.9	0.9	0.9
UK 7d	Total SREP own funds requirements (%)	11.1	11.2	11.6	11.6	11.6
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%) (1)	—	—	—	—	—
11	Combined buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
UK 11a	Overall capital requirements (%)	13.6	13.7	14.1	14.1	14.1
12	CET1 available after meeting the total SREP own funds requirements (%) (2)	8.1	8.9	11.7	12.2	11.7
Leverage ratio						
13	Total exposure measure excluding claims on central banks	570,752	564,418	561,858	569,822	575,636
14	Leverage ratio excluding claims on central banks (%)	5.2	5.5	5.9	6.0	6.3
Additional leverage ratio disclosure requirements (3)						
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.1	5.4			
UK 14b	Leverage ratio including claims on central banks (%)	4.0	4.2			
UK 14c	Average leverage ratio excluding claims on central banks (%)	5.3	5.6			
UK 14d	Average leverage ratio including claims on central banks (%)	4.1	4.3			
UK 14e	Countercyclical leverage ratio buffer (%)	—	—			
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA) (weighted value-average)	204,862	200,588	193,404	183,713	177,678
UK 16a	Cash outflows - Total weighted value	137,363	133,761	129,857	125,788	122,446
UK 16b	Cash inflows - Total weighted value	14,278	13,864	12,640	12,396	12,205
16	Total net cash outflows (adjusted value)	123,085	119,897	117,217	113,392	110,241
17	Liquidity coverage ratio (%) (4)	166	167	165	162	161
Net stable funding ratio						
18	Total available stable funding	437,907	433,284	438,143	426,899	423,120
19	Total required stable funding	286,995	284,366	278,714	275,970	275,332
20	NSFR ratio (%) (5)	153	152	157	155	154

(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) Additional disclosure requirements for LREQ firms from 1 January 2022 therefore comparatives were not presented.

(4) 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.

(5) The NSFR ratio is presented on a spot basis in line with historic disclosures in the NatWest Group document. From 2023, NSFR disclosures will be calculated as an average of the preceding four quarters reflecting PRA's guidance which came in effect on 1 January 2022.

(6) The following rows are not presented in the table above because they have zero values: UK8a, UK9a, 10 and UK10a.

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. 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 2022 £m	31 March 2022 £m	31 December 2021 £m	31 September 2021 £m	30 June 2021 £m
Available capital (amounts) - transitional						
1	Common equity tier 1	25,693	26,889	28,596	29,862	29,660
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	25,409	26,486	27,975	28,889	28,462
3	Tier 1 capital	29,568	30,764	33,042	34,308	36,145
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	29,284	30,361	32,421	33,335	34,947
5	Total capital	34,751	36,044	38,748	40,192	41,658
6	Total capital as if IFRS 9 transitional arrangements had not been applied	34,813	36,000	38,280	39,442	40,711
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	179,795	176,818	156,971	159,755	162,970
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	179,763	176,790	156,935	159,681	162,877
Capital ratios		%	%	%	%	%
9	Common equity tier 1 ratio	14.3	15.2	18.2	18.7	18.2
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	14.1	15.0	17.8	18.1	17.5
11	Tier 1 ratio	16.4	17.4	21.0	21.5	22.2
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	16.3	17.2	20.7	20.9	21.5
13	Total capital ratio	19.3	20.4	24.7	25.2	25.6
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	19.4	20.4	24.4	24.7	25.0
Leverage ratio (2)						
15	Leverage ratio exposure measure (£m)	570,752	564,418	743,480	739,355	732,519
16	Leverage ratio (%)	5.2	5.5	4.4	4.6	4.9
17	Leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.1	5.4	4.4	4.5	4.8

(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 the PRA.

(2) From 1 January 2022, the leverage metrics for NatWest Group are calculated in accordance with the Leverage Ratio (CRR) part of the PRA Rulebook.

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	
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	31 December 2021
	30 June 2022		£m
CET1 capital: instruments and reserves		£m	£m
1	Capital instruments and the related share premium accounts	11,653	11,804
	<i>Of which: ordinary shares</i>	10,583	11,468
	<i>Of which: share premium</i>	1,161	1,161
2	Retained earnings	8,713	9,868
3	Accumulated other comprehensive income (and other reserves)	12,020	12,311
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	—	1,393
6	CET1 capital before regulatory adjustments	32,386	35,376
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	(-) Additional value adjustments	(316)	(274)
8	(-) Intangible assets (net of related tax liability)	(6,869)	(6,312)
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)	(738)	(761)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	1,526	395
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	(99)	21
15	(-) Defined-benefit pension fund assets	(471)	(465)
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)	—	—
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	—	—

UK CC1: Composition of regulatory own funds continued

		NatWest Group	
		30 June 2022	31 December 2021
		£m	£m
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
25	(-) Of which: deferred tax assets arising from temporary differences	—	—
UK-25a	(-) Losses for the current financial period	—	(b) —
UK-25b	(-) Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses	—	—
27	(-) Qualifying Additional Tier 1 (AT1) deductions that exceed the AT1 items of the institution	—	—
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	274	616
28	Total regulatory adjustments to CET1	(6,693)	(6,780)
29	CET1 capital	25,693	28,596
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	—	(j) 571
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	—	(j) —
35	Of which: instruments issued by subsidiaries subject to phase out	—	—
36	AT1 capital before regulatory adjustments	3,875	4,446
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 T2 deductions that exceed the T2 items of the institution	—	—
42a	Other regulatory adjustments to AT1 capital	—	—
43	Total regulatory adjustments to AT1 capital	—	—
44	AT1 capital	3,875	4,446
45	Tier 1 capital (T1 = CET1 + AT1)	29,568	33,042

UK CC1: Composition of regulatory own funds continued

		NatWest Group	
		30 June 2022 £m	31 December 2021 £m
		Source based on reference number/letters of the balance sheet under the regulatory scope of consolidation	
T2 capital: instruments			
46	Capital instruments and the related share premium accounts	4,749	(j) 4,935
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	—	(j) —
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	—	—
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	99	—
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	73	(j) 314
49	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	73	304
50	Credit risk adjustments	262	457
51	T2 capital before regulatory adjustments	5,183	5,706
T2 capital: regulatory adjustments			
52	(-) Direct, indirect and synthetic holdings of own T2 instruments and subordinated loans	—	—
53	(-) Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	—	—
54	(-) Direct, indirect and synthetic of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	—	—
55	(-) Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	—	—
UK-56a	(-) Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution	—	—
UK-56b	(-) Other regulatory adjustments to T2 capital	—	—
57	Total regulatory adjustments to T2 capital	—	—
58	T2 capital	5,183	5,706
59	Total capital (TC = T1 + T2)	34,751	38,748
60	Total risk exposure amount	179,795	156,971
Capital ratios and buffers			
61	CET1 (as a percentage of total risk exposure amount)	14.3%	18.2%
62	T1 (as a percentage of total risk exposure amount)	16.4%	21.0%
63	Total capital (as a percentage of total risk exposure amount)	19.3%	24.7%
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)	8.7%	9.0%
65	<i>Of which: capital conservation buffer requirement</i>	2.5%	2.5%
66	<i>Of which: counter cyclical buffer requirement</i>	0.0%	0.0%
67	<i>Of which: systemic risk buffer requirement</i>	—	—
UK-67a	<i>Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	—	—
68	CET1 available to meet buffers (as a percentage of risk exposure amount) (1)	8.1%	11.7%

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 2022 £m	31 December 2021 £m
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	300	428
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)	591	597
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)	455	167
Available caps on the inclusion of provisions in T2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	—	—
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	240	232
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	262	457
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	749	610
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	—	960
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	—
84	Current cap on T2 instruments subject to phase out arrangements	—	673
85	Amount excluded from T2 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 under the UK disclosure requirements: 9, 20, 24, 26, 41, 54a, 56, 69, 70, 71 and 74.

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		References
	As at period end 30 June 2022		
	a	b	
	Balance sheet as in published financial statements as at period end £m	Under regulatory scope of consolidation as at period end £m	
Assets			
Cash and balances at central banks	179,525	179,559	
Trading assets	65,604	65,604	
Derivatives	109,342	109,341	
Settlement balances	10,294	10,294	
Loans to banks - amortised cost	10,668	10,668	
Loans to customers - amortised cost	362,551	362,720	
Other financial assets	38,896	38,594	
Intangible assets	6,869	6,869	(d)
Property, plant and equipment	4,143	4,143	
Current and deferred tax assets	1,758	1,758	
<i>of which: DTAs that rely on future profitability and do not arise from temporary differences</i>	738	738	(e)
Prepayments, accrued income and other assets	2,641	2,740	
<i>of which: defined benefit pension fund assets</i>	608	608	(f)
Assets of disposal groups	14,187	14,187	
Total assets	806,478	806,477	
Liabilities			
Bank deposits	24,862	24,862	
Customer deposits	492,075	492,730	
Settlement balances	9,779	9,779	
Trading liabilities	74,345	74,349	
Derivatives	102,719	102,714	
Other financial liabilities	47,744	46,876	
Provisions, deferred income and other liabilities	7,771	7,989	
Retirement benefit liabilities	123	123	
Current and deferred tax liabilities	315	310	
<i>of which: defined benefit pension scheme assets</i>	137	137	(g)
Subordinated liabilities	8,110	8,110	(j)
Liabilities of disposal groups	8	8	
Total liabilities	767,851	767,850	
Shareholders' Equity			
Non-controlling interests	10	10	
Owners' equity			
Called up share capital	10,583	10,583	(a)
Reserves	28,034	28,034	
<i>of which: amount eligible for retained earnings</i>	10,963	10,963	(b)
<i>of which: amount eligible for accumulated OCI and other reserves</i>	12,020	12,020	(c) & (i)
<i>of which: amount of other equity instruments</i>	3,890	3,890	(h)
<i>of which: share premium accounts</i>	1,161	1,161	(k)
Total shareholders' equity	38,627	38,627	

(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.

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 2022	31 March 2022	30 June 2022
1	Credit risk (excluding counterparty credit risk)	142,435	138,443	11,395
2	Of which: standardised approach	19,164	18,915	1,533
3	Of which: the foundation IRB (FIRB) approach	—	—	—
4	Of which: slotting approach	12,264	11,229	981
UK 4a	Of which: equities under the simple risk-weighted approach	1,380	1,331	110
5	Of which: the advanced IRB (AIRB) approach (1)	109,627	106,968	8,771
6	Counterparty credit risk	8,173	8,592	654
7	Of which: standardised approach	1,246	1,906	100
8	Of which: internal model method (IMM)	4,149	4,165	332
UK 8a	Of which: exposures to a CCP	158	179	13
UK 8b	Of which: credit valuation adjustment (CVA)	1,630	1,638	130
9	Of which: other counterparty credit risk	990	704	79
15	Settlement risk	2	3	—
16	Securitisation exposures in the non-trading book (after the cap)	1,507	2,115	121
17	Of which: SEC-IRBA approach	—	817	—
18	Of which: SEC-ERBA (including IAA)	105	102	9
19	Of which: SEC-SA approach	1,341	1,123	107
UK 19a	Of which: 1,250%/deduction	61	73	5
20	Position, foreign exchange and commodities risk (market risk)	8,563	8,550	685
21	Of which: standardised approach	1,248	1,311	100
22	Of which: IMA	7,315	7,239	585
UK 22a	Large exposures	—	—	—
23	Operational risk	19,115	19,115	1,529
UK 23a	Of which: basic indicator approach	—	—	—
UK 23b	Of which: standardised approach	19,115	19,115	1,529
UK 23c	Of which: advanced measurement approach	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	2,615	2,502	209
29	Total	179,795	176,818	14,384

(1) Of which £500 million RWAs (31 March 2022 - £548 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.

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 and non-credit obligation assets.

		NatWest Group
		a
		RWAs
		£m
1	At 31 December 2021	95,281
2	Asset size	1,762
3	Asset quality	(1,144)
4	Model updates	19,198
5	Methodology and policy	167
7	Foreign exchange movements	261
9	At 31 March 2022	115,525
2	Asset size	1,754
3	Asset quality	(1,596)
4	Model updates	185
6	Acquisitions and disposals	(106)
7	Foreign exchange movements	844
8	Other	2,726
9	At 30 June 2022	119,332

Q1 2022

- 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 increase in asset size was mainly due to new syndicates and loans in Commercial & Institutional. There were additional increases within Retail Banking, primarily in the mortgage portfolio.
- The reduction relating to asset quality primarily reflected improved risk metrics within Retail Banking.
- The increase in foreign exchange movements was mainly a result of sterling weakening against the US dollar during the period.

Q2 2022

- The uplift in asset size was mainly as a result of increases within Retail Banking, primarily within the mortgage portfolio. There were further uplifts in RWAs as a result of increased nostro utilisation and drawdowns within Commercial & Institutional. These movements were partially offset by reduced exposure within Ulster Bank Rol.
- The RWA increase in foreign exchange movements was mainly a result of sterling weakening against the US dollar during the period.
- The uplift in RWAs relating to model updates was mainly due to adjustments as a result of new regulations applicable to IRB models from 1 January 2022.
- The decrease in RWAs relating to asset quality primarily reflected improved risk metrics in Commercial & Institutional and Retail Banking in the period.
- The fall in RWAs relating to acquisitions and disposals reflected debt sale in Ulster Bank Rol.
- The increase in the other category reflected changes in the regulatory treatment of certain structured transactions.

UK CCR7: RWA flow statement of counterparty credit risk exposures under the IMM

The table below shows movements in RWAs for derivatives 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 2021	4,100
2	Asset size	(2)
3	Credit quality of counterparties	(5)
7	Foreign exchange movements	72
9	At 31 March 2022	4,165
2	Asset size	(140)
3	Credit quality of counterparties	(21)
7	Foreign exchange movements	145
9	At 30 June 2022	4,149

(1) RWAs for NatWest Group at 31 December 2021 presented in the table differ from those disclosed in the 2021 Pillar 3 Report due to the change in scope under the new UK regulatory framework.

(2) The following rows are not presented in the table because they had zero values for the period: row (4) Model updates, row (5) Methodology and policy, row (6) Acquisitions and disposals, and row (8) Other.

Q1 2022

- The RWA increase due to foreign exchange movements was mainly a result of sterling weakening against the US dollar during the period.

Q2 2022

- The RWA decrease during the period was mainly due to a decline in asset size. This was largely offset by foreign exchange movements, reflecting continued sterling weakening.

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 2021	1,456	2,591	1,295	1,565	6,907	552
1a Regulatory adjustment ⁽¹⁾	(1,088)	(1,938)	(104)	—	(3,130)	(250)
1b RWAs at 31 December 2021 (end of day)	368	653	1,191	1,565	3,777	302
2 Movement in risk levels	(55)	78	(511)	(102)	(590)	(47)
3 Model updates/changes	1	—	36	(323)	(286)	(23)
8a RWAs at 31 March 2022 (end of day)	314	731	716	1,140	2,901	232
8b Regulatory adjustment	1,540	2,576	222	—	4,338	347
8 At 31 March 2022	1,854	3,307	938	1,140	7,239	579
1a Regulatory adjustment ⁽¹⁾	(1,540)	(2,576)	(222)	—	(4,338)	(347)
1b RWAs at 31 March 2022 (end of day)	314	731	716	1,140	2,901	232
2 Movement in risk levels	90	(52)	378	(37)	379	30
3 Model updates/changes	—	—	—	—	—	—
8a RWAs at 30 June 2022 (end of day)	404	679	1,094	1,103	3,280	262
8b Regulatory adjustment	1,033	3,002	—	—	4,035	323
8 At 30 June 2022	1,437	3,681	1,094	1,103	7,315	585

- (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: column (d) Comprehensive risk measure, row (4) Methodology and policy, row (5) Acquisitions and disposals, and row (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.

Q1 2022

- Overall, market risk RWAs increased in Q1 2022.
- The higher VaR and SVaR-based RWAs reflected the effect of an increase in the capital multiplier for NWM Plc. Regulatory VaR back-testing exceptions increased in Q1 2022 given market movements amid global inflationary concerns and geopolitical tensions.
- The lower incremental risk charge reflected a reduction in eurozone government bond positions
- The decrease in RNIV-based RWAs was mainly due to reduction in the RNIV aimed at capturing the residual risk of LIBOR cessation.

Q2 2022

- Overall, market risk RWAs broadly remained unchanged in Q2 2022.
- The increase in SVaR-based RWAs was mainly due to an increase in foreign exchange risk.
- The decrease in VaR-based RWAs was mainly the result of decreased interest rate risk.
- The increase in the incremental risk charge notably reflects migration from LIBOR to risk-free reference rates.
- RNIV-based RWAs were broadly unchanged.

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	31 March
		2022	2022
		£m	£m
1	Total assets as per published financial statements	806,478	785,398
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(2)	(131)
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)	(176,163)	(165,408)
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	(9,779)	(9,602)
7	Adjustment for eligible cash pooling transactions	—	—
8	Adjustment for derivative financial instruments	(86,743)	(78,973)
9	Adjustment for securities financing transactions (SFTs)	5,184	2,838
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	45,201	44,259
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(361)	(342)
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	(13,063)	(13,621)
13	Total exposure measure	570,752	564,418

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 2022 £m	31 March 2022 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	629,646	618,811
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)	(14,416)	(13,424)
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))	(6,594)	(6,805)
7	Total on-balance sheet exposures (excluding derivatives, and SFTs)	608,636	598,582
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	15,796	12,621
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	20,552	21,412
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	5,044	3,568
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(4,377)	(3,138)
13	Total derivative exposures	37,015	34,463
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	83,381	83,281
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(32,396)	(33,324)
16	Counterparty credit risk exposure for SFT assets	5,184	2,838
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	56,169	52,795
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	134,838	130,071
20	(Adjustments for conversion to credit equivalent amounts)	(89,699)	(86,040)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	(44)	(45)
22	Off-balance sheet exposures	45,095	43,986

UK LR2 - LRCom: Leverage ratio common disclosure continued

		NatWest Group	
		30 June 2022 £m	31 March 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)	29,568	30,764
24	Total exposure measure including claims on central banks	746,915	729,826
UK-24a	(-) Claims on central banks excluded	(176,163)	(165,408)
UK-24b	Total exposure measure excluding claims on central banks	570,752	564,418
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.2	5.5
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.1	5.4
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 (%)	5.2	5.5
UK-25c	Leverage ratio including claims on central banks (%)	4.0	4.2
26	Regulatory minimum leverage ratio requirement (%)	3.25	3.25
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	—	—
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	—	—
UK-27b	Of which: countercyclical leverage ratio buffer (%)	—	—
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	47,279	48,957
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	50,985	49,957
UK-31	Average total exposure measure excluding claims on central banks	568,761	563,223
UK-32	Average total exposure measure including claims on central banks	735,045	729,847
UK-33	Average leverage ratio excluding claims on central banks	5.3	5.6
UK-34	Average leverage ratio including claims on central banks	4.1	4.3

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

(2) The prior period values are as at 31 March 2022 to provide a comparable view of the leverage metrics based on the current requirements in the Leverage Ratio (CRR) part of the PRA rulebook.

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	31 March
		2022	2022
		£m	£m
UK-1	Total on balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	446,889	446,598
UK-2	Trading book exposures	48,563	50,385
UK-3	Banking book exposures, of which:	398,326	396,213
UK-4	Covered bonds	4,426	4,439
UK-5	Exposures treated as sovereigns	30,329	36,701
UK-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	6,380	6,413
UK-7	Institutions	10,052	6,477
UK-8	Secured by mortgages of immovable properties	238,421	234,320
UK-9	Retail exposures	19,537	18,424
UK-10	Corporate	77,142	73,343
UK-11	Exposures in default	4,589	4,386
UK-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	7,450	11,710

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
	General credit exposures		Relevant credit exposures -			Own fund requirements							
			Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value			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			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non trading book	Total			
30 June 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country													
Norway	68	911	—	—	—	979	22	—	—	22	277	0.20	1.50
Hong Kong	237	68	—	—	—	305	8	—	—	8	100	0.07	1.00
Slovakia	—	2	—	—	—	2	—	—	—	—	—	—	1.00
Luxembourg	112	8,160	—	18	41	8,331	159	2	1	162	2,027	1.43	0.50
Czech Republic	—	—	—	5	—	5	—	—	—	—	—	—	0.50
Bulgaria	—	2	—	—	—	2	—	—	—	—	—	—	0.50
Total (countries with existing CCyB rates)	417	9,143	—	23	41	9,624	189	2	1	192	2,404	1.70	
United Kingdom	24,819	338,670	16	195	5,283	368,983	8,777	21	66	8,864	110,800	78.22	
Ireland	735	17,640	—	5	572	18,952	743	1	7	751	9,385	6.63	
US	99	14,055	9	91	2,518	16,772	359	18	32	409	5,117	3.61	
Jersey	867	3,637	—	2	—	4,506	159	—	—	159	1,986	1.40	
France	106	3,651	—	—	221	3,978	115	5	9	129	1,639	1.16	
Netherlands	533	2,104	—	15	238	2,890	125	4	2	131	1,612	1.14	
Guernsey	441	4,121	—	—	—	4,562	119	—	—	119	1,491	1.05	
Total (countries with own funds requirement weights 1% and above)	27,600	383,878	25	308	8,832	420,643	10,397	49	116	10,562	132,030	93.21	
Total (rest of the world below 1% requirement)	1,943	12,518	5	1,786	263	16,515	558	16	4	578	7,216	5.09	
Total	29,960	405,539	30	2,117	9,136	446,782	11,144	67	121	11,332	141,650	100.00	

UK CCyB2: Amount of institution-specific countercyclical capital buffer

		NatWest Group
		30 June 2022
		£m
1	Total risk exposure amount	179,795
2	Institution specific countercyclical capital buffer rate	0.01%
3	Institution specific countercyclical capital buffer requirement ⁽¹⁾	19

- (1) In response to COVID-19 many countries reduced their CCyB rates. In December 2021, the Financial Policy Committee announced an increase in the UK CCyB rate from 0% to 1% effective from 13 December 2022. A further increase from 1% to 2% was announced on 5 July 2022, effective 5 July 2023. In June 2022, the Central Bank of Ireland announced that the CCyB on Irish exposures will increase from 0% to 0.5%, applicable from 15 June 2023. This is the first step towards a gradual increase, which conditional on macro-financial developments, would see a CCyB of 1.5% announced by mid-2023.

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)			
Number of data points used in the calculation of averages		30 June 2022	31 March 2022	31 December 2021	30 September 2021	30 June 2022	31 March 2022	31 December 2021	30 September 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)					204,862	200,588	193,404	183,713
Cash - outflows									
2	Retail deposits and deposits from small business customers, of which:	266,758	263,130	258,155	252,598	21,163	20,835	20,380	19,833
3	Stable deposits	161,824	161,757	160,966	158,808	8,091	8,088	8,048	7,940
4	Less stable deposits	101,727	99,820	97,008	93,573	12,818	12,552	12,151	11,675
5	Unsecured wholesale funding	190,112	186,819	181,415	175,385	87,449	85,113	82,146	79,105
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	73,988	73,599	71,792	69,484	18,178	18,080	17,628	17,052
7	Non-operational deposits (all counterparties)	114,097	111,410	108,145	104,412	67,244	65,223	63,040	60,564
8	Unsecured debt	2,027	1,810	1,478	1,489	2,027	1,810	1,478	1,489
9	Secured wholesale funding					849	707	617	654
10	Additional requirements	77,597	77,143	77,768	78,445	20,537	20,185	20,182	20,039
11	Outflows related to derivative exposures and other collateral requirements	6,723	7,075	7,448	7,651	6,084	6,376	6,714	6,883
12	Outflows related to loss of funding on debt products	—	—	—	—	—	—	—	—
13	Credit and liquidity facilities	70,874	70,068	70,320	70,794	14,453	13,809	13,468	13,156
14	Other contractual funding obligations	25,161	25,303	26,444	26,886	2,701	2,599	2,378	2,113
15	Other contingent funding obligations	47,945	47,133	47,028	47,826	4,664	4,322	4,154	4,044
16	Total cash outflows					137,363	133,761	129,857	125,788
Cash - inflows									
17	Secured lending (e.g. reverse repos)	56,651	57,280	58,893	59,392	364	326	269	294
18	Inflows from fully performing exposures	10,409	9,990	8,962	8,622	8,781	8,391	7,386	7,066
19	Other cash inflows	13,309	13,333	13,157	13,285	5,133	5,147	4,985	5,036
20	Total cash inflows	80,369	80,603	81,012	81,299	14,278	13,864	12,640	12,396
UK-20c	Inflows subject to 75% cap	75,812	75,509	76,294	77,150	14,278	13,864	12,640	12,396
Total adjusted value									
UK-21	Liquidity buffer					204,862	200,588	193,404	183,713
22	Total net cash outflows					123,085	119,897	117,217	113,392
23	Liquidity coverage ratio (%)					166	167	165	162

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

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

Qualitative information	30 June 2022
<p>Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time</p>	<p>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.</p> <p>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.</p> <p>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 NatWest Group plc was subject to similar rules due to the onshoring of the Capital Requirements Regulation (575/2013) (CRR).</p> <p>All figures included in the table represent a 12 month rolling average for the period July 2021 - June 2022.</p>
<p>Explanations on the changes in the LCR over time</p>	<p>As at 30 June 2022 the LCR ratio for NatWest Group plc was 159% or £76 billion of excess over the regulatory minimum of 100%. This compares to 167% as at 31 July 2021 or £77 billion of excess over the regulatory minimum of 100%.</p> <p>The average LCR ratio for the 12 months to 30 June 2022 has decreased -1% over the previous quarter, from 167% to 166%. The main drivers include an increase in cash outflows from wholesale funding along with a less than proportionate increase in customer lending partially offset by increases in customer deposits.</p>
<p>Explanations on the actual concentration of funding sources</p>	<p>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.</p>
<p>High-level description of the composition of the institution's liquidity buffer</p>	<p>HQLA is primarily held in Level 1 cash and central bank reserves (87%) and Level 1 high quality securities (13%).</p>
<p>Derivative exposures and potential collateral calls</p>	<p>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.</p>
<p>Currency mismatch in the LCR</p>	<p>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). NatWest Group plc manages currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.</p>
<p>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</p>	<p>We do not consider anything else of material relevance for disclosure.</p>

UK KM2: Key metrics – TLAC requirements

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 2022 £m	Minimum requirement for own funds and eligible liabilities (MREL) 31 December 2021 £m
Own funds and eligible liabilities, ratios and components		
1 Own funds and eligible liabilities	56,976	62,402
1a Of which own funds and subordinated liabilities	56,976	62,402
2 Total risk exposure amount of the resolution group (TREA)	179,795	156,971
3 Own funds and eligible liabilities as a percentage of TREA (row1/row2)	31.7%	39.8%
3a Of which own funds and subordinated liabilities	31.7%	39.8%
4 Total exposure measure of the resolution group	570,752	561,858
5 Own funds and eligible liabilities as percentage of the total exposure measure	10.0%	11.1%
5a Of which own funds or subordinated liabilities	10.0%	11.1%
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)		
7 MREL requirement expressed as percentage of the total risk exposure amount	22.2%	23.3%
9 MREL requirement expressed as percentage of the total exposure measure	7.0%	6.5%

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

(2) Row 7 – “MREL requirement expressed as percentage of the total risk exposure amount” is 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.

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	
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions									
							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		
	Performing exposures			Non-performing exposures										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	£m	£m	£m	
30 June 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	185,837	185,835	2	—	—	—	(14)	(14)	—	—	—	—	—	4	—	
010 Loans and advances	373,910	345,450	28,223	6,102	275	5,815	(1,407)	(368)	(1,039)	(2,000)	(27)	(1,973)	(243)	293,282	3,717	
020 Central banks	3,948	3,948	—	—	—	—	(1)	(1)	—	—	—	—	—	8	—	
030 General governments	3,801	3,589	156	7	—	7	(1)	—	(1)	(2)	—	(2)	—	3,054	4	
040 Credit institutions	3,060	3,059	1	—	—	—	—	—	—	—	—	—	—	2	—	
050 Other financial corporations	55,992	55,726	266	75	—	75	(19)	(11)	(8)	(21)	—	(21)	—	27,207	7	
060 Non-financial corporations	95,310	80,297	14,906	2,109	142	1,967	(727)	(152)	(575)	(647)	(10)	(637)	(29)	65,639	1,380	
070 Of which: SMEs	26,107	21,650	4,436	1,259	48	1,211	(315)	(53)	(262)	(330)	(3)	(327)	—	21,820	855	
080 Households	211,799	198,831	12,894	3,911	133	3,766	(659)	(204)	(455)	(1,330)	(17)	(1,313)	(214)	197,372	2,326	
090 Debt securities	37,662	37,642	18	2	—	2	(7)	(7)	—	—	—	—	—	—	—	
100 Central banks	140	140	—	—	—	—	—	—	—	—	—	—	—	—	—	
110 General governments	23,860	23,859	—	—	—	—	(2)	(2)	—	—	—	—	—	—	—	
120 Credit institutions	6,571	6,553	18	—	—	—	(2)	(2)	—	—	—	—	—	—	—	
130 Other financial corporations	7,020	7,019	—	2	—	2	(3)	(3)	—	—	—	—	—	—	—	
140 Non-financial corporations	71	71	—	—	—	—	—	—	—	—	—	—	—	—	—	
150 Off-balance sheet exposures	133,977	123,879	10,098	531	10	511	(75)	(19)	(56)	(12)	—	(12)		20,014	95	
160 Central banks	—	—	—	—	—	—	—	—	—	—	—	—		—	—	
170 General governments	1,296	1,264	32	—	—	—	—	—	—	—	—	—		—	286	—
180 Credit institutions	976	973	3	—	—	—	—	—	—	—	—	—		—	411	—
190 Other financial corporations	18,821	18,502	319	1	—	—	(1)	(1)	—	—	—	—		—	680	1
200 Non-financial corporations	67,761	60,903	6,858	174	6	168	(39)	(9)	(30)	(11)	—	(11)		—	12,854	77
210 Households	45,123	42,237	2,886	356	4	343	(35)	(9)	(26)	(1)	—	(1)	—	5,783	17	
220 Total	731,386	692,806	38,341	6,635	285	6,328	(1,503)	(408)	(1,095)	(2,012)	(27)	(1,985)	(243)	313,300	3,812	

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 2021	£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	181,170	181,167	3	—	—	—	(14)	(14)	—	—	—	—	—	3	—
010 Loans and advances	362,747	329,050	33,399	5,597	571	5,018	(1,643)	(266)	(1,377)	(2,050)	(36)	(2,014)	(233)	294,238	3,137
020 Central banks	2,617	2,617	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
030 General governments	3,786	3,572	132	3	—	3	(1)	—	(1)	(2)	—	(2)	—	2,874	1
040 Credit institutions	469	439	30	—	—	—	(1)	(1)	—	—	—	—	—	189	—
050 Other financial corporations	49,196	48,501	695	45	—	45	(45)	(8)	(37)	(3)	—	(3)	—	27,838	20
060 Non-financial corporations	95,601	78,570	16,888	1,964	137	1,827	(782)	(104)	(678)	(729)	(8)	(721)	(29)	66,188	1,076
070 Of which: SMEs	26,440	19,694	6,729	1,035	37	998	(363)	(47)	(316)	(330)	(2)	(328)	—	22,692	613
080 Households	211,078	195,351	15,654	3,585	434	3,143	(813)	(152)	(661)	(1,316)	(28)	(1,288)	(204)	197,149	2,040
090 Debt securities	44,575	44,282	287	—	—	—	(5)	(5)	—	—	—	—	—	—	—
100 Central banks	181	181	—	—	—	—	—	—	—	—	—	—	—	—	—
110 General governments	33,092	33,045	47	—	—	—	(2)	(2)	—	—	—	—	—	—	—
120 Credit institutions	5,735	5,507	228	—	—	—	(1)	(1)	—	—	—	—	—	—	—
130 Other financial corporations	5,482	5,468	12	—	—	—	(2)	(2)	—	—	—	—	—	—	—
140 Non-financial corporations	85	81	—	—	—	—	—	—	—	—	—	—	—	—	—
150 Off-balance sheet exposures	127,981	120,152	7,829	575	90	476	(81)	(16)	(65)	(13)	(1)	(12)		20,619	74
160 Central banks	—	—	—	—	—	—	—	—	—	—	—	—		—	—
170 General governments	1,696	1,692	4	—	—	—	—	—	—	—	—	—		419	—
180 Credit institutions	887	853	34	—	—	—	—	—	—	—	—	—		402	—
190 Other financial corporations	17,177	16,703	474	2	—	2	(2)	(1)	(1)	—	—	—		592	—
200 Non-financial corporations	66,191	61,589	4,602	236	77	159	(43)	(6)	(37)	(13)	(1)	(12)		13,255	63
210 Households	42,030	39,315	2,715	337	13	315	(36)	(9)	(27)	—	—	—		5,951	11
220 Total	716,473	674,651	41,518	6,172	661	5,494	(1,743)	(301)	(1,442)	(2,063)	(37)	(2,026)	(233)	314,860	3,211

(1) The gross NPL ratio for NatWest Group is 1.61% (31 December 2021 – 1.52%). Loans and advances classified as held-for-sale, cash balances at central banks and other demand deposits were excluded from the ratio calculation.

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

UK CR1-A: Maturity of exposures

The table below shows a 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	f
	Net exposure value					
	On demand £m	<= 1 year £m	> 1 year <= 5 years £m	> 5 years £m	No stated maturity £m	Total £m
30 June 2022						
1 Loans and advances	52,388	34,482	78,927	210,866	—	376,663
2 Debt securities	—	8,012	16,781	12,864	—	37,657
3 Total	52,388	42,494	95,708	223,730	—	414,320

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
010 Initial stock of non-performing loans and advances	5,597
020 Inflows to non-performing portfolios	2,085
030 Outflows from non-performing portfolios	(1,580)
040 Outflows due to write-offs	(215)
050 Outflow due to other situations	(1,365)
060 Final stock of non-performing loans and advances	6,102

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 2022								
005 Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010 Loans and advances	4,524	2,061	1,856	1,876	(244)	(665)	4,514	1,285
020 <i>Central banks</i>	—	—	—	—	—	—	—	—
030 <i>General governments</i>	28	—	—	—	—	—	28	—
040 <i>Credit institutions</i>	—	—	—	—	—	—	—	—
050 <i>Other financial corporations</i>	88	21	21	21	(4)	(8)	24	—
060 <i>Non-financial corporations</i>	3,898	794	647	654	(220)	(259)	3,190	462
070 <i>Households</i>	510	1,246	1,188	1,201	(20)	(398)	1,272	823
080 Debt securities	—	—	—	—	—	—	—	—
090 Loan commitments given	852	68	61	62	(4)	—	239	46
100 Total	5,376	2,129	1,917	1,938	(248)	(665)	4,753	1,331
	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 2021								
005 Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
010 Loans and advances	5,157	2,222	1,722	1,749	(277)	(692)	5,196	1,310
020 <i>Central banks</i>	—	—	—	—	—	—	—	—
030 <i>General governments</i>	—	—	—	—	—	—	—	—
040 <i>Credit institutions</i>	—	—	—	—	—	—	—	—
050 <i>Other financial corporations</i>	16	20	20	20	(2)	(1)	11	—
060 <i>Non-financial corporations</i>	4,065	803	662	667	(238)	(276)	3,247	356
070 <i>Households</i>	1,076	1,399	1,040	1,062	(37)	(415)	1,938	954
080 Debt securities	—	—	—	—	—	—	—	—
090 Loan commitments given	767	131	48	50	(1)	—	236	32
100 Total	5,924	2,353	1,770	1,799	(278)	(692)	5,432	1,342

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

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 2022								
010	On-balance sheet exposures	417,676	6,104	5,765	407,144	(3,414)	—	—
020	UK	360,552	5,307	4,982	358,237	(2,828)	—	—
030	Rol	3,279	625	611	2,781	(395)	—	—
040	Other Western Europe	23,548	50	50	18,755	(100)	—	—
050	US	19,951	3	3	17,971	(13)	—	—
060	Other countries	10,346	119	119	9,400	(78)	—	—
070	Off-balance sheet exposures	134,508	531	505	—	—	(87)	—
080	UK	101,348	458	434	—	—	(76)	—
090	Rol	2,620	22	21	—	—	(2)	—
100	Other Western Europe	19,083	43	43	—	—	(8)	—
110	US	9,201	1	1	—	—	(1)	—
120	Other countries	2,256	7	6	—	—	—	—
130	Total	552,184	6,635	6,270	407,144	(3,414)	(87)	—

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 2021								
010	On-balance sheet exposures	412,919	5,597	4,885	410,475	(3,698)	—	—
020	UK	360,589	4,589	3,928	359,299	(3,038)	—	—
030	Rol	8,255	810	766	8,244	(456)	—	—
040	Other Western Europe	19,025	57	50	18,451	(91)	—	—
050	US	16,346	1	1	16,003	(12)	—	—
060	Other countries	8,704	140	140	8,478	(101)	—	—
070	Off-balance sheet exposures	128,556	575	463	—	—	(94)	—
080	UK	96,584	499	388	—	—	(81)	—
090	Rol	2,998	22	21	—	—	(4)	—
100	Other Western Europe	18,229	43	43	—	—	(8)	—
110	US	8,391	—	—	—	—	(1)	—
120	Other countries	2,354	11	11	—	—	—	—
130	Total	541,475	6,172	5,348	410,475	(3,698)	(94)	—

(1) The geographical breakdown disclosed is based on combined on and off-balance sheet exposures and represent greater than 97% of total exposure

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

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					f Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
		a	b	c	d	e	
		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	
30 June 2022							
010	Agriculture, forestry and fishing	3,944	61	47	3,944	(67)	—
020	Mining and quarrying	770	55	55	770	(34)	—
030	Manufacturing	8,298	125	110	8,263	(96)	—
	Electricity, gas, steam and air conditioning						
040	supply	3,724	—	—	3,724	(37)	—
050	Water supply	2,924	6	6	2,924	(8)	—
060	Construction	5,732	377	364	5,731	(110)	—
070	Wholesale and retail trade	13,561	134	130	13,510	(160)	—
080	Transport and storage	5,535	124	123	5,533	(111)	—
090	Accommodation and food service activities	5,353	274	239	5,353	(235)	—
100	Information and communication	4,500	64	64	4,492	(55)	—
110	Financial and insurance activities	2	—	—	2	—	—
120	Real estate activities	25,060	308	256	25,021	(181)	—
130	Professional, scientific and technical activities	3,959	107	104	3,928	(49)	—
140	Administrative and support service activities	6,650	108	103	6,575	(104)	—
150	Public administration and defence, compulsory social security	155	6	6	155	(1)	—
160	Education	591	17	12	591	(7)	—
170	Human health services and social work activities	4,495	155	142	4,486	(67)	—
180	Arts, entertainment and recreation	1,206	18	18	1,206	(32)	—
190	Other services	960	170	169	960	(20)	—
200	Total	97,419	2,109	1,948	97,168	(1,374)	—

		NatWest Group					f Accumulated negative changes in fair value due to credit risk on non-performing exposures £m
		a	b	c	d	e	
		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	
31 December 2021							
010	Agriculture, forestry and fishing	3,862	64	42	3,862	(57)	—
020	Mining and quarrying	888	50	50	888	(39)	—
030	Manufacturing	7,760	111	96	7,710	(98)	—
	Electricity, gas, steam and air conditioning						
040	supply	4,073	6	1	4,073	(6)	—
050	Water supply	2,950	5	4	2,948	(8)	—
060	Construction	5,615	320	297	5,615	(136)	—
070	Wholesale and retail trade	13,906	177	165	13,854	(188)	—
080	Transport and storage	5,961	118	107	5,960	(116)	—
090	Accommodation and food service activities	5,568	288	242	5,560	(277)	—
100	Information and communication	3,569	56	56	3,533	(44)	—
110	Financial and insurance activities	30	—	—	30	—	—
120	Real estate activities	25,129	330	318	25,073	(200)	—
130	Professional, scientific and technical activities	4,121	101	89	3,911	(55)	—
140	Administrative and support service activities	6,432	89	84	6,347	(133)	—
150	Public administration and defence, compulsory social security	168	6	6	168	(1)	—
160	Education	647	16	15	647	(14)	—
170	Human health services and social work activities	4,555	145	135	4,488	(101)	—
180	Arts, entertainment and recreation	1,358	18	14	1,358	(19)	—
190	Other services	973	64	63	971	(19)	—
200	Total	97,565	1,964	1,784	96,996	(1,511)	—

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

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 2022						
1	Loans and advances	257,135	305,293	285,358	11,645	—
2	Debt securities	37,657	—	—	—	—
3	Total	294,792	305,293	285,358	11,645	—
4	Of which: non-performing exposures	302	3,800	2,884	833	—
5	Of which: defaulted	262	3,589	2,689	826	—

		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 2021						
1	Loans and advances	238,395	307,412	284,145	13,233	—
2	Debt securities	44,570	—	—	—	—
3	Total	282,965	307,412	284,145	13,233	—
4	Of which: non-performing exposures	244	3,303	2,630	507	—
5	Of which: defaulted	182	2,673	2,027	496	—

(1) Exposures classified as held-for-trading and held-for-sale are excluded from the table in accordance with FINREP definitions and Basel disclosure requirements. Comparatives were restated to reflect these requirements.

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						
	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 2022						
1 Central governments or central banks	156,059	688	157,077	290	1,138	1
2 Regional governments or local authorities	23	246	22	—	5	21
3 Public sector entities	—	—	—	—	—	—
4 Multilateral development banks	417	—	425	—	—	—
5 International organisations	—	—	—	—	—	—
6 Institutions	2,676	20	2,710	—	537	20
7 Corporates	5,624	2,202	3,911	629	4,245	94
8 Retail	2,763	4,189	2,555	74	1,601	61
9 Secured by mortgages on immovable property	20,463	1,827	20,333	429	9,270	45
10 Exposures in default	423	63	420	7	490	115
11 Items associated with particularly high risk	—	—	—	—	—	—
12 Covered bonds	—	—	—	—	—	—
13 Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14 Collective investment undertakings	—	—	—	—	—	—
15 Equity	607	—	607	—	1,494	246
16 Other items	578	—	656	—	384	59
17 Total	189,633	9,235	188,716	1,429	19,164	10

NatWest Group						
	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 2021						
1 Central governments or central banks	158,673	1,028	159,733	418	418	—
2 Regional governments or local authorities	25	258	24	—	5	21
3 Public sector entities	—	—	—	—	—	—
4 Multilateral development banks	457	—	462	—	—	—
5 International organisations	—	—	—	—	—	—
6 Institutions	2,187	30	2,221	—	437	20
7 Corporates	5,806	2,565	4,211	757	4,691	94
8 Retail	2,519	4,108	2,339	61	1,431	60
9 Secured by mortgages on immovable property	19,936	1,513	19,823	292	8,702	43
10 Exposures in default	428	64	433	5	490	112
11 Items associated with particularly high risk	—	—	—	—	—	—
12 Covered bonds	120	—	122	—	24	20
13 Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14 Collective investment undertakings	—	—	—	—	—	—
15 Equity	612	—	612	—	1,508	246
16 Other items	848	—	901	—	827	92
17 Total	191,611	9,566	190,881	1,533	18,533	10

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.

		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
30 June 2022																		
1	Central governments or central banks	156,912	—	—	—	—	—	—	—	—	—	455	—	—	—	157,367	457	
2	Regional governments or local authorities	—	—	—	—	22	—	—	—	—	—	—	—	—	—	22	22	
3	Public sector entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
4	Multilateral development banks	425	—	—	—	—	—	—	—	—	—	—	—	—	—	425	—	
5	International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
6	Institutions	31	—	—	—	2,676	—	3	—	—	—	—	—	—	—	2,710	15	
7	Corporates	39	—	—	—	156	—	26	—	—	4,306	13	—	—	—	4,540	1,789	
8	Retail exposures	—	—	—	—	323	—	—	—	2,304	—	2	—	—	—	2,629	—	
9	Exposures secured by mortgages on immovable property	—	—	—	—	—	17,498	—	—	—	3,253	11	—	—	—	20,762	20,762	
10	Exposures in default	—	—	—	—	—	—	—	—	—	300	127	—	—	—	427	427	
11	Exposure associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
12	Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
13	Exposures to institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
14	Units or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
15	Equity exposures	—	—	—	—	—	—	—	—	—	16	—	591	—	—	607	591	
16	Other items	3	—	—	—	293	—	23	—	—	310	—	—	—	27	656	656	
17	Total	157,410	—	—	—	3,470	17,498	52	—	2,304	8,185	153	1,046	—	—	27	190,145	24,719

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 2021																			
1	Central governments or central banks	159,984	—	—	—	—	—	—	—	—	—	167	—	—	—	160,151	168		
2	Regional governments or local authorities	—	—	—	—	24	—	—	—	—	—	—	—	—	—	24	24		
3	Public sector entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
4	Multilateral development banks	462	—	—	—	—	—	—	—	—	—	—	—	—	—	462	—		
5	International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
6	Institutions	34	—	—	—	2,187	—	—	—	—	—	—	—	—	—	2,221	11		
7	Corporates	2	—	—	—	158	—	37	—	—	4,752	1	—	—	18	4,968	1,663		
8	Retail exposures	—	—	—	—	346	2	—	—	2,050	—	2	—	—	—	2,400	—		
9	Exposures secured by mortgages on immovable property	—	—	—	—	—	17,413	—	—	—	2,702	—	—	—	—	20,115	20,080		
10	Exposures in default	—	—	—	—	—	—	—	—	—	334	104	—	—	—	438	438		
11	Exposure associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
12	Covered bonds	—	—	—	—	122	—	—	—	—	—	—	—	—	—	122	—		
13	Exposures to institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
14	Units or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
15	Equity exposures	—	—	—	—	—	—	—	—	—	15	—	597	—	—	612	597		
15	Other items	3	—	—	—	68	—	25	—	—	800	—	—	—	5	901	901		
17	Total	160,485	—	—	—	2,905	17,415	62	—	2,050	8,603	107	764	—	—	23	192,414	23,882	

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

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

NatWest Group												
a	b	c	d	e	f	g	h	i	j	k	l	m
Exposures to corporates – SME												
	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 2022												
0.00 to <0.15	19	3	76	21	0.10	55	33	3.83	84	399	—	—
0.00 to <0.10	7	—	—	7	0.08	1	45	5.00	54	767	—	—
0.10 to <0.15	12	3	76	14	0.11	54	27	3.24	30	213	—	—
0.15 to <0.25	598	292	53	755	0.21	1,527	25	3.04	199	26	1	1
0.25 to <0.50	3,306	1,216	50	3,915	0.40	5,869	23	3.15	1,058	27	4	6
0.50 to <0.75	2,361	731	49	2,727	0.64	3,611	23	2.90	855	31	4	7
0.75 to <2.50	5,955	1,747	46	6,778	1.27	8,054	22	2.83	2,913	43	19	44
0.75 to <1.75	4,245	1,300	47	4,863	1.06	6,080	22	2.93	1,783	37	12	22
1.75 to <2.50	1,710	447	44	1,915	1.81	1,974	20	2.58	1,130	59	7	22
2.50 to <10.00	2,622	439	51	2,863	3.43	3,013	22	2.64	1,379	48	22	114
2.50 to < 5.00	2,097	372	50	2,296	2.83	2,393	22	2.62	1,046	46	15	77
5.00 to < 10.00	525	67	55	567	5.84	620	21	2.73	333	59	7	37
10.00 to <100.00	273	39	42	292	13.83	376	20	2.39	195	67	9	23
10.00 to <20.00	226	35	41	242	11.90	298	20	2.37	149	62	6	19
20.00 to <30.00	44	4	46	47	22.00	69	23	2.51	43	92	3	4
30.00 to <100.00	3	—	29	3	40.96	9	26	2.15	3	90	—	—
100.00 (default)	456	37	27	467	100.00	1,027	42	2.04	778	166	172	187
Subtotal (exposure class)	15,590	4,504	48	17,818	4.08	23,532	23	2.86	7,461	42	231	382
Total (all exposures classes)	283,883	117,528	64	351,456		20,394,721		2.57	95,169	27	2,310	2,879

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 2021												
0.00 to <0.15	30	2	79	32	0.11	51	37	3.78	7	24	—	—
0.00 to <0.10	7	—	40	7	0.08	2	45	4.99	2	29	—	—
0.10 to <0.15	23	2	80	25	0.11	49	35	3.43	5	22	—	—
0.15 to <0.25	483	175	59	586	0.21	1,545	25	3.38	112	19	—	1
0.25 to <0.50	2,871	1,000	53	3,408	0.40	6,104	23	3.28	855	25	3	21
0.50 to <0.75	2,401	707	47	2,739	0.64	3,810	23	2.74	785	29	4	25
0.75 to <2.50	5,803	1,827	47	6,676	1.29	9,185	21	2.87	2,630	39	18	107
0.75 to <1.75	4,190	1,282	47	4,800	1.08	6,830	21	2.94	1,594	33	11	61
1.75 to <2.50	1,613	545	47	1,876	1.81	2,355	21	2.71	1,036	55	7	46
2.50 to <10.00	2,740	563	50	3,040	3.46	3,852	21	2.78	1,301	43	22	158
2.50 to < 5.00	2,185	467	51	2,438	2.90	3,044	21	2.78	994	41	14	113
5.00 to < 10.00	555	96	45	602	5.74	808	22	2.78	307	51	8	45
10.00 to <100.00	284	31	49	302	15.33	467	23	2.66	232	77	10	35
10.00 to <20.00	218	27	46	232	12.67	356	23	2.54	166	72	7	27
20.00 to <30.00	64	4	69	68	23.58	100	20	3.05	63	93	3	8
30.00 to <100.00	2	—	20	2	40.96	11	32	2.81	3	114	—	—
100.00 (default)	452	41	31	467	100.00	1,062	46	2.35	589	126	178	209
Subtotal (exposure class)	15,064	4,346	49	17,250	4.27	26,076	23	2.92	6,511	38	235	556
Total (all exposures classes)	272,048	110,344	63	334,416		20,362,892		2.65	73,252	22	1,933	3,227

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 – specialised lending													
	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 2022													
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	—	—	—	—	—	—	—	—	—	—	—	—	
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—	
0.75 to <2.50	—	—	100	—	1.81	2	1	5.00	—	4	—	—	
0.75 to <1.75	—	—	—	—	—	—	—	—	—	—	—	—	
1.75 to <2.50	—	—	100	—	1.81	2	1	5.00	—	4	—	—	
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—	
2.50 to < 5.00	—	—	—	—	—	—	—	—	—	—	—	—	
5.00 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	—	
10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—	
10.00 to <20.00	—	—	—	—	—	—	—	—	—	—	—	—	
20.00 to <30.00	—	—	—	—	—	—	—	—	—	—	—	—	
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—	
100.00 (default)	5	—	20	5	100.00	5	94	3.72	—	—	4	5	
Subtotal (exposure class)	5	—	61	5	97.44	7	92	3.75	—	—	4	5	
Total (all exposures classes)	283,883	117,528	64	351,456		20,394,721		2.57	95,169	27	2,310	2,879	

(1) Excluding specialised lending exposures under the slotting approach.

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 – specialised lending												
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 2021												
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	—	—	—	—	—	—	—	—	—	—	—	—
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <2.50	—	—	100	—	1.81	1	1	5.00	—	4	—	—
0.75 to <1.75	—	—	—	—	—	—	—	—	—	—	—	—
1.75 to <2.50	—	—	100	—	1.81	1	1	5.00	—	4	—	—
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
2.50 to <5.00	—	—	—	—	—	—	—	—	—	—	—	—
5.00 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <20.00	—	—	—	—	—	—	—	—	—	—	—	—
20.00 to <30.00	—	—	—	—	—	—	—	—	—	—	—	—
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (default)	5	—	20	5	100.00	5	94	1.02	—	—	4	5
Subtotal (exposure class)	5	—	59	5	97.68	6	91	1.11	—	—	4	5
Total (all exposures classes)	272,048	110,344	63	334,416		20,362,892		2.65	73,252	22	1,933	3,227

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 2022												
0.00 to <0.15	31,931	44,003	45	51,615	0.06	2,527	42	2.61	10,714	21	13	8
0.00 to <0.10	29,076	37,197	45	45,608	0.05	1,998	42	2.60	8,849	19	10	6
0.10 to <0.15	2,855	6,806	47	6,007	0.11	529	41	2.71	1,865	31	3	2
0.15 to <0.25	8,450	9,832	43	12,663	0.19	1,320	41	2.42	5,161	41	10	9
0.25 to <0.50	6,325	6,743	47	9,325	0.39	2,552	38	2.42	5,127	55	14	26
0.50 to <0.75	4,098	2,684	44	5,254	0.64	1,835	32	2.68	3,185	61	11	21
0.75 to <2.50	11,129	7,276	48	14,494	1.33	8,369	29	2.45	11,352	78	56	116
0.75 to <1.75	7,469	5,077	50	9,957	1.11	5,816	31	2.47	7,843	79	34	70
1.75 to <2.50	3,660	2,199	44	4,537	1.81	2,553	27	2.42	3,509	77	22	46
2.50 to <10.00	4,569	2,212	49	5,602	3.58	3,847	30	2.32	5,258	94	58	145
2.50 to < 5.00	3,289	1,888	48	4,147	2.88	3,263	29	2.38	3,639	88	34	76
5.00 to < 10.00	1,280	324	54	1,455	5.55	584	31	2.18	1,619	111	24	69
10.00 to <100.00	462	117	39	503	17.27	375	32	1.54	838	167	30	41
10.00 to <20.00	230	88	38	262	12.42	239	24	1.70	307	117	8	21
20.00 to <30.00	216	24	33	221	20.93	68	41	1.18	482	218	19	17
30.00 to <100.00	16	5	75	20	40.75	68	43	3.40	49	245	3	3
100.00 (default)	565	90	36	578	100.00	703	39	1.91	179	31	225	245
Subtotal (exposure class)	67,529	72,957	45	100,034	1.18	21,528	38	2.52	41,814	42	417	611
Total (all exposures classes)	283,883	117,528	64	351,456		20,394,721		2.57	95,169	27	2,310	2,879

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 2021												
0.00 to <0.15	30,303	40,361	44	47,989	0.06	2,497	42	2.76	9,983	21	11	10
0.00 to <0.10	27,014	33,985	44	41,930	0.05	1,867	41	2.76	8,088	19	8	6
0.10 to <0.15	3,289	6,376	44	6,059	0.11	630	42	2.74	1,895	31	3	4
0.15 to <0.25	6,494	8,835	42	10,153	0.18	1,300	39	2.45	3,887	38	7	10
0.25 to <0.50	5,545	7,144	46	8,713	0.38	2,624	39	2.39	4,694	54	11	47
0.50 to <0.75	3,825	2,747	44	4,982	0.64	2,137	33	2.70	3,114	63	10	20
0.75 to <2.50	10,148	7,178	45	13,276	1.34	9,460	30	2.43	9,765	74	52	119
0.75 to <1.75	6,570	4,937	47	8,850	1.11	6,581	32	2.52	6,458	73	31	61
1.75 to <2.50	3,578	2,241	42	4,426	1.81	2,879	26	2.27	3,307	75	21	58
2.50 to <10.00	4,814	2,404	48	5,906	3.57	4,411	29	2.35	5,452	92	60	172
2.50 to <5.00	3,591	2,031	48	4,520	2.89	3,689	29	2.34	3,995	88	38	92
5.00 to <10.00	1,223	373	44	1,386	5.79	722	28	2.40	1,457	105	22	80
10.00 to <100.00	860	167	47	936	15.11	565	24	1.92	1,070	114	32	71
10.00 to <20.00	543	139	48	611	11.48	342	27	2.02	752	123	19	51
20.00 to <30.00	302	23	36	307	20.89	105	16	1.66	271	88	10	18
30.00 to <100.00	15	5	63	18	39.57	118	45	2.93	47	258	3	2
100.00 (default)	431	85	39	446	100.00	675	45	2.17	159	36	194	261
Subtotal (exposure class)	62,420	68,921	44	92,401	1.18	23,669	38	2.60	38,124	41	377	710
Total (all exposures classes)	272,048	110,344	63	334,416		20,362,892		2.65	73,252	22	1,933	3,227

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												
	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 2022												
0.00 to <0.15					0.14	1	72			18		
0.00 to <0.10												
0.10 to <0.15					0.14	1	72			18		
0.15 to <0.25		1	100		0.17	84	59			17		
0.25 to <0.50		72	100	47	0.31	5,186	62		13	28		
0.50 to <0.75	67	2	100	69	0.63	1,274	30		16	23		1
0.75 to <2.50	698	41	100	724	1.20	9,476	23		199	28	2	9
0.75 to <1.75	595	11	100	602	1.03	6,969	19		121	20	1	6
1.75 to <2.50	103	30	100	122	2.03	2,507	41		78	64	1	3
2.50 to <10.00	258	3	100	261	4.64	2,738	25		166	64	3	8
2.50 to < 5.00	164	1	100	165	3.56	1,773	25		90	55	1	5
5.00 to < 10.00	94	2	100	96	6.49	965	26		76	79	2	3
10.00 to <100.00	48	1	100	48	24.16	470	20		43	88	2	3
10.00 to <20.00	27	1	100	27	14.15	286	24		27	98	1	2
20.00 to <30.00					29.51	3	35			166		
30.00 to <100.00	21		100	21	36.71	181	16		16	75	1	1
100.00 (default)	38		100	40	100.00	624	17		8	19	7	13
Subtotal (exposure class)	1,109	120	100	1,189	6.13	19,853	25		445	37	14	34
Total (all exposures classes)	283,883	117,528	64	351,456		20,394,721		2.57	95,169	27	2,310	2,879

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 2021												
0.00 to <0.15	—	—	—	—	0.14	1	72		—	17	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	—	—	0.14	1	72		—	17	—	—
0.15 to <0.25	—	1	100	—	0.17	69	60		—	17	—	—
0.25 to <0.50	—	83	100	54	0.31	5,678	62		15	28	—	1
0.50 to <0.75	61	2	100	63	0.63	1,322	30		14	22	—	—
0.75 to <2.50	684	37	100	707	1.19	9,539	21		176	25	2	6
0.75 to <1.75	595	10	100	601	1.04	7,257	17		108	18	1	4
1.75 to <2.50	89	27	100	106	2.03	2,282	40		68	64	1	2
2.50 to <10.00	230	2	100	232	4.77	2,507	23		138	59	3	5
2.50 to <5.00	137	1	100	139	3.56	1,619	22		68	49	2	3
5.00 to <10.00	93	1	100	93	6.57	888	25		70	74	1	2
10.00 to <100.00	42	—	100	42	25.32	457	18		32	77	2	2
10.00 to <20.00	22	—	100	22	14.24	265	21		19	88	1	1
20.00 to <30.00	—	—	—	—	—	—	—		—	—	—	—
30.00 to <100.00	20	—	100	20	37.23	192	14		13	65	1	1
100.00 (default)	30	—	—	31	100.00	498	23		8	26	7	11
Subtotal (exposure class)	1,047	125	100	1,129	5.48	20,071	24		383	34	14	25
Total (all exposures classes)	272,048	110,344	63	334,416		20,362,892		2.65	73,252	22	1,933	3,227

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 – 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 2022												
0.00 to <0.15	6,134	2,759	100	8,939	0.11	65,247	16		517	6	2	4
0.00 to <0.10	2,010	1,181	100	3,218	0.05	21,152	12		118	4	-	1
0.10 to <0.15	4,124	1,578	100	5,721	0.14	44,095	19		399	7	2	3
0.15 to <0.25	35,028	57	100	35,123	0.15	299,129	9		2,507	7	7	12
0.25 to <0.50	103,382	14,888	100	116,972	0.31	780,485	11		16,626	14	53	61
0.50 to <0.75	31,844	92	100	32,010	0.55	183,764	13		5,975	19	25	23
0.75 to <2.50	6,433	81	100	6,530	1.19	47,130	11		2,199	34	11	9
0.75 to <1.75	5,758	69	100	5,840	1.08	40,603	11		1,757	30	9	8
1.75 to <2.50	675	12	100	690	2.10	6,527	10		442	64	2	1
2.50 to <10.00	1,263	7	100	1,273	5.55	10,123	11		845	66	9	7
2.50 to < 5.00	507	6	100	516	3.56	4,324	12		279	54	2	2
5.00 to < 10.00	756	1	100	757	6.90	5,799	11		566	75	7	5
10.00 to <100.00	1,478	2	100	1,485	26.63	12,024	12		1,890	127	54	34
10.00 to <20.00	631	2	100	633	14.17	5,308	10		806	127	12	6
20.00 to <30.00	182	—	100	186	23.09	1,508	23		275	147	10	1
30.00 to <100.00	665	—	100	666	39.48	5,208	9		809	122	32	27
100.00 (default)	2,424	15	100	2,706	100.00	23,004	17		1,916	71	405	492
Subtotal (exposure class)	187,986	17,901	100	205,038	1.88	1,420,906	11		32,475	16	566	642
Total (all exposures classes)	283,883	117,528	64	351,456		20,394,721		2.57	95,169	27	2,310	2,879

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 %	100 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 2021												
0.00 to <0.15	5,934	2,092	100	8,069	0.09	54,601	17		378	5	2	3
0.00 to <0.10	2,398	1,260	100	3,688	0.05	23,194	11		61	2	—	1
0.10 to <0.15	3,536	832	99	4,381	3.00	31,407	22		317	7	2	2
0.15 to <0.25	23,112	852	100	23,990	0.16	179,695	10		885	4	4	8
0.25 to <0.50	108,813	12,208	100	119,975	0.34	868,085	10		7,799	7	45	75
0.50 to <0.75	32,267	101	100	32,445	0.59	196,264	13		3,905	12	27	27
0.75 to <2.50	7,333	92	100	7,443	1.12	51,966	13		1,314	18	11	26
0.75 to <1.75	6,511	78	100	6,604	1.01	44,320	13		1,138	17	9	21
1.75 to <2.50	822	14	100	839	3.00	7,646	10		176	21	2	5
2.50 to <10.00	1,318	10	100	1,332	5.57	11,020	12		707	53	10	24
2.50 to < 5.00	650	7	100	660	3.87	5,708	12		384	58	4	10
5.00 to < 10.00	668	3	100	672	7.23	5,312	11		323	48	6	14
10.00 to <100.00	1,883	2	100	1,895	23.38	15,584	13		1,408	74	60	60
10.00 to <20.00	983	2	100	985	14.10	8,625	10		542	55	15	20
20.00 to <30.00	318	—	100	327	22.69	2,709	24		465	143	17	3
30.00 to <100.00	582	—	100	583	39.45	4,250	11		401	69	28	37
100.00 (default)	1,677	7	100	1,654	100.00	15,839	19		840	51	246	522
Subtotal (exposure class)	182,337	15,364	100	196,803	1.47	1,393,054	11		17,236	9	405	745
Total (all exposures classes)	272,048	110,344	63	334,416		20,362,892		2.65	73,252	22	1,933	3,227

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 – qualifying revolving											
	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 2022												
0.00 to <0.15	54	6,125	100	10,820	0.04	9,973,741	54		184	2	3	11
0.00 to <0.10	4	5,252	100	9,421	0.03	8,413,996	53		123	1	2	5
0.10 to <0.15	50	873	100	1,399	0.12	1,559,745	58		61	4	1	6
0.15 to <0.25	176	275	100	552	0.17	359,773	67		38	7	1	5
0.25 to <0.50	295	1,319	100	1,518	0.36	1,563,557	60		171	11	4	12
0.50 to <0.75	799	6,021	100	1,665	0.60	1,532,593	68		323	19	7	16
0.75 to <2.50	1,543	7,128	100	3,245	1.40	2,965,646	70		1,246	38	34	56
0.75 to <1.75	744	5,008	100	2,004	1.08	2,001,098	70		628	31	16	29
1.75 to <2.50	799	2,120	100	1,241	1.93	964,548	71		618	50	18	27
2.50 to <10.00	1,735	822	100	2,267	4.57	1,089,832	74		2,115	93	82	128
2.50 to < 5.00	1,121	638	100	1,537	3.56	801,579	74		1,189	77	42	66
5.00 to < 10.00	614	184	100	730	6.70	288,253	76		926	127	40	62
10.00 to <100.00	189	43	100	258	21.30	170,263	72		512	198	42	42
10.00 to <20.00	123	35	100	175	13.83	101,680	73		315	180	19	23
20.00 to <30.00	1	—	100	2	26.12	3,043	58		5	220	—	—
30.00 to <100.00	65	8	100	81	37.41	65,540	71		192	238	23	19
100.00 (default)	309	312	100	318	100.00	379,314	79		405	127	240	242
Subtotal (exposure class)	5,100	22,045	100	20,643	2.63	18,034,719	61		4,994	24	413	512
Total (all exposures classes)	283,883	117,528	64	351,456		20,394,721		2.57	95,169	27	2,310	2,879

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 2021												
0.00 to <0.15	10	5,881	100	10,711	0.04	9,937,607	53		167	2	2	12
0.00 to <0.10	—	5,231	100	9,384	0.03	8,396,514	52		114	1	1	6
0.10 to <0.15	10	650	100	1,327	0.11	1,541,093	56		53	4	1	6
0.15 to <0.25	193	390	100	603	0.17	424,973	66		39	7	1	5
0.25 to <0.50	272	1,237	100	1,487	0.36	1,564,726	59		158	11	3	14
0.50 to <0.75	789	5,997	100	1,656	0.60	1,534,182	68		306	18	7	18
0.75 to <2.50	1,451	6,954	100	3,141	1.40	2,988,218	70		1,144	36	31	66
0.75 to <1.75	697	4,889	100	1,936	1.07	2,014,170	69		573	30	14	35
1.75 to <2.50	754	2,065	100	1,205	1.94	974,048	71		571	47	17	31
2.50 to <10.00	1,677	811	100	2,229	4.57	1,112,717	74		1,973	89	76	148
2.50 to <5.00	1,076	657	100	1,507	3.55	822,517	73		1,126	75	39	78
5.00 to <10.00	601	154	100	722	6.71	290,200	76		847	117	37	70
10.00 to <100.00	205	38	100	273	22.89	174,714	72		518	190	44	56
10.00 to <20.00	124	29	100	172	13.63	103,034	73		292	170	17	27
20.00 to <30.00	—	—	100	2	25.49	3,555	63		3	189	—	—
30.00 to <100.00	81	9	100	99	38.83	68,125	70		223	225	27	29
100.00 (default)	250	280	100	256	100.00	300,227	83		245	95	194	196
Subtotal (exposure class)	4,847	21,588	100	20,356	2.38	18,037,364	60		4,550	22	358	515
Total (all exposures classes)	272,048	110,344	63	334,416		20,362,892		2.65	73,252	22	1,933	3,227

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 – non-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 2022												
0.00 to <0.15	—	—	100	—	0.06	1	62		1	573	—	—
0.00 to <0.10	—	—	100	—	0.06	1	62		—	65	—	—
0.10 to <0.15	—	—	—	—	—	—	—		—	—	—	—
0.15 to <0.25	—	—	—	—	—	—	—		13	—	—	—
0.25 to <0.50	29	—	—	30	0.36	5,282	74		78	262	—	—
0.50 to <0.75	108	—	—	110	0.68	19,661	71		128	116	1	—
0.75 to <2.50	3,980	—	—	4,072	1.46	565,550	74		4,178	103	51	87
0.75 to <1.75	2,651	—	—	2,710	1.14	439,048	72		2,535	93	26	45
1.75 to <2.50	1,329	—	—	1,362	2.09	126,502	78		1,643	121	25	42
2.50 to <10.00	1,494	—	—	1,525	5.06	153,958	78		2,097	138	69	91
2.50 to < 5.00	896	—	—	915	3.73	91,752	78		1,219	133	30	57
5.00 to < 10.00	598	—	—	610	7.05	62,206	77		878	144	39	34
10.00 to <100.00	400	—	—	406	20.32	44,174	79		790	195	75	38
10.00 to <20.00	282	—	—	288	13.53	29,374	78		500	174	35	23
20.00 to <30.00	1	—	—	1	27.53	32	48		7	805	1	—
30.00 to <100.00	117	—	—	117	36.94	14,768	81		283	241	39	15
100.00 (default)	553	—	100	586	100.00	85,550	79		695	119	470	477
Subtotal (exposure class)	6,564	—	100	6,729	11.98	874,176	75		7,980	119	666	693
Total (all exposures classes)	283,883	117,528	64	351,456		20,394,721		2.57	95,169	27	2,310	2,879

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 2021												
0.00 to <0.15	—	—	100	—	0.13	4	71		—	22	—	—
0.00 to <0.10	—	—	—	—	—	—	—		—	—	—	—
0.10 to <0.15	—	—	100	—	0.13	4	71		—	22	—	—
0.15 to <0.25	—	—	—	—	0.17	3	75		—	28	—	—
0.25 to <0.50	38	—	—	39	0.36	6,864	74		18	47	—	—
0.50 to <0.75	108	—	—	109	0.68	19,461	70		69	63	1	—
0.75 to <2.50	3,967	—	—	4,059	1.44	575,602	72		3,578	88	43	114
0.75 to <1.75	2,688	—	—	2,748	1.14	452,512	70		2,200	80	22	62
1.75 to <2.50	1,279	—	—	1,311	2.08	123,090	76		1,378	105	21	52
2.50 to <10.00	1,356	—	—	1,384	5.03	142,913	76		1,654	120	53	92
2.50 to <5.00	822	—	—	839	3.72	85,462	77		974	116	24	59
5.00 to <10.00	534	—	—	545	7.04	57,451	76		680	125	29	33
10.00 to <100.00	395	—	—	395	25.21	47,592	77		701	177	77	46
10.00 to <20.00	246	—	—	250	13.88	27,683	76		385	154	27	20
20.00 to <30.00	4	—	—	4	22.88	171	47		5	117	—	—
30.00 to <100.00	145	—	—	141	45.32	19,738	79		311	220	50	26
100.00 (default)	464	—	—	486	100.00	70,213	82		428	88	366	419
Subtotal (exposure class)	6,328	—	100	6,472	11.04	862,652	74		6,448	100	540	671
Total (all exposures classes)	272,048	110,344	63	334,416		20,362,892		2.65	73,252	22	1,933	3,227

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 2022		31 December 2021	
		a	b	a	b
		Pre-credit derivatives RWAs £m	Actual RWAs £m	Pre-credit derivatives RWAs £m	Actual RWAs £m
5	Exposures under AIRB	104,997	104,898	43,978	43,978
6	Central governments and central banks	2,479	2,479	2,851	2,851
7	Institutions	3,337	3,337	2,205	2,205
8	Corporates	49,374	49,275	44,744	44,635
8.1	Of which: SME	7,461	7,461	6,511	6,511
8.2	Of which: Specialised lending (2)	—	—	—	—
8.3	Of which: Other	41,913	41,814	38,233	38,124
9	Retail	49,807	49,807	32,411	32,411
9.1	Of which: Secured by real estate SME - Secured by immovable property collateral	445	445	383	383
9.2	Of which: Secured by real estate non-SME - Secured by immovable property collateral	32,475	32,475	17,236	17,236
9.3	Of which: Qualifying revolving	4,994	4,994	4,550	4,550
9.4	Of which: Other SME	3,913	3,913	3,794	3,794
9.5	Of which: Other non-SME	7,980	7,980	6,448	6,448
10	Total	104,997	104,898	82,211	82,102

(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.

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, securitisations and non-credit obligation assets.

NatWest Group														
	Credit risk mitigation techniques													
	Funded credit protection (FCP)										Unfunded credit protection (UFCP)		Credit risk mitigation methods in the calculation of RWAs	
	Total exposures £m	Part of exposures covered by financial collaterals %	Part of exposures covered by other eligible collaterals %	Part of exposures covered by immovable property collaterals %	Part of exposures covered by receivables %	Part of exposures covered by other physical collaterals %	Part of exposures covered by other funded credit protection %	Part of exposures covered by cash on deposit %	Part of exposures covered by life insurance policies %	Part of exposures covered by instruments held by a third party %	Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	RWA post all assigned to the obligor exposure class £m	RWA with substitution effects £m
30 June 2022	a	b	c	d	e	f	g	h	i	j	k	l	m	n
1 Central governments and central banks	54,356	0.23	0.06	0.06	—	—	—	—	—	—	—	—	10,640	2,479
2 Institutions	11,797	19.44	1.12	1.10	—	0.02	—	—	—	—	3.84	—	3,474	3,337
3 Corporates	117,857	12.87	109.19	98.61	3.02	7.56	0.10	—	—	0.10	2.84	0.38	254,453	49,275
3.1 Of which: SME	17,818	8.55	464.77	444.07	8.40	12.30	0.02	—	—	0.02	8.68	—	7,873	7,461
3.2 Of which: Specialised lending	5	2.61	—	—	—	—	—	—	—	—	—	—	—	—
3.3 Of which: Other	100,034	13.63	45.87	37.09	2.06	6.72	0.11	—	—	0.11	1.80	0.45	246,580	41,814
4 Retail	249,038	—	183.35	183.35	—	—	—	—	—	—	2.77	—	22,413	49,807
4.1 Of which: Immovable property SME	1,189	—	—	—	—	—	—	—	—	—	1.54	—	442	445
4.2 Of which: Immovable property non-SME	205,038	—	222.69	222.69	—	—	—	—	—	—	—	—	19,498	32,475
4.3 Of which: Qualifying revolving	20,643	—	—	—	—	—	—	—	—	—	—	—	569	4,994
4.4 Of which: Other SMEs	15,439	—	—	—	—	—	—	—	—	—	44.58	—	171	3,913
4.5 Of which: Other non-SME	6,729	—	—	—	—	—	—	—	—	—	—	—	1,733	7,980
5 Total	433,048	4.06	135.20	132.32	0.82	2.06	0.03	—	—	0.03	2.47	0.10	290,980	104,898

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

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 %	RWA post all assigned to the obligor exposure class £m	RWA with substitution effects £m
a	b	c	d	e	f	g	h	i	j	k	l	m	n		
6	Specialised lending under the slotting approach	19,332	0.28	141.68	135.69	—	5.99	0.54	—	—	0.54	2.54	—	12,596	12,264
7	Equity Exposures	716	—	—	—	—	—	—	—	—	—	—	—	1,380	1,380

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

The table below shows IRB specialised lending exposures subject to the supervisory slotting approach analysed by type of lending and regulatory category. NatWest Group does not have Object Finance and Commodities Finance exposures; therefore, those are not presented separately. It excludes counterparty credit risk and securitisations. For specialised lending exposures under the PD/LGD method, refer to table UK CR7-A. Additionally, this table also includes a separate section 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 £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
30 June 2022	Remaining maturity						
Category 1	Less than 2.5 years	716	407	50%	1,008	404	—
	Equal to or more than 2.5 years	3,262	1,829	70%	4,895	2,791	20
Category 2	Less than 2.5 years	40	47	70%	62	43	—
	Equal to or more than 2.5 years	330	236	90%	502	376	4
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	24	3	115%	27	31	1
Category 4	Less than 2.5 years	—	—	250%	—	—	—
	Equal to or more than 2.5 years	33	—	250%	33	83	3
Category 5	Less than 2.5 years	26	1	—	27	—	14
	Equal to or more than 2.5 years	28	—	—	28	—	14
Total	Less than 2.5 years	782	456		1,097	447	14
	Equal to or more than 2.5 years	3,677	2,068		5,484	3,281	41

		NatWest Group					
		a	b	c	d	e	f
		Specialised lending: Project finance (slotting approach)					
		On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk-weight %	Exposure value £m	Risk-weighted exposure amount £m	Expected loss amount £m
31 December 2021	Remaining maturity						
Category 1	Less than 2.5 years	623	220	50%	782	314	—
	Equal to or more than 2.5 years	3,304	1,252	70%	4,332	2,423	17
Category 2	Less than 2.5 years	17	35	70%	31	22	—
	Equal to or more than 2.5 years	312	108	90%	402	296	3
Category 3	Less than 2.5 years	—	—	115%	—	—	—
	Equal to or more than 2.5 years	23	3	115%	26	30	1
Category 4	Less than 2.5 years	—	—	250%	—	—	—
	Equal to or more than 2.5 years	34	—	250%	34	84	3
Category 5	Less than 2.5 years	1	—	—	2	—	1
	Equal to or more than 2.5 years	49	—	—	49	—	24
Total	Less than 2.5 years	641	255		815	336	1
	Equal to or more than 2.5 years	3,722	1,363		4,843	2,833	48

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 2022	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	4,243	640	50%	4,581	2,290	—
	Equal to or more than 2.5 years	2,501	271	70%	2,640	1,848	11
Category 2	Less than 2.5 years	3,413	372	70%	3,671	2,570	15
	Equal to or more than 2.5 years	1,160	78	90%	1,226	1,104	10
Category 3	Less than 2.5 years	276	6	115%	282	324	8
	Equal to or more than 2.5 years	57	7	115%	64	73	2
Category 4	Less than 2.5 years	101	—	250%	101	252	8
	Equal to or more than 2.5 years	30	—	250%	30	75	2
Category 5	Less than 2.5 years	114	1	—	115	—	57
	Equal to or more than 2.5 years	40	3	—	41	—	20
Total	Less than 2.5 years	8,147	1,019		8,750	5,436	88
	Equal to or more than 2.5 years	3,788	360		4,001	3,100	45

		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 2021	Remaining maturity	£m	£m	%	£m	£m	£m
Category 1	Less than 2.5 years	3,172	614	50%	3,495	1,747	—
	Equal to or more than 2.5 years	2,228	323	70%	2,392	1,674	10
Category 2	Less than 2.5 years	3,074	410	70%	3,343	2,340	13
	Equal to or more than 2.5 years	1,164	136	90%	1,269	1,142	10
Category 3	Less than 2.5 years	353	5	115%	357	411	10
	Equal to or more than 2.5 years	50	6	115%	56	65	1
Category 4	Less than 2.5 years	119	—	250%	119	297	10
	Equal to or more than 2.5 years	13	—	250%	13	33	1
Category 5	Less than 2.5 years	142	2	—	142	—	73
	Equal to or more than 2.5 years	135	3	—	136	—	69
Total	Less than 2.5 years	6,860	1,031		7,456	4,795	106
	Equal to or more than 2.5 years	3,590	468		3,866	2,914	91

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 2022						
Private equity exposures	642	66	190%	709	1,353	6
Exchange-traded equity exposures	—	—	290%	—	—	—
Other equity exposures	7	—	370%	7	27	—
Total	649	66		716	1,380	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 2021						
Private equity exposures	656	64	190%	719	1,369	6
Exchange-traded equity exposures	—	—	290%	—	—	—
Other equity exposures	4	—	370%	4	16	—
Total	660	64		723	1,385	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 2022									
1	SA-CCR (for derivatives)	796	1,264	—	1.4	8,047	2,884	2,810	1,246
2	Internal model method (for derivatives and SFTs)	—	—	8,860	1.4	33,488	12,404	12,284	4,149
2b	of which: derivatives and long settlement transactions netting sets	—	—	8,860	1.4	33,488	12,404	12,284	4,149
4	Financial collateral comprehensive method (for SFTs)					118,800	4,546	4,546	848
6	Total					160,335	19,834	19,640	6,243

(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.

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 2022	31 December 2021	
		Exposure value £m	RWAs £m	Exposure amount £m RWAs £m
1	Total transactions subject to the advanced method	7,051	1,044	6,209 929
2	(i) VaR component (including the 3x multiplier) ⁽¹⁾		190	275
3	(ii) Stressed VaR component (including the 3x multiplier) ⁽¹⁾		854	654
4	Transactions subject to the standardised method	1,204	586	1,480 438
5	Total transactions subject to own funds requirements for CVA risk	8,255	1,630	7,689 1,367

(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, both exposure and RWAs increased. The increase reflects the raised multiplier for NWM Plc resulting from the increase in VaR back-testing exceptions. Refer also to the commentary under Table UK MR2_B.
- For portfolios subject to the standardised charge, overall exposure decreased due to a change in methodology to include regulatory initial margin in the exposure at default (EAD) calculation. However, applying the new methodology had the effect of creating a temporary non-risk-neutral hedge position – and, thus, a rise in RWAs – as at 30 June 2022.

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

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

NatWest Group												
Risk-weight												
Exposure class	a	b	c	d	e	f	g	h	i	j	k	l
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2022												
1 Central governments or central banks	547	—	—	—	—	—	—	—	—	—	—	547
2 Regional government or local authorities	57	—	—	—	12	—	—	—	—	—	—	69
6 Institutions	—	3,511	—	—	67	46	—	—	—	—	45	3,669
7 Corporates	—	—	—	—	106	53	—	—	179	—	—	338
11 Total exposure value	604	3,511	—	—	185	99	—	—	179	—	45	4,623

NatWest Group												
Risk-weight												
Exposure class	a	b	c	d	e	f	g	h	i	j	k	l
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December 2021												
1 Central governments or central banks	601	—	—	—	—	—	—	—	—	—	—	601
2 Regional government or local authorities	35	—	—	—	18	—	—	—	—	—	—	53
6 Institutions	—	3,247	—	—	646	1	—	—	—	—	—	3,894
7 Corporates	—	—	—	—	76	71	—	—	98	—	1	245
11 Total exposure value	636	3,247	—	—	740	72	—	—	98	—	1	4,793

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

— The decrease in the institutions class was driven by a decrease in exposure to qualifying central counterparties. The risk-weight shift is explained under Table UK CCR8.

IRB Approach PD & LGD approach

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.

		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 2022	PD scale							
Central governments and central banks	0.00 to <0.15	995	0.01	23	45	3	105	11
Central governments and central banks	0.15 to <0.25	—	0.23	2	45	5	—	—
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		995	0.01	25	45	3	105	11
Institutions	0.00 to <0.15	2,063	0.09	110	45	2	486	24
Institutions	0.15 to <0.25	2,454	0.18	137	47	3	939	38
Institutions	0.25 to <0.50	475	0.34	84	48	3	295	62
Institutions	0.50 to <0.75	36	0.64	14	58	2	40	109
Institutions	0.75 to <2.50	17	1.28	36	63	2	25	146
Institutions	2.50 to <10.00	52	2.60	23	46	5	92	178
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
Total - Institutions		5,097	0.19	404	46	2	1,877	37
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—
Corporates - SME	0.15 to <0.25	5	0.19	28	51	1	1	28
Corporates - SME	0.25 to <0.50	11	0.38	160	46	2	4	40
Corporates - SME	0.50 to <0.75	5	0.64	87	40	2	2	45
Corporates - SME	0.75 to <2.50	10	1.12	195	37	1	5	47
Corporates - SME	2.50 to <10.00	4	3.18	57	31	2	2	57
Corporates - SME	10.00 to <100.00	—	20.48	1	43	1	—	138
Corporates - SME	100.00 (Default)	1	100.00	3	51	1	5	519
Total - Corporates - SME		36	3.41	531	42	2	20	55

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
30 June 2022	PD scale	£m	%		%	Years	£m	%
Corporates - Specialised lending	Strong	442	—	189	—	4	242	55
Corporates - Specialised lending	Good	40	—	74	—	5	32	80
Corporates - Specialised lending	Satisfactory	21	—	8	—	4	24	115
Corporates - Specialised lending	Weak	1	—	1	—	3	2	250
Corporates - Specialised lending	Default	52	—	2	—	5	—	—
Total - Corporates - Specialised lending ⁽¹⁾		556	—	274	—	5	300	54
Corporates - Other	0.00 to <0.15	8,438	0.04	2,398	45	2	1,621	19
Corporates - Other	0.15 to <0.25	1,896	0.19	380	49	3	971	51
Corporates - Other	0.25 to <0.50	1,028	0.37	287	45	2	637	62
Corporates - Other	0.50 to <0.75	121	0.64	119	45	1	81	67
Corporates - Other	0.75 to <2.50	329	1.27	255	46	2	352	107
Corporates - Other	2.50 to <10.00	52	2.88	190	49	2	74	142
Corporates - Other	10.00 to <100.00	24	21.14	6	43	2	55	235
Corporates - Other	100.00 (Default)	—	100.00	1	28	3	—	933
Total - Corporates - Other		11,888	0.19	3,636	46	2	3,791	32
Total - Wholesale all portfolios		18,572	0.19	4,870	46	2	6,093	33

(1) For these specialised lending exposures, the supervisory slotting method is used to calculate RWAs, rather than the PD/LGD method.

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 2021	PD scale							
Central governments and central banks	0.00 to <0.15	665	0.01	21	46	1.80	45	7
Central governments and central banks	0.15 to <0.25	—	0.23	1	45	5.00	—	—
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		665	0.01	22	46	1.80	45	7
Institutions	0.00 to <0.15	1,996	0.09	107	45	2.21	596	30
Institutions	0.15 to <0.25	2,531	0.18	149	46	2.66	927	37
Institutions	0.25 to <0.50	404	0.38	88	47	3.09	202	50
Institutions	0.50 to <0.75	30	0.64	18	59	1.17	31	105
Institutions	0.75 to <2.50	25	1.51	33	54	1.33	31	122
Institutions	2.50 to <10.00	34	2.79	22	51	3.99	194	570
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
Total - Institutions		5,020	0.19	417	46	2.51	1,981	39
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—
Corporates - SME	0.15 to <0.25	1	0.20	24	54	1.02	—	24
Corporates - SME	0.25 to <0.50	8	0.40	137	43	2.57	3	41
Corporates - SME	0.50 to <0.75	4	0.64	82	35	2.47	2	41
Corporates - SME	0.75 to <2.50	15	1.06	207	34	1.48	6	43
Corporates - SME	2.50 to <10.00	5	3.68	50	38	2.02	3	68
Corporates - SME	10.00 to <100.00	—	10.24	2	25	1.00	—	65
Corporates - SME	100.00 (Default)	1	100.00	3	52	1.66	5	562
Total - Corporates - SME		34	3.85	505	38	1.94	19	59

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 2021	PD scale							
Corporates - Specialised lending	Strong	603	—	185	—	4.21	325	54
Corporates - Specialised lending	Good	157	—	78	—	4.70	112	71
Corporates - Specialised lending	Satisfactory	86	—	11	—	4.54	99	115
Corporates - Specialised lending	Weak	5	—	3	—	2.12	11	250
Corporates - Specialised lending	Default	—	—	2	—	1.00	—	—
Total - Corporates - Specialised lending (1)		851	—	279	—	4.32	547	64
Corporates - Other	0.00 to <0.15	7,782	0.05	2,587	45	1.89	1,439	18
Corporates - Other	0.15 to <0.25	1,762	0.19	359	47	2.89	804	46
Corporates - Other	0.25 to <0.50	684	0.39	306	51	2.62	494	72
Corporates - Other	0.50 to <0.75	118	0.64	140	48	0.99	79	67
Corporates - Other	0.75 to <2.50	306	1.24	288	44	1.09	255	83
Corporates - Other	2.50 to <10.00	36	3.27	187	49	1.45	49	135
Corporates - Other	10.00 to <100.00	15	20.90	8	45	2.14	36	241
Corporates - Other	100.00 (Default)	1	100.00	3	28	1.39	—	—
Total - Corporates - Other		10,704	0.18	3,878	46	2.07	3,156	29
Total - Wholesale all portfolios		17,274	0.18	5,101	46	2.30	5,748	33

(1) For these specialised lending exposures, the supervisory slotting method is used to calculate RWAs, rather than the PD/LGD method.

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	
		30 June 2022		31 December 2021	
		Protection bought	Protection sold	Protection bought	Protection sold
		£m	£m	£m	£m
Notionals					
1	Single-name credit default swaps	4,198	2,799	3,634	2,546
2	Index credit default swaps	3,353	1,603	3,697	695
3	Total return swaps	150	150	150	150
4	Credit options				
5	Other credit derivatives	2,000	—	2,000	—
6	Total notionals	9,701	4,552	9,481	3,301
Fair values					
7	Positive fair value (asset)	128	29	91	62
8	Negative fair value (liability)	(67)	(78)	(195)	(93)

(1) Own credit portfolio consists of trades held in the regulatory banking book used for hedging and credit management. Fair values are not material. Intermediation activities cover all other credit derivatives.

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	
		30 June 2022		31 December 2021	
		Exposure value	RWA	Exposure value	RWA
		£m	£m	£m	£m
1	Exposures to QCCPs (total)	3,941	158	4,143	322
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	3,557	89	3,745	165
	Of which:				
3	(i) OTC derivatives	836	17	1,429	118
4	(ii) Exchange-traded derivatives	819	34	267	6
5	(iii) Securities financing transactions	1,902	38	2,049	41
9	Pre-funded default fund contributions	384	69	398	157

(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.

- Exposures to QCCPs decreased moderately during the period. RWAs decreased more significantly as a result of lower risk-weights being applied following the implementation of SA-CCR.

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 2022	31 December 2021
		a	a
		RWAs	RWAs
		£m	£m
Outright products			
1	Interest rate risk (general and specific)	570	366
2	Equity risk (general and specific)	—	—
3	Foreign exchange risk	598	560
4	Commodity risk	—	—
Options			
5	Simplified approach	—	—
6	Delta-plus approach	—	—
7	Scenario approach	—	—
8	Securitisation (specific risk)	80	84
9	Total	1,248	1,010

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

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

The table below shows market risk RWAs and own funds requirements by component under the internal model approach.

		NatWest Group			
		30 June 2022		31 December 2021	
		a	b	a	b
		RWAs	Own funds requirements	RWAs	Own funds requirements
		£m	£m	£m	£m
1	VaR (higher of values a and b)	1,437	115	1,456	116
a	Previous day's VaR (VaRt-1)		32		29
b	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		115		116
2	SVaR (higher values of a and b)	3,681	294	2,591	207
a	Latest available SVaR (SVaRt-1)		54		52
b	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		294		207
3	IRC (higher of values a and b)	1,094	88	1,295	104
a	Most recent IRC measure		88		95
b	12 weeks average IRC measure		85		104
5	Other (RNIV at period end)	1,103	88	1,565	125
6	Total	7,315	585	6,907	552

- Refer to Table MR2_B.

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 2022	31 December 2021
		£m	£m
VaR (10 day 99%)			
1	Maximum value	54	49
2	Average value	32	36
3	Minimum value	24	28
4	Period end	32	29
SVaR (10 day 99%)			
5	Maximum value	112	157
6	Average value	72	94
7	Minimum value	51	51
8	Period end	54	52
IRC (99.9%)			
9	Maximum value	112	138
10	Average value	79	95
11	Minimum value	57	76
12	Period end	88	95

- The movements in VaR, SVaR and IRC values were broadly in line with the trends in market risk capital requirements under the internal model approach, 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 (Hypo) 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.

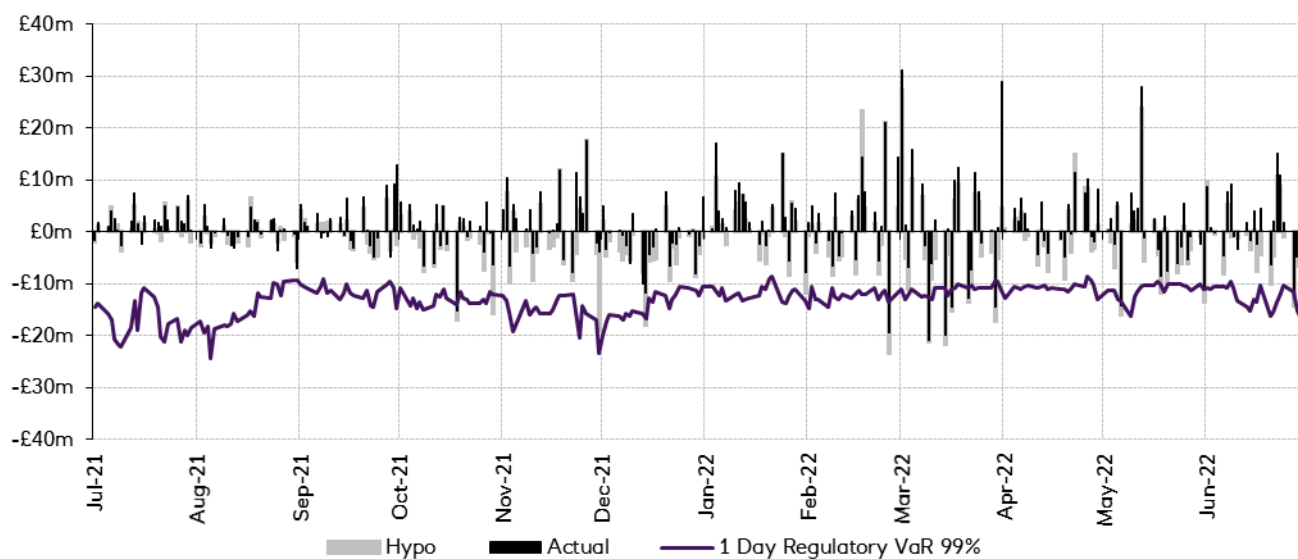
The Hypo P&L reflects the firm's Actual P&L excluding any intra-day activities.

A portfolio is said to produce a back-testing exception when the Actual or Hypo 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 Hypo back-testing exceptions are monitored.

UK MR4: Comparison of VaR estimates with gains/losses

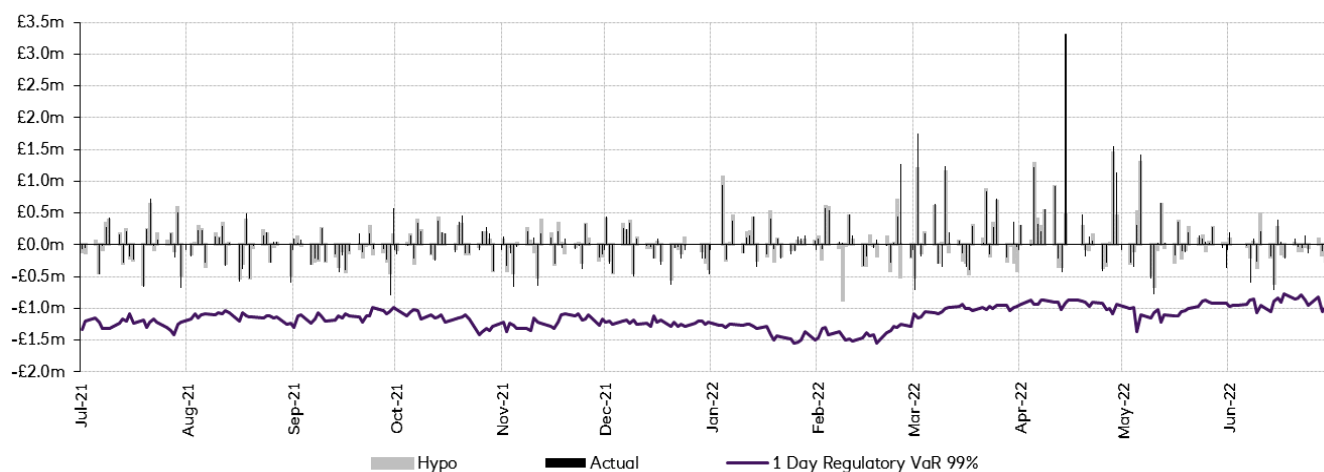
For the 250-business-day window to 30 June 2022, the graphs below show one-day 99% regulatory VaR compared with Actual and Hypo P&L for NWM Plc, NatWest Group's largest legal entity by market risk RWAs and positions, and for NWM N.V.

NWM Plc



- In the 250-day rolling window to 30 June 2022, NWM Plc had a total of ten Actual and 14 Hypo VaR back-testing exceptions.
- The majority of these occurred during H1 2022, notably as a result of volatility in long-end sterling rates and inflation.

NWM N.V.



- NWM N.V. recorded no exceptions during the period.

Interest rate risk in the banking book

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

The table below shows information on changes in economic value of equity (Δ EVE) and net interest income (Δ NI) 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		c		e
Δ EVE		Δ NI	Tier 1 capital	
	30 June 2022 £m		30 June 2022 £m	30 June 2022 £m
010 Parallel shock up	(2,783)		2,389	
020 Parallel shock down	1,192		(2,516)	
030 Steepener shock	(154)			
040 Flattener shock	(374)			
050 Short rates shock up	(1,223)			
060 Short rates shock down	528			
070 Maximum	(2,783)		(2,516)	
080 Tier 1 capital				29,568

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		£m	£m	£m	STS	Non-STS		£m	£m	STS	Non-STS		£m
30 June 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Total exposures	—	—	—	—	3,588	—	3,588	—	—	—	—	658	8,478	—	—	9,136	
2	Retail (total)	—	—	—	—	—	—	—	—	—	—	—	558	4,117	—	—	4,675	
3	Residential mortgage	—	—	—	—	—	—	—	—	—	—	—	358	2,666	—	—	3,024	
4	Credit card	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
5	Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	200	1,451	—	—	1,651	
7	Wholesale (total)	—	—	—	—	3,588	—	3,588	—	—	—	—	100	4,361	—	—	4,461	
8	Loans to corporates	—	—	—	—	2,859	—	2,859	—	—	—	—	—	3,027	—	—	3,027	
9	Commercial Mortgage	—	—	—	—	729	—	729	—	—	—	—	—	822	—	—	822	
10	Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	100	512	—	—	612	
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		£m	STS	Non-STS		£m	£m	STS	Non-STS		£m	£m
		£m	of which SRT	£m	of which SRT	£m	£m		£m	£m	£m			£m	£m	£m		
31 December 2021																		
1	Total exposures	—	—	—	—	4,808	4,808	4,808	—	20	—	20	373	7,156	—	—	7,529	
2	Retail (total)	—	—	—	—	—	—	—	—	20	—	20	298	4,418	—	—	4,716	
3	Residential mortgage	—	—	—	—	—	—	—	—	—	—	—	98	3,015	—	—	3,113	
4	Credit card	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
5	Other retail exposures	—	—	—	—	—	—	—	—	20	—	20	200	1,403	—	—	1,603	
7	Wholesale (total)	—	—	—	—	4,808	4,808	4,808	—	—	—	—	75	2,738	—	—	2,813	
8	Loans to corporates	—	—	—	—	3,712	3,712	3,712	—	—	—	—	—	1,709	—	—	1,709	
9	Commercial Mortgage	—	—	—	—	1,096	1,096	1,096	—	—	—	—	—	506	—	—	506	
10	Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	75	523	—	—	598	
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 £0.3 billion (2021 – £0.4 billion) and RWAs of £0.2 billion (2021 – £0.3 billion) related to counterparty credit risk associated with derivative trades. Within this, residential mortgages accounted for EAD of £0.2 billion (2021 – £0.2 billion) and RWAs of £0.1 billion (2021 – £0.2 billion).

- Total exposures decreased, due to amortisation of the underlying pool of assets on originated transactions in NWH Group.
- Total investor positions increased, primarily driven by NWM Plc.

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 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total exposures	—	—	—	—	—	—	—	—	—	30	—	30	
2 Retail (total)	—	—	—	—	—	—	—	—	—	13	—	13	
3 Residential mortgage	—	—	—	—	—	—	—	—	—	13	—	13	
4 Credit card	—	—	—	—	—	—	—	—	—	—	—	—	
5 Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	
7 Wholesale (total)	—	—	—	—	—	—	—	—	—	17	—	17	
8 Loans to corporates	—	—	—	—	—	—	—	—	—	16	—	16	
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 2021	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total exposures	—	—	—	—	—	—	—	—	—	31	—	31	
2 Retail (total)	—	—	—	—	—	—	—	—	—	12	—	12	
3 Residential mortgage	—	—	—	—	—	—	—	—	—	12	—	12	
4 Credit card	—	—	—	—	—	—	—	—	—	—	—	—	
5 Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	
7 Wholesale (total)	—	—	—	—	—	—	—	—	—	19	—	19	
8 Loans to corporates	—	—	—	—	—	—	—	—	—	16	—	16	
9 Commercial mortgage	—	—	—	—	—	—	—	—	—	2	—	2	
10 Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	
11 Other wholesale	—	—	—	—	—	—	—	—	—	1	—	1	

— Securitisation exposures in the trading book were broadly unchanged compared to 31 December 2021.

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 2022																	
1 Total Exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Traditional																	
2 transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Synthetic																	
9 transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31 December 2021																	
Total																	
1 Exposures	4,813	—	—	—	15	4,808	—	20	—	911	—	3	—	73	—	—	—
Traditional																	
2 transactions	20	—	—	—	—	—	—	20	—	—	—	3	—	—	—	—	—
3 Securitisation	20	—	—	—	—	—	—	20	—	—	—	3	—	—	—	—	—
Retail																	
4 underlying	20	—	—	—	—	—	—	20	—	—	—	3	—	—	—	—	—
5 Of which																	
STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Synthetic																	
9 transactions	4,793	—	—	—	15	4,808	—	—	—	911	—	—	—	73	—	—	—
10 Securitisation	4,793	—	—	—	15	4,808	—	—	—	911	—	—	—	73	—	—	—
Retail																	
11 underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Wholesale	4,793	—	—	—	15	4,808	—	—	—	911	—	—	—	73	—	—	—

(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 2022, no transactions where NWH Group acted as originator were capitalised under the securitisation framework.

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			
30 June 2022		≤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
1	Total exposures	8,891	190	23	27	5	—	123	9,008	5	—	105	1,341	61	—	9	107	5
	Traditional																	
2	securitisation	8,891	190	23	27	5	—	123	9,008	5	—	105	1,341	61	—	9	107	5
3	Securitisation	8,891	190	23	27	5	—	123	9,008	5	—	105	1,341	61	—	9	107	5
4	Retail underlying	4,623	3	23	21	5	—	25	4,645	5	—	48	678	61	—	4	54	5
5	Of which STS	558	—	—	—	—	—	—	558	—	—	—	56	—	—	—	4	—
6	Wholesale	4,268	187	—	6	—	—	98	4,363	—	—	57	663	—	—	5	53	—
7	Of which STS	100	—	—	—	—	—	—	100	—	—	—	11	—	—	—	1	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

		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			
31 December 2021		≤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
1	Total exposures	6,998	239	146	139	7	—	361	7,161	7	—	327	1,143	86	—	26	91	7
	Traditional																	
2	securitisation	6,998	239	146	139	7	—	361	7,161	7	—	327	1,143	86	—	26	91	7
3	Securitisation	6,998	239	146	139	7	—	361	7,161	7	—	327	1,143	86	—	26	91	7
4	Retail underlying	4,501	2	73	133	7	—	185	4,524	7	—	232	673	86	—	18	54	7
5	Of which STS	298	—	—	—	—	—	—	298	—	—	—	30	—	—	—	2	—
6	Wholesale	2,497	237	73	6	—	—	176	2,637	—	—	95	470	—	—	8	37	—
7	Of which STS	75	—	—	—	—	—	—	75	—	—	—	9	—	—	—	1	—
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.