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## DIRECTION

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To: NatWest Markets Plc (FRN 121882), National Westminster Bank Plc (FRN 121878), The Royal Bank of Scotland Plc (FRN 114724), Coutts & Company (FRN 122287), Ulster Bank Limited (FRN 122315)  
(each a “firm”)

Of: 36 St Andrew Square, Edinburgh EH2 2YB

Ref: 00001264, 00001265, 00001266, 00001267 & 00001268

Date: 21 May 2020

**Rulebook version as in force at the date this Direction takes effect.**

### Power

1. This Direction is given by the *PRA* under Section 138A of the *Act*.

### Duration

2. This Direction takes effect on 6 May 2020.
3. This Direction ends on the date on which a relevant *rule* below is amended or no longer applies to the firm (in whole or in part), or if earlier, the date this Direction is superseded by a further Direction relating to the same subject matter.

### Rules Modified

4. The *PRA* directs that the rules listed below apply to the *firm* with the modifications shown (new text underlined, deleted text is struck through).

| Rule                      | Modification                                                                                                                                                                                                                                                   |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Leverage Ratio 1.2</b> | <p>In this Part, the following definitions shall apply:</p> <p>[...]</p> <p><b><i>total exposure measure</i></b><br/>has the meaning given by Article 429(4) of the <i>CRR</i>, as amended by the Commission Delegated Regulation (EU) 2015/62, save that:</p> |



|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|                                                                                                                                                                                                                       | <p>[...]</p> <p>(C) the <i>firm</i> may exclude loans made by the <i>firm</i> pursuant to:</p> <p>(i) the Bounce Back Loan scheme announced by Her Majesty's Government on 27 April 2020; or</p> <p>(ii) schemes supporting lending to small and medium-sized businesses which are located in an <i>EEA State</i> in the course of the Coronavirus pandemic, provided that such loans do not exceed €60,000 per loan and are subject to a 100% guarantee provided by an <i>EEA State</i> or central bank of an <i>EEA State</i> or the European Central Bank.</p> |
| <p><b>Public Disclosure 3.7</b></p> <p>If the Part as it applies to the Firm has not already been modified to include rule 3.8A, insert as follows:</p>                                                               | <p>Subject to 3.8, <u>and 3.8A</u>:</p> <p>[...]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Public Disclosure 3.8 / 3.8A</b></p> <p>If the Part as it applies to the Firm has already been modified to include rule 3.8A, delete and replace as follows. Otherwise insert the following after rule 3.8:</p> | <p>3.8A For the purposes of disclosing the items specified in 3.3(2), 3.3(3) and 3.3(4) for the quarter in which this Direction takes effect, the <i>firm</i> must perform the calculations in rule 3.7 using the definition of <i>total exposure measure</i> as modified in this Direction and any other relevant Direction made under section 138A of the <i>Act</i> as if it applies for each day in the quarter.</p>                                                                                                                                          |
| <p><b>Reporting Leverage Ratio 3.1</b></p> <p>If the Part as it applies to the Firm has not already been modified to include rule 4.2A, insert as follows:</p>                                                        | <p>Subject to 4.1 and 4.2A, a <i>firm</i> must complete the <i>data item</i> FSA083 using the template for the <i>data item</i> set out here.</p> <p>[...]</p>                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b>Reporting Leverage Ratio 4.2 / 4.2A</b></p>                                                                                                                                                                     | <p><u>4.2A</u> For the purpose of completing <i>data item</i> FSA083 in respect of the quarter in which this</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>If the Part as it applies to the Firm has already been modified to include rule 4.2A, delete and replace as follows. Otherwise insert the following after rule 4.2:</p> | <p><u>Direction takes effect, the <i>firm</i> must perform the calculations in rule 3.2 using the definition of <i>total exposure measure</i> as modified in this Direction and any other relevant Direction made under section 138A of the Act as if it applies for each day in the quarter.</u></p> |
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## Interpretation

5. Interpretative provisions (including definitions) of the PRA Rulebook apply to this direction in the same way they apply to the PRA Rulebook.

Colin Cairns

Associate – Waivers & EU Permissions

Prudential Regulation Authority