BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

DIRECTION

To: NatWest Group plc (FRN 228174)
NatWest Holdings Limited (FRN 769641)
(each a "Company")

National Westminster Bank Plc ("NWB") (FRN 121878)
The Royal Bank of Scotland plc ("RBS") (FRN 114724)
Coutts & Company ("C&C") (FRN 122287)
NatWest Markets Plc ("NWM") (FRN 121882)
(each a "Firm")

Of: 250 Bishopsgate, London EC2M 4RB

Ref: 00003787 (NWB), 00003788 (RBS), 00003789 (C&C) & 00003790 (NWM)

Date: 21 December 2021

Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook (Version in force at the effective date of this Direction)

Power

1. This Direction is given by the *PRA* under section 138A of *FSMA*.

Duration

2. This Direction takes effect on 01 January 2022.

3. This Direction shall end on the earlier of:

(a) The date that the relevant rules are revoked or no longer apply to the Firm; or

(b) The date that this Direction is revoked, varied or superseded by a further direction that applies to the Firm relating to the same subject matter.

Rules Modified

4. The *PRA* directs that Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the *PRA* Rulebook applies to each of the Firms and to each of the Companies in respect of the solo and/or consolidated requirements they are subject to with the modifications shown below (new text underlined).

Rule	Modification
Article 10(1)(c)(i), (ii) and (iv)	(c) assets representing claims on or guaranteed by the following central or regional governments, local authorities or public sector entities: (i) the central government of the *United Kingdom* or of an *EEA State*; (ii) the central government of a third country (other than an *EEA State*), provided that it is assigned a credit assessment by a nominated ECAI which is at least credit quality step 1 in accordance with Article 114(2) of *CRR*; (iii) regional governments or local authorities in a third country of the type referred to in point (ii) or regional governments or local authorities in an *EEA State*, provided that they are treated as exposures to the central government of the third country in accordance with Article 115(4) of *CRR*;
Article 10(1)(d)(i)	(d) the following assets: (i) assets representing claims on or guaranteed by the central government or *central bank of a third country* (other than assets representing claims on or guaranteed by the central government of an *EEA State*) which is not assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 114(2) of *CRR*;
Article 11(1)(b)	(b) assets representing claims on or guaranteed by the central government or the *central bank of a third country* (other than assets representing claims on or guaranteed by the central government of an *EEA State*) or by a regional government, local authority or public sector entity in a third country, provided that they are assigned a 20% risk weight in accordance with Article 114(2), 115 or 116 of *CRR*, as applicable;

Interpretation

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

Supervision, Risk and Policy Committee

Prudential Regulation Authority