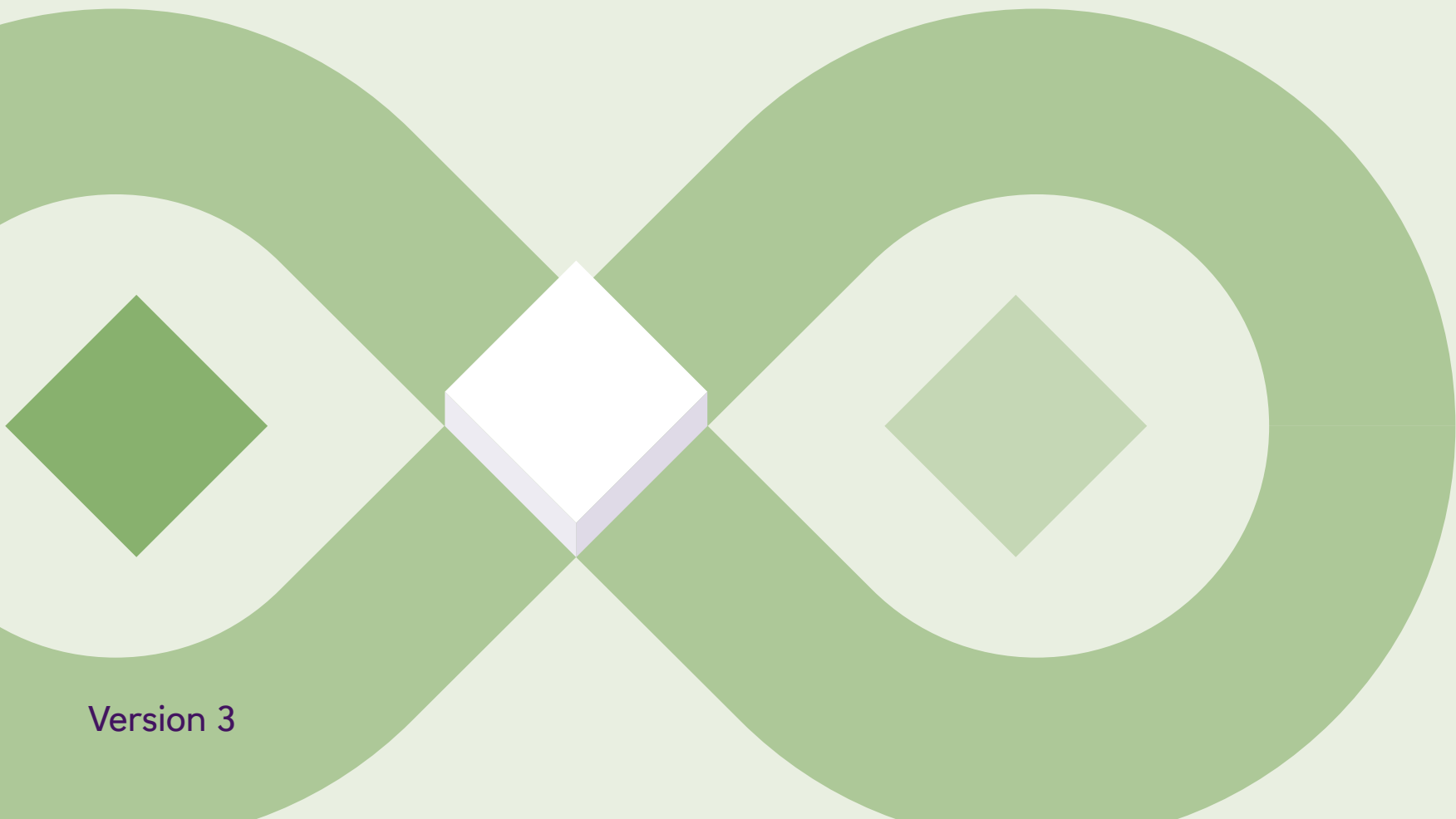


Ring-fencing overview

August 2020



Version 3

natwest.com/markets

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What is ring-fencing

UK ring-fencing legislation took effect on 1 January 2019.

During 2018 RBS Group (now NatWest Group) reorganised its group legal entity structure and business model to operate with a ring-fenced bank sub-group structure and multiple entities outside the ring-fence.

In December 2016 we changed our brand from RBS Corporate & Institutional Banking (CIB) to NatWest Markets and on 30 April 2018, we renamed RBS plc to NatWest Markets Plc. NatWest Markets offers NatWest Group's financing, risk management and trading solutions and operates outside of the ring-fence.

Any transactions that you have with NatWest Markets Plc are therefore with a non ring-fenced bank. If you have questions or need more information on the changes that we made to meet ring-fencing legislation, you can email us at ringfencing@natwestmarkets.com.

More information can also be found in the following Regulatory News Service (RNS) announcements, issued at the time:

- **RBS Announces Proposed Future Ring-Fenced Legal Entity Structure and Investment in Customer Brands**
- **Ring-fencing Legal Entity Transfers**
- **The Royal Bank of Scotland Group plc – Ring-Fencing Transfer Scheme Effective**
- Capital reduction: **notice of petition** and **notice of completion**
- The Royal Bank of Scotland Group plc - update on ring-fencing plans: **31 July 2018** and **13 August 2018**
- **The Royal Bank of Scotland Group plc - changes to the UK intraGroup capital and liquidity arrangements.**

What is ring-fencing (continued)

Certain customers, activities and geographies must be placed inside or outside the ring-fence and others are left to the discretion of the banks that were subject to the legislation:

| | Personal and Business | Commercial ¹ | Corporate | Exempt Financial Institutions ² | Relevant Financial Institutions ³ |
|--------------------------|---|-------------------------|--|--|--|
| Capital Markets | | | | Debt Capital Markets | |
| | | | | Complex Derivatives | |
| Financial Markets | | Simple Derivatives | | | Simple Derivatives ⁴ |
| | | | Spot FX | | |
| Banking | | | Payments | | |
| | Deposits | | | Deposits | |
| Lending | | Lending | | | Lending |
| | Overdrafts | | Overdrafts | | |
| Geography | UK and any mandated activity within a branch in the EEA | | Banking activities in a EEA based subsidiary | | Branches or subsidiaries outside of the EEA |

¹ Commercial: turnover < £6.5m a year, < 50 employees or balance sheet < £3.26m

² Financial Institutions with whom ring fenced banks can have financial exposures, including other ring fenced banks, building societies and small insurers

³ Relevant Financial Institutions: large banks, funds and Global Systematically Important Insurers

⁴ Ring-fencing rules define a simple derivative as a currency swap, interest rate swap, forward contract, option, swaption or interest rate cap/floor

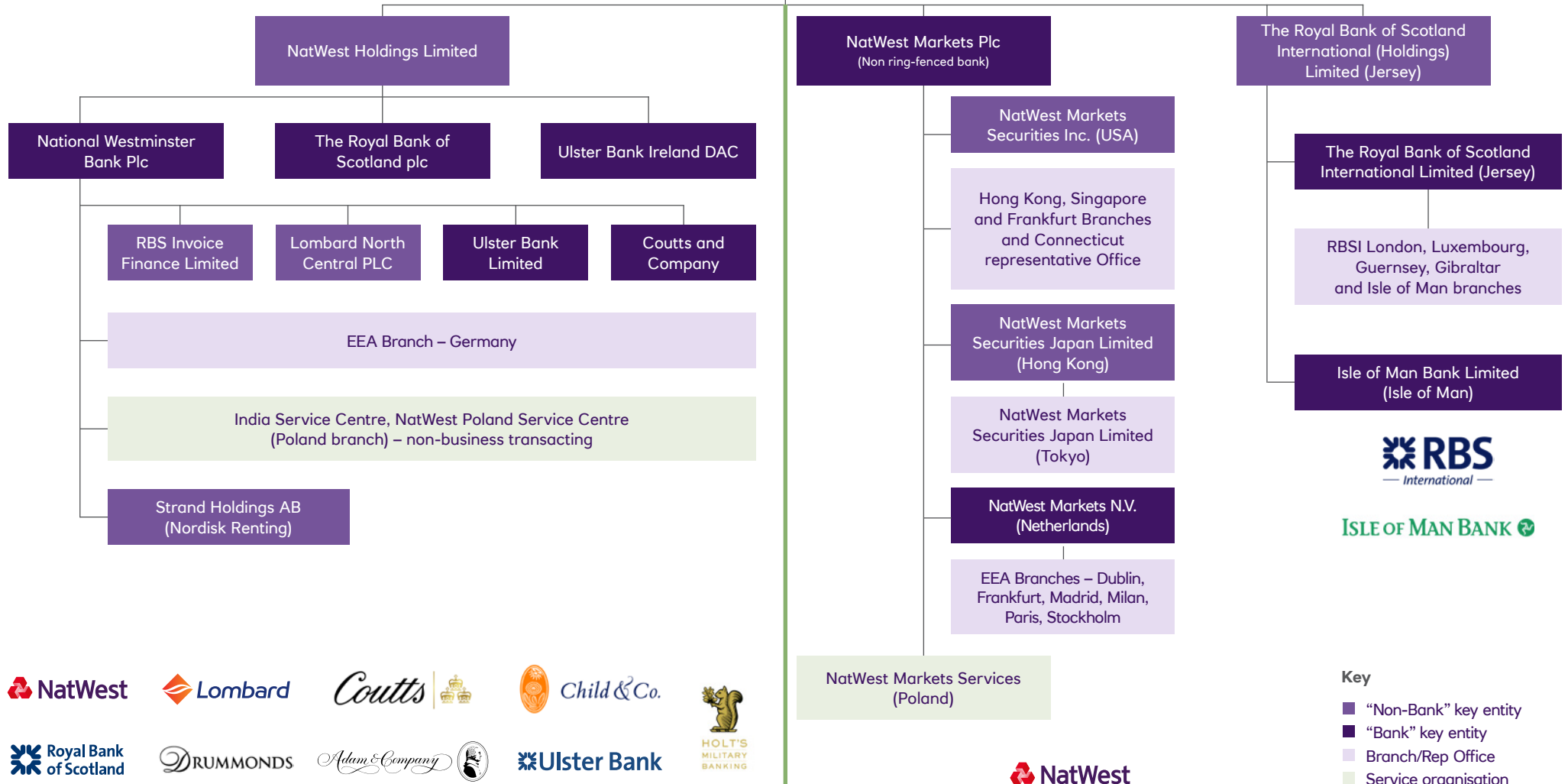
| | |
|--|----------------------------------|
| | Mandated inside the ring-fence |
| | Permitted inside the ring-fence |
| | Prohibited inside the ring-fence |

Our ring-fencing compliant structure

Inside the ring-fence

NatWest Group plc¹

Outside the ring-fence



- Key**
- “Non-Bank” key entity
 - “Bank” key entity
 - Branch/Rep Office
 - Service organisation

Note: Legal entity structure represents key entities only

¹ Renamed from The Royal Bank of Scotland Group plc.

Our offering

| | Personal and Business | Commercial ¹ | Corporate | Financial Institutions ² | Relevant Financial |
|--|-----------------------|-------------------------|-----------|-------------------------------------|--------------------|
| Ring-fenced bank | | | | | |
| Cash Accounts and Deposits | ✓ | ✓ | ✓ | ✓ | ✓ |
| Payments and Clearing | ✓ | ✓ | ✓ | ✓ | ✓ |
| Trade Finance ⁴ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Lending | ✓ | ✓ | ✓ | ✓ | X |
| NatWest Markets (non ring-fenced bank)* | | | | | |
| Spot FX / FX Fwd | X | ✓ | ✓ | ✓ | ✓ |
| All other Derivatives | X | ✓** | ✓ | ✓ | ✓ |
| Securities / Money Markets | X | X | ✓ | ✓ | ✓ |
| DCM and Loan Underwriting | X | X | ✓ | ✓ | ✓ |
| Securitised Products Lending | X | X | ✓ | ✓ | ✓ |
| Lending | X | X | ✓*** | X | ✓ |
| Outside the ring-fence – RBS International* | | | | | |
| Cash, Payments and Clearing, and Trade Finance | ✓ | ✓ | ✓ | ✓ | ✓ |
| Lending | ✓ | ✓ | ✓ | ✓ | ✓ |

* Subject to customer eligibility.

** Limited derivative products offered to certain Commercial customers.

*** NatWest Markets will lend to non EEA Corporate customers if required.

All products are subject to eligibility. This table doesn't set out the detail or exceptions relevant to specific exposures or products.

¹ Commercial: turnover < £6.5m a year, < 50 employees or balance sheet < £3.26m.

² Financial Institutions with whom ring fenced banks can have financial exposures, including other ring fenced banks, building societies and small insurers.

³ Relevant Financial Institutions: large banks, funds and Global Systematically Important Insurers.

⁴ Trade Finance to RFIs will only be permitted in certain circumstances.

RBSI will also offer the following:

- Main banking
- Savings
- Unsecured lending
- Mortgages
- Spot FX / FX Fwd

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