

NatWest Holdings Group H1 2019 Pillar 3 Supplement

H1 2019 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', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as NatWest Holdings Limited (NWH) and its parent The Royal Bank of Scotland plc (RBSG's or RBSG plc) future economic results, business plans and current strategies. In particular, this document may include forward-looking statements relating to NWH (or RBSG) in respect of, but not limited to: its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital and operational targets), its access to adequate sources of liquidity and funding, increasing competition from new incumbents and disruptive technologies, its exposure to third party risks, its ongoing compliance with the UK ring-fencing regime and ensuring operational continuity in resolution, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations, LIBOR, EURIBOR and other benchmark reform and its exposure to economic and political risks (including with respect to Brexit and climate change), operational risk, conduct risk, cyber and IT risk, key person risk and credit rating risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations and general economic conditions. These and other factors, risks and uncertainties that may impact any forward-looking statement or NWH's and RBSG's actual results are discussed in RBSG's UK 2018 Annual Report and Accounts (ARA), RBSG's Interim Results for H1 2019 and materials filed with, or furnished to, the US Securities and Exchange Commission, including, but not limited to, RBSG'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 RBSG and NWH do not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

- The UK ring-fencing legislation required the separation of essential banking services from investment banking services from 1 January 2019. The Royal Bank of Scotland Group plc and its subsidiaries (RBS) has placed the majority of the banking business in ring-fenced entities under an intermediate holding company, NatWest Holdings Limited (NWH). Therefore, in this report, consolidated disclosures for NWH and its subsidiaries (together NWHG) are presented from 31 March 2019 onwards.
- The Pillar 3 disclosures made by NWHG are designed to comply with the Capital Requirements Regulation (CRR). NWHG's significant subsidiaries at 30 June 2019, based on 5% of RBS consolidated risk weighted assets (RWAs), are:
 - National Westminster Bank Plc (NWB Plc)
 - Royal Bank of Scotland plc (RBS plc)
 - Ulster Bank Ireland Designated Activity Company (UBI DAC)
- For the basis of preparation and disclosure framework, refer to RBS's 2018 Pillar 3 Report. The glossary on RBS.com and in RBS's 2018 Pillar 3 Report explains terms used.
- Throughout this document the row and column references are based on those prescribed in the EBA templates. Any rows or columns which are not applicable or do not have a value have not been shown. Any differences between totals and sums of components within tables in this report are due to rounding.

Capital, liquidity and funding

CAP 1: CAP and LR: Capital and leverage ratios - NWHG and significant subsidiaries

Capital, RWAs and leverage on a PRA transitional basis for NWHG and its significant subsidiaries (Central Bank of Ireland basis for UBI DAC) are set out below. The capital and RWA measures are on an end-point basis for the significant investment in financial institutions capital deduction at 30 June 2019 compared with 90% capital deduction and 10% RWAs at 31 December 2018. There continues to be CRR transition applied to grandfathered capital instruments.

	30 June 2019				31 December 2018		
	NWHG %	NWB Plc %	RBS plc %	UBI DAC %	NWB Plc %	RBS plc %	UBI DAC %
Capital adequacy ratios - transitional (1)							
CET1	15.2	16.0	13.8	28.3	17.4	13.2	27.5
Tier 1	17.9	18.8	16.8	28.3	20.4	16.0	27.5
Total	20.9	21.5	21.4	30.9	24.5	20.2	30.4
Capital adequacy ratios - end point							
CET1	15.2						
Tier 1	17.8						
Total	20.6						
Capital - transitional							
	£m	£m	£m	£m	£m	£m	£m
CET1	21,390	12,985	4,351	3,941	13,138	4,569	3,996
Tier 1	25,154	15,180	5,320	3,941	15,389	5,538	3,996
Total	29,381	17,406	6,775	4,309	18,490	6,984	4,414
Capital - end point							
CET1	21,390						
Tier 1	25,066						
Total	28,892						
RWAs							
Credit risk	119,589	67,493	25,890	12,811	63,548	28,683	13,387
Counterparty credit risk	1,174	717	—	165	325	—	122
Market risk	218	40	15	27	50	23	47
Operational risk	19,590	12,669	5,714	944	11,660	5,819	958
	140,571	80,919	31,619	13,947	75,583	34,525	14,514
CRR leverage - transitional							
Tier 1 capital	25,154	15,180	5,320	3,941	15,389	5,538	3,996
Exposure	448,004	297,016	93,148	27,988	295,483	98,264	27,259
Leverage ratio (%)	5.6	5.1	5.7	14.1	5.2	5.6	14.7
CRR leverage - end point							
Tier 1 capital	25,067						
Exposure	448,004						
Leverage ratio (%)	5.6						
UK leverage - end point							
Tier 1 capital	25,067						
Exposure	390,028						
Leverage ratio (%)	6.4						
Average Tier 1 capital	25,634						
Average exposure (2)	388,901						
Average leverage ratio (%)	6.6						
UK GSIB leverage (3)							
CET1 buffer	1,365						

Notes:

(1) The NWHG Total Capital Requirement (TCR) as set by the PRA is 11.6%. The TCR is the sum of Pillar 1 and Pillar 2A and does not include any capital buffers.

(2) Based on the daily average of on-balance sheet items and three month-end average of off-balance sheet items.

(3) The PRA minimum leverage ratio requirement is supplemented with a G-SII additional leverage ratio buffer rate, currently 0.35% (2018 – 0.2625%).

Capital, liquidity and funding

KM1: BCBS 2 & EBA IFRS 9-FL: Key metrics – NWHG

The table below reflects the key metrics template in the BCBS consolidated Pillar 3 framework and the EBA's IFRS 9 template. NWHG has elected to take advantage of the transitional capital rules in respect of expected credit losses. This has a negligible effect on CET1 and would mitigate the impact on capital in adverse conditions. The transitional rules reduce the full CET1 effect by 95%, 85%, 70%, 50% and 25% in each of the first five years of IFRS 9 adoption. Capital and leverage ratios presented are based on end point CRR rules.

BCBS2 KM1	EBA IFRS 9-FL		30 June 2019 £m	31 March 2019 £m
Capital				
1	1	Common equity tier 1 (CET1)	21,390	22,269
	2	Common equity tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied	21,390	22,269
2	3	Tier 1 capital	25,066	25,945
	4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	25,066	25,945
3	5	Total capital	28,892	29,679
	6	Total capital as if IFRS 9 transitional arrangements had not been applied	28,892	29,679
Risk-weighted assets (amounts)				
4	7	Total risk-weighted assets (RWAs)	140,571	140,029
	8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	140,571	140,029
Risk-based capital ratios as a percentage of RWAs				
			%	%
5	9	Common equity tier 1 ratio	15.2	15.9
	10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.2	15.9
6	11	Tier 1 ratio	17.8	18.5
	12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.8	18.5
7	13	Total capital ratio	20.6	21.2
	14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	20.6	21.2
Additional CET1 buffer requirements as a percentage of RWAs				
8		Capital conservation buffer requirement (2.5% from 2019)	2.5	2.5
9		Countercyclical capital buffer requirement (1)	0.8	0.8
10		Bank GSIB and/or DSIB additional requirements (2)	—	—
11		Total of CET1 specific buffer requirements (8+9+10)	3.3	3.3
12		CET1 available after meeting the bank's minimum capital requirements (3)	10.7	11.4
Leverage ratio				
			£m	£m
13	15	CRR leverage ratio exposure measure	448,004	445,810
		UK leverage ratio exposure measure	390,028	387,768
			%	%
14	16	CRR leverage ratio	5.6	5.8
	17	CRR leverage ratio as if IFRS 9 transitional arrangements had not been applied	5.6	5.8
		UK leverage ratio	6.4	6.7
Liquidity coverage ratio				
			£m	£m
15		Total high-quality liquid asset (HQLA)	99,472	98,543
16		Total net cash outflows	70,953	71,563
17		LCR ratio % (4)	140	138
Net stable funding ratio (NSFR)				
18		Total available stable funding	313,007	303,479
19		Total required stable funding	226,121	227,385
20		NSFR % (5)	138	133

Notes:

- (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. The Financial Policy Committee (FPC) sets the UK countercyclical capital buffer, which is currently 1.0% (effective November 2018). The rate was previously 0.5% effective from June 2018. The Republic of Ireland countercyclical capital buffer is currently 0.0%, the CBI have announced an increase to 1.0% effective July 2019.
- (2) NWH will be subject to a Systemic Risk Buffer of 1.5% from 1 August 2019. Where the Systemic Risk Buffer is greater than the G-SII buffer, the PRA may require the consolidated group to hold a higher level of capital through the PRA buffer and Leverage Ratio Group add-on.
- (3) This represents the CET1 ratio less the CRR minimum of 4.5%.
- (4) The Liquidity coverage ratio (LCR) uses the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table which will incrementally increase each quarter as history builds.
- (5) NSFR reported in line with CRR2 regulations finalised in June 2019.

Capital, liquidity and funding

Key points

Capital and leverage

NWHG

- In the quarter to H1 2019, the CET1 ratio decreased from 15.9% to 15.2% primarily due to a decrease in CET1 capital, reflecting the attributable profit of £0.4 billion offset by a £1.5 billion dividend paid to the entity's parent.
- In the quarter to H1 2019, RWAs increased by £0.5 billion primarily driven by NWB Plc with credit risk increases due to PD calibrations affecting asset quality and increased asset size due to lending growth. These increases were offset by reduced asset size due to repayments in RBS plc and a decrease in UBIDAC primarily due to asset quality improvements.
- The leverage ratio decreased to 5.6% driven by the decrease in capital.
- The UK average leverage ratio is 6.6%.

NWB Plc

- The CET1 ratio decreased to 16.0% from 17.4% primarily due to a £5.3 billion increase in RWAs. CET1 reflects the attributable profit offset by dividend paid to the entity's parent, the impact of IFRS 16 for leases and the final annual uplift in transition for significant capital investments in financial institutions.
- NWB Plc redeemed £700 million internal Tier 2 Notes in March 2019.
- RWAs increased by £5.3 billion primarily due to the credit risk increase of £3.9 billion. This was driven by the £1.3 billion uplift due to adoption of the IFRS 16 Leases accounting standard from 1 January 2019, increased asset size due to lending growth and the transfer in of lending portfolios from RBS plc. Counterparty credit risk RWAs increased by £0.4 billion primarily due to increased exposures. There was a £1.0 billion increase in operational risk RWAs due to the annual recalculation.
- The leverage ratio has decreased to 5.1% as a result of the decrease in Tier 1 capital.

RBS plc

- The CET1 ratio increased to 13.8% from 13.2% reflecting attributable profit offset by dividend paid to the entity's parent and a decrease in RWAs of £2.9 billion.
- The decrease in RWAs was primarily due to reduced asset size driven by repayments and the transfer-out of lending portfolios to NWB Plc.
- The leverage ratio increased to 5.7% as a result of the decrease in balance sheet exposure.

UBI DAC

- The CET1 ratio increased to 28.3% from 27.5% as a result of a decrease in credit risk RWAs.
- RWAs decreased by £0.6 billion primarily due to asset quality improvements.
- The leverage ratio decreased to 14.1% driven by the increase in balance sheet exposure.

Capital, liquidity and funding

EBA IFRS 9-FL: EBA Key metrics - significant subsidiaries

The table below shows key metrics as required by the EBA relating to IFRS 9 for NWHG and its significant subsidiaries. NWHG has elected to take advantage of the transitional capital rules in respect of expected credit losses. This has a negligible effect on CET1, and would mitigate the impact on capital in adverse conditions. The transitional rules reduce the full CET1 effect by 95%, 85%, 70%, 50% and 25% in each of the first five years of IFRS 9 adoption. Capital measures are on a CRR transitional basis.

	30 June 2019			
	NWHG £m	NWB Plc £m	RBS plc £m	UBI DAC £m
Available capital (amounts) - transitional				
1 Common equity tier 1	21,390	12,985	4,351	3,941
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	21,390	12,985	4,351	3,941
3 Tier 1 capital	25,154	15,180	5,320	3,941
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	25,154	15,180	5,320	3,941
5 Total capital	29,381	17,406	6,775	4,309
6 Total capital as if IFRS 9 transitional arrangements had not been applied	29,381	17,406	6,775	4,309
Risk-weighted assets (amounts)				
7 Total risk-weighted assets	140,571	80,919	31,619	13,947
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	140,571	80,919	31,619	13,947
Risk-based capital ratios as a percentage of RWAs				
	%	%	%	%
9 Common equity tier 1 ratio	15.2	16.0	13.8	28.3
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.2	16.0	13.8	28.3
11 Tier 1 ratio	17.9	18.8	16.8	28.3
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.9	18.8	16.8	28.3
13 Total capital ratio	20.9	21.5	21.4	30.9
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	20.9	21.5	21.4	30.9
Leverage ratio				
15 CRR leverage ratio exposure measure (£m)	448,004	297,016	93,148	27,988
16 CRR leverage ratio (%)	5.6	5.1	5.7	14.1
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.6	5.1	5.7	14.1

	31 March 2019			
	NWHG £m	NWB Plc £m	RBS plc £m	UBI DAC £m
Available capital (amounts) - transitional				
1 Common equity tier 1	22,269	13,327	4,750	3,837
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	22,269	13,327	4,750	3,837
3 Tier 1 capital	26,033	15,522	5,719	3,837
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	26,033	15,522	5,719	3,837
5 Total capital	30,167	17,743	7,139	4,221
6 Total capital as if IFRS 9 transitional arrangements had not been applied	30,167	17,743	7,139	4,221
Risk-weighted assets (amounts)				
7 Total risk-weighted assets	140,029	79,664	32,654	13,825
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	140,029	79,664	32,654	13,825
Risk-based capital ratios as a percentage of RWAs				
	%	%	%	%
9 Common equity tier 1 ratio	15.9	16.7	14.5	27.8
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.9	16.7	14.5	27.8
11 Tier 1 ratio	18.6	19.5	17.5	27.8
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.6	19.5	17.5	27.8
13 Total capital ratio	21.5	22.3	21.9	30.5
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	21.5	22.3	21.9	30.5
Leverage ratio				
15 CRR leverage ratio exposure measure (£m)	445,810	295,787	94,550	26,285
16 CRR leverage ratio (%)	5.8	5.2	6.0	14.6
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.8	5.2	6.0	14.6

Capital, liquidity and funding

EBA IFRS 9-FL: EBA Key metrics - significant subsidiaries continued

	31 December 2018		
	NWB Plc	RBS plc	UBI DAC
	£m	£m	£m
Available capital (amounts) - transitional			
1 Common equity tier 1	13,138	4,569	3,996
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	13,138	4,569	3,996
3 Tier 1 capital	15,389	5,538	3,996
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	15,389	5,538	3,996
5 Total capital	18,490	6,984	4,414
6 Total capital as if IFRS 9 transitional arrangements had not been applied	18,490	6,984	4,414
Risk-weighted assets (amounts)			
7 Total risk-weighted assets	75,583	34,525	14,514
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	75,583	34,525	14,514
Risk-based capital ratios as a percentage of RWAs			
	%	%	%
9 Common equity tier 1 ratio	17.4	13.2	27.5
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.4	13.2	27.5
11 Tier 1 ratio	20.4	16.0	27.5
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	20.4	16.0	27.5
13 Total capital ratio	24.5	20.2	30.4
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	24.5	20.2	30.4
Leverage ratio			
15 CRR leverage ratio exposure measure (£m)	295,483	98,264	27,259
16 CRR leverage ratio (%)	5.2	5.6	14.7
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.2	5.6	14.7

	30 September 2018		
	NWB Plc	RBS plc	UBI DAC
	£m	£m	£m
Available capital (amounts) - transitional			
1 Common equity tier 1	12,170	6,090	3,958
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	12,170	6,090	3,958
3 Tier 1 capital	14,453	7,059	3,958
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	14,453	7,059	3,958
5 Total capital	16,097	8,477	4,397
6 Total capital as if IFRS 9 transitional arrangements had not been applied	16,097	8,477	4,397
Risk-weighted assets (amounts)			
7 Total risk-weighted assets	73,628	36,623	16,356
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	73,628	36,623	16,356
Risk-based capital ratios as a percentage of RWAs			
	%	%	%
9 Common equity tier 1 ratio	16.5	16.6	24.2
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	16.5	16.6	24.2
11 Tier 1 ratio	19.6	19.3	24.2
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	19.6	19.3	24.2
13 Total capital ratio	21.9	23.1	26.9
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	21.9	23.1	26.9
Leverage ratio			
15 CRR leverage ratio exposure measure (£m)	304,444	98,752	27,902
16 CRR leverage ratio (%)	4.7	7.1	14.2
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.7	7.1	14.2

Capital, liquidity and funding

EBA IFRS 9-FL: EBA Key metrics - significant subsidiaries continued

	30 June 2018		
	NWB Plc £m	RBS plc £m	UBI DAC £m
Available capital (amounts) - transitional			
1 Common equity tier 1	12,007	5,946	3,929
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	12,007	5,946	3,929
3 Tier 1 capital	14,290	6,915	3,929
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	14,290	6,915	3,929
5 Total capital	15,932	8,317	4,389
6 Total capital as if IFRS 9 transitional arrangements had not been applied	15,932	8,317	4,389
Risk-weighted assets (amounts)			
7 Total risk-weighted assets	72,761	37,511	16,548
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	72,761	37,511	16,548
Risk-based capital ratios as a percentage of RWAs			
	%	%	%
9 Common equity tier 1 ratio	16.5	15.9	23.7
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	16.5	15.9	23.7
11 Tier 1 ratio	19.6	18.4	23.7
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	19.6	18.4	23.7
13 Total capital ratio	21.9	22.2	26.5
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	21.9	22.2	26.5
Leverage ratio			
15 CRR leverage ratio exposure measure (£m)	319,321	103,257	27,376
16 CRR leverage ratio (%)	4.5	6.7	14.4
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.5	6.7	14.4

Capital, liquidity and funding

CAP 2: Capital resources (CRR own funds template) - NWHG and significant subsidiaries

The table below sets out the capital resources in the prescribed template on a CRR transitional basis as relevant for the jurisdiction. The adjustments to end-point CRR are presented for NWHG only.

		30 June 2019					
		NWHG			NWB Plc	RBS plc	UBI DAC
		PRA transitional	CRR prescribed residual amounts	CRR end-point			
		£m	£m	£m	£m	£m	£m
CET1 capital: instruments and reserves							
1	Capital instruments and the related share premium accounts	3,263	—	3,263	3,903	20	4,240
	<i>Of which: ordinary shares</i>	3,263	—	3,263	1,678	20	3,216
2	Retained earnings	36,951	—	36,951	11,131	4,915	139
3	Accumulated other comprehensive income (and other reserves)	(10,462)	—	(10,462)	738	202	53
4	Public sector capital injections grandfathered until 1 January 2018	—	—	—	—	—	—
5a	Independently reviewed interim net profits net of any foreseeable charge or dividend	—	—	—	27	—	—
6	CET1 capital before regulatory adjustments	29,752	—	29,752	15,799	5,137	4,432
7	Additional value adjustments	(25)	—	(25)	(19)	(6)	—
8	(-) Intangible assets (net of related tax liability)	(6,322)	—	(6,322)	(975)	(86)	(1)
10	(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(869)	—	(869)	(447)	(144)	(261)
11	Fair value reserves related to gains or losses on cash flow hedges	(206)	—	(206)	—	(202)	(44)
12	(-) Negative amounts resulting from the calculation of expected loss amounts	(395)	—	(395)	(214)	(95)	(52)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(1)	—	(1)	—	—	(1)
15	(-) Defined-benefit pension fund assets	(136)	—	(136)	—	—	(132)
18	(-) Direct and indirect 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 where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	—	—	—	(721)	—	—
22	(-) Amount exceeding the 17.65% threshold	—	—	—	(438)	—	—
23	(-) <i>Of which: 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</i>	—	—	—	(260)	—	—
25	(-) <i>Of which: deferred tax assets arising from temporary differences</i>	—	—	—	(178)	—	—
25a	(-) Losses for the current financial period	(408)	—	(408)	—	(253)	—
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment	—	—	—	—	—	—
26a	<i>Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468</i>	—	—	—	—	—	—
26b	<i>Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre CRR</i>	—	—	—	—	—	—
27	(-) Qualifying Additional Tier 1 (AT1) deductions that exceed the AT1 capital of the institution	—	—	—	—	—	—
28	Total regulatory adjustments to CET1	(8,362)	—	(8,362)	(2,814)	(786)	(491)
29	CET1 capital	21,390	—	21,390	12,985	4,351	3,941

Capital, liquidity and funding

CAP 2: Capital resources (CRR own funds template) - NWHG and significant subsidiaries continued

30 June 2019						
	NWHG			NWB Plc £m	RBS plc £m	UBI DAC £m
	PRA transitional £m	CRR prescribed residual amounts £m	CRR end point £m			
AT1 capital: instruments						
30	3,676	—	3,676	2,370	969	—
31	749	—	749	2,370	969	—
32	—	—	—	—	—	—
33	—	—	—	87	—	—
34	—	—	—	—	—	—
34	88	(88)	—	—	—	—
35	88	(88)	—	—	—	—
36	3,764	(88)	3,676	2,457	969	—
AT1 capital: regulatory adjustments						
40	—	—	—	(262)	—	—
41	—	—	—	—	—	—
41b	—	—	—	—	—	—
43	—	—	—	(262)	—	—
44	3,764	(88)	3,676	2,195	969	—
45	25,154	(88)	25,066	15,180	5,320	3,941
T2 capital: instruments and provisions						
46	3,826	—	3,826	2,167	1,455	368
47	—	—	—	368	—	—
48	—	—	—	—	—	—
48	401	(401)	—	—	—	—
49	401	(401)	—	—	—	—
50	—	—	—	—	—	—
51	4,227	(401)	3,826	2,535	1,455	368
T2 capital: regulatory adjustments						
54	—	—	—	—	—	—
55	—	—	—	(309)	—	—
56a	—	—	—	—	—	—
56b	—	—	—	—	—	—
56c	—	—	—	—	—	—
57	—	—	—	(309)	—	—

Capital, liquidity and funding

CAP 2: CAP: Capital resources (CRR own funds template) - NWHG and significant subsidiaries continued

		30 June 2019					
		NWHG					
		PRA transitional	CRR prescribed residual amounts	Final CRD IV	NWB Plc	RBS plc	UBI DAC
		£m	£m	£m	£m	£m	£m
T2 capital before regulatory adjustments							
58	T2 capital	4,227	(401)	3,826	2,226	1,455	368
59	Total capital (TC= T1 + T2)	29,381	(489)	28,892	17,406	6,775	4,309
60	Total risk-weighted assets	140,571	—	140,571	80,919	31,619	13,947
Capital ratios and buffers							
61	CET1 (as a percentage of risk exposure amount)	15.2%	—	15.2%	16.0%	13.8%	28.3%
62	T1 (as a percentage of risk exposure amount)	17.9%	—	17.8%	18.8%	16.8%	28.3%
63	Total capital (as a percentage of risk exposure amount)	20.9%	—	20.6%	21.5%	21.4%	30.9%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	7.8%	—	7.8%	7.9%	7.9%	7.0%
65	<i>Of which: capital conservation buffer requirement</i>	2.5%	—	2.5%	2.5%	2.5%	2.5%
66	<i>Of which: counter cyclical buffer requirement</i>	0.8%	—	0.8%	0.9%	0.9%	—
67	<i>Of which: systemic risk buffer requirement</i>	—	—	—	—	—	—
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 (1)	10.7%	—	10.7%	11.5%	9.3%	23.8%
Amounts below the threshold deduction							
72	Direct and indirect holdings of the capital 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)	6	—	6	—	6	—
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 10% threshold and net of eligible short positions)	2	—	2	1,414	28	1
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	655	—	655	972	—	—
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	190	—	190	105	27	13
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	—	—	—	—	—	—
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	626	—	626	354	142	71
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)							
82	Current cap on AT1 instruments subject to phase out arrangements	88	(88)	—	88	—	—
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	52	(52)	—	52	—	—
84	Current cap on T2 instruments subject to phase out arrangements	401	(401)	—	368	—	43
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	672	(672)	—	630	—	—

Note:

(1) This represents the CET1 ratio less the CRR minimum of 4.5%.

Capital, liquidity and funding

CAP 2: Capital resources (CRR own funds template) - NWHG and significant subsidiaries continued

		31 December 2018		
		NWB Plc	RBS plc	UBI DAC
		£m	£m	£m
CET1 capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	3,903	20	4,241
	<i>Of which: ordinary shares</i>	1,678	20	3,216
2	Retained earnings	10,051	4,723	72
3	Accumulated other comprehensive income (and other reserves)	738	49	1
4	Public sector capital injections grandfathered until 1 January 2018	—	—	—
5a	Independently reviewed interim net profits net of any foreseeable charge or dividend	1,208	—	76
6	CET1 capital before regulatory adjustments	15,900	4,792	4,390
7	Additional value adjustments	(18)	(7)	—
8	Intangible assets (net of related tax liability)	(966)	(86)	(1)
10	(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(462)	—	(261)
11	Fair value reserves related to gains or losses on cash flow hedges	—	(49)	—
12	(-) Negative amounts resulting from the calculation of expected loss amounts	(193)	(81)	(1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—	—	(2)
15	(-) Defined-benefit pension fund assets	(11)	—	(129)
18	Direct and indirect holdings of the CET1 instruments 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) (negative amount)	(538)	—	—
19	(-) Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector where the institution has a significant investment in those entities	(574)	—	—
		(325)	—	—
22	(-) Amount exceeding the 17.65% threshold	(249)	—	—
23	(-) <i>Of which: 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</i>	—	—	—
25	(-) <i>Of which: deferred tax assets arising from temporary differences</i>	—	—	—
25a	(-) Losses for the current financial period	—	—	—
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment	—	—	—
26a	<i>Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468</i>	—	—	—
26b	<i>Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre CRR</i>	—	—	—
27	(-) Qualifying AT1 deductions that exceed the AT1 capital of the institution	—	—	—
28	Total regulatory adjustments to CET1	(2,762)	(223)	(394)
29	CET1 capital	13,138	4,569	3,996

Capital, liquidity and funding

CAP 2: Capital resources (CRR own funds template) - NWHG and significant subsidiaries continued

		31 December 2018		
		NWB Plc £m	RBS plc £m	UBI DAC £m
AT1 capital: instruments				
30	Capital instruments and the related share premium accounts	2,370	969	—
31	<i>Of which: classified as equity under applicable accounting standards</i>	2,370	969	—
32	<i>Of which: classified as debt under applicable accounting standards</i>	—	—	—
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1	117	—	—
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	—	—	—
35	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	—	—	—
36	AT1 capital before regulatory adjustments	2,487	969	—
AT1 capital: regulatory adjustments				
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 (amount above 10% threshold and net of eligible short positions)	(236)	—	—
41	(-) Actual or contingent obligations to purchase own AT1 instruments	—	—	—
41b	Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period <i>Of which: 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</i>	—	—	—
43	Total regulatory adjustments to AT1 capital	(236)	—	—
44	AT1 capital	2,251	969	—
45	Tier 1 capital (T1 = CET1 + AT1)	15,389	5,538	3,996
T2 capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	2,886	1,446	418
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	490	—	—
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in CET1 or AT1) issued by subsidiaries and held by third parties	—	—	—
49	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	—	—	—
50	Credit risk adjustments	—	—	—
51	T2 capital before regulatory adjustments	3,376	1,446	418
T2 capital: regulatory adjustments				
54	(-) Direct and indirect holdings 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) (negative amount)	—	—	—
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)	(275)	—	—
56a	(-) Actual or contingent obligations to purchase own AT1 instruments	—	—	—
56b	(-) Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period	—	—	—
56c	(-) Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required	—	—	—
T2 capital before regulatory adjustments				
57	Total regulatory adjustments to T2 capital	(275)	—	—
58	T2 capital	3,101	1,446	418
59	Total capital (TC = T1 + T2)	18,490	6,984	4,414
60	Total risk-weighted assets	75,583	34,525	14,514

Capital, liquidity and funding

CAP 2: Capital resources (CRR own funds template) - NWHG and significant subsidiaries continued

	31 December 2018		
	NWB Plc £m	RBS plc £m	UBI DAC £m
Capital ratios and buffers			
61 CET1 (as a percentage of risk exposure amount)	17.4%	13.2%	27.5%
62 T1 (as a percentage of risk exposure amount)	20.4%	16.0%	27.5%
63 Total capital (as a percentage of risk exposure amount)	24.5%	20.2%	30.4%
64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	7.3%	7.3%	6.4%
65 <i>Of which: capital conservation buffer requirement</i>	1.9%	1.9%	1.9%
66 <i>Of which: counter cyclical buffer requirement</i>	0.9%	0.9%	—
67 <i>Of which: systemic risk buffer requirement</i>	—	—	—
67a <i>Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	12.9%	8.7%	23.0%
68 CET1 available to meet buffers	—	—	—
Amounts below the threshold deduction			
72 Direct and indirect holdings of the capital 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)	—	6	—
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 10% threshold and net of eligible short positions)	—	—	—
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	1,426	26	3
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)	1,088	3	—
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	—	—	—
78 Cap on inclusion of credit risk adjustments in T2 under internal ratings based approach (prior to the application of the cap)	112	36	12
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	—	—	—
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)			
82 Current cap on AT1 instruments subject to phase out arrangements	327	155	75
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	117	—	—
84 Current cap on T2 instruments subject to phase out arrangements	23	—	—
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	490	—	57
	503	—	—

Capital, liquidity and funding

EU OV1: CAP: RWAs and MCR summary – NWHG and significant subsidiaries

The table below summarises RWAs and minimum capital requirements (MCR) by risk type for NWHG and its significant subsidiaries. MCR is calculated as 8% of RWAs.

30 June 2019	NWHG		NWB Plc		RBS plc		UBI DAC		
	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	
1	Credit risk (excluding counterparty credit risk)	116,559	9,326	61,562	4,926	25,524	2,042	12,807	1,025
2	Standardised (STD) approach	13,595	1,088	3,596	288	2,120	170	1,006	80
4	Advanced IRB approach (1)	102,964	8,238	57,966	4,638	23,404	1,872	11,801	945
6	Counterparty credit risk (CCR)	1,174	94	717	57	—	—	165	13
6a	of which: securities financing transactions	122	10	122	10	—	—	—	—
7	of which: marked-to-market	257	21	131	10	—	—	160	13
11	of which: risk exposure amount for contributions to the default fund of a central counterparty	114	9	114	9	—	—	—	—
12	of which: credit valuation adjustment (CVA)	681	54	350	28	—	—	5	—
14	Securitisation exposures in banking book	1,388	111	1,092	87	296	24	—	—
15	IRB approach	1,388	111	1,092	87	296	24	—	—
19	Market risk	218	17	40	3	15	1	27	2
20	STD approach	218	17	40	3	15	1	27	2
23	Operational risk - STD approach	19,590	1,567	12,669	1,014	5,714	457	944	76
27	Amounts below the thresholds for deduction (subject to 250% risk-weight)	1,642	131	4,839	387	70	6	4	—
29	Total	140,571	11,246	80,919	6,474	31,619	2,530	13,947	1,116

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

Capital, liquidity and funding

EU OV1: CAP: RWA and MCR summary - NWHG and significant subsidiaries continued

		NWB Plc		RBS plc		UBI DAC	
31 December 2018		RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m
1	Credit risk (excluding counterparty credit risk)	57,470	4,598	28,293	2,262	13,378	1,070
2	Standardised (STD) approach	4,121	330	2,817	225	935	75
4	Advanced IRB approach (1)	53,349	4,268	25,476	2,037	12,443	995
6	Counterparty credit risk (CCR)	325	26	—	—	122	9
6a	of which: securities financing transactions	189	14	—	—	2	—
7	of which: marked-to-market	34	3	—	—	92	7
10	of which: IMM	82	7	—	—	28	2
11	of which: risk exposure amount for contributions to the default fund of a central counterparty	11	1	—	—	—	—
12	of which: CVA	9	1	—	—	—	—
14	Securitisation exposures in banking book	1,230	98	319	26	—	—
15	IRB approach	1,230	98	319	26	—	—
19	Market risk	50	4	23	2	47	4
20	STD approach	36	3	23	2	47	4
21	IMA	14	1	—	—	—	—
23	Operational risk - STD approach	11,660	933	5,819	466	958	77
27	Amounts below the thresholds for deduction (subject to 250% risk-weight)	4,848	388	71	6	9	1
29	Total	75,583	6,047	34,525	2,762	14,514	1,161

Note:

(1) Of which £25 million RWAs relate to equity IRB under the PD/LGD approach.

Capital, liquidity and funding

OV1_a: RWA bridge between EU OV1 and credit risk RWAs

The table below provides a bridge between the EU OV1 RWA summary, the RWA categorisation used by NWHG for capital management, and the detailed tables in this report. The principal reasons for the presentational differences relate to securitisations, thresholds and CVA.

	RWAs 30 June 2019 £m
Credit risk excluding counterparty credit risk (EU OV1 row 1)	116,559
Securitisations (banking book only)	1,388
Threshold (EU OV1 row 27)	1,642
Credit risk including securitisations (EU CR8 row 9)	119,589
Counterparty risk total (EU OV1 row 6)	1,174
Less: CVA capital charge (EU OV1 row 12)	(681)
Counterparty risk (EU CCR7 row 9)	493
Total STD (EU OV1 row 2)	13,595
Threshold (EU OV1 row 27)	1,642
Total STD credit risk (EU CR8 row 9)	15,237
Total AIRB credit risk (EU OV1 row 4)	102,964
Securitisations in credit risk (banking book)	1,388
Total AIRB credit risk (EU CR8 row 9)	104,352

Refer to the key points following KM1 for commentary relating to RWA movements for NWHG and its significant subsidiaries. The commentary is based on credit and counterparty credit risk as managed internally within NWHG whereby securitisations, thresholds and CVA are included within credit and counterparty credit risk as relevant. EU OV1_a provides a bridge between the two RWA approaches. Refer also to the key points following EU CR8, EU CCR7 and EU MR 1 and EU MR 2_B for individual components in OV1_a.

OV1_b: RWA bridge between EU OV1 and counterparty credit risk

The table below provides a bridge between the overall RWA summary disclosure in EU OV1 and the detailed tables in the counterparty credit risk section presented in line with the EBA Pillar 3 guidelines. The principal differences relate to CVA and central counterparties (CCPs).

	RWAs				Total CCR £m
	EU OV1_a £m	CCR1 £m	CCR2 £m	CCR8 £m	
30 June 2019	1,174	366	681	128	1,174

Capital, liquidity and funding

EU CR8: IRB and STD: Credit risk RWAs and MCR flow statement

The table below presents the drivers of movements in credit risk RWAs and MCR. RWAs include securitisations, deferred tax assets and significant investments to align with the capital management approaches of NWHG and its segments. There were no methodology or policy changes during the period. Additionally there were no acquisitions or disposals of subsidiaries during the period.

	a			b	
	RWAs			MCR	
	IRB £m	STD £m	Total RWAs £m	£m	
1	At 1 January 2019	102,168	15,654	117,822	9,426
2	Asset size (1)	(24)	(467)	(491)	(40)
3	Asset quality (2)	742	47	789	63
4	Model updates (3)	157	—	157	13
7	Foreign exchange movements (4)	17	3	20	2
	Other	1,292	—	1,292	103
9	At 30 June 2019	104,352	15,237	119,589	9,567

Notes:

- (1) Organic changes in portfolio size and composition (including the origination of new businesses and maturing loans) but excluding changes in book size due to acquisitions and disposal of entities.
- (2) Changes in the assessed quality of assets due to changes in borrower risk, such as rating grade migration or similar effects.
- (3) Changes due to model implementation, changes in model scope, or any changes intended to address model weaknesses.
- (4) Changes arising from foreign currency translation movements.

Key points

- The movement in the other category reflected the adoption of IFRS 16, which created a right-of-use asset of £1.3 billion in January 2019.
- The RWA uplift attributable to asset quality was driven by the movement of PD and LGD metrics during the period including PD calibration across key Personal portfolios.
- The decrease in STD RWAs was mainly due to a decrease in inter-Group exposure.

EU CCR7: CCR: Non-IMM: Counterparty credit risk RWAs and MCR flow statement

The table below presents the drivers of movements in counterparty credit risk RWAs and MCR (excluding CVA and exposures cleared through a central counterparty). Additionally there were no acquisitions or disposals of subsidiaries during the period.

	a		b
	RWAs		MCR
	Non-IMM £m	Non-IMM £m	Non-IMM £m
1	At 1 January 2019	389	31
2	Asset size (1)	(16)	(1)
7	Foreign exchange movements (2)	4	—
8	Other	117	9
9	At 30 June 2019	494	39

Notes:

- (1) Actual changes in portfolio size and composition (including the origination of new businesses).
- (2) Changes arising from foreign currency retranslation movements.

Key point

- The increase in non-IMM RWAs under Other was due to a refinement in the RWA calculation in relation to the default fund contribution to central counterparty exposure.

Capital, liquidity and funding

EU MR2_B: MR IMA and STD: Market risk RWAs and MCR flow statement

The table below presents the drivers of movements in market risk RWAs and MCR. There were no methodology, model updates or regulatory policy changes during the period. Additionally there were no acquisitions or disposals of subsidiaries during the period. Changes in market risk arising from foreign currency retranslation are included within movement in risk levels as they are managed together with portfolio changes.

	IMA						STD		Total	
	RWAs (1)						MCR £m	MCR £m	RWAs £m	MCR £m
	a VaR £m	b SVaR £m	c IRC £m	e Other (RNIV) £m	f Total £m	g				
1 At 1 January 2019	3	11	—	—	14	1	114	9	128	10
2 Movement in risk levels (2)	(3)	(11)	—	—	(14)	(1)	104	8	90	7
8 At 30 June 2019	—	—	—	—	—	—	218	17	218	17

Notes:

- (1) NWHG does not use the Comprehensive Risk Measure (d) to calculate market risk RWAs, hence it is excluded from this table.
 (2) Movement in risk levels represents movements due to position changes.

Key points

- The overall RWA increase was primarily due to an increase in the US dollar position relating to payments between NWHG entities.
- The RWA reduction in IMA was due to the closure of residual trading activity in the ring-fenced bank.

Capital, liquidity and funding

CAP 3: LR: Leverage exposures (CRR Delegated Act Template) - NWHG and significant subsidiaries

The tables below set out the leverage exposures in the prescribed template on a CRR transitional basis as relevant for the jurisdiction.

LRSum: Summary reconciliation of accounting assets and leverage ratio exposure

	30 June 2019				31 December 2018		
	NWHG £m	NWB Plc £m	RBS plc £m	UBI DAC £m	NWB Plc £m	RBS plc £m	UBI DAC £m
1 Total assets as per published financial statements	421,748	303,122	91,535	27,196	301,624	94,497	26,448
4 Adjustment for derivative financial instruments	(600)	(940)	213	85	(669)	267	52
5 Adjustments for securities financing transactions (SFTs)	58	58	—	—	203	—	—
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	34,751	20,737	10,904	1,197	21,047	11,409	1,150
EU-6a Adjustment for Intra-Group exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013	(1)	(22,885)	(8,971)	—	(23,725)	(7,687)	—
7 Other adjustments	(7,952)	(3,076)	(533)	(490)	(2,997)	(222)	(391)
8 Total leverage ratio exposure	448,004	297,016	93,148	27,988	295,483	98,264	27,259

LRCCom: Leverage ratio common disclosure

On-balance sheet exposures (excluding derivatives and SFTs)							
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	419,340	300,128	91,126	26,940	296,808	94,382	25,713
2 Asset amounts deducted in determining Tier 1 capital	(7,952)	(3,076)	(533)	(490)	(2,997)	(222)	(391)
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	411,388	297,052	90,593	26,450	293,811	94,160	25,322
Derivative exposures							
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	270	936	416	204	931	105	134
5 Add-on amounts for PFE associated with all derivatives transactions (mtm method)	760	1,015	206	137	1,203	277	106
7 Deductions of receivable assets for cash variation margin provided in derivatives transactions	(921)	(1,596)	—	—	(1,526)	—	—
11 Total derivative exposures	109	355	622	341	608	382	240

Capital, liquidity and funding

CAP 3: LR: Leverage exposures (CRR Delegated Act Template) - NWHG and significant subsidiaries continued

		30 June 2019				31 December 2018		
		NWHG £m	NWB Plc £m	RBS plc £m	UBI DAC £m	NWB Plc £m	RBS plc £m	UBI DAC £m
Securities financing transaction exposures								
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	8,820	8,820	—	—	11,900	—	547
13	Netted amounts of cash payables and cash receivable of gross SFT assets	(7,121)	(7,121)	—	—	(8,361)	—	—
14	Counterparty credit risk exposures for SFT assets	58	58	—	—	203	—	—
16	Total securities financing transaction exposures	1,757	1,757	—	—	3,742	—	547
Other off-balance sheet exposures								
17	Off-balance sheet exposures at gross notional amount	138,146	87,904	36,645	3,598	88,128	34,302	3,491
18	Adjustments for conversion to credit equivalent amounts	(103,395)	(67,167)	(25,741)	(2,401)	(67,081)	(22,893)	(2,341)
19	Other off-balance sheet exposures	34,751	20,737	10,904	1,197	21,047	11,409	1,150
EU-19a	Exemption of Intra-Group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off-balance sheet)	(1)	(22,885)	(8,971)	—	(23,725)	(7,687)	—
Capital and total exposures								
20	Tier 1 capital	25,154	15,180	5,320	3,941	15,389	5,538	3,996
21	Total leverage ratio exposure	448,004	297,016	93,148	27,988	295,483	98,264	27,259
Leverage ratio		5.6%	5.1%	5.7%	14.1%	5.2%	5.6%	14.7%

		30 June 2019				31 December 2018		
		NWHG £m	NWB Plc £m	RBS plc £m	UBI DAC £m	NWB Plc £m	RBS plc £m	UBI DAC £m
LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		Leverage ratio exposures						
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	411,387	274,265	82,244	26,450	270,147	86,855	25,322
EU-2	Trading book exposures	—	—	—	—	—	—	—
EU-3	Banking book exposures, of which:	411,387	274,265	82,244	26,450	270,147	86,855	25,322
EU-4	Covered bonds	1,180	1,180	—	—	791	—	—
EU-5	Exposures treated as sovereigns	105,993	77,258	21,760	5,734	80,132	21,297	4,258
EU-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	4,729	3,603	592	468	3,298	642	436
EU-7	Institutions	4,522	7,716	1,741	1,042	7,081	3,511	1,402
EU-8	Secured by mortgages of immovable properties	197,257	132,122	34,621	15,177	126,169	36,843	13,423
EU-9	Retail exposures	21,740	13,855	4,161	578	14,359	4,330	1,923
EU-10	Corporate	56,962	25,299	15,093	2,255	24,381	15,941	2,099
EU-11	Exposures in default	4,100	1,448	1,035	1,109	1,484	1,067	1,389
EU-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	14,904	11,784	3,241	87	12,452	3,224	392

Capital, liquidity and funding

CAP 4: CAP: Capital instruments - NWHG and significant subsidiaries

The following table sets out the main terms and conditions of NWHGs Tier 1 and Tier 2 capital instruments that will be treated as non-end point CRR compliant, for instance because they are legacy Tier 1 instruments or because they are Tier 2 instruments that include an incentive for the issuer to redeem. The balances are the IFRS balance sheet carrying amounts, which may differ from the amount which the instrument contributes to regulatory capital. Regulatory balances exclude, for example, issuance costs and fair value movements, while dated capital is required to be amortised on a straight-line basis over the final five years of maturity. For accounting purposes the capital instruments in the following table are included within equity or subordinated liabilities, details of which are included in Note 19 Subordinated Liabilities of the RBSG 2018 ARA. Refer to RBS.com for more details on these and other instruments issued to third parties on an instrument-by-instrument basis.

Tier 2 capital securities which contain an incentive for the issuer to redeem

		30 June 2019	31 December 2018
	step-up coupon	£m	£m
Pillar 1 treatment Tier 2			
NWB Plc - undated loan capital			
XS0102480786 €100 million floating rate undated step-up notes (callable quarterly)	3 month EURIBOR plus 2.15%	9	9
XS0102480869 €400 million floating rate undated subordinated notes (callable quarterly)	3 month EURIBOR plus 2.15%	160	160
XS0102493680 £200 million 7.125% undated subordinated step-up notes (callable every five years from October 2022)	5 year UK Gilts yield plus 3.08%	57	55

Capital, liquidity and funding

EU LIQ1: Liquidity coverage ratio

The table below shows 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. The weightings applied reflect the stress factors applicable under the EBA LCR rules. The values presented below 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). NWHG assesses these risks as part of its Individual Liquidity Adequacy Assessment Process (ILAAP) and maintains appropriate levels of liquidity.

	Total unweighted value (average)		Total weighted value (average)	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
Number of data points used in the calculation of averages	6	3	6	3
	£m	£m	£m	£m
High quality liquid assets				
1 Total high-quality liquid assets (HQLA)			99,472	98,543
Cash outflows				
2 Retail deposits and deposits from small business customers	199,042	197,589	15,628	15,519
3 of which: stable deposits	128,129	127,056	6,406	6,353
4 of which: less stable deposits	70,582	70,215	8,891	8,848
5 Unsecured wholesale funding	119,314	119,920	53,282	54,322
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	49,922	49,581	12,168	12,083
7 Non-operational deposits (all counterparties)	69,303	70,279	41,025	42,180
8 Unsecured debt	89	60	89	60
9 Secured wholesale funding			667	
10 Additional requirements	54,801	54,979	7,480	7,400
11 Outflows related to derivative exposures and other collateral requirements	1,039	898	1,039	898
12 Outflows related to loss of funding on debt products	—	—	—	—
13 Credit and liquidity facilities	53,763	54,081	6,441	6,502
14 Other contractual funding obligations	511	509	14	12
15 Other contingent funding obligations	40,057	40,275	3,270	3,369
16 Total cash outflows			80,341	80,623
17 Secured lending (e.g. reverse repos)	7,308	7,949	—	—
18 Inflows from fully performing exposures	10,275	10,034	6,980	6,687
19 Other cash inflows	11,301	11,169	2,408	2,373
EU-19a Difference between total weighted inflows and outflows	—	—	—	—
EU-19b Excess inflows from a related specialised credit institution	—	—	—	—
20 Total cash inflows	28,884	29,152	9,387	9,060
EU-20a Fully exempt inflows	—	—	—	—
EU-20b Inflows subject to 90% cap	—	—	—	—
EU-20c Inflows subject to 75% cap	28,884	29,152	9,387	9,060
21 Liquidity buffer			99,472	98,543
22 Total net cash outflows			70,953	71,563
23 Liquidity coverage ratio (%)			140	138

Capital, liquidity and funding

TLAC 2: Material subgroup entity – creditor ranking at legal entity level

The table below shows the creditor ranking at legal entity level for the material sub-group entities included within the RBS resolution group, reflecting RBS's current interpretation of the CRR2 minimum requirement of eligible liabilities rules relevant for G-SII institutions which entered into force on 27 June 2019.

30 June 2019		NWB Plc					Total
2	Description of creditor ranking	Shareholders Equity	Preference Shares & Contingent Capital Notes	Subordinated Debt	Senior Non -Preferred Debt	Other Senior Debt Issuances	
3	Total capital and liabilities	15,799	2,370	3,562	3,226	7,170	32,127
4	Subset of row 3 that are excluded liabilities	—	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	15,799	2,370	3,562	3,226	7,170	32,127
6	Subset of row 5 that are eligible as TLAC	15,799	2,370	2,893	3,226	—	24,288
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	—	—	—	—	—	—
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	—	—	350	164	—	514
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	—	—	1,577	3,062	—	4,639
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities	—	—	—	—	—	—
11	Subset of row 6 that is perpetual securities	15,799	2,370	966	—	—	19,135

30 June 2019		RBS plc					Total
2	Description of creditor ranking	Shareholders Equity	Preference Shares & Contingent Capital Notes	Subordinated Debt	Senior Non -Preferred Debt	Other Senior Debt Issuances	
3	Total capital and liabilities	4,883	970	1,528	411	—	7,792
4	Subset of row 3 that are excluded liabilities	—	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	4,883	970	1,528	411	—	7,792
6	Subset of row 5 that are eligible as TLAC	4,883	970	1,528	411	—	7,792
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	—	—	—	—	—	—
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	—	—	—	—	—	—
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	—	—	1,528	411	—	1,939
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities	—	—	—	—	—	—
11	Subset of row 6 that is perpetual securities	4,883	970	—	—	—	5,853

30 June 2019		UBI DAC					Total
2	Description of creditor ranking	Shareholders Equity	Preference Shares & Contingent Capital Notes	Subordinated Debt	Senior Non -Preferred Debt	Other Senior Debt Issuances	
3	Total capital and liabilities	4,500	—	551	—	621	5,672
4	Subset of row 3 that are excluded liabilities	—	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	4,500	—	551	—	621	5,672
6	Subset of row 5 that are eligible as TLAC	4,500	—	551	—	—	5,051
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	—	—	—	—	—	—
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	—	—	475	—	—	475
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	—	—	—	—	—	—
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities	—	—	—	—	—	—
11	Subset of row 6 that is perpetual securities	4,500	—	76	—	—	4,576

Notes:

- (1) RBS will continue to be recognised as a G-SII until 1 January 2020.
- (2) Amounts shown includes balances indirectly due to Resolution Entity through NWH Ltd, a wholly-owned subsidiary of RBSG plc.

Credit risk

CR1: IRB and STD: RWA density by NWHG sector cluster

The table below summarises NWHG's total credit risk profile (incorporating counterparty credit risk and securitisations) by customer type. This reflects the basis on which customers are managed internally. Wholesale customers are managed on an individual basis and grouped by sector. Personal customers are managed on a portfolio basis and grouped into portfolios of similar risk. The table presents EAD post CRM, RWAs and RWA density, each split by regulatory approach i.e. internal ratings based (IRB) and standardised (STD).

30 June 2019	EAD post CRM			RWAs			RWA density		
	IRB £m	STD £m	Total £m	IRB £m	STD £m	Total £m	IRB %	STD %	Total %
Sector cluster									
Sovereign									
Central banks	17,283	51,669	68,952	751	1,638	2,389	4	3	3
Central governments	16,388	22,948	39,336	1,432	—	1,432	9	—	4
Other sovereign	1,552	471	2,023	352	8	360	23	2	18
Total sovereign	35,223	75,088	110,311	2,535	1,646	4,181	7	2	4
Financial institutions (FIs)									
Banks	9,973	156	10,129	2,537	61	2,598	25	39	26
Non-bank FIs (1)	4,160	1,533	5,693	2,369	677	3,046	57	44	54
SSPEs (2)	1,609	6	1,615	179	3	182	11	51	11
Total FIs	15,742	1,695	17,437	5,085	741	5,826	32	44	33
Corporates									
Property									
- UK	34,276	2,893	37,169	16,201	2,559	18,760	47	88	50
- RoI	1,325	156	1,481	866	154	1,020	65	99	69
- Western Europe	1,253	62	1,315	691	65	756	55	105	58
- US	138	1	139	77	1	78	56	100	56
- RoW	351	171	522	233	121	354	66	71	68
Total property	37,343	3,283	40,626	18,068	2,900	20,968	48	88	52
Natural resources	11,160	195	11,355	5,099	180	5,279	46	92	46
Transport	15,539	633	16,172	6,989	619	7,608	45	98	47
Manufacturing	14,477	849	15,326	6,917	720	7,637	48	85	50
Retail and leisure	16,617	1,227	17,844	9,205	1,184	10,389	55	96	58
Services	18,073	1,153	19,226	9,941	1,039	10,980	55	90	57
TMT (3)	6,069	317	6,386	3,743	301	4,044	62	95	63
Total corporates	119,278	7,657	126,935	59,962	6,943	66,905	50	91	53
Personal									
Mortgages									
- UK	152,448	8,573	161,021	12,185	3,102	15,287	8	36	9
- RoI	14,878	19	14,897	6,922	7	6,929	47	35	47
- Western Europe	—	140	140	—	49	49	—	35	35
- US	—	140	140	—	49	49	—	35	35
- RoW	—	742	742	—	270	270	—	36	36
Total mortgages	167,326	9,614	176,940	19,107	3,477	22,584	11	36	13
Other personal	29,599	2,830	32,429	13,595	1,887	15,482	46	67	48
Total personal	196,925	12,444	209,369	32,702	5,364	38,066	17	43	18
Other items	4,889	2,139	7,028	4,235	1,550	5,785	87	73	82
Total	372,057	99,023	471,080	104,519	16,244	120,763	28	16	26

Notes:

- (1) Non-bank financial institutions, such as US agencies, insurance companies, pension funds, hedge and leverage funds, broker-dealers and non-bank subsidiaries of banks.
- (2) Securitisation special purpose entities (SSPEs) primarily relate to securitisation-related vehicles.
- (3) Telecommunications, media and technology.

Credit risk

CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NWHG and significant subsidiaries

The table below shows credit risk (including securitisations) and counterparty credit risk separately for NWHG and significant subsidiaries (including inter-Group exposures). It presents EAD pre and post CRM, RWAs and minimum capital requirements (MCR), split by regulatory approach and exposure class.

Credit risk	NWHG				NWB Plc				RBS plc				UBI DAC			
	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m
30 June 2019																
IRB																
Central governments and central banks	38,138	38,063	2,825	225	31,815	31,742	2,140	171	52	52	1	—	6,234	6,234	679	54
Institutions	8,598	6,573	2,095	168	4,882	3,280	947	76	2,311	1,911	678	54	390	390	124	10
Corporates	116,742	106,955	56,021	4,482	56,515	50,568	29,035	2,323	37,620	33,974	17,187	1,375	5,331	5,264	3,195	256
<i>Specialised lending</i>	14,863	14,742	10,113	809	6,258	6,250	4,349	348	7,235	7,122	4,801	384	1,069	1,069	759	61
<i>SME</i>	21,219	20,726	10,389	831	9,990	9,662	5,264	421	4,568	4,435	2,311	185	1,195	1,193	536	43
<i>Other corporate</i>	80,660	71,487	35,519	2,842	40,267	34,656	19,422	1,554	25,817	22,417	10,075	806	3,067	3,002	1,900	152
Retail	207,228	207,228	37,507	3,001	154,214	154,214	22,536	1,802	32,991	32,991	5,538	443	16,002	16,002	7,653	612
<i>Secured by real estate property - SME</i>	1,344	1,344	546	44	1,008	1,008	404	32	289	289	115	9	—	—	—	—
- non-SME	167,326	167,326	19,107	1,528	125,130	125,130	9,626	770	25,316	25,316	1,841	147	14,879	14,879	6,922	553
<i>Qualifying revolving</i>	22,505	22,505	5,998	480	17,418	17,418	4,368	349	4,395	4,395	1,362	109	337	337	176	14
<i>Other retail - SME</i>	9,145	9,145	4,387	351	5,763	5,763	2,597	208	1,537	1,537	683	55	584	584	394	32
- non-SME	6,908	6,908	7,469	598	4,895	4,895	5,541	443	1,454	1,454	1,537	123	202	202	161	13
Equities	9	9	25	2	—	—	—	—	—	—	—	—	—	—	—	—
Securitisation	6,859	6,859	1,388	111	5,359	5,359	1,092	87	1,500	1,500	296	24	—	—	—	—
Non-credit obligation assets	5,758	5,758	4,491	359	3,804	3,804	3,308	265	—	—	—	—	261	261	150	12
Total IRB	383,332	371,445	104,352	8,348	256,589	248,967	59,058	4,724	74,474	70,428	23,700	1,896	28,218	28,151	11,801	944
STD																
Central governments and central banks	74,756	74,756	1,643	131	51,769	51,769	1,977	158	21,747	21,747	—	—	—	—	1	—
Regional governments and local authorities	8	8	2	—	4	4	1	—	3	3	—	—	1	1	1	—
Institutions	589	589	157	13	28,777	28,777	60	5	9,003	9,003	103	8	727	727	148	12
Corporates	4,728	4,467	4,271	342	3,003	2,792	2,791	223	733	724	691	55	750	751	724	58
Retail	2,428	2,410	1,448	116	521	521	323	26	237	231	148	12	12	12	7	1
Secured by mortgages on:																
immovable property - residential	10,639	10,639	3,874	310	91	91	87	7	755	755	320	26	66	66	66	5
- commercial	2,847	2,816	2,823	226	281	281	286	23	226	194	204	16	35	35	35	3
Exposures in default	297	294	351	28	27	27	41	3	76	76	99	8	13	11	17	1
Equity exposures	24	24	26	2	1,145	1,145	2,862	229	50	50	92	7	1	1	4	—
Other exposures	1,522	1,522	642	51	34	34	7	1	1,278	1,278	533	43	36	36	7	1
Total STD	97,838	97,525	15,237	1,219	85,652	85,441	8,435	675	34,108	34,061	2,190	175	1,641	1,640	1,010	81
Total IRB and STD	481,170	468,970	119,589	9,567	342,241	334,408	67,493	5,399	108,582	104,489	25,890	2,071	29,859	29,791	12,811	1,025

Credit risk

CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NWHG and significant subsidiaries continued

	NWHG			NWB Plc			RBS plc			UBI DAC		
	EAD post CRM £m	RWAs £m	MCR £m	EAD post CRM £m	RWAs £m	MCR £m	EAD post CRM £m	RWAs £m	MCR £m	EAD post CRM £m	RWAs £m	MCR £m
Counterparty credit risk												
30 June 2019												
IRB												
Central governments and central banks	187	5	—	187	5	—	—	—	—	—	—	—
Institutions	308	107	9	301	104	8	—	—	—	6	4	—
Corporates	117	55	4	82	29	3	—	—	—	36	25	2
<i>Specialised lending</i>	33	23	2	11	7	1	—	—	—	23	16	1
<i>SME</i>	1	1	—	—	—	—	—	—	—	1	1	—
<i>Other corporate</i>	83	31	2	71	22	2	—	—	—	12	8	1
Total IRB	612	167	13	570	138	11	—	—	—	42	29	2
STD												
Central governments and central banks	326	—	—	326	—	—	—	—	—	—	—	—
Institutions	1,064	867	70	2,052	562	45	409	—	—	267	136	11
Corporates	108	140	11	17	17	1	—	—	—	—	—	—
Total STD	1,498	1,007	81	2,395	579	46	409	—	—	267	136	11
Total IRB and STD	2,110	1,174	94	2,965	717	57	409	—	—	309	165	13

Credit risk

CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NWHG and significant subsidiaries continued

Credit risk	NWB Plc				RBS plc				UBI DAC			
	EAD pre	EAD post	RWAs	MCR	EAD pre	EAD post	RWAs	MCR	EAD pre	EAD post	RWAs	MCR
	CRM £m	CRM £m	£m	£m	CRM £m	CRM £m	£m	£m	CRM £m	CRM £m	£m	£m
31 December 2018												
IRB												
Central governments and central banks	29,217	29,150	1,845	148	46	46	1	—	4,704	4,704	471	38
Institutions	3,877	2,471	743	59	2,906	2,544	872	70	737	737	185	15
Corporates	55,451	49,521	27,758	2,221	40,155	36,660	19,116	1,529	5,095	4,985	3,258	260
<i>Specialised lending</i>	5,299	5,289	3,623	290	8,001	7,859	5,410	433	1,098	1,098	791	63
<i>SME</i>	9,893	9,508	5,053	404	4,872	4,712	2,543	203	1,155	1,152	551	44
<i>Other corporate</i>	40,259	34,724	19,082	1,527	27,282	24,089	11,163	893	2,842	2,735	1,916	153
Retail	149,764	149,764	20,505	1,640	34,892	34,892	5,483	439	16,184	16,184	8,342	667
<i>Secured by real estate property - SME</i>	1,017	1,017	377	30	307	307	112	9	—	—	—	—
<i>- non-SME</i>	121,144	121,144	8,727	698	27,089	27,089	1,958	157	15,034	15,034	7,609	608
<i>Qualifying revolving</i>	17,441	17,441	4,225	338	4,481	4,481	1,350	108	354	354	248	20
<i>Other retail - SME</i>	5,641	5,641	2,241	179	1,601	1,601	627	50	594	594	334	27
<i>- non-SME</i>	4,521	4,521	4,935	395	1,414	1,414	1,436	115	202	202	151	12
Equities	—	—	—	—	—	—	—	—	—	—	—	—
Securitisation	5,988	5,988	1,230	98	1,665	1,665	319	26	—	—	—	—
Non-credit obligation assets	3,089	3,089	2,498	200	4	4	4	—	444	444	187	15
Total IRB	247,386	239,983	54,579	4,366	79,668	75,811	25,795	2,064	27,164	27,054	12,443	995
STD												
Central governments and central banks	58,050	58,050	2,098	168	21,289	21,289	8	1	—	—	1	—
Regional governments and local authorities	14	14	3	—	2	2	—	—	2	2	2	—
Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	28,737	28,737	39	3	8,966	8,966	797	64	736	736	147	12
Corporates	2,695	2,504	2,466	198	929	864	831	66	682	682	660	52
Retail	491	491	306	24	209	204	130	10	15	15	8	1
<i>Secured by mortgages on immovable property - residential</i>	18	18	14	1	746	746	312	25	87	87	87	7
<i>- commercial</i>	167	167	168	13	311	288	301	24	8	8	8	1
Exposures in default	26	26	38	3	86	86	114	9	11	11	17	1
Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity exposures	1,375	1,375	3,766	302	55	55	101	8	3	3	8	1
Other exposures	353	353	71	6	1,058	1,058	294	24	32	32	6	1
Total STD	91,926	91,735	8,969	718	33,651	33,558	2,888	231	1,576	1,576	944	76
Total IRB and STD	339,312	331,718	63,548	5,084	113,319	109,369	28,683	2,295	28,740	28,630	13,387	1,071

Credit risk

CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NWHG and significant subsidiaries continued

	NWB Plc			RBS plc			UBI DAC		
	EAD post	RWAs £m	MCR £m	EAD post	RWAs £m	MCR £m	EAD post	RWAs £m	MCR £m
	CRM £m			CRM £m			CRM £m		
Counterparty credit risk									
31 December 2018									
IRB									
Central governments and central banks	160	5	—	—	—	—	—	—	—
Institutions	601	189	15	—	—	—	2	1	—
Corporates	47	23	2	—	—	—	47	36	3
<i>Specialised lending</i>	10	7	1	—	—	—	35	27	2
<i>SME</i>	—	—	—	—	—	—	1	1	—
<i>Other corporate</i>	37	16	1	—	—	—	11	8	1
Securitisation positions	—	—	—	—	—	—	—	—	—
Total IRB	808	217	17	—	—	—	49	37	3
STD									
Central governments and central banks	523	—	—	—	—	—	—	—	—
Regional governments and local authorities	—	—	—	—	—	—	—	—	—
Institutions	2,029	93	8	114	—	—	178	85	7
Corporates	15	15	1	—	—	—	—	—	—
Retail	—	—	—	—	—	—	—	—	—
Total STD	2,567	108	9	114	—	—	178	85	7
Total IRB and STD	3,375	325	26	114	—	—	227	122	10

Credit risk

Risk profile by credit quality

EU CR1_A: IRB and STD: Credit risk exposures by exposure class - Defaulted and non-defaulted split

The table below shows gross carrying values of credit risk exposures and specific credit risk adjustments (SCRA) analysed by credit quality, split by regulatory approach and exposure class. It excludes counterparty credit risk and securitisations. Gross carrying value comprises both on and off-balance sheet exposures including SCRA. The table has been prepared on an accounting basis adjusted for regulatory consolidation.

Exposure class	a		b		c		e		g
	30 June 2019								
	Gross carrying values of			Total £m	SCRA (2) £m	Year-to-date Accumulated write-offs £m	Net value £m		
Defaulted exposures (1) £m	Non-defaulted exposures £m								
IRB									
1	Central governments and central banks	—	52,298	52,298	3	—	52,295		
2	Institutions	—	10,902	10,902	17	6	10,885		
3	Corporates	2,330	146,464	148,794	1,107	251	147,687		
4	Specialised lending	469	14,736	15,205	227	118	14,978		
5	SME	719	23,050	23,769	358	70	23,411		
	Other corporate	1,142	108,678	109,820	522	63	109,298		
6	Retail	4,068	211,819	215,887	1,985	174	213,902		
8	Secured by real estate property - SME	26	1,351	1,377	13	1	1,364		
9	- non-SME	2,728	164,798	167,526	715	69	166,811		
10	Qualifying revolving	633	31,036	31,669	517	33	31,152		
12	Other retail - SME	264	8,301	8,565	207	19	8,358		
13	- non-SME	417	6,333	6,750	533	52	6,217		
14	Equities	—	9	9	—	—	9		
	Non-credit obligation assets	—	4,887	4,887	1	—	4,886		
15	Total IRB	6,398	426,379	432,777	3,113	431	429,664		
	Of which: Loans	5,819	266,927	272,746	2,981	431	269,765		
	Debt securities	—	22,031	22,031	2	—	22,029		
	Other assets	14	15,759	15,773	—	—	15,773		
	Off-balance sheet exposures	565	121,662	122,227	130	—	122,097		
STD									
16	Central governments and central banks	—	82,786	82,786	4	—	82,782		
17	Regional governments and local authorities	—	214	214	—	—	214		
19	Multilateral development banks	—	—	—	—	—	—		
21	Institutions	—	676	676	—	—	676		
22	Corporates	—	6,244	6,244	45	—	6,199		
24	Retail	—	6,378	6,378	24	—	6,354		
26	Secured by mortgages on immovable property:								
	- residential	—	11,442	11,442	1	—	11,441		
	- commercial	—	3,109	3,109	1	—	3,108		
28	Exposures in default	366	—	366	42	7	324		
29	Items associated with particularly high risk	—	—	—	—	—	—		
30	Covered bonds	—	—	—	—	—	—		
33	Equity exposures	—	24	24	—	—	24		
34	Other exposures	—	1,394	1,394	—	—	1,394		
35	Total STD	366	112,267	112,633	117	7	112,516		
	Of which: Loans	328	20,917	21,245	109	7	21,136		
	Debt securities	—	22,924	22,924	2	—	22,922		
	Other assets	1	52,387	52,388	3	—	52,385		
	Off-balance sheet exposures	37	16,039	16,076	3	—	16,073		
37	Total: Loans	6,147	287,844	293,991	3,090	438	290,901		
38	Debt securities	—	44,955	44,955	4	—	44,951		
	Other assets	15	68,146	68,161	3	—	68,158		
39	Off-balance sheet exposures	602	137,701	138,303	133	—	138,170		
36	Total IRB and STD	6,764	538,646	545,410	3,230	438	542,180		

Notes:

(1) Defaulted exposures are those with a PD of one and past due exposures of one day or more on the payment of a credit obligation.

(2) SCRA includes ECL for defaulted and non-defaulted customers.

Credit risk

EU CR1_B: IRB and STD: Credit risk exposures by industry sector - Defaulted and non-defaulted split

The table below shows gross carrying values of credit risk exposures and specific credit risk adjustments (SCRA) analysed by credit quality, split by industry. It excludes counterparty credit risk and securitisations. Industry analysis reflects the sector classification used by NWHG for risk management purposes. Gross carrying value comprises both on and off-balance sheet exposures including SCRA. The table has been prepared on an accounting basis adjusted for regulatory consolidation.

Industry type	a		b		c		e		g	
	30 June 2019						Specific credit risk adjustment (2)	Year-to-date Accumulated write-offs	Net value	
	Gross carrying values of			Total exposure	Specific credit risk adjustment (2)	Year-to-date Accumulated write-offs				
Defaulted exposures (1)	Non-defaulted exposures		£m				£m	£m	£m	£m
Central banks	—	89,797	89,797	4	—	89,793				
Central government	—	39,389	39,389	2	—	39,387				
Other sovereign	3	4,994	4,997	1	—	4,996				
Banks	—	12,307	12,307	2	—	12,305				
Non-bank financial institutions	23	7,499	7,522	9	10	7,513				
Securitisation entities	—	48	48	—	—	48				
Property	990	45,096	46,086	440	172	45,646				
Natural resources	73	17,217	17,290	56	—	17,234				
Transport	378	21,761	22,139	192	—	21,947				
Manufacturing	169	19,906	20,075	108	—	19,967				
Retail and leisure	641	23,520	24,161	365	61	23,796				
Services	408	22,685	23,093	222	34	22,871				
Telecommunications, media and technology	21	10,196	10,217	27	—	10,190				
Mortgages	2,851	175,326	178,177	717	69	177,460				
Other personal	1,207	42,202	43,409	1,085	92	42,324				
Not allocated	—	6,703	6,703	—	—	6,703				
Total	6,764	538,646	545,410	3,230	438	542,180				

Notes:

- (1) Defaulted exposures are those with a PD of one and past due exposures of one day or more on the payment of a credit obligation.
(2) SCRA includes ECL for defaulted and non-defaulted customers.

EU CR1_C: IRB & STD: Credit risk exposures by geographic region – Defaulted and non-defaulted split

The table below shows gross carrying values of credit risk exposures and specific credit risk adjustments (SCRA) analysed by credit quality, split by geography. It excludes counterparty credit risk and securitisations. Geographical analysis is based on the country of operation of the customer. Gross carrying value comprises both on and off-balance sheet exposures including SCRA. The table has been prepared on an accounting basis adjusted for regulatory consolidation.

1 Region	a		b		c		e		g	
	30 June 2019						Specific credit risk adjustment (2)	Year-to-date Accumulated write-offs	Net value	
	Gross carrying values of			Total exposure	Specific credit risk adjustment (2)	Year-to-date Accumulated write-offs				
Defaulted exposures (1)	Non-defaulted exposures		£m				£m	£m	£m	£m
2 UK	4,683	423,204	427,887	2,324	341	425,563				
3 Republic of Ireland	1,606	25,590	27,196	667	71	26,529				
7 Other Western Europe	268	57,553	57,821	143	24	57,678				
8 US	91	23,996	24,087	11	—	24,076				
10 Rest of world	116	8,303	8,419	85	2	8,334				
11 Total	6,764	538,646	545,410	3,230	438	542,180				

Notes:

- (1) Defaulted exposures are those with a PD of one and past due exposures of one day or more on the payment of a credit obligation.
(2) SCRA includes ECL for defaulted and non-defaulted customers.

Credit risk

EU CR1_D: Ageing of past-due exposure

The table below shows on-balance sheet gross carrying values of past due exposures analysed by number of days past due. It includes securitisations and SCRA, but excludes counterparty risk.

	30 June 2019	a	b	Gross carrying values			e	f
		Not past due or ≤ 30 days £m	>30 days	>60 days		>90 days	>180 days	>1 year
			≤60 days £m	≤90 days £m	≤180 days £m	≤1 year £m	>1 year £m	
1	Loans (1)	357,650	780	4,334	655	706	1,976	
2	Debt securities	46,544	—	—	—	—	—	
3	On-balance sheet exposure	404,194	780	4,334	655	706	1,976	

Note:

(1) Loans include £60 billion of cash at central banks and £4 billion demand deposits in line with FINREP reporting. Other tables in this section such as EU_CR1_A have these balances included within other assets.

EU CR1_E: Non-performing and forborne exposures

The table below shows gross carrying values split by performing, non-performing and forborne exposure. It excludes counterparty credit risk. Gross carrying value comprises both on and off-balance sheet exposures including securitisations and SCRA.

	30 June 2019	Gross carrying values of performing and non-performing exposures					Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received		
		Total £m	Performing		Non-performing			On performing exposures:		On non-performing exposures:		On non-performing exposures £m	Of which forborne exposures £m
			Of which: past due >30 days and ≤90 days £m	Of which ≤30 days £m	Of which forborne £m	Of which defaulted £m	Of which impaired £m	Of which forborne £m	Total ECL £m	Of which forborne £m	Total ECL £m		
1	Loans (1)	366,102	780	2,732	6,296	6,417	4,076	(815)	(37)	(2,281)	(839)	3,680	4,693
2	Debt securities	46,544	—	—	—	—	—	(3)	—	—	—	—	—
3	Off-balance sheet	138,147	—	281	595	—	41	(47)	—	(31)	—	84	118
	Total	550,793	780	3,013	6,891	6,417	4,117	(865)	(37)	(2,312)	(839)	3,764	4,811

Note:

(1) Loans include £60 billion of cash at central banks and £4 billion demand deposits in line with FINREP reporting. Other tables in this section such as EU CR1_A have these balances included within other assets.

Credit risk

EU CR2_A: Changes in the stock of general and specific credit risk adjustments

The table below presents the drivers of movements in specific credit risk adjustments held against defaulted or impaired loans, debt securities and contingent liabilities. There is no general credit risk adjustment under NWHG's IFRS 9 framework. The table has been prepared on an accounting basis adjusted for regulatory consolidation.

	Accumulated specific credit risk adjustment £m
1 At 1 January 2019	3,250
2 Increases due to amounts set aside for estimated loan losses during the period	—
3 Decreases due to amounts reversed for estimated loan losses during the period	(1)
4 Decreases due to amounts taken against accumulated credit risk adjustments	(27)
5 Transfers between credit risk adjustments	446
6 Impact of exchange rate differences	(6)
7 Business combinations, including acquisitions and disposals of subsidiaries	—
8 Other adjustments	(482)
9 At 30 June 2019	3,180
10 Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	n/a
11 Specific credit risk adjustments directly recorded to the statement of profit or loss	n/a

EU CR2_B: Changes in the stock of defaulted and impaired loans and debt securities

The table below presents the drivers in movements in gross carrying value defaulted exposure held against loans and debt securities. It has been prepared on an accounting basis adjusted for regulatory consolidation.

	Gross carrying value defaulted exposure £m
At 1 January 2019	6,961
Loans and debt securities that have defaulted or impaired since the last reporting period	1,851
Returned to non-defaulted status	(953)
Amounts written-off	(434)
Other changes	(754)
At 30 June 2019	<u>6,671</u>

Credit risk

EU CR3: IRB: Credit risk mitigation techniques by exposure class

The table below presents net carrying values of credit risk exposures analysed by use of different credit risk mitigation techniques, split by regulatory approach, balance sheet caption and exposure class, as required by the CRR. It excludes counterparty credit risk and securitisations.

The EBA guidelines require net carrying values to be analysed by exposure values of the secured assets, irrespective of the level of collateralisation. Unsecured exposure represents loans that have no security or collateral attached.

30 June 2019	a	d			Total secured £m	Total £m
	Unsecured net carrying value £m	c Collateral £m	Guarantees £m	e Net carrying values secured by Credit derivatives £m		
IRB						
Central governments and central banks	52,170	125	—	—	125	52,295
Institutions	8,875	1,997	13	—	2,010	10,885
Corporates	74,294	71,704	1,689	—	73,393	147,687
<i>Specialised lending</i>	—	14,639	339	—	14,978	14,978
<i>SME</i>	4,684	18,551	176	—	18,727	23,411
<i>Other corporate</i>	69,610	38,514	1,174	—	39,688	109,298
Retail	45,727	168,175	—	—	168,175	213,902
<i>Secured by real estate property - SME</i>	—	1,364	—	—	1,364	1,364
- <i>non-SME</i>	—	166,811	—	—	166,811	166,811
<i>Qualifying revolving</i>	31,152	—	—	—	—	31,152
<i>Other retail - SME</i>	8,358	—	—	—	—	8,358
- <i>non-SME</i>	6,217	—	—	—	—	6,217
Equities	9	—	—	—	—	9
Non-credit obligation assets	4,886	—	—	—	—	4,886
Total IRB	185,961	242,001	1,702	—	243,703	429,664
<i>Of which: Loans</i>	<i>54,894</i>	<i>213,920</i>	<i>951</i>	<i>—</i>	<i>214,871</i>	<i>269,765</i>
<i>Debt securities</i>	<i>22,029</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>22,029</i>
<i>Other assets</i>	<i>15,002</i>	<i>767</i>	<i>4</i>	<i>—</i>	<i>771</i>	<i>15,773</i>
<i>Off-balance sheet exposures</i>	<i>94,036</i>	<i>27,314</i>	<i>747</i>	<i>—</i>	<i>28,061</i>	<i>122,097</i>
<i>Defaulted</i>	<i>1,086</i>	<i>3,045</i>	<i>53</i>	<i>—</i>	<i>3,098</i>	<i>4,184</i>
STD						
Central governments and central banks	82,782	—	—	—	—	82,782
Regional governments and local authorities	214	—	—	—	—	214
Institutions	676	—	—	—	—	676
Corporates	5,750	448	1	—	449	6,199
Retail	6,044	310	—	—	310	6,354
Secured by mortgages on immovable property:						
- residential	—	11,441	—	—	11,441	11,441
- commercial	—	3,105	3	—	3,108	3,108
Exposures in default	322	2	—	—	2	324
Equity exposures	24	—	—	—	—	24
Other exposures	1,394	—	—	—	—	1,394
Total STD	97,206	15,306	4	—	15,310	112,516
<i>Of which: Loans</i>	<i>7,645</i>	<i>13,491</i>	<i>—</i>	<i>—</i>	<i>13,491</i>	<i>21,136</i>
<i>Debt securities</i>	<i>22,922</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>22,922</i>
<i>Other assets</i>	<i>52,284</i>	<i>98</i>	<i>3</i>	<i>—</i>	<i>101</i>	<i>52,385</i>
<i>Off-balance sheet exposures</i>	<i>14,355</i>	<i>1,717</i>	<i>1</i>	<i>—</i>	<i>1,718</i>	<i>16,073</i>
<i>Defaulted</i>	<i>323</i>	<i>2</i>	<i>—</i>	<i>—</i>	<i>2</i>	<i>325</i>
Total IRB and STD	283,167	257,307	1,706	—	259,013	542,180
Total: Loans	62,539	227,411	951	—	228,362	290,901
<i>Debt securities</i>	<i>44,951</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>44,951</i>
<i>Other assets</i>	<i>67,286</i>	<i>865</i>	<i>7</i>	<i>—</i>	<i>872</i>	<i>68,158</i>
<i>Off-balance sheet exposures</i>	<i>108,391</i>	<i>29,031</i>	<i>748</i>	<i>—</i>	<i>29,779</i>	<i>138,170</i>
<i>Defaulted</i>	<i>1,409</i>	<i>3,047</i>	<i>53</i>	<i>—</i>	<i>3,100</i>	<i>4,509</i>

Credit risk

NWHG profile by RWA calculation approach

NWHG uses the PD/LGD slotting and standardised approaches to calculate RWAs for credit risk exposures.

IRB approach: PD/LGD

EU CR6_a: IRB: Exposures by exposure class and PD range – Retail

The table below presents the key parameters used to calculate minimum capital requirements for credit risk exposures in Retail exposure classes under the IRB approach, split by PD range. It excludes exposures calculated under the supervisory slotting approach, equities under the simple risk-weight approach and non-credit assets. It also excludes counterparty credit risk and securitisations. A maturity adjustment is not a component of the IRB RWA formula for retail exposures and is therefore not reported in this table. Original on-balance sheet gross exposure includes specific credit risk adjustments.

In accordance with regulatory requirements, for defaulted exposures RWAs are calculated as the difference between the LGD for an economic downturn and the best estimate LGD. This is the unexpected loss amount for which capital must be held. Retail EAD models estimate EAD directly, so credit conversion factors (CCF) are not reported in this table for retail exposure classes.

		a	b	d	e	f	g	j	j	k	l
	PD Range	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	RWAs	RWA density	Expected loss	IFRS 9 ECL Provisions
30 June 2019	%	£m	£m	£m	%		%	£m	%	£m	£m
Retail - Secured by real estate SME	0.00 to <0.15	—	45	31	0.14	4,162	61	5	16	—	—
Retail - Secured by real estate SME	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—
Retail - Secured by real estate SME	0.25 to <0.50	14	10	22	0.40	2,124	53	6	27	—	—
Retail - Secured by real estate SME	0.50 to <0.75	128	3	130	0.69	2,336	40	36	27	—	—
Retail - Secured by real estate SME	0.75 to <2.50	759	10	767	1.14	9,787	39	256	33	3	1
Retail - Secured by real estate SME	2.50 to <10.00	293	40	317	4.13	5,739	48	179	56	6	2
Retail - Secured by real estate SME	10.00 to <100.00	48	1	49	26.45	952	46	42	86	6	1
Retail - Secured by real estate SME	100.00 (default)	26	—	28	100.00	552	56	22	81	15	9
Total - Retail - Secured by real estate SME		1,268	109	1,344	4.72	25,652	43	546	41	30	13
Retail - Secured by real estate non-SME	0.00 to <0.15	44,479	3,907	48,498	0.13	406,793	10	1,454	3	7	3
Retail - Secured by real estate non-SME	0.15 to <0.25	456	183	604	0.18	9,336	29	68	11	—	—
Retail - Secured by real estate non-SME	0.25 to <0.50	76,279	8,058	83,739	0.34	624,920	11	5,910	7	34	18
Retail - Secured by real estate non-SME	0.50 to <0.75	18,221	152	18,489	0.62	140,571	19	3,380	18	23	14
Retail - Secured by real estate non-SME	0.75 to <2.50	8,670	97	8,845	1.10	72,448	16	1,913	22	16	13
Retail - Secured by real estate non-SME	2.50 to <10.00	1,652	10	1,668	5.61	13,764	12	757	45	12	15
Retail - Secured by real estate non-SME	10.00 to <100.00	2,630	6	2,655	26.71	21,832	16	2,512	95	117	58
Retail - Secured by real estate non-SME	100.00 (default)	2,719	8	2,828	100.00	23,148	26	3,113	110	495	594
Total - Retail - Secured by real estate non-SME		155,106	12,421	167,326	2.50	1,312,812	12	19,107	11	704	715
Retail - Qualifying revolving	0.00 to <0.15	7	7,274	10,319	0.04	8,104,173	53	169	2	2	4
Retail - Qualifying revolving	0.15 to <0.25	78	142	281	0.17	314,596	66	18	7	—	1
Retail - Qualifying revolving	0.25 to <0.50	873	5,889	3,036	0.36	2,550,467	63	353	12	7	12
Retail - Qualifying revolving	0.50 to <0.75	457	6,150	1,745	0.62	1,864,695	66	321	18	7	10
Retail - Qualifying revolving	0.75 to <2.50	1,530	5,303	3,359	1.39	2,866,631	68	1,191	35	32	42
Retail - Qualifying revolving	2.50 to <10.00	2,010	899	2,907	4.78	1,716,391	74	2,647	91	103	114
Retail - Qualifying revolving	10.00 to <100.00	364	60	493	22.12	314,140	73	955	193	79	77
Retail - Qualifying revolving	100.00 (default)	356	277	365	100.00	410,601	83	344	94	276	257
Total - Retail - Qualifying revolving		5,675	25,994	22,505	3.05	18,141,694	61	5,998	27	506	517

Credit risk

EU CR6_a: IRB: Exposures by exposure class and PD range - Retail continued

	PD Range %	a	b	d	e	f	g	i	j	k	l
		Original on-balance sheet gross exposure £m	Off-balance sheet exposures pre CCF £m	EAD post CRM and post CCF £m	Average PD %	Number of obligors	Average LGD %	RWAs £m	RWA density %	Expected loss £m	IFRS 9 ECL Provisions £m
30 June 2019											
Retail - Other SME	0.00 to <0.15	—	512	553	0.14	251,391	61	85	15	—	—
Retail - Other SME	0.15 to <0.25	—	2	4	0.16	490	72	1	20	—	—
Retail - Other SME	0.25 to <0.50	141	208	511	0.35	219,674	60	142	28	1	—
Retail - Other SME	0.50 to <0.75	801	58	928	0.64	101,674	45	278	30	3	1
Retail - Other SME	0.75 to <2.50	3,738	167	4,085	1.27	316,680	47	1,697	42	25	7
Retail - Other SME	2.50 to <10.0	1,946	348	2,384	3.97	253,436	56	1,540	65	53	14
Retail - Other SME	10.0 to <100.00	351	28	406	23.38	60,910	60	434	107	56	22
Retail - Other SME	100.00 (default)	264	—	274	100.00	25,950	71	210	76	177	163
Total - Retail - Other SME		7,241	1,323	9,145	5.73	1,230,205	52	4,387	48	315	207
Retail - Other non-SME	0.00 to <0.15	—	—	—	0.10	2	74	—	—	—	—
Retail - Other non-SME	0.15 to <0.25	5	—	5	0.16	353	74	1	27	—	—
Retail - Other non-SME	0.25 to <0.50	76	—	77	0.36	10,971	69	33	43	—	—
Retail - Other non-SME	0.50 to <0.75	306	—	311	0.62	39,043	67	185	59	1	1
Retail - Other non-SME	0.75 to <2.50	3,687	—	3,757	1.40	499,775	73	3,511	93	46	49
Retail - Other non-SME	2.50 to <10.0	1,693	—	1,736	5.06	183,957	78	2,252	130	81	65
Retail - Other non-SME	10.0 to <100.00	566	—	583	26.38	73,717	80	1,164	200	145	61
Retail - Other non-SME	100.00 (default)	417	—	439	100.00	68,945	67	323	74	348	357
Total - Retail - Other non-SME		6,750	—	6,908	10.65	876,763	74	7,469	108	621	533
Total - Retail all portfolios		176,040	39,847	207,228	2.99	21,587,126	22	37,507	18	2,176	1,985

Credit risk

EU CR6_b: IRB: Exposures by exposure class and PD range – Wholesale

The table below presents the key parameters used to calculate minimum capital requirements for credit risk exposures in Wholesale exposure classes under the IRB approach, split by PD range. It excludes exposures calculated under the supervisory slotting approach, equities under the simple risk-weight approach and non-credit assets. It also excludes counterparty risk and securitisations. The average maturity used in the RWA calculation is capped at five years in accordance with regulatory requirements. The corporates – specialised lending exposure class includes only exposures modelled under the PD/LGD method (relating to shipping). For specialised lending exposures under the supervisory slotting approach, refer to EU CR10. Original on-balance sheet gross exposure includes specific credit risk adjustments.

		a	b	c	d	e	f	g	h	i	j	k	l
30 June 2019	PD Range %	Original on-balance sheet gross exposure £m	Off-balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWAs £m	RWA density %	Expected loss £m	IFRS 9 ECL provisions £m
Central governments and central banks	0.00 to <0.15	34,481	17,752	20	38,063	0.01	43	45	2.37	2,825	7	2	3
Central governments and central banks	0.15 to <0.25	—	—	—	—	0.23	1	55	1.93	—	—	—	—
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 <10.0	—	—	—	—	2.50	—	50	1.00	—	—	—	—
Central governments and central banks	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
Total - Central governments and central banks		34,481	17,752	20	38,063	0.01	44	45	2.37	2,825	7	2	3
Institutions	0.00 to <0.15	3,086	2,323	23	3,570	0.10	233	43	1.77	1,030	29	1	16
Institutions	0.15 to <0.25	2,066	1,325	52	2,769	0.17	120	39	1.44	933	34	3	—
Institutions	0.25 to <0.50	153	61	26	169	0.42	39	30	2.60	68	40	—	—
Institutions	0.50 to <0.75	2	26	28	9	0.64	27	66	0.92	9	105	—	—
Institutions	0.75 to <2.50	29	26	34	38	1.15	27	38	1.66	33	87	—	—
Institutions	2.50 to <10.0	15	9	26	18	2.73	38	45	1.29	22	126	—	—
Institutions	10.0 to <100.00	—	—	100	—	40.96	79	53	4.99	—	—	—	—
Institutions	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
Total - Institutions		5,351	3,770	34	6,573	0.15	563	41	1.65	2,095	32	4	16
Corporates - Specialised lending	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	0.75 to <2.50	2	—	100	—	1.81	10	1	5.00	—	—	—	—
Corporates - Specialised lending	2.50 to <10.0	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	10.0 to <100.00	11	—	—	11	14.48	3	35	1.03	18	181	1	2
Corporates - Specialised lending	100.00 (default)	25	—	—	25	100.00	1	30	1.00	26	100	2	2
Total - Corporates - Specialised lending		38	—	100	36	74.85	14	31	1.02	44	123	3	4

Credit risk

EU CR6_b: IRB: Exposures by exposure class and PD range - Wholesale continued

		a	b	c	d	e	f	g	h	i	j	k	l
30 June 2019	PD Range %	Original on-balance sheet gross exposure £m	Off-balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWAs £m	RWA density %	Expected loss £m	IFRS 9 ECL provisions £m
Corporates - SME	0.00 to <0.15	16	5	56	19	0.11	52	39	3.53	6	33	—	—
Corporates - SME	0.15 to <0.25	370	147	58	456	0.22	1,178	32	3.61	146	32	—	—
Corporates - SME	0.25 to <0.50	2,155	732	57	2,576	0.41	6,494	29	3.16	849	33	3	3
Corporates - SME	0.50 to <0.75	2,376	785	51	2,784	0.64	5,187	27	2.95	1,063	38	5	3
Corporates - SME	0.75 to <2.50	8,153	2,642	48	9,473	1.31	15,255	27	2.66	4,602	49	34	23
Corporates - SME	2.50 to <10.0	3,657	993	47	4,162	3.56	6,917	25	2.46	2,892	69	37	29
Corporates - SME	10.0 to <100.00	523	90	56	581	16.59	999	26	2.47	580	100	25	10
Corporates - SME	100.00 (default)	663	44	27	675	100.00	1,710	43	2.68	251	37	290	290
Total - Corporates - SME		17,913	5,438	50	20,726	5.18	37,792	28	2.74	10,389	50	394	358
Corporates - Other	0.00 to <0.15	18,116	29,752	43	30,873	0.06	1,603	42	3.44	7,872	26	7	11
Corporates - Other	0.15 to <0.25	6,162	9,089	45	10,170	0.19	1,162	45	2.61	4,796	47	9	6
Corporates - Other	0.25 to <0.50	6,809	6,111	43	9,260	0.39	1,448	41	2.81	5,880	63	15	19
Corporates - Other	0.50 to <0.75	3,443	2,039	46	4,373	0.64	1,336	38	2.69	3,172	73	11	18
Corporates - Other	0.75 to <2.50	8,708	4,348	49	10,773	1.30	8,361	33	2.66	8,708	81	46	42
Corporates - Other	2.50 to <10.0	4,155	1,632	45	4,842	3.32	5,758	30	2.24	4,522	93	48	53
Corporates - Other	10.0 to <100.00	316	175	34	375	16.72	576	28	2.42	550	147	19	11
Corporates - Other	100.00 (default)	748	226	37	821	100.00	746	42	2.47	19	2	342	362
Total - Corporates - Other		48,457	53,372	44	71,487	1.80	20,990	40	2.98	35,519	50	497	522
Equities	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—
Equities	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
Equities	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	—
Equities	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—
Equities	0.75 to <2.50	9	—	—	9	1.25	1	90	5.00	25	279	—	—
Equities	2.50 to <10.0	—	—	—	—	—	—	—	—	—	—	—	—
Equities	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Equities	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
Total - Equities		9	—	—	9	1.25	1	90	5.00	25	279	—	—
Total - Wholesale all portfolios		106,249	80,332	39	136,894	1.75	59,404	39	2.71	50,897	37	900	903

Credit risk

EU CR6_c: IRB: Geographical split of PD and LGD

The table below presents weighted-average PD and LGD for credit risk, analysed by geography, split by exposure class. It excludes exposures calculated under the supervisory slotting approach, equities under the simple risk-weight approach and non-credit assets. It also excludes counterparty credit risk and securitisations.

	Total		UK		RoI		Other Western Europe		US		Rest of World	
	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %
30 June 2019												
Central governments and central banks	0.01	45	0.01	50	0.06	45	0.01	45	0.01	45	0.03	46
Institutions	0.15	41	0.17	26	0.18	47	0.14	42	0.13	45	0.30	53
Corporates	2.59	37	2.57	35	3.59	36	2.63	46	1.79	48	2.58	43
<i>Specialised lending</i>	74.85	31	—	—	—	—	1.28	50	—	—	74.85	31
<i>SME</i>	5.18	28	5.03	28	6.68	28	26.01	31	2.59	13	1.61	29
<i>Other corporate</i>	1.80	40	1.67	38	2.29	39	2.52	46	1.79	48	1.09	44
Retail	2.99	22	2.27	21	11.60	31	2.88	59	3.06	57	3.49	58
<i>Secured by real estate property - SME</i>	4.72	43	4.70	43	5.82	40	2.14	40	29.48	39	8.21	40
<i>- non SME</i>	2.50	12	1.58	11	12.02	28	—	—	—	—	—	—
<i>Qualifying revolving</i>	3.05	61	3.04	61	4.22	72	2.27	59	1.80	58	2.52	59
<i>Other retail - SME</i>	5.73	52	5.70	51	6.27	72	3.90	51	6.77	47	8.52	48
<i>- non-SME</i>	10.65	74	10.69	74	8.90	72	19.14	75	35.82	76	20.09	73
Equities	1.25	90	1.25	90	—	—	—	—	—	—	—	—
Total	2.50	29	2.34	25	8.35	34	0.78	45	0.52	46	1.06	46

Credit risk

EU CR10 IRB: Specialised lending and equities

The table below presents EAD post CRM (exposure amount) for IRB specialised lending exposures subject to the supervisory slotting approach (income-producing real estate and project finance portfolios), analysed by type of lending and regulatory category. It excludes counterparty credit risk and securitisations. For specialised lending exposures under the PD/LGD method (relating to shipping), refer to EU CR6_b.

30 June 2019	Remaining maturity	On-balance sheet amount £m	Off-balance sheet amount £m	Risk-weight %	Exposure amount £m	RWAs £m	Expected loss £m
Regulatory categories							
1 - Strong	Less than 2.5 years	2,730	396	50	2,970	1,484	—
	Equal to or more than 2.5 years	5,247	879	70	5,956	4,168	24
2 - Good	Less than 2.5 years	2,465	341	70	2,769	1,938	11
	Equal to or more than 2.5 years	1,871	401	90	2,216	1,994	18
3 - Satisfactory	Less than 2.5 years	129	12	115	135	155	4
	Equal to or more than 2.5 years	157	7	115	163	188	5
4 - Weak	Less than 2.5 years	31	1	250	32	80	3
	Equal to or more than 2.5 years	24	1	250	25	62	2
5 - Default	Less than 2.5 years	245	3	—	246	—	124
	Equal to or more than 2.5 years	190	7	—	194	—	97
Total	Less than 2.5 years	5,600	753	—	6,152	3,657	142
	Equal to or more than 2.5 years	7,489	1,295	—	8,554	6,412	146

EU CR4: STD: 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 credit conversion factors (CCF) as well as associated RWAs and RWA density, split by exposure class. It excludes counterparty credit risk and securitisations.

30 June 2019	a		b		c		d	e	f
	Exposures pre CCF and CRM		Exposures post CCF and CRM					RWA	RWA density
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m		£m	%
1 Central governments and central banks	74,464	8,317	74,488	268	74,488	268	1,643	2	2
2 Regional governments and local authorities	8	206	8	—	8	—	2	25	25
4 Multilateral development banks	—	—	—	—	—	—	—	—	—
6 Institutions	589	88	589	—	589	—	157	27	27
7 Corporates	4,012	1,988	3,763	704	3,763	704	4,271	96	96
8 Retail	2,395	3,959	2,338	72	2,338	72	1,448	60	60
9 Secured by mortgages on immovable property - residential	10,286	1,155	10,286	353	10,286	353	3,874	36	36
- commercial	2,750	326	2,703	113	2,703	113	2,823	100	100
10 Exposures in default	287	37	292	2	292	2	351	119	119
11 Items associated with particularly high risk	—	—	—	—	—	—	—	—	—
12 Covered bonds	—	—	—	—	—	—	—	—	—
15 Equity exposures	24	—	24	—	24	—	26	112	112
16 Other exposures	1,394	—	1,522	—	1,522	—	642	42	42
17 Total	96,209	16,076	96,013	1,512	96,013	1,512	15,237	16	16

Credit risk

EU CR5: STD: Credit risk exposure class and risk-weights

The table below analyses credit risk EAD post CRM under the standardised approach by risk-weight, split by exposure class. It excludes counterparty credit risk and securitisations. Exposure classes with no exposure are excluded.

EAD post CRM	Risk-weight														Deducted £m	Total £m	Of which: Unrated £m		
	0% £m	2% £m	4% £m	10% £m	20% £m	35% £m	50% £m	70% £m	75% £m	100% £m	150% (1) £m	250% £m	370% £m	1,250% £m				Others £m	
30 June 2019																			
1 Central governments and central banks	74,073	—	—	—	28	—	—	—	—	—	—	655	—	—	—	—	—	74,756	802
2 Regional governments and local authorities	3	—	—	—	4	—	—	—	—	1	—	—	—	—	—	—	—	8	5
3 Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Institutions	—	—	—	—	179	—	—	—	—	—	—	—	—	—	410	—	—	589	4
6 Corporates	11	—	—	—	164	—	49	—	—	4,167	66	—	—	—	10	—	—	4,467	2,198
7 Retail	—	—	—	—	299	—	—	—	2,111	—	—	—	—	—	—	—	—	2,410	—
8 Secured by mortgages on immovable property - residential	—	—	—	—	—	10,395	—	—	—	244	—	—	—	—	—	—	—	10,639	10,639
- commercial	—	—	—	—	—	—	—	—	—	2,783	33	—	—	—	—	—	—	2,816	2,816
10 Exposures in default	—	—	—	—	—	—	—	—	—	181	113	—	—	—	—	—	—	294	294
11 Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Equity exposures	—	—	—	—	—	—	—	—	—	22	—	2	—	—	—	—	—	24	2
15 Other exposures	611	—	—	—	240	—	26	—	—	568	—	—	—	—	77	—	—	1,522	1,522
16 Total EAD post CRM	74,698	—	—	—	914	10,395	75	—	2,111	7,966	212	657	—	—	497	—	—	97,525	18,282
17 EAD pre CRM	74,697	—	—	—	914	10,395	75	—	2,130	8,260	213	657	—	—	497	—	—	97,838	18,359

Note:

(1) Credit risk EAD post CRM with a 150% risk-weight relates to legacy assets.

Counterparty credit risk

EU CCR1: CCR: Analysis of exposure by EAD calculation approach

The table below presents the methods used to calculate counterparty credit risk exposure and RWAs. It excludes credit valuation adjustment charges, securitisations and exposures cleared through a CCP.

30 June 2019	a	b	c	e	f	g
	Notional £m	Replacement cost/current market value £m	Potential future exposure £m	Multiplier	EAD post-CRM £m	RWA £m
1 Mark-to-market method	n/a	91	247	n/a	439	243
9 Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	900	123
11 Total	n/a	n/a	n/a	n/a	1,339	366

Key point

- Exposures were mainly with large financial institutions driven by structural hedging and liquidity risk management activities.

Counterparty credit risk

IRB Approach PD & LGD approach

EU CCR4: CCR IRB: Exposures by portfolio and PD scale

The table below presents a detailed view of counterparty credit risk positions subject to the IRB approach by exposure class and PD scale. It excludes CVA charges, securitisations and exposures cleared through a CCP. Counterparty credit risk exposures are managed on a portfolio basis, hence, it is not meaningful to report valuation adjustments and provisions at the regulatory exposure class level.

		a	b	c	d	e	f	g
		EAD post CRM and post-CCF £m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWAs £m	RWA density %
30 June 2019	PD scale							
Central governments and central banks	0.00 to <0.15	187	0.01	1	50	1.23	5	3
Central governments and central banks	0.15 to <0.25	—	—	—	—	—	—	—
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		187	0.01	1	50	1.23	5	3
Institutions	0.00 to <0.15	25	0.11	4	50	0.04	5	21
Institutions	0.15 to <0.25	282	0.22	8	50	0.09	99	35
Institutions	0.25 to <0.50	—	—	—	—	—	—	—
Institutions	0.50 to <0.75	—	—	—	—	—	—	—
Institutions	0.75 to <2.50	—	—	—	—	—	—	—
Institutions	2.50 to <10.00	—	—	—	—	—	—	—
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
Total - Institutions		307	0.21	12	50	0.08	104	34
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—
Corporates - SME	0.15 to <0.25	—	—	—	—	—	—	—
Corporates - SME	0.25 to <0.50	1	0.45	1	83	4.34	1	141
Corporates - SME	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - SME	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - SME	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - SME	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - SME	100.00 (Default)	—	—	—	—	—	—	—
Total - Corporates - SME		1	30.32	4	61	4.53	1	99

Counterparty credit risk

EU CCR4: CCR IRB: Exposures by portfolio and PD scale continued

		a	b	c	d	e	f	g
30 June 2019	PD scale	EAD post CRM and post-CCF £m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWAs £m	RWA density %
Corporates - Specialised lending	Strong	32	—	12	—	5	22	70
Corporates - Specialised lending	Good	1	—	1	—	5	1	90
Corporates - Specialised lending	Satisfactory	—	—	—	—	—	—	—
Corporates - Specialised lending	Weak	—	—	—	—	—	—	—
Corporates - Specialised lending	Default	—	—	—	—	—	—	—
Total - Corporates - Specialised lending (1)		33	—	13	—	5	23	70
Corporates - Other	0.00 to <0.15	38	0.06	14	45	2.50	9	23
Corporates - Other	0.15 to <0.25	41	0.18	9	50	0.79	16	37
Corporates - Other	0.25 to <0.50	3	0.41	2	49	4.17	3	95
Corporates - Other	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - Other	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - Other	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - Other	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - Other	100.00 (Default)	—	—	—	—	—	—	—
Total - Corporates - Other		83	0.15	27	48	1.71	28	34
Total - Wholesale all portfolios		611	0.21	57	50	0.93	161	26

Note:

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

Key points

- Exposures were mainly with large financial institutions and large corporates driven by structural hedging and liquidity risk management activities.
- The low risk-weighted exposures were mainly with central governments and central banks.

Counterparty credit risk

EU CCR3: CCR STD: Exposures by regulatory portfolio and risk-weight

Exposure class	Risk-weight						Total £m	Of which: Unrated £m
	0% £m	2% £m	20% £m	50% £m	75% £m	100% £m		
30 June 2019								
1 Central governments and central banks	326	—	—	—	—	—	326	—
6 Institutions	—	706	53	240	—	—	998	—
7 Corporates	—	—	—	66	—	42	108	—
11 Total	326	706	53	306	—	42	1,432	—

Key point

- The exposures were primarily securities financing transactions, central counterparty and inter-Group.

EU CCR2: CCR: Credit valuation adjustment capital charge

The table below presents the CVA charge split by approach.

		30 June 2019	
		a	b
		Exposure amount £m	RWAs £m
3	All portfolios subject to the standardised CVA capital charge	334	681

Key point

- The majority of the charge relates to inter-Group exposures.

EU CCR5_A: Impact of netting and collateral held on exposure values

		a	b	c	d	e
30 June 2019		Gross positive fair value £m	Netting benefits £m	Netted current credit exposure £m	Collateral held £m	Net credit exposure £m
1	Derivatives	4,663	2,392	2,271	1,917	354
2	SFTs	21,012	—	21,012	20,955	57
4	Total	25,675	2,392	23,283	22,872	411

Key points

- Exposures were mainly driven by structural hedging and liquidity risk management activities.
- Securities financing transactions assist with liquidity management in relation to regulatory liquidity requirements and collateral management

Counterparty credit risk

EU CCR6: CCR: Credit derivatives

This table is not disclosed as NWHG had no exposures as at 30 June 2019.

EU CCR8: CCR: Exposures (EAD post CRM) to central counterparties

The table below presents 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.

		30 June 2019	
		a	b
		EAD post-CRM £m	RWA £m
1	Exposures to QCCPs (total)	n/a	128
2	Exposures for trades at QCCPs (excluding OTC initial margin and default fund contributions)	706	14
Of which:			
3	(i) OTC derivatives	582	12
5	(iii) Securities financing transactions	124	2
9	Pre-funded default fund contributions	65	114

Key point

- Exposures were mainly driven by structural hedging and liquidity risk management activities.

Market risk

EU MR1: MR IMA and STD: RWAs and MCR - NWHG and significant subsidiaries

The following table presents market risk RWAs and MCR by calculation method and type of risk for NWHG and significant subsidiaries.

30 June 2019	NWHG		NWB Plc		RBS plc		UBI DAC	
	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m
STD	218	17	40	3	15	1	27	2
1 Interest rate position risk (outright products)	—	—	—	—	—	—	—	—
2 Equity position risk (outright products)	—	—	—	—	—	—	—	—
3 Foreign exchange position risk (outright products)	218	17	40	3	15	1	27	2
4 Commodity position risk (outright products)	—	—	—	—	—	—	—	—
6 Option position risk (delta-plus approach)	—	—	—	—	—	—	—	—
8 Securitisation positions	—	—	—	—	—	—	—	—
Internal model approach	—	—	—	—	—	—	—	—
VaR	—	—	—	—	—	—	—	—
SVaR	—	—	—	—	—	—	—	—
Incremental risk charge	—	—	—	—	—	—	—	—
Other (RNIV)	—	—	—	—	—	—	—	—
<i>Of which: VaR-based RNIV</i>	—	—	—	—	—	—	—	—
<i>Of which: SVaR-based RNIV</i>	—	—	—	—	—	—	—	—
<i>Of which: Stress RNIV</i>	—	—	—	—	—	—	—	—
Total	218	17	40	3	15	1	27	2

31 December 2018	NWB Plc		RBS plc		UBI DAC			
	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m		
STD			36	3	23	2	47	4
1 Interest rate position risk (outright products)			—	—	—	—	—	—
2 Equity position risk (outright products)			—	—	—	—	—	—
3 Foreign exchange position risk (outright products)			36	3	23	2	47	4
4 Commodity position risk (outright products)			—	—	—	—	—	—
6 Option position risk (delta-plus approach)			—	—	—	—	—	—
8 Securitisation positions			—	—	—	—	—	—
Internal model approach			14	1	—	—	—	—
VaR			3	—	—	—	—	—
SVaR			11	1	—	—	—	—
Incremental risk charge			—	—	—	—	—	—
Other (RNIV)			—	—	—	—	—	—
<i>Of which: VaR-based RNIV</i>			—	—	—	—	—	—
<i>Of which: SVaR-based RNIV</i>			—	—	—	—	—	—
<i>Of which: Stress RNIV</i>			—	—	—	—	—	—
Total			50	4	23	2	47	4

Key points

NWHG

- The RWA exposure includes the position in NatWest Holdings Limited and its subsidiaries.

NWB Plc

- The RWA reduction in IMA was due to the closure of residual trading activity. NWB Plc now has no IMA positions and intends to request permission to cancel its IMA waiver.

RBS plc

- RWAs remained broadly stable.

UBI DAC

- The RWA decrease was mainly due to sterling currency positions for transfer pricing payments to other NWHG entities.