



# **NatWest Group H1 2021 Pillar 3 Supplement**

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## Forward-looking statements

This document contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as NatWest Group's future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NatWest Group plc in respect of, but not limited to: the impact of the COVID-19 pandemic, its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital, cost savings and operational targets), the implementation of its Purpose-led strategy and the refocusing of its NatWest Markets franchise, its ESG and climate-related 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, the transition of LIBOR and IBOR rates to alternative risk free rates and NatWest Group's exposure to economic and political risks (including with respect to terms surrounding 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, the impact of the COVID-19 pandemic, future acquisitions, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs (including with respect to goodwill), legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and the impact of climate-related risks and the transitioning to a low-carbon economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or NatWest Group plc's actual results are discussed in NatWest Group plc's UK 2020 Annual Report and Accounts (ARA), NatWest Group plc's Interim Results for H1 2021 and NatWest Group plc's filings with the US Securities and Exchange Commission, including, but not limited to, NatWest Group plc's most recent Annual Report on Form 20-F and Reports on Form 6-K. The forward-looking statements contained in this document speak only as of the date of this document and NatWest Group plc does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

## Presentation of information

- The main risks of NatWest Group plc and its subsidiaries are described in the Risk and Capital Management and the Risk Factors sections of the NatWest Group plc 2020 Annual Report and Accounts (ARA) and in the 2020 Pillar 3 Report. Refer to the glossary for definitions of terms available on natwestgroup.com.
- The disclosures complement those in NatWest Group's H1 2021 Interim Results: Risk and Capital Management.
- For the basis of preparation and disclosure framework, refer to NatWest Group's 2020 Pillar 3 Report.
- The Brexit transition period ran until 31 December 2020; therefore, as of that date, UK entities ceased to be subject to EU rules. As of the date of this report, NatWest Group is regulated under the UK Capital Requirements Regulation (CRR) and associated onshored binding technical standards which were created by the European Union (Withdrawal) Act 2018 and a number of amending statutory instruments.
- Large subsidiary disclosures that are non-UK entities are presented in accordance with regulatory requirements applicable in the countries in which they are incorporated, whilst the consolidated view is calculated under the UK Capital Requirements Regulation (CRR) as described above.
- The Pillar 3 disclosures made by NatWest Group are designed to comply with the CRR. Based on the criteria set out in the CRR, NatWest Group primarily defines its large subsidiaries as those designated as an O-SII by the national competent authority or with a value of total assets equal to or greater than €30 billion. At 30 June 2021, its large subsidiaries were:
  - NatWest Holdings Group (NWH Group)
  - National Westminster Bank Plc (NWB Plc)
  - Royal Bank of Scotland plc (RBS plc)
  - Ulster Bank Ireland Designated Activity Company (UBIDAC)
  - NatWest Markets Plc (NWM Plc)
  - Coutts & Company (Coutts & Co)
  - The Royal Bank of Scotland International Limited (RBSI)
- Within this document, large subsidiary disclosures are presented for NWM Plc, RBSI and – for completeness - the consolidated NatWest Holdings Group. Refer to the NWH Group H1 2021 Pillar 3 supplement for large subsidiary disclosures for NWB Plc, RBS plc, UBIDAC and Coutts & Co.
- Within this document, row and column references are based on those prescribed in the EBA templates. Any tables, rows or columns that are not applicable or do not have a value are not shown.

## NatWest Group - key points

### CET1 ratio (CRR end-point)

HY 2021 18.2%

YE 2020 18.5%

The CET1 ratio decreased by 30 basis points to 18.2%. The decrease mainly reflects the impact of the directed buy back and associated pension contribution of £1.2 billion, the foreseeable dividend accrual of £0.5 billion and foreseeable charges of £0.9 billion. The H1 2021 attributable profit of £1.8 billion has been partially utilised by the foreseeable dividends and charges. A £0.5 billion decrease in IFRS 9 transitional arrangements on expected credit losses offset the impact of impairment releases.

### MREL

HY 2021 38.9%

YE 2020 37.5%

The MREL ratio as percentage of risk weighted assets increased to 38.9% from 37.5% primarily due to the £7.3 billion decrease in RWAs and remains well above the minimum of 23%.

### RWA

HY 2021 £163.0bn

YE 2020 £170.3bn

RWAs decreased by £7.3 billion in H1 2021, mainly reflecting a reduction in credit risk RWAs of £7.4 billion due to repayments and expired facilities of c.£4 billion in Commercial Banking, a reduction of c.£0.8 billion due to improved risk metrics in Retail Banking and reduced exposures in Ulster Bank Rol in line with the current exit strategy. The credit risk decrease also included a £0.8 billion benefit as a result of the CRR COVID-19 amendment for the infrastructure supporting factor. Operational risk RWAs reduced by £0.9 billion following the annual recalculation in Q1 2021. Counterparty credit risk RWAs reduced by £0.5 billion as a result of lower exposures in NatWest Markets. Market risk RWAs increased by £1.5 billion, mainly reflecting an increase in modelled market risk following the announcement of the GBP LIBOR cessation in March 2021 as a result of including modelled GBP LIBOR basis risk post 4 January 2022. Regulatory approval was obtained in July 2021 to update the VaR model, which will remove this impact in Q3 2021.

### CRR leverage

HY 2021 4.9%

YE 2020 5.2%

The CRR leverage ratio decreased by 30 basis points to 4.9%. This was driven by a £29.4 billion increase in leverage exposure, mostly in cash and balances at central banks, and a £0.9 billion decrease in Tier 1 capital.

### UK leverage

HY 2021 6.2%

YE 2020 6.4%

The UK leverage ratio decreased by 20 basis points to 6.2%, mainly as a result of the £0.9 billion decrease in Tier 1 capital.

### NSFR

HY 2021 154%

YE 2020 151%

The net stable funding ratio (NSFR) at HY 2021 was 154% compared to 151% at YE 2020. The increase is mainly due to deposits growth.

## Capital, liquidity and funding

### KM1: BCBS 2 & EBA IFRS 9-FL: Key metrics – NatWest Group

The table below reflects the key metrics template in the BCBS consolidated Pillar 3 framework and the EBA's IFRS 9 template. Capital and leverage ratios presented are based on end-point CRR rules. NatWest Group has elected to take advantage of the transitional capital rules in respect of expected credit losses. Following the adoption of IFRS 9 from 1 January 2018, the CRR introduced transitional rules to phase in the full CET1 effect over a five-year period. The transition period has been further amended by the CRR COVID-19 Amendment Regulation. The effect of this is to fully mitigate the increases in Stage 1 and Stage 2 expected credit loss provisions arising in 2020 and 2021, due to the COVID-19 pandemic. The revised transitional amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024.

BCBS2 IFRS KM1 9-FL Capital			30 June 2021 £m	31 March 2021 £m	31 December 2020 £m	30 September 2020 £m	30 June 2020 £m
1	1	Common equity tier 1 (CET1)	29,660	30,046	31,447	31,592	31,197
1a	2	Common equity tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied	28,462	28,391	29,700	29,873	29,619
2	3	Tier 1 capital	35,576	35,426	36,430	35,582	35,187
2a	4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	34,378	33,771	34,683	33,863	33,609
3	5	Total capital	40,549	39,544	41,685	41,292	40,783
3a	6	Total capital as if IFRS 9 transitional arrangements had not been applied	39,602	38,192	40,199	39,878	39,205
<b>Risk-weighted assets (amounts)</b>							
4	7	Total risk-weighted assets (RWAs)	162,970	164,703	170,310	173,886	181,458
	8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	162,877	164,568	170,146	173,747	181,318
<b>Risk-based capital ratios as a percentage of RWAs</b>			%	%	%	%	%
5	9	Common equity tier 1 ratio	18.2	18.2	18.5	18.2	17.2
5a	10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.5	17.2	17.5	17.2	16.3
6	11	Tier 1 ratio	21.8	21.5	21.4	20.5	19.4
6a	12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	21.1	20.5	20.4	19.5	18.5
7	13	Total capital ratio	24.9	24.0	24.5	23.7	22.5
7a	14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	24.3	23.2	23.6	23.0	21.6
<b>Additional CET1 buffer requirements as a percentage of RWAs</b>							
8		Capital conservation buffer requirement	2.5	2.5	2.5	2.5	2.5
9		Countercyclical capital buffer requirement (1)	—	—	—	—	—
10		Bank GSIB and/or DSIB additional requirements	—	—	—	—	—
11		Total of CET1 specific buffer requirements (8+9+10)	2.5	2.5	2.5	2.5	2.5
12		CET1 available after meeting the bank's minimum capital requirements (2)	11.7	11.8	12.1	11.8	10.8
<b>CRR leverage ratio</b>			£m	£m	£m	£m	£m
13	15	CRR leverage ratio exposure measure	732,519	714,253	703,093	688,287	686,736
14	16	CRR leverage ratio %	4.9	5.0	5.2	5.2	5.1
14a	17	CRR leverage ratio as if IFRS 9 transitional arrangements had not been applied	4.7	4.7	4.9	4.9	4.9
<b>UK leverage ratio</b>			£m	£m	£m	£m	£m
		UK leverage ratio exposure measure	575,636	567,959	572,558	576,889	585,115
		UK leverage ratio % (3)	6.2	6.2	6.4	6.2	6.0
		Average exposure	572,040	572,471	576,906	580,657	590,185
		Average leverage ratio %	6.2	6.3	6.3	6.1	5.9
<b>Liquidity coverage ratio</b>			£m	£m	£m	£m	£m
15		Total high-quality liquid asset (HQLA)	177,678	171,814	161,894	152,095	144,601
16		Total net cash outflows	110,241	106,619	101,500	97,090	94,160
17		LCR ratio % (4)	161	161	159	156	153
<b>Net stable funding ratio (NSFR)</b>							
18		Total available stable funding	423,120	414,076	417,786	408,118	414,019
19		Total required stable funding	275,332	271,412	275,816	277,235	288,479
20		NSFR % (5)	154	153	151	147	144

#### 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.
- (2) Represents CET1 ratio less TSCR (Pillar 1 and 2A).
- (3) The PRA minimum leverage ratio requirement is supplemented with a countercyclical leverage ratio buffer of 0.0% (31 December 2020 – 0.0%).
- (4) The Liquidity coverage ratio (LCR) uses the simple average of the preceding 12 monthly periods ending on the quarterly reporting date as specified in the table.
- (5) NSFR reported in line with CRR2 regulations finalised in June 2019. Following the publication of CP5/21 on 12 February 2021, the PRA proposes to introduce a binding Net Stable Funding Ratio (NSFR) requirement from January 2022.

## Capital, liquidity and funding

### IFRS 9-FL: Key metrics - large subsidiaries

The table below shows key metrics relating to IFRS 9 for NatWest Group and its large subsidiaries. Capital measures are on a CRR transitional basis. NatWest Group has elected to take advantage of the transitional capital rules in respect of expected credit losses. Following the adoption of IFRS 9 from 1 January 2018, the CRR introduced transitional rules to phase in the full CET1 effect over a five-year period. The transition period has been further amended by the CRR COVID-19 Amendment Regulation. The effect of this is to fully mitigate the increases in expected Stage 1 and Stage 2 credit loss provisions arising in 2020 and 2021, due to the COVID-19 pandemic. The revised transitional amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024. The transitional basis rules do not apply to RBSI and therefore only end-point basis values are disclosed for this subsidiary.

		30 June 2021			
		NatWest Group £m	NWH Group £m	NWM Plc £m	RBSI £m
<b>Available capital (amounts) - transitional</b>					
1	Common equity tier 1	29,660	21,026	4,969	1,357
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	28,462	19,846	4,965	1,357
3	Tier 1 capital	36,145	24,702	5,864	1,657
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	34,947	23,522	5,860	1,657
5	Total capital	41,658	29,702	7,100	1,663
6	Total capital as if IFRS 9 transitional arrangements had not been applied	40,711	28,739	7,096	1,663
<b>Risk-weighted assets (amounts)</b>					
7	Total risk-weighted assets	162,970	126,797	24,582	7,294
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	162,877	126,724	24,578	7,294
<b>Risk-based capital ratios as a percentage of RWAs</b>					
		%	%	%	%
9	Common equity tier 1 ratio	18.2	16.6	20.2	18.6
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.5	15.7	20.2	18.6
11	Tier 1 ratio	22.2	19.5	23.9	22.7
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	21.5	18.6	23.8	22.7
13	Total capital ratio	25.6	23.4	28.9	22.8
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	25.0	22.7	28.9	22.8
<b>Leverage ratio</b>					
15	CRR leverage ratio exposure measure (£m)	732,519	545,161	124,600	40,470
16	CRR leverage ratio (%)	4.9	4.5	4.7	4.1
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.8	4.3	4.7	4.1

		31 March 2021			
		NatWest Group £m	NWH Group £m	NWM Plc £m	RBSI £m
<b>Available capital (amounts) - transitional</b>					
1	Common equity tier 1	30,046	24,017	5,208	1,416
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	28,391	22,407	5,204	1,416
3	Tier 1 capital	36,136	27,721	6,105	1,716
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	34,481	26,111	6,101	1,716
5	Total capital	40,927	32,736	7,356	1,738
6	Total capital as if IFRS 9 transitional arrangements had not been applied	39,575	31,380	7,352	1,738
<b>Risk-weighted assets (amounts)</b>					
7	Total risk-weighted assets	164,703	129,717	24,690	7,476
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	164,568	129,604	24,686	7,476
<b>Risk-based capital ratios as a percentage of RWAs</b>					
		%	%	%	%
9	Common equity tier 1 ratio	18.2	18.5	21.1	18.9
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.2	17.3	21.1	18.9
11	Tier 1 ratio	21.9	21.4	24.7	23.0
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	21.0	20.1	24.7	23.0
13	Total capital ratio	24.8	25.2	29.8	23.2
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	24.0	24.2	29.8	23.2
<b>Leverage ratio</b>					
15	CRR leverage ratio exposure measure (£m)	714,253	534,610	123,431	40,340
16	CRR leverage ratio (%)	5.1	5.2	4.9	4.3
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.8	4.9	4.9	4.3

## Capital, liquidity and funding

### IFRS 9-FL: EBA Key metrics - large subsidiaries continued

		31 December 2020			
		NatWest Group £m	NWH Group £m	NWM Plc £m	RBSI £m
<b>Available capital (amounts) - transitional</b>					
1	Common equity tier 1	31,447	23,743	5,547	1,353
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	29,700	22,043	5,540	1,353
3	Tier 1 capital	37,260	27,477	6,433	1,653
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	35,513	25,777	6,426	1,653
5	Total capital	43,733	32,750	7,753	1,681
6	Total capital as if IFRS 9 transitional arrangements had not been applied	42,247	31,247	7,746	1,681
<b>Risk-weighted assets (amounts)</b>					
7	Total risk-weighted assets	170,310	135,331	25,564	7,292
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	170,146	135,192	25,557	7,292
<b>Risk-based capital ratios as a percentage of RWAs</b>					
		%	%	%	%
9	Common equity tier 1 ratio	18.5	17.5	21.7	18.6
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.5	16.3	21.7	18.6
11	Tier 1 ratio	21.9	20.3	25.2	22.7
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	20.9	19.1	25.1	22.7
13	Total capital ratio	25.7	24.2	30.3	23.1
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	24.8	23.1	30.3	23.1
<b>Leverage ratio</b>					
15	CRR leverage ratio exposure measure (£m)	703,093	521,600	123,927	37,881
16	CRR leverage ratio (%)	5.3	5.3	5.2	4.4
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.1	5.0	5.2	4.4

		30 September 2020			
		NatWest Group £m	NWH Group £m	NWM Plc £m	RBSI £m
<b>Available capital (amounts) - transitional</b>					
1	Common equity tier 1	31,592	23,265	6,293	1,381
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	29,873	21,589	6,285	1,381
3	Tier 1 capital	36,422	26,999	7,189	1,681
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	34,703	25,323	7,181	1,681
5	Total capital	43,415	32,480	8,715	1,695
6	Total capital as if IFRS 9 transitional arrangements had not been applied	42,001	31,037	8,707	1,695
<b>Risk-weighted assets (amounts)</b>					
7	Total risk-weighted assets	173,886	136,544	28,171	6,865
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	173,747	136,425	28,163	6,865
<b>Risk-based capital ratios as a percentage of RWAs</b>					
		%	%	%	%
9	Common equity tier 1 ratio	18.2	17.0	22.3	20.1
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.2	15.8	22.3	20.1
11	Tier 1 ratio	20.9	19.8	25.5	24.5
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	20.0	18.6	25.5	24.5
13	Total capital ratio	25.0	23.8	30.9	24.7
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	24.2	22.8	30.9	24.7
<b>Leverage ratio</b>					
15	CRR leverage ratio exposure measure (£m)	688,287	498,778	133,177	36,383
16	CRR leverage ratio (%)	5.3	5.4	5.4	4.6
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.1	5.1	5.4	4.6

## Capital, liquidity and funding

### IFRS 9-FL: EBA Key metrics - large subsidiaries continued

		30 June 2020			
		NatWest Group £m	NWH Group £m	NWM Plc £m	RBSI (1) £m
<b>Available capital (amounts) - transitional</b>					
1	Common equity tier 1	31,197	22,631	6,203	1,368
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	29,619	21,076	6,199	1,368
3	Tier 1 capital	36,751	26,365	7,110	1,668
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	35,173	24,810	7,106	1,668
5	Total capital	43,687	31,670	8,687	1,670
6	Total capital as if IFRS 9 transitional arrangements had not been applied	42,109	30,115	8,683	1,670
<b>Risk-weighted assets (amounts)</b>					
7	Total risk-weighted assets	181,458	139,328	32,761	6,888
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	181,318	139,206	32,757	6,888
<b>Risk-based capital ratios as a percentage of RWAs</b>					
		%	%	%	%
9	Common equity tier 1 ratio	17.2	16.2	18.9	19.9
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	16.3	15.1	18.9	19.9
11	Tier 1 ratio	20.3	18.9	21.7	24.2
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	19.4	17.8	21.7	24.2
13	Total capital ratio	24.1	22.7	26.5	24.2
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	23.2	21.6	26.5	24.2
<b>Leverage ratio</b>					
15	CRR leverage ratio exposure measure (£m)	686,736	493,226	133,897	35,341
16	CRR leverage ratio (%)	5.4	5.3	5.3	4.7
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.1	5.0	5.3	4.7

Note:

(1) 30 June 2020 credit risk comparatives for RBSI have been represented due to a change in model calculation. This is not material for NatWest Group purposes.

### Large subsidiary key points

#### Capital and leverage

##### NWH Group

(based on 30 June 2021 compared with 31 December 2020)

- The CET1 ratio decreased to 16.6% from 17.5% at 31 December 2020, due to a £2.7 billion decrease in CET1 capital and an £8.5 billion decrease in RWAs. The CET1 decrease reflects the attributable profit in the period of £1.9 billion, dividends paid of £1.0 billion, £2.5 billion foreseeable dividend and £0.2 billion foreseeable charges. There was also a £0.5 billion decrease in the IFRS 9 transitional arrangements on expected credit losses however this offset the impact of impairment releases.
- NWH Group issued £1.0 billion internal subordinated Tier 2 Notes in May 2021. This was offset by the £1.0 billion partial redemption of internal subordinated Tier 2 Notes.
- Total RWAs decreased by £8.5 billion reflecting a decrease in credit risk of £7.4 billion and £0.9 billion reduction in operational risk RWAs following the annual calculation in Q1 2021. The decrease in credit risk RWAs was primarily due to repayments and expired facilities of c.£4 billion in Commercial Banking, a £0.8 billion reduction due to improved risk metrics in Retail Banking as well as reduced exposures in the Ulster Bank Rol franchise in line with the current exit strategy. The decreases in credit risk also included a reduction in RWAs of £0.8 billion as a result of the CRR COVID-19 amendment for the infrastructure supporting factor. Counterparty credit risk RWAs reduced by £0.2 billion during the period.
- The leverage ratio decreased to 4.5% driven by a decrease in Tier 1 capital in addition to an increase in balance sheet exposures.

##### NWM Plc

(based on 30 June 2021 compared with 31 December 2020)

- NWM Plc's CET1 ratio decreased to 20.2%, from 21.7% at 31 December 2020, primarily reflecting primarily reflecting a £0.6 billion decrease in CET1 capital.
- The CET1 decrease was due to an attributable loss and the distribution of reserves in the period.
- Total RWAs reduced by £1.0 billion mainly reflecting a reduction in credit risk RWAs of £1.0 billion and counterparty credit risk RWAs of £0.7 billion in line with business strategy. Operational risk RWAs reduced by £0.4 billion following the annual recalculation in Q1 2021. Market risk RWAs increased by £1.0 billion, reflecting a rise in tenor basis risk in sterling flow trading. This related to the transition from LIBOR to alternative risk-free rates. The regulator approved an update of the VaR model, which will remove this impact during Q3 2021.
- The leverage ratio decreased to 4.7% driven by a decrease in Tier 1 capital.

##### RBSI

(based on 30 June 2021 compared with 31 December 2020)

- The RBSI CET1 ratio remained at 18.6%, in line with 31 December 2020. RWAs of £7.3 billion were in line with 31 December 2020, with underlying growth in customer lending credit RWAs offset by a decrease in nostro and market risk. A dividend of £54 million was paid in Q2 2021, following full year 2020 profit verification resulting in CET1 capital remaining at £1.4 billion.
- The leverage ratio reduced to 4.1% from 4.3% at 31 December 2020. This was driven by increased balance sheet size as a result of customer deposit growth.
- RBSI leverage exposure is presented on the CRR basis. The primary driver of the ratio under CRR is short-term deposit balances, which RBSI typically holds in high-quality liquid assets. Excluding unencumbered central bank balances would result in a ratio of 6.4%.



## Capital, liquidity and funding

### CC1: Composition of regulatory capital – NatWest Group and large 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 NatWest Group only.

		30 June 2021						
		NatWest Group			Source based on reference number/letters of the balance sheet under its regulatory scope on consolidation	NWH Group	NWM Plc	RBSI
		PRA transitional	CRR prescribed residual amounts	CRR end-point		£m	£m	£m
		£m	£m	£m				
<b>CET1 capital: instruments and reserves</b>								
1	Capital instruments and the related share premium accounts	12,187	—	12,187	(a) & (k)	3,263	2,158	97
	<i>Of which: ordinary shares</i>	11,776	—	11,776	(a)	3,263	400	97
2	Retained earnings	10,297	—	10,297	(b)	34,672	5,246	1,444
3	Accumulated other comprehensive income (and other reserves)	12,369	—	12,369	(c)	(11,134)	(104)	(26)
4	Public sector capital injections grandfathered until 1 January 2018	—	—	—		—	—	—
5a	Independently reviewed interim net profits net of any foreseeable charge or dividend	1,168	—	1,168		—	—	—
6	CET1 capital before regulatory adjustments	36,021	—	36,021		26,801	7,300	1,515
7	Additional value adjustments	(285)	—	(285)		(15)	(236)	—
8	(-) Intangible assets (net of related tax liability)	(6,157)	—	(6,157)	(d)	(5,836)	—	(9)
10	(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(832)	—	(832)	(e)	(832)	—	—
11	Fair value reserves related to gains or losses on cash flow hedges	77	—	77	(i)	(212)	(116)	11
12	(-) Negative amounts resulting from the calculation of expected loss amounts	—	—	—		—	(2)	(10)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	22	—	22		—	50	—
15	(-) Defined-benefit pension fund assets	(384)	—	(384)	(f) & (g)	(60)	(176)	(150)
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)	—	—	—		—	(1,631)	—
22	(-) Amount exceeding the 17.65% threshold	—	—	—		—	—	—
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	—	—	—	(b)	—	(224)	—
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	—	—	—		—	—	—
27a	Other regulatory adjustments to CET1 capital	1,198	(1,198)	—		1,180	4	—
28	Total regulatory adjustments to CET1	(6,361)	(1,198)	(7,559)		(5,775)	(2,331)	(158)
29	CET1 capital	29,660	(1,198)	28,462		21,026	4,969	1,357

## Capital, liquidity and funding

### CC1: Composition of regulatory capital – NatWest Group and large subsidiaries continued

		30 June 2021						
		NatWest Group			Source based on reference number/letters of the balance sheet under its regulatory scope on consolidation	NWH Group	NWM Plc	RBSI
		PRA transitional	CRR prescribed residual amounts	CRR end-point				
		£m	£m	£m				
<b>AT1 capital: instruments</b>								
30	Capital instruments and the related share premium accounts	5,916	—	5,916	(h)	3,676	904	300
31	Of which: classified as equity under applicable accounting standards	5,916	—	5,916		3,676	904	300
32	Of which: classified as debt under applicable accounting standards	—	—	—		—	—	—
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1	569	(569)	—	(j)	—	217	—
34	Qualifying tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5 CET1) issued by subsidiaries and held by third parties	—	—	—	(j)	—	—	—
35	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	—	—	—		—	—	—
36	AT1 capital before regulatory adjustments	6,485	(569)	5,916		3,676	1,121	300
<b>AT1 capital: regulatory adjustments</b>								
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)	—	—	—		—	(226)	—
41	(-) Actual or contingent obligations to purchase own AT1 instruments	—	—	—		—	—	—
41b	Residual amounts deducted from AT1 capital with regard to deduction from Tier 2 (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	—	—	—		—	(226)	—
44	AT1 capital	6,485	(569)	5,916		3,676	895	300
45	Tier 1 capital (T1 = CET1 + AT1)	36,145	(1,767)	34,378		24,702	5,864	1,657
<b>T2 capital: instruments and provisions</b>								
46	Capital instruments and the related share premium accounts	4,570	—	4,570	(j)	4,540	1,525	—
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	—	—	—	(j)	—	89	—
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests phase out from T2 and AT1 instruments not included in CET1 or AT1) issued by subsidiaries	581	(540)	41	(j)	134	—	—
49	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	540	(540)	—		134	—	—
50	Credit risk adjustments	362	251	613		326	19	6
51	T2 capital before regulatory adjustments	5,513	(289)	5,224		5,000	1,633	6
<b>T2 capital: regulatory adjustments</b>								
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)	—	—	—		—	—	—
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)	—	—	—		—	(397)	—
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 pre CRR	—	—	—		—	—	—
<b>T2 capital: regulatory adjustments</b>								
57	Total regulatory adjustments to T2 capital	—	—	—		—	(397)	—

## Capital, liquidity and funding

### CC1: Composition of regulatory capital – NatWest Group and large subsidiaries continued

		30 June 2021					
		NatWest Group			Source based on reference number/letters of the balance sheet under its regulatory scope on consolidation		
		PRA transitional	CRR prescribed residual amounts	CRR end-point	NWH Group	NWM Plc	RBSI
		£m	£m	£m	£m	£m	£m
<b>T2 capital before regulatory adjustments</b>							
58	T2 capital	5,513	(289)	5,224	5,000	1,236	6
59	Total capital (TC = T1 + T2)	41,658	(2,056)	39,602	29,702	7,100	1,663
60	Total risk-weighted assets	162,970	(99)	162,871	126,797	24,582	7,294
<b>Capital ratios and buffers</b>							
61	CET1 (as a percentage of risk exposure amount)	18.2%		17.5%	16.6%	20.2%	18.6%
62	T1 (as a percentage of risk exposure amount)	22.2%		21.1%	19.5%	23.9%	22.7%
63	Total capital (as a percentage of risk exposure amount)	25.6%		24.3%	23.4%	28.9%	22.8%
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)	7.0%		7.0%	8.5%	7.0%	6.3%
65	<i>Of which: capital conservation buffer requirement</i>	2.5%		2.5%	2.5%	2.5%	—
66	<i>Of which: counter cyclical buffer requirement</i>	—		—	—	—	—
67	<i>Of which: systemic risk buffer requirement</i>	—		—	1.5%	—	—
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 <sup>(1)</sup>	11.7%		11.0%	10.5%	11.5%	10.1%
<b>Amounts below the threshold deduction</b>							
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)	553	—	553	—	404	—
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)	606	—	606	—	660	—
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	251	—	251	504	—	3
<b>Available caps on the inclusion of provisions in T2</b>							
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	248	—	248	213	34	18
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	616	—	616	545	19	38
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)</b>							
82	Current cap on AT1 instruments subject to phase out arrangements	960	(960)	—	29	500	—
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	—	—	—	—	—
84	Current cap on T2 instruments subject to phase out arrangements	673	(673)	—	134	278	—
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	—	—	171	—	—

#### Notes:

(1) Represents CET1 ratio less TSCR (Pillar 1 & 2A). RBSI 8.5% under Jersey Financial Services Commission regulations.

(2) The references (a) to (k) identify balance sheet components in table CC2 that are used in the calculation of regulatory capital table CC1. Amounts between the CC2 and CC1 are not always directly comparable due to differences in definitions and application of CRD IV for the calculation of regulatory capital.

## Capital, liquidity and funding

### CC1: Composition of regulatory capital – NatWest Group and large subsidiaries continued

31 December 2020

	NatWest Group			Source based on reference number/ letters of the balance sheet under its regulatory scope of consolidation	NWH Group	NWM Plc	RBSI
	PRA transitional	CRR prescribed residual amounts	CRR end-point				
	£m	£m	£m		£m	£m	£m
<b>CET1 capital: instruments and reserves</b>							
1 Capital instruments and the related share premium accounts <i>Of which: ordinary shares</i>	13,240	—	13,240	(a) & (k)	3,263	2,158	97
2 Retained earnings	12,129	—	12,129	(a)	3,263	400	97
3 Accumulated other comprehensive income (and other reserves)	12,196	—	12,196	(b)	36,709	5,846	1,421
4 Public sector capital injections grandfathered until 1 January 2018	13,054	—	13,054	(c)	(10,658)	24	—
5a Independently reviewed interim net profits net of any foreseeable charge or dividend	—	—	—	(b)	—	—	—
6 CET1 capital before regulatory adjustments	38,490	—	38,490		29,314	8,028	1,518
7 Additional value adjustments	(286)	—	(286)		(12)	(251)	—
8 (-) Intangible assets (net of related tax liability)	(6,182)	—	(6,182)	(d)	(5,868)	—	(8)
10 (-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(760)	—	(760)	(e)	(760)	—	—
11 Fair value reserves related to gains or losses on cash flow hedges	(229)	—	(229)	(i)	(387)	(201)	(1)
12 (-) Negative amounts resulting from the calculation of expected loss amounts	—	—	—		—	(1)	—
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(1)	—	(1)		—	43	—
15 (-) Defined-benefit pension fund assets	(579)	—	(579)	(f) & (g)	(244)	(174)	(156)
18 (-) Direct and indirect holdings by the institution of the CET1 instruments of financial sector 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)	—	—	—		—	(1,624)	—
22 (-) Amount exceeding the 17.65% threshold	—	—	—		—	—	—
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	(753)	—	(753)	(b)	—	(280)	—
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	—	—	—		—	—	—
27a Other regulatory adjustments to CET1 capital	1,747	(1,747)	—		1,700	7	—
28 Total regulatory adjustments to CET1	(7,043)	(1,747)	(8,790)		(5,571)	(2,481)	(165)
29 CET1 capital	31,447	(1,747)	29,700		23,743	5,547	1,353

## Capital, liquidity and funding

### CC1: Composition of regulatory capital – NatWest Group and large subsidiaries continued

31 December 2020

		NatWest Group			Source based on reference numbers/ letters of the balance sheet under its regulatory scope of consolidation	NWH Group	NWM Plc	RBSI
		PRA transitional	CRR prescribed residual amounts	CRR end-point				
		£m	£m	£m				
<b>AT1 capital: instruments</b>								
30	Capital instruments and the related share premium accounts	4,983	—	4,983	(h)	3,676	904	300
31	<i>Of which: classified as equity under applicable accounting standards</i>	4,983	—	4,983		3,676	904	300
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	690	(690)	—	(j)	—	219	—
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	140	(140)	—	(j)	58	—	—
35	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	140	(140)	—		58	—	—
36	AT1 capital before regulatory adjustments	<b>5,813</b>	<b>(830)</b>	<b>4,983</b>		<b>3,734</b>	<b>1,123</b>	<b>300</b>
<b>AT1 capital: regulatory adjustments</b>								
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)	—	—	—		—	(237)	—
41	(-) Actual or contingent obligations to purchase own AT1 instruments	—	—	—		—	—	—
41b	Residual amounts deducted from AT1 capital with regard to deduction from Tier 2 (T2) capital during the transitional period 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	—	—	—		—	—	—
43	Total regulatory adjustments to AT1 capital	—	—	—		—	(237)	—
44	AT1 capital	<b>5,813</b>	<b>(830)</b>	<b>4,983</b>		<b>3,734</b>	<b>886</b>	<b>300</b>
45	Tier 1 capital (T1 = CET1 + AT1)	<b>37,260</b>	<b>(2,577)</b>	<b>34,683</b>		<b>27,477</b>	<b>6,433</b>	<b>1,653</b>
<b>T2 capital: instruments and provisions</b>								
46	Capital instruments and the related share premium accounts	4,803	—	4,803	(j)	4,613	1,615	—
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	79	(27)	52	(j)	—	89	—
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests phase out from T2 and AT1 instruments not included in CET1 or AT1) issued by subsidiaries	1,191	(1,191)	—	(j)	267	—	—
49	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	1,191	(1,191)	—		267	—	—
50	Credit risk adjustments	400	261	661		393	22	27
51	T2 capital before regulatory adjustments	<b>6,473</b>	<b>(957)</b>	<b>5,516</b>		<b>5,273</b>	<b>1,726</b>	<b>27</b>
<b>T2 capital: regulatory adjustments</b>								
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)	—	—	—		—	—	—
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)	—	—	—		—	(406)	—
56a	(-) Actual or contingent obligations to purchase own AT1 instruments	—	—	—		—	—	—
56b	(-) Other regulatory adjustments to T2 capital	—	—	—		—	—	—
56c	(-) Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre CRR	—	—	—		—	—	—
<b>T2 capital before regulatory adjustments</b>								
57	Total regulatory adjustments to T2 capital	—	—	—		—	(406)	—

## Capital, liquidity and funding

### CC1: Composition of regulatory capital – NatWest Group and large subsidiaries continued

31 December 2020

	NatWest Group			Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	NWH Group	NWM Plc	RBSI
	PRA transitional	CRR prescribed residual amounts	CRR end-point				
<b>T2 capital before regulatory adjustments</b>							
58	T2 capital	6,473	(957)	5,516	5,273	1,320	27
59	Total capital (TC = T1 + T2)	43,733	(3,534)	40,199	32,750	7,753	1,681
60	Total risk-weighted assets	170,310	(164)	170,146	135,331	25,564	7,291
<b>Capital ratios and buffers</b>							
61	CET1 (as a percentage of risk exposure amount)	18.5%		17.5%	17.5%	21.7%	18.6%
62	T1 (as a percentage of risk exposure amount)	21.9%		20.4%	20.3%	25.2%	22.7%
63	Total capital (as a percentage of risk exposure amount)	25.7%		23.6%	24.2%	30.3%	23.1%
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)	7.0%		7.0%	8.5%	7.0%	6.3%
65	<i>Of which: capital conservation buffer requirement</i>	2.5%		2.5%	2.5%	2.5%	0.0%
66	<i>Of which: counter cyclical buffer requirement</i>	0.0%		0.0%	0.0%	0.0%	0.0%
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>	—		—	1.5%	—	—
68	CET1 available to meet buffers	12.1%		11.1%	11.5%	13.2%	10.1%
<b>Amounts below the threshold deduction</b>							
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)	367	—	367	—	226	—
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)	632	—	632	—	766	—
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	183	—	183	461	—	1
<b>Available caps on the inclusion of provisions in T2</b>							
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	247	—	247	214	40	18
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	661	—	661	590	22	30
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)</b>							
82	Current cap on AT1 instruments subject to phase out arrangements	1,920	(1,920)	—	58	1,001	—
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	—	—	82	—	—
84	Current cap on T2 instruments subject to phase out arrangements	1,345	(1,345)	—	267	556	—
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	—	—	707	—	—

## Capital, liquidity and funding

### CC2: Reconciliation of regulatory capital to balance sheet

The table below sets out the reconciliation between the accounting and regulatory consolidation with references showing the linkage between this table and CC1.

	As at period end 30 June 2021		References
	a Balance sheet as in published financial statements as at period end £m	b Under regulatory scope of consolidation as at period end £m	
<b>Assets</b>			
Cash and balances at central banks	151,511	151,511	
Trading assets	70,195	70,195	
Derivatives	109,556	109,556	
Settlement balances	7,793	7,793	
Loans and advances to banks - amortised cost	8,176	8,176	
Loans and advances to customers - amortised cost	362,711	362,843	
Other financial assets	51,469	51,007	
Intangible assets	6,694	6,694	(d)
Property, plant and equipment	4,221	4,221	
Current and deferred tax assets	1,204	1,204	
<i>of which: DTAs that rely on future profitability and do not arise from temporary differences</i>	832	832	(e)
Prepayments, accrued income and other assets	2,288	2,290	
<i>of which: defined benefit pension fund assets</i>	499	499	(f)
Assets of disposal groups	40	40	
<b>Total assets</b>	<b>775,858</b>	<b>775,530</b>	
<b>Liabilities</b>			
Bank deposits	14,394	14,394	
Customer deposits	467,214	467,741	
Settlement balances	7,119	7,119	
Trading liabilities	75,847	75,847	
Derivatives	103,992	103,992	
Other financial liabilities	46,118	46,994	
Provisions, deferred income and other liabilities	8,099	6,376	
Retirement benefit liabilities	120	120	
Current and deferred tax liabilities	374	366	
<i>of which: defined benefit pension scheme assets</i>	115	115	(g)
Subordinated liabilities	8,696	8,696	(j)
<b>Total liabilities</b>	<b>731,973</b>	<b>731,645</b>	
<b>Shareholders' Equity</b>			
Non-controlling interests	10	10	
Owners' equity			
Called up share capital	11,776	11,776	(a)
Reserves	32,099	32,099	
<i>of which: amount eligible for retained earnings</i>	12,633	12,633	(b)
<i>of which: amount eligible for accumulated OCI and other reserves</i>	12,369	12,369	(c) & (i)
<i>of which: amount of other equity instruments</i>	5,936	5,936	(h)
<i>of which: share premium accounts</i>	1,161	1,161	(k)
<b>Total shareholders' equity</b>	<b>43,885</b>	<b>43,885</b>	

## Capital, liquidity and funding

### OV1: CAP: RWAs and MCR summary – NatWest Group and large subsidiaries

The table below shows RWAs and minimum capital requirements (MCR) by risk type for NatWest Group and its large subsidiaries. MCR is calculated as 8% of RWAs, with the exception of RBSI where the MCR in accordance with the local jurisdiction is 10% of RWAs.

		NatWest Group		NWH Group		NWM Plc		RBSI	
		RWAs	MCR	RWAs	MCR	RWAs	MCR	RWAs	MCR
		£m	£m	£m	£m	£m	£m	£m	£m
<b>30 June 2021</b>									
1	Credit risk (excluding counterparty credit risk)	118,413	9,473	105,506	8,440	3,575	286	6,347	634
2	Standardised (STD) approach	17,660	1,413	15,797	1,264	1,091	87	1,430	143
4	Advanced internal ratings based (IRB) approach (1)	99,511	7,961	89,709	7,176	2,484	199	4,917	491
5	Equity IRB under the simple risk-weight or the internal model approach (IMA)	1,242	99	—	—	—	—	—	—
6	Counterparty credit risk	8,244	659	779	63	7,058	565	23	3
6a	of which: securities financing transactions	693	55	188	15	333	27	17	2
7	of which: marked-to-market	1,413	113	270	22	1,309	105	6	1
10	of which: internal model method (IMM)	4,558	365	—	—	4,159	333	—	—
11	of which: risk exposure amount for contributions to the default fund of a central counterparty	114	9	98	8	16	1	—	—
12	of which: credit valuation adjustment (CVA)	1,466	117	223	18	1,241	99	—	—
13	Settlement risk	—	—	—	—	—	—	—	—
14	Securitisation exposures in banking book	2,296	184	1,192	95	1,083	87	—	—
15	Internal rating-based approach (SEC-IRBA)	865	69	866	69	—	—	—	—
17	Standardised (STD) approach	887	71	128	10	744	60	—	—
18	External ratings based approach (SEC_ERBA) (2)	447	36	198	16	248	20	—	—
	1,250%	97	8	—	—	91	7	—	—
19	Market risk	10,845	868	124	10	9,197	736	14	1
20	STD approach	1,421	114	124	10	248	20	14	1
21	IMA	9,424	754	—	—	8,949	716	—	—
23	Operational risk - STD approach	21,031	1,682	17,935	1,435	2,020	162	902	90
27	Amounts below the thresholds for deduction (subject to 250% risk-weight)	2,141	171	1,261	101	1,649	132	8	1
29	Total	162,970	13,037	126,797	10,144	24,582	1,968	7,294	729
<b>31 December 2020</b>									
		RWAs	MCR	RWAs	MCR	RWAs	MCR	RWAs	MCR
		£m	£m	£m	£m	£m	£m	£m	£m
1	Credit risk (excluding counterparty credit risk)	125,711	10,058	112,872	9,030	4,193	335	6,317	630
2	Standardised (STD) approach	17,682	1,415	15,959	1,277	1,317	105	1,399	139
4	Advanced internal ratings based (IRB) approach (1)	107,033	8,563	96,913	7,753	2,876	230	4,918	491
5	Equity IRB under the simple risk-weight or the internal model approach (IMA)	996	80	—	—	—	—	—	—
6	Counterparty credit risk	8,682	695	961	77	7,708	617	28	3
6a	of which: securities financing transactions	632	51	172	14	294	24	20	2
7	of which: marked-to-market	1,347	108	268	22	1,235	99	8	1
10	of which: internal model method (IMM)	5,099	408	—	—	4,836	387	—	—
11	of which: risk exposure amount for contributions to the default fund of a central counterparty	86	7	53	4	12	1	—	—
12	of which: credit valuation adjustment (CVA)	1,518	121	468	37	1,331	106	—	—
13	Settlement risk	—	—	—	—	—	—	—	—
14	Securitisation exposures in banking book	2,586	206	1,372	110	1,215	97	—	—
15	Internal rating-based approach (SEC-IRBA)	1,004	80	1,004	80	—	—	—	—
17	Standardised (STD) approach	821	66	169	14	653	52	—	—
18	External ratings based approach (SEC_ERBA) (2)	664	52	199	16	465	37	—	—
	1,250%	97	8	—	—	97	8	—	—
19	Market risk	9,362	749	106	9	8,150	652	42	4
20	STD approach	1,008	81	106	9	253	20	42	4
21	IMA	8,354	668	—	—	7,897	632	—	—
23	Operational risk - STD approach	21,930	1,754	18,866	1,509	2,382	191	902	90
27	Amounts below the thresholds for deduction (subject to 250% risk-weight)	2,039	163	1,154	92	1,916	153	3	—
29	Total	170,310	13,625	135,331	10,827	25,564	2,045	7,292	727

Notes:

(1) Of which £563 million RWAs (31 December 2020 - £535 million) relate to equity IRB under the probability of default/loss given default approach.

(2) Includes internal assessment approach (IAA).



## Capital, liquidity and funding

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

The table below shows 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 NatWest Group and its segments. There were no methodology or policy changes during the period.

	a			b
	RWAs			MCR
	IRB £m	STD £m	Total RWAs £m	£m
1 At 1 January 2021	110,193	19,721	129,914	10,393
2 Asset size (1)	(3,690)	188	(3,502)	(280)
3 Asset quality (2)	(1,318)	(21)	(1,339)	(107)
4 Model updates (3)	(671)	—	(671)	(54)
6 Acquisitions and disposals (4)	(159)	—	(159)	(13)
7 Foreign exchange movements (5)	(931)	(87)	(1,018)	(81)
8 Other	(750)	—	(750)	(60)
9 <b>At 30 June 2021</b>	<b>102,674</b>	<b>19,801</b>	<b>122,475</b>	<b>9,798</b>

Notes:

- (1) Organic changes in portfolio size and composition (including the origination of new businesses and maturing loans).
- (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 weakness.
- (4) Changes in portfolio sizes due to acquisitions and disposals.
- (5) Changes arising from foreign currency translation movements.

#### Key points

- The reduction in asset size was mainly due to repayments and expired facilities in Commercial Banking as well as decreases in Ulster Bank Rol and NatWest Markets in line with current business strategy. There were further reductions as a result of decreased balances for personal unsecured products in Retail Banking.
- The decrease in RWAs relating to asset quality primarily reflected improved loss given default metrics for the UK mortgage portfolio following the application of the quarterly house price inflation index, and improved Basel metrics for personal unsecured products in Retail Banking.
- The RWA reduction in foreign exchange movements was mainly a result of sterling strengthening against the euro and US dollar during the period.
- The movement in the other category reflected reductions in Commercial Banking as a result of the CRR COVID-19 amendment for the infrastructure supporting factor.
- The decrease in acquisitions and disposals reflected the sale of non-performing loans in Ulster Bank Rol during Q2 2021.

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

The table below shows the drivers of movements in counterparty credit risk RWAs and MCR (excluding CVA). There were no methodology or regulatory policy changes, model updates or acquisitions or disposals of subsidiaries during the period.

	a			b		
	RWAs			MCR		
	IMM £m	Non-IMM £m	Total £m	IMM £m	Non-IMM £m	Total £m
1 At 1 January 2021	5,300	2,285	7,585	424	183	607
2 Asset size (1)	(443)	225	(218)	(35)	18	(17)
3 Credit quality of counterparties (2)	(4)	(45)	(49)	—	(4)	(4)
7 Foreign exchange movements (3)	(131)	(35)	(166)	(11)	(3)	(14)
9 <b>At 30 June 2021</b>	<b>4,722</b>	<b>2,430</b>	<b>7,152</b>	<b>378</b>	<b>194</b>	<b>572</b>

Notes:

- (1) Organic changes in portfolio size and composition (including the origination of new business).
- (2) Changes in the assessed quality of counterparties.
- (3) Changes arising from foreign currency retranslation movements.

#### Key points

- The RWA decrease related to the IMM mainly reflected an overall reduction in exposure and the strengthening of sterling against the euro and the US dollar over the period.
- The increase in non-IMM RWAs mainly reflected new derivative transactions, partly offset by a decrease due to trade novations.

## Capital, liquidity and funding

### MR2\_B: MR IMA and STD: Market risk RWAs and MCR flow statement

The table below shows the drivers of movements in market risk RWAs and MCR. There were no methodology or regulatory policy changes during the period. Additionally, there were no acquisitions or disposals of subsidiaries. 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					g	STD		Total		
	RWAs (1)						MCR	RWAs	MCR	RWAs	MCR
	a	b	c	e	f						
VaR	SVaR	IRC	Other (RNIV)	Total	RWAs	MCR	RWAs	MCR			
	£m	£m	£m	£m	£m	£m	£m	£m	£m		
1 At 1 January 2021	1,599	3,666	1,459	1,630	8,354	668	1,008	81	9,362	749	
2 Movement in risk levels (2)	(317)	1,806	(236)	131	1,384	111	413	33	1,797	144	
3 Model updates/changes (3)	30	(260)	(39)	(45)	(314)	(25)	—	—	(314)	(25)	
8 At 30 June 2021	1,312	5,212	1,184	1,716	9,424	754	1,421	114	10,845	868	

Notes:

- (1) NatWest Group does not use the comprehensive risk measure to calculate market risk RWAs.
- (2) Movements due to position changes as well as time series updates.
- (3) Updates to the model to reflect recent experience or changes to model scope. During Q1 2021, the model scope was increased to incorporate new products.

### Key points

- Overall, market risk RWAs for NatWest Group increased. The comments below mainly relate to NWM Group, which accounted for all of the traded market risk in NatWest Group.
- The key contributor to the RWA increase was higher SVaR-based RWAs. This chiefly reflected a rise in tenor basis risk in sterling flow trading, related to the transition from LIBOR to alternative risk-free rates. The regulator has approved an update of the VaR model, which will remove this impact during Q3 2021.
- The decrease in VaR-based RWAs mainly related to euro and US dollar currency options.
- The decrease in the incremental risk charge reflected a reduction in eurozone corporate bond positions.
- The RWA increase for positions under the standardised approach mainly relates to an increased banking book foreign exchange charge. This was mainly driven by US dollar capital issuance proceeds that were temporarily retained to redeem other capital issuances carried out after 30 June 2021.

## Capital, liquidity and funding

### LRSum: Summary comparison of accounting assets vs leverage ratio exposure measure

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

	30 June 2020				31 December 2020			
	NatWest	NWH	NWM Plc	RBSI	NatWest	NWH	NWM Plc	RBSI
	Group	Group			Group	Group		
	£m	£m	£m	£m	£m	£m	£m	£m
1 Total assets as per published financial statements	775,858	520,068	200,385	37,266	799,491	496,583	256,082	34,401
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(328)	(241)	—	—	(356)	(274)	—	—
4 Adjustment for derivative financial instruments	(74,973)	(2,319)	(74,190)	54	(134,487)	(2,997)	(133,498)	63
5 Adjustments for securities financing transactions (SFTs)	1,486	193	1,230	—	1,179	191	999	—
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	43,979	33,256	4,540	3,308	45,853	33,670	5,037	3,580
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	—	—	(1,602)	—	—	—	(1,716)	—
7 Other adjustments	(13,503)	(5,796)	(5,763)	(158)	(8,587)	(5,573)	(2,977)	(164)
8 Total leverage ratio exposure	732,519	545,161	124,600	40,470	703,093	521,600	123,927	37,880

### LRCOM: Leverage ratio common disclosure template

On-balance sheet exposures (excluding derivatives and SFTs)									
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	611,048	494,814	75,446	37,129	585,747	469,927	76,952	34,361
2	Asset amounts deducted in determining Tier 1 capital	(6,383)	(5,776)	(2,383)	(158)	(6,290)	(5,573)	(2,481)	(164)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	604,665	489,038	73,063	36,971	579,457	464,354	74,471	34,197
Derivative exposures									
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	8,808	247	7,958	122	10,908	347	10,295	41
5	Add-on amounts for PFE associated with all derivatives transactions (mtm method)	37,468	1,059	34,692	69	38,171	1,112	35,654	63
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	—	—	—	—	—	—	—	—
7	Deductions of receivable assets for cash variation margin provided in derivatives transactions	(12,286)	(1,156)	(11,006)	—	(17,675)	(1,340)	(15,952)	—
8	Exempted CCP leg of client-cleared trade exposures	—	—	—	—	—	—	—	—
9	Adjusted effective notional amount of written credit derivatives	5,590	—	5,715	—	4,464	—	4,697	—
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives	(4,998)	—	(5,145)	—	(3,832)	—	(4,088)	—
11	Total derivative exposures	34,582	150	32,214	191	32,036	119	30,606	104

## Capital, liquidity and funding

### LRCCom: Leverage ratio common disclosure template continued

	30 June 2021				31 December 2020			
	NatWest		RBSI		NatWest		RBSI	
	Group	NWH Group	NWM Plc	RBSI	Group	NWH Group	NWM Plc	RBSI
	£m	£m	£m	£m	£m	£m	£m	£m
Securities financing transaction exposures								
12	86,080	31,489	31,530	1,278	80,388	33,202	28,502	1,017
13	(38,273)	(8,965)	(16,375)	(1,278)	(35,820)	(9,936)	(13,972)	(1,017)
14	1,486	193	1,230	—	1,179	191	999	—
16	49,293	22,717	16,385	—	45,747	23,457	15,529	—
Other off-balance sheet exposures								
17	126,877	105,934	8,219	8,868	132,995	109,722	9,138	9,643
18	(82,898)	(72,678)	(3,679)	(5,560)	(87,142)	(76,052)	(4,101)	(6,062)
19	43,979	33,256	4,540	3,308	45,853	33,670	5,037	3,581
19a	—	—	(1,602)	—	—	—	(1,716)	—
19b	—	—	—	—	—	—	—	—
Capital and total exposures								
20	36,145	24,702	5,864	1,657	37,260	27,477	6,433	1,653
21	732,519	545,161	124,600	40,470	703,093	521,600	123,927	37,881
22	4.9%	4.5%	4.7%	4.1%	5.3%	5.3%	5.2%	4.4%
22a	4.9%	4.5%	4.7%	4.1%	5.3%	5.3%	5.2%	4.4%

### LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

	Leverage ratio exposures							
	30 June 2021				31 December 2020			
	NatWest		RBSI		NatWest		RBSI	
	Group	NWH Group	NWM Plc	RBSI	Group	NWH Group	NWM Plc	RBSI
	£m	£m	£m	£m	£m	£m	£m	£m
1	604,665	489,038	73,902	36,971	579,457	464,354	74,411	34,197
2	53,136	—	42,743	—	51,737	—	42,160	—
3	551,529	489,038	31,159	36,971	527,720	464,354	32,251	34,197
4	3,119	3,119	—	—	2,888	2,764	—	—
5	193,203	150,987	18,810	20,134	168,870	128,841	17,020	19,056
6	6,282	5,263	213	209	5,878	4,983	137	210
7	7,914	6,497	1,510	1,605	5,482	4,153	1,787	1,742
8	228,956	224,696	73	2,493	224,136	219,863	76	2,502
9	26,772	26,700	—	229	27,004	26,927	—	223
10	70,882	54,900	4,771	11,897	71,953	57,372	5,235	10,104
11	3,469	3,191	8	93	3,696	3,431	24	146
12	10,933	13,685	5,774	311	17,813	16,020	7,972	214

## Capital, liquidity and funding

### 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 UK 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). NatWest Group 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 2021	31 March 2021	31 December 2020	30 September 2020	30 June 2021	31 March 2021	31 December 2020	30 September 2020
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	£m	£m	£m	£m	£m	£m	£m	£m
High quality liquid assets								
1 Total high-quality liquid assets (HQLA)					<b>177,678</b>	171,814	161,894	152,095
Cash outflows								
2 Retail deposits and deposits from small business customers	<b>246,516</b>	238,789	229,034	221,500	<b>19,287</b>	18,701	18,063	17,631
3 of which: stable deposits	<b>155,934</b>	151,516	145,240	139,947	<b>7,797</b>	7,576	7,262	6,997
4 of which: less stable deposits	<b>90,326</b>	86,956	83,414	81,095	<b>11,233</b>	10,808	10,421	10,176
5 Unsecured wholesale funding	<b>169,089</b>	163,694	156,814	149,703	<b>76,267</b>	73,859	70,920	68,045
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	<b>67,374</b>	66,148	64,318	62,061	<b>16,524</b>	16,217	15,760	15,196
7 Non-operational deposits (all counterparties)	<b>100,272</b>	96,193	91,029	86,259	<b>58,300</b>	56,289	53,693	51,466
8 Unsecured debt	<b>1,443</b>	1,353	1,467	1,383	<b>1,443</b>	1,353	1,467	1,383
9 Secured wholesale funding					<b>772</b>	1,108	1,542	1,959
10 Additional requirements	<b>78,926</b>	77,763	75,872	73,823	<b>20,273</b>	20,323	19,802	19,256
11 Outflows related to derivative exposures and other collateral requirements	<b>7,848</b>	7,993	7,815	7,421	<b>7,064</b>	7,189	7,006	6,693
12 Outflows related to loss of funding on debt products	<b>151</b>	256	256	256	<b>151</b>	256	256	256
13 Credit and liquidity facilities	<b>70,927</b>	69,514	67,801	66,146	<b>13,058</b>	12,878	12,540	12,307
14 Other contractual funding obligations	<b>26,219</b>	24,967	23,061	21,604	<b>2,068</b>	2,128	2,046	1,981
15 Other contingent funding obligations	<b>48,934</b>	50,351	50,345	49,920	<b>3,779</b>	3,641	3,604	3,675
16 Total cash outflows					<b>122,446</b>	119,760	115,977	112,547
17 Secured lending (e.g. reverse repos)	<b>58,315</b>	57,574	58,748	60,933	<b>324</b>	529	806	979
18 Inflows from fully performing exposures	<b>8,195</b>	8,981	10,290	11,505	<b>6,698</b>	7,183	8,126	8,914
19 Other cash inflows	<b>13,486</b>	13,820	13,942	13,984	<b>5,183</b>	5,429	5,545	5,564
19a Difference between total weighted inflows and outflows	—	—	—	—	—	—	—	—
19b Excess inflows from a related specialised credit institution	—	—	—	—	—	—	—	—
20 Total cash inflows	<b>79,996</b>	80,375	82,980	86,422	<b>12,205</b>	13,141	14,477	15,457
20a Fully exempt inflows	—	—	—	—	—	—	—	—
20b Inflows subject to 90% cap	—	—	—	—	—	—	—	—
20c Inflows subject to 75% cap	<b>76,599</b>	77,497	78,849	80,947	<b>12,205</b>	13,141	14,477	15,457
21 Liquidity buffer					<b>177,678</b>	171,814	161,894	152,095
22 Total net cash outflows					<b>110,241</b>	106,619	101,500	97,090
23 Liquidity coverage ratio (%)					<b>161</b>	161	159	156

## Capital, liquidity and funding

### KM2: Key metrics – TLAC requirements

The table below provides a summary of own funds, eligible liabilities, ratios and components for NatWest Group.

	a	a
	Minimum requirement for own funds and eligible liabilities (MREL)	Minimum requirement for own funds and eligible liabilities (MREL)
	30 June 2021	31 December 2020
	£m	£m
<b>Own funds and eligible liabilities, ratios and components</b>		
1	<b>63,344</b>	63,851
1a	<b>63,344</b>	63,851
2	<b>162,970</b>	170,310
3	<b>38.9%</b>	37.5%
3a	<b>38.9%</b>	37.5%
4	<b>575,636</b>	572,558
5	<b>11.0%</b>	11.2%
5a	<b>11.0%</b>	11.2%
6a	<b>n/a</b>	n/a
6b	<b>n/a</b>	n/a
6c	<b>n/a</b>	n/a
<b>Minimum requirement for own funds and eligible liabilities (MREL)</b>		
7	<b>23.0%</b>	21.9%
9	<b>6.5%</b>	6.5%

#### Notes:

- (1) As NatWest Group is a single point of entry resolution firm, the resolution group is equal to the prudential consolidation group. Therefore, information on differences between the own funds amounts disclosed and the IFRS 9 fully loaded amount at the resolution group level is disclosed in template KM1: BCBS 2 & EBA IFRS 9-FL: Key metrics.
- (2) Row 7 –“MREL requirement expressed as percentage of the total risk exposure amount” is based on interim 2020 BoE MREL requirement i.e. (2 x Pillar 1) plus (1 x Pillar 2A) + CRDIV combined buffer requirements.

## Credit risk

### CR1: IRB and STD: RWA density by NatWest Group sector cluster

The table below summarises NatWest Group'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 shows exposure at default (EAD) post credit risk mitigation (CRM), RWAs and RWA density, each split by regulatory approach, i.e. IRB and STD.

30 June 2021	EAD post CRM			RWAs			RWA density		
	IRB £m	STD £m	Total £m	IRB £m	STD £m	Total £m	IRB %	STD %	Total %
<b>Sector cluster</b>									
<b>Sovereign</b>									
Central banks	39,421	114,442	153,863	851	628	1,479	2	1	1
Central governments	15,931	22,392	38,323	1,427	—	1,427	9	—	4
Other sovereign	3,447	755	4,202	749	12	761	22	2	18
<b>Total sovereign</b>	<b>58,799</b>	<b>137,589</b>	<b>196,388</b>	<b>3,027</b>	<b>640</b>	<b>3,667</b>	<b>5</b>	<b>—</b>	<b>2</b>
<b>Financial institutions (FIs)</b>									
Banks	16,267	749	17,016	5,464	161	5,625	34	21	33
Non-bank FIs (1)	33,044	7,823	40,867	10,957	2,961	13,918	33	38	34
SSPEs	68	239	307	51	239	290	75	100	94
<b>Total FIs</b>	<b>49,379</b>	<b>8,811</b>	<b>58,190</b>	<b>16,472</b>	<b>3,361</b>	<b>19,833</b>	<b>33</b>	<b>38</b>	<b>34</b>
<b>Corporates</b>									
<b>Property</b>									
- UK	35,676	3,049	38,725	16,037	2,710	18,747	45	89	48
- RoI	1,286	83	1,369	849	81	930	66	98	68
- Western Europe	1,450	84	1,534	810	73	883	56	87	58
- US	124	—	124	61	—	61	49	—	49
- RoW	306	127	433	171	126	297	56	99	69
<b>Total property</b>	<b>38,842</b>	<b>3,343</b>	<b>42,185</b>	<b>17,928</b>	<b>2,990</b>	<b>20,918</b>	<b>46</b>	<b>89</b>	<b>50</b>
Natural resources	12,705	357	13,062	4,815	308	5,123	38	86	39
Transport	16,434	787	17,221	7,215	564	7,779	44	72	45
Manufacturing	13,845	1,063	14,908	5,944	677	6,621	43	64	44
Retail and leisure	17,813	1,511	19,324	9,383	1,155	10,538	53	76	55
Services	18,078	1,535	19,613	8,408	1,095	9,503	47	71	48
TMT (2)	7,167	358	7,525	4,159	257	4,416	58	72	59
<b>Total corporates</b>	<b>124,884</b>	<b>8,954</b>	<b>133,838</b>	<b>57,852</b>	<b>7,046</b>	<b>64,898</b>	<b>46</b>	<b>79</b>	<b>48</b>
<b>Personal</b>									
<b>Mortgages (3)</b>									
- UK	178,128	15,193	193,321	12,957	5,501	18,458	7	36	10
- RoI	13,023	37	13,060	3,417	14	3,431	26	38	26
- Western Europe	—	239	239	—	97	97	—	41	41
- US	—	294	294	—	103	103	—	35	35
- RoW	—	1,567	1,567	—	610	610	—	39	39
<b>Total mortgages</b>	<b>191,151</b>	<b>17,330</b>	<b>208,481</b>	<b>16,374</b>	<b>6,325</b>	<b>22,699</b>	<b>9</b>	<b>36</b>	<b>11</b>
Other personal	26,767	2,714	29,481	11,201	1,770	12,971	42	65	44
<b>Total personal</b>	<b>217,918</b>	<b>20,044</b>	<b>237,962</b>	<b>27,575</b>	<b>8,095</b>	<b>35,670</b>	<b>13</b>	<b>40</b>	<b>15</b>
Other items	4,289	1,709	5,998	3,594	1,136	4,730	84	66	79
<b>Total (excluding securitisations)</b>	<b>455,269</b>	<b>177,107</b>	<b>632,376</b>	<b>108,520</b>	<b>20,278</b>	<b>128,798</b>	<b>24</b>	<b>11</b>	<b>20</b>
<b>Total securitisations</b>			<b>11,637</b>			<b>2,296</b>			<b>20</b>
<b>Total</b>			<b>644,013</b>			<b>131,094</b>			<b>20</b>

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

## Credit risk

### CR1: IRB and STD: RWA density by NatWest Group sector cluster continued

31 December 2020	EAD post CRM			RWAs			RWA density		
	IRB £m	STD £m	Total £m	IRB £m	STD £m	Total £m	IRB %	STD %	Total %
<b>Sector cluster</b>									
<b>Sovereign</b>									
Central banks	34,277	91,511	125,788	761	457	1,218	2	—	1
Central governments	18,448	23,940	42,388	1,718	—	1,718	9	—	4
Other sovereign	3,296	590	3,886	766	14	780	23	2	20
<b>Total sovereign</b>	<b>56,021</b>	<b>116,041</b>	<b>172,062</b>	<b>3,245</b>	<b>471</b>	<b>3,716</b>	<b>6</b>	<b>—</b>	<b>2</b>
<b>Financial institutions (FIs)</b>									
Banks	16,183	775	16,958	5,643	173	5,816	35	22	34
Non-bank FIs (1)	30,473	5,036	35,509	10,447	2,526	12,973	34	50	37
SSPEs	103	344	447	67	326	393	65	95	88
<b>Total FIs</b>	<b>46,759</b>	<b>6,155</b>	<b>52,914</b>	<b>16,157</b>	<b>3,025</b>	<b>19,182</b>	<b>35</b>	<b>49</b>	<b>36</b>
<b>Corporates</b>									
<b>Property</b>									
- UK	37,339	3,128	40,467	17,763	2,814	20,577	48	90	51
- RoI	1,349	181	1,530	894	178	1,072	66	98	70
- Western Europe	1,577	137	1,714	870	128	998	55	93	58
- US	155	2	157	76	2	78	49	100	50
- RoW	393	157	550	273	157	430	69	100	78
<b>Total property</b>	<b>40,813</b>	<b>3,605</b>	<b>44,418</b>	<b>19,876</b>	<b>3,279</b>	<b>23,155</b>	<b>49</b>	<b>91</b>	<b>52</b>
Natural resources	13,445	332	13,777	5,492	284	5,776	41	86	42
Transport	17,608	848	18,456	8,122	611	8,733	46	72	47
Manufacturing	14,579	1,009	15,588	6,601	661	7,262	45	66	47
Retail and leisure	19,074	1,419	20,493	10,763	1,104	11,867	56	78	58
Services	18,732	1,762	20,494	9,035	1,226	10,261	48	70	50
TMT (2)	7,206	329	7,535	4,170	242	4,412	58	74	59
<b>Total corporates</b>	<b>131,457</b>	<b>9,304</b>	<b>140,761</b>	<b>64,059</b>	<b>7,407</b>	<b>71,466</b>	<b>49</b>	<b>80</b>	<b>51</b>
<b>Personal</b>									
<b>Mortgages (3)</b>									
- UK	173,035	14,605	187,640	12,926	5,336	18,262	7	37	10
- RoI	14,082	27	14,109	4,210	10	4,220	30	37	30
- Western Europe	—	229	229	—	86	86	—	38	38
- US	—	295	295	—	109	109	—	37	37
- RoW	—	1,508	1,508	—	589	589	—	39	39
<b>Total mortgages</b>	<b>187,117</b>	<b>16,664</b>	<b>203,781</b>	<b>17,136</b>	<b>6,130</b>	<b>23,266</b>	<b>9</b>	<b>37</b>	<b>11</b>
Other personal	26,901	2,744	29,645	11,902	1,808	13,710	44	66	46
<b>Total personal</b>	<b>214,018</b>	<b>19,408</b>	<b>233,426</b>	<b>29,038</b>	<b>7,938</b>	<b>36,976</b>	<b>14</b>	<b>41</b>	<b>16</b>
Other items	5,382	1,918	7,300	3,769	1,323	5,092	70	69	70
<b>Total (excluding securitisations)</b>	<b>453,637</b>	<b>152,826</b>	<b>606,463</b>	<b>116,268</b>	<b>20,164</b>	<b>136,432</b>	<b>26</b>	<b>13</b>	<b>22</b>
<b>Total securitisations</b>			<b>13,131</b>			<b>2,586</b>			<b>20</b>
<b>Total</b>			<b>619,594</b>			<b>139,018</b>			<b>22</b>

#### Notes:

- (1) Comprises US agencies, insurance companies, pension funds, hedge and leverage funds, broker-dealers and non-bank subsidiaries of banks.
- (2) Telecommunications, media and technology.
- (3) Standardised mortgage exposures are reported based on the country of residence of the customer. The geographic breakdown of AIRB mortgages reflects the country of operation of the underlying lending institution.

#### Key points

- **EAD post CRM** – The overall rise in exposures was mainly due to increased cash placements with central banks, growth in the UK mortgage portfolio and increased exposures to financial institutions.
- **RWAs** – The overall reduction in RWAs mainly reflected a decrease in corporate credit risk exposures in Commercial Banking. There were further reductions in AIRB RWAs mainly due to improved risk metrics and lower unsecured exposure in Retail Banking.
- **Sovereign** – The rise in EAD was primarily due to increased cash placements with central banks.
- **Financial institutions** – The EAD and RWA rise in non-bank FI mainly reflected increased credit risk exposures in Treasury and RBSI. There were further increases in counterparty credit risk exposures in NatWest Markets.
- **Corporates** – The decrease in EAD and RWAs was due to an increase in repayments and expired facilities in Commercial Banking. There were further reductions in RWAs for Commercial Banking mainly due to LGD improvements, model updates as well as the CRR COVID-19 amendment for the infrastructure supporting factor. There were further decreases due to lower counterparty credit risk exposures in NatWest Markets.
- **Mortgages** – The increase in EAD was due to the growth of the mortgage portfolio in Retail Banking and Private Banking offset by reductions in Ulster Bank RoI. There were decreases in AIRB RWAs as a result of improved LGD metrics as well as the sale of non-performing loans in Ulster Bank RoI during Q2 2021.
- **Other personal** – The decrease in EAD was mainly a result of a reduction in unsecured balances in Retail Banking. The fall in RWAs was due to the reduction in balances and improved risk metrics for personal unsecured products.



## Credit risk

### CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NatWest Group and large subsidiaries

The table below shows credit risk (including securitisations) and counterparty credit risk separately for NatWest Group and large subsidiaries (including intra-Group exposures). It presents EAD pre and post CRM, RWAs and MCR, split by regulatory approach and exposure class.

Credit risk	NatWest Group				NWH Group				NWM Plc				RBSI			
	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 2021																
<b>IRB</b>																
Central governments and central banks	60,899	60,766	3,169	254	39,746	39,682	2,642	211	10,552	10,552	332	27	6,687	6,618	83	8
Institutions	10,534	8,320	2,228	178	8,169	5,955	1,601	128	350	350	122	10	1,673	1,673	389	39
Corporates	136,600	126,582	57,968	4,637	111,553	101,660	50,022	4,002	6,290	6,291	1,889	151	14,594	14,586	4,443	444
<i>Specialised lending</i>	17,435	17,416	11,188	895	14,740	14,721	9,349	748	361	361	209	17	2,009	2,009	1,437	144
<i>SME</i>	18,321	17,975	6,830	546	18,028	17,682	6,677	534	8	8	—	—	257	257	153	15
<i>Other corporate</i>	100,844	91,191	39,950	3,196	78,785	69,257	33,996	2,720	5,921	5,922	1,680	134	12,328	12,320	2,853	285
Retail	235,173	235,174	31,625	2,530	235,174	235,174	31,626	2,530	—	—	—	—	—	—	—	—
<i>Secured by real estate property - SME</i>	1,124	1,124	243	19	1,124	1,124	243	19	—	—	—	—	—	—	—	—
<i>- non-SME</i>	191,150	191,151	16,374	1,310	191,151	191,151	16,375	1,310	—	—	—	—	—	—	—	—
<i>Qualifying revolving</i>	20,148	20,148	4,372	350	20,148	20,148	4,372	350	—	—	—	—	—	—	—	—
<i>Other retail - SME</i>	16,347	16,347	3,945	316	16,347	16,347	3,945	316	—	—	—	—	—	—	—	—
<i>- non-SME</i>	6,404	6,404	6,691	535	6,404	6,404	6,691	535	—	—	—	—	—	—	—	—
Equities	818	818	1,806	144	3	3	9	1	13	13	42	3	—	—	2	—
Non-credit obligation assets	5,149	5,149	3,957	317	4,922	4,922	3,809	305	99	99	99	8	—	—	—	—
<b>Total IRB</b>	<b>449,173</b>	<b>436,809</b>	<b>100,753</b>	<b>8,060</b>	<b>399,567</b>	<b>387,396</b>	<b>89,709</b>	<b>7,177</b>	<b>17,304</b>	<b>17,305</b>	<b>2,484</b>	<b>199</b>	<b>22,954</b>	<b>22,877</b>	<b>4,917</b>	<b>491</b>
<b>STD</b>																
Central governments and central banks	137,113	137,358	632	51	115,053	115,297	1,265	101	8,540	8,540	—	—	13,513	13,517	8	1
Regional governments and local authorities	44	1	1	—	44	1	1	—	—	—	—	—	—	—	—	—
Multilateral development banks	315	315	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	2,687	2,725	554	44	2,833	2,833	627	50	1,486	1,486	632	51	590	590	122	12
Corporates	7,317	6,248	5,019	402	6,548	5,708	4,476	359	2,304	2,296	409	33	69	41	41	4
Retail	2,383	2,276	1,367	109	2,290	2,193	1,305	104	—	—	—	—	664	475	174	17
Secured by mortgages on immovable property - residential	17,805	17,805	6,394	512	15,297	15,296	5,516	442	—	—	—	—	2,493	2,493	921	92
<i>- commercial</i>	2,619	2,559	2,460	197	2,586	2,527	2,428	194	—	—	—	—	—	—	—	—
Exposures in default	485	479	549	44	412	406	471	38	1	1	1	—	51	51	52	5
Covered bonds	116	116	23	2	—	—	—	—	—	—	—	—	—	—	—	—
Equity exposures	621	621	1,530	122	4	4	4	—	672	672	1,662	132	—	—	—	—
Other exposures	1,896	1,896	1,272	102	1,449	1,449	965	77	165	165	36	3	306	306	120	12
<b>Total STD</b>	<b>173,401</b>	<b>172,399</b>	<b>19,801</b>	<b>1,585</b>	<b>146,516</b>	<b>145,714</b>	<b>17,058</b>	<b>1,365</b>	<b>13,168</b>	<b>13,160</b>	<b>2,740</b>	<b>219</b>	<b>17,686</b>	<b>17,473</b>	<b>1,438</b>	<b>143</b>
Total securitisations	11,007	11,007	1,921	154	6,292	6,292	1,192	95	4,635	4,635	717	57	—	—	—	—
<b>Total IRB, STD and securitisations</b>	<b>633,581</b>	<b>620,215</b>	<b>122,475</b>	<b>9,799</b>	<b>552,375</b>	<b>539,402</b>	<b>107,959</b>	<b>8,637</b>	<b>35,107</b>	<b>35,100</b>	<b>5,941</b>	<b>475</b>	<b>40,640</b>	<b>40,350</b>	<b>6,355</b>	<b>634</b>

## Credit risk

CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NatWest Group and large subsidiaries *continued*

	NatWest Group			NWH Group			NWM Plc			RBSI		
	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
<b>Counterparty credit risk</b>												
30 June 2021												
<b>IRB</b>												
Central governments and central banks	598	60	5	44	—	—	361	34	3	—	—	—
Institutions	5,351	2,970	238	426	231	18	4,481	2,522	202	—	—	—
Corporates	12,511	4,737	379	929	178	14	9,380	3,873	310	—	—	—
<i>Specialised lending</i>	848	549	44	22	13	1	780	506	40	—	—	—
<i>SME</i>	45	21	2	1	1	—	44	20	2	—	—	—
<i>Other corporate</i>	11,618	4,167	333	906	164	13	8,556	3,347	268	—	—	—
Total IRB	18,460	7,767	622	1,399	409	32	14,222	6,429	515	—	—	—
<b>STD</b>												
Central governments and central banks	286	3	—	45	—	—	238	—	—	—	—	—
Regional governments and local authorities	48	5	—	—	—	—	23	5	—	—	—	—
Institutions	4,023	274	22	1,376	262	21	2,687	461	37	31	6	1
Corporates	351	195	16	101	108	9	437	163	13	32	17	2
Total STD	4,708	477	38	1,522	370	30	3,385	629	50	63	23	3
Total securitisations	630	375	30	—	—	—	615	366	29	—	—	—
Total IRB, STD and securitisations	23,798	8,619	690	2,921	779	62	18,222	7,424	594	63	23	3

## Credit risk

### CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NatWest Group and large subsidiaries continued

Credit risk	NatWest Group				NWH Group				NWM Plc				RBSI			
	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
31 December 2020																
<b>IRB</b>																
Central governments and central banks	58,291	58,152	3,381	271	36,170	36,101	2,809	225	11,402	11,402	361	29	5,625	5,556	71	7
Institutions	9,884	7,934	2,247	180	7,261	5,311	1,537	123	485	485	164	13	1,569	1,569	383	38
Corporates	141,246	130,968	63,674	5,094	116,616	106,454	55,554	4,444	6,976	6,976	2,223	178	13,147	13,135	4,462	446
<i>Specialised lending</i>	18,626	18,604	12,053	964	15,774	15,753	10,038	803	515	515	322	26	2,106	2,105	1,588	159
<i>SME</i>	18,255	17,919	7,355	588	18,051	17,717	7,252	580	8	8	—	—	175	174	103	10
<i>Other corporate</i>	104,365	94,445	44,266	3,542	82,791	72,984	38,264	3,061	6,453	6,453	1,901	152	10,866	10,856	2,771	277
Retail	231,326	231,326	33,060	2,645	231,326	231,326	33,060	2,645	—	—	—	—	—	—	—	—
<i>Secured by real estate property - SME</i>	1,134	1,134	398	32	1,134	1,134	398	32	—	—	—	—	—	—	—	—
<i>- non-SME</i>	187,117	187,117	17,135	1,372	187,117	187,117	17,135	1,372	—	—	—	—	—	—	—	—
<i>Qualifying revolving</i>	20,019	20,019	4,731	378	20,019	20,019	4,731	378	—	—	—	—	—	—	—	—
<i>Other retail - SME</i>	16,378	16,378	3,768	301	16,378	16,378	3,768	301	—	—	—	—	—	—	—	—
<i>- non-SME</i>	6,678	6,678	7,028	562	6,678	6,678	7,028	562	—	—	—	—	—	—	—	—
Equities	679	680	1,530	122	—	—	—	—	13	13	41	3	—	—	2	—
Non-credit obligation assets	6,279	6,279	4,137	331	5,943	5,943	3,953	316	87	87	87	7	—	—	—	—
<b>Total IRB</b>	<b>447,705</b>	<b>435,339</b>	<b>108,029</b>	<b>8,643</b>	<b>397,316</b>	<b>385,135</b>	<b>96,913</b>	<b>7,753</b>	<b>18,963</b>	<b>18,963</b>	<b>2,876</b>	<b>230</b>	<b>20,341</b>	<b>20,260</b>	<b>4,918</b>	<b>491</b>
<b>STD</b>																
Central governments and central banks	115,331	115,553	469	38	96,441	96,662	1,158	93	5,807	5,809	—	—	13,591	13,594	3	—
Regional governments and local authorities	32	2	1	—	32	2	1	—	—	—	—	—	—	—	—	—
Multilateral development banks	422	422	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	411	455	83	7	782	782	269	22	1,639	1,639	706	56	605	605	121	12
Corporates	7,477	6,524	5,082	407	6,620	5,856	4,512	361	2,607	2,588	563	45	25	19	19	2
Retail	2,342	2,244	1,342	107	2,248	2,158	1,278	102	—	—	—	—	487	380	163	16
<i>Secured by mortgages on immovable property - residential</i>	17,232	17,230	6,285	502	14,712	14,711	5,403	433	—	—	—	—	2,502	2,502	932	93
<i>- commercial</i>	2,847	2,797	2,776	222	2,806	2,757	2,737	219	—	—	—	—	—	—	—	—
Exposures in default	462	462	532	43	392	392	455	36	1	1	1	—	52	52	53	5
Covered bonds	127	127	25	2	—	—	—	—	—	—	—	—	—	—	—	—
Equity exposures	649	649	1,597	128	1	1	1	—	782	782	1,933	156	—	—	—	—
Other exposures	2,179	2,179	1,529	122	1,854	1,854	1,299	104	124	124	30	2	210	210	111	11
<b>Total STD</b>	<b>149,511</b>	<b>148,644</b>	<b>19,721</b>	<b>1,578</b>	<b>125,888</b>	<b>125,175</b>	<b>17,113</b>	<b>1,370</b>	<b>10,960</b>	<b>10,943</b>	<b>3,233</b>	<b>259</b>	<b>17,472</b>	<b>17,362</b>	<b>1,402</b>	<b>139</b>
Total securitisations	12,325	12,325	2,164	172	7,650	7,650	1,372	110	4,676	4,676	793	64	—	—	—	—
<b>Total IRB, STD and securitisations</b>	<b>609,541</b>	<b>596,308</b>	<b>129,914</b>	<b>10,393</b>	<b>530,854</b>	<b>517,960</b>	<b>115,398</b>	<b>9,233</b>	<b>34,599</b>	<b>34,582</b>	<b>6,902</b>	<b>553</b>	<b>37,813</b>	<b>37,622</b>	<b>6,320</b>	<b>630</b>

## Credit risk

### CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class: NatWest Group and large subsidiaries continued

Counterparty credit risk	NatWest Group			NWH Group			NWM Plc			RBSI		
	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
31 December 2020												
<b>IRB</b>												
Central governments and central banks	891	83	7	245	2	—	540	65	5	—	—	—
Institutions	5,193	3,127	250	283	133	11	4,635	2,807	225	—	—	—
Corporates	12,214	5,029	402	819	175	14	9,395	4,241	339	—	—	—
<i>Specialised lending</i>	1,050	676	54	29	18	1	966	621	50	—	—	—
<i>SME</i>	59	22	2	1	1	—	58	21	2	—	—	—
<i>Other corporate</i>	11,105	4,331	346	789	156	13	8,371	3,599	287	—	—	—
<b>Total IRB</b>	<b>18,298</b>	<b>8,239</b>	<b>659</b>	<b>1,347</b>	<b>310</b>	<b>25</b>	<b>14,570</b>	<b>7,113</b>	<b>569</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>STD</b>												
Central governments and central banks	449	—	—	186	—	—	263	—	—	—	—	—
Regional governments and local authorities	41	6	—	—	—	—	28	6	—	—	—	—
Institutions	3,352	212	17	1,095	448	36	2,414	400	33	41	8	1
Corporates	339	224	18	125	203	16	476	188	15	20	20	2
Past due items	1	1	—	—	—	—	1	1	—	—	—	—
<b>Total STD</b>	<b>4,182</b>	<b>443</b>	<b>35</b>	<b>1,406</b>	<b>651</b>	<b>52</b>	<b>3,182</b>	<b>595</b>	<b>48</b>	<b>61</b>	<b>28</b>	<b>3</b>
Total securitisations	806	422	34	—	—	—	805	422	34	—	—	—
<b>Total IRB, STD and securitisations</b>	<b>23,286</b>	<b>9,104</b>	<b>728</b>	<b>2,753</b>	<b>961</b>	<b>77</b>	<b>18,557</b>	<b>8,130</b>	<b>651</b>	<b>61</b>	<b>28</b>	<b>3</b>

#### Key points

##### NWM Plc

- The overall rise in EAD reflected increased exposures to central banks. The decrease in RWAs was a result of the exit of specific positions as the business seeks to reduce RWAs. There were further RWA reductions attributed to asset transfers to NatWest Bank Plc.
- The overall decrease in counterparty credit risk RWAs was mainly due to reductions in exposures, trade novations and favourable foreign exchange movements during the period.

## Credit risk

### Risk profile by credit quality

#### 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	30 June 2021					31 December 2020				
	Gross carrying values of		SCRA (2) £m	Year-to-date accumulated write-offs £m	Net value £m	Gross carrying values of		SCRA (2) £m	Year-to-date accumulated write-offs £m	Net value £m
	Defaulted exposures (1) £m	Non-defaulted exposures £m				Defaulted exposures (1) £m	Non-defaulted exposures £m			
1 IRB										
2 Central governments and central banks	2	61,146	6	—	61,142	2	58,727	5	—	58,724
3 Institutions	—	10,777	7	—	10,770	—	10,165	25	—	10,140
4 Corporates	2,207	175,538	2,259	277	175,486	2,756	181,952	3,068	261	181,640
5 <i>Specialised lending</i>	573	18,589	455	28	18,707	727	19,870	666	26	19,931
6 <i>SME</i>	536	20,195	733	23	19,998	587	20,130	917	84	19,800
7 <i>Other corporate</i>	1,098	136,754	1,071	226	136,781	1,442	141,952	1,485	151	141,909
8 Retail	3,171	237,687	2,390	227	238,468	3,307	234,132	2,709	653	234,730
9 <i>Secured by real estate property - SME</i>	25	1,144	26	1	1,143	27	1,157	25	3	1,159
10 <i>- non-SME</i>	1,842	189,684	815	70	190,711	2,001	185,796	969	218	186,828
11 <i>Qualifying revolving</i>	527	25,501	571	79	25,457	566	25,479	662	204	25,383
12 <i>Other retail - SME</i>	336	15,523	298	15	15,561	288	15,560	309	47	15,539
13 <i>- non-SME</i>	441	5,835	680	62	5,596	425	6,140	744	181	5,821
14 Equities	—	818	—	—	818	—	680	—	—	680
15 Non-credit obligation assets	—	4,287	—	—	4,287	—	5,380	—	—	5,380
<b>Total IRB</b>	<b>5,380</b>	<b>490,253</b>	<b>4,662</b>	<b>504</b>	<b>490,971</b>	<b>6,065</b>	<b>491,036</b>	<b>5,807</b>	<b>914</b>	<b>491,294</b>
<i>Of which: Loans</i>	<b>4,794</b>	<b>307,202</b>	<b>4,410</b>	<b>472</b>	<b>307,586</b>	<b>5,325</b>	<b>304,264</b>	<b>5,495</b>	<b>912</b>	<b>304,094</b>
<i>Debt securities</i>	—	24,564	5	—	24,559	—	26,196	5	—	26,191
<i>Other assets</i>	27	44,592	18	—	44,601	35	40,448	22	—	40,461
<i>Off-balance sheet exposures</i>	559	113,895	229	32	114,225	705	120,128	285	2	120,548

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

## Credit risk

### CR1\_A: IRB and STD: Credit risk exposures by exposure class – Defaulted and non-defaulted split continued

	30 June 2021					31 December 2020				
	Gross carrying values of		SCRA (2) £m	Year-to-date accumulated write-offs £m	Net value £m	Gross carrying values of		SCRA (2) £m	Year-to-date accumulated write-offs £m	Net value £m
	Defaulted exposures (1) £m	Non-defaulted exposures £m				Defaulted exposures (1) £m	Non-defaulted exposures £m			
<b>STD</b>										
16 Central governments and central banks	—	137,791	15	—	137,776	—	115,726	12	—	115,714
17 Regional governments and local authorities	—	302	—	—	302	—	304	—	—	304
19 Multilateral development banks	—	311	—	—	311	—	420	—	—	420
21 Institutions	—	2,697	1	—	2,696	—	462	—	—	462
22 Corporates	157	9,302	161	6	9,298	146	9,557	208	7	9,495
24 Retail	94	6,641	37	2	6,698	95	6,601	53	4	6,643
Secured by mortgages on immovable property										
26 - residential	293	18,816	18	3	19,091	288	18,292	25	9	18,555
27 - commercial	57	2,761	49	1	2,769	45	3,085	80	2	3,050
28 Exposures in default (3)	601	—	94	12	507	574	—	107	21	467
30 Covered bonds	—	116	—	—	116	—	124	—	—	124
33 Equity exposures	—	621	—	—	621	—	649	—	—	649
34 Other exposures	—	1,802	—	—	1,802	—	2,083	—	—	2,083
35 Total STD	601	181,160	281	12	181,480	574	157,303	378	22	157,499
<i>Of which: Loans</i>	543	33,760	253	10	34,050	535	31,037	349	22	31,223
<i>Debt securities</i>	—	22,431	3	—	22,428	—	24,562	3	—	24,559
<i>Other assets</i>	1	115,174	11	—	115,164	2	92,323	10	—	92,315
<i>Off-balance sheet exposures</i>	57	9,795	14	2	9,838	37	9,381	16	—	9,402
37 Total: Loans	5,337	340,962	4,663	482	341,636	5,860	335,301	5,844	934	335,317
38 Debt securities	—	46,995	8	—	46,987	—	50,758	8	—	50,750
Other assets	28	159,766	29	—	159,765	37	132,771	32	—	132,776
39 Off-balance sheet exposures	616	123,690	243	34	124,063	742	129,509	301	2	129,950
36 Total IRB and STD	5,981	671,413	4,943	516	672,451	6,639	648,339	6,185	936	648,793

#### 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.
- (3) The breakdown of the standardised exposures in default is reported by the exposure class that corresponded to the exposure before default.

## Credit risk

This section contains disclosures on non-performing exposures (NPEs), forbore exposures (FBEs) and foreclosed assets.

Only templates mandatory for all institutions are disclosed. NatWest Group monitors its gross non-performing loan (NPL) ratio to ensure that it is not required to disclose the additional templates for institutions with an NPL ratio above 5%.

The PRA issued guidance on the treatment of payment holidays and covenant breaches during the COVID-19 pandemic when applying IFRS 9 and the classification of exposures as non-performing. The use of payment holidays would not automatically trigger a move to Stage 2 or Stage 3 for the calculation of ECL, nor classification as non-performing in the tables below. NatWest Group assesses each customer individually, taking into consideration a range of factors in deciding the correct stage for the calculation of ECL.

### Template 1: Credit quality of forbore exposures

The table below shows gross carrying amount of forbore exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk and collateral and financial guarantees received by portfolio and exposure class.

	a	b	c	d	e		f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral received and financial guarantees received on forbore exposures	Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
	Performing forbore £m	Non-performing forbore £m	Of which: Defaulted £m	Of which: Impaired £m	On performing forbore exposures £m	On non-performing forbore exposures £m		£m	£m
<b>30 June 2021</b>									
1 Loans and advances	5,745	2,901	2,403	2,376	(342)	(877)		6,013	1,833
2 Central banks	—	—	—	—	—	—		—	—
3 General governments	—	—	—	—	—	—		—	—
4 Credit institutions	—	—	—	—	—	—		—	—
5 Other financial corporations	86	6	1	1	(6)	(3)		18	3
6 Non-financial corporations	4,341	1,248	1,115	1,116	(280)	(440)		3,603	652
7 Households	1,318	1,647	1,287	1,259	(56)	(434)		2,392	1,178
8 Debt securities	—	—	—	—	—	—		—	—
9 Loan commitments given	759	189	97	99	(5)	—		273	33
10 Total	6,504	3,090	2,500	2,475	(347)	(877)		6,286	1,866
<b>31 December 2020</b>									
1 Loans and advances	5,374	3,571	2,842	2,822	(368)	(1,070)		5,932	2,294
2 Central banks	—	—	—	—	—	—		—	—
3 General governments	—	—	—	—	—	—		—	—
4 Credit institutions	—	—	—	—	—	—		—	—
5 Other financial corporations	93	6	—	—	(5)	(1)		26	5
6 Non-financial corporations	3,918	1,670	1,365	1,368	(300)	(564)		3,325	924
7 Households	1,363	1,895	1,477	1,454	(63)	(505)		2,581	1,365
8 Debt securities	—	—	—	—	—	—		—	—
9 Loan commitments given	676	99	61	61	(3)	—		254	34
10 Total	6,050	3,670	2,903	2,883	(371)	(1,070)		6,186	2,328

## Credit risk

### Template 3: Credit quality of performing and non-performing exposures by past due days

The table below shows performing and non-performing exposures by portfolio, exposure class and days past due.

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures £m	Of which: Not past due or past due ≤ 30 days £m	Of which: Past due > 30 days ≤ 90 days £m	Non- performing exposures £m	Of which: Unlikely to pay that are not past due or are past due ≤ 90 days £m	Of which: Past due > 90 days ≤ 180 days £m	Of which: Past due > 180 days ≤ 1 year £m	Of which: Past due > 1 year ≤ 2 years £m	Of which: Past due > 2 years ≤ 5 years £m	Of which: Past due > 5 years ≤ 7 years £m	Of which: Past due > 7 years £m	Of which: Defaulted £m
30 June 2021												
1 Loans and advances	373,055	372,224	831	6,206	3,207	603	646	651	698	148	253	5,624
2 Central banks	3,242	3,242	—	—	—	—	—	—	—	—	—	—
3 General governments	3,768	3,767	1	3	3	—	—	—	—	—	—	3
4 Credit institutions	2,079	2,079	—	—	—	—	—	—	—	—	—	—
5 Other financial corporations	49,080	49,067	13	21	16	—	—	1	4	—	—	16
6 Non-financial corporations	101,003	100,576	427	2,396	1,715	68	149	115	194	50	105	2,221
7 Of which: SMEs	28,253	28,171	82	838	462	25	56	87	128	34	46	775
8 Households	213,883	213,493	390	3,786	1,473	535	497	535	500	98	148	3,384
9 Debt securities	49,471	49,471	—	—	—	—	—	—	—	—	—	—
10 Central banks	178	178	—	—	—	—	—	—	—	—	—	—
11 General governments	38,718	38,718	—	—	—	—	—	—	—	—	—	—
12 Credit institutions	5,487	5,487	—	—	—	—	—	—	—	—	—	—
13 Other financial corporations	4,964	4,964	—	—	—	—	—	—	—	—	—	—
14 Non-financial corporations	124	124	—	—	—	—	—	—	—	—	—	—
15 Off-balance sheet exposures	126,041	—	—	727	—	—	—	—	—	—	—	616
16 Central banks	—	—	—	—	—	—	—	—	—	—	—	—
17 General governments	2,091	—	—	—	—	—	—	—	—	—	—	—
18 Credit institutions	890	—	—	—	—	—	—	—	—	—	—	—
19 Other financial corporations	14,783	—	—	3	—	—	—	—	—	—	—	3
20 Non-financial corporations	69,102	—	—	397	—	—	—	—	—	—	—	294
21 Households	39,175	—	—	327	—	—	—	—	—	—	—	319
22 Total	548,567	421,695	831	6,933	3,207	603	646	651	698	148	253	6,240

Note:

(1) The gross NPL ratio for NatWest Group is 1.64% (31 December 2020 – 1.92%). Loans and advances classified as held-for-sale, cash balances at central banks and other demand deposits were excluded.



## Credit risk

Template 3: Credit quality of performing and non-performing exposures by past due days continued

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures £m	Of which: Not past due or past due ≤ 30 days £m	Of which: Past due > 30 days ≤ 90 days £m	Non- performing exposures £m	Of which: Unlikely to pay that are not past due or are past due ≤ 90 days £m	Of which: Past due > 90 days ≤ 180 days £m	Of which: Past due > 180 days ≤ 1 year £m	Of which: Past due > 1 year ≤ 2 years £m	Of which: Past due > 2 years ≤ 5 years £m	Of which: Past due > 5 years ≤ 7 years £m	Of which: Past due > 7 years £m	Of which: Defaulted £m
31 December 2020												
1 Loans and advances	364,329	363,449	880	7,120	3,762	764	683	707	751	164	289	6,318
2 <i>Central banks</i>	1,689	1,689	—	—	—	—	—	—	—	—	—	—
3 <i>General governments</i>	3,386	3,386	—	3	3	—	—	—	—	—	—	3
4 <i>Credit institutions</i>	1,204	1,204	—	—	—	—	—	—	—	—	—	—
5 <i>Other financial corporations</i>	43,975	43,865	110	22	17	—	1	—	4	—	—	16
6 <i>Non-financial corporations</i>	106,123	105,853	270	2,973	2,012	211	147	154	262	52	135	2,646
7 <i>Of which: SMEs</i>	28,001	27,922	79	869	484	30	68	89	119	29	50	781
8 <i>Households</i>	207,952	207,452	500	4,122	1,730	553	535	553	485	112	154	3,653
9 Debt securities	53,764	53,764	—	—	—	—	—	—	—	—	—	—
10 <i>Central banks</i>	176	176	—	—	—	—	—	—	—	—	—	—
11 <i>General governments</i>	42,506	42,506	—	—	—	—	—	—	—	—	—	—
12 <i>Credit institutions</i>	5,416	5,416	—	—	—	—	—	—	—	—	—	—
13 <i>Other financial corporations</i>	5,432	5,432	—	—	—	—	—	—	—	—	—	—
14 <i>Non-financial corporations</i>	234	234	—	—	—	—	—	—	—	—	—	—
15 Off-balance sheet exposures	132,076	—	—	810	—	—	—	—	—	—	—	760
16 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—
17 <i>General governments</i>	2,329	—	—	—	—	—	—	—	—	—	—	—
18 <i>Credit institutions</i>	1,088	—	—	—	—	—	—	—	—	—	—	—
19 <i>Other financial corporations</i>	15,996	—	—	6	—	—	—	—	—	—	—	6
20 <i>Non-financial corporations</i>	72,131	—	—	447	—	—	—	—	—	—	—	416
21 <i>Households</i>	40,532	—	—	357	—	—	—	—	—	—	—	338
22 Total	550,169	417,213	880	7,930	3,762	764	683	707	751	164	289	7,078



## Credit risk

### Template 4: Performing and non-performing exposures and related provisions continued

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received				
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off		On performing exposures		On non-performing exposures
		Total £m	Of which: Stage 1 £m	Of which: Stage 2 £m	Total £m	Of which: Stage 2 £m	Of which: Stage 3 £m	Total £m	Of which: Stage 1 £m	Of which: Stage 2 £m	Total £m	Of which: Stage 2 £m	Of which: Stage 3 £m	£m	£m	£m	£m	
31 December 2020																		
1	Loans and advances	364,329	286,232	77,648	7,120	857	6,254	(3,344)	(472)	(2,872)	(2,644)	(85)	(2,559)	(220)	291,030	3,982		
2	<i>Central banks</i>	1,689	1,621	68	—	—	—	—	—	—	—	—	—	—	—	—		
3	<i>General governments</i>	3,386	3,148	150	3	—	3	(1)	—	(1)	(2)	—	(2)	—	2,289	1		
4	<i>Credit institutions</i>	1,204	1,093	111	—	—	—	(4)	(2)	(2)	—	—	—	—	154	—		
5	<i>Other financial corporations</i>	43,975	40,874	3,101	22	6	16	(96)	(14)	(82)	(8)	(1)	(7)	—	27,101	12		
6	<i>Non-financial corporations</i>	106,123	68,310	37,535	2,973	308	2,664	(1,959)	(277)	(1,682)	(1,227)	(39)	(1,188)	(29)	69,736	1,517		
7	<i>Of which: SMEs</i>	28,001	16,632	11,350	869	82	786	(723)	(80)	(643)	(343)	(12)	(331)	—	20,393	393		
8	<i>Households</i>	207,952	171,186	36,683	4,122	543	3,571	(1,284)	(179)	(1,105)	(1,407)	(45)	(1,362)	(191)	191,750	2,452		
9	Debt securities	53,764	52,677	1,000	—	—	—	(11)	(9)	(2)	—	—	—	—	—	—		
10	<i>Central banks</i>	176	176	—	—	—	—	—	—	—	—	—	—	—	—	—		
11	<i>General governments</i>	42,506	42,506	—	—	—	—	(4)	(4)	—	—	—	—	—	—	—		
12	<i>Credit institutions</i>	5,416	4,480	936	—	—	—	(3)	(1)	(2)	—	—	—	—	—	—		
13	<i>Other financial corporations</i>	5,432	5,284	64	—	—	—	(4)	(4)	—	—	—	—	—	—	—		
14	<i>Non-financial corporations</i>	234	231	—	—	—	—	—	—	—	—	—	—	—	—	—		
15	Off-balance sheet exposures	132,076	106,951	25,125	810	48	752	(152)	(30)	(122)	(27)	—	(27)	—	19,531	88		
16	<i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
17	<i>General governments</i>	2,329	2,298	31	—	—	—	—	—	—	—	—	—	—	510	—		
18	<i>Credit institutions</i>	1,088	292	796	—	—	—	(1)	—	(1)	—	—	—	—	545	—		
19	<i>Other financial corporations</i>	15,996	13,519	2,477	6	—	6	(5)	(3)	(2)	—	—	—	—	368	—		
20	<i>Non-financial corporations</i>	72,131	54,752	17,379	447	31	416	(92)	(17)	(75)	(26)	—	(26)	—	13,773	72		
21	<i>Households</i>	40,532	36,090	4,442	357	17	330	(54)	(10)	(44)	(1)	—	(1)	—	4,335	16		
22	Total	550,169	445,860	103,773	7,930	905	7,006	(3,507)	(511)	(2,996)	(2,671)	(85)	(2,586)	(220)	310,561	4,070		

## Credit risk

### COVID-19 – Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

The table below shows gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, on loans and advances subject to moratoria.

	Gross carrying amount								Accumulated impairment, accumulated negative changes in fair value due to credit risk								Gross inflows to non-performing exposures
	Performing				Non-performing				Performing				Non-performing				
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
<b>30 June 2021</b>																	
1 Loans and advances subject to moratorium	1,782	1,713	368	540	69	62	50	(79)	(66)	(30)	(32)	(13)	(9)	(8)	31		
2 Of which:																	
Households	446	430	28	143	16	11	9	(23)	(17)	(3)	(13)	(6)	(4)	(3)	10		
3 Of which:																	
Collateralised by residential immovable property	277	272	7	57	5	3	5	(3)	(2)	(1)	(1)	(1)	—	(1)	1		
4 Of which:																	
Non-financial corporations	1,325	1,272	339	395	53	51	41	(56)	(49)	(26)	(19)	(7)	(5)	(5)	20		
5 Of which:																	
Small and medium-sized enterprises	777	746	217	247	31	31	21	(32)	(30)	(16)	(13)	(2)	(2)	(1)	4		
6 Of which:																	
Collateralised by commercial immovable property	986	938	249	291	48	48	36	(41)	(37)	(21)	(13)	(4)	(4)	(3)	20		
<b>31 December 2020</b>																	
1 Loans and advances subject to moratorium	8,115	7,910	522	4,196	205	166	170	(365)	(313)	(57)	(242)	(52)	(41)	(44)	94		
2 Of which:																	
Households	3,446	3,389	46	1,345	57	26	33	(87)	(75)	(5)	(67)	(12)	(5)	(7)	25		
3 Of which:																	
Collateralised by residential immovable property	2,776	2,743	21	947	33	15	21	(16)	(12)	(1)	(11)	(4)	(2)	(3)	7		
4 Of which:																	
Non-financial corporations	4,628	4,480	473	2,836	148	140	137	(276)	(237)	(51)	(173)	(39)	(36)	(37)	68		
5 Of which:																	
Small and medium-sized enterprises	2,489	2,444	281	1,545	45	40	36	(143)	(136)	(32)	(98)	(7)	(5)	(5)	35		
6 Of which:																	
Collateralised by commercial immovable property	3,502	3,371	393	2,260	131	128	123	(222)	(188)	(43)	(135)	(34)	(33)	(32)	56		

## Credit risk

### COVID-19 – Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

The table below shows gross carrying amount, on loans and advances subject to moratoria, by residential maturity.

	a	b	c	d	e		f			g	h	i
					Gross carrying amount		Residual maturity of moratoria					
	Number of obligators	£m	Of which: Legislative moratoria £m	Of which: Expired £m	<= 3 months £m	> 3 months <= 6 months £m	> 6 months <= 9 months £m	> 9 months <= 12 months £m	> 1 year £m			
<b>30 June 2021</b>												
1	Loans and advances for which moratorium was offered	<b>457,279</b>	<b>48,955</b>	—	<b>47,132</b>	<b>1,170</b>	<b>343</b>	<b>89</b>	<b>93</b>	<b>87</b>		
2	Loans and advances subject to moratorium (granted)	<b>456,604</b>	<b>48,914</b>	—	<b>47,132</b>	<b>1,170</b>	<b>343</b>	<b>89</b>	<b>93</b>	<b>87</b>		
3	<i>Of which: Households</i>		<b>38,652</b>	—	<b>38,206</b>	<b>398</b>	<b>32</b>	<b>8</b>	<b>6</b>	<b>2</b>		
4	<i>Of which: Collateralised by residential immovable property</i>		<b>36,898</b>	—	<b>36,621</b>	<b>269</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>		
5	<i>Of which: Non-financial corporations</i>		<b>10,190</b>	—	<b>8,865</b>	<b>768</b>	<b>309</b>	<b>76</b>	<b>87</b>	<b>85</b>		
6	<i>Of which: Small and medium-sized enterprises</i>		<b>6,152</b>	—	<b>5,375</b>	<b>470</b>	<b>180</b>	<b>50</b>	<b>57</b>	<b>20</b>		
7	<i>Of which: Collateralised by commercial immovable property</i>		<b>6,226</b>	—	<b>5,240</b>	<b>596</b>	<b>189</b>	<b>63</b>	<b>59</b>	<b>79</b>		
<b>31 December 2020</b>												
1	Loans and advances for which moratorium was offered	489,110	54,137	—	45,804	4,528	2,530	381	166	510		
2	Loans and advances subject to moratorium (granted)	487,013	53,919	—	45,804	4,528	2,530	381	166	510		
3	<i>Of which: Households</i>		41,277	—	37,831	3,088	265	33	23	37		
4	<i>Of which: Collateralised by residential immovable property</i>		39,208	—	36,432	2,717	37	1	—	21		
5	<i>Of which: Non-financial corporations</i>		12,555	—	7,927	1,432	2,252	345	143	456		
6	<i>Of which: Small and medium-sized enterprises</i>		6,679	—	4,190	662	1,485	175	84	83		
7	<i>Of which: Collateralised by commercial immovable property</i>		6,960	—	3,458	1,029	1,655	305	126	387		

## Credit risk

### COVID-19 – Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

The table below shows gross carrying amount, on newly originated loans and advances subject to public guarantee schemes.

	a	b	c	d
	Gross carrying amount	Of which: Forborne	Maximum amount of the guarantee that can be considered	Gross carrying amount
	£m	£m	Public guarantees received £m	non-performing exposures £m
<b>30 June 2021</b>				
1	13,051	557	12,090	91
2	2,180			12
3	4			—
4	10,791	538	9,893	78
5	9,199			64
6	1,027			18
<b>31 December 2020</b>				
1	12,898	436	11,962	33
2	2,146			4
3	4			—
4	10,637	418	9,765	29
5	8,980			27
6	1,144			4

## Credit risk

### CR2\_A: Changes in the stock of general and specific credit risk adjustments

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

	Accumulated SCRA £m
1 At 1 January 2021	2,586
2 Increases due to amounts set aside for estimated loan losses during the period	409
3 Decreases due to amounts reversed for estimated loan losses during the period	(194)
4 Decreases due to amounts taken against accumulated credit risk adjustments	(516)
5 Transfers between credit risk adjustments	—
6 Impact of exchange rate differences	(52)
7 Business combinations, including acquisitions and disposals of subsidiaries	—
8 Other adjustments	(41)
9 <b>At 30 June 2021</b>	<b>2,192</b>
10 Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	—
11 Specific credit risk adjustments directly recorded to the statement of profit or loss	—

### CR2\_B: Changes in the stock of defaulted and impaired loans and debt securities

The table below shows 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 2021	6,358
Loans and debt securities that have defaulted or impaired since the last reporting period	1,467
Returned to non-defaulted status	(809)
Amounts written-off	(516)
Other changes	(797)
<b>At 30 June 2021</b>	<b>5,703</b>

## Credit risk

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

The table below shows 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 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.

	a	c	d	e	Total secured £m	Total £m
	Unsecured net carrying value £m	Collateral £m	Guarantees £m	Credit derivatives £m		
<b>30 June 2021</b>						
<b>IRB</b>						
Central governments and central banks	60,954	187	1	—	188	61,142
Institutions	7,795	2,521	454	—	2,975	10,770
Corporates	96,911	71,326	5,542	1,707	78,575	175,486
<i>Specialised lending</i>	3,597	14,608	502	—	15,110	18,707
<i>SME</i>	3,746	13,994	2,258	—	16,252	19,998
<i>Other corporate</i>	89,568	42,724	2,782	1,707	47,213	136,781
Retail	38,354	191,834	8,280	—	200,114	238,468
<i>Secured by real estate property - SME</i>	—	1,123	20	—	1,143	1,143
<i>- non-SME</i>	—	190,711	—	—	190,711	190,711
<i>Qualifying revolving</i>	25,457	—	—	—	—	25,457
<i>Other retail - SME</i>	7,301	—	8,260	—	8,260	15,561
<i>- non-SME</i>	5,596	—	—	—	—	5,596
Equities	818	—	—	—	—	818
Non-credit obligation assets	4,287	—	—	—	—	4,287
<b>Total IRB</b>	<b>209,119</b>	<b>265,868</b>	<b>14,277</b>	<b>1,707</b>	<b>281,852</b>	<b>490,971</b>
<i>Of which: Loans</i>	60,403	234,414	12,667	102	247,183	307,586
<i>Debt securities</i>	24,559	—	—	—	—	24,559
<i>Other assets</i>	43,921	677	3	—	680	44,601
<i>Off-balance sheet exposures</i>	80,236	30,777	1,607	1,605	33,989	114,225
<i>Defaulted</i>	925	2,200	164	—	2,364	3,289
<b>STD</b>						
Central governments and central banks	137,776	—	—	—	—	137,776
Regional governments and local authorities	302	—	—	—	—	302
Multilateral development banks	311	—	—	—	—	311
Institutions	2,696	—	—	—	—	2,696
Corporates	7,772	1,122	301	—	1,423	9,195
Retail	6,302	314	—	—	314	6,616
Secured by mortgages on immovable property						
<i>- residential</i>	—	18,803	—	—	18,803	18,803
<i>- commercial</i>	1	2,685	49	—	2,734	2,735
Exposures in default	496	—	11	—	11	507
Covered bonds	116	—	—	—	—	116
Equity exposures	621	—	—	—	—	621
Other exposures	1,802	—	—	—	—	1,802
<b>Total STD</b>	<b>158,195</b>	<b>22,924</b>	<b>361</b>	<b>—</b>	<b>23,285</b>	<b>181,480</b>
<i>Of which: Loans</i>	12,805	20,915	330	—	21,245	34,050
<i>Debt securities</i>	22,428	—	—	—	—	22,428
<i>Other assets</i>	115,094	70	—	—	70	115,164
<i>Off-balance sheet exposures</i>	7,868	1,939	31	—	1,970	9,838
<i>Defaulted</i>	496	—	11	—	11	507
<b>Total IRB and STD</b>	<b>367,314</b>	<b>288,792</b>	<b>14,638</b>	<b>1,707</b>	<b>305,137</b>	<b>672,451</b>
<i>Total: Loans</i>	73,208	255,329	12,997	102	268,428	341,636
<i>Debt securities</i>	46,987	—	—	—	—	46,987
<i>Other assets</i>	159,015	747	3	—	750	159,765
<i>Off-balance sheet exposures</i>	88,104	32,716	1,638	1,605	35,959	124,063
<i>Defaulted</i>	1,421	2,200	175	—	2,375	3,796



## Credit risk

### CR3: IRB: Credit risk mitigation techniques by exposure class continued

31 December 2020	a	c	d	e	Total secured £m	Total £m
	Unsecured net carrying value £m	Net carrying values secured by				
		Collateral £m	Guarantees £m	Credit derivatives £m		
<b>IRB</b>						
Central governments and central banks	57,563	188	973	—	1,161	58,724
Institutions	7,530	2,009	601	—	2,610	10,140
Corporates	100,873	74,253	4,436	2,078	80,767	181,640
<i>Specialised lending</i>	3,577	15,859	495	—	16,354	19,931
<i>SME</i>	3,685	14,225	1,890	—	16,115	19,800
<i>Other corporate</i>	93,611	44,169	2,051	2,078	48,298	141,909
Retail	38,566	187,969	8,195	—	196,164	234,730
<i>Secured by real estate property - SME</i>	—	1,141	18	—	1,159	1,159
<i>- non-SME</i>	—	186,828	—	—	186,828	186,828
<i>Qualifying revolving</i>	25,383	—	—	—	—	25,383
<i>Other retail - SME</i>	7,362	—	8,177	—	8,177	15,539
<i>- non-SME</i>	5,821	—	—	—	—	5,821
Equities	680	—	—	—	—	680
Non-credit obligation assets	5,380	—	—	—	—	5,380
<b>Total IRB</b>	<b>210,592</b>	<b>264,419</b>	<b>14,205</b>	<b>2,078</b>	<b>280,702</b>	<b>491,294</b>
<i>Of which: Loans</i>	<i>61,186</i>	<i>231,006</i>	<i>11,899</i>	<i>3</i>	<i>242,908</i>	<i>304,094</i>
<i>Debt securities</i>	<i>26,191</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>26,191</i>
<i>Other assets</i>	<i>39,751</i>	<i>707</i>	<i>3</i>	<i>—</i>	<i>710</i>	<i>40,461</i>
<i>Off-balance sheet exposures</i>	<i>83,464</i>	<i>32,706</i>	<i>2,303</i>	<i>2,075</i>	<i>37,084</i>	<i>120,548</i>
<i>Defaulted</i>	<i>1,126</i>	<i>2,435</i>	<i>82</i>	<i>—</i>	<i>2,517</i>	<i>3,643</i>
<b>STD</b>						
Central governments and central banks	115,714	—	—	—	—	115,714
Regional governments and local authorities	304	—	—	—	—	304
Multilateral development banks	420	—	—	—	—	420
Institutions	462	—	—	—	—	462
Corporates	8,173	946	296	—	1,242	9,415
Retail	6,255	307	—	—	307	6,562
<i>Secured by mortgages on immovable property</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>- residential</i>	<i>—</i>	<i>18,275</i>	<i>—</i>	<i>—</i>	<i>18,275</i>	<i>18,275</i>
<i>- commercial</i>	<i>—</i>	<i>2,984</i>	<i>40</i>	<i>—</i>	<i>3,024</i>	<i>3,024</i>
<i>Exposures in default</i>	<i>467</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>467</i>
<i>Covered bonds</i>	<i>124</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>124</i>
<i>Equity exposures</i>	<i>649</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>649</i>
<i>Other exposures</i>	<i>2,083</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>2,083</i>
<b>Total STD</b>	<b>134,651</b>	<b>22,512</b>	<b>336</b>	<b>—</b>	<b>22,848</b>	<b>157,499</b>
<i>Of which: Loans</i>	<i>10,504</i>	<i>20,406</i>	<i>313</i>	<i>—</i>	<i>20,719</i>	<i>31,223</i>
<i>Debt securities</i>	<i>24,559</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>24,559</i>
<i>Other assets</i>	<i>92,243</i>	<i>72</i>	<i>—</i>	<i>—</i>	<i>72</i>	<i>92,315</i>
<i>Off-balance sheet exposures</i>	<i>7,345</i>	<i>2,034</i>	<i>23</i>	<i>—</i>	<i>2,057</i>	<i>9,402</i>
<i>Defaulted</i>	<i>467</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>467</i>
<b>Total IRB and STD</b>	<b>345,243</b>	<b>286,931</b>	<b>14,541</b>	<b>2,078</b>	<b>303,550</b>	<b>648,793</b>
<b>Total: Loans</b>	<b>71,690</b>	<b>251,412</b>	<b>12,212</b>	<b>3</b>	<b>263,627</b>	<b>335,317</b>
<i>Debt securities</i>	<i>50,750</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>50,750</i>
<i>Other assets</i>	<i>131,994</i>	<i>779</i>	<i>3</i>	<i>—</i>	<i>782</i>	<i>132,776</i>
<i>Off-balance sheet exposures</i>	<i>90,809</i>	<i>34,740</i>	<i>2,326</i>	<i>2,075</i>	<i>39,141</i>	<i>129,950</i>
<i>Defaulted</i>	<i>1,593</i>	<i>2,435</i>	<i>82</i>	<i>—</i>	<i>2,517</i>	<i>4,110</i>

## Credit risk

### CR7: IRB: Effect on the RWAs of credit derivatives used as CRM techniques

The table below shows the effect of credit derivatives on the calculation of IRB approach capital requirements by IRB exposure class. The table excludes counterparty credit risk and securitisations.

	a		b	
	30 June 2021		31 December 2020	
	Pre-credit derivatives RWAs £m	Actual RWAs £m	Pre-credit derivatives RWAs £m	Actual RWAs £m
<b>Exposures under IRB</b>				
Central governments and central banks	3,169	3,169	3,382	3,381
Institutions	2,228	2,228	2,247	2,247
Corporates - SMEs	6,830	6,830	7,355	7,355
Corporates - Specialised lending	11,188	11,188	12,053	12,053
Corporates - Other	40,050	39,950	44,402	44,266
Retail - Secured by real estate SMEs	243	243	398	398
Retail - Secured by real estate non-SMEs	16,374	16,374	17,134	17,135
Retail - Qualifying revolving	4,372	4,372	4,731	4,731
Retail - Other SMEs	3,945	3,945	3,768	3,768
Retail - Other non-SMEs	6,691	6,691	7,028	7,028
Equity IRB	1,806	1,806	1,530	1,530
Other non-credit obligation assets	3,957	3,957	4,136	4,137
<b>Total</b>	<b>100,853</b>	<b>100,753</b>	<b>108,164</b>	<b>108,029</b>

## Credit risk

### NatWest Group profile by RWA calculation approach

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

### IRB approach: PD/LGD

#### CR6\_a: IRB: Exposures by exposure class and PD range – Retail

The table below shows the key parameters used to calculate MCR 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 SCRA.

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 (CCFs) are not reported in this table for retail exposure classes.

	a	b	d	e	f	g	i	j	k	l	
	PD range %	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
<b>30 June 2021</b>											
Retail - Secured by real estate SME	0.00 to <0.15	—	—	—	0.14	1	72	—	—	—	—
Retail - Secured by real estate SME	0.15 to <0.25	—	1	—	0.17	78	59	—	—	—	—
Retail - Secured by real estate SME	0.25 to <0.50	—	86	56	0.30	6,034	63	15	27	—	1
Retail - Secured by real estate SME	0.50 to <0.75	65	3	68	0.63	1,375	33	15	22	—	—
Retail - Secured by real estate SME	0.75 to <2.50	715	40	739	1.23	10,076	20	137	18	2	8
Retail - Secured by real estate SME	2.50 to <10.0	190	2	192	4.60	2,244	20	45	24	2	5
Retail - Secured by real estate SME	10.0 to <100.00	42	—	43	22.40	478	24	18	43	2	2
Retail - Secured by real estate SME	100.00 (default)	25	—	26	100.00	499	36	13	51	9	10
<b>Total - Retail - Secured by real estate SME</b>		<b>1,037</b>	<b>132</b>	<b>1,124</b>	<b>4.84</b>	<b>20,785</b>	<b>24</b>	<b>243</b>	<b>22</b>	<b>15</b>	<b>26</b>
Retail - Secured by real estate non-SME	0.00 to <0.15	9,148	3,239	12,427	0.09	84,549	14	461	4	2	8
Retail - Secured by real estate non-SME	0.15 to <0.25	42,608	131	42,784	0.15	324,046	10	1,460	3	7	22
Retail - Secured by real estate non-SME	0.25 to <0.50	101,350	8,833	109,656	0.33	768,502	11	7,304	7	42	74
Retail - Secured by real estate non-SME	0.50 to <0.75	15,561	111	15,735	0.61	108,191	17	2,564	16	18	34
Retail - Secured by real estate non-SME	0.75 to <2.50	5,364	83	5,463	1.20	41,672	12	973	18	8	25
Retail - Secured by real estate non-SME	2.50 to <10.0	1,175	8	1,187	5.83	9,798	12	896	75	9	20
Retail - Secured by real estate non-SME	10.0 to <100.00	2,070	3	2,085	26.82	17,246	13	1,654	79	78	107
Retail - Secured by real estate non-SME	100.00 (default)	1,833	9	1,814	100.00	17,276	20	1,062	59	267	525
<b>Total - Retail - Secured by real estate non-SME</b>		<b>179,109</b>	<b>12,417</b>	<b>191,151</b>	<b>1.59</b>	<b>1,371,280</b>	<b>11</b>	<b>16,374</b>	<b>9</b>	<b>431</b>	<b>815</b>
Retail - Qualifying revolving	0.00 to <0.15	19	5,992	10,868	0.04	9,886,219	53	170	2	2	17
Retail - Qualifying revolving	0.15 to <0.25	173	288	551	0.17	414,463	66	36	7	1	6
Retail - Qualifying revolving	0.25 to <0.50	268	1,223	1,470	0.36	1,546,717	59	156	11	3	18
Retail - Qualifying revolving	0.50 to <0.75	760	6,036	1,621	0.60	1,543,873	68	299	18	7	23
Retail - Qualifying revolving	0.75 to <2.50	1,361	6,795	3,005	1.40	2,981,292	70	1,091	36	30	83
Retail - Qualifying revolving	2.50 to <10.0	1,610	749	2,123	4.61	1,044,758	74	1,891	89	73	172
Retail - Qualifying revolving	10.0 to <100.00	190	37	253	22.51	159,429	72	483	191	41	57
Retail - Qualifying revolving	100.00 (default)	253	274	257	100.00	304,161	85	246	96	198	195
<b>Total - Retail - Qualifying revolving</b>		<b>4,634</b>	<b>21,394</b>	<b>20,148</b>	<b>2.35</b>	<b>17,880,912</b>	<b>60</b>	<b>4,372</b>	<b>22</b>	<b>355</b>	<b>571</b>

## Credit risk

### CR6\_a: IRB: Exposures by exposure class and PD range – Retail continued

		a	b	d	e	f	g	i	j	k	l
	PD range %	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
<b>30 June 2021</b>											
Retail - Other SME	0.00 to <0.15	—	73	125	0.14	18,105	72	23	18	—	—
Retail - Other SME	0.15 to <0.25	—	13	9	0.17	4,078	59	2	17	—	—
Retail - Other SME	0.25 to <0.50	—	900	915	0.32	391,519	64	259	28	2	6
Retail - Other SME	0.50 to <0.75	745	46	864	0.63	87,079	36	207	24	2	4
Retail - Other SME	0.75 to <2.50	9,127	357	9,672	1.28	579,946	21	1,857	19	29	55
Retail - Other SME	2.50 to <10.0	3,390	54	3,589	4.68	288,707	23	982	27	39	45
Retail - Other SME	10.0 to <100.00	809	9	827	19.53	36,580	28	395	48	46	33
Retail - Other SME	100.00 (default)	336	—	346	100.00	20,860	48	220	64	152	155
<b>Total - Retail - Other SME</b>		<b>14,407</b>	<b>1,452</b>	<b>16,347</b>	<b>4.95</b>	<b>1,426,874</b>	<b>26</b>	<b>3,945</b>	<b>24</b>	<b>270</b>	<b>298</b>
Retail - Other non-SME	0.00 to <0.15	—	—	—	0.13	2	61	—	—	—	—
Retail - Other non-SME	0.15 to <0.25	1	—	1	0.21	7	75	—	—	—	—
Retail - Other non-SME	0.25 to <0.50	44	—	46	0.36	7,710	74	21	47	—	—
Retail - Other non-SME	0.50 to <0.75	103	—	104	0.68	16,489	69	67	65	1	—
Retail - Other non-SME	0.75 to <2.50	4,019	—	4,108	1.45	583,415	72	3,777	92	52	123
Retail - Other non-SME	2.50 to <10.0	1,281	—	1,306	5.07	131,659	75	1,612	123	59	111
Retail - Other non-SME	10.0 to <100.00	387	—	381	27.72	49,543	77	733	193	98	62
Retail - Other non-SME	100.00 (default)	441	—	458	100.00	66,119	81	481	105	333	384
<b>Total - Retail - Other non-SME</b>		<b>6,276</b>	<b>—</b>	<b>6,404</b>	<b>10.77</b>	<b>854,944</b>	<b>73</b>	<b>6,691</b>	<b>104</b>	<b>543</b>	<b>680</b>
<b>Total - Retail all portfolios</b>		<b>205,463</b>	<b>35,395</b>	<b>235,174</b>	<b>2.15</b>	<b>21,554,795</b>	<b>18</b>	<b>31,625</b>	<b>13</b>	<b>1,614</b>	<b>2,390</b>

## Credit risk

### CR6\_a: IRB: Exposures by exposure class and PD range – Retail continued

	a	b	d	e	f	g	i	j	k	l	
	PD range %	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
31 December 2020											
Retail - Secured by real estate SME	0.00 to <0.15	—	77	48	0.14	4,965	62	7	16	—	—
Retail - Secured by real estate SME	0.15 to <0.25	—	10	7	0.15	373	58	1	16	—	—
Retail - Secured by real estate SME	0.25 to <0.50	—	17	12	0.31	1,678	66	3	28	—	—
Retail - Secured by real estate SME	0.50 to <0.75	50	2	52	0.69	890	37	13	25	—	—
Retail - Secured by real estate SME	0.75 to <2.50	710	30	728	1.30	9,763	41	272	37	4	5
Retail - Secured by real estate SME	2.50 to <10.0	205	9	211	4.67	2,677	31	76	36	3	5
Retail - Secured by real estate SME	10.0 to <100.00	47	—	48	21.24	583	8	7	14	1	6
Retail - Secured by real estate SME	100.00 (default)	27	—	28	100.00	554	44	19	69	10	9
<b>Total - Retail - Secured by real estate SME</b>		<b>1,039</b>	<b>145</b>	<b>1,134</b>	<b>5.06</b>	<b>21,483</b>	<b>39</b>	<b>398</b>	<b>35</b>	<b>18</b>	<b>25</b>
Retail - Secured by real estate non-SME	0.00 to <0.15	47,759	3,526	51,360	0.13	386,040	11	1,672	3	8	17
Retail - Secured by real estate non-SME	0.15 to <0.25	4,788	192	4,998	0.16	62,173	10	193	4	1	4
Retail - Secured by real estate non-SME	0.25 to <0.50	91,532	10,205	100,901	0.33	708,521	11	6,889	7	39	62
Retail - Secured by real estate non-SME	0.50 to <0.75	18,214	84	18,366	0.61	121,257	18	3,148	17	22	69
Retail - Secured by real estate non-SME	0.75 to <2.50	5,513	99	5,629	1.18	40,626	13	1,047	19	9	25
Retail - Secured by real estate non-SME	2.50 to <10.0	1,315	17	1,336	6.28	10,944	12	606	45	11	27
Retail - Secured by real estate non-SME	10.0 to <100.00	2,547	4	2,567	27.14	20,394	14	2,146	84	100	162
Retail - Secured by real estate non-SME	100.00 (default)	1,993	9	1,960	100.00	18,347	21	1,434	73	291	603
<b>Total - Retail - Secured by real estate non-SME</b>		<b>173,661</b>	<b>14,136</b>	<b>187,117</b>	<b>1.78</b>	<b>1,368,302</b>	<b>12</b>	<b>17,135</b>	<b>9</b>	<b>481</b>	<b>969</b>
Retail - Qualifying revolving	0.00 to <0.15	38	5,743	10,217	0.04	9,527,894	53	168	2	2	10
Retail - Qualifying revolving	0.15 to <0.25	131	215	346	0.22	121,526	65	27	8	—	4
Retail - Qualifying revolving	0.25 to <0.50	650	5,098	2,133	0.38	2,210,312	64	258	12	5	23
Retail - Qualifying revolving	0.50 to <0.75	409	3,291	1,260	0.62	1,353,320	63	222	18	5	24
Retail - Qualifying revolving	0.75 to <2.50	1,455	5,825	3,135	1.37	2,993,796	69	1,109	35	30	100
Retail - Qualifying revolving	2.50 to <10.0	1,639	640	2,285	4.59	1,274,937	73	2,005	88	77	203
Retail - Qualifying revolving	10.0 to <100.00	279	67	359	21.60	208,705	72	674	188	56	82
Retail - Qualifying revolving	100.00 (default)	279	286	284	100.00	326,941	83	268	94	216	216
<b>Total - Retail - Qualifying revolving</b>		<b>4,880</b>	<b>21,165</b>	<b>20,019</b>	<b>2.65</b>	<b>18,017,431</b>	<b>60</b>	<b>4,731</b>	<b>24</b>	<b>391</b>	<b>662</b>

## Credit risk

### CR6\_a: IRB: Exposures by exposure class and PD range – Retail continued

	a	b	d	e	f	g	i	j	k	l	
	PD range %	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
31 December 2020											
Retail - Other SME	0.00 to <0.15	—	866	825	0.13	278,018	64	128	16	1	4
Retail - Other SME	0.15 to <0.25	—	60	81	0.15	13,461	58	13	16	—	—
Retail - Other SME	0.25 to <0.50	7	266	407	0.33	244,692	66	120	30	1	3
Retail - Other SME	0.50 to <0.75	487	37	590	0.68	76,853	42	169	29	2	3
Retail - Other SME	0.75 to <2.50	3,672	291	4,117	1.39	346,021	45	1,716	42	27	43
Retail - Other SME	2.50 to <10.0	7,035	74	7,254	6.92	325,841	11	984	14	42	44
Retail - Other SME	10.0 to <100.00	2,756	10	2,807	21.41	117,978	8	386	14	46	58
Retail - Other SME	100.00 (default)	288	—	297	100.00	20,204	58	252	85	156	154
<b>Total - Retail - Other SME</b>		<b>14,245</b>	<b>1,604</b>	<b>16,378</b>	<b>8.94</b>	<b>1,423,068</b>	<b>25</b>	<b>3,768</b>	<b>23</b>	<b>275</b>	<b>309</b>
Retail - Other non-SME	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—
Retail - Other non-SME	0.15 to <0.25	—	—	—	0.19	77	75	—	—	—	—
Retail - Other non-SME	0.25 to <0.50	61	—	63	0.37	9,023	74	30	47	—	—
Retail - Other non-SME	0.50 to <0.75	97	—	99	0.67	15,773	69	63	64	1	1
Retail - Other non-SME	0.75 to <2.50	4,144	—	4,229	1.42	593,584	72	3,870	92	51	125
Retail - Other non-SME	2.50 to <10.0	1,301	—	1,323	5.08	134,356	76	1,638	124	59	131
Retail - Other non-SME	10.0 to <100.00	537	—	520	29.49	69,177	77	1,037	200	138	122
Retail - Other non-SME	100.00 (default)	425	—	444	100.00	65,404	82	390	88	334	365
<b>Total - Retail - Other non-SME</b>		<b>6,565</b>	<b>—</b>	<b>6,678</b>	<b>10.87</b>	<b>887,394</b>	<b>74</b>	<b>7,028</b>	<b>105</b>	<b>583</b>	<b>744</b>
<b>Total - Retail all portfolios</b>		<b>200,390</b>	<b>37,050</b>	<b>231,326</b>	<b>2.64</b>	<b>21,717,678</b>	<b>19</b>	<b>33,060</b>	<b>14</b>	<b>1,748</b>	<b>2,709</b>

## Credit risk

### CR6\_b: IRB: Exposures by exposure class and PD range – Wholesale

The table below shows the key parameters used to calculate MCR 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 CR10. Original on-balance sheet gross exposure includes SCRA.

		a	b	c	d	e	f	g	h	i	j	k	l
	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
30 June 2021													
Central governments and central banks	0.00 to <0.15	60,406	346	33	60,502	0.01	62	45	1.22	3,031	5	3	4
Central governments and central banks	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	0.25 to <0.50	262	—	—	262	0.32	2	53	1.14	138	52	—	—
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	4.99	—	—	—	—
Central governments and central banks	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	100.00 (default)	2	—	—	2	100.00	1	7	1.00	—	—	—	2
Total - Central governments and central banks		60,670	346	33	60,766	0.02	65	45	1.22	3,169	5	3	6
Institutions	0.00 to <0.15	4,631	657	84	5,071	0.10	239	40	1.35	1,056	21	2	2
Institutions	0.15 to <0.25	2,223	317	35	2,346	0.19	110	35	1.74	800	34	1	2
Institutions	0.25 to <0.50	731	69	39	758	0.39	45	15	3.17	229	30	—	1
Institutions	0.50 to <0.75	6	43	41	24	0.64	17	51	1.92	25	107	—	1
Institutions	0.75 to <2.50	95	14	38	101	1.35	24	43	1.51	87	86	1	1
Institutions	2.50 to <10.0	16	5	69	20	3.32	111	52	1.02	30	152	—	—
Institutions	10.0 to <100.00	—	—	20	—	24.33	5	65	1.27	1	358	—	—
Institutions	100.00 (default)	—	—	—	—	100.00	1	50	1.00	—	—	—	—
Total - Institutions		7,702	1,105	65	8,320	0.18	552	36	1.63	2,228	27	4	7
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	—	—	100	—	1.81	2	1	5.00	—	—	—	—
Corporates - Specialised lending	2.50 to <10.0	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	100.00 (default)	2	—	—	2	100.00	1	65	1.00	—	—	1	1
Total - Corporates - Specialised lending		2	—	100	2	94.31	3	62	1.23	—	—	1	1

## Credit risk

### CR6\_b: IRB: Exposures by exposure class and PD range – Wholesale continued

	a	b	c	d	e	f	g	h	i	j	k	l
	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
30 June 2021	PD range %											
Corporates - SME	0.00 to <0.15	28	5	75	32	0.10	58	37	3.87	7	22	—
Corporates - SME	0.15 to <0.25	494	301	60	675	0.21	1,589	28	3.14	141	21	—
Corporates - SME	0.25 to <0.50	2,769	891	53	3,245	0.40	6,015	23	3.26	782	24	3
Corporates - SME	0.50 to <0.75	2,303	737	50	2,671	0.64	3,868	24	2.89	810	30	4
Corporates - SME	0.75 to <2.50	6,204	2,044	45	7,141	1.29	9,990	23	2.92	2,971	42	21
Corporates - SME	2.50 to <10.0	2,901	745	45	3,255	3.59	4,296	21	2.81	1,363	42	24
Corporates - SME	10.0 to <100.00	412	73	54	457	14.20	614	22	2.56	319	70	15
Corporates - SME	100.00 (default)	480	51	32	499	100.00	1,089	40	2.55	437	88	199
<b>Total - Corporates - SME</b>		<b>15,591</b>	<b>4,847</b>	<b>48</b>	<b>17,975</b>	<b>4.47</b>	<b>27,519</b>	<b>23</b>	<b>2.95</b>	<b>6,830</b>	<b>38</b>	<b>266</b>
Corporates - Other	0.00 to <0.15	28,416	39,130	44	45,647	0.06	2,399	42	2.79	9,810	21	11
Corporates - Other	0.15 to <0.25	5,848	9,459	42	9,774	0.18	1,333	40	2.54	3,938	40	7
Corporates - Other	0.25 to <0.50	5,891	7,291	46	9,162	0.40	2,446	41	2.32	5,113	56	13
Corporates - Other	0.50 to <0.75	3,179	2,676	43	4,297	0.64	2,053	36	2.47	2,763	64	10
Corporates - Other	0.75 to <2.50	9,860	7,805	50	13,685	1.34	9,812	33	2.59	11,163	82	60
Corporates - Other	2.50 to <10.0	5,932	2,948	46	7,163	3.66	4,837	28	2.33	6,251	87	73
Corporates - Other	10.0 to <100.00	550	182	52	643	13.89	653	24	2.20	766	119	23
Corporates - Other	100.00 (default)	748	211	43	820	100.00	643	41	1.88	146	18	332
<b>Total - Corporates - Other</b>		<b>60,424</b>	<b>69,702</b>	<b>45</b>	<b>91,191</b>	<b>1.60</b>	<b>24,176</b>	<b>39</b>	<b>2.62</b>	<b>39,950</b>	<b>44</b>	<b>529</b>
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	110	—	—	110	1.26	8	90	5.00	378	344	1
Equities	2.50 to <10.0	53	3	100	57	2.50	14	90	5.00	186	328	1
Equities	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—
Equities	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Equities</b>		<b>163</b>	<b>3</b>	<b>100</b>	<b>167</b>	<b>1.68</b>	<b>22</b>	<b>90</b>	<b>5.00</b>	<b>564</b>	<b>338</b>	<b>2</b>
<b>Total - Wholesale all portfolios</b>		<b>144,552</b>	<b>76,003</b>	<b>45</b>	<b>178,421</b>	<b>1.29</b>	<b>52,337</b>	<b>39</b>	<b>2.13</b>	<b>52,741</b>	<b>30</b>	<b>805</b>



## Credit risk

### CR6\_b: IRB: Exposures by exposure class and PD range – Wholesale continued

		a	b	c	d	e	f	g	h	i	j	k	l
31 December 2020	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	57,175	1,151	57	57,879	0.01	62	45	1.45	3,240	6	4	4
Central governments and central banks	0.15 to <0.25	—	—	100	—	0.23	2	19	1.00	—	—	—	—
Central governments and central banks	0.25 to <0.50	271	—	—	271	0.32	2	53	1.12	141	52	—	—
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	4.99	—	—	—	—
Central governments and central banks	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	100.00 (default)	2	—	—	2	100.00	1	7	1.00	—	—	—	1
<b>Total - Central governments and central banks</b>		<b>57,448</b>	<b>1,151</b>	<b>57</b>	<b>58,152</b>	<b>0.02</b>	<b>67</b>	<b>45</b>	<b>1.45</b>	<b>3,381</b>	<b>6</b>	<b>4</b>	<b>5</b>
Institutions	0.00 to <0.15	3,761	820	85	4,339	0.10	248	39	1.76	930	21	2	2
Institutions	0.15 to <0.25	2,594	337	38	2,730	0.19	110	37	1.42	939	34	2	19
Institutions	0.25 to <0.50	754	60	39	778	0.39	48	17	3.42	283	36	1	3
Institutions	0.50 to <0.75	7	43	41	25	0.64	15	54	2.17	29	117	—	—
Institutions	0.75 to <2.50	40	17	31	45	1.44	31	39	2.34	43	94	—	1
Institutions	2.50 to <10.0	16	—	67	16	3.05	35	47	1.02	21	129	—	—
Institutions	10.0 to <100.00	—	1	20	1	29.30	66	60	1.99	2	299	—	—
Institutions	100.00 (default)	—	—	—	—	100.00	1	50	1.00	—	—	—	—
<b>Total - Institutions</b>		<b>7,172</b>	<b>1,278</b>	<b>68</b>	<b>7,934</b>	<b>0.18</b>	<b>554</b>	<b>36</b>	<b>1.81</b>	<b>2,247</b>	<b>28</b>	<b>5</b>	<b>25</b>
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	—	—	100	—	1.81	2	1	5.00	—	—	—	—
Corporates - Specialised lending	2.50 to <10.0	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	100.00 (default)	4	1	101	4	100.00	3	40	4.12	—	—	2	1
<b>Total - Corporates - Specialised lending</b>		<b>4</b>	<b>1</b>	<b>101</b>	<b>4</b>	<b>97.48</b>	<b>5</b>	<b>39</b>	<b>4.14</b>	<b>—</b>	<b>—</b>	<b>2</b>	<b>1</b>

## Credit risk

### CR6\_b: IRB: Exposures by exposure class and PD range – Wholesale continued

	a	b	c	d	e	f	g	h	i	j	k	l
	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
31 December 2020	PD range %											
Corporates - SME	0.00 to <0.15	28	4	88	31	0.11	47	35	4.00	7	24	—
Corporates - SME	0.15 to <0.25	486	206	70	630	0.21	1,555	30	3.37	157	25	6
Corporates - SME	0.25 to <0.50	2,705	821	54	3,149	0.41	6,052	22	3.25	726	23	3
Corporates - SME	0.50 to <0.75	2,231	739	52	2,616	0.64	4,135	23	3.12	797	30	4
Corporates - SME	0.75 to <2.50	6,340	2,182	45	7,341	1.30	11,076	23	2.99	3,085	42	22
Corporates - SME	2.50 to <10.0	2,752	879	44	3,157	3.65	4,542	21	2.77	1,398	44	25
Corporates - SME	10.0 to <100.00	407	73	50	449	13.88	728	22	2.64	320	71	14
Corporates - SME	100.00 (default)	530	53	24	546	100.00	1,241	41	2.46	865	158	227
<b>Total - Corporates - SME</b>		<b>15,479</b>	<b>4,957</b>	<b>48</b>	<b>17,919</b>	<b>4.74</b>	<b>29,376</b>	<b>23</b>	<b>3.01</b>	<b>7,355</b>	<b>41</b>	<b>295</b>
Corporates - Other	0.00 to <0.15	27,170	40,767	44	45,037	0.06	2,333	43	2.81	10,503	23	11
Corporates - Other	0.15 to <0.25	6,317	10,225	43	10,660	0.19	1,531	41	2.59	4,507	42	8
Corporates - Other	0.25 to <0.50	5,723	8,186	43	9,112	0.38	2,655	41	2.37	5,168	57	13
Corporates - Other	0.50 to <0.75	3,911	2,592	44	5,015	0.64	2,189	35	2.50	3,185	64	11
Corporates - Other	0.75 to <2.50	11,398	7,560	47	14,916	1.34	11,117	33	2.60	12,186	82	65
Corporates - Other	2.50 to <10.0	6,548	3,150	44	7,778	3.56	5,450	30	2.10	7,331	94	85
Corporates - Other	10.0 to <100.00	688	247	49	808	14.74	823	27	2.34	1,078	133	33
Corporates - Other	100.00 (default)	979	339	42	1,119	100.00	681	44	1.83	308	28	499
<b>Total - Corporates - Other</b>		<b>62,734</b>	<b>73,066</b>	<b>44</b>	<b>94,445</b>	<b>1.93</b>	<b>26,779</b>	<b>39</b>	<b>2.62</b>	<b>44,266</b>	<b>47</b>	<b>725</b>
Equities	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—
Equities	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—
Equities	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—
Equities	0.50 to <0.75	—	—	—	1	—	—	—	—	—	—	—
Equities	0.75 to <2.50	100	—	—	100	1.26	11	90	5.00	343	343	1
Equities	2.50 to <10.0	55	3	100	58	2.50	17	90	5.00	191	328	1
Equities	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—
Equities	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Equities</b>		<b>155</b>	<b>3</b>	<b>100</b>	<b>159</b>	<b>1.71</b>	<b>28</b>	<b>90</b>	<b>5.00</b>	<b>534</b>	<b>337</b>	<b>2</b>
<b>Total - Wholesale all portfolios</b>		<b>142,992</b>	<b>80,456</b>	<b>45</b>	<b>178,613</b>	<b>1.52</b>	<b>56,809</b>	<b>39</b>	<b>2.24</b>	<b>57,783</b>	<b>32</b>	<b>1,033</b>

## Credit risk

### CR6\_c: IRB: Geographical split of PD and LGD

The table below shows 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 %
<b>30 June 2021</b>												
Central governments and central banks	0.02	45	0.03	47	0.06	45	0.01	45	0.01	45	0.10	46
Institutions	0.18	36	0.29	23	0.16	45	0.12	28	0.15	43	0.19	45
Corporates	2.08	36	2.32	35	3.57	35	0.86	41	0.43	46	2.69	47
<i>Specialised lending</i>	<b>94.31</b>	<b>62</b>	—	—	—	—	—	—	—	—	<b>94.31</b>	<b>62</b>
<i>SME</i>	4.47	23	4.24	23	7.70	27	1.86	62	0.32	100	24.98	35
<i>Other corporate</i>	1.60	39	1.82	38	2.14	38	0.86	41	0.43	46	2.47	47
Retail	2.15	18	1.95	18	5.42	30	3.33	57	1.74	55	2.77	57
<i>Secured by real estate property - SME</i>	4.84	24	4.83	24	3.24	25	8.27	17	3.24	19	12.90	20
<i>- non SME</i>	1.59	11	1.31	10	5.41	27	—	—	—	—	—	—
<i>Qualifying revolving</i>	2.35	60	2.35	60	3.15	72	1.94	58	1.26	57	1.75	57
<i>Other retail - SME</i>	4.95	26	4.91	25	6.20	72	6.39	30	5.25	31	5.24	30
<i>- non-SME</i>	10.77	73	10.81	73	8.23	73	33.65	75	24.12	76	29.41	76
Equities	1.68	90	1.68	90	1.28	90	1.78	90	1.63	90	1.67	90
<b>Total</b>	<b>1.78</b>	<b>27</b>	<b>2.04</b>	<b>22</b>	<b>3.79</b>	<b>35</b>	<b>0.24</b>	<b>43</b>	<b>0.16</b>	<b>45</b>	<b>0.94</b>	<b>46</b>
<b>31 December 2020</b>												
Central governments and central banks	0.02	45	0.03	38	0.06	45	0.01	45	0.01	45	0.10	48
Institutions	0.18	36	0.23	28	0.15	45	0.13	28	0.17	43	0.22	49
Corporates	2.39	37	2.69	35	3.91	36	1.03	41	0.56	46	2.94	45
<i>Specialised lending</i>	97.48	39	—	—	—	—	—	—	—	—	97.48	39
<i>SME</i>	4.74	23	4.43	23	9.53	33	77.76	45	6.92	17	28.22	37
<i>Other corporate</i>	1.93	39	2.24	38	2.61	37	0.98	41	0.56	46	2.64	46
Retail	2.64	19	2.37	18	6.45	30	3.58	57	2.25	56	3.17	57
<i>Secured by real estate property - SME</i>	5.06	39	5.05	39	6.74	20	5.11	27	8.36	31	14.27	35
<i>- non SME</i>	1.78	12	1.39	10	6.54	27	—	—	—	—	—	—
<i>Qualifying revolving</i>	2.65	60	2.65	60	3.29	72	1.95	58	1.52	57	2.18	57
<i>Other retail - SME</i>	8.94	25	9.05	24	5.66	72	7.64	32	4.53	37	6.01	37
<i>- non-SME</i>	10.87	74	10.92	74	7.89	73	36.32	75	34.26	79	24.01	76
Equities	1.71	90	1.72	90	1.28	90	1.79	90	1.67	90	1.70	90
<b>Total</b>	<b>2.15</b>	<b>28</b>	<b>2.44</b>	<b>23</b>	<b>4.67</b>	<b>34</b>	<b>0.31</b>	<b>43</b>	<b>0.21</b>	<b>45</b>	<b>1.10</b>	<b>47</b>

## Credit risk

### CR10: IRB: IRB Specialised lending

The table below shows 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 CR6\_b.

		On-balance sheet amount	Off-balance sheet amount	Risk-weight	Exposure amount	RWAs	Expected loss
30 June 2021	Remaining maturity	£m	£m	%	£m	£m	£m
Regulatory categories							
1 - Strong	Less than 2.5 years	3,471	832	50	3,906	1,900	—
	Equal to or more than 2.5 years	5,532	1,350	70	6,528	3,943	26
2 - Good	Less than 2.5 years	3,594	426	70	3,873	2,711	15
	Equal to or more than 2.5 years	1,571	353	90	1,857	1,640	15
3 - Satisfactory	Less than 2.5 years	231	5	115	236	271	7
	Equal to or more than 2.5 years	290	5	115	295	339	8
4 - Weak	Less than 2.5 years	139	—	250	140	349	11
	Equal to or more than 2.5 years	14	—	250	14	35	1
5 - Default	Less than 2.5 years	246	7	—	251	—	128
	Equal to or more than 2.5 years	309	7	—	314	—	156
Total	Less than 2.5 years	7,681	1,270		8,406	5,231	161
	Equal to or more than 2.5 years	7,716	1,715		9,008	5,957	206
31 December 2020							
1 - Strong	Less than 2.5 years	3,355	723	50	3,776	1,849	—
	Equal to or more than 2.5 years	5,999	1,536	70	7,157	4,481	29
2 - Good	Less than 2.5 years	3,801	453	70	4,146	2,903	17
	Equal to or more than 2.5 years	1,926	471	90	2,314	2,036	19
3 - Satisfactory	Less than 2.5 years	139	3	115	143	164	4
	Equal to or more than 2.5 years	185	5	115	189	218	5
4 - Weak	Less than 2.5 years	133	18	250	142	355	11
	Equal to or more than 2.5 years	18	1	250	19	47	2
5 - Default	Less than 2.5 years	401	11	—	413	—	207
	Equal to or more than 2.5 years	297	6	—	301	—	151
Total	Less than 2.5 years	7,829	1,208		8,620	5,271	239
	Equal to or more than 2.5 years	8,425	2,019		9,980	6,782	206

The table below shows EAD post CRM (exposure amount) for IRB equity exposures subject to the simple risk-weight approach. It excludes counterparty credit risk and securitisations.

		On-balance sheet amount	Off-balance sheet amount	Risk-weight	Exposure amount	RWAs	Capital requirements
30 June 2021		£m	£m	%	£m	£m	£m
Private equity exposures		579	71	190	650	1,237	99
Other equity exposures		1	—	370	1	5	—
Total		580	71	—	651	1,242	99
31 December 2020							
Private equity exposures		420	100	190	520	991	80
Other equity exposures		1	—	370	1	5	—
Total		421	100	—	521	996	80

## Credit risk

### 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 CCFs as well as associated RWAs and RWA density, split by exposure class. It excludes counterparty credit risk and securitisations.

	a		b		c		d	e	f
	Exposures pre CCF and CRM		Exposures post CCF and CRM		On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %	
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m					
<b>30 June 2021</b>									
1	Central governments and central banks	136,584	1,194	136,938	420	632	—	—	
2	Regional governments and local authorities	1	258	1	—	1	64	—	
4	Multilateral development banks	311	—	315	—	—	—	—	
6	Institutions	2,666	30	2,725	—	554	20	—	
7	Corporates	6,327	2,635	5,475	773	5,019	80	—	
8	Retail	2,342	4,274	2,235	41	1,367	60	—	
9	Secured by mortgages on immovable property - residential	17,534	1,268	17,538	267	6,394	36	—	
	- commercial	2,580	136	2,495	64	2,460	96	—	
10	Exposures in default	450	57	478	1	549	115	—	
11	Items associated with particularly high risk	—	—	—	—	—	—	—	
12	Covered bonds	116	—	116	—	23	20	—	
15	Equity exposures	621	—	621	—	1,530	246	—	
16	Other exposures	1,802	—	1,896	—	1,272	67	—	
17	<b>Total</b>	<b>171,334</b>	<b>9,852</b>	<b>170,833</b>	<b>1,566</b>	<b>19,801</b>	<b>11</b>	—	
<b>31 December 2020</b>									
1	Central governments and central banks	115,111	601	115,432	121	469	—	—	
2	Regional governments and local authorities	2	272	2	—	1	61	—	
4	Multilateral development banks	420	—	422	—	—	—	—	
6	Institutions	411	50	455	—	83	18	—	
7	Corporates	6,526	2,602	5,841	683	5,082	78	—	
8	Retail	2,302	4,261	2,207	37	1,342	60	—	
9	Secured by mortgages on immovable property - residential	16,933	1,342	16,934	296	6,285	36	—	
	- commercial	2,757	252	2,682	115	2,776	99	—	
10	Exposures in default	429	38	458	4	532	115	—	
12	Covered bonds	124	—	127	—	25	20	—	
15	Equity exposures	649	—	649	—	1,597	246	—	
16	Other exposures	2,083	—	2,179	—	1,529	70	—	
17	<b>Total</b>	<b>147,747</b>	<b>9,418</b>	<b>147,388</b>	<b>1,256</b>	<b>19,721</b>	<b>13</b>	—	

## Credit risk

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

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

EAD post CRM	Risk-weight																	Of which:	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150% (1)	250%	370%	1,250%	Others	Deducted	Total	Unrated	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>30 June 2021</b>																			
1 Central governments and central banks	137,083	—	—	—	24	—	—	—	—	—	—	251	—	—	—	—	—	137,358	752
2 Regional governments and local authorities	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	1	1
3 Multilateral development banks	315	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	315	—
4 Institutions	38	—	—	—	2,666	—	—	—	—	21	—	—	—	—	—	—	—	2,725	27
6 Corporates	964	—	—	—	128	8	34	—	13	5,086	6	—	—	—	9	—	—	6,248	2,762
7 Retail	5	—	—	—	274	—	—	—	1,997	—	—	—	—	—	—	—	—	2,276	—
Secured by mortgages on																			
8 immovable property - residential	1	—	—	—	—	17,518	—	—	58	228	—	—	—	—	—	—	—	17,805	17,804
9 - commercial	24	—	—	—	—	80	—	—	—	2,451	—	—	—	—	4	—	—	2,559	2,559
10 Exposures in default	4	—	—	—	—	—	—	—	—	327	148	—	—	—	—	—	—	479	470
12 Covered bonds	—	—	—	—	116	—	—	—	—	—	—	—	—	—	—	—	—	116	116
14 Equity exposures	—	—	—	—	—	—	—	—	—	16	—	605	—	—	—	—	—	621	606
15 Other exposures	354	—	—	—	274	—	31	—	—	1,194	—	—	—	—	43	—	—	1,896	1,896
16 Total EAD post CRM	138,788	—	—	—	3,482	17,606	65	—	2,068	9,324	154	856	—	—	56	—	—	172,399	26,993
17 EAD pre CRM	138,540	—	—	—	3,527	17,606	64	—	2,175	10,358	160	857	—	—	114	—	—	173,401	27,694
<b>31 December 2020</b>																			
1 Central governments and central banks	115,312	—	—	—	58	—	—	—	—	—	—	183	—	—	—	—	—	115,553	461
2 Regional governments and local authorities	—	—	—	—	1	—	—	—	—	1	—	—	—	—	—	—	—	2	2
3 Multilateral development banks	422	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	422	—
4 Institutions	43	—	—	—	412	—	—	—	—	—	—	—	—	—	—	—	—	455	11
6 Corporates	986	—	—	—	276	—	200	—	—	5,054	2	—	—	—	6	—	—	6,524	2,926
7 Retail	—	—	—	—	297	—	—	—	1,946	1	—	—	—	—	—	—	—	2,244	—
Secured by mortgages on																			
8 immovable property - residential	1	—	—	—	—	16,799	—	—	62	368	—	—	—	—	—	—	—	17,230	17,230
9 - commercial	3	—	—	—	—	—	—	—	—	2,764	27	—	—	—	3	—	—	2,797	2,797
10 Exposures in default	4	—	—	—	—	—	—	—	—	311	147	—	—	—	—	—	—	462	459
12 Covered bonds	—	—	—	—	127	—	—	—	—	—	—	—	—	—	—	—	—	127	—
14 Equity exposures	—	—	—	—	—	—	—	—	—	16	—	633	—	—	—	—	—	649	632
15 Other exposures	477	—	—	—	162	—	31	—	—	1,475	—	—	—	—	34	—	—	2,179	2,179
16 Total EAD post CRM	117,248	—	—	—	1,333	16,799	231	—	2,008	9,990	176	816	—	—	43	—	—	148,644	26,697
17 EAD pre CRM	117,025	—	—	—	1,364	16,799	231	—	2,107	10,912	176	815	—	—	82	—	—	149,511	27,215

Note:

(1) Relates to legacy assets.

## Counterparty credit risk

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

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

	a	b	c	d	e	f	g
	Notional	Replacement cost/current market value	Potential future exposure	EEPE	Multiplier	EAD post-CRM	RWA
	£m	£m	£m	£m		£m	£m
<b>30 June 2021</b>							
1	Mark-to-market method	n/a	4,760	2,124	n/a	2,904	1,370
4	Internal model method (for derivatives and SFTs)	n/a	n/a	n/a	8,494	1.4	11,891
6	<i>of which: Derivatives and long settlement transactions</i>	n/a	n/a	n/a	8,494	1.4	11,891
9	Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	4,464	651
11	<b>Total</b>	<b>—</b>	<b>4,760</b>	<b>2,124</b>	<b>8,494</b>	<b>n/a</b>	<b>19,259</b>
<b>31 December 2020</b>							
1	Mark-to-market method	n/a	4,896	1,876	n/a	2,796	1,311
4	Internal model method (for derivatives and SFTs)	n/a	n/a	n/a	8,867	1.4	12,414
6	<i>of which: Derivatives and long settlement transactions</i>	n/a	n/a	n/a	8,867	1.4	12,414
9	Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	4,025	599
11	<b>Total</b>	<b>—</b>	<b>4,896</b>	<b>1,876</b>	<b>8,867</b>	<b>n/a</b>	<b>19,235</b>

#### Key points

- The RWA decrease related to the IMM mainly reflected an overall reduction in exposure and the strengthening of sterling against the euro and the US dollar over the period.
- The increase in non-IMM RWAs mainly reflected new derivative transactions, partly offset by a decrease due to trade novations.

## Counterparty credit risk

### IRB Approach PD & LGD approach

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

The table below shows 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	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	RWA density
30 June 2021	PD scale	£m	%		%	Years	£m	%
Central governments and central banks	0.00 to <0.15	598	0.01	25	45	2.24	53	9
Central governments and central banks	0.15 to <0.25	—	0.23	1	45	5.00	—	—
Central governments and central banks	0.25 to <0.50	—	—	—	—	—	—	—
Central governments and central banks	0.50 to <0.75	—	—	—	—	—	—	—
Central governments and central banks	0.75 to <2.50	—	—	—	—	—	—	—
Central governments and central banks	2.50 to <10.00	—	—	—	—	—	—	—
Central governments and central banks	10.00 to <100.00	—	—	—	—	—	—	—
Central governments and central banks	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Central governments and central banks</b>		<b>598</b>	<b>0.01</b>	<b>26</b>	<b>45</b>	<b>2.24</b>	<b>53</b>	<b>9</b>
Institutions	0.00 to <0.15	2,337	0.09	113	45	1.87	616	26
Institutions	0.15 to <0.25	2,363	0.18	149	46	2.75	835	35
Institutions	0.25 to <0.50	544	0.38	95	46	3.07	276	51
Institutions	0.50 to <0.75	48	0.64	24	60	1.18	53	110
Institutions	0.75 to <2.50	27	1.26	35	54	1.92	35	126
Institutions	2.50 to <10.00	32	2.69	21	48	4.38	298	918
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>5,351</b>	<b>0.19</b>	<b>437</b>	<b>46</b>	<b>2.39</b>	<b>2,113</b>	<b>39</b>
Corporates - SME	0.00 to <0.15	—	0.06	2	46	4.59	—	24
Corporates - SME	0.15 to <0.25	5	0.17	26	45	1.32	1	24
Corporates - SME	0.25 to <0.50	6	0.41	137	43	1.87	2	37
Corporates - SME	0.50 to <0.75	6	0.64	94	38	2.79	3	47
Corporates - SME	0.75 to <2.50	20	1.28	225	35	2.29	11	51
Corporates - SME	2.50 to <10.00	5	3.61	91	28	2.17	3	55
Corporates - SME	10.00 to <100.00	—	10.92	5	48	1.09	—	140
Corporates - SME	100.00 (Default)	1	100.00	6	36	2.09	—	—
<b>Total - Corporates - SME</b>		<b>43</b>	<b>4.43</b>	<b>586</b>	<b>37</b>	<b>2.16</b>	<b>20</b>	<b>45</b>



## Counterparty credit risk

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

		a	b	c	d	e	f	g
		EAD post CRM and post-CCF	Average PD	Number of	Average LGD	Average maturity	RWAs	RWA density
30 June 2021	PD scale	£m	%	obligors	%	Years	£m	%
Corporates - Specialised lending	Strong	571	—	193	—	3.94	306	52
Corporates - Specialised lending	Good	177	—	89	—	4.11	131	74
Corporates - Specialised lending	Satisfactory	97	—	16	—	4.39	110	114
Corporates - Specialised lending	Weak	1	—	1	—	1.00	1	250
Corporates - Specialised lending	Default	3	—	4	—	1.39	—	—
<b>Total - Corporates - Specialised lending (1)</b>		<b>849</b>	<b>—</b>	<b>303</b>	<b>—</b>	<b>4.01</b>	<b>548</b>	<b>65</b>
Corporates - Other	0.00 to <0.15	8,336	0.05	2,510	45	1.88	1,529	18
Corporates - Other	0.15 to <0.25	2,072	0.19	343	51	2.77	1,038	50
Corporates - Other	0.25 to <0.50	702	0.40	314	52	2.37	521	74
Corporates - Other	0.50 to <0.75	189	0.64	141	46	1.58	145	77
Corporates - Other	0.75 to <2.50	260	1.39	308	46	1.41	245	94
Corporates - Other	2.50 to <10.00	48	3.54	191	49	1.54	67	140
Corporates - Other	10.00 to <100.00	10	21.55	13	45	2.72	24	240
Corporates - Other	100.00 (Default)	1	100.00	3	46	1.13	—	—
<b>Total - Corporates - Other</b>		<b>11,618</b>	<b>0.17</b>	<b>3,823</b>	<b>46</b>	<b>2.05</b>	<b>3,569</b>	<b>31</b>
<b>Total - Wholesale all portfolios</b>		<b>18,459</b>	<b>0.19</b>	<b>5,175</b>	<b>46</b>	<b>2.25</b>	<b>6,303</b>	<b>34</b>

Note:

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

## Counterparty credit risk

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

31 December 2020	PD scale	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 %
Central governments and central banks	0.00 to <0.15	891	0.01	25	47	2.15	73	8
Central governments and central banks	0.15 to <0.25	—	0.23	1	45	5.00	—	—
Central governments and central banks	0.25 to <0.50	—	—	—	—	—	—	—
Central governments and central banks	0.50 to <0.75	—	—	—	—	—	—	—
Central governments and central banks	0.75 to <2.50	—	—	—	—	—	—	—
Central governments and central banks	2.50 to <10.00	—	—	—	—	—	—	—
Central governments and central banks	10.00 to <100.00	—	—	—	—	—	—	—
Central governments and central banks	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Central governments and central banks</b>		<b>891</b>	<b>0.01</b>	<b>26</b>	<b>47</b>	<b>2.15</b>	<b>73</b>	<b>8</b>
Institutions	0.00 to <0.15	1,966	0.09	120	45	2.31	633	32
Institutions	0.15 to <0.25	2,542	0.18	152	47	2.92	1,005	40
Institutions	0.25 to <0.50	554	0.38	94	48	2.77	291	53
Institutions	0.50 to <0.75	56	0.64	25	62	1.32	64	114
Institutions	0.75 to <2.50	39	1.21	44	53	2.09	48	123
Institutions	2.50 to <10.00	36	2.57	17	45	4.78	228	631
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>5,193</b>	<b>0.20</b>	<b>452</b>	<b>46</b>	<b>2.67</b>	<b>2,269</b>	<b>44</b>
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—
Corporates - SME	0.15 to <0.25	10	0.18	23	45	1.56	3	27
Corporates - SME	0.25 to <0.50	11	0.40	157	37	1.83	4	32
Corporates - SME	0.50 to <0.75	6	0.64	109	38	2.42	3	43
Corporates - SME	0.75 to <2.50	22	1.38	219	35	1.54	9	49
Corporates - SME	2.50 to <10.00	5	3.71	86	29	1.96	3	56
Corporates - SME	10.00 to <100.00	—	14.42	6	43	1.00	—	133
Corporates - SME	100.00 (Default)	5	100.00	8	45	1.60	—	—
<b>Total - Corporates - SME</b>		<b>59</b>	<b>9.84</b>	<b>608</b>	<b>38</b>	<b>1.73</b>	<b>22</b>	<b>38</b>

## Counterparty credit risk

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

		a	b	c	d	e	f	g
		EAD post CRM and post-CCF	Average PD	Number of	Average LGD	Average	RWAs	RWA density
31 December 2020	PD scale	£m	%	obligors	%	Years	£m	%
Corporates - Specialised lending	Strong	676	—	203	—	3.79	373	55
Corporates - Specialised lending	Good	344	—	95	—	4.12	274	80
Corporates - Specialised lending	Satisfactory	23	—	18	—	4.03	26	115
Corporates - Specialised lending	Weak	1	—	3	—	1.26	2	250
Corporates - Specialised lending	Default	6	—	6	—	1.42	—	—
<b>Total - Corporates - Specialised lending (1)</b>		<b>1,050</b>	<b>—</b>	<b>325</b>	<b>—</b>	<b>3.89</b>	<b>675</b>	<b>64</b>
Corporates - Other	0.00 to <0.15	7,334	0.05	2,497	45	2.17	1,426	19
Corporates - Other	0.15 to <0.25	2,148	0.19	350	45	3.02	929	43
Corporates - Other	0.25 to <0.50	812	0.40	323	53	2.18	619	76
Corporates - Other	0.50 to <0.75	220	0.64	134	41	1.40	139	63
Corporates - Other	0.75 to <2.50	465	1.21	334	38	2.27	388	83
Corporates - Other	2.50 to <10.00	109	3.45	211	49	1.76	157	144
Corporates - Other	10.00 to <100.00	14	19.39	15	45	2.09	32	231
Corporates - Other	100.00 (Default)	3	100.00	8	47	1.21	—	—
<b>Total - Corporates - Other</b>		<b>11,105</b>	<b>0.24</b>	<b>3,872</b>	<b>45</b>	<b>2.32</b>	<b>3,690</b>	<b>33</b>
<b>Total - Wholesale all portfolios</b>		<b>18,298</b>	<b>0.25</b>	<b>5,283</b>	<b>45</b>	<b>2.50</b>	<b>6,729</b>	<b>37</b>

Note:

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

#### Key point

- In the Institutions and Corporates-Other classes, exposure increased but RWAs decreased largely because of lower average PDs.

## Counterparty credit risk

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

The table below shows risk-weight by exposure class.

Exposure class	Risk-weight							Total £m	Of which: Unrated £m
	0% £m	2% £m	20% £m	50% £m	75% £m	100% £m	150% £m		
<b>30 June 2021</b>									
1 Central governments and central banks	283	—	3	—	—	—	—	286	—
2 Regional government and local authorities	25	—	23	—	—	—	—	48	—
6 Institutions	—	3,223	472	—	—	—	—	3,695	—
7 Corporates	15	—	161	71	—	104	—	351	4
9 Exposures in default	—	—	—	—	—	—	—	—	—
11 Total	323	3,223	659	71	—	104	—	4,380	4
<b>31 December 2020</b>									
1 Central governments and central banks	449	—	—	—	—	—	—	449	—
2 Regional government and local authorities	12	—	28	—	—	—	—	40	—
6 Institutions	—	2,819	310	—	—	—	—	3,129	—
7 Corporates	—	—	87	113	—	139	—	339	2
9 Exposures in default	—	—	—	—	—	—	1	1	—
11 Total	461	2,819	425	113	—	139	1	3,958	2

#### Key points

- The increase in exposure to institutions was driven by qualifying central counterparties.
- The decrease in exposure to central governments and central banks reflected an early repayment of central bank funding.

### CCR2: CCR: Credit valuation adjustment capital charge

The table below shows the CVA charge, split by approach.

	a		b		a		b	
	30 June 2021		31 December 2020		30 June 2021		31 December 2020	
	Exposure amount £m	RWAs £m	Exposure amount £m	RWAs £m	Exposure amount £m	RWAs £m	Exposure amount £m	RWAs £m
1 Total portfolios subject to the advanced CVA capital charge	6,398	989	6,024	1,184	6,398	989	6,024	1,184
2 (i) VaR component (including the multiplier)	—	313	—	406	—	313	—	406
3 (ii) Stressed VaR component (including the multiplier)	—	676	—	778	—	676	—	778
4 All portfolios subject to the standardised CVA capital charge	1,726	477	1,317	334	1,726	477	1,317	334
4 Based on original exposure method	—	—	—	—	—	—	—	—
5 Total	8,124	1,466	7,341	1,518	8,124	1,466	7,341	1,518

#### Key points

- For portfolios subject to the advanced CVA charge, overall exposure increased. However, exposure to banks declined resulting in a reduction in RWAs.
- For portfolios subject to the standardised CVA charge, both exposure and RWAs increased.

## Counterparty credit risk

### CCR5\_A: Impact of netting and collateral held on exposure values

The table below shows the effect of netting and collateral by exposure type.

	a	b	c	d	e
	Gross positive fair value £m	Netting benefits £m	Netted current credit exposure £m	Collateral held (1) £m	Net credit exposure £m
<b>30 June 2021</b>					
1 Derivatives	118,474	95,000	23,474	19,005	4,469
2 SFTs	187,709	—	187,709	184,196	3,513
4 Total	306,183	95,000	211,183	203,201	7,982
<b>31 December 2020</b>					
1 Derivatives	178,805	147,827	30,978	25,153	5,825
2 SFTs	168,803	—	168,803	165,717	3,086
4 Total	347,608	147,827	199,781	190,870	8,911

Note:

(1) Any excess collateral held is not included.

#### Key point

- Net credit exposure decreased for derivatives and increased for SFTs, in line with the EAD movements seen in CCR1.

### CCR6: CCR: Credit derivatives

As part of its strategy to manage credit risk concentrations, NatWest Group buys credit derivative products. The counterparties from which this protection is bought are subject to standard credit risk analysis. Eligibility criteria apply: credit protection bought from the same counterparty group as the reference entity is not eligible in cases where double default applies under the relevant regulation. The table below shows credit derivatives bought and sold by notional and fair values.

	a		b	
	30 June 2021		31 December 2020	
	Protection bought £m	Protection sold £m	Protection bought £m	Protection sold £m
<b>Notionals</b>				
Single-name credit default swaps	3,817	2,760	4,254	2,883
Index credit default swaps	5,220	2,190	3,329	641
Total return swaps	150	150	150	150
Other credit derivatives	2,000	—	2,000	—
Total notionals	11,187	5,100	9,733	3,674
Of which: Own credit portfolio - notionals (1)	14	—	52	—
<b>Fair values</b>				
Positive fair value (asset)	43	135	50	62
Negative fair value (liability)	(284)	(43)	(221)	(50)

Note:

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

## Counterparty credit risk

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

The table below shows counterparty credit risk exposures to CCPs including default fund contributions. A qualifying CCP (QCCP) means a CCP that has been either authorised or recognised in accordance with the relevant regulation.

	a		b	
	30 June 2021		31 December 2020	
	EAD post-CRM £m	RWA £m	EAD post-CRM £m	RWA £m
1 Exposures to QCCPs (total)	<b>3,903</b>	<b>251</b>	3,244	182
2 Exposures for trades at QCCPs (excluding OTC initial margin and default fund contributions)	<b>3,581</b>	<b>136</b>	3,010	97
Of which:				
3 (i) OTC derivatives	<b>1,144</b>	<b>85</b>	967	56
4 (ii) Exchange-traded derivatives including initial margin	<b>312</b>	<b>9</b>	395	8
5 (iii) Securities financing transactions	<b>2,125</b>	<b>42</b>	1,648	33
8 Non-segregated initial margin	—	—	11	—
9 Pre-funded default fund contributions	<b>322</b>	<b>114</b>	223	85

#### Key point

- As noted under CCR3, exposure to qualifying CCPs increased over the period.

## Market risk

### MR1: MR IMA and STD: RWAs and MCR – NatWest Group and large subsidiaries

The table below shows market risk RWAs and MCR by calculation method and type of risk for NatWest Group and large subsidiaries. MCR is calculated as 8% of RWAs, with the exception of RBSI where the MCR in accordance with the local jurisdiction is 10% of RWAs.

	NatWest Group		NWH Group		NWM Plc		RBSI	
	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m
<b>30 June 2021</b>								
<b>STD</b>	<b>1,421</b>	<b>114</b>	<b>124</b>	<b>10</b>	<b>248</b>	<b>20</b>	<b>14</b>	<b>1</b>
1 Interest rate position risk (outright products)	604	49	—	—	149	12	—	—
2 Equity position risk (outright products)	—	—	—	—	—	—	—	—
3 Foreign exchange position risk (outright products)	750	60	124	10	32	3	14	1
4 Commodity position risk (outright products)	—	—	—	—	—	—	—	—
6 Option position risk (delta-plus approach)	—	—	—	—	—	—	—	—
8 Securitisation positions	67	5	—	—	67	5	—	—
<b>Internal model approach</b>	<b>9,424</b>	<b>754</b>	<b>—</b>	<b>—</b>	<b>8,949</b>	<b>716</b>	<b>—</b>	<b>—</b>
VaR	1,312	105	—	—	1,147	92	—	—
SVaR	5,212	417	—	—	4,932	395	—	—
Incremental risk charge	1,184	95	—	—	1,165	93	—	—
Other (RNIV)	1,716	137	—	—	1,705	136	—	—
<i>Of which: VaR-based RNIV</i>	<i>216</i>	<i>17</i>	<i>—</i>	<i>—</i>	<i>212</i>	<i>17</i>	<i>—</i>	<i>—</i>
<i>Of which: SVaR-based RNIV</i>	<i>352</i>	<i>28</i>	<i>—</i>	<i>—</i>	<i>346</i>	<i>28</i>	<i>—</i>	<i>—</i>
<i>Of which: Stress RNIV</i>	<i>1,148</i>	<i>92</i>	<i>—</i>	<i>—</i>	<i>1,147</i>	<i>91</i>	<i>—</i>	<i>—</i>
<b>Total</b>	<b>10,845</b>	<b>868</b>	<b>124</b>	<b>10</b>	<b>9,197</b>	<b>736</b>	<b>14</b>	<b>1</b>
<b>30 December 2020</b>								
<b>STD</b>	<b>1,008</b>	<b>81</b>	<b>106</b>	<b>9</b>	<b>253</b>	<b>20</b>	<b>42</b>	<b>4</b>
1 Interest rate position risk (outright products)	658	54	—	—	149	12	—	—
2 Equity position risk (outright products)	—	—	—	—	—	—	—	—
3 Foreign exchange position risk (outright products)	268	21	106	9	24	2	42	4
4 Commodity position risk (outright products)	2	—	—	—	—	—	—	—
6 Option position risk (delta-plus approach)	—	—	—	—	—	—	—	—
8 Securitisation positions	80	6	—	—	80	6	—	—
<b>Internal model approach</b>	<b>8,354</b>	<b>668</b>	<b>—</b>	<b>—</b>	<b>7,897</b>	<b>632</b>	<b>—</b>	<b>—</b>
VaR	1,599	128	—	—	1,446	116	—	—
SVaR	3,666	293	—	—	3,377	270	—	—
Incremental risk charge	1,459	117	—	—	1,449	116	—	—
Other (RNIV)	1,630	130	—	—	1,625	130	—	—
<i>Of which: VaR-based RNIV</i>	<i>125</i>	<i>10</i>	<i>—</i>	<i>—</i>	<i>124</i>	<i>10</i>	<i>—</i>	<i>—</i>
<i>Of which: SVaR-based RNIV</i>	<i>264</i>	<i>21</i>	<i>—</i>	<i>—</i>	<i>261</i>	<i>21</i>	<i>—</i>	<i>—</i>
<i>Of which: Stress RNIV</i>	<i>1,241</i>	<i>99</i>	<i>—</i>	<i>—</i>	<i>1,240</i>	<i>99</i>	<i>—</i>	<i>—</i>
<b>Total</b>	<b>9,362</b>	<b>749</b>	<b>106</b>	<b>9</b>	<b>8,150</b>	<b>652</b>	<b>42</b>	<b>4</b>

#### Key points

##### NatWest Group

- Total RWAs decreased over the period. The majority of the exposure related to NatWest Markets Plc.

##### NWH Group

- The increase over the period primarily reflected an increase in US dollar and euro positions and transfer pricing charges between NWH Group entities.
- RWAs relate solely to the banking book foreign exchange charge.

##### NWM Plc

- The key contributor to the increase in RWAs was SVaR-based RWAs. Refer to MR2\_B for additional commentary.

##### RBSI

- RWAs relate solely to the banking book foreign exchange charge.

## Market risk

### MR2\_A: MR IMA: RWAs and MCR

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

	30 June 2021		31 December 2020	
	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m
1 VaR (higher of a and b)	1,312	105	1,599	128
a Period end VaR	535	43	431	34
b Average of the daily VaR for preceding 60 business days x multiplication factor	1,312	105	1,599	128
2 SVaR (higher of a and b)	5,212	417	3,666	293
a Period end SVaR	1,655	132	1,227	98
b Average of the SVaR for preceding 60 business days x multiplication factor	5,212	417	3,666	293
3 Incremental risk charge (higher of a and b)	1,184	95	1,459	117
a Period end IRC value	1,184	95	1,380	110
b Average IRC over preceding 60 business days	1,137	91	1,459	117
5 Other (RNIV at period end)	1,716	137	1,630	130
6 Total	9,424	754	8,354	668

#### Key point

- Refer to the commentary below MR2\_B.

### MR3: MR IMA: IMA values for trading portfolios – NatWest Group and large subsidiaries

The table below shows the minimum, maximum, average and period end values, over the reporting period, derived from the models approved under the IMA for use in calculating market risk capital requirements and RWAs. The reported values do not include any capital multipliers or other additional capital charges that may be applied at the supervisor's discretion.

	30 June 2021		31 December 2020	
	NatWest Group £m	NWM Plc £m	NatWest Group £m	NWM Plc £m
VaR (10 day 99%)				
1 Maximum value	43	39	72	70
2 Average value	33	30	45	42
3 Minimum value	28	25	28	25
4 Period end	43	39	34	32
SVaR (10 day 99%)				
5 Maximum value	157	151	141	135
6 Average value	119	113	105	99
7 Minimum value	82	76	76	70
8 Period end	132	127	98	92
IRC (99.9%)				
9 Maximum value	138	137	183	177
10 Average value	96	95	131	129
11 Minimum value	78	77	107	106
12 Period end	95	93	110	110

#### Key point

- The movements in VaR, SVaR and IRC values for NatWest Group and NWM Plc were broadly in line with the trends in market risk capital requirements under the internal model approach, as presented in MR2\_B.



## Market risk

### VaR back-testing

The main approach employed to assess the VaR model's ongoing performance is back-testing, which counts the number of days when a loss exceeds the corresponding daily VaR estimate, measured at a 99% confidence level.

Two types of profit and loss (P&L) are used in back-testing comparisons: Actual P&L and Hypothetical (Hypo) P&L.

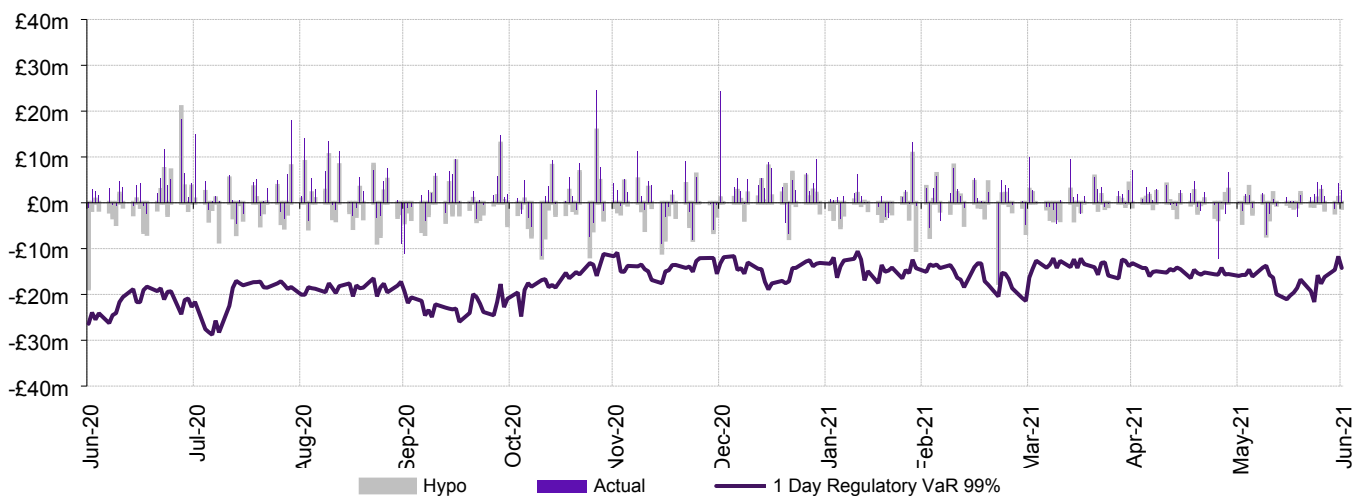
The Actual P&L for a particular business day is the firm's actual P&L in respect of the trading activities, including intraday activities, adjusted by stripping out fees and commissions, brokerage, and additions to and releases from reserves that are not directly related to market risk.

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

A portfolio is said to produce a back-testing exception when the Actual or Hypo P&L exceeds the VaR level on a given day. Such an event may be caused by a large market movement or may highlight issues such as missing risk factors or inappropriate time series. Any such issues identified are analysed and addressed through appropriate remediation or development action. Both Actual and Hypo back-testing exceptions are monitored.

### MR4: 1-day 99% regulatory VaR vs. Actual and Hypo P&L

The graph below shows one-day 99% regulatory VaR compared with Actual and Hypo P&L for NatWest Markets Plc, NatWest Group's largest legal entity by market risk RWAs and positions.



### Key point

- NWM Plc did not experience any VaR model back-testing exceptions in the 250-business-day period to 30 June 2021.

## Securitisation

### Securitisation exposures: retained and purchased SEC 1: Securitisation exposures in the banking book

	Originator			Sponsor			Investor		
	Traditional £m	Synthetic £m	Sub-total £m	Traditional £m	Synthetic £m	Sub-total £m	Traditional £m	Synthetic £m	Sub-total £m
<b>Retail (total)</b>	—	—	—	22	—	22	3,822	—	3,822
Residential mortgages	—	—	—	—	—	—	2,912	—	2,912
Credit Card Receivables	—	—	—	—	—	—	—	—	—
Consumer Loans	—	—	—	22	—	22	902	—	902
Loans to SMEs (treated as Retail)	—	—	—	—	—	—	8	—	8
<b>Wholesale (total)</b>	—	5,254	5,254	—	—	—	2,539	—	2,539
Commercial Mortgages	—	1,526	1,526	—	—	—	493	—	493
Leasing	—	—	—	—	—	—	75	—	75
Loans to corporates	—	3,728	3,728	—	—	—	1,529	—	1,529
Trade Receivables	—	—	—	—	—	—	94	—	94
Auto Receivables	—	—	—	—	—	—	348	—	348
<b>Total at 30 June 2021</b>	<b>—</b>	<b>5,254</b>	<b>5,254</b>	<b>22</b>	<b>—</b>	<b>22</b>	<b>6,361</b>	<b>—</b>	<b>6,361</b>
<b>Retail (total)</b>	—	—	—	24	—	24	4,209	—	4,209
Residential mortgages	—	—	—	—	—	—	3,253	—	3,253
Credit Card Receivables	—	—	—	—	—	—	—	—	—
Consumer Loans	—	—	—	24	—	24	939	—	939
Loans to SMEs (treated as Retail)	—	—	—	—	—	—	17	—	17
<b>Wholesale (total)</b>	—	6,342	6,342	—	—	—	2,556	—	2,556
Commercial Mortgages	—	1,706	1,706	—	—	—	458	—	458
Leasing	—	—	—	—	—	—	76	—	76
Loans to corporates	—	4,636	4,636	—	—	—	1,262	—	1,262
Trade Receivables	—	—	—	—	—	—	99	—	99
Auto Receivables	—	—	—	—	—	—	661	—	661
<b>Total at 31 December 2020</b>	<b>—</b>	<b>6,342</b>	<b>6,342</b>	<b>24</b>	<b>—</b>	<b>24</b>	<b>6,765</b>	<b>—</b>	<b>6,765</b>

#### Key points

- The decrease in exposures mainly reflected expired and amortised facilities for residential mortgages and loans to corporates in NWH Group.
- The total exposure amount included EAD of £0.6 billion (2020 – £0.8 billion) and RWAs of £0.4 billion (2020 – £0.4 billion) related to counterparty credit risk associated with derivative trades. Within this, residential mortgages accounted for EAD of £0.3 billion (2020 – £0.4 billion) and RWAs of £0.2 billion (2020 – £0.2 billion)

## Securitisation

### SEC 2: Securitisation exposures in the trading book

	Originator			Sponsor			Investor		
	Traditional £m	Synthetic £m	Sub-total £m	Traditional £m	Synthetic £m	Sub-total £m	Traditional £m	Synthetic £m	Sub-total £m
<b>Retail (total)</b>	—	—	—	—	—	—	3	—	3
Residential mortgages	—	—	—	—	—	—	3	—	3
Credit Card Receivables	—	—	—	—	—	—	—	—	—
Consumer Loans	—	—	—	—	—	—	—	—	—
Loans to SMEs (treated as Retail)	—	—	—	—	—	—	—	—	—
<b>Wholesale (total)</b>	—	—	—	—	—	—	17	—	17
Commercial Mortgages	—	—	—	—	—	—	—	—	—
Leasing	—	—	—	—	—	—	—	—	—
Loans to corporates	—	—	—	—	—	—	16	—	16
Trade Receivables	—	—	—	—	—	—	—	—	—
Auto Receivables	—	—	—	—	—	—	—	—	—
Other Wholesale Exposures	—	—	—	—	—	—	1	—	1
<b>Total at 30 June 2021</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20</b>	<b>—</b>	<b>20</b>
<b>Retail (total)</b>	—	—	—	—	—	—	10	—	10
Residential mortgages	—	—	—	—	—	—	10	—	10
Credit Card Receivables	—	—	—	—	—	—	—	—	—
Consumer Loans	—	—	—	—	—	—	—	—	—
Loans to SMEs (treated as Retail)	—	—	—	—	—	—	—	—	—
<b>Wholesale (total)</b>	—	—	—	—	—	—	17	—	17
Commercial Mortgages	—	—	—	—	—	—	—	—	—
Leasing	—	—	—	—	—	—	—	—	—
Loans to corporates	—	—	—	—	—	—	17	—	17
Trade Receivables	—	—	—	—	—	—	—	—	—
Auto Receivables	—	—	—	—	—	—	—	—	—
Other Wholesale Exposures	—	—	—	—	—	—	—	—	—
<b>Total at 31 December 2020</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>27</b>	<b>—</b>	<b>27</b>

#### Key point

- Securitisation exposures in the trading book were broadly unchanged.

## Securitisation

### SEC 3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

	30 June 2021												
	Exposure values					Exposure values				RWA			
	(by RW bands)					(by regulatory approach)				(by regulatory approach)			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-ERBA	SEC-IRBA	SEC-SA	12.5	SEC-ERBA	SEC-IRBA	SEC-SA	12.5
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<b>Total Exposures</b>	<b>5,273</b>	—	—	—	<b>3</b>	—	<b>5,254</b>	<b>22</b>	—	—	<b>865</b>	<b>3</b>	—
Traditional securitisation	22	—	—	—	—	—	—	22	—	—	—	3	—
Of which securitisation	22	—	—	—	—	—	—	22	—	—	—	3	—
Of which retail	22	—	—	—	—	—	—	22	—	—	—	3	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Synthetic securitisation	5,251	—	—	—	3	—	5,254	—	—	—	865	—	—
Of which securitisation	5,251	—	—	—	3	—	5,254	—	—	—	865	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	5,251	—	—	—	3	—	5,254	—	—	—	865	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—

	31 December 2020												
	Exposure values					Exposure values				RWA			
	(by RW bands)					(by regulatory approach)				(by regulatory approach)			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	AIRB	SEC-ERBA	SEC-SA	12.5	AIRB	SEC-ERBA	SEC-SA	12.5
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<b>Total Exposures</b>	<b>6,365</b>	—	—	—	<b>1</b>	—	<b>6,342</b>	<b>24</b>	—	—	<b>1,004</b>	<b>4</b>	—
Traditional securitisation	24	—	—	—	—	—	—	24	—	—	—	4	—
Of which securitisation	24	—	—	—	—	—	—	24	—	—	—	4	—
Of which retail	24	—	—	—	—	—	—	24	—	—	—	4	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Synthetic securitisation	6,341	—	—	—	1	—	6,342	—	—	—	1,004	—	—
Of which securitisation	6,341	—	—	—	1	—	6,342	—	—	—	1,004	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	6,341	—	—	—	1	—	6,342	—	—	—	1,004	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—

#### Key point

- The decrease in exposures mainly reflected expired and amortised facilities in NWH Group.

## Securitisation

### Securitisation exposures: retained and purchased

#### SEC 4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

	30 June 2021												
	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC- ERBA	SEC- IRBA	SEC- SA	12.5	SEC- ERBA	SEC- IRBA	SEC- SA	12.5
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Total Exposures</b>	<b>5,715</b>	<b>447</b>	<b>75</b>	<b>122</b>	<b>2</b>	<b>528</b>	<b>—</b>	<b>5,825</b>	<b>8</b>	<b>447</b>	<b>—</b>	<b>884</b>	<b>97</b>
<b>Traditional securitisation</b>	<b>5,715</b>	<b>447</b>	<b>75</b>	<b>122</b>	<b>2</b>	<b>528</b>	<b>—</b>	<b>5,825</b>	<b>8</b>	<b>447</b>	<b>—</b>	<b>884</b>	<b>97</b>
Of which securitisation	5,715	447	75	122	2	528	—	5,825	8	447	—	884	97
Of which retail	3,595	35	75	115	2	196	—	3,618	8	273	—	538	97
Of which wholesale	2,120	412	—	7	—	332	—	2,207	—	174	—	346	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic securitisation</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Of which securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—

	31 December 2020												
	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	AIRB	SEC- ERBA	SEC- SA	12.5	AIRB	SEC- ERBA	SEC- SA	12.5
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Total Exposures</b>	<b>6,079</b>	<b>212</b>	<b>303</b>	<b>163</b>	<b>8</b>	<b>1,342</b>	<b>—</b>	<b>5,415</b>	<b>8</b>	<b>664</b>	<b>—</b>	<b>817</b>	<b>97</b>
<b>Traditional securitisation</b>	<b>6,079</b>	<b>212</b>	<b>303</b>	<b>163</b>	<b>8</b>	<b>1,342</b>	<b>—</b>	<b>5,415</b>	<b>8</b>	<b>664</b>	<b>—</b>	<b>817</b>	<b>97</b>
Of which securitisation	6,079	212	303	163	8	1,342	—	5,415	8	664	—	817	97
Of which retail	3,942	6	109	144	8	408	—	3,793	8	353	—	574	97
Of which wholesale	2,137	206	194	19	—	934	—	1,622	—	311	—	243	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic securitisation</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Of which securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—

#### Key point

- The decrease in exposures mainly reflected expired and amortised facilities in NWH Group.