



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

# 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 Holdings Limited (NWH Ltd) and its parent, NatWest Group's, future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NWH Ltd or 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 NWH Ltd (or 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 NWH Ltd 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 NWH Ltd or NatWest Group plc do not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

## Presentation of information

- The 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 and therefore NWH Group are 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 Holdings Group (NWH Group) are designed to comply with the CRR. Based on the criteria set out in the CRR, NWH 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, those subsidiaries were:
  - National Westminster Bank Plc (NWB Plc)
  - Royal Bank of Scotland plc (RBS plc)
  - Ulster Bank Ireland Designated Activity Company (UBIDAC)
  - Coutts & Company (Coutts & Co)
- For the basis of preparation and disclosure framework, refer to NWH Group's 2020 Pillar 3 Report. Refer to the glossary for definitions of terms available on [natwestgroup.com](http://natwestgroup.com).
- NatWest Group – the RFB sub-group - is subject to an O-SII buffer, which replaced the Systemic Risk Buffer (SRB) used to prevent and mitigate long-term non-cyclical macroprudential or systemic risks set by the PRA to large building societies and ring fenced bodies (RFBs), effective December 2020.
- 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 have not been shown.

## Capital, liquidity and funding

### NatWest Holdings Group - Key points

#### CET1 Ratio (CRR end-point)

HY 2021 16.6%

YE 2020 17.5%

The CET1 ratio decreased by 90 basis points to 16.6%, reflecting a decrease in CET1 capital of £2.7 billion and a decrease in RWAs of £8.5 billion. The decrease reflects the attributable profit in the period of £1.9 billion, dividends paid of £1.0 billion, the £2.5 billion foreseeable dividend and a £0.2 billion foreseeable charge. A £0.5 billion decrease in IFRS 9 transitional arrangements on expected credit losses offset the impact of impairment releases.

#### RWA

HY 2021 £126.8bn

YE 2020 £135.3bn

Total RWAs decreased by £8.5 billion reflecting a decrease in credit risk RWAs of £7.4 billion and a £0.9 billion reduction in operational risk RWAs following the annual calculation in Q1 2021. The credit risk decrease mainly reflects repayments and expired facilities of c.£4 billion in Commercial Banking, a c.£0.8 billion reduction due to improved risk metrics in Retail Banking as well as reduced exposures in the Ulster Bank RoI franchise in line with the current exit strategy. The credit risk RWA decrease also included a £0.8 billion reduction as a result of the CRR COVID-19 amendment for the infrastructure supporting factor. Counterparty credit risk RWAs reduced by £0.2 billion.

#### CRR leverage ratio

HY 2021 4.5%

YE 2020 5.3%

The CRR leverage ratio decreased by 80 basis points to 4.5%. This was driven by a £2.8 billion decrease in Tier 1 capital and a £23.6 billion increase in leverage exposure mostly in cash and balances at central banks.

#### UK leverage ratio

HY 2021 5.9%

YE 2020 6.5%

The UK leverage ratio decreased by 60 basis points to 5.9%, mainly as a result of the £2.8 billion decrease in Tier 1 capital.

#### NSFR

HY 2021 150%

YE 2020 145%

The net stable funding ratio (NSFR) for HY 2021 was 150% compared to 145% at YE 2020. The increase is mainly due to deposits growth.

## Capital, liquidity and funding

### KM1: BCBS 2 & EBA IFRS 9-FL: Key metrics – NWH 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. NWH 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 KM1	IFRS 9-FL		30 June 2021 £m	31 March 2021 £m	31 December 2020 £m	30 September 2020 £m	30 June 2020 £m
<b>Capital</b>							
1	1	Common equity tier 1 (CET1)	<b>21,026</b>	24,017	23,743	23,265	22,631
	2	Common equity tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied	<b>19,846</b>	22,407	22,043	21,589	21,076
2	3	Tier 1 capital	<b>24,702</b>	27,693	27,419	26,941	26,307
	4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	<b>23,522</b>	26,083	25,719	25,265	24,752
3	5	Total capital	<b>29,568</b>	32,575	32,425	32,155	31,345
	6	Total capital as if IFRS 9 transitional arrangements had not been applied	<b>28,605</b>	31,219	30,922	30,712	29,790
<b>Risk-weighted assets (amounts)</b>							
4	7	Total risk-weighted assets (RWAs)	<b>126,797</b>	129,717	135,331	136,544	139,328
	8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	<b>126,724</b>	129,604	135,192	136,425	139,206
<b>Risk-based capital ratios as a percentage of RWAs</b>			%	%	%	%	%
5	9	Common equity tier 1 ratio	<b>16.6</b>	18.5	17.5	17.0	16.2
	10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	<b>15.7</b>	17.3	16.3	15.8	15.1
6	11	Tier 1 ratio	<b>19.5</b>	21.3	20.3	19.7	18.9
	12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	<b>18.6</b>	20.1	19.0	18.5	17.8
7	13	Total capital ratio	<b>23.3</b>	25.1	24.0	23.5	22.5
	14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	<b>22.6</b>	24.1	22.9	22.5	21.4
<b>Additional CET1 buffer requirements as a percentage of RWAs</b>							
8		Capital conservation buffer requirement	<b>2.5</b>	2.5	2.5	2.5	2.5
9		Countercyclical capital buffer requirement (1)	<b>—</b>	—	—	—	—
10		Bank GSIB and/or DSIB additional requirements	<b>1.5</b>	1.5	1.5	1.5	1.5
11		Total of CET1 specific buffer requirements (8+9+10)	<b>4.0</b>	4.0	4.0	4.0	4.0
12		CET1 available after meeting the bank's minimum capital requirements (2)	<b>10.5</b>	12.4	11.5	10.8	10.0
<b>CRR Leverage ratio</b>			£m	£m	£m	£m	£m
13	15	CRR leverage ratio exposure measure	<b>545,161</b>	534,610	521,600	498,778	493,226
14	16	CRR leverage ratio %	<b>4.5</b>	5.2	5.3	5.4	5.3
14a	17	CRR leverage ratio as if IFRS 9 transitional arrangements had not been applied %	<b>4.3</b>	4.9	4.9	5.1	5.0
<b>UK Leverage ratio</b>				£m	£m	£m	£m
		UK leverage ratio exposure measure	<b>420,172</b>	417,781	420,764	418,008	421,149
		UK leverage ratio (3)	<b>5.9</b>	6.6	6.5	6.4	6.2
		Average exposure	<b>429,382</b>	430,195	415,430	420,941	419,249
		Average leverage ratio (%)	<b>6.3</b>	6.4	6.5	6.3	6.2
<b>Liquidity coverage ratio</b>			£m	£m	£m	£m	£m
15		Total high-quality liquid asset (HQLA)	<b>133,968</b>	128,257	119,655	111,268	105,212
16		Total net cash outflows	<b>88,603</b>	85,657	81,256	76,993	73,944
17		LCR ratio % (4)	<b>151</b>	150	147	144	142
<b>Net stable funding ratio (NSFR)</b>							
18		Total available stable funding	<b>368,973</b>	360,037	357,595	344,889	345,629
19		Total required stable funding	<b>245,632</b>	242,053	246,338	245,403	252,379
20		NSFR % (5)	<b>150</b>	149	145	141	137

#### 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) This represents the 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 monthly periods ending on the quarterly reporting date as specified in the table which will incrementally increase each quarter as history builds.
- (5) NSFR reported in line with CRR2 regulations finalised in June 2019. 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 NWH Group and its large subsidiaries. Capital measures are on a CRR transitional basis. NWH 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.

	30 June 2021				
	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
<b>Available capital (amounts) - transitional</b>					
1 Common equity tier 1	21,026	14,713	2,653	3,394	1,252
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	19,846	13,963	2,432	3,189	1,198
3 Tier 1 capital	24,702	16,821	3,622	3,394	1,454
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	23,522	16,071	3,401	3,189	1,400
5 Total capital	29,702	19,779	4,998	3,630	1,720
6 Total capital as if IFRS 9 transitional arrangements had not been applied	28,739	19,284	4,836	3,425	1,666
<b>Risk-weighted assets (amounts)</b>					
7 Total risk-weighted assets	126,797	85,892	21,229	13,258	10,321
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	126,724	85,857	21,221	13,253	10,266
<b>Risk-based capital ratios as a percentage of RWAs</b>					
	%	%	%	%	%
9 Common equity tier 1 ratio	16.6	17.1	12.5	25.6	12.1
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.7	16.3	11.5	24.1	11.7
11 Tier 1 ratio	19.5	19.6	17.1	25.6	14.1
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.6	18.7	16.0	24.1	13.6
13 Total capital ratio	23.4	23.0	23.5	27.4	16.7
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	22.7	22.5	22.8	25.8	16.2
<b>Leverage ratio</b>					
15 CRR leverage ratio exposure measure (£m)	545,161	401,880	88,976	21,630	18,358
16 CRR leverage ratio (%)	4.5	4.2	4.1	15.7	7.9
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.3	4.0	3.8	14.9	7.6

  

	31 March 2021				
	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
<b>Available capital (amounts) - transitional</b>					
1 Common equity tier 1	24,017	15,661	4,611	3,373	1,227
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	22,407	14,686	4,268	3,158	1,153
3 Tier 1 capital	27,721	17,798	5,580	3,373	1,429
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	26,111	16,823	5,237	3,158	1,355
5 Total capital	32,736	20,796	6,942	3,626	1,695
6 Total capital as if IFRS 9 transitional arrangements had not been applied	31,380	20,093	6,683	3,411	1,621
<b>Risk-weighted assets (amounts)</b>					
7 Total risk-weighted assets	129,717	84,731	23,141	12,109	10,301
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	129,604	84,697	23,115	12,105	10,227
<b>Risk-based capital ratios as a percentage of RWAs</b>					
	%	%	%	%	%
9 Common equity tier 1 ratio	18.5	18.5	19.9	27.9	11.9
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.3	17.3	18.5	26.1	11.3
11 Tier 1 ratio	21.4	21.0	24.1	27.9	13.9
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	20.1	19.9	22.7	26.1	13.2
13 Total capital ratio	25.2	24.5	30.0	29.9	16.5
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	24.2	23.7	28.9	28.2	15.9
<b>Leverage ratio</b>					
15 CRR leverage ratio exposure measure (£m)	534,610	388,217	88,329	22,734	18,034
16 CRR leverage ratio (%)	5.2	4.6	6.3	14.8	7.9
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	4.9	4.3	6.0	14.0	7.5

## Capital, liquidity and funding

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

	31 December 2020				
	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
<b>Available capital (amounts) - transitional</b>					
1 Common equity tier 1	23,743	15,424	4,431	3,569	1,227
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	22,043	14,405	4,051	3,333	1,147
3 Tier 1 capital	27,477	17,590	5,400	3,569	1,429
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	25,777	16,571	5,020	3,333	1,349
5 Total capital	32,750	20,765	6,815	3,858	1,695
6 Total capital as if IFRS 9 transitional arrangements had not been applied	31,247	20,000	6,485	3,622	1,615
<b>Risk-weighted assets (amounts)</b>					
7 Total risk-weighted assets	135,331	86,882	25,133	12,697	10,212
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	135,192	86,828	25,096	12,693	10,132
<b>Risk-based capital ratios as a percentage of RWAs</b>					
	%	%	%	%	%
9 Common equity tier 1 ratio	17.5	17.8	17.6	28.1	12.0
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	16.3	16.6	16.1	26.3	11.3
11 Tier 1 ratio	20.3	20.2	21.5	28.1	14.0
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	19.1	19.1	20.0	26.3	13.3
13 Total capital ratio	24.2	23.9	27.1	30.4	16.6
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	23.1	23.0	25.8	28.5	15.9
<b>Leverage ratio</b>					
15 CRR leverage ratio exposure measure (£m)	521,600	376,527	85,867	23,961	17,414
16 CRR leverage ratio (%)	5.3	4.7	6.3	14.9	8.2
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.0	4.4	5.9	14.0	7.8

	30 September 2020				
	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
<b>Available capital – transitional</b>					
1 Common equity tier 1	23,265	14,823	4,267	3,411	1,206
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	21,589	13,813	3,901	3,411	1,135
3 Tier 1 capital	26,999	16,989	5,236	3,411	1,408
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	25,323	15,979	4,870	3,411	1,337
5 Total capital	32,480	20,266	6,726	3,723	1,674
6 Total capital as if IFRS 9 transitional arrangements had not been applied	31,037	19,544	6,420	3,723	1,603
<b>Risk-weighted assets</b>					
7 Total risk-weighted assets	136,544	87,003	26,397	12,037	9,877
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	136,425	86,955	26,363	12,037	9,806
<b>Risk-based capital ratios as a percentage of RWAs</b>					
	%	%	%	%	%
9 Common equity tier 1 ratio	17.0	17.0	16.2	28.3	12.2
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.8	15.9	14.8	28.3	11.6
11 Tier 1 ratio	19.8	19.5	19.8	28.3	14.3
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.6	18.4	18.5	28.3	13.6
13 Total capital ratio	23.8	23.3	25.5	30.9	16.9
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	22.8	22.5	24.4	30.9	16.3
<b>Leverage ratio</b>					
15 CRR leverage ratio exposure measure (£m)	498,778	353,734	88,887	24,067	16,599
16 CRR leverage ratio (%)	5.4	4.8	5.9	14.2	8.5
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.1	4.5	5.5	14.2	8.1

## Capital, liquidity and funding

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

	30 June 2020				
	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
<b>Available capital (amounts) - transitional</b>					
1 Common equity tier 1	22,631	14,261	4,113	3,409	1,189
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	21,076	13,367	3,753	3,409	1,138
3 Tier 1 capital	26,365	16,427	5,082	3,409	1,391
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	24,810	15,533	4,722	3,409	1,340
5 Total capital	31,670	19,708	6,577	3,749	1,657
6 Total capital as if IFRS 9 transitional arrangements had not been applied	30,115	18,814	6,217	3,749	1,606
<b>Risk-weighted assets (amounts)</b>					
7 Total risk-weighted assets	139,328	87,536	27,306	12,784	9,673
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	139,206	87,504	27,268	12,784	9,622
<b>Risk-based capital ratios as a percentage of RWAs</b>					
	%	%	%	%	%
9 Common equity tier 1 ratio	16.2	16.3	15.1	26.7	12.3
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.1	15.3	13.8	26.7	11.8
11 Tier 1 ratio	18.9	18.8	18.6	26.7	14.4
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.8	17.8	17.3	26.7	13.9
13 Total capital ratio	22.7	22.5	24.1	29.3	17.1
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	21.6	21.5	22.8	29.3	16.6
<b>Leverage ratio</b>					
15 CRR leverage ratio exposure measure (£m)	493,226	349,262	87,826	29,682	16,126
16 CRR leverage ratio (%)	5.3	4.7	5.8	11.5	8.6
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.0	4.4	5.4	11.5	8.3

### Large subsidiaries key points - capital and leverage

#### NWB Plc

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

- The CET1 ratio decreased to 17.1% from 17.8% due to a £0.7 billion decrease in CET1 capital and a £1.0 billion decrease in RWAs. The CET1 decrease reflects a £1.6 billion foreseeable dividend, £0.2 billion foreseeable charges and a decrease of £0.3 billion due to transitional arrangements on expected credit losses, which offset the impact of impairment releases. This was partially offset by the attributable profit in the period.
- NWB Plc 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 £1.0 billion in the period mainly reflecting a £1.1 billion reduction in credit risk. The overall reduction in credit risk RWAs was largely due to repayments and expired facilities of c.£2 billion in Commercial Banking as well as a reduction of c.£0.6 billion due to improved risk metrics for key customer portfolios in Retail Banking. The transfer of the Ulster Bank Limited business resulted in offsetting increases in credit risk RWAs of c.£1.6 billion.
- The leverage ratio decreased to 4.2% from 4.7% as a result of the increase in balance sheet assets, predominantly in cash and balances at central banks, in addition to a decrease in Tier 1 capital.

#### RBS plc

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

- The CET1 ratio decreased to 12.5% from 17.6% due to a £1.8 billion decrease in CET1 capital and a £3.9 billion decrease in RWAs. The CET1 decrease reflects the attributable profit in the period of £0.5 billion, dividends paid of £1.0 billion and a £1.1 billion foreseeable dividend.
- Total RWAs decreased by £3.9 billion in the period driven by a £3.1 billion decrease in credit risk and a £0.8 billion reduction in operational risk RWAs following the annual recalculation in Q1 2021. The decrease in credit risk RWAs was largely attributed to repayments and expired facilities in Commercial Banking.
- The leverage ratio decreased to 4.1% from 6.3% driven by a decrease in Tier 1 capital.

#### UBIDAC

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

- The CET1 ratio decreased to 25.6% from 28.1%, primarily driven by an increase in RWAs.
- RWAs increased by £0.6 billion primarily due to voluntary adjustments to capital metrics as agreed with the regulator in December 2020 and June 2021. This was offset by NPL asset sales, reduction in lending volumes and improvement in asset quality.
- The leverage ratio increased to 15.7% from 14.9% driven by a decrease in balance sheet exposure.

#### Coutts & Co

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

- The CET1 ratio increased to 12.1% from 12.0% at 31 December 2020 reflecting a marginal increase in CET1 capital and an increase in RWAs.
- CET1 capital increased due to inclusion of prior year profits offset by the distribution of attributable profit in the period.
- RWAs increased by £0.1 billion in H1 2021 mainly reflecting a rise in credit risk RWAs due to lending growth.
- The leverage ratio decreased to 7.9% from 8.2% as a result of mortgage growth.



## Capital, liquidity and funding

### CC1: Composition of regulatory capital – NWH 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 NWH Group only.

30 June 2021							
	NWH Group						
	PRA transitional £m	CRR prescribed residual amounts £m	CRR end-point £m	NWB Plc £m	RBS plc £m	UBIDAC £m	Coutts & Co £m
<b>CET1 capital: instruments and reserves</b>							
1 Capital instruments and the related share premium accounts	3,263	—	3,263	3,903	20	3,636	41
<i>Of which: ordinary shares</i>	3,263	—	3,263	1,678	20	2,900	41
2 Retained earnings	34,672	—	34,672	10,974	2,699	(322)	1,090
3 Accumulated other comprehensive income (and other reserves)	(11,134)	—	(11,134)	825	104	6	107
4 Public sector capital injections grandfathered until 1 January 2019	—	—	—	—	—	—	—
5a Independently reviewed interim net profits net of any foreseeable charge or dividend	—	—	—	—	—	—	—
6 CET1 capital before regulatory adjustments	<b>26,801</b>	<b>—</b>	<b>26,801</b>	<b>15,702</b>	<b>2,823</b>	<b>3,320</b>	<b>1,238</b>
7 Additional value adjustments	(15)	—	(15)	(12)	(4)	—	—
8 (-) Intangible assets (net of related tax liability)	(5,836)	—	(5,836)	(480)	(86)	—	(40)
10 (-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(832)	—	(832)	(633)	(192)	(7)	—
11 Fair value reserves related to gains or losses on cash flow hedges	(212)	—	(212)	35	(109)	—	—
12 (-) Negative amounts resulting from the calculation of expected loss amounts	—	—	—	—	—	—	—
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—	—	—	—	—	—	—
15 (-) Defined-benefit pension fund assets	(60)	—	(60)	—	—	(58)	—
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)	—	—	—	(545)	—	—	—
22 (-) Amount exceeding the 17.65% threshold	—	—	—	(104)	—	—	—
23 (-) 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	—	—	—	(69)	—	—	—
25 (-) Of which: deferred tax assets arising from temporary differences	—	—	—	(35)	—	—	—
25a (-) Losses for the current financial period	—	—	—	—	—	(19)	—
26 Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment	—	—	—	—	—	—	—
26a Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468	—	—	—	—	—	—	—
26b Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre CRR	—	—	—	—	—	—	—
27 (-) Qualifying Additional Tier 1 (AT1) deductions that exceed the AT1 capital of the institution	—	—	—	—	—	—	—
27a Other regulatory adjustments to CET1 capital	1,180	(1,180)	—	750	221	158	54
28 Total regulatory adjustments to CET1	<b>(5,775)</b>	<b>(1,180)</b>	<b>(6,955)</b>	<b>(989)</b>	<b>(170)</b>	<b>74</b>	<b>14</b>
29 CET1 capital	<b>21,026</b>	<b>(1,180)</b>	<b>19,846</b>	<b>14,713</b>	<b>2,653</b>	<b>3,394</b>	<b>1,252</b>

## Capital, liquidity and funding

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

30 June 2021

	NWH Group						
	PRA transitional £m	CRR prescribed residual amounts £m	CRR end-point £m	NWB Plc £m	RBS plc £m	UBIDAC £m	Coutts & Co £m
<b>AT1 capital: instruments</b>							
30 Capital instruments and the related share premium accounts	3,676	—	3,676	2,370	969	—	202
31 Of which: classified as equity under applicable accounting standards	3,676	—	3,676	2,370	969	—	202
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	—	—	—	—	—	—	—
34 Qualifying tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5 CET1) issued by subsidiaries and held by third parties	—	—	—	—	—	—	—
35 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	—	—	—	—	—	—	—
36 AT1 capital before regulatory adjustments	3,676	—	3,676	2,370	969	—	202
<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)	—	—	—	(262)	—	—	—
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	—	—	—	(262)	—	—	—
44 AT1 capital	3,676	—	3,676	2,108	969	—	202
45 Tier 1 capital (T1 = CET1 + AT1)	24,702	(1,180)	23,522	16,821	3,622	3,394	1,454
<b>T2 capital: instruments and provisions</b>							
46 Capital instruments and the related share premium accounts	4,540	—	4,540	3,096	1,339	171	266
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	—	—	—	123	—	—	—
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	134	(134)	—	—	—	—	—
49 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	134	(134)	—	—	—	—	—
50 Credit risk adjustments	326	217	543	109	37	65	—
51 T2 capital before regulatory adjustments	5,000	83	5,083	3,328	1,376	236	266
<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)	—	—	—	(370)	—	—	—
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 before regulatory adjustments</b>							
57 Total regulatory adjustments to T2 capital	—	—	—	(370)	—	—	—

## Capital, liquidity and funding

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

30 June 2021

	NWH Group			NWB Plc	RBS plc	UBIDAC	Coutts & Co
	PRA transitional	CRR prescribed residual amounts	CRR end-point				
	£m	£m	£m	£m	£m	£m	£m
<b>T2 capital before regulatory adjustments</b>							
58 T2 capital	5,000	83	5,083	2,958	1,376	236	266
59 Total capital (TC = T1 + T2)	29,702	(1,097)	28,605	19,779	4,998	3,630	1,720
60 Total risk-weighted assets	126,797	(79)	126,718	85,892	21,229	13,257	10,321
<b>Capital ratios and buffers</b>							
61 CET1 (as a percentage of risk exposure amount)	16.6%		15.7%	17.1%	12.5%	25.6%	12.1%
62 T1 (as a percentage of risk exposure amount)	19.5%		18.6%	19.6%	17.1%	25.6%	14.1%
63 Total capital (as a percentage of risk exposure amount)	23.4%		22.6%	23.0%	23.5%	27.4%	16.7%
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)	8.5%		8.5%	7.0%	7.0%	7.5%	7.0%
65 <i>Of which: capital conservation buffer requirement</i>	2.5%		2.5%	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%		1.5%	—	—	—	—
67a <i>Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	—		—	—	—	0.5%	—
68 CET1 available to meet buffers <sup>(1)</sup>	10.5%		9.6%	11.2%	6.0%	19.1%	6.3%
<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)	—		—	2	—	—	—
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)	—		—	1,536	28	—	110
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	504		504	775	51	1	11
<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	213		213	142	17	15	114
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	545		545	366	95	65	—
<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	29	(29)	—	29	—	—	—
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	134	(134)	—	123	—	14	2
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	171	(171)	—	109	—	—	—

Note:

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

## Capital, liquidity and funding

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

		31 December 2020							
		NWH Group			Source based on reference number/ letters of the	NWB	RBS	UBI	Coutts & Co
		CRR prescribed	residual	CRR end-point	balance sheet under its regulatory scope of consolidation	Plc	plc	DAC	& Co
		PRA transitional	amounts	point		£m	£m	£m	£m
		£m	£m	£m					
1	Capital instruments and the related share premium accounts	3,263	—	3,263	(a)	3,904	20	3,805	41
	<i>Of which: ordinary shares</i>	3,263	—	3,263		1,678	20	3,035	41
2	Retained earnings	36,709	—	36,709	(b)	10,832	4,012	234	1,027
3	Accumulated other comprehensive income (and other reserves)	(10,658)	—	(10,658)	(c)	788	372	90	107
5a	Independently reviewed interim net profits net of any foreseeable charge or dividend	—	—	—		304	297	—	—
6	CET1 capital before regulatory adjustments	29,314	—	29,314		15,828	4,701	4,129	1,175
7	Additional value adjustments	(12)	—	(12)		(9)	(3)	—	—
8	(-) Intangible assets (net of related tax liability)	(5,868)	—	(5,868)	(d)	(525)	(85)	—	(28)
10	(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(760)	—	(760)	(e)	(523)	(186)	(43)	—
11	Fair value reserves related to gains or losses on cash flow hedges	(387)	—	(387)	(i)	133	(376)	(75)	—
12	(-) Negative amounts resulting from the calculation of expected loss amounts	—	—	—		—	—	—	—
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—	—	—		—	—	—	—
15	(-) Defined-benefit pension fund assets	(244)	—	(244)	(f) & (g)	—	—	(244)	—
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)	—	—	—		(499)	—	—	—
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	—	—	—		—	—	(387)	—
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	1,700	(1,700)	—		1,019	380	189	80
28	Total regulatory adjustments to CET1	(5,571)	(1,700)	(7,271)		(404)	(270)	(560)	52
29	CET1 capital	23,743	(1,700)	22,043		15,424	4,431	3,569	1,227

## Capital, liquidity and funding

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

	31 December 2020							
	NWH Group			Source based on reference number/				
	CRR prescribed PRA transitional £m	residual amounts £m	CRR end- point £m	balance sheet under its regulatory scope of consolidation	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
<b>AT1 capital: instruments</b>								
30 Capital instruments and the related share premium accounts	3,676	—	3,676	(h)	2,370	969	—	202
31 Of which: classified as equity under applicable accounting standards	3,676	—	3,676		2,370	969	—	—
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	—	—	—		58	—	—	—
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	58	(58)	—	(j)	—	—	—	—
35 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	58	(58)	—		—	—	—	—
36 AT1 capital before regulatory adjustments	3,734	(58)	3,676		2,428	969	—	202
<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)	—	—	—		(262)	—	—	—
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	—	—	—		(262)	—	—	—
44 AT1 capital	3,734	(58)	3,676		2,166	969	—	202
45 Tier 1 capital (T1 = CET1 + AT1)	27,477	(1,758)	25,719		17,590	5,400	3,569	1,429
<b>T2 capital: instruments and provisions</b>								
46 Capital instruments and the related share premium accounts	4,613	—	4,613	(j)	3,141	1,355	225	266
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	—	—	—		245	—	—	—
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	267	(267)	—	(j)	—	—	—	—
49 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	267	(267)	—		—	—	—	—
50 Credit risk adjustments	393	197	590		121	60	64	—
51 T2 capital before regulatory adjustments	5,273	(70)	5,203		3,507	1,415	289	266
<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)	—	—	—		(332)	—	—	—
56a (-) Actual or contingent obligations to purchase own AT1 instruments	—	—	—		—	—	—	—
56b (-) Other regulatory adjustments to T2 capital	—	—	—		—	—	—	—

## Capital, liquidity and funding

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

	31 December 2020							
	NWH Group			Source based on reference number/ letters of the				
	PRA transitional	CRR prescribed residual amounts	CRR end-point	balance sheet under its regulatory scope of consolidation	NWB Plc	RBS plc	UBI DAC	Coutts & Co
	£m	£m	£m	£m	£m	£m	£m	£m
<a href="#">T2 capital: regulatory adjustments</a>								
56c (-) Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre CRR	—	—	—	—	—	—	—	—
57 Total regulatory adjustments to T2 capital	—	—	—	(332)	—	—	—	—
<a href="#">T2 capital before regulatory adjustments</a>								
58 T2 capital	5,273	(70)	5,203	3,175	1,415	289	266	
59 Total capital (TC = T1 + T2)	32,750	(1,828)	30,922	20,765	6,815	3,858	1,695	
60 Total risk-weighted assets	135,331	(139)	135,192	86,882	25,133	12,697	10,212	
<a href="#">Capital ratios and buffers</a>								
61 CET1 (as a percentage of risk exposure amount)	17.5%		16.3%	17.8%	17.6%	28.1%	12.0%	
62 T1 (as a percentage of risk exposure amount)	20.3%		19.0%	20.2%	21.5%	28.1%	14.0%	
63 Total capital (as a percentage of risk exposure amount)	24.2%		22.9%	23.9%	27.1%	30.4%	16.6%	
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)	8.5%		8.5%	7.0%	7.0%	7.5%	7.0%	
65 <i>Of which: capital conservation buffer requirement</i>	2.5%		2.5%	2.5%	2.5%	2.5%	2.5%	
66 <i>Of which: counter cyclical buffer requirement</i>	0.0%		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%		1.5%	—	—	0.5%	—	
68 CET1 available to meet buffers	11.5%		10.3%	11.9%	11.4%	21.6%	6.2%	
<a href="#">Amounts below the threshold deduction</a>								
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)	—	—	—	—	—	—	—	
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)	—	—	—	1,625	28	—	110	
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	461	—	461	676	46	1	10	
<a href="#">Available caps on the inclusion of provisions in T2</a>								
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	214	—	214	137	25	13	114	
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	590	—	590	375	110	63	—	
<a href="#">Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)</a>								
82 Current cap on AT1 instruments subject to phase out arrangements	58	(58)	—	58	—	—	—	
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	82	(82)	—	82	—	—	—	
84 Current cap on T2 instruments subject to phase out arrangements	267	(267)	—	245	—	29	5	
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	707	(707)	—	653	—	—	—	

## Capital, liquidity and funding

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

The table below shows RWAs and minimum capital requirements (MCR) by risk type for NWH Group and its large subsidiaries. MCR is calculated as 8% of RWAs.

	NWH Group		NWB Plc		RBS plc		UBIDAC		Coutts & Co	
	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m
<b>30 June 2021</b>										
1 Credit risk (excluding counterparty credit risk)	105,506	8,440	65,897	5,272	16,852	1,348	12,009	961	8,924	714
2 <i>Standardised (STD) approach</i>	15,797	1,264	5,861	469	1,167	93	1,165	93	8,924	714
4 <i>Advanced internal ratings based (IRB) approach (1)</i>	89,709	7,176	60,036	4,803	15,685	1,255	10,844	868	—	—
5 <i>Equity IRB under the simple risk-weight or the internal model approach (IMA)</i>	—	—	—	—	—	—	—	—	—	—
6 Counterparty credit risk	779	63	621	50	—	—	296	24	19	2
6a <i>of which: securities financing transactions (2)</i>	188	15	186	15	—	—	1	—	—	—
7 <i>of which: marked-to-market (2)</i>	270	22	196	16	—	—	148	12	19	2
10 <i>of which: internal model method (IMM)</i>	—	—	—	—	—	—	—	—	—	—
11 <i>of which: risk exposure amount for contributions to the default fund of a central counterparty</i>	98	8	98	8	—	—	—	—	—	—
12 <i>of which: credit valuation adjustment (CVA) (2)</i>	223	18	141	11	—	—	147	12	—	—
14 Securitisation exposures in banking book	1,192	95	969	77	222	18	—	—	—	—
15 <i>Internal rating based approach (SEC-IRBA)</i>	866	69	643	51	222	18	—	—	—	—
17 <i>Standardised (STD) approach</i>	128	10	128	10	—	—	—	—	—	—
18 <i>External rating based approach (SEC-ERBA) (3)</i>	198	16	198	16	—	—	—	—	—	—
1,250%	—	—	—	—	—	—	—	—	—	—
19 Market risk	124	10	44	4	6	—	59	5	2	—
20 <i>STD approach</i>	124	10	44	4	6	—	59	5	2	—
23 Operational risk - STD approach	17,935	1,435	12,874	1,060	3,951	316	892	71	1,074	86
27 Amounts below the thresholds for deduction (subject to 250% risk-weight)	1,261	101	5,487	439	198	16	2	—	302	24
29 Total	126,797	10,144	85,892	6,902	21,229	1,698	13,258	1,061	10,321	826

	NWH Group		NWB Plc		RBS plc		UBIDAC		Coutts & Co	
	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m
<b>31 December 2020</b>										
1 Credit risk (excluding counterparty credit risk)	112,872	9,030	66,587	5,329	19,891	1,591	11,581	927	8,808	705
2 <i>Standardised (STD) approach</i>	15,959	1,277	5,176	415	1,775	142	1,025	82	8,808	705
4 <i>Advanced internal ratings based (IRB) approach</i>	96,913	7,753	61,411	4,914	18,116	1,449	10,556	845	—	—
5 <i>Equity IRB under the simple risk-weight or the internal model approach (IMA)</i>	—	—	—	—	—	—	—	—	—	—
6 Counterparty credit risk	961	77	576	46	—	—	117	9	31	2
6a <i>of which: securities financing transactions</i>	172	14	172	14	—	—	—	—	—	—
7 <i>of which: marked-to-market</i>	268	22	160	13	—	—	117	9	31	2
10 <i>of which: internal model method (IMM)</i>	—	—	—	—	—	—	—	—	—	—
11 <i>of which: risk exposure amount for contributions to the default fund of a central counterparty</i>	53	4	53	4	—	—	—	—	—	—
12 <i>of which: credit valuation adjustment (CVA)</i>	468	37	191	15	—	—	—	—	—	—
14 Securitisation exposures in banking book	1,372	110	1,106	88	265	21	—	—	—	—
15 <i>Internal rating based approach (SEC-IRBA)</i>	1,004	80	739	59	265	21	—	—	—	—
17 <i>Standardised (STD) approach</i>	169	14	169	13	—	—	—	—	—	—
18 <i>External rating based approach (SEC-ERBA) (2)</i>	199	16	198	16	—	—	—	—	—	—
1,250%	—	—	—	—	—	—	—	—	—	—
19 Market risk	106	9	18	1	14	1	62	5	6	1
20 <i>STD approach</i>	106	9	18	1	14	1	62	5	6	1
23 Operational risk - STD approach	18,866	1,509	12,843	1,027	4,778	382	935	75	1,068	85
27 Amounts below the thresholds for deduction (subject to 250% risk-weight)	1,154	92	5,752	460	185	15	2	—	299	24
29 Total	135,331	10,827	86,882	6,951	25,133	2,010	12,697	1,016	10,212	817

- Notes:
- (1) Of which £9.2 million RWAs relate to equity IRB under the probability of default/loss given default approach.
  - (2) The counterparty credit risk RWAs and Credit Valuation Adjustment (CVA) are presented on a CRR2 basis for UBIDAC; for further information on the presentation of information please refer to page 3.
  - (3) 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 NWH 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	98,285	17,113	115,398	9,232
2 Asset size (1)	(3,689)	27	(3,662)	(293)
3 Asset quality (2)	(1,383)	(9)	(1,392)	(111)
4 Model updates (3)	(671)	—	(671)	(54)
6 Acquisitions and disposals (4)	(159)	—	(159)	(13)
7 Foreign exchange movements (5)	(732)	(73)	(805)	(64)
8 Other	(750)	—	(750)	(60)
9 <b>At 30 June 2021</b>	<b>90,901</b>	<b>17,058</b>	<b>107,959</b>	<b>8,637</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 weaknesses.
- (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. 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: 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	
	Non-IMM £m	Non-IMM £m	Non-IMM £m	Non-IMM £m
1 At 1 January 2021	493	39	39	—
2 Asset size (1)	82	7	7	—
3 Credit quality of counterparties (2)	(18)	(2)	(2)	—
7 Foreign exchange movements (3)	(1)	—	—	—
9 <b>At 30 June 2021</b>	<b>556</b>	<b>44</b>	<b>44</b>	<b>—</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 point

- The increase in RWAs mainly reflects an increase in OTC derivative transactions.



## Capital, liquidity and funding

### MR2\_B: MR 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. Changes in market risk arising from foreign currency retranslation are included within movement in risk levels as they are managed together with portfolio changes.

	STD	
	RWAs £m	MCR £m
1 At 1 January 2021	106	9
2 Movement in risk levels (1)	18	1
8 At 30 June 2021	124	10

Note:

(1) Movements due to position changes.

#### Key points

- Market risk RWAs relate solely to the foreign exchange banking book charge under the standardised approach.
- The increase in RWAs mainly reflected an increase in US dollar and euro positions and transfer pricing charges between NWH Group entities.

## 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 2021					31 December 2020				
		NWH Group	NWB Plc	RBS plc	UBI DAC	Coutts & Co	NWH Group	NWB Plc	RBS plc	UBI DAC	Coutts & Co
		£m	£m	£m	£m	£m	£m	£m	£m	£m	
1	Total assets as per published financial statements	520,068	401,384	105,171	26,294	41,798	496,583	380,603	99,242	28,033	38,442
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(241)	—	—	—	—	(274)	—	—	—	—
4	Adjustment for derivative financial instruments	(2,319)	(1,898)	194	79	3	(2,997)	(2,496)	194	31	6
5	Adjustments for securities financing transactions (SFTs)	193	193	—	—	—	191	191	—	—	—
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	33,256	24,568	10,010	1,134	1,097	33,670	22,857	11,183	1,308	1,247
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	—	(21,098)	(26,228)	—	(24,565)	—	(23,962)	(24,482)	—	(22,342)
7	Other adjustments	(5,796)	(1,269)	(171)	(5,877)	25	(5,573)	(666)	(270)	(5,411)	61
8	Total leverage ratio exposure	545,161	401,880	88,976	21,630	18,358	521,600	376,527	85,867	23,961	17,414

### LRCCom: 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)	494,814	376,133	104,724	20,191	41,845	469,927	353,899	98,496	22,592	38,502
2	Asset amounts deducted in determining Tier 1 capital	(5,776)	(1,251)	(171)	93	(40)	(5,573)	(666)	(269)	(173)	(28)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	489,038	374,882	104,553	20,284	41,805	464,354	353,233	98,227	22,419	38,474
Derivative exposures											
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	247	678	441	96	15	347	895	745	150	28
5	Add-on amounts for PFE associated with all derivatives transactions (mtm method)	1,059	1,289	200	116	6	1,112	1,386	194	84	7
7	Deductions of receivable assets for cash variation margin provided in derivatives transactions	(1,156)	(1,156)	—	—	—	(1,340)	(1,339)	—	—	—
11	Total derivative exposures	150	811	641	212	21	119	942	939	234	35

## Capital, liquidity and funding

### LRCOM: Leverage ratio common disclosure template continued

	30 June 2021					31 December 2020					
	NWH	UBI	Coutts			NWH	UBI	Coutts			
	Group	NWB Plc	RBS plc	DAC	& Co	Group	NWB Plc	RBS plc	DAC	& Co	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Securities financing transaction exposures											
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	31,489	31,489	—	—	—	33,202	33,202	—	—	—
13	Netted amounts of cash payables and cash receivable of gross SFT assets	(8,965)	(8,965)	—	—	—	(9,936)	(9,936)	—	—	—
14	Counterparty credit risk exposures for SFT assets	193	193	—	—	—	191	191	—	—	—
16	Total securities financing transaction exposures	22,717	22,717	—	—	—	23,457	23,457	—	—	—
Other off-balance sheet exposures											
17	Off-balance sheet exposures at gross notional amount	105,934	79,830	28,030	3,257	4,338	109,722	76,230	30,961	3,750	4,528
18	Adjustments for conversion to credit equivalent amounts	(72,678)	(55,262)	(18,020)	(2,123)	(3,241)	(76,052)	(53,373)	(19,778)	(2,442)	(3,281)
19	Other off-balance sheet exposures	33,256	24,568	10,010	1,134	1,097	33,670	22,857	11,183	1,308	1,247
19a	Exemption of Intra-Group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off-balance sheet)	—	(21,098)	(26,228)	—	(24,565)	—	(23,962)	(24,482)	—	(22,342)
19b	Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	—	—	—	(5,977)	—	—	—	—	(5,274)	—
Capital and total exposures											
20	Tier 1 capital	24,702	16,821	3,622	3,394	1,454	27,477	17,590	5,400	3,568	1,429
21	Total leverage ratio exposure	545,161	401,880	88,976	21,630	18,358	521,600	376,527	85,867	23,961	17,414
22	Leverage ratio	4.50%	4.20%	4.10%	15.70%	7.90%	5.30%	4.70%	6.30%	14.90%	8.20%
22a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank exposures)	4.50%	4.20%	4.10%	12.30%	7.90%	5.30%	4.70%	6.30%	12.20%	8.20%

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

	Leverage ratio exposures										
	30 June 2021					31 December 2020					
	NWH	UBI	Coutts			NWH	UBI	Coutts			
	Group	NWB Plc	RBS plc	DAC	& Co	Group	NWB Plc	RBS plc	DAC	& Co	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	489,038	354,201	81,877	20,284	17,740	464,354	329,867	77,429	22,419	16,771
2	Trading book exposures	—	—	—	—	—	—	—	—	—	—
3	Banking book exposures, of which:	489,038	354,201	81,877	20,284	17,740	464,354	329,867	77,429	22,419	16,771
4	Covered bonds	3,119	2,764	—	355	—	2,764	2,389	—	375	—
5	Exposures treated as sovereigns	150,987	108,953	34,532	1,341	66	128,841	95,063	26,821	1,466	59
6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities not treated as sovereigns	5,263	4,302	543	385	—	4,983	3,998	498	439	—
7	Institutions	6,497	4,923	932	1,136	263	4,153	2,400	1,023	1,646	264
8	Secured by mortgages of immovable properties	224,696	169,427	26,656	14,008	13,450	219,863	159,802	28,903	15,018	12,616
9	Retail exposures	26,700	19,114	4,834	476	976	26,927	18,761	4,612	533	964
10	Corporate	54,900	31,735	11,445	1,815	2,266	57,372	32,912	11,968	1,925	2,118
11	Exposures in default	3,191	1,536	758	336	232	3,431	1,453	850	450	213
12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	13,685	11,447	2,177	432	487	16,020	13,089	2,754	567	538

## 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). NWH 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>133,968</b>	128,257	119,655	111,268
Cash outflows								
2 Retail deposits and deposits from small business customers	<b>240,097</b>	232,404	222,732	215,259	<b>18,477</b>	17,889	17,249	16,790
3 of which: stable deposits	<b>155,166</b>	150,758	144,499	139,223	<b>7,758</b>	7,538	7,225	6,961
4 of which: less stable deposits	<b>84,719</b>	81,377	77,910	75,675	<b>10,507</b>	10,083	9,701	9,467
5 Unsecured wholesale funding	<b>149,708</b>	145,568	138,899	131,549	<b>64,942</b>	63,490	60,598	57,516
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	<b>61,565</b>	60,515	58,644	56,203	<b>15,079</b>	14,816	14,348	13,738
7 Non-operational deposits (all counterparties)	<b>87,627</b>	84,561	79,698	74,815	<b>49,347</b>	48,182	45,693	43,247
8 Unsecured debt	<b>516</b>	492	557	531	<b>516</b>	492	557	531
9 Secured wholesale funding					-	0	0	36
10 Additional requirements	<b>55,686</b>	54,080	52,402	50,966	<b>8,672</b>	8,661	8,440	8,090
11 Outflows related to derivative exposures and other collateral requirements	<b>2,558</b>	2,756	2,855	2,654	<b>2,028</b>	2,207	2,295	2,166
12 Outflows related to loss of funding on debt products	<b>151</b>	256	256	256	<b>151</b>	256	255	255
13 Credit and liquidity facilities	<b>52,977</b>	51,068	49,291	48,056	<b>6,493</b>	6,198	5,890	5,669
14 Other contractual funding obligations	<b>1,034</b>	1,032	353	379	<b>7</b>	11	10	7
15 Other contingent funding obligations	<b>46,181</b>	47,422	46,728	45,680	<b>3,693</b>	3,561	3,525	3,590
16 Total cash outflows					<b>95,791</b>	93,612	89,822	86,029
17 Secured lending (e.g. reverse repos)	<b>13,385</b>	13,693	13,575	13,454	<b>—</b>	—	20	20
18 Inflows from fully performing exposures	<b>6,084</b>	6,706	7,703	8,766	<b>4,669</b>	5,012	5,646	6,261
19 Other cash inflows	<b>10,823</b>	11,334	11,297	11,176	<b>2,519</b>	2,943	2,900	2,755
19a Difference between total weighted inflows and outflows	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
19b Excess inflows from a related specialised credit institution	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
20 Total cash inflows	<b>30,292</b>	31,733	32,575	33,396	<b>7,188</b>	7,955	8,566	9,036
20a Fully exempt inflows	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
20b Inflows subject to 90% cap	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
20c Inflows subject to 75% cap	<b>30,292</b>	31,733	32,549	33,369	<b>7,188</b>	7,955	8,566	9,036
21 Liquidity buffer					<b>133,968</b>	128,257	119,655	111,268
22 Total net cash outflows					<b>88,603</b>	85,657	81,256	76,993
23 Liquidity coverage ratio (%)					<b>151</b>	150	147	144

## Credit risk

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

The table below summarises NWH 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	23,824	97,599	121,423	768	1,260	2,028	3	1	2
Central governments	10,976	16,939	27,915	1,077	—	1,077	10	—	4
Other sovereign	2,338	562	2,900	516	6	522	22	1	18
<b>Total sovereign</b>	<b>37,138</b>	<b>115,100</b>	<b>152,238</b>	<b>2,361</b>	<b>1,266</b>	<b>3,627</b>	<b>6</b>	<b>1</b>	<b>2</b>
<b>Financial institutions (FIs)</b>									
Banks	9,101	438	9,539	2,159	114	2,273	24	26	24
Non-bank FIs (1)	6,481	3,925	10,406	2,855	984	3,839	44	25	37
SSPEs	17	1	18	27	1	28	159	100	156
<b>Total FIs</b>	<b>15,599</b>	<b>4,364</b>	<b>19,963</b>	<b>5,041</b>	<b>1,099</b>	<b>6,140</b>	<b>32</b>	<b>25</b>	<b>31</b>
<b>Corporates</b>									
<b>Property</b>									
- UK	32,426	2,923	35,349	13,979	2,605	16,584	43	89	47
- RoI	1,213	84	1,297	811	81	892	67	96	69
- Western Europe	899	68	967	466	60	526	52	88	54
- US	106	—	106	57	—	57	54	—	54
- RoW	276	127	403	158	126	284	57	99	70
<b>Total property</b>	<b>34,920</b>	<b>3,202</b>	<b>38,122</b>	<b>15,471</b>	<b>2,872</b>	<b>18,343</b>	<b>44</b>	<b>90</b>	<b>48</b>
Natural resources	10,586	354	10,940	4,147	305	4,452	39	86	41
Transport	15,179	785	15,964	6,555	563	7,118	43	72	45
Manufacturing	13,051	1,043	14,094	5,509	657	6,166	42	63	44
Retail and leisure	17,015	1,487	18,502	8,734	1,132	9,866	51	76	53
Services	17,182	1,492	18,674	7,748	1,073	8,821	45	72	47
TMT (2)	6,099	351	6,450	3,507	250	3,757	58	71	58
<b>Total corporates</b>	<b>114,032</b>	<b>8,714</b>	<b>122,746</b>	<b>51,671</b>	<b>6,852</b>	<b>58,523</b>	<b>45</b>	<b>79</b>	<b>48</b>
<b>Personal</b>									
<b>Mortgages (3)</b>									
- UK	178,128	13,418	191,546	12,957	4,842	17,799	7	36	9
- RoI	13,023	29	13,052	3,417	10	3,427	26	34	26
- Western Europe	—	135	135	—	50	50	—	37	37
- US	—	209	209	—	73	73	—	35	35
- RoW	—	932	932	—	377	377	—	40	40
<b>Total mortgages</b>	<b>191,151</b>	<b>14,723</b>	<b>205,874</b>	<b>16,374</b>	<b>5,352</b>	<b>21,726</b>	<b>9</b>	<b>36</b>	<b>11</b>
Other personal	26,747	2,598	29,345	11,158	1,665	12,823	42	64	44
<b>Total personal</b>	<b>217,898</b>	<b>17,321</b>	<b>235,219</b>	<b>27,532</b>	<b>7,017</b>	<b>34,549</b>	<b>13</b>	<b>41</b>	<b>15</b>
Other items	4,128	1,737	5,865	3,513	1,194	4,707	85	69	80
<b>Total (excluding securitisations)</b>	<b>388,795</b>	<b>147,236</b>	<b>536,031</b>	<b>90,118</b>	<b>17,428</b>	<b>107,546</b>	<b>23</b>	<b>12</b>	<b>20</b>
<b>Total securitisations</b>			<b>6,292</b>			<b>1,192</b>			<b>19</b>
<b>Total</b>			<b>542,323</b>			<b>108,738</b>			<b>20</b>

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

## Credit risk

### CR1: IRB and STD: RWA density by NWH 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	18,245	77,633	95,878	661	1,153	1,814	4	1	2
Central governments	12,702	18,722	31,424	1,291	—	1,291	10	—	4
Other sovereign	2,527	275	2,802	561	7	568	22	3	20
<b>Total sovereign</b>	<b>33,474</b>	<b>96,630</b>	<b>130,104</b>	<b>2,513</b>	<b>1,160</b>	<b>3,673</b>	<b>8</b>	<b>1</b>	<b>3</b>
<b>Financial institutions (FIs)</b>									
Banks	8,599	429	9,028	2,006	125	2,131	23	29	24
Non-bank FIs (1)	6,199	1,562	7,761	2,752	610	3,362	44	39	43
SSPEs	18	1	19	29	1	30	161	100	158
<b>Total FIs</b>	<b>14,816</b>	<b>1,992</b>	<b>16,808</b>	<b>4,787</b>	<b>736</b>	<b>5,523</b>	<b>32</b>	<b>37</b>	<b>33</b>
<b>Corporates</b>									
<b>Property</b>									
- UK	33,511	3,040	36,551	15,293	2,731	18,024	46	90	49
- RoI	1,271	181	1,452	853	179	1,032	67	99	71
- Western Europe	1,009	61	1,070	551	57	608	55	93	57
- US	152	2	154	75	2	77	49	100	50
- RoW	335	157	492	244	157	401	73	100	82
<b>Total property</b>	<b>36,278</b>	<b>3,441</b>	<b>39,719</b>	<b>17,016</b>	<b>3,126</b>	<b>20,142</b>	<b>47</b>	<b>91</b>	<b>51</b>
Natural resources	10,659	328	10,987	4,562	280	4,842	43	85	44
Transport	16,017	847	16,864	7,199	610	7,809	45	72	46
Manufacturing	13,571	999	14,570	6,033	653	6,686	44	65	46
Retail and leisure	18,234	1,382	19,616	10,279	1,069	11,348	56	77	58
Services	18,076	1,602	19,678	8,657	1,177	9,834	48	73	50
TMT (2)	6,242	319	6,561	3,586	233	3,819	57	73	58
<b>Total corporates</b>	<b>119,077</b>	<b>8,918</b>	<b>127,995</b>	<b>57,332</b>	<b>7,148</b>	<b>64,480</b>	<b>48</b>	<b>80</b>	<b>50</b>
<b>Personal</b>									
<b>Mortgages (3)</b>									
- UK	173,035	12,777	185,812	12,926	4,660	17,586	7	36	9
- RoI	14,083	19	14,102	4,209	7	4,216	30	37	30
- Western Europe	—	135	135	—	48	48	—	36	36
- US	—	199	199	—	70	70	—	35	35
- RoW	—	923	923	—	372	372	—	40	40
<b>Total mortgages</b>	<b>187,118</b>	<b>14,053</b>	<b>201,171</b>	<b>17,135</b>	<b>5,157</b>	<b>22,292</b>	<b>9</b>	<b>37</b>	<b>11</b>
Other personal	26,880	2,599	29,479	11,861	1,674	13,535	44	64	46
<b>Total personal</b>	<b>213,998</b>	<b>16,652</b>	<b>230,650</b>	<b>28,996</b>	<b>6,831</b>	<b>35,827</b>	<b>14</b>	<b>41</b>	<b>16</b>
Other items	5,117	2,389	7,506	3,595	1,889	5,484	70	79	73
<b>Total (excluding securitisations)</b>	<b>386,482</b>	<b>126,581</b>	<b>513,063</b>	<b>97,223</b>	<b>17,764</b>	<b>114,987</b>	<b>25</b>	<b>14</b>	<b>22</b>
<b>Total securitisations</b>			<b>7,650</b>			<b>1,372</b>			<b>18</b>
<b>Total</b>			<b>520,713</b>			<b>116,359</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.
- **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.
- **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: NWH Group and large subsidiaries

The table below shows credit risk (including securitisations) and counterparty credit risk separately for NWH 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	NWH Group				NWB Plc				RBS plc				UBIDAC				Coultts & Co				
	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
30 June 2021																					
<b>IRB</b>																					
Central governments and central banks	39,746	39,682	2,642	211	31,975	31,911	1,681	135	33	33	—	—	7,701	7,701	1,004	80	—	—	—	—	
Institutions	8,169	5,955	1,601	128	5,974	4,223	1,132	91	1,556	1,093	307	25	383	383	94	8	—	—	—	—	
Corporates	111,553	101,660	50,022	4,002	65,216	59,238	31,337	2,507	27,531	23,627	11,246	900	4,947	4,936	3,707	297	—	—	—	—	
Specialised lending	14,740	14,721	9,349	748	9,224	9,220	5,735	459	4,461	4,445	2,924	234	1,035	1,035	746	60	—	—	—	—	
SME	18,028	17,682	6,677	534	10,552	10,288	3,855	308	3,175	3,094	1,227	98	963	963	789	63	—	—	—	—	
Other corporate	78,785	69,257	33,996	2,720	45,440	39,730	21,747	1,740	19,895	16,088	7,095	568	2,949	2,938	2,172	174	—	—	—	—	
Retail	235,174	235,174	31,625	2,530	192,327	192,327	23,181	1,853	28,192	28,192	4,132	331	13,661	13,661	5,935	475	—	—	—	—	
Secured by real estate property																					
- SME	1,124	1,124	243	19	834	834	180	14	290	290	63	5	1	1	—	—	—	—	—	—	
- non-SME	191,151	191,151	16,374	1,310	158,142	158,142	11,712	937	19,987	19,987	1,244	100	12,714	12,714	5,251	420	—	—	—	—	
Qualifying revolving	20,148	20,148	4,372	350	15,946	15,946	3,305	264	3,919	3,919	951	76	283	283	145	12	—	—	—	—	
Other retail																					
- SME	16,347	16,347	3,945	316	12,538	12,538	2,767	221	2,742	2,742	612	49	505	505	384	31	—	—	—	—	
- non-SME	6,404	6,404	6,691	535	4,867	4,867	5,217	417	1,254	1,254	1,262	101	158	158	155	12	—	—	—	—	
Equities	3	3	9	1	3	3	9	1	—	—	—	—	—	—	—	—	—	—	—	—	
Non-credit obligation assets	4,922	4,922	3,810	305	3,186	3,186	2,696	216	—	—	—	—	231	231	104	8	—	—	—	—	
Total IRB	399,567	387,396	89,709	7,177	298,681	290,888	60,036	4,803	57,312	52,945	15,685	1,256	26,923	26,912	10,844	868	—	—	—	—	
<b>STD</b>																					
Central governments and central banks	115,053	115,297	1,265	101	80,341	80,349	1,846	148	34,533	34,535	128	10	1	1	2	—	66	301	28	2	
Regional governments and local authorities	44	1	1	—	44	—	—	—	—	—	—	—	1	1	1	—	—	—	—	—	
Institutions	2,833	2,833	627	50	22,386	22,386	661	53	22,511	22,511	29	2	875	875	485	39	23,966	23,966	53	4	
Corporates	6,548	5,708	4,476	359	17,760	17,562	3,063	244	2,449	2,417	327	26	546	546	590	46	2,788	2,178	1,543	123	
Retail	2,290	2,193	1,305	104	442	442	279	22	188	182	119	10	9	9	6	1	1,004	912	527	42	
Secured by mortgages on immovable property																					
- residential	15,297	15,296	5,517	442	2,859	2,859	1,110	89	648	648	237	19	2	2	2	—	11,428	11,428	4,041	324	
- commercial	2,586	2,527	2,428	194	121	120	108	9	171	153	141	11	37	37	37	3	2,231	2,190	2,115	169	
Exposures in default	412	406	471	38	54	50	66	5	53	53	71	6	25	24	34	3	238	237	247	20	
Equity exposures	4	4	4	—	1,459	1,459	3,644	292	29	29	71	6	—	—	—	—	110	110	274	22	
Other exposures	1,449	1,449	964	77	614	614	571	46	607	607	242	19	32	32	10	1	400	400	398	32	
Total STD	146,516	145,714	17,058	1,365	126,080	125,841	11,348	908	61,189	61,135	1,365	109	1,528	1,527	1,167	93	42,231	41,722	9,226	738	
Total securitisations	6,292	6,292	1,192	95	4,901	4,901	969	77	1,392	1,392	222	18	—	—	—	—	—	—	—	—	
Total IRB, STD and securitisations	552,375	539,402	107,959	8,637	429,662	421,630	72,353	5,788	119,893	115,472	17,272	1,383	28,451	28,439	12,011	961	42,231	41,722	9,226	738	

## Credit risk

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

	NWH Group			NWB Plc			RBS plc			UBIDAC			Coutts & Co			
	EAD post			EAD post			EAD post			EAD post			EAD post			
	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<b>Counterparty credit risk</b>																
<b>30 June 2021</b>																
<b>IRB</b>																
Central governments and central banks	44	—	—	44	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	426	231	18	423	230	18	—	—	—	2	1	—	—	—	—	—
Corporates	929	178	14	908	167	14	—	—	—	25	17	1	—	—	—	—
<i>Specialised lending</i>	22	13	1	10	7	1	—	—	—	19	13	1	—	—	—	—
<i>SME</i>	1	1	—	—	—	—	—	—	—	1	1	—	—	—	—	—
<i>Other corporate</i>	906	164	13	898	160	13	—	—	—	5	3	—	—	—	—	—
Total IRB	1,399	409	32	1,375	397	32	—	—	—	27	18	1	—	—	—	—
<b>STD</b>																
Central governments and central banks	45	—	—	45	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	1,376	262	21	2,135	203	16	590	—	—	263	278	23	6	—	—	—
Corporates	101	108	9	201	21	2	—	—	—	—	—	—	20	19	2	2
Total STD	1,522	370	30	2,381	224	18	590	—	—	263	278	23	26	19	2	2
Total IRB and STD	2,921	779	62	3,756	621	50	590	—	—	290	296	24	26	19	2	2



## Credit risk

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

	NWH Group				NWB Plc				RBS plc				UBIDAC				Coutts & Co			
	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR	EAD pre CRM	EAD post CRM	RWAs	MCR
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Credit risk</b>																				
31 December 2020																				
<b>IRB</b>																				
Central governments and central banks	36,170	36,101	2,809	225	28,914	28,844	1,903	152	34	34	—	—	7,182	7,182	902	72	—	—	—	—
Institutions	7,261	5,311	1,537	123	4,984	3,418	1,014	81	1,530	1,160	325	26	409	409	107	9	—	—	—	—
Corporates	116,616	106,454	55,554	4,444	65,104	58,538	33,259	2,661	30,443	26,984	13,402	1,072	5,417	5,387	3,788	304	—	—	—	—
<i>Specialised lending</i>	15,774	15,753	10,038	803	9,179	9,175	5,823	466	5,250	5,233	3,324	266	1,069	1,069	719	58	—	—	—	—
<i>SME</i>	18,051	17,717	7,252	580	10,171	9,953	4,111	329	3,548	3,454	1,474	118	811	810	735	59	—	—	—	—
<i>Other corporate</i>	82,791	72,984	38,264	3,061	45,754	39,410	23,325	1,866	21,645	18,297	8,604	688	3,537	3,508	2,334	187	—	—	—	—
Retail	231,326	231,326	33,060	2,645	183,292	183,293	22,585	1,808	29,212	29,212	4,389	351	15,447	15,447	5,642	451	—	—	—	—
<i>Secured by real estate property</i>																				
- SME	1,134	1,134	398	32	860	860	300	24	216	216	71	6	—	—	—	—	—	—	—	—
- non-SME	187,117	187,117	17,135	1,372	150,025	150,026	11,020	882	21,223	21,223	1,416	113	14,411	14,411	5,072	406	—	—	—	—
<i>Qualifying revolving</i>	20,019	20,019	4,731	378	15,441	15,441	3,494	280	3,951	3,951	1,036	83	310	310	129	10	—	—	—	—
<i>Other retail</i>																				
- SME	16,378	16,378	3,768	301	12,069	12,069	2,460	197	2,509	2,509	528	42	542	542	300	24	—	—	—	—
- non-SME	6,678	6,678	7,028	562	4,897	4,897	5,311	425	1,313	1,313	1,338	107	184	184	141	11	—	—	—	—
Non-credit obligation assets	5,943	5,943	3,953	316	3,566	3,566	2,650	212	—	—	—	—	367	367	117	9	—	—	—	—
<b>Total IRB</b>	<b>397,316</b>	<b>385,135</b>	<b>96,913</b>	<b>7,753</b>	<b>285,860</b>	<b>277,659</b>	<b>61,411</b>	<b>4,914</b>	<b>61,219</b>	<b>57,390</b>	<b>18,116</b>	<b>1,449</b>	<b>28,822</b>	<b>28,792</b>	<b>10,556</b>	<b>845</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>STD</b>																				
Central governments and central banks	96,441	96,662	1,158	93	69,402	69,415	1,690	135	26,825	26,825	115	9	1	1	2	—	59	269	25	2
Regional governments and local authorities	32	2	1	—	6	1	—	—	25	—	—	—	1	1	1	—	—	—	—	—
Institutions	782	782	269	22	22,617	22,617	199	16	20,576	20,576	34	3	1,387	1,387	323	26	21,562	21,562	53	4
Corporates	6,620	5,856	4,512	361	17,890	17,607	2,648	212	2,697	2,683	613	49	537	537	517	41	2,677	2,211	1,564	125
Retail	2,248	2,158	1,278	102	408	408	258	21	183	176	116	9	11	11	6	—	993	909	518	41
Secured by mortgages on immovable property																				
- residential	14,712	14,711	5,403	433	3,058	3,057	1,203	96	650	650	239	19	94	94	94	8	10,504	10,504	3,725	298
- commercial	2,806	2,757	2,737	219	228	227	236	19	158	144	145	12	39	39	39	3	2,352	2,318	2,288	183
Exposures in default	392	392	455	36	36	36	49	4	61	61	83	7	29	29	38	3	219	219	226	18
Equity exposures	1	1	1	—	1,625	1,625	4,062	325	28	28	70	6	—	—	—	—	110	110	274	22
Other exposures	1,854	1,854	1,299	104	584	584	583	47	1,026	1,026	545	43	21	21	7	1	437	437	434	35
<b>Total STD</b>	<b>125,888</b>	<b>125,175</b>	<b>17,113</b>	<b>1,370</b>	<b>115,854</b>	<b>115,577</b>	<b>10,928</b>	<b>875</b>	<b>52,229</b>	<b>52,169</b>	<b>1,960</b>	<b>157</b>	<b>2,120</b>	<b>2,120</b>	<b>1,027</b>	<b>82</b>	<b>38,913</b>	<b>38,539</b>	<b>9,107</b>	<b>728</b>
Total securitisations	7,650	7,650	1,372	110	5,964	5,964	1,106	88	1,688	1,688	265	21	—	—	—	—	—	—	—	—
<b>Total IRB, STD and securitisations</b>	<b>530,854</b>	<b>517,960</b>	<b>115,398</b>	<b>9,233</b>	<b>407,678</b>	<b>399,200</b>	<b>73,445</b>	<b>5,877</b>	<b>115,136</b>	<b>111,247</b>	<b>20,341</b>	<b>1,627</b>	<b>30,942</b>	<b>30,912</b>	<b>11,583</b>	<b>927</b>	<b>38,913</b>	<b>38,539</b>	<b>9,107</b>	<b>728</b>

## Credit risk

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

	NWH Group			NWB Plc			RBS plc			UBIDAC			Coutts & Co			
	EAD post			EAD post			EAD post			EAD post			EAD post			
	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<b>Counterparty credit risk</b>																
31 December 2020																
<b>IRB</b>																
Central governments and central banks	245	2	—	245	2	—	—	—	—	—	—	—	—	—	—	—
Institutions	283	133	11	283	133	11	—	—	—	—	—	—	—	—	—	—
Corporates	819	175	14	793	160	13	—	—	—	26	16	1	—	—	—	—
<i>Specialised lending</i>	29	18	1	12	8	1	—	—	—	17	10	1	—	—	—	—
<i>SME</i>	1	1	—	—	—	—	—	—	—	1	1	—	—	—	—	—
<i>Other corporate</i>	789	156	13	781	152	12	—	—	—	8	5	—	—	—	—	—
Total IRB	1,347	310	25	1,321	295	24	—	—	—	26	16	1	—	—	—	—
<b>STD</b>																
Central governments and central banks	186	—	—	186	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	1,095	448	36	1,955	257	20	901	—	—	203	101	8	6	1	—	—
Corporates	125	203	16	443	24	2	—	—	—	—	—	—	32	30	2	—
Total STD	1,406	651	52	2,584	281	22	901	—	—	203	101	8	38	31	2	—
Total IRB and STD	2,753	961	77	3,905	576	46	901	—	—	229	117	9	38	31	2	—

#### Key points

- NWB Plc** – The overall rise in exposures was mainly due to increased cash placements with central banks and growth in the UK mortgage portfolio. There were additional increases in exposures as a result of the transfer of the Ulster Bank Limited business. The overall reduction in AIRB RWAs was primarily attributed to repayments and expired facilities in Commercial Banking as well as improved risk metrics and lower unsecured balances in Retail Banking.
- RBS plc** – The overall rise in EAD was mainly due to increased cash placements at central banks, partially offset by decreases in credit risk exposures in Commercial Banking. The decrease in RWAs was mainly due to repayments and expired facilities in Commercial Banking.
- UBIDAC** – Credit risk exposures decreased due to a reduction in the Personal mortgage portfolio. UBIDAC RWAs increased by £0.6 billion primarily due to voluntary adjustments to capital metrics as agreed with the regulator in December 2020 and June 2021. This was offset by non-performing loan asset sales, reduction in lending volumes and improvement in asset quality.
- Coutts & Co** – The increase in exposures to institutions was mainly due to movements in intra-group exposures and growth in residential mortgages.

## 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.

		a	b	c	e	g
		30 June 2021				
Exposure class	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				
<b>IRB</b>						
1	Central governments and central banks	—	39,945	4	—	39,941
2	Institutions	—	8,187	5	—	8,182
3	Corporates	1,940	141,606	2,041	236	141,505
4	Specialised lending	394	15,814	337	28	15,871
5	SME	523	19,869	719	21	19,673
	Other corporate	1,023	105,923	985	187	105,961
6	Retail	3,171	237,687	2,390	227	238,468
	Secured by real estate property					
8	- SME	25	1,144	26	1	1,143
9	- non-SME	1,842	189,684	815	71	190,711
10	Qualifying revolving	527	25,501	571	78	25,457
	Other retail					
12	- SME	336	15,523	298	15	15,561
13	- non-SME	441	5,835	680	62	5,596
14	Equities	—	3	—	—	3
	Non-credit obligation assets	—	4,127	—	—	4,127
15	Total IRB	5,111	431,555	4,440	463	432,226
	Of which: Loans	4,561	288,834	4,243	437	289,152
	Debt securities	—	18,888	5	—	18,883
	Other assets	11	28,578	3	—	28,586
	Off-balance sheet exposures	539	95,255	189	26	95,605
<b>STD</b>						
16	Central governments and central banks	—	115,714	14	—	115,700
17	Regional governments and local authorities	—	300	—	—	300
21	Institutions	—	2,838	1	—	2,837
22	Corporates	151	8,103	127	6	8,127
24	Retail	84	6,355	33	2	6,406
26	Secured by mortgages on immovable property					
	- residential	235	16,219	12	3	16,442
	- commercial	57	2,720	48	1	2,729
28	Exposures in default (3)	526	—	87	12	439
33	Equity exposures	—	4	—	—	4
34	Other exposures	—	1,354	—	—	1,354
35	Total STD	527	153,607	235	12	153,899
	Of which: Loans	469	30,665	208	10	30,926
	Debt securities	—	16,633	2	—	16,631
	Other assets	1	97,701	11	—	97,691
	Off-balance sheet exposures	57	8,608	14	2	8,651
37	Total: Loans	5,030	319,499	4,451	447	320,078
38	Debt securities	—	35,521	7	—	35,514
	Other assets	12	126,279	14	—	126,277
39	Off-balance sheet exposures	596	103,863	203	28	104,256
36	Total IRB and STD	5,638	585,162	4,675	475	586,125

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

Exposure class	31 December 2020				
	Gross carrying values		SCRA (2)	Year-to-date accumulated write-offs	Net value
	Defaulted exposures (1)	Non-defaulted exposures			
	£m	£m	£m	£m	£m
<b>IRB</b>					
1 Central governments and central banks	—	36,704	3	—	36,701
2 Institutions	—	7,290	23	—	7,267
3 Corporates	2,412	147,279	2,793	250	146,898
4 <i>Specialised lending</i>	521	17,026	527	20	17,020
5 <i>SME</i>	574	19,922	902	85	19,594
<i>Other corporate</i>	1,317	110,331	1,364	145	110,284
6 Retail	3,307	234,131	2,707	652	234,731
<i>Secured by real estate property</i>					
8    - <i>SME</i>	27	1,157	25	3	1,159
9    - <i>non-SME</i>	2,001	185,796	968	218	186,829
10 <i>Qualifying revolving</i>	566	25,478	662	204	25,382
<i>Other retail</i>					
12    - <i>SME</i>	288	15,561	308	46	15,541
13    - <i>non-SME</i>	425	6,139	744	181	5,820
<i>Equities</i>	—	—	—	—	—
<i>Non-credit obligation assets</i>	—	5,115	—	—	5,115
15 Total IRB	5,719	430,519	5,526	902	430,712
<i>Of which: Loans</i>	5,043	287,451	5,252	902	287,242
<i>Debt securities</i>	—	20,300	4	—	20,296
<i>Other assets</i>	18	23,978	8	—	23,988
<i>Off-balance sheet exposures</i>	658	98,790	262	—	99,186
<i>STD</i>	658	98,790	262	—	99,186
16 Central governments and central banks	—	96,900	10	—	96,890
17 Regional governments and local authorities	—	299	—	—	299
21 Institutions	—	806	—	—	806
22 Corporates	142	8,457	164	8	8,435
24 Retail	85	6,315	48	3	6,352
<i>Secured by mortgages on immovable property</i>					
26    - residential	224	15,680	18	8	15,886
27    - commercial	42	3,030	77	2	2,995
28 Exposures in default (3)	493	—	94	20	399
33 Equity exposures	—	1	—	—	1
34 Other exposures	—	1,757	—	—	1,757
35 Total STD	493	133,245	317	21	133,421
<i>Of which: Loans</i>	454	28,055	290	21	28,219
<i>Debt securities</i>	—	18,583	2	—	18,581
<i>Other assets</i>	2	77,909	10	—	77,901
<i>Off-balance sheet exposures</i>	37	8,698	15	—	8,720
37 Total: Loans	5,497	315,506	5,542	923	315,461
38 <i>Debt securities</i>	—	38,883	6	—	38,877
<i>Other assets</i>	20	101,887	18	—	101,889
39 <i>Off-balance sheet exposures</i>	695	107,488	277	—	107,906
36 Total IRB and STD	6,212	563,764	5,843	923	564,133

#### 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				
	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	Collateral received and financial guarantees received on forbore exposures £m		Of which: Collateral and financial guarantees received on non- performing exposures with forbearance measures £m
<b>30 June 2021</b>									
1 Loans and advances	5,698	2,785	2,292	2,265	(341)	(827)	5,911		1,767
2 Central banks	—	—	—	—	—	—	—		—
3 General governments	—	—	—	—	—	—	—		—
4 Credit institutions	—	—	—	—	—	—	—		—
5 Other financial corporations	85	—	—	—	(6)	—	12		—
6 Non-financial corporations	4,295	1,138	1,006	1,006	(279)	(393)	3,507		589
7 Households	1,318	1,647	1,286	1,259	(56)	(434)	2,392		1,178
8 Debt securities	—	—	—	—	—	—	—		—
9 Loan commitments given	757	184	92	94	(5)	—	270		32
10 Total	6,455	2,969	2,384	2,359	(346)	(827)	6,181		1,799
<b>31 December 2020</b>	£m	£m	£m	£m	£m	£m	£m		£m
1 Loans and advances	5,235	3,385	2,661	2,641	(359)	(1,011)	5,732		2,192
2 Central banks	—	—	—	—	—	—	—		—
3 General governments	—	—	—	—	—	—	—		—
4 Credit institutions	—	—	—	—	—	—	—		—
5 Other financial corporations	69	—	—	—	(5)	—	21		—
6 Non-financial corporations	3,803	1,490	1,184	1,187	(291)	(507)	3,130		826
7 Households	1,363	1,895	1,477	1,454	(63)	(504)	2,581		1,366
8 Debt securities	—	—	—	—	—	—	—		—
9 Loan commitments given	644	94	56	56	(3)	—	247		30
10 Total	5,879	3,479	2,717	2,697	(362)	(1,011)	5,979		2,222

## 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	Of which: Not past due or past due ≤ 30 days	Of which: Past due > 30 days ≤ 90 days	Non-performing exposures	Of which: Unlikely to pay that are not past due or are past due ≤ 90 days	Of which: Past due > 90 days ≤ 180 days	Of which: Past due > 180 days ≤ 1 year	Of which: Past due > 1 year ≤ 2 years	Of which: Past due > 2 years ≤ 5 years	Of which: Past due > 5 years ≤ 7 years	Of which: Past due > 7 years	Of which: Defaulted
30 June 2021		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Loans and advances	343,164	342,352	812	5,882	2,958	568	639	646	678	147	246	5,313
2	Central banks	1,786	1,786	—	—	—	—	—	—	—	—	—	—
3	General governments	3,270	3,269	1	—	—	—	—	—	—	—	—	—
4	Credit institutions	920	920	—	—	—	—	—	—	—	—	—	—
5	Other financial corporations	29,248	29,247	1	13	8	—	—	1	4	—	—	13
6	Non-financial corporations	96,997	96,570	427	2,156	1,486	67	149	115	187	50	102	1,984
7	Of which SMEs	28,066	27,984	82	832	458	25	56	87	126	34	46	769
8	Households	210,943	210,560	383	3,713	1,464	501	490	530	487	97	144	3,316
9	Debt securities	36,174	36,174	—	—	—	—	—	—	—	—	—	—
10	Central banks	11	11	—	—	—	—	—	—	—	—	—	—
11	General governments	28,553	28,553	—	—	—	—	—	—	—	—	—	—
12	Credit institutions	5,098	5,098	—	—	—	—	—	—	—	—	—	—
13	Other financial corporations	2,487	2,487	—	—	—	—	—	—	—	—	—	—
14	Non-financial corporations	25	25	—	—	—	—	—	—	—	—	—	—
15	Off-balance sheet exposures	105,227	—	—	707	—	—	—	—	—	—	—	596
16	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
17	General governments	1,695	—	—	—	—	—	—	—	—	—	—	—
18	Credit institutions	199	—	—	—	—	—	—	—	—	—	—	—
19	Other financial corporations	3,249	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial corporations	61,601	—	—	380	—	—	—	—	—	—	—	277
21	Households	38,483	—	—	327	—	—	—	—	—	—	—	319
22	Total	484,565	378,526	812	6,589	2,958	568	639	646	678	147	246	5,909

Note:

(1) The gross NPL ratio for NWH Group is 1.69% (31 December 2020 – 1.94%). 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	340,265	339,508	757	6,729	3,468	712	671	698	735	163	282	5,938
2 <i>Central banks</i>	1,426	1,426	—	—	—	—	—	—	—	—	—	—
3 <i>General governments</i>	3,042	3,042	—	—	—	—	—	—	—	—	—	—
4 <i>Credit institutions</i>	920	920	—	—	—	—	—	—	—	—	—	—
5 <i>Other financial corporations</i>	27,502	27,501	1	13	7	—	2	—	4	—	—	13
6 <i>Non-financial corporations</i>	102,174	101,905	269	2,667	1,739	189	147	150	258	52	132	2,342
7 <i>Of which SMEs</i>	27,862	27,783	79	862	482	30	68	89	114	29	50	774
8 <i>Households</i>	205,201	204,714	487	4,049	1,722	523	522	548	473	111	150	3,583
9 Debt securities	39,788	39,788	—	—	—	—	—	—	—	—	—	—
10 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—
11 <i>General governments</i>	31,890	31,890	—	—	—	—	—	—	—	—	—	—
12 <i>Credit institutions</i>	5,090	5,090	—	—	—	—	—	—	—	—	—	—
13 <i>Other financial corporations</i>	2,782	2,782	—	—	—	—	—	—	—	—	—	—
14 <i>Non-financial corporations</i>	26	26	—	—	—	—	—	—	—	—	—	—
15 Off-balance sheet exposures	108,959	—	—	762	—	—	—	—	—	—	—	712
16 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—
17 <i>General governments</i>	1,857	—	—	—	—	—	—	—	—	—	—	—
18 <i>Credit institutions</i>	242	—	—	—	—	—	—	—	—	—	—	—
19 <i>Other financial corporations</i>	3,448	—	—	—	—	—	—	—	—	—	—	—
20 <i>Non-financial corporations</i>	63,517	—	—	407	—	—	—	—	—	—	—	375
21 <i>Households</i>	39,895	—	—	355	—	—	—	—	—	—	—	337
22 Total	489,012	379,296	757	7,491	3,468	712	671	698	735	163	282	6,650

## Credit risk

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

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, accumulated partial write-off and collateral and financial guarantees received by portfolio and exposure class.

	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								
	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			Collateral and financial guarantees received		
	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Total	Of which: Stage 1	Of which: Stage 2	Total	Of which: Stage 2	Of which: Stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2021															
1 Loans and advances	343,164	292,723	50,198	5,882	594	5,281	(2,432)	(370)	(2,062)	(2,077)	(38)	(2,039)	(226)	292,425	3,421
2 <i>Central banks</i>	1,786	1,786	—	—	—	—	—	—	—	—	—	—	—	—	—
3 <i>General governments</i>	3,270	3,043	163	—	—	—	(2)	—	(2)	—	—	—	—	2,674	—
4 <i>Credit institutions</i>	920	920	—	—	—	—	(1)	(1)	—	—	—	—	—	167	—
5 <i>Other financial corporations</i>	29,248	28,094	1,154	13	—	13	(82)	(6)	(76)	(3)	—	(3)	—	24,438	9
6 <i>Non-financial corporations</i>	96,997	70,211	26,690	2,156	132	2,024	(1,355)	(208)	(1,147)	(788)	(10)	(778)	(30)	67,785	1,204
7 <i>Of which SMEs</i>	28,066	17,564	10,488	832	31	801	(554)	(68)	(486)	(319)	(3)	(316)	—	23,880	415
8 <i>Households</i>	210,943	188,669	22,191	3,713	462	3,244	(992)	(155)	(837)	(1,286)	(28)	(1,258)	(196)	197,361	2,208
9 Debt securities	36,174	35,387	787	—	—	—	(4)	(3)	(1)	—	—	—	—	—	—
10 <i>Central banks</i>	11	11	—	—	—	—	—	—	—	—	—	—	—	—	—
11 <i>General governments</i>	28,553	28,553	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
12 <i>Credit institutions</i>	5,098	4,372	726	—	—	—	(2)	(1)	(1)	—	—	—	—	—	—
13 <i>Other financial corporations</i>	2,487	2,426	61	—	—	—	(1)	(1)	—	—	—	—	—	—	—
14 <i>Non-financial corporations</i>	25	25	—	—	—	—	—	—	—	—	—	—	—	—	—
15 Off-balance sheet exposures	105,227	90,862	14,365	707	108	591	(136)	(23)	(113)	(19)	—	(19)	—	16,465	88
16 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17 <i>General governments</i>	1,695	1,690	5	—	—	—	—	—	—	—	—	—	—	454	—
18 <i>Credit institutions</i>	199	115	84	—	—	—	—	—	—	—	—	—	—	—	—
19 <i>Other financial corporations</i>	3,249	2,690	559	—	—	—	(2)	(1)	(1)	—	—	—	—	222	—
20 <i>Non-financial corporations</i>	61,601	51,579	10,022	380	98	280	(61)	(13)	(48)	(19)	—	(19)	—	11,618	74
21 <i>Households</i>	38,483	34,788	3,695	327	10	311	(73)	(9)	(64)	—	—	—	—	4,171	14
22 Total	484,565	418,972	65,350	6,589	702	5,872	(2,572)	(396)	(2,176)	(2,096)	(38)	(2,058)	(226)	308,890	3,509



## 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 £m	On performing exposures £m	On non-performing exposures £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	Total £m	Of which: Stage 1 £m	Of which: Stage 2 £m	Total £m	Of which: Stage 2 £m	Of which: Stage 3 £m			
31 December 2020																														
1	Loans and advances	340,265	265,671	74,222	6,729	847	5,872	(3,212)	(455)	(2,757)	(2,469)	(85)	(2,384)	(220)	284,126	3,795														
2	Central banks	1,426	1,426	—	—	—	—	—	—	—	—	—	—	—	—	—														
3	General governments	3,042	2,820	150	—	—	—	(1)	—	(1)	—	—	—	—	2,240	—														
4	Credit institutions	920	817	103	—	—	—	(4)	(3)	(1)	—	—	—	—	147	—														
5	Other financial corporations	27,502	26,064	1,438	13	—	13	(44)	(7)	(37)	(4)	—	(4)	—	24,917	7														
6	Non-financial corporations	102,174	66,054	35,903	2,667	308	2,358	(1,884)	(269)	(1,615)	(1,069)	(40)	(1,029)	(29)	67,483	1,399														
7	Of which SMEs	27,862	16,577	11,265	862	82	780	(717)	(80)	(637)	(342)	(13)	(329)	—	20,252	390														
8	Households	205,201	168,490	36,628	4,049	539	3,501	(1,279)	(176)	(1,103)	(1,396)	(45)	(1,351)	(191)	189,339	2,389														
9	Debt securities	39,788	38,789	999	—	—	—	(6)	(4)	(2)	—	—	—	—	—	—														
10	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—														
11	General governments	31,890	31,890	—	—	—	—	(2)	(2)	—	—	—	—	—	—	—														
12	Credit institutions	5,090	4,154	936	—	—	—	(3)	(1)	(2)	—	—	—	—	—	—														
13	Other financial corporations	2,782	2,719	63	—	—	—	(1)	(1)	—	—	—	—	—	—	—														
14	Non-financial corporations	26	26	—	—	—	—	—	—	—	—	—	—	—	—	—														
15	Off-balance sheet exposures	108,959	87,320	21,639	762	48	703	(141)	(27)	(114)	(21)	—	(21)	—	16,866	83														
16	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—														
17	General governments	1,857	1,826	31	—	—	—	—	—	—	—	—	—	—	389	—														
18	Credit institutions	242	56	186	—	—	—	—	—	—	—	—	—	—	7	—														
19	Other financial corporations	3,448	2,359	1,089	—	—	—	(2)	(1)	(1)	—	—	—	—	224	—														
20	Non-financial corporations	63,517	47,617	15,900	407	31	375	(86)	(16)	(70)	(21)	—	(21)	—	11,915	68														
21	Households	39,895	35,462	4,433	355	17	328	(53)	(10)	(43)	—	—	—	—	4,331	15														
22	Total	489,012	391,780	96,860	7,491	895	6,575	(3,359)	(486)	(2,873)	(2,490)	(85)	(2,405)	(220)	300,992	3,878														

## 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.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk								
	Performing				Non-performing			Performing				Non-performing				Gross
	Of which: Instruments with significant increase in credit risk since initial recognition but not credit impaired (Stage 2)		Of which: Exposures with forbearance measures		Of which: Exposures with forbearance measures		Of which: Unlikely to pay that are not past due or past due <= 90 days	Of which: Instruments with significant increase in credit risk since initial recognition but not credit impaired (Stage 2)		Of which: Exposures with forbearance measures		Of which: Exposures with forbearance measures		Of which: Unlikely to pay that are not past due or past due <= 90 days	Inflows to non- performing exposures	
	£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	1,775	1,706	367	538	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	1,318	1,265	338	393	53	51	41	(56)	(49)	(26)	(19)	(7)	(5)	(5)	20	
5 Of which:																
Small and medium-sized enterprises	775	744	217	247	31	31	21	(32)	(30)	(16)	(13)	(2)	(2)	(1)	4	
6 Of which:																
Collateralised by commercial immovable property	982	934	249	289	48	48	36	(41)	(37)	(21)	(13)	(4)	(4)	(3)	20	
<b>31 December 2020</b>																
1 Loans and advances subject to moratorium	7,611	7,469	460	3,935	142	102	106	(322)	(297)	(52)	(231)	(25)	(15)	(18)	94	
2 Of which:																
Households	3,423	3,366	46	1,344	57	26	33	(88)	(76)	(5)	(67)	(12)	(5)	(7)	25	
3 Of which:																
Collateralised by residential immovable property	2,756	2,723	21	946	33	15	21	(16)	(12)	(1)	(11)	(4)	(2)	(3)	7	
4 Of which:																
Non-financial corporations	4,158	4,074	412	2,576	84	76	73	(233)	(220)	(46)	(162)	(13)	(10)	(11)	68	
5 Of which:																
Small and medium-sized enterprises	2,465	2,420	279	1,527	45	40	36	(141)	(134)	(32)	(96)	(7)	(5)	(5)	35	
6 Of which:																
Collateralised by commercial immovable property	3,098	3,031	333	2,050	67	65	59	(184)	(176)	(38)	(127)	(8)	(8)	(6)	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>456,719</b>	<b>48,894</b>									
2	Loans and advances subject to moratorium (granted)	<b>456,044</b>	<b>48,853</b>	—	<b>47,078</b>	<b>1,167</b>	<b>342</b>	<b>88</b>	<b>91</b>	<b>87</b>		
3	<i>Of which: Households</i>	<b>38,643</b>	—		<b>38,197</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>10,139</b>	—		<b>8,821</b>	<b>764</b>	<b>309</b>	<b>75</b>	<b>85</b>	<b>85</b>		
6	<i>Of which: Small and medium-sized enterprises</i>	<b>6,133</b>	—		<b>5,358</b>	<b>468</b>	<b>180</b>	<b>50</b>	<b>57</b>	<b>20</b>		
7	<i>Of which: Collateralised by commercial immovable property</i>	<b>6,202</b>	—		<b>5,220</b>	<b>594</b>	<b>189</b>	<b>63</b>	<b>57</b>	<b>79</b>		
<b>31 December 2020</b>												
1	Loans and advances for which moratorium was offered	488,633	53,586	—	45,758	4,438	2,503	335	151	184		
2	Loans and advances subject to moratorium (granted)	486,536	53,369	—	37,821	3,088	265	32	23	15		
3	<i>Of which: Households</i>	41,244	—		37,821	3,088	265	32	23	15		
4	<i>Of which: Collateralised by residential immovable property</i>	39,188	—		36,432	2,717	37	1	—	1		
5	<i>Of which: Non-financial corporations</i>	12,050	—		7,892	1,341	2,226	300	125	166		
6	<i>Of which: Small and medium-sized enterprises</i>	6,642	—		4,177	657	1,476	175	83	74		
7	<i>Of which: Collateralised by commercial immovable property</i>	6,542	—		3,444	950	1,632	262	112	142		

## 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 non-performing exposures
	£m	£m	Public guarantees received £m	£m
<b>30 June 2021</b>				
1 Newly originated loans and advances subject to public guarantee schemes	<b>13,050</b>	<b>557</b>	<b>12,090</b>	<b>91</b>
2 <i>Of which: Households</i>	<b>2,180</b>			<b>12</b>
3 <i>Of which: Collateralised by residential immovable property</i>	<b>4</b>			<b>—</b>
4 <i>Of which: Non-financial corporations</i>	<b>10,791</b>	<b>538</b>	<b>9,893</b>	<b>78</b>
5 <i>Of which: Small and medium-sized enterprises</i>	<b>9,199</b>			<b>64</b>
6 <i>Of which: Collateralised by commercial immovable property</i>	<b>1,027</b>			<b>18</b>
<b>31 December 2020</b>				
1 Newly originated loans and advances subject to public guarantee schemes	12,898	436	11,961	33
2 <i>Of which: Households</i>	2,146			4
3 <i>Of which: Collateralised by residential immovable property</i>	4			—
4 <i>Of which: Non-financial corporations</i>	10,651	418	9,764	29
5 <i>Of which: Small and medium-sized enterprises</i>	8,980			27
6 <i>Of which: Collateralised by commercial immovable property</i>	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 NWH 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	2,406
2 Increases due to amounts set aside for estimated loan losses during the period	535
3 Decreases due to amounts reversed for estimated loan losses during the period	(315)
4 Decreases due to amounts taken against accumulated credit risk adjustments	(475)
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>2,058</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	5,976
Loans and debt securities that have defaulted or impaired since the last reporting period	1,439
Returned to non-defaulted status	(788)
Amounts written-off	(475)
Other changes	(763)
<b>At 30 June 2021</b>	<b>5,389</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	39,823	118	—	—	118	39,941
Institutions	5,734	2,444	4	—	2,448	8,182
Corporates	68,272	68,070	5,163	—	73,233	141,505
<i>Specialised lending</i>	2,896	12,509	466	—	12,975	15,871
<i>SME</i>	3,551	13,867	2,255	—	16,122	19,673
<i>Other corporate</i>	61,825	41,694	2,442	—	44,136	105,961
Retail	38,354	191,834	8,280	—	200,114	238,468
<i>Secured by real estate property</i>						
- SME	—	1,123	20	—	1,143	1,143
- non-SME	—	190,711	—	—	190,711	190,711
<i>Qualifying revolving</i>	25,457	—	—	—	—	25,457
<i>Other retail</i>						
- SME	7,301	—	8,260	—	8,260	15,561
- non-SME	5,596	—	—	—	—	5,596
Equities	3	—	—	—	—	3
Non-credit obligation assets	4,127	—	—	—	—	4,127
<b>Total IRB</b>	<b>156,313</b>	<b>262,466</b>	<b>13,447</b>	<b>—</b>	<b>275,913</b>	<b>432,226</b>
<i>Of which: Loans</i>	<b>44,686</b>	<b>231,999</b>	<b>12,467</b>	<b>—</b>	<b>244,466</b>	<b>289,152</b>
<i>Debt securities</i>	18,883	—	—	—	—	18,883
<i>Other assets</i>	27,982	601	3	—	604	28,586
<i>Off-balance sheet exposures</i>	64,762	29,866	977	—	30,843	95,605
<i>Defaulted</i>	915	2,113	150	—	2,263	3,178
<b>STD</b>						
Central governments and central banks	115,700	—	—	—	—	115,700
Regional governments and local authorities	300	—	—	—	—	300
Multilateral development banks	—	—	—	—	—	—
Institutions	2,837	—	—	—	—	2,837
Corporates	7,028	747	252	—	999	8,027
Retail	6,048	286	—	—	286	6,334
Secured by mortgages on immovable property:						
- residential	—	16,209	—	—	16,209	16,209
- commercial	1	2,645	49	—	2,694	2,695
Exposures in default	428	—	11	—	11	439
Covered bonds	—	—	—	—	—	—
Equity exposures	4	—	—	—	—	4
Other exposures	1,354	—	—	—	—	1,354
<b>Total STD</b>	<b>133,700</b>	<b>19,887</b>	<b>312</b>	<b>—</b>	<b>20,199</b>	<b>153,899</b>
<i>Of which: Loans</i>	<b>12,382</b>	<b>18,251</b>	<b>293</b>	<b>—</b>	<b>18,544</b>	<b>30,926</b>
<i>Debt securities</i>	16,631	—	—	—	—	16,631
<i>Other assets</i>	97,622	69	—	—	69	97,691
<i>Off-balance sheet exposures</i>	7,065	1,567	19	—	1,586	8,651
<i>Defaulted</i>	428	—	11	—	11	439
<b>Total IRB and STD</b>	<b>290,013</b>	<b>282,353</b>	<b>13,759</b>	<b>—</b>	<b>296,112</b>	<b>586,125</b>
<b>Total: Loans</b>	<b>57,068</b>	<b>250,250</b>	<b>12,760</b>	<b>—</b>	<b>263,010</b>	<b>320,078</b>
<i>Debt securities</i>	35,514	—	—	—	—	35,514
<i>Other assets</i>	125,604	670	3	—	673	126,277
<i>Off-balance sheet exposures</i>	71,827	31,433	996	—	32,429	104,256
<i>Defaulted</i>	1,343	2,113	161	—	2,274	3,617

## 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	Collateral £m	Guarantees £m	Credit derivatives £m		
		Net carrying values secured by				
<b>IRB</b>						
Central governments and central banks	35,862	119	720	—	839	36,701
Institutions	5,318	1,930	19	—	1,949	7,267
Corporates	72,022	70,815	4,061	—	74,876	146,898
<i>Specialised lending</i>	2,873	13,688	459	—	14,147	17,020
SME	3,606	14,101	1,887	—	15,988	19,594
Other corporate	65,543	43,026	1,715	—	44,741	110,284
Retail	38,565	187,971	8,195	—	196,166	234,731
<i>Secured by real estate property</i>						
- SME	—	1,141	18	—	1,159	1,159
- non-SME	—	186,829	—	—	186,829	186,829
Qualifying revolving	25,382	—	—	—	—	25,382
Other retail						
- SME	7,363	1	8,177	—	8,178	15,541
- non-SME	5,820	—	—	—	—	5,820
Equities	—	—	—	—	—	—
Non-credit obligation assets	5,115	—	—	—	—	5,115
<b>Total IRB</b>	<b>156,882</b>	<b>260,835</b>	<b>12,995</b>	<b>—</b>	<b>273,830</b>	<b>430,712</b>
<i>Of which: Loans</i>	46,939	228,609	11,694	—	240,303	287,242
Debt securities	20,296	—	—	—	—	20,296
Other assets	23,356	629	3	—	632	23,988
Off-balance sheet exposures	66,291	31,597	1,298	—	32,895	99,186
Defaulted	1,090	2,313	77	—	2,390	3,480
<b>STD</b>						
Central governments and central banks	96,890	—	—	—	—	96,890
Regional governments and local authorities	299	—	—	—	—	299
Multilateral development banks	—	—	—	—	—	—
Institutions	806	—	—	—	—	806
Corporates	7,498	616	241	—	857	8,355
Retail	6,008	273	—	—	273	6,281
<i>Secured by mortgages on immovable property</i>						
- residential	—	15,663	—	—	15,663	15,663
- commercial	—	2,930	40	—	2,970	2,970
Exposures in default	399	—	—	—	—	399
Covered bonds	—	—	—	—	—	—
Equity exposures	1	—	—	—	—	1
Other exposures	1,757	—	—	—	—	1,757
<b>Total STD</b>	<b>113,658</b>	<b>19,482</b>	<b>281</b>	<b>—</b>	<b>19,763</b>	<b>133,421</b>
<i>Of which: Loans</i>	10,198	17,752	269	—	18,021	28,219
Debt securities	18,581	—	—	—	—	18,581
Other assets	77,830	71	—	—	71	77,901
Off-balance sheet exposures	7,049	1,659	12	—	1,671	8,720
Defaulted	400	—	—	—	—	400
<b>Total IRB and STD</b>	<b>270,540</b>	<b>280,317</b>	<b>13,276</b>	<b>—</b>	<b>293,593</b>	<b>564,133</b>
<b>Total: Loans</b>	<b>57,137</b>	<b>246,361</b>	<b>11,963</b>	<b>—</b>	<b>258,324</b>	<b>315,461</b>
Debt securities	38,877	—	—	—	—	38,877
Other assets	101,186	700	3	—	703	101,889
Off-balance sheet exposures	73,340	33,256	1,310	—	34,566	107,906
Defaulted	1,490	2,313	77	—	2,390	3,880

## Credit risk

### NWH Group profile by RWA calculation approach

NWH 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	j	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	288,706	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>1,426,873</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>21,554,794</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	l	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	—	76	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	11	9
<b>Total - Retail - Secured by real estate SME</b>		<b>1,039</b>	<b>144</b>	<b>1,134</b>	<b>5.06</b>	<b>21,483</b>	<b>39</b>	<b>398</b>	<b>35</b>	<b>19</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	10,206	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	602
<b>Total - Retail - Secured by real estate non-SME</b>		<b>173,661</b>	<b>14,137</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>968</b>
Retail - Qualifying revolving	0.00 to <0.15	38	5,742	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	5,824	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	21.6	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>21,163</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	—	865	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	325,840	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	157	153
<b>Total - Retail - Other SME</b>		<b>14,245</b>	<b>1,603</b>	<b>16,378</b>	<b>8.94</b>	<b>1,423,067</b>	<b>25</b>	<b>3,768</b>	<b>23</b>	<b>276</b>	<b>308</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	1,300	—	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	333	365
<b>Total - Retail - Other non-SME</b>		<b>6,564</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>582</b>	<b>744</b>
<b>Total - Retail all portfolios</b>		<b>200,389</b>	<b>37,047</b>	<b>231,326</b>	<b>2.64</b>	<b>21,717,677</b>	<b>19</b>	<b>33,060</b>	<b>14</b>	<b>1,749</b>	<b>2,707</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
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity years	RWAs	RWA density	Expected loss	IFRS 9 ECL provisions
30 June 2021	£m	£m	%	£m	%		%		£m	%	£m	£m
Central governments and central banks	39,712	169	21	39,682	0.02	45	45	1.51	2,642	7	3	4
Central governments and central banks	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	—	—	—	—	2.50	—	50	1.00	—	—	—	—
Central governments and central banks	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Central governments and central banks</b>	<b>39,712</b>	<b>169</b>	<b>21</b>	<b>39,682</b>	<b>0.02</b>	<b>45</b>	<b>45</b>	<b>1.51</b>	<b>2,642</b>	<b>7</b>	<b>3</b>	<b>4</b>
Institutions	3,317	196	52	3,348	0.10	210	42	0.94	694	21	1	1
Institutions	1,719	125	29	1,765	0.19	97	31	2.00	585	33	1	2
Institutions	717	13	28	721	0.39	36	14	3.25	205	28	—	1
Institutions	1	3	57	3	0.64	13	61	1.22	3	103	—	—
Institutions	93	12	40	99	1.35	22	42	1.52	84	85	1	1
Institutions	16	5	70	19	3.31	111	52	1.02	29	149	—	—
Institutions	—	—	20	—	24.33	4	65	1.27	1	358	—	—
Institutions	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Institutions</b>	<b>5,863</b>	<b>354</b>	<b>43</b>	<b>5,955</b>	<b>0.19</b>	<b>493</b>	<b>36</b>	<b>1.54</b>	<b>1,601</b>	<b>27</b>	<b>3</b>	<b>5</b>
Corporates - Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	—	—	100	—	1.81	2	1	5.00	—	—	—	—
Corporates - Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	2	—	—	2	100.00	1	65	1.00	—	—	1	1
<b>Total - Corporates - Specialised lending</b>	<b>2</b>	<b>—</b>	<b>100</b>	<b>2</b>	<b>94.31</b>	<b>3</b>	<b>62</b>	<b>1.23</b>	<b>—</b>	<b>—</b>	<b>1</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
	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity years	RWAs	RWA density	Expected loss	IFRS 9 ECL provisions
30 June 2021	%	£m	£m	%	£m	%		%		£m	%	£m	£m
Corporates - SME	0.00 to <0.15	20	5	75	24	0.11	56	35	3.53	5	21	—	—
Corporates - SME	0.15 to <0.25	452	227	64	599	0.21	1,523	26	3.27	116	19	—	4
Corporates - SME	0.25 to <0.50	2,752	875	52	3,213	0.40	5,884	23	3.26	769	24	3	35
Corporates - SME	0.50 to <0.75	2,271	725	49	2,629	0.64	3,807	24	2.90	785	30	4	53
Corporates - SME	0.75 to <2.50	6,135	2,027	45	7,060	1.29	9,855	23	2.93	2,923	41	21	195
Corporates - SME	2.50 to <10.0	2,884	742	45	3,236	3.59	4,247	21	2.82	1,354	42	24	179
Corporates - SME	10.0 to <100.00	402	63	47	435	13.55	608	21	2.62	289	66	13	46
Corporates - SME	100.00 (default)	471	48	28	486	100.00	1,079	39	2.57	436	90	188	207
Total - Corporates - SME		15,387	4,712	48	17,682	4.43	27,059	23	2.96	6,677	38	253	719
Corporates - Other	0.00 to <0.15	16,476	26,184	44	27,885	0.06	1,485	41	3.49	6,825	24	7	14
Corporates - Other	0.15 to <0.25	4,892	7,465	42	7,943	0.18	1,227	40	2.47	3,039	38	5	16
Corporates - Other	0.25 to <0.50	5,366	6,427	47	8,288	0.40	2,385	40	2.37	4,560	55	11	48
Corporates - Other	0.50 to <0.75	3,083	2,650	43	4,186	0.64	2,008	35	2.48	2,678	64	9	43
Corporates - Other	0.75 to <2.50	9,599	6,904	46	12,706	1.36	9,353	32	2.50	10,093	79	55	269
Corporates - Other	2.50 to <10.0	5,705	2,899	46	6,893	3.69	4,664	27	2.36	5,904	86	69	250
Corporates - Other	10.0 to <100.00	511	182	52	605	13.47	647	25	2.11	751	124	22	67
Corporates - Other	100.00 (default)	687	197	42	751	100.00	614	39	1.94	146	19	294	278
Total - Corporates - Other		46,319	52,908	44	69,257	1.95	22,383	37	2.85	33,996	49	472	985
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	3	—	—	3	1.28	1	90	5.00	9	281	—	—
Equities	2.50 to <10.0	—	—	—	—	—	—	—	—	—	—	—	—
Equities	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Equities	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
Total - Equities		3	—	—	3	1	1	90	5	9	281	—	—
Total - Wholesale all portfolios		107,286	58,143	45	132,581	1.62	49,984	38	2.41	44,925	34	732	1,714

## 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 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	35,910	733	35	36,101	0.02	45	45	1.87	2,809	8	3	3
Central governments and central banks	0.15 to <0.25	—	—	—	—	0.23	1	60	1.00	—	—	—	—
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 <10.0	—	—	—	—	2.50	—	50	1.00	—	—	—	—
Central governments and central banks	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Central governments and central banks	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Central governments and central banks</b>		<b>35,910</b>	<b>733</b>	<b>35</b>	<b>36,101</b>	<b>0.02</b>	<b>46</b>	<b>45</b>	<b>1.87</b>	<b>2,809</b>	<b>8</b>	<b>3</b>	<b>3</b>
Institutions	0.00 to <0.15	2,599	205	53	2,644	0.10	214	42	1.28	598	23	1	1
Institutions	0.15 to <0.25	1,818	141	36	1,874	0.20	97	33	1.72	629	34	1	18
Institutions	0.25 to <0.50	734	14	37	739	0.39	41	16	3.53	263	36	—	3
Institutions	0.50 to <0.75	1	3	62	3	0.64	14	60	1.22	3	99	—	—
Institutions	0.75 to <2.50	29	15	31	34	1.52	25	27	2.79	23	68	—	1
Institutions	2.50 to <10.0	15	—	67	16	3.01	33	46	1.02	19	126	—	—
Institutions	10.0 to <100.00	—	1	20	1	29.3	65	60	1.99	2	299	—	—
Institutions	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>5,196</b>	<b>379</b>	<b>45</b>	<b>5,311</b>	<b>0.19</b>	<b>489</b>	<b>35</b>	<b>1.76</b>	<b>1,537</b>	<b>29</b>	<b>2</b>	<b>23</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
	PD range	Original on-balance sheet 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													
Corporates - SME	0.00 to <0.15	22	2	80	24	0.11	45	32	3.69	5	20	—	—
Corporates - SME	0.15 to <0.25	483	200	69	621	0.21	1,502	30	3.39	154	25	—	6
Corporates - SME	0.25 to <0.50	2,681	800	53	3,109	0.41	5,935	22	3.25	707	23	3	50
Corporates - SME	0.50 to <0.75	2,208	716	52	2,580	0.64	4,077	23	3.13	772	30	4	58
Corporates - SME	0.75 to <2.50	6,293	2,162	45	7,275	1.31	10,925	23	2.99	3,046	42	22	280
Corporates - SME	2.50 to <10.0	2,724	877	44	3,127	3.66	4,488	21	2.78	1,386	44	25	220
Corporates - SME	10.0 to <100.00	405	73	50	447	13.88	724	22	2.64	318	71	14	64
Corporates - SME	100.00 (default)	520	50	20	534	100	1,231	40	2.46	864	162	218	224
<b>Total - Corporates - SME</b>		<b>15,336</b>	<b>4,880</b>	<b>48</b>	<b>17,717</b>	<b>4.72</b>	<b>28,927</b>	<b>23</b>	<b>3.01</b>	<b>7,252</b>	<b>41</b>	<b>286</b>	<b>902</b>
Corporates - Other	0.00 to <0.15	17,005	26,948	43	28,477	0.06	1,558	42	3.42	7,630	27	8	15
Corporates - Other	0.15 to <0.25	5,341	7,400	42	8,432	0.19	1,421	41	2.54	3,438	41	6	21
Corporates - Other	0.25 to <0.50	4,938	6,679	43	7,667	0.39	2,549	40	2.41	4,208	55	10	59
Corporates - Other	0.50 to <0.75	3,747	2,545	44	4,818	0.64	2,132	34	2.50	3,018	63	10	53
Corporates - Other	0.75 to <2.50	11,069	6,787	47	14,189	1.34	10,697	33	2.61	11,497	81	61	377
Corporates - Other	2.50 to <10.0	6,464	3,054	43	7,632	3.57	5,277	30	2.09	7,123	93	83	310
Corporates - Other	10.0 to <100.00	646	246	49	764	14.41	804	28	2.33	1,045	137	32	103
Corporates - Other	100.00 (default)	893	300	42	1,005	100.00	644	42	1.89	305	30	422	426
<b>Total - Corporates - Other</b>		<b>50,103</b>	<b>53,959</b>	<b>43</b>	<b>72,984</b>	<b>2.29</b>	<b>25,082</b>	<b>38</b>	<b>2.82</b>	<b>38,264</b>	<b>52</b>	<b>632</b>	<b>1,364</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	—	—	—	—	—	1	—	—	—	—	—	—
Equities	2.50 to <10.0	—	—	—	—	—	—	—	—	—	—	—	—
Equities	10.0 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
Equities	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Equities</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total - Wholesale all portfolios</b>		<b>106,549</b>	<b>59,952</b>	<b>44</b>	<b>132,117</b>	<b>1.91</b>	<b>54,550</b>	<b>38</b>	<b>2.55</b>	<b>49,862</b>	<b>38</b>	<b>925</b>	<b>2,293</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 %
30 June 2021												
Central governments and central banks	0.02	45	0.03	50	0.06	45	0.01	45	0.01	45	0.03	46
Institutions	0.19	36	0.31	19	0.16	45	0.11	31	0.16	43	0.23	44
Corporates	2.46	34	2.65	33	3.65	35	1.29	39	0.40	46	1.14	46
<i>Specialised lending</i>	94.31	62	—	—	—	—	—	—	—	—	94.31	62
<i>SME</i>	4.43	23	4.21	23	7.70	27	0.45	4	0.32	100	10.71	23
<i>Other corporate</i>	1.95	37	2.17	36	2.19	38	1.29	39	0.40	46	0.94	46
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</i>												
- SME	4.84	24	4.83	24	3.24	25	8.27	17	3.24	19	12.90	20
- non SME	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
- non-SME	10.77	73	10.81	73	8.23	73	33.65	75	24.12	76	29.41	76
Equities	1.28	90	1.28	90	—	—	—	—	—	—	—	—
Total	1.96	25	2.11	21	3.80	34	0.34	43	0.15	45	0.42	46

	Total		UK		RoI		Other Western Europe		US		Rest of World	
	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %
31 December 2020												
Central governments and central banks	0.02	45	0.03	42	0.06	45	0.01	44	0.01	45	0.03	45
Institutions	0.19	35	0.25	25	0.15	45	0.12	34	0.18	42	0.39	53
Corporates	2.77	35	3.04	33	3.56	36	1.41	40	0.64	46	1.14	44
<i>Specialised lending</i>	97.48	39	—	—	—	—	—	—	—	—	97.48	39
<i>SME</i>	4.72	23	4.41	23	9.53	33	92.76	37	6.92	17	12.29	23
<i>Other corporate</i>	2.29	38	2.63	37	2.15	37	1.32	40	0.64	46	0.80	44
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</i>												
- SME	5.06	39	5.05	39	6.74	20	5.11	27	8.36	31	14.27	35
- non SME	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</i>												
- SME	8.94	25	9.05	24	5.66	72	7.64	32	4.53	37	6.01	37
- non-SME	10.87	74	10.92	74	7.89	73	36.32	75	34.26	79	24.01	76
Equities	—	—	—	—	—	—	—	—	—	—	—	—
Total	2.37	26	2.52	22	4.61	34	0.45	43	0.22	45	0.44	45



## Credit risk

### CR10: 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.

30 June 2021		On-balance sheet amount £m	Off-balance sheet amount £m	Risk-weight %	Exposure amount £m	RWAs £m	Expected loss £m
Remaining maturity							
Regulatory categories							
1 - Strong	Less than 2.5 years	2,774	405	50	2,987	1,440	—
	Equal to or more than 2.5 years	5,286	1,194	70	6,139	3,693	25
2 - Good	Less than 2.5 years	2,960	382	70	3,234	2,264	13
	Equal to or more than 2.5 years	1,294	256	90	1,489	1,314	12
3 - Satisfactory	Less than 2.5 years	196	3	115	199	229	6
	Equal to or more than 2.5 years	227	4	115	230	265	6
4 - Weak	Less than 2.5 years	44	—	250	44	111	4
	Equal to or more than 2.5 years	13	—	250	13	33	1
5 - Default	Less than 2.5 years	152	7	—	156	—	80
	Equal to or more than 2.5 years	226	5	—	228	—	112
Total	Less than 2.5 years	6,126	797		6,620	4,044	103
	Equal to or more than 2.5 years	7,046	1,459		8,099	5,305	156
<hr/>							
31 December 2020		On-balance sheet amount £m	Off-balance sheet amount £m	Risk-weight %	Exposure amount £m	RWAs £m	Expected loss £m
Remaining maturity							
Regulatory categories							
1 - Strong	Less than 2.5 years	2,785	495	50	3,053	1,487	—
	Equal to or more than 2.5 years	5,624	1,276	70	6,605	4,094	26
2 - Good	Less than 2.5 years	3,167	393	70	3,463	2,424	14
	Equal to or more than 2.5 years	1,587	261	90	1,786	1,566	14
3 - Satisfactory	Less than 2.5 years	102	1	115	103	119	3
	Equal to or more than 2.5 years	168	4	115	172	198	5
4 - Weak	Less than 2.5 years	38	3	250	41	103	3
	Equal to or more than 2.5 years	18	1	250	19	47	2
5 - Default	Less than 2.5 years	241	9	—	249	—	126
	Equal to or more than 2.5 years	257	4	—	258	—	130
Total	Less than 2.5 years	6,333	901		6,909	4,133	146
	Equal to or more than 2.5 years	7,654	1,546		8,840	5,905	177

## 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				RWA £m	RWA density %		
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m				
<b>30 June 2021</b>												
1 Central governments and central banks	114,682	1,017	114,966	331	1,265	1						
2 Regional governments and local authorities	1	256	1	—	1	64						
4 Multilateral development banks	—	—	—	—	—	—						
6 Institutions	2,833	4	2,833	—	627	22						
7 Corporates	5,759	2,049	5,116	592	4,476	78						
8 Retail	2,269	4,065	2,169	24	1,305	59						
9 Secured by mortgages on immovable property												
- residential	15,115	1,095	15,116	180	5,517	36						
- commercial	2,554	122	2,470	57	2,428	96						
10 Exposures in default	382	57	405	1	471	116						
11 Items associated with particularly high risk	—	—	—	—	—	—						
12 Covered bonds	—	—	—	—	—	—						
15 Equity exposures	4	—	4	—	4	120						
16 Other exposures	1,354	—	1,449	—	964	67						
17 Total	144,953	8,665	144,529	1,185	17,058	12						

	a		b		c		d		e		f	
	Exposures pre CCF and CRM				Exposures post CCF and CRM				RWA £m	RWA density %		
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m				
<b>31 December 2020</b>												
1 Central governments and central banks	96,287	602	96,543	119	1,158	1						
2 Regional governments and local authorities	2	267	2	—	1	61						
4 Multilateral development banks	—	—	—	—	—	—						
6 Institutions	782	25	757	25	269	34						
7 Corporates	5,725	2,364	5,205	651	4,512	77						
8 Retail	2,225	4,056	2,134	24	1,278	59						
9 Secured by mortgages on immovable property												
- residential	14,506	1,157	14,508	203	5,403	37						
- commercial	2,727	228	2,654	103	2,737	99						
10 Exposures in default	363	38	388	4	455	116						
11 Items associated with particularly high risk	—	—	—	—	—	—						
12 Covered bonds	—	—	—	—	—	—						
15 Equity exposures	1	—	1	—	1	247						
16 Other exposures	1,757	—	1,854	—	1,299	70						
17 Total	124,375	8,737	124,046	1,129	17,113	14						

## 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																Deducted	Total	Of which: Unrated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150% (1)	250%	370%	1,250%	Others	£m			
<b>30 June 2021</b>																			
1 Central governments and central banks	114,769	—	—	—	24	—	—	—	—	—	—	504	—	—	—	—	—	115,297	797
2 Regional governments and local authorities	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	1	1
3 Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Institutions	—	—	—	—	2,632	—	201	—	—	—	—	—	—	—	—	—	—	2,833	4
5 Corporates	964	—	—	—	131	8	11	—	13	4,566	6	—	—	—	—	9	—	5,708	2,631
6 Retail	5	—	—	—	274	—	—	—	1,914	—	—	—	—	—	—	—	—	2,193	—
7 Secured by mortgages on immovable property																			
- residential	1	—	—	—	—	15,012	—	—	58	225	—	—	—	—	—	—	—	15,296	15,296
- commercial	24	—	—	—	—	80	—	—	—	2,419	—	—	—	—	4	—	—	2,527	2,527
10 Exposures in default	4	—	—	—	—	—	—	—	—	265	137	—	—	—	—	—	—	406	397
11 Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Equity exposures	—	—	—	—	—	—	—	—	—	4	—	—	—	—	—	—	—	4	—
15 Other exposures	354	—	—	—	98	—	31	—	—	923	—	—	—	—	43	—	—	1,449	1,449
16 Total EAD post CRM	116,121	—	—	—	3,159	15,100	243	—	1,985	8,403	143	504	—	—	56	—	—	145,714	23,102
17 EAD pre CRM	115,877	—	—	—	3,203	15,100	243	—	2,081	9,245	149	504	—	—	114	—	—	146,516	23,626
<b>31 December 2020</b>																			
1 Central governments and central banks	96,175	—	—	—	26	—	—	—	—	—	—	461	—	—	—	—	—	96,662	598
2 Regional governments and local authorities	—	—	—	—	1	—	—	—	—	1	—	—	—	—	—	—	—	2	2
3 Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Institutions	—	—	—	—	408	—	374	—	—	—	—	—	—	—	—	—	—	782	4
5 Corporates	986	—	—	—	171	—	148	—	—	4,543	2	—	—	—	6	—	—	5,856	2,781
6 Retail	—	—	—	—	297	—	—	—	1,861	—	—	—	—	—	—	—	—	2,158	—
7 Secured by mortgages on immovable property																			
- residential	1	—	—	—	—	14,284	—	—	62	364	—	—	—	—	—	—	—	14,711	14,711
- commercial	3	—	—	—	—	—	—	—	—	2,724	27	—	—	—	3	—	—	2,757	2,757
10 Exposures in default	4	—	—	—	—	—	—	—	—	253	135	—	—	—	—	—	—	392	389
11 Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Equity exposures	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	1	—
15 Other exposures	477	—	—	—	44	—	31	—	—	1,268	—	—	—	—	34	—	—	1,854	1,854
16 Total EAD post CRM	97,646	—	—	—	947	14,284	553	—	1,923	9,154	164	461	—	—	43	—	—	125,175	23,096
17 EAD pre CRM	97,424	—	—	—	977	14,283	553	—	2,013	9,930	165	461	—	—	82	—	—	125,888	23,475

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
	Notional £m	Replacement cost/current market value £m	potential future exposure £m	Multiplier	EAD post-CRM £m	RWA £m
<b>30 June 2021</b>						
1 Mark-to-market method	n/a	262	305	n/a	554	256
9 Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	1,174	181
11 Total	—	262	305	—	1,728	437
<b>31 December 2020</b>						
1 Mark-to-market method	n/a	343	376	n/a	507	254
9 Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	1,365	169
11 Total	—	343	376	—	1,872	423

### Key points

- The increase in exposure for the mark-to-market method reflects an overall increase in OTC derivative transactions. RWAs were broadly unchanged reflecting a higher exposure to low-risk-weighted counterparties.
- The decrease in exposure to SFTs mainly reflects an early repayment of central bank funding. However, RWAs increased due to higher exposure to institutional counterparties.

## 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 £m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWAs £m	RWA density %
30 June 2021	PD scale							
Central governments and central banks	0.00 to <0.15	44	0.01	3	49	0.33	—	1
Central governments and central banks	0.15 to <0.25	—	—	—	—	—	—	—
Central governments and central banks	0.25 to <0.50	—	—	—	—	—	—	—
Central governments and central banks	0.50 to <0.75	—	—	—	—	—	—	—
Central governments and central banks	0.75 to <2.50	—	—	—	—	—	—	—
Central governments and central banks	2.50 to <10.00	—	—	—	—	—	—	—
Central governments and central banks	10.00 to <100.00	—	—	—	—	—	—	—
Central governments and central banks	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Central governments and central banks</b>		<b>44</b>	<b>0.01</b>	<b>3</b>	<b>49</b>	<b>0.33</b>	<b>—</b>	<b>1</b>
Institutions	0.00 to <0.15	15	0.11	1	50	0.10	3	21
Institutions	0.15 to <0.25	291	0.20	7	45	0.19	94	32
Institutions	0.25 to <0.50	120	0.42	2	45	0.73	62	51
Institutions	0.50 to <0.75	—	—	—	—	—	—	—
Institutions	0.75 to <2.50	—	—	—	—	—	—	—
Institutions	2.50 to <10.00	—	—	—	—	—	—	—
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>426</b>	<b>0.26</b>	<b>10</b>	<b>45</b>	<b>0.34</b>	<b>159</b>	<b>37</b>
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—
Corporates - SME	0.15 to <0.25	—	—	—	—	—	—	—
Corporates - SME	0.25 to <0.50	1	0.32	1	83	2.34	1	90
Corporates - SME	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - SME	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - SME	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - SME	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - SME	100.00 (Default)	—	—	—	0	—	—	—
<b>Total - Corporates - SME</b>		<b>1</b>	<b>0.32</b>	<b>1</b>	<b>83</b>	<b>2.34</b>	<b>1</b>	<b>90</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 obligors	Average LGD	Average maturity	RWAs	RWA density
30 June 2021	PD scale	£m	%		%	Years	£m	%
Corporates - Specialised lending	Strong	22	—	11	—	4.82	13	60
Corporates - Specialised lending	Good	—	—	1	—	2.72	—	90
Corporates - Specialised lending	Satisfactory	—	—	—	—	—	—	—
Corporates - Specialised lending	Weak	—	—	—	—	—	—	—
Corporates - Specialised lending	Default	—	—	—	—	—	—	—
<b>Total - Corporates - Specialised lending (1)</b>		<b>22</b>	<b>—</b>	<b>12</b>	<b>—</b>	<b>4.82</b>	<b>13</b>	<b>60</b>
Corporates - Other	0.00 to <0.15	787	0.04	156	45	0.87	94	12
Corporates - Other	0.15 to <0.25	118	0.18	6	45	0.60	41	35
Corporates - Other	0.25 to <0.50	1	0.32	1	50	3.09	1	74
Corporates - Other	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - Other	0.75 to <2.50	—	1.28	1	31	2.00	—	69
Corporates - Other	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - Other	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - Other	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Corporates - Other</b>		<b>906</b>	<b>0.06</b>	<b>164</b>	<b>45</b>	<b>0.83</b>	<b>136</b>	<b>15</b>
<b>Total - Wholesale all portfolios</b>		<b>1,399</b>	<b>0.12</b>	<b>190</b>	<b>45</b>	<b>0.73</b>	<b>309</b>	<b>22</b>

## Counterparty credit risk

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

		a	b	c	d	e	f	g
	PD scale	EAD post CRM and post-CCF £m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWAs £m	RWA density %
31 December 2020								
Central governments and central banks	0.00 to <0.15	245	0.01	3	50	0.35	2	1
Central governments and central banks	0.15 to <0.25	—	—	—	—	—	—	—
Central governments and central banks	0.25 to <0.50	—	—	—	—	—	—	—
Central governments and central banks	0.50 to <0.75	—	—	—	—	—	—	—
Central governments and central banks	0.75 to <2.50	—	—	—	—	—	—	—
Central governments and central banks	2.50 to <10.00	—	—	—	—	—	—	—
Central governments and central banks	10.00 to <100.00	—	—	—	—	—	—	—
Central governments and central banks	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Central governments and central banks</b>		<b>245</b>	<b>0.01</b>	<b>3</b>	<b>50</b>	<b>0.35</b>	<b>2</b>	<b>1</b>
Institutions	0.00 to <0.15	7	0.11	4	49	0.18	2	21
Institutions	0.15 to <0.25	184	0.21	8	49	0.06	64	35
Institutions	0.25 to <0.50	92	0.44	2	49	0.37	46	50
Institutions	0.50 to <0.75	—	—	—	—	—	—	—
Institutions	0.75 to <2.50	—	—	—	—	—	—	—
Institutions	2.50 to <10.00	—	—	—	—	—	—	—
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>283</b>	<b>0.29</b>	<b>14</b>	<b>49</b>	<b>0.16</b>	<b>112</b>	<b>39</b>
Corporates - SME	0.00 to <0.15	—	—	—	—	—	—	—
Corporates - SME	0.15 to <0.25	—	—	—	—	—	—	—
Corporates - SME	0.25 to <0.50	1	0.45	1	78	2.83	1	110
Corporates - SME	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - SME	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - SME	2.50 to <10.00	—	—	—	—	—	—	—
Corporates - SME	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - SME	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Corporates - SME</b>		<b>1</b>	<b>0.45</b>	<b>1</b>	<b>78</b>	<b>2.83</b>	<b>1</b>	<b>110</b>

## Counterparty credit risk

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

		a	b	c	d	e	f	g
	PD scale	EAD post CRM and post-CCF £m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWAs £m	RWA density %
31 December 2020								
Corporates - Specialised lending	Strong	29	—	12	—	4.91	18	64
Corporates - Specialised lending	Good	—	—	—	—	—	—	—
Corporates - Specialised lending	Satisfactory	—	—	—	—	—	—	—
Corporates - Specialised lending	Weak	—	—	—	—	—	—	—
Corporates - Specialised lending	Default	—	—	—	—	—	—	—
<b>Total - Corporates - Specialised lending (1)</b>		<b>29</b>	<b>—</b>	<b>12</b>	<b>—</b>	<b>4.91</b>	<b>18</b>	<b>64</b>
Corporates - Other	0.00 to <0.15	681	0.04	152	49	0.96	86	13
Corporates - Other	0.15 to <0.25	106	0.18	6	48	0.55	39	36
Corporates - Other	0.25 to <0.50	2	0.43	2	46	3.47	2	82
Corporates - Other	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - Other	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - Other	2.50 to <10.00	—	2.56	1	35	2.49	—	101
Corporates - Other	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - Other	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Corporates - Other</b>		<b>789</b>	<b>0.06</b>	<b>161</b>	<b>49</b>	<b>0.91</b>	<b>127</b>	<b>16</b>
<b>Total - Wholesale all portfolios</b>		<b>1,347</b>	<b>0.1</b>	<b>191</b>	<b>49</b>	<b>0.74</b>	<b>260</b>	<b>19</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

- The increase in total exposure and RWAs mainly reflects increased exposure to institutions.



## Counterparty credit risk

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

Exposure class	Risk-weight							Total £m	Of which: Unrated £m
	0% £m	2% £m	20% £m	50% £m	75% £m	100% £m			
30 June 2021									
1 Central governments and central banks	45	—	—	—	—	—	45	—	
6 Institutions	—	1,055	77	104	—	—	1,236	—	
7 Corporates	—	—	—	81	—	20	101	—	
11 Total	45	1,055	77	185	—	20	1,382	—	

Exposure class	Risk-weight							Total £m	Of which: Unrated £m
	0% £m	2% £m	20% £m	50% £m	75% £m	100% £m			
31 December 2020									
1 Central governments and central banks	186	—	—	—	—	—	186	—	
6 Institutions	—	838	63	151	—	—	1,052	—	
7 Corporates	—	—	—	93	—	33	126	—	
11 Total	186	838	63	244	—	33	1,364	—	

#### Key points

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

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

The table below shows the CVA charge split by approach.

	30 June 2021		31 December 2020	
	a	b	a	b
	Exposure amount £m	RWAs £m	Exposure amount £m	RWAs £m
4 All portfolios subject to the standardised CVA capital charge	414	223	340	468

#### Key points

- There was an overall increase in exposures subject to the CVA capital charge.
- The decrease in RWAs mainly reflects a refinement to how counterparty risk-weights are calculated, which notably affected an internal counterparty.

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

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

	30 June 2021				
	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
1 Derivatives	9,820	9,561	259	259	—
2 SFTs	60,834	—	60,834	60,641	193
4 Total	70,654	9,561	61,093	60,900	193

  

	31 December 2020				
	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
1 Derivatives	13,177	13,177	—	—	—
2 SFTs	64,029	—	64,029	63,830	199
4 Total	77,206	13,177	64,029	63,830	199

Note:

(1) Any excess collateral held is not included.

#### Key point

- Net credit exposure remained broadly unchanged.

## Counterparty credit risk

### CCR6: CCR: Credit derivatives

The table below shows credit derivatives bought and sold by notional and fair values.

	30 June 2021		31 December 2020	
	a	b	a	b
	Protection bought	Protection sold	Protection bought	Protection sold
	£m	£m	£m	£m
<b>Notionals</b>				
Single-name credit default swaps	—	—	12	—
Total notionals	—	—	12	—
Of which: Own credit portfolio - notionals (1)	—	—	12	—
<b>Fair values</b>				
Positive fair value (asset)	—	—	12	—
Negative fair value (liability)	—	—	—	—

Note:

- (1) Comprises 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.

#### Key point

- The single-name credit default swap was settled during H1 2021.

### 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.

	30 June 2021		31 December 2020	
	a	b	a	b
	EAD post-CRM	RWA	EAD post-CRM	RWA
	£m	£m	£m	£m
1 Exposures to QCCPs (total)	1,193	119	881	70
2 Exposures for trades at QCCPs (excluding OTC initial margin and default fund contributions)	1,053	21	839	17
Of which:				
3 (i) OTC derivatives	714	14	713	14
5 (iii) Securities financing transactions	339	7	126	3
9 Pre-funded default fund contributions	140	98	42	53

#### Key point

- The increase in RWAs was driven by increased SFT exposure and a higher default fund contribution.

## Market risk

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

The table below shows market risk RWAs and MCR by calculation method and type of risk for NWH Group and large subsidiaries. MCR is calculated as 8% of RWAs.

	NWH Group		NWB Plc		RBS plc		UBIDAC		Coutts & Co	
	a	b	a	b	a	b	a	b	a	b
	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m
<b>30 June 2021</b>										
3 Foreign exchange position risk (outright products)	124	10	44	4	6	—	59	5	2	
	NWH Group		NWB Plc		RBS plc		UBIDAC		Coutts & Co	
	a	b	a	b	a	b	a	b	a	b
	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m
<b>31 December 2020</b>										
3 Foreign exchange position risk (outright products)	106	9	18	1	14	1	62	5	6	1

#### Key points

##### NWH Group

- NWH Group's RWA exposure includes the position in NatWest Holdings Limited and its subsidiaries.
- The increase in RWAs mainly reflected an increase in US dollar and euro positions and transfer pricing charges between NWH Group entities.

##### NWB Plc

- The increase in RWAs reflected payments between NWH Group entities and mark-to-market adjustments on mainly euro and US dollar derivative positions.

##### RBS plc

- The increase in RWAs reflected movements in US dollar and euro positions.

## 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>	—	—	—	—	—	—	1,038	—	1,038
Residential mortgages	—	—	—	—	—	—	1,038	—	1,038
Credit Card Receivables	—	—	—	—	—	—	—	—	—
Consumer Loans	—	—	—	—	—	—	—	—	—
Loans to SMEs (treated as Retail)	—	—	—	—	—	—	—	—	—
<b>Wholesale (total)</b>	—	5,254	5,254	—	—	—	—	—	—
Commercial Mortgages	—	1,526	1,526	—	—	—	—	—	—
Leasing	—	—	—	—	—	—	—	—	—
Loans to corporates	—	3,728	3,728	—	—	—	—	—	—
Trade Receivables	—	—	—	—	—	—	—	—	—
Auto Receivables	—	—	—	—	—	—	—	—	—
<b>Total at 30 June 2021</b>	—	5,254	5,254	—	—	—	1,038	—	1,038
<b>Retail (total)</b>	—	—	—	—	—	—	1,308	—	1,308
Residential mortgages	—	—	—	—	—	—	1,308	—	1,308
Credit Card Receivables	—	—	—	—	—	—	—	—	—
Consumer Loans	—	—	—	—	—	—	—	—	—
Loans to SMEs (treated as Retail)	—	—	—	—	—	—	—	—	—
<b>Wholesale (total)</b>	—	6,342	6,342	—	—	—	—	—	—
Commercial Mortgages	—	1,706	1,706	—	—	—	—	—	—
Leasing	—	—	—	—	—	—	—	—	—
Loans to corporates	—	4,636	4,636	—	—	—	—	—	—
Trade Receivables	—	—	—	—	—	—	—	—	—
Auto Receivables	—	—	—	—	—	—	—	—	—
<b>Total at 31 December 2020</b>	—	6,342	6,342	—	—	—	1,308	—	1,308

#### Key point

- The decrease in exposures mainly reflected expired and amortised facilities for residential mortgages and loans to corporates.

## Securitisation

### Securitisation exposures: retained and purchased

#### 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 (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)			
	≤20%	>20% to	>50% to	>100% to	1250%	SEC-	SEC-	SEC-		SEC-	SEC-	SEC-	
	RW	50% RW	100% RW	<1250% RW	RW	ERBA	IRBA	SA	12.5	ERBA	IRBA	SA	12.5
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<b>Total Exposures</b>	<b>5,251</b>	—	—	—	<b>3</b>	—	<b>5,254</b>	—	—	—	<b>866</b>	—	—
<b>Traditional securitisation</b>	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic securitisation</b>	<b>5,251</b>	—	—	—	<b>3</b>	—	<b>5,254</b>	—	—	—	<b>866</b>	—	—
Of which securitisation	<b>5,251</b>	—	—	—	<b>3</b>	—	<b>5,254</b>	—	—	—	<b>866</b>	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	<b>5,251</b>	—	—	—	<b>3</b>	—	<b>5,254</b>	—	—	—	<b>866</b>	—	—
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%	>20% to	>50% to	>100% to	1250%	SEC-	SEC-	SEC-		SEC-	SEC-	SEC-	
	RW	50% RW	100% RW	<1250% RW	RW	ERBA	IRBA	SA	12.5	ERBA	IRBA	SA	12.5
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<b>Total Exposures</b>	<b>6,341</b>	—	—	—	<b>1</b>	—	<b>6,342</b>	—	—	—	<b>1,004</b>	—	—
<b>Traditional securitisation</b>	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic securitisation</b>	<b>6,341</b>	—	—	—	<b>1</b>	—	<b>6,342</b>	—	—	—	<b>1,004</b>	—	—
Of which securitisation	<b>6,341</b>	—	—	—	<b>1</b>	—	<b>6,342</b>	—	—	—	<b>1,004</b>	—	—
Of which retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	<b>6,341</b>	—	—	—	<b>1</b>	—	<b>6,342</b>	—	—	—	<b>1,004</b>	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—

#### Key point

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

## 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>886</b>	<b>—</b>	<b>49</b>	<b>103</b>	<b>—</b>	<b>152</b>	<b>—</b>	<b>886</b>	<b>—</b>	<b>198</b>	<b>—</b>	<b>128</b>	<b>—</b>
Traditional securitisation	886	—	49	103	—	152	—	886	—	198	—	128	—
Of which securitisation	886	—	49	103	—	152	—	886	—	198	—	128	—
Of which retail	886	—	49	103	—	152	—	886	—	198	—	128	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
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	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>1,156</b>	<b>—</b>	<b>49</b>	<b>103</b>	<b>—</b>	<b>152</b>	<b>—</b>	<b>1,156</b>	<b>—</b>	<b>199</b>	<b>—</b>	<b>169</b>	<b>—</b>
Traditional securitisation	1,156	—	49	103	—	152	—	1,156	—	199	—	169	—
Of which securitisation	1,156	—	49	103	—	152	—	1,156	—	199	—	169	—
Of which retail	1,156	—	49	103	—	152	—	1,156	—	199	—	169	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which non-senior	—	—	—	—	—	—	—	—	—	—	—	—	—
Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—
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.

## UBIDAC Appendix

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

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk								
	Performing				Non-performing			Performing				Non-performing				
	Of which: instruments with significant increase in credit risk since initial recognition but not credit impaired (Stage 2)			Of which: Exposures with forbearance measures			Of which: Unlikely to pay that are not past due or past due <= 90 days		Of which: instruments with significant increase in credit risk since initial recognition but not credit impaired (Stage 2)			Of which: Exposures with forbearance measures		Of which: Unlikely to pay that are not past due or past due <= 90 days		Gross
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
30 June 2021																
1 Loans and advances subject to moratorium	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2 Of which:																
Households	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3 Of which:																
Collateralised by residential immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Of which:																
Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 Of which:																
Small and medium-sized enterprises	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Of which:																
Collateralised by commercial immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31 December 2020																
1 Loans and advances subject to moratorium	86	82	4	54	4	4	2	(10)	(8)	(1)	(7)	(2)	(2)	(1)	—	
2 Of which:																
Households	23	21	2	10	2	2	2	(2)	(1)	—	(1)	(1)	(1)	(1)	—	
3 Of which:																
Collateralised by residential immovable property	20	18	2	9	2	2	2	(2)	(1)	—	(1)	(1)	(1)	—	—	
4 Of which:																
Non-financial corporations	63	61	2	43	2	2	—	(8)	(7)	(1)	(6)	(1)	(1)	—	—	
5 Of which:																
Small and medium-sized enterprises	23	21	1	13	2	1	—	(4)	(3)	—	(3)	(1)	(1)	—	—	
6 Of which:																
Collateralised by commercial immovable property	40	38	2	32	2	2	—	(6)	(5)	(1)	(4)	(1)	(1)	—	—	

Note:

(1) There are no UBIDAC exposures subject to active moratoria as at 30 June 2021. All previous moratoria offered are now expired, as indicated in COVID-19 Template 2.

## UBIDAC Appendix

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

	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>16,607</b>	<b>2,503</b>	—	<b>2,355</b>	—	—	—	—
2	Loans and advances subject to moratorium (granted)	<b>15,161</b>	<b>2,355</b>	—	<b>2,355</b>	—	—	—	—
3	<i>Of which: Households</i>		<b>1,758</b>	—	<b>1,758</b>	—	—	—	—
4	<i>Of which: Collateralised by residential immovable property</i>		<b>1,694</b>	—	<b>1,694</b>	—	—	—	—
5	<i>Of which: Non-financial corporations</i>		<b>595</b>	—	<b>595</b>	—	—	—	—
6	<i>Of which: Small and medium-sized enterprises</i>		<b>247</b>	—	<b>247</b>	—	—	—	—
7	<i>Of which: Collateralised by commercial immovable property</i>		<b>412</b>	—	<b>412</b>	—	—	—	—
<b>31 December 2020</b>									
1	Loans and advances for which moratorium was offered	17,317	2,797	—	2,546	86	—	—	—
2	Loans and advances subject to moratorium (granted)	15,780	2,632	—	1,925	23	—	—	—
3	<i>Of which: Households</i>		1,948	—	1,853	20	—	—	—
4	<i>Of which: Collateralised by residential immovable property</i>		1,873	—	1,853	20	—	—	—
5	<i>Of which: Non-financial corporations</i>		683	—	620	63	—	—	—
6	<i>Of which: Small and medium-sized enterprises</i>		232	—	209	23	—	—	—
7	<i>Of which: Collateralised by commercial immovable property</i>		467	—	427	40	—	—	—



## UBIDAC Appendix

### 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

	a	b	c	d
	Gross carrying amount	Of which: Forborne	Maximum amount of the guarantee that can be considered Public guarantees received	Gross carrying amount non-performing exposures
	£m	£m	£m	£m
<b>30 June 2021</b>				
1 Newly originated loans and advances subject to public guarantee schemes	11	—	9	—
2 <i>Of which: Households</i>	1	—	—	—
3 <i>Of which: Collateralised by residential immovable property</i>	—	—	—	—
4 <i>Of which: Non-financial corporations</i>	10	—	8	—
5 <i>Of which: Small and medium-sized enterprises</i>	9	—	—	—
6 <i>Of which: Collateralised by commercial immovable property</i>	2	—	—	—
<b>31 December 2020</b>				
1 Newly originated loans and advances subject to public guarantee schemes	3	—	3	—
2 <i>Of which: Households</i>	1	—	—	—
3 <i>Of which: Collateralised by residential immovable property</i>	—	—	—	—
4 <i>Of which: Non-financial corporations</i>	2	—	2	—
5 <i>Of which: Small and medium-sized enterprises</i>	2	—	—	—
6 <i>Of which: Collateralised by commercial immovable property</i>	1	—	—	—