



# **NatWest Holdings Group H1 2020 Pillar 3 Supplement**

# H1 2020 Pillar 3 Supplement

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# H1 2020 Pillar 3 Supplement

## Forward looking statements

This document contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as NatWest Holdings Limited (NWH Ltd) and its parent NatWest Group plc's (formerly The Royal Bank of Scotland Group plc) 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: its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital and operational targets), its access to adequate sources of liquidity and funding, increasing competition from new incumbents and disruptive technologies, its exposure to third party risks, its ongoing compliance with the UK ring-fencing regime and ensuring operational continuity in resolution, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations, the transition of LIBOR and IBOR rates to alternative risk free rates and NWH Ltd's (or NatWest Group plc'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 final number of PPI claims and their amounts, 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 and general economic and political conditions and the uncertainty surrounding the Covid-19 pandemic and its impact on NWH and NatWest Group plc. These and other factors, risks and uncertainties that may impact any forward-looking statement or NWH Ltd's or NatWest Group plc's actual results are discussed in NatWest Group plc's UK 2019 Annual Report and Accounts (ARA), NatWest Group plc's Interim Results for Q1 2020 and materials filed with, or furnished to, 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 and 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 Pillar 3 disclosures made by NatWest Holdings Group (NWH Group) are designed to comply with the Capital Requirements Regulation (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 2020, those subsidiaries were:
  - National Westminster Bank Plc (NWB Plc)
  - Royal Bank of Scotland plc (RBS plc)
  - Ulster Bank Ireland Designated Activity Company (UBI DAC)
  - Coutts & Company (Coutts & Co)
- Disclosures for Coutts & Co, which was included as a large subsidiary in the NWH Group Pillar 3 report for the first time at 31 March 2020, are not presented with comparatives before this period.
- For the basis of preparation and disclosure framework, refer to NWH Group's 2019 Pillar 3 Report. Refer to the glossary for definitions of terms available on [natwestgroup.com](http://natwestgroup.com).
- NatWest Group ceased to be subject to a G-SIB buffer requirement from 1 January 2020. However, as NWH Group - the RFB sub-group - is subject to a Systemic Risk Buffer of 1.5%, the PRA has increased the buffer requirements at the consolidated group to ensure an appropriate distribution of capital and leverage.
- 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

### CAP 1: CAP and LR: Capital and leverage ratios – NWH Group and its large subsidiaries

Capital, RWAs and leverage on a PRA transitional basis for NWH Group and its large subsidiaries (Central Bank of Ireland basis for UBI DAC) are set out below. CRR transition continues to be applied to grandfathered capital instruments and includes the adjustments for the IFRS 9 transitional arrangements with the exception of UBI DAC. 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, due to the Covid-19 pandemic. The revised transitional amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024. The capital, RWAs and leverage measures for NWH Group are also presented on an end-point basis which include IFRS 9 on a fully-loaded basis.

	30 June 2020					31 December 2019			
	NWH Group %	NWB Plc %	RBS plc %	UBI DAC %	Coutts & Co %	NWH Group %	NWB Plc %	RBS plc %	UBI DAC %
<b>Capital adequacy ratios - transitional (1)</b>									
CET1	16.2	16.3	15.1	26.7	12.3	15.7	15.9	13.2	26.5
Tier 1	18.9	18.8	18.6	26.7	14.4	18.5	18.6	16.6	26.5
Total	22.7	22.5	24.1	29.3	17.1	21.9	22	21.4	28.9

### Capital adequacy ratios - end point

CET1	15.1	15.7
Tier 1	17.8	18.4
Total	21.4	21.6

### Capital - transitional

	£m	£m	£m	£m	£m	£m	£m	£m	£m
CET1	22,631	14,261	4,113	3,409	1,189	21,097	12,851	3,828	3,389
Tier 1	26,365	16,427	5,082	3,409	1,391	24,861	15,047	4,797	3,389
Total	31,670	19,708	6,577	3,749	1,657	29,515	17,801	6,199	3,694

### Capital - end point

CET1	21,076	21,097
Tier 1	24,752	24,773
Total	29,790	29,027

### RWAs - transitional (2)

Credit risk	118,881	73,730	22,511	11,610	8,560	113,980	67,778	23,191	11,680
Counterparty credit risk	1,440	950	—	139	40	980	605	—	127
Market risk	141	13	17	88	5	125	17	15	77
Operational risk	18,866	12,843	4,778	947	1,068	19,590	12,669	5,714	897
<b>Total</b>	<b>139,328</b>	<b>87,536</b>	<b>27,306</b>	<b>12,784</b>	<b>9,673</b>	<b>134,675</b>	<b>81,069</b>	<b>28,920</b>	<b>12,781</b>

### CRR leverage - transitional

Tier 1 capital	26,365	16,427	5,082	3,409	1,391	24,861	15,047	4,797	3,389
Exposure	493,226	349,262	87,826	29,682	16,126	447,851	300,438	90,981	26,893
Leverage ratio (%)	5.3	4.7	5.8	11.5	8.6	5.6	5	5.3	12.6

### CRR leverage - end point

Tier 1 capital	24,752	24,773
Exposure	491,671	447,851
Leverage ratio (%)	5.0	5.5

### UK leverage - end point

Tier 1 capital	24,752	24,773
Exposure	419,593	397,649
Leverage ratio (%)	5.9	6.2
Average Tier 1 capital	25,460	24,994
Average exposure (3)	419,015	404,081
Average leverage ratio (%)	6.1	6.2

Systemic risk leverage buffer (4)	2,203	2,088
Countercyclical leverage ratio buffer (5)	12	1,292

Notes:

- (1) The NWH Group Total Capital Requirement (TCR) as set by the PRA is 11.2%. The TCR is the sum of Pillar 1 and Pillar 2A and does not include any capital buffers.
- (2) NWH Group RWAs on an End Point basis are £139,206 million due to the £122 million in relation to the IFRS 9 transitional arrangements.
- (3) Based on the daily average of on-balance sheet items and three month-end average of off-balance sheet items.
- (4) The PRA minimum leverage ratio requirement is supplemented with a Systemic Risk Buffer additional leverage ratio buffer rate, currently 0.525% (31 December 2019 – 0.525%).
- (5) The PRA minimum leverage ratio requirement is supplemented with a countercyclical leverage ratio buffer of 0.0028% (31 December 2019 - 0.3250%).

## 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 (with the exception of UBI DAC) 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, 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	EBA IFRS 9-FL		30 June 2020 £m	31 March 2020 £m	31 December 2019 £m	30 September 2019 £m	30 June 2019 £m
<b>Capital</b>							
1	1	Common equity tier 1 (CET1)	<b>22,631</b>	22,272	21,097	21,167	21,390
	2	Common equity tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied	<b>21,076</b>	21,940	21,097	21,167	21,390
2	3	Tier 1 capital	<b>26,307</b>	25,948	24,773	24,843	25,066
	4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	<b>24,752</b>	25,616	24,773	24,843	25,066
3	5	Total capital	<b>31,345</b>	30,462	29,027	28,796	28,892
	6	Total capital as if IFRS 9 transitional arrangements had not been applied	<b>29,790</b>	30,130	29,027	28,796	28,892
<b>Risk-weighted assets (amounts)</b>							
4	7	Total risk-weighted assets (RWAs)	<b>139,328</b>	139,282	134,675	139,577	140,571
	8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	<b>139,206</b>	139,214	134,675	139,577	140,571
<b>Risk-based capital ratios as a percentage of RWAs</b>			%	%	%	%	%
5	9	Common equity tier 1 ratio	<b>16.2</b>	16.0	15.7	15.2	15.2
	10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	<b>15.1</b>	15.8	15.7	15.2	15.2
6	11	Tier 1 ratio	<b>18.9</b>	18.6	18.4	17.8	17.8
	12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	<b>17.8</b>	18.4	18.4	17.8	17.8
7	13	Total capital ratio	<b>22.5</b>	21.9	21.6	20.6	20.6
	14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	<b>21.4</b>	21.6	21.6	20.6	20.6
<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>	0.1	0.9	0.9	0.8
10		Bank GSIB and/or DSIB additional requirements (2)	<b>1.5</b>	1.5	1.5	1.5	—
11		Total of CET1 specific buffer requirements (8+9+10)	<b>4.0</b>	4.1	4.9	4.9	3.3
12		CET1 available after meeting the bank's minimum capital requirements (3)	<b>11.7</b>	11.5	11.2	10.7	10.7
<b>Leverage ratio</b>			£m	£m	£m	£m	£m
13	15	CRR leverage ratio exposure measure	<b>493,226</b>	466,093	447,851	450,318	448,004
		UK leverage ratio exposure measure	<b>421,149</b>	417,997	397,649	393,992	390,028
			%	%	%	%	%
14	16	CRR leverage ratio	<b>5.3</b>	5.6	5.5	5.5	5.6
	17	CRR leverage ratio as if IFRS 9 transitional arrangements had not been applied	<b>5.0</b>	5.5	5.5	5.5	5.6
		UK leverage ratio	<b>6.2</b>	6.2	6.2	6.3	6.4
<b>Liquidity coverage ratio</b>			£m	£m	£m	£m	£m
15		Total high-quality liquid asset (HQLA)	<b>105,212</b>	99,750	99,950	100,457	99,472
16		Total net cash outflows	<b>73,944</b>	71,427	71,188	71,326	70,953
17		LCR ratio % (4)	<b>142</b>	140	140	141	140
<b>Net stable funding ratio (NSFR)</b>							
18		Total available stable funding	<b>345,629</b>	320,612	314,250	314,935	313,007
19		Total required stable funding	<b>252,379</b>	242,811	231,098	229,402	226,121
20		NSFR % (5)	<b>137</b>	132	136	137	138

#### 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. Many countries have recently announced reductions in their countercyclical capital buffer rates in response to Covid-19. Most notably for NatWest Group, the Financial Policy Committee reduced the UK rate from 1% to 0% effective from 11 March 2020. The CBI also announced a reduction of the Republic of Ireland rate from 1% to 0% effective from 1 April 2020.
- (2) NWH Group has been subject to a Systemic Risk Buffer of 1.5% since 1 August 2019.
- (3) This represents the CET1 ratio less the CRR minimum of 4.5%.
- (4) The Liquidity coverage ratio (LCR) uses the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table which will incrementally increase each quarter as history builds.
- (5) NSFR reported in line with CRR2 regulations finalised in June 2019.

## Capital, liquidity and funding

### Key points

#### Capital and leverage

##### NWH Group

(based on 30 June 2020 compared with 31 December 2019)

- The CET1 ratio increased by 50 basis points to 16.2% primarily due to the release of £0.4 billion following the cancellation of the proposed pension contribution in Q1 2020, as announced by the Board in response to Covid-19. The attributable loss in the period was £705 million however the IFRS 9 transitional arrangements on expected credit losses provided relief of £1,578 million.
- NWH Group issued £500 million internal Subordinated Tier 2 Notes in May 2020.
- RWAs increased by £4.7 billion reflecting a £4.9 billion increase in credit risk, partially offset by a decrease in operational risk of £0.7 billion following the annual recalculation. The increase in credit risk was mainly driven by increased utilisation of existing facilities in Commercial Banking as well as new lending under the government lending schemes.
- The leverage ratio decreased to 5.3% driven by an increase in balance sheet exposure.
- The UK average leverage ratio is 6.1%. The PRA offered a modification that gave an exclusion from the UK Leverage Exposure for Bounce Back Loans and other 100% guaranteed government Covid-19 lending schemes. NWH Group has received permission to apply this and it has reduced the UK leverage exposure by circa. £5.2 billion.

##### NWB Plc

(based on 30 June 2020 compared with 31 December 2019)

- The CET1 ratio increased to 16.3% from 15.9% due to a £1.4 billion increase in CET1 capital and a £6.5 billion increase in RWAs.
- The CET1 increase reflects the cancellation of the December foreseeable charge of £0.4 billion in line with announcements following Covid-19, other reserve movements and an increase of £0.9 billion due to the IFRS9 transitional arrangements on expected credit losses, which offset the impact of the increased impairment losses.
- NWB Plc issued £500 million internal subordinated Tier 2 Notes in May 2020.
- RWAs increased by £6.5 billion primarily due to an increase in credit risk of £6.0 billion during H1 2020. The increase in credit risk was largely attributed to increased utilisation of existing facilities and new lending under the Government lending initiatives in Commercial Banking as well as increases due to foreign exchange and assets transfers from NWM Plc. Counterparty credit risk increased by £0.3 billion during the period. Operational risk increased by £0.2 billion due to the annual recalculation.
- The leverage ratio decreased to 4.7% as a result of the increase in balance sheet exposure.

##### RBS plc

(based on 30 June 2020 compared with 31 December 2019)

- The CET1 ratio increased by 190 basis points to 15.1% primarily due to an increase in CET1 capital of £0.3 billion and a decrease in RWAs of £1.6 billion. The increase in CET1 is driven by a capital increase of £0.4 billion due to the IFRS 9 transitional arrangements on expected credit losses, offset by the attributable loss in the period.
- RWAs decreased by £1.6 billion driven by a £0.9 billion decrease in operational risk following the annual recalculation and a £0.7 billion decrease in credit risk. The credit risk decrease was mainly due to a reduction in exposures and increased defaults.
- The leverage ratio increased to 5.8% driven predominantly by the increase in Tier 1 capital.

##### UBI DAC

(based on 30 June 2020 compared with 31 December 2019)

- The CET1 ratio increased to 26.7% from 26.5% due to FX movements offset by an underlying reduction in the Euro CET1 capital and Euro RWAs.
- CET1 capital has increased marginally, largely due to FX movements being offset by an attributable loss in Euro for the period.
- RWAs remained broadly flat over the first half of the year. This is due to movements in the FX rates, offset by a large underlying reduction in the Euro credit risk RWAs, driven by a portfolio sale of non-performing loans and revision of PD/LGD metrics.
- The leverage ratio decreased to 11.5% driven by an increase in balance sheet exposure.

##### Coutts & Co

(based on 30 June 2020 compared with 31 March 2020)

- The CET1 ratio increased to 12.3% from 12.2% at 31 March 2020. This was due to an increase in CET1 capital and an increase in RWAs. The increase in CET1 was primarily due to the IFRS 9 transitional arrangements on expected credit losses.
- RWAs increased by £0.2 billion for the quarter mainly reflecting an increase in credit risk due to lending growth.
- The leverage ratio remained at 8.6% as per 31 March 2020.

## Capital, liquidity and funding

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

The table below shows key metrics as required by the EBA relating to IFRS 9 for NWH Group and its large subsidiaries. Capital measures are on a CRR transitional basis. NWH Group (with the exception of UBI DAC) 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, 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 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

	31 March 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	22,272	13,790	4,070	3,519	1,160
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	21,940	13,654	3,954	3,519	1,138
3 Tier 1 capital	26,006	15,956	5,039	3,519	1,362
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	25,674	15,820	4,923	3,519	1,340
5 Total capital	30,787	18,746	6,526	3,814	1,628
6 Total capital as if IFRS 9 transitional arrangements had not been applied	30,455	18,610	6,410	3,814	1,606
<b>Risk-weighted assets (amounts)</b>					
7 Total risk-weighted assets	139,282	86,825	27,804	12,569	9,509
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	139,214	86,814	27,778	12,569	9,487
<b>Risk-based capital ratios as a percentage of RWAs</b>					
	%	%	%	%	%
9 Common equity tier 1 ratio	16.0	15.9	14.6	28.0	12.2
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.8	15.7	14.2	28.0	12.0
11 Tier 1 ratio	18.7	18.4	18.1	28.0	14.3
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.4	18.2	17.7	28.0	14.1
13 Total capital ratio	22.1	21.6	23.5	30.3	17.1
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	21.9	21.4	23.1	30.3	16.9
<b>Leverage ratio</b>					
15 CRR leverage ratio exposure measure (£m)	466,093	325,127	83,425	27,871	15,809
16 CRR leverage ratio (%)	5.6	4.9	6.0	12.6	8.6
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.5	4.9	5.9	12.6	8.5



## Capital, liquidity and funding

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

	31 December 2019			
	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m
<b>Available capital (amounts) - transitional</b>				
1 Common equity tier 1	21,097	12,851	3,828	3,389
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	21,097	12,851	3,828	3,389
3 Tier 1 capital	24,861	15,047	4,797	3,389
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	24,861	15,047	4,797	3,389
5 Total capital	29,515	17,801	6,199	3,694
6 Total capital as if IFRS 9 transitional arrangements had not been applied	29,515	17,801	6,199	3,694
<b>Risk-weighted assets (amounts)</b>				
7 Total risk-weighted assets	134,675	81,069	28,920	12,781
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	134,675	81,069	28,920	12,781
<b>Risk-based capital ratios as a percentage of RWAs</b>				
	%	%	%	%
9 Common equity tier 1 ratio	15.7	15.9	13.2	26.5
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.7	15.9	13.2	26.5
11 Tier 1 ratio	18.5	18.6	16.6	26.5
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	18.5	18.6	16.6	26.5
13 Total capital ratio	21.9	22.0	21.4	28.9
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	21.9	22.0	21.4	28.9
<b>Leverage ratio</b>				
15 CRR leverage ratio exposure measure (£m)	447,851	300,438	90,981	26,893
16 CRR leverage ratio (%)	5.6	5.0	5.3	12.6
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.6	5.0	5.3	12.6

	30 September 2019			
	NWH Group £m	NWB Plc £m	RBS plc £m	UBI DAC £m
<b>Available capital – transitional</b>				
1 Common equity tier 1	21,167	12,758	4,296	3,963
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	21,167	12,758	4,296	3,963
3 Tier 1 capital	24,931	14,953	5,265	3,963
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	24,931	14,953	5,265	3,963
5 Total capital	29,284	17,152	6,768	4,303
6 Total capital as if IFRS 9 transitional arrangements had not been applied	29,284	17,152	6,768	4,303
<b>Risk-weighted assets</b>				
7 Total risk-weighted assets	139,577	81,936	30,583	13,135
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	139,577	81,936	30,583	13,135
<b>Risk-based capital ratios as a percentage of RWAs</b>				
	%	%	%	%
9 Common equity tier 1 ratio	15.2	15.6	14.0	30.2
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	15.2	15.6	14.0	30.2
11 Tier 1 ratio	17.9	18.2	17.2	30.2
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	17.9	18.2	17.2	30.2
13 Total capital ratio	21.0	20.9	22.1	32.8
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	21.0	20.9	22.1	32.8
<b>Leverage ratio</b>				
15 CRR leverage ratio exposure measure (£m)	450,318	299,425	92,553	27,613
16 CRR leverage ratio (%)	5.5	5.0	5.7	14.4
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	5.5	5.0	5.7	14.4



## Capital, liquidity and funding

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

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

## Capital, liquidity and funding

### CAP 2: Capital resources (CRR own funds template) – 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 2020								
NWH Group								
	PRA transitional £m	CRR prescribed residual amounts £m	CRR end-point £m	NWB Plc £m	RBS plc £m	UBI DAC £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	3,852	41
	<i>Of which: ordinary shares</i>	3,263	—	3,263	1,678	20	3,072	41
2	Retained earnings	36,854	—	36,854	10,821	4,006	264	1,027
3	Accumulated other comprehensive income (and other reserves)	(10,577)	—	(10,577)	642	431	86	107
4	Public sector capital injections grandfathered until 1 January 2019	—	—	—	—	—	—	—
5a	Independently reviewed interim net profits net of any foreseeable charge or dividend	—	—	—	26	—	—	—
6	CET1 capital before regulatory adjustments	29,540	—	29,540	15,392	4,457	4,202	1,175
7	Additional value adjustments	(16)	—	(16)	(10)	(6)	(1)	—
8	(-) Intangible assets (net of related tax liability)	(6,293)	—	(6,293)	(941)	(85)	—	(37)
10	(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(844)	—	(844)	(545)	(110)	(174)	—
11	Fair value reserves related to gains or losses on cash flow hedges	(424)	—	(424)	154	(431)	(76)	—
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	(1)	—	(1)	—	—	(1)	—
15	(-) Defined-benefit pension fund assets	(275)	—	(275)	—	—	(273)	—
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)	—	—	—	(631)	—	—	—
22	(-) Amount exceeding the 17.65% threshold	—	—	—	(52)	—	—	—
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>	—	—	—	(35)	—	—	—
25	(-) <i>Of which: deferred tax assets arising from temporary differences</i>	—	—	—	(17)	—	—	—
25a	(-) Losses for the current financial period	(611)	—	(611)	—	(72)	(268)	—
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment	1,555	(1,555)	—	894	360	—	51
26a	<i>Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468</i>	—	—	—	—	—	—	—
26b	<i>Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre CRR</i>	1,555	(1,555)	—	894	360	—	51
27	(-) Qualifying Additional Tier 1 (AT1) deductions that exceed the AT1 capital of the institution	—	—	—	—	—	—	—
28	Total regulatory adjustments to CET1	(6,909)	(1,555)	(8,464)	(1,131)	(344)	(793)	14
29	CET1 capital	22,631	(1,555)	21,076	14,261	4,113	3,409	1,189

## Capital, liquidity and funding

### CAP 2: Capital resources (CRR own funds template) – NWH Group and large subsidiaries continued

30 June 2020

	NWH Group			NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
	PRA transitional £m	CRR prescribed residual amounts £m	CRR end-point £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	—	—	—	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)	—	—	—	—	—
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)	26,365	(1,613)	24,752	16,427	5,082	3,409	1,391
<b>T2 capital: instruments and provisions</b>							
46 Capital instruments and the related share premium accounts	5,038	—	5,038	3,342	1,495	277	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)	—	—	—	—	—
49 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	267	(267)	—	—	—	—	—
50 Credit risk adjustments	—	—	—	—	—	—	—
51 T2 capital before regulatory adjustments	5,305	(267)	5,038	3,587	1,495	277	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)	—	—	—	(306)	—	—	—
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	—	—	—	—	—	63	—
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	—	—	—	(306)	—	63	—

## Capital, liquidity and funding

### CAP 2: Capital resources (CRR own funds template) – NWH Group and large subsidiaries continued

30 June 2020

	NWH Group						
	PRA transitional £m	CRR prescribed residual amounts £m	Final CRD IV £m	NWB Plc £m	RBS plc £m	UBI DAC £m	Coutts & Co £m
<b>T2 capital before regulatory adjustments</b>							
58 T2 capital	5,305	(267)	5,038	3,281	1,495	340	266
59 Total capital (TC = T1 + T2)	31,670	(1,880)	29,790	19,708	6,577	3,749	1,657
60 Total risk-weighted assets	139,328	(122)	139,206	87,536	27,306	12,784	9,673
<b>Capital ratios and buffers</b>							
61 CET1 (as a percentage of risk exposure amount)	16.2%		15.1%	16.3%	15.1%	26.7%	12.3%
62 T1 (as a percentage of risk exposure amount)	18.9%		17.8%	18.8%	18.6%	26.7%	14.4%
63 Total capital (as a percentage of risk exposure amount)	22.7%		21.4%	22.5%	24.1%	29.3%	17.1%
64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	8.5%		8.5%	7.0%	7.0%	7.3%	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%	—	—	0.3%	—
67a <i>Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	—		—	—	—	—	—
68 CET1 available to meet buffers (1)	11.7%		10.6%	11.8%	10.6%	22.2%	7.8%
<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)	6	—	6	—	6	—	—
73 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1	—	1	1,494	28	—	110
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	473	—	473	697	37	—	9
<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	189	—	189	114	22	13	107
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	623	—	623	387	125	63	—
<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	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)	794	(794)	—	739	—	—	—

Note:

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

## Capital, liquidity and funding

### CAP 2: Capital resources (CRR own funds template) – NWH Group and large subsidiaries continued

							December 2019
							NWH Group
							PRA
							CRR prescribed
							residual amounts
							end-point
							NWB Plc
							RBS plc
							UBI DAC
							£m
							£m
							£m
							£m
							£m
							£m
<b>CET1 capital: instruments and reserves</b>							
1	Capital instruments and the related share premium accounts	3,263	—	3,263	3,904	20	3,604
	<i>Of which: ordinary shares</i>	3,263	—	3,263	1,678	20	2,875
2	Retained earnings	36,305	—	36,305	10,556	4,006	163
3	Accumulated other comprehensive income (and other reserves)	(10,861)	—	(10,861)	829	179	32
5a	Independently reviewed interim net profits net of any foreseeable charge or dividend	—	—	—	—	—	3
6	CET1 capital before regulatory adjustments	28,707	—	28,707	15,289	4,205	3,802
7	Additional value adjustments	(26)	—	(26)	(16)	(10)	—
8	(-) Intangible assets (net of related tax liability)	(6,313)	—	(6,313)	(963)	(85)	(1)
10	(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(757)	—	(757)	(474)	(87)	(181)
11	Fair value reserves related to gains or losses on cash flow hedges	(202)	—	(202)	(27)	(179)	(35)
12	(-) Negative amounts resulting from the calculation of expected loss amounts	(141)	—	(141)	(109)	(16)	(28)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—	—	—	—	—	—
15	(-) Defined-benefit pension fund assets	(171)	—	(171)	—	—	(168)
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)	—	—	—	(716)	—	—
22	(-) Amount exceeding the 17.65% threshold	—	—	—	(133)	—	—
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>	—	—	—	(88)	—	—
25	(-) <i>Of which: deferred tax assets arising from temporary differences</i>	—	—	—	(45)	—	—
28	Total regulatory adjustments to CET1	(7,610)	—	(7,610)	(2,438)	(377)	(413)
29	CET1 capital	21,097	—	21,097	12,851	3,828	3,389

## Capital, liquidity and funding

### CAP 2: Capital resources (CRR own funds template) – NWH Group and large subsidiaries continued

	December 2019					
	NWH Group			NWB Plc	RBS plc	UBI DAC
	PRA transitional	CRR prescribed residual amounts	CRR end point			
	£m	£m	£m	£m	£m	£m
<b>AT1 capital: instruments</b>						
30 Capital instruments and the related share premium accounts	3,676	—	3,676	2,370	969	—
31 Of which: classified as equity under applicable accounting standards	3,676	—	3,676	2,370	969	—
33 Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1	—	—	—	87	—	—
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	88	(88)	—	—	—	—
35 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	88	(88)	—	—	—	—
36 AT1 capital before regulatory adjustments	3,764	(88)	3,676	2,457	969	—
<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	3,764	(88)	3,676	2,195	969	—
45 Tier 1 capital (T1 = CET1 + AT1)	24,861	(88)	24,773	15,046	4,797	3,389
<b>T2 capital: instruments and provisions</b>						
46 Capital instruments and the related share premium accounts	4,254	—	4,254	2,708	1,402	305
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	—	—	—	368	—	—
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	400	(400)	—	—	—	—
49 <i>Of which: instruments issued by subsidiaries subject to phase out</i>	400	(400)	—	—	—	—
50 Credit risk adjustments	—	—	—	—	—	—
51 T2 capital before regulatory adjustments	4,654	(400)	4,254	3,076	1,402	305
<b>T2 capital: regulatory adjustments</b>						
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)	—	—	—	(321)	—	—
<b>T2 capital before regulatory adjustments</b>						
57 Total regulatory adjustments to T2 capital	—	—	—	(321)	—	—

## Capital, liquidity and funding

### CAP 2: Capital resources (CRR own funds template) – NWH Group and large subsidiaries continued

	December 2019						
	NWH Group						
	PRA transitional	CRR prescribed residual amounts	Final CRD IV	NWB Plc	RBS plc	UBI DAC	
	£m	£m	£m	£m	£m	£m	£m
<b>T2 capital before regulatory adjustments</b>							
58 T2 capital	4,654	(400)	4,254	2,755	1,402	305	
59 Total capital (TC = T1 + T2)	29,515	(488)	29,027	17,801	6,199	3,694	
60 Total risk-weighted assets	134,675	—	134,675	81,069	28,920	12,781	
<b>Capital ratios and buffers</b>							
61 CET1 (as a percentage of risk exposure amount)	15.7%	—	15.7%	15.9%	13.2%	26.5%	
62 T1 (as a percentage of risk exposure amount)	18.5%	—	18.4%	18.6%	16.6%	26.5%	
63 Total capital (as a percentage of risk exposure amount)	21.9%	—	21.6%	22.0%	21.4%	28.9%	
64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	9.4%	—	9.4%	7.9%	7.9%	8.0%	
65 <i>Of which: capital conservation buffer requirement</i>	2.5%	—	2.5%	2.5%	2.5%	2.5%	
66 <i>Of which: counter cyclical buffer requirement</i>	0.9%	—	0.9%	0.9%	0.9%	1.0%	
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>	—	—	—	—	—	—	
68 CET1 available to meet buffers (1)	11.2%	—	11.2%	11.4%	8.7%	22.0%	
<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)	6	—	6	—	6	—	
73 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1	—	1	1,407	28	1	
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	475	—	475	709	24	—	
<b>Available caps on the inclusion of provisions in T2</b>							
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	190	—	190	111	24	11	
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	593	—	593	353	128	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	88	(88)	—	88	—	—	
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	52	(52)	—	52	—	—	
84 Current cap on T2 instruments subject to phase out arrangements	401	(401)	—	368	—	40	
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	610	(610)	—	571	—	—	



## Capital, liquidity and funding

### EU 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		UBI DAC		Courtts & Co	
	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m
30 June 2020										
1 Credit risk (excluding counterparty credit risk)	116,397	9,312	67,325	5,386	22,104	1,768	11,609	929	8,263	662
2 <i>Standardised (STD) approach</i>	13,923	1,114	3,807	305	1,564	125	1,030	82	8,263	662
4 <i>Advanced IRB approach</i>	102,474	8,198	63,518	5,081	20,540	1,643	10,579	847	—	—
5 <i>Equity IRB under the simple risk-weight or the internal model approach (IMA)</i>	—	—	—	—	—	—	—	—	—	—
6 Counterparty credit risk	1,440	115	950	76	—	—	139	11	40	3
6a <i>of which: securities financing transactions</i>	181	14	181	14	—	—	—	—	—	—
7 <i>of which: marked-to-market</i>	379	30	257	21	—	—	139	11	35	3
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>	47	4	47	4	—	—	—	—	—	—
12 <i>of which: credit valuation adjustment (CVA)</i>	833	67	465	37	—	—	—	—	5	—
14 Securitisation exposures in banking book <sup>(1)</sup>	1,300	104	1,056	85	244	20	—	—	—	—
15 <i>Internal rating-based approach (SEC-IRBA)</i>	919	73	675	54	244	20	—	—	—	—
17 <i>Standardised approach</i>	182	15	182	15	—	—	—	—	—	—
18 <i>External rating-based approach (SEC-ERBA) <sup>(2)</sup></i>	199	16	199	16	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
19 Market risk	141	11	13	1	17	1	88	7	5	—
20 <i>STD approach</i>	141	11	13	1	17	1	88	7	5	—
23 Operational risk - STD approach	18,866	1,509	12,843	1,027	4,778	382	947	76	1,068	85
27 Amounts below the thresholds for deduction (subject to 250% risk-weight)	1,184	95	5,349	428	163	13	1	—	297	24
29 Total	139,328	11,146	87,536	7,003	27,306	2,184	12,784	1,023	9,673	774

	NWH Group		NWB Plc		RBS plc		UBI DAC	
	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m	RWAs £m	MCR £m
31 December 2019								
1 Credit risk (excluding counterparty credit risk)	111,281	8,903	61,614	4,930	22,757	1,822	11,678	934
2 <i>Standardised (STD) approach</i>	14,033	1,123	3,923	314	1,792	144	899	72
4 <i>Advanced IRB approach</i>	97,248	7,780	57,691	4,616	20,965	1,678	10,779	862
6 Counterparty credit risk	980	78	605	48	—	—	127	10
6a <i>of which: securities financing transactions</i>	145	12	145	12	—	—	—	—
7 <i>of which: marked-to-market</i>	239	19	151	12	—	—	127	10
11 <i>of which: risk exposure amount for contributions to the default fund of a central counterparty</i>	116	9	116	9	—	—	—	—
12 <i>of which: credit valuation adjustment (CVA)</i>	480	38	193	15	—	—	—	—
14 Securitisation exposures in banking book	1,509	121	1,206	96	304	24	—	—
15 <i>IRB approach</i>	1,509	121	1,206	96	304	24	—	—
19 Market risk	125	10	17	1	15	1	77	6
20 <i>STD approach</i>	125	10	17	1	15	1	77	6
23 Operational risk - STD approach	19,590	1,567	12,669	1,014	5,714	457	897	72
27 Amounts below the thresholds for deduction (subject to 250% risk-weight)	1,190	95	4,958	397	130	10	2	—
29 Total	134,675	10,774	81,069	6,486	28,920	2,314	12,781	1,022

Notes:

- (1) From 1 January 2020 the new securitisation framework has been fully implemented and all positions have moved to the new framework.  
(2) Includes Internal Assessment Approach (IAA)

## Capital, liquidity and funding

### EU 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 acquisitions or disposals during the period.

	a			b
	RWAs			MCR
	IRB £m	STD £m	Total RWAs £m	£m
1 At 1 January 2020	98,757	15,223	113,980	9,118
2 Asset size (1)	4,067	(113)	3,954	316
3 Asset quality (2)	(713)	—	(713)	(57)
4 Model updates (3)	232	(132)	100	8
5 Methodology and policy	17	—	17	1
7 Foreign exchange movements (4)	1,414	129	1,543	124
9 <b>At 30 June 2020</b>	<b>103,774</b>	<b>15,107</b>	<b>118,881</b>	<b>9,510</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 methodological changes in calculation driven by regulatory policy changes.
- (4) Changes arising from foreign currency translation movements.

#### Key points

- The RWA uplift in asset size was largely due to increased utilisation of existing facilities in Commercial Banking as well as new lending under the government lending schemes. In addition, there was an insurance-related asset transfer from NatWest Markets. This was offset by reductions in Ulster Bank Rol reflecting the sale of non-performing loans in Q1 2020.
- The increase in RWAs in foreign exchange movements was mainly a result of sterling weakening against the euro and the US dollar during the period.
- The RWA increase in methodology reflected the adoption of the new securitisation framework from 1 January 2020.
- The RWA decrease in asset quality was mainly due to an increase in defaults in Commercial Banking in Q2 2020.

### EU 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 acquisitions or disposals during the period.

	a		b	
	RWAs		MCR	
	Non-IMM £m	Non-IMM £m	Non-IMM £m	Non-IMM £m
1 At 1 January 2020	500	40	—	—
2 Asset size (1)	104	8	—	—
7 Foreign exchange movements (2)	3	—	—	—
8 Other	—	—	—	—
9 <b>At 30 June 2020</b>	<b>607</b>	<b>48</b>	<b>—</b>	<b>—</b>

Notes:

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

#### Key point

- The RWA increase reflected intragroup movements of mark-to-market positions and collateral as well as an increased volume of securities financing transactions.

## Capital, liquidity and funding

### EU 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 acquisitions or disposals of subsidiaries during the period. Changes in market risk arising from foreign currency retranslation are included within movement in risk levels as they are managed together with portfolio changes.

	STD	
	RWAs	MCR
	£m	£m
1 At 1 January 2020	125	10
2 Movement in risk levels (1)	16	1
8 At 30 June 2020	141	11

Note:

(1) Movement in risk levels represents movements due to position changes.

#### Key point

- The RWA increase was primarily due to an increase in the US dollar position relating to coupon payments and transfer pricing charges between NWH Group entities.

## Capital, liquidity and funding

### CAP 3: LR: Leverage exposures (CRR Delegated Act Template) – NWH Group and large subsidiaries

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

		30 June 2020					31 December 2019			
		NWH Group	NWB Plc	RBS plc	UBI DAC	Coutts & Co	NWH Group	NWB Plc	RBS plc	UBI DAC
		£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>LRSum: Summary reconciliation of accounting assets and leverage ratio exposure</b>										
1	Total assets as per published financial statements	472,827	355,585	96,902	28,949	35,626	428,371	310,954	90,602	26,075
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(416)	—	—	—	—	(391)	—	—	—
4	Adjustment for derivative financial instruments	(3,453)	(2,819)	175	41	6	(2,690)	(2,171)	299	89
5	Adjustments for securities financing transactions (SFTs)	115	115	—	—	—	516	516	—	—
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	30,451	22,331	10,620	1,178	685	29,655	17,862	8,766	1,118
EU-6a	Adjustment for Intra-Group exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013	—	(24,557)	(19,600)	—	(20,214)	—	(24,024)	(8,309)	—
7	Other adjustments	(6,298)	(1,393)	(271)	(486)	23	(7,610)	(2,699)	(377)	(389)
8	<b>Total leverage ratio exposure</b>	<b>493,226</b>	<b>349,262</b>	<b>87,826</b>	<b>29,682</b>	<b>16,126</b>	<b>447,851</b>	<b>300,438</b>	<b>90,981</b>	<b>26,893</b>
<b>LRCCom: Leverage ratio common disclosure</b>										
On-balance sheet exposures (excluding derivatives and SFTs)										
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	451,710	334,753	96,062	28,752	35,656	414,281	296,750	90,236	25,924
2	Asset amounts deducted in determining Tier 1 capital	(6,298)	(1,393)	(271)	(524)	(38)	(7,610)	(2,699)	(377)	(412)
3	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)</b>	<b>445,412</b>	<b>333,360</b>	<b>95,791</b>	<b>28,228</b>	<b>35,618</b>	<b>406,671</b>	<b>294,051</b>	<b>89,859</b>	<b>25,512</b>
Derivative exposures										
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	441	959	840	187	30	252	852	366	163
5	Add-on amounts for PFE associated with all derivatives transactions (mtm method)	1,234	1,480	175	89	7	1,071	1,494	299	100
7	Deductions of receivable assets for cash variation margin provided in derivatives transactions	(1,519)	(1,518)	—	—	—	(1,114)	(1,114)	—	—
11	<b>Total derivative exposures</b>	<b>156</b>	<b>921</b>	<b>1,015</b>	<b>276</b>	<b>37</b>	<b>209</b>	<b>1,232</b>	<b>665</b>	<b>263</b>

## Capital, liquidity and funding

### CAP 3: LR: Leverage exposures (CRR Delegated Act Template) – NWH Group and large subsidiaries continued

	30 June 2020					31 December 2019				
	NWH	NWB	RBS	UBI	Coutts	NWH	NWB	RBS	UBI	
	Group	Plc	plc	DAC	& Co	Group	Plc	plc	DAC	
	£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	27,645	27,645	—	—	—	20,682	20,677	—	—
13	Netted amounts of cash payables and cash receivable of gross SFT assets	(10,553)	(10,553)	—	—	—	(9,882)	(9,876)	—	—
14	Counterparty credit risk exposures for SFT assets	115	115	—	—	—	516	516	—	—
16	Total securities financing transaction exposures	17,207	17,207	—	—	—	11,316	11,317	—	—
Other off-balance sheet exposures										
17	Off-balance sheet exposures at gross notional amount	109,831	74,626	32,038	3,504	3,274	105,875	65,461	27,821	3,247
18	Adjustments for conversion to credit equivalent amounts	(79,380)	(52,295)	(21,418)	(2,326)	(2,589)	(76,220)	(47,599)	(19,055)	(2,129)
19	Other off-balance sheet exposures	30,451	22,331	10,620	1,178	685	29,655	17,862	8,766	1,118
EU-19a	Exemption of Intra-Group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off-balance sheet)	—	(24,557)	(19,600)	—	(20,214)	—	(24,024)	(8,309)	—
Capital and total exposures										
20	Tier 1 capital	26,365	16,427	5,082	3,409	1,391	24,861	15,047	4,797	3,389
21	Total leverage ratio exposure	493,226	349,262	87,826	29,682	16,126	447,851	300,438	90,981	26,893
Leverage ratio		5.3	4.7	5.8	11.5	8.6	5.6%	5.0%	5.3%	12.6%

	30 June 2020					31 December 2019				
	Leverage ratio exposures									
	NWH	NWB	RBS	UBI	Coutts	NWH	NWB	RBS	UBI	
	Group	Plc	plc	DAC	& Co	Group	Plc	plc	DAC	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	
LRSpI: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)										
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	445,412	309,411	80,105	28,228	15,404	406,671	270,134	82,216	25,512
EU-2	Trading book exposures	—	—	—	—	—	—	—	—	—
EU-3	Banking book exposures, of which:	445,412	309,411	80,105	28,228	15,404	406,671	270,134	82,216	25,512
EU-4	Covered bonds	2,400	2,019	—	380	—	1,678	1,340	—	338
EU-5	Exposures treated as sovereigns	114,786	81,058	25,611	6,911	53	95,026	62,353	26,410	5,015
EU-6	Exposures to regional governments, multilateral development bank, international organisations and public sector entities									
	not treated as sovereigns	5,017	4,044	436	480	—	4,840	3,815	520	451
EU-7	Institutions	4,628	6,932	1,290	1,541	102	4,885	7,808	1,522	990
EU-8	Secured by mortgages of immovable properties	211,836	150,267	30,682	15,266	11,813	201,064	140,891	32,198	14,560
EU-9	Retail exposures	25,588	17,550	4,472	530	935	22,040	14,351	4,061	553
EU-10	Corporate	63,262	33,216	14,367	2,213	1,839	59,321	25,970	14,053	2,172
EU-11	Exposures in default	3,779	1,605	892	604	189	3,536	1,382	920	824
EU-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	14,116	12,720	2,355	303	473	14,281	12,224	2,532	609

## Capital, liquidity and funding

### CAP 4: CAP: Capital instruments – NWH Group and large subsidiaries

The following table sets out the main terms and conditions of NWH Group's Tier 1 and Tier 2 capital instruments that will be treated as non-end point CRR compliant, for instance because they are legacy Tier 1 instruments or because they are Tier 2 instruments that include an incentive for the issuer to redeem. The balances are the IFRS balance sheet carrying amounts, which may differ from the amount which the instrument contributes to regulatory capital. Regulatory balances exclude, for example, issuance costs and fair value movements, while dated capital is required to be amortised on a straight-line basis over the final five years of maturity. For accounting purposes the capital instruments in the following table are included within equity or subordinated liabilities, details of which are included in Note 19 Subordinated Liabilities of the NatWest Group plc (formerly RBSG plc 2019 ARA). Refer to natwestgroup.com for more details on these and other instruments issued to third parties on an instrument-by-instrument basis.

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

		30 June 2020 £m	31 December 2019 £m
<b>Pillar 1 treatment - Additional Tier 1</b>	Step-up coupon		
<b>NWB Plc - debt preference shares</b>			
GB0006227051 Series A £140 million 9% (not callable)		<b>143</b>	143
<b>Tier 2 capital securities which contain an incentive for the issuer to redeem</b>			
<b>Pillar 1 treatment Tier 2</b>			
<b>NWB Plc - undated loan capital</b>			
XS0102480786 €100 million floating rate undated step-up notes (callable quarterly)	3 month EURIBOR plus 2.15%	<b>10</b>	9
XS0102480869 €400 million floating rate undated subordinated notes (callable quarterly)	3 month EURIBOR plus 2.15%	<b>162</b>	152
XS0102493680 £200 million 7.125% undated subordinated step-up notes (callable every five years from October 2022)	5 year UK Gilts yield plus 3.08%	<b>57</b>	55

## Capital, Liquidity and funding

### EU LIQ1: Liquidity coverage ratio

The table below shows the breakdown of high-quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the liquidity coverage ratio. The weightings applied reflect the stress factors applicable under the EBA LCR rules. The values presented below are the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table.

LCR outflows do not capture all liquidity risks (e.g. intra-day liquidity). 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 2020	31 March 2020	31 December 2019	30 September 2019	30 June 2020	31 March 2020	31 December 2019	30 September 2019
Number of data points used in the calculation of averages	6	3	12	9	6	3	12	9
	£m	£m	£m	£m	£m	£m	£m	£m
High quality liquid assets								
1 Total high-quality liquid assets (HQLA)					<b>105,212</b>	99,750	99,950	100,457
Cash outflows								
2 Retail deposits and deposits from small business customers	<b>210,293</b>	203,629	201,904	200,381	<b>16,398</b>	16,050	15,903	15,754
3 of which: stable deposits	<b>134,372</b>	130,871	129,587	128,814	<b>6,719</b>	6,544	6,479	6,441
4 of which: less stable deposits	<b>73,857</b>	72,364	71,941	71,210	<b>9,277</b>	9,113	9,047	8,957
5 Unsecured wholesale funding	<b>126,673</b>	121,172	120,043	120,296	<b>55,676</b>	53,335	53,236	53,528
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	<b>53,938</b>	51,254	50,376	50,355	<b>13,172</b>	12,501	12,281	12,276
7 Non-operational deposits (all counterparties)	<b>72,271</b>	69,573	69,489	69,804	<b>42,040</b>	40,489	40,777	41,115
8 Unsecured debt	<b>464</b>	345	178	137	<b>464</b>	345	178	137
9 Secured wholesale funding					<b>47</b>	380	379	459
10 Additional requirements	<b>50,658</b>	52,068	53,580	54,561	<b>7,730</b>	7,537	7,495	7,577
11 Outflows related to derivative exposures and other collateral requirements	<b>2,338</b>	1,853	1,388	1,237	<b>1,988</b>	1,649	1,324	1,237
12 Outflows related to loss of funding on debt products	<b>104</b>	—	—	—	<b>104</b>	—	—	—
13 Credit and liquidity facilities	<b>48,216</b>	50,215	52,192	53,324	<b>5,638</b>	5,888	6,171	6,340
14 Other contractual funding obligations	<b>420</b>	460	497	512	<b>10</b>	10	12	15
15 Other contingent funding obligations	<b>43,949</b>	41,577	41,147	40,525	<b>3,710</b>	3,652	3,561	3,360
16 Total cash outflows					<b>83,571</b>	80,964	80,586	80,693
17 Secured lending (e.g. reverse repos)	<b>11,689</b>	9,797	8,228	7,594	<b>20</b>	20	—	—
18 Inflows from fully performing exposures	<b>9,884</b>	10,296	10,207	10,250	<b>6,868</b>	7,121	6,959	6,973
19 Other cash inflows	<b>11,281</b>	11,012	11,231	11,306	<b>2,738</b>	2,396	2,439	2,394
EU-19a Difference between total weighted inflows and outflows	—	—	—	—	—	—	—	—
EU-19b Excess inflows from a related specialised credit institution	—	—	—	—	—	—	—	—
20 Total cash inflows	<b>32,854</b>	31,105	29,667	29,150	<b>9,626</b>	9,537	9,398	9,367
EU-20a Fully exempt inflows	—	—	—	—	—	—	—	—
EU-20b Inflows subject to 90% cap	—	—	—	—	—	—	—	—
EU-20c Inflows subject to 75% cap	<b>32,827</b>	31,077	29,665	29,150	<b>9,626</b>	9,537	9,398	9,367
21 Liquidity buffer					<b>105,212</b>	99,750	99,950	100,457
22 Total net cash outflows					<b>73,944</b>	71,427	71,188	71,326
23 Liquidity coverage ratio (%)					<b>142</b>	140	140	141



## 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 EAD post CRM, RWAs and RWA density, each split by regulatory approach, i.e. internal ratings based (IRB) and standardised (STD).

30 June 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	13,830	62,870	76,700	660	1,182	1,842	5	2	2
Central governments	14,417	22,094	36,511	1,463	—	1,463	10	—	4
Other sovereign	1,537	596	2,133	310	8	318	20	1	15
<b>Total sovereign</b>	<b>29,784</b>	<b>85,560</b>	<b>115,344</b>	<b>2,433</b>	<b>1,190</b>	<b>3,623</b>	<b>8</b>	<b>1</b>	<b>3</b>
<b>Financial institutions (FIs)</b>									
Banks	10,230	277	10,507	2,228	119	2,347	22	43	22
Non-bank FIs (1)	7,343	1,658	9,001	3,268	637	3,905	45	38	43
SSPEs (2)	1,448	48	1,496	431	45	476	30	94	32
<b>Total FIs</b>	<b>19,021</b>	<b>1,983</b>	<b>21,004</b>	<b>5,927</b>	<b>801</b>	<b>6,728</b>	<b>31</b>	<b>40</b>	<b>32</b>
<b>Corporates</b>									
<b>Property</b>									
- UK	37,344	3,102	40,446	16,331	2,801	19,132	44	90	47
- RoI	1,390	185	1,575	872	184	1,056	63	99	67
- Western Europe	1,131	84	1,215	606	71	677	54	85	56
- US	261	2	263	119	2	121	46	100	46
- RoW	417	219	636	278	177	455	67	81	72
<b>Total property</b>	<b>40,543</b>	<b>3,592</b>	<b>44,135</b>	<b>18,206</b>	<b>3,235</b>	<b>21,441</b>	<b>45</b>	<b>90</b>	<b>49</b>
Natural resources	12,138	356	12,494	5,446	334	5,780	45	94	46
Transport	17,290	853	18,143	7,397	645	8,042	43	76	44
Manufacturing	15,101	897	15,998	6,426	632	7,058	43	71	44
Retail and leisure	18,729	1,201	19,930	10,298	1,068	11,366	55	89	57
Services	18,706	1,352	20,058	9,162	1,136	10,298	49	84	51
TMT (3)	6,905	233	7,138	4,053	194	4,247	59	83	59
<b>Total corporates</b>	<b>129,412</b>	<b>8,484</b>	<b>137,896</b>	<b>60,988</b>	<b>7,244</b>	<b>68,232</b>	<b>47</b>	<b>85</b>	<b>49</b>
<b>Personal</b>									
<b>Mortgages</b>									
- UK	164,717	9,044	173,761	13,099	3,277	16,376	8	36	9
- RoI	14,470	20	14,490	4,908	7	4,915	34	35	34
- Western Europe	—	163	163	—	58	58	—	35	35
- US	—	188	188	—	66	66	—	35	35
- RoW	—	802	802	—	333	333	—	42	42
<b>Total mortgages</b>	<b>179,187</b>	<b>10,217</b>	<b>189,404</b>	<b>18,007</b>	<b>3,741</b>	<b>21,748</b>	<b>10</b>	<b>37</b>	<b>11</b>
Other personal	29,535	2,425	31,960	13,074	1,606	14,680	44	66	46
<b>Total personal</b>	<b>208,722</b>	<b>12,642</b>	<b>221,364</b>	<b>31,081</b>	<b>5,347</b>	<b>36,428</b>	<b>15</b>	<b>42</b>	<b>16</b>
Other items	4,326	1,847	6,173	3,657	1,653	5,310	85	89	86
<b>Total</b>	<b>391,265</b>	<b>110,516</b>	<b>501,781</b>	<b>104,086</b>	<b>16,235</b>	<b>120,321</b>	<b>27</b>	<b>15</b>	<b>24</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 2019	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	15,404	42,676	58,080	418	1,187	1,605	3	3	3
Central governments	14,375	21,093	35,468	1,237	—	1,237	9	—	3
Other sovereign	1,399	567	1,966	265	11	276	19	2	14
<b>Total sovereign</b>	<b>31,178</b>	<b>64,336</b>	<b>95,514</b>	<b>1,920</b>	<b>1,198</b>	<b>3,118</b>	<b>6</b>	<b>2</b>	<b>3</b>
<b>Financial institutions (FIs)</b>									
Banks	10,173	239	10,412	2,130	89	2,219	21	37	21
Non-bank FIs (1)	4,928	1,690	6,618	2,493	657	3,150	51	39	48
SSPEs (2)	1,493	49	1,542	172	46	218	12	94	14
<b>Total FIs</b>	<b>16,594</b>	<b>1,978</b>	<b>18,572</b>	<b>4,795</b>	<b>792</b>	<b>5,587</b>	<b>29</b>	<b>40</b>	<b>30</b>
<b>Corporates</b>									
<b>Property</b>									
- UK	34,126	2,830	36,956	15,569	2,621	18,190	46	93	49
- RoI	1,370	172	1,542	863	171	1,034	63	99	67
- Western Europe	1,181	87	1,268	655	80	735	55	92	58
- US	169	3	172	91	3	94	54	100	55
- RoW	374	225	599	243	196	439	65	87	73
<b>Total property</b>	<b>37,220</b>	<b>3,317</b>	<b>40,537</b>	<b>17,421</b>	<b>3,071</b>	<b>20,492</b>	<b>47</b>	<b>93</b>	<b>51</b>
Natural resources	11,215	258	11,473	4,864	240	5,104	43	93	44
Transport	15,184	874	16,058	6,193	777	6,970	41	89	43
Manufacturing	13,966	862	14,828	6,388	632	7,020	46	73	47
Retail and leisure	15,949	1,195	17,144	8,591	1,169	9,760	54	98	57
Services	17,012	1,282	18,294	8,581	1,173	9,754	50	92	53
TMT (3)	5,535	310	5,845	3,461	298	3,759	63	96	64
<b>Total corporates</b>	<b>116,081</b>	<b>8,098</b>	<b>124,179</b>	<b>55,499</b>	<b>7,360</b>	<b>62,859</b>	<b>48</b>	<b>91</b>	<b>51</b>
<b>Personal</b>									
<b>Mortgages</b>									
- UK	160,479	8,842	169,321	13,069	3,194	16,263	8	36	10
- RoI	14,051	18	14,069	5,869	7	5,876	42	35	42
- Western Europe	—	151	151	—	53	53	—	35	35
- US	—	156	156	—	55	55	—	35	35
- RoW	—	781	781	—	279	279	—	36	36
<b>Total mortgages</b>	<b>174,530</b>	<b>9,948</b>	<b>184,478</b>	<b>18,938</b>	<b>3,588</b>	<b>22,526</b>	<b>11</b>	<b>36</b>	<b>12</b>
Other personal	30,542	2,666	33,208	13,931	1,773	15,704	46	67	47
<b>Total personal</b>	<b>205,072</b>	<b>12,614</b>	<b>217,686</b>	<b>32,869</b>	<b>5,361</b>	<b>38,230</b>	<b>16</b>	<b>42</b>	<b>18</b>
Other items	5,037	1,796	6,833	3,891	1,275	5,166	77	71	76
<b>Total</b>	<b>373,962</b>	<b>88,822</b>	<b>462,784</b>	<b>98,974</b>	<b>15,986</b>	<b>114,960</b>	<b>26</b>	<b>18</b>	<b>25</b>

#### Notes:

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

#### Key points

- EAD post CRM** – Total credit risk exposures increased during H1 2020 primarily due to increased cash placements with central banks. The increase in exposures to corporates was mainly due to increased drawdowns in Commercial Banking as well as new lending under the government lending schemes. Government lending scheme products are originated by NatWest Group but are covered by government guarantees. These are to be set against the outstanding balance of a defaulted facility after the proceeds of the business assets have been applied. The government guarantee is 80% for CBILS and CLBILS and 100% for BBLS. NatWest Group recognises lower LGDs for these lending products as a result, with 0% applied to the government-guaranteed part of the exposure. The increase in UK Personal Banking in mortgages mainly reflected lending growth during Q1 2020 and was offset by a reduction in unsecured balances in Q2 2020.
- RWAs** – The overall uplift in RWAs was primarily due to increased lending in Commercial Banking through the CBILS scheme, movements in foreign exchange as well as an increase in inter-Group credit valuation adjustments. There were offsetting decreases in UK Personal Banking and Ulster Bank RoI, mainly reflecting a reduction in exposures and revision of risk parameters during the period.
- Sovereign** – The EAD increases reflected an increase in cash placements with central banks during Q2 2020.
- Corporates** – The overall increase in EAD and RWAs mainly reflected increased utilisation of existing facilities in Commercial Banking as well as new lending through government lending schemes, partially offset by reductions in RWAs due to increased defaults.
- Mortgages** – The reduction in RoI mortgages was due to the sale of a portfolio of non-performing exposures as well as decreases due to PD calibration. The increase in UK mortgages reflected lending growth in UK Personal Banking during Q1 2020.
- Other personal** – The decrease in EAD and RWAs was due to decreases in unsecured balances during the period.

## 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 inter-group exposures). It presents EAD pre and post CRM, RWAs and minimum capital requirements (MCR), split by regulatory approach and exposure class.

Credit risk	NWH Group				NWB Plc				RBS plc				UBI DAC				Coutts & Co			
	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m
30 June 2020																				
IRB																				
Central governments and central banks	33,220	33,173	2,864	229	25,723	25,677	1,937	155	33	33	—	—	7,428	7,428	923	74	—	—	—	—
Institutions	8,208	6,250	1,642	131	5,350	3,693	935	75	1,732	1,455	372	30	438	438	118	9	—	—	—	—
Corporates	124,425	113,657	58,369	4,670	68,767	61,715	34,270	2,742	33,867	30,321	15,199	1,216	5,673	5,621	3,887	311	—	—	—	—
Specialised lending	15,626	15,601	10,601	848	8,476	8,471	5,737	459	5,747	5,726	3,902	312	1,091	1,091	750	60	—	—	—	—
SME	21,250	20,827	9,057	725	11,352	11,064	5,133	411	3,992	3,880	1,764	141	1,374	1,373	976	78	—	—	—	—
Other corporate	87,549	77,229	38,711	3,097	48,939	42,180	23,400	1,872	24,128	20,715	9,533	763	3,208	3,157	2,161	173	—	—	—	—
Retail	224,509	224,509	35,674	2,854	174,661	174,661	23,869	1,910	30,482	30,482	4,969	398	15,551	15,551	5,531	443	—	—	—	—
Secured by real estate property																				
- SME	1,253	1,253	447	36	950	950	336	27	240	240	81	6	—	—	—	—	—	—	—	—
- non-SME	179,188	179,188	18,008	1,441	140,544	140,544	10,973	878	22,338	22,338	1,637	132	14,470	14,470	4,908	394	—	—	—	—
Qualifying revolving	22,151	22,151	5,235	419	17,305	17,305	3,870	310	4,214	4,214	1,161	93	313	313	128	10	—	—	—	—
Other retail - SME	14,721	14,721	4,255	340	10,599	10,599	2,816	225	2,270	2,270	617	49	571	571	355	28	—	—	—	—
- non-SME	7,196	7,196	7,729	618	5,263	5,263	5,874	470	1,420	1,420	1,473	118	197	197	140	11	—	—	—	—
Equities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Securitisation	6,918	6,918	1,300	104	5,425	5,425	1,056	84	1,493	1,493	244	20	—	—	—	—	—	—	—	—
Non-credit obligation assets	5,153	5,153	3,925	314	2,978	2,978	2,507	200	—	—	—	—	272	272	120	10	—	—	—	—
<b>Total IRB</b>	<b>402,433</b>	<b>389,660</b>	<b>103,774</b>	<b>8,302</b>	<b>282,904</b>	<b>274,149</b>	<b>64,574</b>	<b>5,166</b>	<b>67,607</b>	<b>63,784</b>	<b>20,784</b>	<b>1,664</b>	<b>29,362</b>	<b>29,310</b>	<b>10,579</b>	<b>847</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
STD																				
Central governments and central banks	85,229	85,296	1,188	95	58,409	58,409	1,701	136	25,619	25,618	93	7	—	—	1	—	53	120	23	2
Regional governments and local authorities	52	3	2	—	20	2	—	—	30	—	—	—	1	1	1	—	—	—	—	—
Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	732	732	309	25	28,781	28,781	286	23	15,771	15,771	30	2	1,242	1,242	277	22	20,314	20,313	21	2
Corporates	6,005	5,520	4,753	380	3,453	3,278	2,819	225	801	798	652	53	606	606	590	48	2,012	1,705	1,573	126
Retail	2,199	2,106	1,261	101	390	390	249	20	180	175	117	9	9	9	5	—	964	877	511	41
Secured by mortgages on: immovable property																				
- residential	11,232	11,231	4,126	330	114	113	113	9	659	659	243	19	92	92	92	7	9,886	9,886	3,511	280
- commercial	2,608	2,566	2,577	206	267	267	278	22	162	134	134	11	35	35	35	3	2,128	2,114	2,114	169
Exposures in default	412	411	490	39	40	40	54	4	68	68	90	7	19	19	24	2	199	198	210	17
Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity exposures	14	14	15	1	1,459	1,459	3,648	292	41	41	84	7	—	—	1	—	110	110	274	22
Other exposures	842	842	386	31	10	10	8	1	653	653	284	23	23	23	5	—	327	327	324	26
<b>Total STD</b>	<b>109,325</b>	<b>108,721</b>	<b>15,107</b>	<b>1,208</b>	<b>92,943</b>	<b>92,749</b>	<b>9,156</b>	<b>732</b>	<b>43,984</b>	<b>43,917</b>	<b>1,727</b>	<b>138</b>	<b>2,027</b>	<b>2,027</b>	<b>1,031</b>	<b>82</b>	<b>35,993</b>	<b>35,650</b>	<b>8,561</b>	<b>685</b>
<b>Total IRB and STD</b>	<b>511,758</b>	<b>498,381</b>	<b>118,881</b>	<b>9,510</b>	<b>375,847</b>	<b>366,898</b>	<b>73,730</b>	<b>5,898</b>	<b>111,591</b>	<b>107,701</b>	<b>22,511</b>	<b>1,802</b>	<b>31,389</b>	<b>31,337</b>	<b>11,610</b>	<b>929</b>	<b>35,993</b>	<b>35,650</b>	<b>8,561</b>	<b>685</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			UBI DAC			Couitts & 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>																
30 June 2020																
<b>IRB</b>																
Central governments and central banks	164	4	—	164	4	—	—	—	—	—	—	—	—	—	—	—
Institutions	299	121	10	299	121	10	—	—	—	—	—	—	—	—	—	—
Corporates	1,142	187	15	1,112	167	13	—	—	—	29	20	1	—	—	—	—
<i>Specialised lending</i>	31	22	2	13	9	1	—	—	—	18	13	1	—	—	—	—
<i>SME</i>	1	1	—	—	—	—	—	—	—	1	1	—	—	—	—	—
<i>Other corporate</i>	1,110	164	13	1,099	158	12	—	—	—	10	6	—	—	—	—	—
<b>Total IRB</b>	<b>1,605</b>	<b>312</b>	<b>25</b>	<b>1,575</b>	<b>292</b>	<b>23</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>29</b>	<b>20</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>STD</b>																
Central governments and central banks	327	—	—	327	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	1,247	786	63	2,161	579	47	840	—	—	242	119	10	1	1	—	—
Corporates	221	342	27	80	79	6	—	—	—	—	—	—	35	39	3	3
<b>Total STD</b>	<b>1,795</b>	<b>1,128</b>	<b>90</b>	<b>2,568</b>	<b>658</b>	<b>53</b>	<b>840</b>	<b>—</b>	<b>—</b>	<b>242</b>	<b>119</b>	<b>10</b>	<b>36</b>	<b>40</b>	<b>3</b>	<b>3</b>
<b>Total IRB and STD</b>	<b>3,400</b>	<b>1,440</b>	<b>115</b>	<b>4,143</b>	<b>950</b>	<b>76</b>	<b>840</b>	<b>—</b>	<b>—</b>	<b>271</b>	<b>139</b>	<b>11</b>	<b>36</b>	<b>40</b>	<b>3</b>	<b>3</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				UBI DAC			
	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m	EAD pre CRM £m	EAD post CRM £m	RWAs £m	MCR £m
<b>Credit risk</b>																
31 December 2019																
<b>IRB</b>																
Central governments and central banks	34,581	34,522	2,353	188	29,013	28,954	1,748	140	35	35	1	—	5,484	5,484	600	48
Institutions	8,261	6,299	1,582	127	4,961	3,428	785	63	2,102	1,687	423	34	392	392	109	9
Corporates	113,640	103,882	52,011	4,161	56,644	50,701	28,380	2,270	34,339	30,738	15,215	1,217	5,440	5,348	3,448	275
<i>Specialised lending</i>	13,931	13,862	9,426	754	6,507	6,501	4,500	360	6,002	5,939	3,944	315	1,121	1,121	780	62
<i>SME</i>	20,451	20,021	8,570	686	9,842	9,543	4,709	377	4,013	3,909	1,851	148	1,322	1,320	743	59
<i>Other corporate</i>	79,258	69,999	34,015	2,721	40,295	34,657	19,171	1,533	24,324	20,890	9,420	754	2,997	2,907	1,925	154
Retail	215,130	215,130	37,150	2,972	164,886	164,886	23,967	1,917	31,269	31,269	5,326	426	15,107	15,107	6,502	520
<i>Secured by real estate property</i>																
- SME	1,291	1,291	523	42	970	970	385	31	259	259	100	8	—	—	—	—
- non-SME	174,529	174,529	18,939	1,516	134,944	134,944	10,755	861	23,633	23,633	1,766	142	14,050	14,050	5,869	470
<i>Qualifying revolving</i>	23,138	23,138	5,991	479	17,969	17,969	4,406	352	4,476	4,476	1,329	106	328	328	163	13
<i>Other retail</i>																
- SME	8,940	8,940	3,856	308	5,770	5,770	2,503	200	1,439	1,439	605	48	537	537	316	25
- non-SME	7,232	7,232	7,841	627	5,233	5,233	5,918	473	1,462	1,462	1,526	122	192	192	154	12
Securitisation	7,329	7,329	1,509	121	5,837	5,837	1,206	96	1,492	1,492	304	24	—	—	—	—
Non-credit obligation assets	5,847	5,847	4,152	332	3,418	3,418	2,811	225	—	—	—	—	577	577	120	10
<b>Total IRB</b>	<b>384,788</b>	<b>373,009</b>	<b>98,757</b>	<b>7,901</b>	<b>264,759</b>	<b>257,224</b>	<b>58,897</b>	<b>4,711</b>	<b>69,237</b>	<b>65,221</b>	<b>21,269</b>	<b>1,701</b>	<b>27,000</b>	<b>26,908</b>	<b>10,779</b>	<b>862</b>
<b>STD</b>																
Central governments and central banks	63,983	63,983	1,193	95	36,318	36,318	1,661	133	26,421	26,421	60	5	—	—	—	—
Regional governments and local authorities	20	20	5	—	18	18	4	—	—	—	—	—	1	1	1	—
Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	653	653	236	19	29,709	29,709	212	17	7,722	7,721	34	3	732	733	150	12
Corporates	7,567	7,230	6,928	554	3,277	3,071	2,960	238	717	714	678	54	615	615	598	47
Retail	2,332	2,276	1,356	109	499	499	311	25	207	202	130	10	13	13	8	1
<i>Secured by mortgages on immovable property</i>																
- residential	10,909	10,909	3,942	315	68	68	68	5	702	702	276	22	81	81	81	7
- commercial	681	663	677	54	316	316	326	26	171	153	158	13	33	33	33	3
Exposures in default	303	302	359	29	28	28	42	3	66	66	88	7	20	19	25	2
Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity exposures	25	25	27	2	1,319	1,319	3,296	264	52	52	94	8	1	1	2	—
Other exposures	1,123	1,123	500	40	4	4	1	—	942	942	404	32	17	17	3	—
<b>Total STD</b>	<b>87,596</b>	<b>87,184</b>	<b>15,223</b>	<b>1,217</b>	<b>71,556</b>	<b>71,350</b>	<b>8,881</b>	<b>711</b>	<b>37,000</b>	<b>36,973</b>	<b>1,922</b>	<b>154</b>	<b>1,513</b>	<b>1,513</b>	<b>901</b>	<b>72</b>
<b>Total IRB and STD</b>	<b>472,384</b>	<b>460,193</b>	<b>113,980</b>	<b>9,118</b>	<b>336,315</b>	<b>328,574</b>	<b>67,778</b>	<b>5,422</b>	<b>106,237</b>	<b>102,194</b>	<b>23,191</b>	<b>1,855</b>	<b>28,513</b>	<b>28,421</b>	<b>11,680</b>	<b>934</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			UBI DAC		
	EAD post			EAD post			EAD post			EAD post		
	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR	CRM	RWAs	MCR
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Counterparty credit risk</b>												
31 December 2019												
<b>IRB</b>												
Central governments and central banks	209	3	—	209	3	—	—	—	—	—	—	—
Institutions	265	94	8	263	93	7	—	—	—	2	1	—
Corporates	479	120	9	452	101	8	—	—	—	27	19	1
<i>Specialised lending</i>	28	19	2	10	7	1	—	—	—	16	12	1
<i>SME</i>	1	1	—	—	—	—	—	—	—	1	1	—
<i>Other corporate</i>	450	100	7	442	94	7	—	—	—	10	6	—
<b>Total IRB</b>	<b>953</b>	<b>217</b>	<b>17</b>	<b>924</b>	<b>197</b>	<b>15</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>29</b>	<b>20</b>	<b>1</b>
<b>STD</b>												
Central governments and central banks	332	—	—	332	—	—	—	—	—	—	—	—
Regional governments and local authorities	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	1,174	528	42	2,069	298	24	366	—	—	219	107	9
Corporates	132	235	19	38	110	9	—	—	—	—	—	—
<b>Total STD</b>	<b>1,638</b>	<b>763</b>	<b>61</b>	<b>2,439</b>	<b>408</b>	<b>33</b>	<b>366</b>	<b>—</b>	<b>—</b>	<b>219</b>	<b>107</b>	<b>9</b>
<b>Total IRB and STD</b>	<b>2,591</b>	<b>980</b>	<b>78</b>	<b>3,363</b>	<b>605</b>	<b>48</b>	<b>366</b>	<b>—</b>	<b>—</b>	<b>248</b>	<b>127</b>	<b>10</b>

#### Key points

- NWB Plc** – The overall increase in credit risk exposures was mainly due to increased cash placements with central banks as well as increased drawdowns in Commercial Banking and new lending through the government lending schemes. Further increases in RWAs were also driven by movements in foreign exchange, credit valuation adjustments and insurance-related asset transfers from NatWest Markets. Offsetting reductions in RWAs during the period mainly reflected an increase in defaults in Commercial Banking and a decrease in balances for Personal unsecured products.
- RBS plc** – The overall decrease in RWAs was mainly due to a reduction in exposures and increased defaults.
- UBI DAC** – The decrease in credit risk RWAs mainly reflected the sale of a portfolio of non-performing assets and reductions in RWAs due to PD calibration. RWAs remained broadly stable. The reduction in the euro credit risk RWAs was driven by the portfolio sale of non-performing loans as well as the revision of PD/LGD metrics. This was partially offset by movements in foreign exchange rates.

## Credit risk

### Risk profile by credit quality

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

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

Exposure class	30 June 2020				
	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	—	33,384	3	—	33,381
2 Institutions	—	8,246	29	—	8,217
3 Corporates	2,651	153,311	2,879	80	153,083
4 <i>Specialised lending</i>	434	17,139	450	6	17,123
5 <i>SME</i>	722	23,853	852	23	23,723
<i>Other corporate</i>	1,495	112,319	1,577	51	112,237
6 Retail	3,685	230,355	2,879	316	231,161
8 <i>Secured by real estate property - SME</i>	27	1,275	19	1	1,283
9 <i>- non-SME</i>	2,225	177,367	1,005	166	178,587
10 <i>Qualifying revolving</i>	633	31,390	731	84	31,292
12 <i>Other retail - SME</i>	288	13,749	281	22	13,756
13 <i>- non-SME</i>	512	6,574	843	43	6,243
14 Equities	—	—	—	—	—
Non-credit obligation assets	—	4,313	—	—	4,313
15 Total IRB	6,336	429,609	5,790	396	430,155
<i>Of which: Loans</i>	5,743	293,340	5,497	396	293,586
<i>Debt securities</i>	—	21,696	7	—	21,689
<i>Other assets</i>	19	14,048	16	—	14,051
<i>Off-balance sheet exposures</i>	574	100,525	270	—	100,829
<b>STD</b>					
16 Central governments and central banks	—	85,851	5	—	85,846
17 Regional governments and local authorities	—	577	—	—	577
19 Multilateral development banks	—	—	—	—	—
21 Institutions	—	809	—	—	809
22 Corporates	151	7,753	185	2	7,719
24 Retail	88	6,353	39	1	6,402
26 Secured by mortgages on immovable property:					
- residential	228	12,024	6	2	12,246
- commercial	17	2,829	37	—	2,809
28 Exposures in default (3)	484	—	67	5	417
29 Items associated with particularly high risk	—	—	—	—	—
30 Covered bonds	—	—	—	—	—
33 Equity exposures	—	14	—	—	14
34 Other exposures	—	731	—	—	731
35 Total STD	484	116,941	272	5	117,153
<i>Of which: Loans</i>	451	23,825	248	5	24,028
<i>Debt securities</i>	—	22,056	1	—	22,055
<i>Other assets</i>	3	62,143	3	—	62,143
<i>Off-balance sheet exposures</i>	30	8,917	20	—	8,927
37 Total: Loans	6,194	317,165	5,745	401	317,614
38 Debt securities	—	43,752	8	—	43,744
Other assets	22	76,191	19	—	76,194
39 Off-balance sheet exposures	604	109,442	290	—	109,756
36 Total IRB and STD	6,820	546,550	6,062	401	547,308

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



## Credit risk

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

Exposure class	31 December 2019				
	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	—	34,733	2	—	34,731
2 Institutions	—	8,353	21	—	8,332
3 Corporates	2,096	140,734	1,168	378	141,662
4 <i>Specialised lending</i>	457	15,373	234	177	15,596
5 <i>SME</i>	670	22,344	360	74	22,654
<i>Other corporate</i>	969	103,017	574	127	103,412
6 Retail	3,870	219,807	2,309	383	221,368
<i>Secured by real estate property</i>					
8 - <i>SME</i>	26	1,302	13	1	1,315
9 - <i>non-SME</i>	2,531	172,413	926	76	174,018
10 <i>Qualifying revolving</i>	606	31,315	552	187	31,369
<i>Other retail</i>					
12 - <i>SME</i>	269	8,145	236	79	8,178
13 - <i>non-SME</i>	438	6,632	582	40	6,488
Non-credit obligation assets					
15 Total IRB	5,966	408,662	3,500	761	411,128
<i>Of which: Loans</i>					
<i>Debt securities</i>	—	20,822	2	—	20,820
<i>Other assets</i>	8	18,037	11	—	18,034
<i>Off-balance sheet exposures</i>	513	97,629	119	29	98,023
<b>STD</b>					
16 Central governments and central banks	—	64,640	4	—	64,636
17 Regional governments and local authorities	—	215	—	—	215
21 Institutions	—	711	—	—	711
22 Corporates	103	8,954	75	9	8,982
24 Retail	80	6,053	19	—	6,114
<i>Secured by mortgages on immovable property:</i>					
26 - residential	175	11,831	6	1	12,000
27 - commercial	11	875	2	—	884
28 Exposures in default (3)	369	—	44	10	325
33 Equity exposures	—	25	—	—	25
34 Other exposures	—	1,010	—	—	1,010
35 Total STD	369	94,314	106	10	94,577
<i>Of which: Loans</i>					
<i>Debt securities</i>	—	21,062	2	—	21,060
<i>Other assets</i>	1	42,610	2	—	42,609
<i>Off-balance sheet exposures</i>	29	8,109	4	6	8,134
37 Total: Loans	5,784	294,707	3,466	736	297,025
38 Debt securities	—	41,884	4	—	41,880
Other assets	9	60,647	13	—	60,643
39 Off-balance sheet exposures	542	105,738	123	35	106,157
36 Total IRB and STD	6,335	502,976	3,606	771	505,705

#### 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. The aim of these tables is to facilitate effective management of NPEs and achieve a sustainable reduction in NPEs in credit institutions' balance sheets.

In line with EBA guidelines, 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 EBA and PRA have 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. It is not expected that using payment holidays would 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 provides a breakdown of gross carrying amount of forbore exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk and collateral and financial guarantees received by portfolio and exposure class.

	a	b	c	d	e		f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral received and financial guarantees received on forbore exposures	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
	Performing forbore £m	Non-performing forbore £m	Of which : defaulted £m	Of which : impaired £m	On performing forbore exposures £m	On non-performing forbore exposures £m		£m	£m
<b>30 June 2020</b>									
1 Loans and advances	4,323	3,372	2,874	2,859	(265)	(1,058)		5,334	2,183
2 Central banks	—	—	—	—	—	—		—	—
3 General governments	—	—	—	—	—	—		—	—
4 Credit institutions	—	—	—	—	—	—		—	—
5 Other financial corporations	82	—	—	—	(3)	—		19	—
6 Non-financial corporations	2,992	1,206	1,069	1,069	(217)	(483)		2,588	610
7 Households	1,249	2,166	1,805	1,790	(45)	(575)		2,727	1,573
8 Debt Securities	—	—	—	—	—	—		—	—
9 Loan commitments given	393	62	42	42	(1)	—		177	14
10 Total	4,716	3,434	2,916	2,901	(266)	(1,058)		5,511	2,197

	a	b	c	d	e		f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral received and financial guarantees received on forbore exposures	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
	Performing forbore £m	Non-performing forbore £m	Of which : defaulted £m	Of which : impaired £m	On performing forbore exposures £m	On non-performing forbore exposures £m		£m	£m
<b>31 December 2019</b>									
1 Loans and advances	3,195	3,388	2,904	2,886	(74)	(958)		4,575	2,265
2 Central banks	—	—	—	—	—	—		—	—
3 General governments	—	—	—	—	—	—		—	—
4 Credit institutions	—	—	—	—	—	—		—	—
5 Other financial corporations	4	2	2	2	—	—		3	1
6 Non-financial corporations	2,034	833	706	706	(52)	(294)		1,617	399
7 Households	1,157	2,553	2,196	2,178	(22)	(664)		2,955	1,865
8 Debt Securities	—	—	—	—	—	—		—	—
9 Loan commitments given	285	34	26	26	—	—		121	14
10 Total	3,480	3,422	2,930	2,912	(74)	(958)		4,696	2,279

## Credit risk

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

The table below provides a breakdown of performing and non-performing exposures by portfolio, exposure class and days past due buckets.

	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 2020	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Loans and advances	334,177	332,756	1,421	7,186	3,665	666	788	730	841	184	312	6,621
2 Central banks	5,994	5,994	—	—	—	—	—	—	—	—	—	—
3 General governments	3,030	3,025	5	—	—	—	—	—	—	—	—	—
4 Credit institutions	998	998	—	—	—	—	—	—	—	—	—	—
5 Other financial corporations	21,871	21,814	57	8	2	—	—	3	2	—	1	8
6 Non-financial corporations	104,780	104,027	753	2,679	1,806	73	173	157	275	57	138	2,526
7 Of which SMEs	28,033	27,879	154	964	512	57	66	112	132	34	51	884
8 Households	197,504	196,898	606	4,499	1,857	593	615	570	564	127	173	4,087
9 Debt securities	44,794	44,794	—	—	—	—	—	—	—	—	—	—
10 Central banks	—	—	—	—	—	—	—	—	—	—	—	—
11 General governments	36,515	36,515	—	—	—	—	—	—	—	—	—	—
12 Credit institutions	5,710	5,710	—	—	—	—	—	—	—	—	—	—
13 Other financial corporations	2,559	2,559	—	—	—	—	—	—	—	—	—	—
14 Non-financial corporations	10	10	—	—	—	—	—	—	—	—	—	—
15 Off-balance-sheet exposures	109,136	—	—	650	—	—	—	—	—	—	—	600
16 Central banks	—	—	—	—	—	—	—	—	—	—	—	—
17 General governments	1,941	—	—	—	—	—	—	—	—	—	—	—
18 Credit institutions	657	—	—	—	—	—	—	—	—	—	—	—
19 Other financial corporations	3,231	—	—	—	—	—	—	—	—	—	—	—
20 Non-financial corporations	61,420	—	—	313	—	—	—	—	—	—	—	284
21 Households	41,887	—	—	337	—	—	—	—	—	—	—	316
22 Total	488,107	377,550	1,421	7,836	3,665	666	788	730	841	184	312	7,221

## Credit risk

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

	a	b	c	d	e Gross carrying amount/nominal amount								i	j	k	l
	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 2019																
1 Loans and advances	306,583	305,834	749	6,876	3,232	698	748	825	806	239	328	6,258				
2 <i>Central banks</i>	4,085	4,085	—	—	—	—	—	—	—	—	—	—				
3 <i>General governments</i>	3,049	3,049	—	—	—	—	—	—	—	—	—	—				
4 <i>Credit institutions</i>	1,080	1,080	—	—	—	—	—	—	—	—	—	—				
5 <i>Other financial corporations</i>	15,247	15,240	7	11	3	—	3	4	1	—	—	11				
6 <i>Non-financial corporations</i>	95,121	94,869	252	2,104	1,234	120	128	229	187	69	137	1,928				
7 <i>Of which SMEs</i>	24,563	24,511	52	887	423	49	74	108	136	41	56	827				
8 <i>Households</i>	188,001	187,511	490	4,761	1,995	578	617	592	618	170	191	4,319				
9 Debt securities	42,942	42,942	—	—	—	—	—	—	—	—	—	—				
10 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—				
11 <i>General governments</i>	35,406	35,406	—	—	—	—	—	—	—	—	—	—				
12 <i>Credit institutions</i>	5,398	5,398	—	—	—	—	—	—	—	—	—	—				
13 <i>Other financial corporations</i>	2,128	2,128	—	—	—	—	—	—	—	—	—	—				
14 <i>Non-financial corporations</i>	10	10	—	—	—	—	—	—	—	—	—	—				
15 Off-balance-sheet exposures	105,313	—	—	562	—	—	—	—	—	—	—	538				
16 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—				
17 <i>General governments</i>	1,607	—	—	—	—	—	—	—	—	—	—	—				
18 <i>Credit institutions</i>	598	—	—	—	—	—	—	—	—	—	—	—				
19 <i>Other financial corporations</i>	2,164	—	—	—	—	—	—	—	—	—	—	—				
20 <i>Non-financial corporations</i>	57,248	—	—	241	—	—	—	—	—	—	—	234				
21 <i>Households</i>	43,696	—	—	321	—	—	—	—	—	—	—	304				
22 Total	454,838	348,776	749	7,438	3,232	698	748	825	806	239	328	6,796				

Note:

(1) The gross NPL ratio for NWH Group is 2.11% (Loans and advances classified as held-for-sale, cash balances at central banks and other demand deposits are excluded from the calculation).

## Credit risk

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

The table below provides a breakdown of 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	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				On performing exposures	On non-performing exposures
	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	On performing exposures	On non-performing exposures	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
30 June 2020															
1 Loans and advances	334,177	242,037	92,140	7,186	620	6,561	(3,158)	(410)	(2,748)	(2,694)	(53)	(2,641)	258,597	3,909	
2 Central banks	5,994	5,994	—	—	—	—	(1)	(1)	—	—	—	—	—	—	
3 General governments	3,030	2,982	48	—	—	—	(1)	—	(1)	—	—	—	1,703	—	
4 Credit institutions	998	880	118	—	—	—	(7)	(2)	(5)	—	—	—	162	—	
5 Other financial corporations	21,871	19,782	2,089	8	—	8	(28)	(4)	(24)	(4)	—	(4)	18,490	3	
6 Non-financial corporations	104,780	47,862	56,918	2,679	138	2,541	(1,884)	(215)	(1,669)	(1,131)	(9)	(1,122)	57,461	1,286	
7 Of which SMEs	28,033	13,302	14,731	964	74	890	(608)	(56)	(552)	(399)	(5)	(394)	13,612	403	
8 Households	197,504	164,537	32,967	4,499	482	4,012	(1,237)	(188)	(1,049)	(1,559)	(44)	(1,515)	180,781	2,620	
9 Debt securities	44,794	43,460	1,334	—	—	—	(7)	(4)	(3)	—	—	—	—	—	
10 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11 General governments	36,515	36,515	—	—	—	—	(2)	(2)	—	—	—	—	—	—	
12 Credit institutions	5,710	4,575	1,135	—	—	—	(4)	(1)	(3)	—	—	—	—	—	
13 Other financial corporations	2,559	2,360	199	—	—	—	(1)	(1)	—	—	—	—	—	—	
14 Non-financial corporations	10	10	—	—	—	—	—	—	—	—	—	—	—	—	
15 Off-balance-sheet exposures	109,136	70,001	39,135	650	37	588	(167)	(25)	(142)	(42)	(1)	(41)	15,355	76	
16 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
17 General governments	1,941	1,898	43	—	—	—	—	—	—	—	—	—	324	—	
18 Credit institutions	657	448	209	—	—	—	—	—	—	—	—	—	3	—	
19 Other financial corporations	3,231	2,310	921	—	—	—	(3)	—	(3)	—	—	—	212	—	
20 Non-financial corporations	61,420	27,797	33,623	313	17	284	(109)	(16)	(93)	(19)	—	(19)	10,396	60	
21 Households	41,887	37,548	4,339	337	20	304	(55)	(9)	(46)	(23)	(1)	(22)	4,420	16	
22 Total	488,107	355,498	132,609	7,836	657	7,149	(3,332)	(439)	(2,893)	(2,736)	(54)	(2,682)	273,952	3,985	

## Credit risk

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

	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			On performing exposures	On non-performing exposures
	Total £m	Of which stage 1 £m	Of which stage 2 £m	Total £m	Of which stage 2 £m	Of which stage 3 £m	Total £m	Of which stage 1 £m	Of which stage 2 £m	Total £m	Of which stage 2 £m	Of which stage 3 £m	£m	£m
31 December 2019														
1 Loans and advances	306,583	280,103	26,480	6,876	654	6,212	(968)	(290)	(678)	(2,551)	(33)	(2,517)	242,680	3,765
2 <i>Central banks</i>	4,085	4,085	—	—	—	—	(1)	(1)	—	—	—	—	—	—
3 <i>General governments</i>	3,049	3,048	1	—	—	—	—	—	—	—	—	—	2,166	—
4 <i>Credit institutions</i>	1,080	1,016	64	—	—	—	(1)	(1)	—	—	—	—	250	—
5 <i>Other financial corporations</i>	15,247	15,085	162	11	—	11	(7)	(5)	(2)	(5)	—	(5)	12,696	5
6 <i>Non-financial corporations</i>	95,121	84,145	10,976	2,104	128	1,976	(342)	(144)	(198)	(972)	(2)	(970)	58,014	896
7 <i>Of which SMEs</i>	24,563	21,022	3,541	887	59	827	(131)	(48)	(83)	(373)	(1)	(372)	14,069	344
8 <i>Households</i>	188,001	172,724	15,277	4,761	526	4,225	(617)	(139)	(478)	(1,574)	(31)	(1,542)	169,554	2,864
9 Debt securities	42,942	42,933	9	—	—	—	(4)	(4)	—	—	—	—	—	—
10 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11 <i>General governments</i>	35,406	35,406	—	—	—	—	(2)	(2)	—	—	—	—	—	—
12 <i>Credit institutions</i>	5,398	5,398	—	—	—	—	(1)	(1)	—	—	—	—	—	—
13 <i>Other financial corporations</i>	2,128	2,119	9	—	—	—	(1)	(1)	—	—	—	—	—	—
14 <i>Non-financial corporations</i>	10	10	—	—	—	—	—	—	—	—	—	—	—	—
15 Off-balance-sheet exposures	105,313	99,872	5,441	562	21	529	(44)	(13)	(31)	(46)	—	(46)	15,040	47
16 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17 <i>General governments</i>	1,607	1,607	—	—	—	—	—	—	—	—	—	—	359	—
18 <i>Credit institutions</i>	598	592	6	—	—	—	—	—	—	—	—	—	2	—
19 <i>Other financial corporations</i>	2,164	2,072	92	—	—	—	(1)	(1)	—	—	—	—	126	—
20 <i>Non-financial corporations</i>	57,248	54,544	2,704	241	7	234	(15)	(8)	(7)	(20)	—	(20)	10,035	31
21 <i>Households</i>	43,696	41,057	2,639	321	14	295	(28)	(4)	(24)	(26)	—	(26)	4,518	16
22 Total	454,838	422,908	31,930	7,438	675	6,741	(1,016)	(307)	(709)	(2,597)	(33)	(2,563)	257,720	3,812

## Credit risk

### EU 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 specific credit risk adjustment £m
1 At 1 January 2020	2,563
2 Increases due to amounts set aside for estimated loan losses during the period	770
3 Decreases due to amounts reversed for estimated loan losses during the period	(237)
4 Decreases due to amounts taken against accumulated credit risk adjustments	(400)
5 Transfers between credit risk adjustments	(3)
6 Impact of exchange rate differences	34
7 Business combinations, including acquisitions and disposals of subsidiaries	—
8 Other adjustments	(45)
9 <b>At 30 June 2020</b>	<b>2,682</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	—

### EU 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 2020	6,308
Loans and debt securities that have defaulted or impaired since the last reporting period	2,023
Returned to non-defaulted status	(957)
Amounts written-off	(400)
Other changes	(313)
<b>At 30 June 2020</b>	<b>6,661</b>

## Credit risk

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

30 June 2020	a	c	d	e	Total secured £m	Total £m
	Unsecured net carrying value £m	Collateral £m	Guarantees £m	Credit derivatives £m		
<b>IRB</b>						
Central governments and central banks	33,289	92	—	—	92	33,381
Institutions	6,287	1,920	10	—	1,930	8,217
Corporates	77,108	73,047	2,928	—	75,975	153,083
<i>Specialised lending</i>	1,736	14,908	479	—	15,387	17,123
<i>SME</i>	5,073	17,180	1,470	—	18,650	23,723
<i>Other corporate</i>	70,299	40,959	979	—	41,938	112,237
Retail	45,611	179,870	5,680	—	185,550	231,161
<i>Secured by real estate property - SME</i>	—	1,283	—	—	1,283	1,283
<i>- non-SME</i>	—	178,587	—	—	178,587	178,587
<i>Qualifying revolving</i>	31,292	—	—	—	—	31,292
<i>Other retail - SME</i>	8,076	—	5,680	—	5,680	13,756
<i>- non-SME</i>	6,243	—	—	—	—	6,243
Equities	—	—	—	—	—	—
Non-credit obligation assets	4,313	—	—	—	—	4,313
<b>Total IRB</b>	<b>166,608</b>	<b>254,929</b>	<b>8,618</b>	<b>—</b>	<b>263,547</b>	<b>430,155</b>
<i>Of which: Loans</i>	<i>58,691</i>	<i>226,769</i>	<i>8,126</i>	<i>—</i>	<i>234,895</i>	<i>293,586</i>
<i>Debt securities</i>	<i>21,689</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>21,689</i>
<i>Other assets</i>	<i>13,363</i>	<i>685</i>	<i>3</i>	<i>—</i>	<i>688</i>	<i>14,051</i>
<i>Off-balance sheet exposures</i>	<i>72,865</i>	<i>27,475</i>	<i>489</i>	<i>—</i>	<i>27,964</i>	<i>100,829</i>
<i>Defaulted</i>	<i>1,150</i>	<i>2,576</i>	<i>25</i>	<i>—</i>	<i>2,601</i>	<i>3,751</i>
<b>STD</b>						
Central governments and central banks	85,846	—	—	—	—	85,846
Regional governments and local authorities	577	—	—	—	—	577
Multilateral development banks	—	—	—	—	—	—
Institutions	809	—	—	—	—	809
Corporates	6,988	528	102	—	630	7,618
Retail	6,071	253	—	—	253	6,324
Secured by mortgages on immovable property:						
- residential	—	12,021	—	—	12,021	12,021
- commercial	—	2,769	27	—	2,796	2,796
Exposures in default	415	2	—	—	2	417
Items associated with particularly high risk	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—
Equity exposures	14	—	—	—	—	14
Other exposures	731	—	—	—	—	731
<b>Total STD</b>	<b>101,451</b>	<b>15,573</b>	<b>129</b>	<b>—</b>	<b>15,702</b>	<b>117,153</b>
<i>Of which: Loans</i>	<i>9,901</i>	<i>14,053</i>	<i>74</i>	<i>—</i>	<i>14,127</i>	<i>24,028</i>
<i>Debt securities</i>	<i>22,055</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>22,055</i>
<i>Other assets</i>	<i>62,024</i>	<i>116</i>	<i>3</i>	<i>—</i>	<i>119</i>	<i>62,143</i>
<i>Off-balance sheet exposures</i>	<i>7,471</i>	<i>1,404</i>	<i>52</i>	<i>—</i>	<i>1,456</i>	<i>8,927</i>
<i>Defaulted</i>	<i>415</i>	<i>2</i>	<i>—</i>	<i>—</i>	<i>2</i>	<i>417</i>
<b>Total IRB and STD</b>	<b>268,059</b>	<b>270,502</b>	<b>8,747</b>	<b>—</b>	<b>279,249</b>	<b>547,308</b>
<b>Total: Loans</b>	<b>68,592</b>	<b>240,822</b>	<b>8,200</b>	<b>—</b>	<b>249,022</b>	<b>317,614</b>
<i>Debt securities</i>	<i>43,744</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>43,744</i>
<i>Other assets</i>	<i>75,387</i>	<i>801</i>	<i>6</i>	<i>—</i>	<i>807</i>	<i>76,194</i>
<i>Off-balance sheet exposures</i>	<i>80,336</i>	<i>28,879</i>	<i>541</i>	<i>—</i>	<i>29,420</i>	<i>109,756</i>
<i>Defaulted</i>	<i>1,565</i>	<i>2,578</i>	<i>25</i>	<i>—</i>	<i>2,603</i>	<i>4,168</i>



## Credit risk

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

31 December 2019	a	c	d	e	Total secured £m	Total £m
	Unsecured net carrying value £m	Collateral £m	Guarantees £m	Credit derivatives £m		
<b>IRB</b>						
Central governments and central banks	34,614	117	—	—	117	34,731
Institutions	6,382	1,942	8	—	1,950	8,332
Corporates	69,024	71,309	1,329	—	72,638	141,662
<i>Specialised lending</i>	299	14,917	380	—	15,297	15,596
<i>SME</i>	4,918	17,593	143	—	17,736	22,654
<i>Other corporate</i>	63,807	38,799	806	—	39,605	103,412
Retail	46,035	175,333	—	—	175,333	221,368
<i>Secured by real estate property</i>						
- SME	—	1,315	—	—	1,315	1,315
- non-SME	—	174,018	—	—	174,018	174,018
<i>Qualifying revolving</i>	31,369	—	—	—	—	31,369
<i>Other retail</i>						
- SME	8,178	—	—	—	—	8,178
- non-SME	6,488	—	—	—	—	6,488
Non-credit obligation assets	5,035	—	—	—	—	5,035
<b>Total IRB</b>	<b>161,090</b>	<b>248,701</b>	<b>1,337</b>	<b>—</b>	<b>250,038</b>	<b>411,128</b>
<i>Of which: Loans</i>	<i>54,488</i>	<i>218,915</i>	<i>848</i>	<i>—</i>	<i>219,763</i>	<i>274,251</i>
<i>Debt securities</i>	<i>20,820</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>20,820</i>
<i>Other assets</i>	<i>17,338</i>	<i>692</i>	<i>4</i>	<i>—</i>	<i>696</i>	<i>18,034</i>
<i>Off-balance sheet exposures</i>	<i>68,444</i>	<i>29,094</i>	<i>485</i>	<i>—</i>	<i>29,579</i>	<i>98,023</i>
<i>Defaulted</i>	<i>932</i>	<i>2,527</i>	<i>19</i>	<i>—</i>	<i>2,546</i>	<i>3,478</i>
<b>STD</b>						
Central governments and central banks	64,636	—	—	—	—	64,636
Regional governments and local authorities	215	—	—	—	—	215
Multilateral development banks	—	—	—	—	—	—
Institutions	711	—	—	—	—	711
Corporates	8,378	529	1	—	530	8,908
Retail	5,836	207	—	—	207	6,043
<i>Secured by mortgages on immovable property</i>						
- residential	—	11,830	—	—	11,830	11,830
- commercial	—	871	3	—	874	874
Exposures in default	323	2	—	—	2	325
Items associated with particularly high risk	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—
Equity exposures	25	—	—	—	—	25
Other exposures	1,010	—	—	—	—	1,010
<b>Total STD</b>	<b>81,134</b>	<b>13,439</b>	<b>4</b>	<b>—</b>	<b>13,443</b>	<b>94,577</b>
<i>Of which: Loans</i>	<i>10,967</i>	<i>11,807</i>	<i>—</i>	<i>—</i>	<i>11,807</i>	<i>22,774</i>
<i>Debt securities</i>	<i>21,060</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>21,060</i>
<i>Other assets</i>	<i>42,524</i>	<i>82</i>	<i>3</i>	<i>—</i>	<i>85</i>	<i>42,609</i>
<i>Off-balance sheet exposures</i>	<i>6,583</i>	<i>1,550</i>	<i>1</i>	<i>—</i>	<i>1,551</i>	<i>8,134</i>
<i>Defaulted</i>	<i>323</i>	<i>2</i>	<i>—</i>	<i>—</i>	<i>2</i>	<i>325</i>
<b>Total IRB and STD</b>	<b>242,224</b>	<b>262,140</b>	<b>1,341</b>	<b>—</b>	<b>263,481</b>	<b>505,705</b>
<b>Total: Loans</b>	<b>65,455</b>	<b>230,722</b>	<b>848</b>	<b>—</b>	<b>231,570</b>	<b>297,025</b>
Debt securities	41,880	—	—	—	—	41,880
Other assets	59,862	774	7	—	781	60,643
Off-balance sheet exposures	75,027	30,644	486	—	31,130	106,157
Defaulted	1,255	2,529	19	—	2,548	3,803

## 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

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

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

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

		a	b	d	e	f	g	j	j	k	l
	PD Range %	Original sheet on-balance 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 2020</b>											
Retail - Secured by real estate SME	0.00 to <0.15	—	83	54	0.12	5,521	63	8	15	—	—
Retail - Secured by real estate SME	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—
Retail - Secured by real estate SME	0.25 to <0.50	—	18	13	0.31	1,617	67	4	29	—	—
Retail - Secured by real estate SME	0.50 to <0.75	53	2	55	0.65	1,145	41	15	28	—	—
Retail - Secured by real estate SME	0.75 to <2.50	661	25	675	1.25	8,840	41	242	36	3	2
Retail - Secured by real estate SME	2.50 to <10.0	292	22	308	4.64	4,270	36	131	42	5	3
Retail - Secured by real estate SME	10.0 to <100.00	118	1	119	24.12	1,392	11	24	20	3	5
Retail - Secured by real estate SME	100.00 (default)	28	—	29	100.00	574	53	23	80	14	9
<b>Total - Retail - Secured by real estate SME</b>		<b>1,152</b>	<b>151</b>	<b>1,253</b>	<b>6.45</b>	<b>23,359</b>	<b>38</b>	<b>447</b>	<b>36</b>	<b>25</b>	<b>19</b>
Retail - Secured by real estate non-SME	0.00 to <0.15	46,772	3,737	50,588	0.13	384,398	11	1,749	3	8	11
Retail - Secured by real estate non-SME	0.15 to <0.25	4,257	1	4,262	0.15	55,455	9	136	3	1	3
Retail - Secured by real estate non-SME	0.25 to <0.50	69,377	6,877	75,661	0.32	568,939	11	5,166	7	29	39
Retail - Secured by real estate non-SME	0.50 to <0.75	35,906	119	36,113	0.59	240,862	14	4,855	13	33	74
Retail - Secured by real estate non-SME	0.75 to <2.50	6,023	96	6,136	1.16	44,934	13	1,146	19	10	22
Retail - Secured by real estate non-SME	2.50 to <10.0	1,437	18	1,460	6.19	11,862	12	669	46	12	23
Retail - Secured by real estate non-SME	10.0 to <100.00	2,743	4	2,764	26.22	22,068	15	2,369	86	109	161
Retail - Secured by real estate non-SME	100.00 (default)	2,216	9	2,204	100.00	19,822	22	1,918	87	338	672
<b>Total - Retail - Secured by real estate non-SME</b>		<b>168,731</b>	<b>10,861</b>	<b>179,188</b>	<b>2.02</b>	<b>1,348,340</b>	<b>12</b>	<b>18,008</b>	<b>10</b>	<b>540</b>	<b>1,005</b>
Retail - Qualifying revolving	0.00 to <0.15	33	8,113	11,537	0.04	9,084,784	53	190	2	3	9
Retail - Qualifying revolving	0.15 to <0.25	8	16	38	0.19	61,445	59	2	6	—	—
Retail - Qualifying revolving	0.25 to <0.50	762	6,333	2,676	0.37	2,409,022	64	315	12	6	25
Retail - Qualifying revolving	0.50 to <0.75	341	4,080	1,249	0.61	1,394,091	63	219	18	5	22
Retail - Qualifying revolving	0.75 to <2.50	1,453	7,403	3,456	1.34	3,155,405	69	1,194	35	32	108
Retail - Qualifying revolving	2.50 to <10.0	1,750	732	2,437	4.70	1,357,375	74	2,185	90	85	208
Retail - Qualifying revolving	10.0 to <100.00	304	61	398	23.08	227,677	73	765	192	67	86
Retail - Qualifying revolving	100.00 (default)	356	277	360	100.00	402,857	84	365	101	273	273
<b>Total - Retail - Qualifying revolving</b>		<b>5,007</b>	<b>27,015</b>	<b>22,151</b>	<b>2.87</b>	<b>18,092,656</b>	<b>60</b>	<b>5,235</b>	<b>24</b>	<b>471</b>	<b>731</b>

## Credit risk

### EU 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 sheet on-balance 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 2020</b>											
Retail - Other SME	0.00 to <0.15	—	800	741	0.12	277,728	63	109	15	1	3
Retail - Other SME	0.15 to <0.25	—	58	95	0.16	11,974	72	19	20	—	—
Retail - Other SME	0.25 to <0.50	23	303	438	0.32	234,033	65	127	29	1	3
Retail - Other SME	0.50 to <0.75	560	53	685	0.65	96,993	46	209	31	2	2
Retail - Other SME	0.75 to <2.50	3,212	197	3,583	1.32	315,968	45	1,439	40	22	18
Retail - Other SME	2.50 to <10.0	4,473	219	4,887	6.10	253,590	22	1,241	25	49	29
Retail - Other SME	10.0 to <100.00	3,826	25	3,996	25.20	152,898	12	924	23	120	56
Retail - Other SME	100.00 (default)	288	—	296	100.00	23,330	63	187	63	172	170
<b>Total - Retail - Other SME</b>		<b>12,382</b>	<b>1,655</b>	<b>14,721</b>	<b>11.25</b>	<b>1,366,514</b>	<b>30</b>	<b>4,255</b>	<b>29</b>	<b>367</b>	<b>281</b>
Retail - Other non-SME	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—
Retail - Other non-SME	0.15 to <0.25	64	—	65	0.24	9,345	75	23	36	—	—
Retail - Other non-SME	0.25 to <0.50	15	—	15	0.47	854	74	8	54	—	—
Retail - Other non-SME	0.50 to <0.75	105	—	107	0.67	20,126	68	67	63	1	1
Retail - Other non-SME	0.75 to <2.50	4,378	—	4,456	1.44	598,288	73	4,175	94	55	142
Retail - Other non-SME	2.50 to <10.0	1,428	—	1,447	5.02	150,185	77	1,834	127	65	135
Retail - Other non-SME	10.0 to <100.00	584	—	575	29.32	75,782	79	1,159	202	156	124
Retail - Other non-SME	100.00 (default)	512	—	531	100.00	81,067	85	463	87	414	441
<b>Total - Retail - Other non-SME</b>		<b>7,086</b>	<b>—</b>	<b>7,196</b>	<b>11.64</b>	<b>935,647</b>	<b>75</b>	<b>7,729</b>	<b>107</b>	<b>691</b>	<b>843</b>
<b>Total - Retail all portfolios</b>		<b>194,358</b>	<b>39,682</b>	<b>224,509</b>	<b>3.04</b>	<b>21,766,516</b>	<b>20</b>	<b>35,674</b>	<b>16</b>	<b>2,094</b>	<b>2,879</b>

## Credit risk

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

	a	b	d	e	f	g	i	l	j	k	l
31 December 2019	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
Retail - Secured by real estate SME	0.00 to <0.15	—	55	38	0.12	4,700	60	5	14	—	—
Retail - Secured by real estate SME	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—
Retail - Secured by real estate SME	0.25 to <0.50	8	11	17	0.41	1,548	51	4	25	—	—
Retail - Secured by real estate SME	0.50 to <0.75	50	2	51	0.62	1,055	41	14	27	—	—
Retail - Secured by real estate SME	0.75 to <2.50	835	41	861	1.17	12,360	42	312	36	4	1
Retail - Secured by real estate SME	2.50 to <10.0	238	11	245	4.43	3,461	43	125	51	5	2
Retail - Secured by real estate SME	10.0 to <100.00	50	1	51	25.21	802	44	41	80	6	2
Retail - Secured by real estate SME	100.00 (default)	26	—	28	100.00	538	56	22	79	14	8
<b>Total - Retail - Secured by real estate SME</b>		<b>1,207</b>	<b>121</b>	<b>1,291</b>	<b>4.79</b>	<b>24,464</b>	<b>43</b>	<b>523</b>	<b>41</b>	<b>29</b>	<b>13</b>
Retail - Secured by real estate non-SME	0.00 to <0.15	37,762	3,622	41,488	0.13	334,287	10	1,271	3	6	2
Retail - Secured by real estate non-SME	0.15 to <0.25	7,103	138	7,217	0.16	71,084	18	457	6	2	4
Retail - Secured by real estate non-SME	0.25 to <0.50	66,239	10,045	75,486	0.32	569,376	11	4,937	7	28	18
Retail - Secured by real estate non-SME	0.50 to <0.75	35,455	102	35,687	0.59	251,623	14	4,934	14	34	22
Retail - Secured by real estate non-SME	0.75 to <2.50	7,770	106	7,936	1.15	58,866	14	1,615	20	13	14
Retail - Secured by real estate non-SME	2.50 to <10.0	1,599	18	1,622	6.03	13,579	12	752	46	13	17
Retail - Secured by real estate non-SME	10.0 to <100.00	2,449	5	2,472	26.86	20,641	15	2,201	89	102	69
Retail - Secured by real estate non-SME	100.00 (default)	2,522	9	2,621	100.00	21,898	24	2,772	106	418	780
<b>Total - Retail - Secured by real estate non-SME</b>		<b>160,899</b>	<b>14,045</b>	<b>174,529</b>	<b>2.29</b>	<b>1,341,354</b>	<b>12</b>	<b>18,939</b>	<b>11</b>	<b>616</b>	<b>926</b>
Retail - Qualifying revolving	0.00 to <0.15	48	7,348	10,839	0.04	8,298,308	53	179	2	3	3
Retail - Qualifying revolving	0.15 to <0.25	269	461	751	0.23	441,969	66	63	8	1	2
Retail - Qualifying revolving	0.25 to <0.50	901	7,088	2,851	0.37	2,613,442	65	347	12	7	12
Retail - Qualifying revolving	0.50 to <0.75	429	4,998	1,609	0.65	1,676,653	67	310	19	7	12
Retail - Qualifying revolving	0.75 to <2.50	1,698	4,884	3,418	1.41	2,735,188	70	1,245	36	34	48
Retail - Qualifying revolving	2.50 to <10.0	2,030	763	2,857	4.74	1,606,319	74	2,597	91	101	132
Retail - Qualifying revolving	10.0 to <100.00	346	51	469	22.36	296,434	74	915	195	76	81
Retail - Qualifying revolving	100.00 (default)	341	265	344	100.00	397,125	86	335	97	268	262
<b>Total - Retail - Qualifying revolving</b>		<b>6,062</b>	<b>25,858</b>	<b>23,138</b>	<b>2.85</b>	<b>18,065,438</b>	<b>62</b>	<b>5,991</b>	<b>26</b>	<b>497</b>	<b>552</b>

## Credit risk

### EU 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 2019											
Retail - Other SME	0.00 to <0.15	—	639	740	0.12	293,486	62	105	14	1	1
Retail - Other SME	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—
Retail - Other SME	0.25 to <0.50	166	186	498	0.35	234,539	55	125	25	1	1
Retail - Other SME	0.50 to <0.75	576	35	675	0.63	88,638	44	196	29	2	1
Retail - Other SME	0.75 to <2.50	4,223	401	4,716	1.29	336,524	46	1,972	42	30	14
Retail - Other SME	2.50 to <10.0	1,505	98	1,695	4.22	166,960	47	939	55	35	16
Retail - Other SME	10.0 to <100.00	298	17	337	23.47	50,839	56	334	99	44	26
Retail - Other SME	100.00 (default)	269	—	279	100.00	23,851	68	185	66	175	177
<b>Total - Retail - Other SME</b>		<b>7,037</b>	<b>1,376</b>	<b>8,940</b>	<b>5.57</b>	<b>1,194,837</b>	<b>49</b>	<b>3,856</b>	<b>43</b>	<b>288</b>	<b>236</b>
Retail - Other non-SME	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—
Retail - Other non-SME	0.15 to <0.25	2	—	2	0.17	235	75	1	29	—	—
Retail - Other non-SME	0.25 to <0.50	68	—	68	0.35	10,009	70	29	43	—	—
Retail - Other non-SME	0.50 to <0.75	281	—	285	0.64	37,491	68	174	61	1	1
Retail - Other non-SME	0.75 to <2.50	3,970	—	4,049	1.40	538,438	74	3,823	94	50	58
Retail - Other non-SME	2.50 to <10.0	1,751	—	1,799	4.98	191,060	79	2,341	130	83	79
Retail - Other non-SME	10.0 to <100.00	560	—	577	26.04	74,412	81	1,140	197	142	59
Retail - Other non-SME	100.00 (default)	438	—	452	100.00	69,982	85	333	74	360	385
<b>Total - Retail - Other non-SME</b>		<b>7,070</b>	<b>—</b>	<b>7,232</b>	<b>10.39</b>	<b>921,627</b>	<b>76</b>	<b>7,841</b>	<b>108</b>	<b>636</b>	<b>582</b>
<b>Total - Retail all portfolios</b>		<b>182,275</b>	<b>41,400</b>	<b>215,130</b>	<b>2.77</b>	<b>21,547,720</b>	<b>21</b>	<b>37,150</b>	<b>17</b>	<b>2,066</b>	<b>2,309</b>

## Credit risk

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

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

		a	b	c	d	e	f	g	h	i	j	k	l
	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 2020	%	£m	£m	%	£m	%		%		£m	%	£m	£m
Central governments and central banks	0.00 to <0.15	33,156	183	22	33,173	0.02	45	45	2.20	2,864	9	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	1	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>33,156</b>	<b>183</b>	<b>22</b>	<b>33,173</b>	<b>0.02</b>	<b>47</b>	<b>45</b>	<b>2.20</b>	<b>2,864</b>	<b>9</b>	<b>3</b>	<b>3</b>
Institutions	0.00 to <0.15	3,459	261	57	3,591	0.10	221	44	1.02	822	23	3	19
Institutions	0.15 to <0.25	1,748	570	75	2,183	0.18	93	30	1.59	580	27	1	3
Institutions	0.25 to <0.50	399	7	70	404	0.43	31	19	4.29	172	43	—	6
Institutions	0.50 to <0.75	1	15	32	6	0.64	14	61	0.50	6	97	—	—
Institutions	0.75 to <2.50	32	16	35	38	1.39	29	36	1.52	29	77	—	1
Institutions	2.50 to <10.0	27	—	95	28	2.80	35	45	1.04	33	116	—	—
Institutions	10.0 to <100.00	—	—	100	—	40.96	71	52	4.99	—	—	—	—
Institutions	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>5,666</b>	<b>869</b>	<b>68</b>	<b>6,250</b>	<b>0.17</b>	<b>494</b>	<b>38</b>	<b>1.43</b>	<b>1,642</b>	<b>26</b>	<b>4</b>	<b>29</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	—	—	4	100.00	2	37	1.00	—	—	1	1
<b>Total - Corporates - Specialised lending</b>		<b>4</b>	<b>—</b>	<b>100</b>	<b>4</b>	<b>96.99</b>	<b>4</b>	<b>36</b>	<b>1.12</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>1</b>

## Credit risk

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

		a	b	c	d	e	f	g	h	i	j	k	l
	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 2020	%	£m	£m	%	£m	%		%		£m	%	£m	£m
Corporates - SME	0.00 to <0.15	20	3	79	22	0.11	51	33	3.65	5	21	—	—
Corporates - SME	0.15 to <0.25	493	192	63	615	0.22	1,554	28	3.49	165	27	—	22
Corporates - SME	0.25 to <0.50	3,027	972	53	3,546	0.41	7,010	23	3.24	982	28	3	44
Corporates - SME	0.50 to <0.75	2,627	890	47	3,053	0.64	5,192	22	3.04	960	31	4	56
Corporates - SME	0.75 to <2.50	7,581	2,992	43	8,894	1.28	13,726	24	2.91	4,053	46	28	247
Corporates - SME	2.50 to <10.0	3,007	1,117	41	3,497	3.42	5,823	24	2.64	1,892	54	29	150
Corporates - SME	10.0 to <100.00	484	96	48	535	15.83	921	24	2.56	861	161	20	49
Corporates - SME	100.00 (default)	645	67	21	665	100.00	1,385	39	2.46	139	21	267	284
<b>Total - Corporates - SME</b>		<b>17,884</b>	<b>6,329</b>	<b>45</b>	<b>20,827</b>	<b>4.89</b>	<b>35,662</b>	<b>24</b>	<b>2.94</b>	<b>9,057</b>	<b>43</b>	<b>351</b>	<b>852</b>
Corporates - Other	0.00 to <0.15	20,552	28,366	46	33,417	0.06	1,601	42	3.38	8,721	26	9	52
Corporates - Other	0.15 to <0.25	6,970	7,035	44	9,964	0.19	1,094	42	2.62	4,240	43	7	46
Corporates - Other	0.25 to <0.50	6,493	6,389	43	9,098	0.39	1,515	42	2.61	5,536	61	13	125
Corporates - Other	0.50 to <0.75	3,069	1,927	45	3,918	0.64	1,278	37	2.39	2,656	68	9	92
Corporates - Other	0.75 to <2.50	11,435	4,907	49	13,740	1.32	8,717	34	2.73	11,506	84	61	454
Corporates - Other	2.50 to <10.0	4,456	2,437	41	5,387	3.62	5,904	29	2.10	4,925	91	57	242
Corporates - Other	10.0 to <100.00	447	167	58	540	13.46	559	34	2.19	1,113	206	26	58
Corporates - Other	100.00 (default)	1,109	214	33	1,165	100.00	670	41	2.02	14	1	480	508
<b>Total - Corporates - Other</b>		<b>54,531</b>	<b>51,442</b>	<b>45</b>	<b>77,229</b>	<b>2.22</b>	<b>21,338</b>	<b>40</b>	<b>2.91</b>	<b>38,711</b>	<b>50</b>	<b>662</b>	<b>1,577</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>111,241</b>	<b>58,823</b>	<b>45</b>	<b>137,483</b>	<b>2.00</b>	<b>57,546</b>	<b>38</b>	<b>2.67</b>	<b>52,274</b>	<b>38</b>	<b>1,021</b>	<b>2,462</b>

## Credit risk

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

		a	b	c	d	e	f	g	h	i	j	k	l
31 December 2019	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	34,484	190	28	34,522	0.01	41	45	2.00	2,353	7	2	2
Central governments and central banks	0.15 to <0.25	—	—	—	—	0.23	1	55	1.42	—	—	—	—
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	—	—	—	—	—	—	—	—	—	—	—	—
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>34,484</b>	<b>190</b>	<b>28</b>	<b>34,522</b>	<b>0.01</b>	<b>42</b>	<b>45</b>	<b>2.00</b>	<b>2,353</b>	<b>7</b>	<b>2</b>	<b>2</b>
Institutions	0.00 to <0.15	3,493	205	50	3,542	0.10	225	43	1.09	778	22	1	20
Institutions	0.15 to <0.25	2,187	465	64	2,530	0.17	99	36	1.17	706	28	3	1
Institutions	0.25 to <0.50	172	14	42	161	0.39	31	20	3.09	39	24	—	—
Institutions	0.50 to <0.75	2	15	37	8	0.64	17	68	0.78	8	107	—	—
Institutions	0.75 to <2.50	26	25	29	33	1.21	20	28	1.66	21	62	—	—
Institutions	2.50 to <10.0	24	3	41	25	2.65	36	45	1.09	30	117	—	—
Institutions	10.0 to <100.00	—	—	100	—	40.96	77	52	4.99	—	—	—	—
Institutions	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>5,904</b>	<b>727</b>	<b>58</b>	<b>6,299</b>	<b>0.15</b>	<b>505</b>	<b>40</b>	<b>1.18</b>	<b>1,582</b>	<b>25</b>	<b>4</b>	<b>21</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	1	—	100	—	1.81	14	1	5.00	—	—	—	—
Corporates - Specialised lending	2.50 to <10.0	—	—	—	—	—	—	—	—	—	—	—	—
Corporates - Specialised lending	10.0 to <100.00	8	—	—	9	14.48	3	36	1.00	16	185	—	1
Corporates - Specialised lending	100.00 (default)	2	1	102	3	100.00	1	30	4.99	—	—	1	—
<b>Total - Corporates - Specialised lending</b>		<b>11</b>	<b>1</b>	<b>102</b>	<b>12</b>	<b>34.95</b>	<b>18</b>	<b>34</b>	<b>2.00</b>	<b>16</b>	<b>138</b>	<b>1</b>	<b>1</b>



## Credit risk

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

		a	b	c	d	e	f	g	h	i	j	k	l
31 December 2019	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
Corporates - SME	0.00 to <0.15	16	5	58	19	0.11	41	36	3.40	6	30	—	—
Corporates - SME	0.15 to <0.25	376	109	65	448	0.22	1,160	29	3.56	136	30	—	2
Corporates - SME	0.25 to <0.50	2,123	726	56	2,535	0.41	6,304	25	3.11	720	28	3	5
Corporates - SME	0.50 to <0.75	2,542	824	49	2,948	0.64	5,130	23	2.81	975	33	4	6
Corporates - SME	0.75 to <2.50	7,973	2,596	47	9,219	1.31	14,617	24	2.68	4,017	44	28	34
Corporates - SME	2.50 to <10.0	3,247	877	43	3,667	3.52	6,547	22	2.33	1,820	50	30	31
Corporates - SME	10.0 to <100.00	511	67	49	550	15.72	1,021	25	2.37	722	131	21	17
Corporates - SME	100.00 (default)	618	43	28	635	100.00	1,471	40	2.68	174	27	256	265
<b>Total - Corporates - SME</b>		<b>17,406</b>	<b>5,247</b>	<b>48</b>	<b>20,021</b>	<b>5.00</b>	<b>36,291</b>	<b>24</b>	<b>2.70</b>	<b>8,570</b>	<b>43</b>	<b>342</b>	<b>360</b>
Corporates - Other	0.00 to <0.15	18,399	26,955	45	30,361	0.06	1,546	42	3.48	7,835	26	7	7
Corporates - Other	0.15 to <0.25	6,449	7,744	41	9,573	0.19	1,097	42	2.66	4,216	44	8	7
Corporates - Other	0.25 to <0.50	6,142	5,230	44	8,318	0.39	1,477	39	2.52	4,878	59	13	19
Corporates - Other	0.50 to <0.75	3,502	1,863	47	4,391	0.64	1,319	36	2.73	2,994	68	10	18
Corporates - Other	0.75 to <2.50	9,012	4,502	50	11,140	1.32	8,060	34	2.56	9,035	81	49	53
Corporates - Other	2.50 to <10.0	4,500	1,917	45	5,302	3.39	6,041	27	2.09	4,425	83	49	44
Corporates - Other	10.0 to <100.00	242	105	46	285	14.92	561	28	2.25	612	214	14	8
Corporates - Other	100.00 (default)	577	182	35	629	100.00	692	45	1.92	20	3	282	418
<b>Total - Corporates - Other</b>		<b>48,823</b>	<b>48,498</b>	<b>45</b>	<b>69,999</b>	<b>1.56</b>	<b>20,793</b>	<b>39</b>	<b>2.93</b>	<b>34,015</b>	<b>49</b>	<b>432</b>	<b>574</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>106,628</b>	<b>54,663</b>	<b>45</b>	<b>130,853</b>	<b>1.62</b>	<b>57,650</b>	<b>38</b>	<b>2.57</b>	<b>46,536</b>	<b>36</b>	<b>781</b>	<b>958</b>

## Credit risk

### EU 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 2020												
Central governments and central banks	0.02	45	0.01	50	0.06	45	0.01	44	0.01	45	0.03	45
Institutions	0.17	38	0.26	21	0.14	45	0.12	36	0.15	43	0.19	52
Corporates	2.79	36	3.09	35	3.16	36	2.01	42	0.26	47	0.92	45
<i>Specialised lending</i>	96.99	36	—	—	—	—	—	—	—	—	96.99	36
<i>SME</i>	4.89	24	4.80	24	5.49	28	92.45	25	2.49	10	6.03	23
<i>Other corporate</i>	2.22	40	2.51	38	2.11	40	1.93	42	0.26	47	0.70	46
Retail	3.04	20	2.67	19	8.01	30	3.88	58	2.70	56	3.45	58
<i>Secured by real estate property - SME</i>	6.45	38	6.43	38	9.62	28	9.04	28	6.08	35	15.10	38
<i>- non SME</i>	2.02	12	1.48	11	8.17	27	—	—	—	—	—	—
<i>Qualifying revolving</i>	2.87	60	2.87	60	3.33	72	2.28	58	1.77	57	2.37	58
<i>Other retail - SME</i>	11.25	30	11.43	29	6.72	72	7.54	42	10.21	36	7.95	40
<i>- non-SME</i>	11.64	75	11.72	75	7.90	73	34.85	76	36.63	80	21.40	76
Equities	0.00	0	0.00	—	0.00	—	0.00	—	0.00	—	0.00	—
<b>Total</b>	<b>2.65</b>	<b>27</b>	<b>2.77</b>	<b>23</b>	<b>5.50</b>	<b>34</b>	<b>0.76</b>	<b>43</b>	<b>0.12</b>	<b>45</b>	<b>0.43</b>	<b>46</b>

	Total		UK		RoI		Other Western Europe		US		Rest of World	
	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %	PD %	LGD %
31 December 2019												
Central governments and central banks	0.01	45	0.01	50	0.06	45	0.01	45	0.01	45	0.03	45
Institutions	0.15	40	0.20	24	0.15	45	0.13	39	0.13	45	0.36	52
Corporates	2.33	36	2.41	34	3.19	36	2.48	44	0.26	48	1.12	45
<i>Specialised lending</i>	34.95	34	—	—	—	—	1.28	50	—	—	34.95	34
<i>SME</i>	5.00	24	4.92	24	5.60	26	45.43	19	2.35	8	1.60	29
<i>Other corporate</i>	1.56	39	1.53	37	2.05	40	2.39	44	0.26	48	0.85	45
Retail	2.77	21	2.19	21	10.50	31	3.53	60	2.65	58	3.22	59
<i>Secured by real estate property</i>												
<i>- SME</i>	4.79	43	4.77	43	11.79	43	11.91	39	28.52	42	9.53	40
<i>- non SME</i>	2.29	12	1.54	11	10.88	28	—	—	—	—	—	—
<i>Qualifying revolving</i>	2.85	62	2.84	62	3.95	72	2.22	60	1.69	58	2.32	59
<i>Other retail</i>												
<i>- SME</i>	5.57	49	5.56	48	5.68	72	3.63	53	8.63	48	5.66	48
<i>- non-SME</i>	10.39	76	10.42	76	8.21	72	32.54	75	32.44	80	21.33	77
Equities	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>2.33</b>	<b>28</b>	<b>2.33</b>	<b>24</b>	<b>7.58</b>	<b>34</b>	<b>0.72</b>	<b>44</b>	<b>0.10</b>	<b>46</b>	<b>0.48</b>	<b>46</b>

## Credit risk

### EU CR10 IRB: Specialised lending and equities

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 EU CR6\_b.

30 June 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	2,580	832	50	3,144	1,572	—
	Equal to or more than 2.5 years	5,744	1,200	70	6,701	4,689	27
2 - Good	Less than 2.5 years	2,902	407	70	3,211	2,248	13
	Equal to or more than 2.5 years	1,693	140	90	1,783	1,605	14
3 - Satisfactory	Less than 2.5 years	116	3	115	119	136	3
	Equal to or more than 2.5 years	151	5	115	156	179	4
4 - Weak	Less than 2.5 years	51	—	250	51	128	4
	Equal to or more than 2.5 years	17	—	250	17	44	1
5 - Default	Less than 2.5 years	221	3	—	222	—	114
	Equal to or more than 2.5 years	192	4	—	193	—	97
Total	Less than 2.5 years	5,870	1,245		6,747	4,084	134
	Equal to or more than 2.5 years	7,797	1,349		8,850	6,517	143
<hr/>							
31 December 2019		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	2,577	421	50	2,837	1,419	—
	Equal to or more than 2.5 years	4,660	1,179	70	5,621	3,935	22
2 - Good	Less than 2.5 years	2,442	320	70	2,717	1,902	11
	Equal to or more than 2.5 years	1,767	131	90	1,870	1,683	15
3 - Satisfactory	Less than 2.5 years	160	6	115	166	191	5
	Equal to or more than 2.5 years	135	10	115	145	166	4
4 - Weak	Less than 2.5 years	26	—	250	26	65	2
	Equal to or more than 2.5 years	19	—	250	20	49	2
5 - Default	Less than 2.5 years	243	9	—	252	—	128
	Equal to or more than 2.5 years	194	4	—	196	—	98
Total	Less than 2.5 years	5,448	756		5,998	3,577	146
	Equal to or more than 2.5 years	6,775	1,324		7,852	5,833	141

## Credit risk

### EU CR4: STD: Exposures and CRM effects

The table below shows the effect of CRM techniques on credit risk exposures under the standardised approach. It shows exposures both pre and post CRM and credit conversion factors (CCF) as well as associated RWAs and RWA density, split by exposure class. It excludes counterparty credit risk and securitisations.

	a		b		c		d	e	f
	Exposures pre CCF and CRM		Exposures post CCF and CRM						
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %			
<b>30 June 2020</b>									
1 Central governments and central banks	84,962	884	85,057	239	1,188	1			
2 Regional governments and local authorities	3	526	3	—	2	50			
4 Multilateral development banks	—	—	—	—	—	—			
6 Institutions	732	77	732	—	309	42			
7 Corporates	5,352	2,107	4,981	539	4,753	86			
8 Retail	2,175	4,150	2,081	25	1,261	60			
9 Secured by mortgages on immovable property									
- residential	11,057	964	11,058	173	4,126	37			
- commercial	2,558	208	2,472	94	2,577	100			
10 Exposures in default	387	31	410	1	490	119			
11 Items associated with particularly high risk	—	—	—	—	—	—			
12 Covered bonds	—	—	—	—	—	—			
15 Equity exposures	14	—	14	—	15	108			
16 Other exposures	731	—	842	—	386	46			
17 Total	107,971	8,947	107,650	1,071	15,107	14			

	a		b		c		d	e	f
	Exposures pre CCF and CRM		Exposures post CCF and CRM						
	On-balance sheet £m	Off-balance sheet £m	On-balance sheet £m	Off-balance sheet £m	RWA £m	RWA density %			
<b>31 December 2019</b>									
1 Central governments and central banks	63,721	914	63,751	232	1,193	2			
2 Regional governments and local authorities	20	196	20	—	5	25			
4 Multilateral development banks	—	—	—	—	—	—			
6 Institutions	534	177	653	—	236	36			
7 Corporates	6,968	1,749	6,695	535	6,928	96			
8 Retail	2,333	3,710	2,251	25	1,356	60			
9 Secured by mortgages on immovable property									
- residential	10,722	1,108	10,725	184	3,942	36			
- commercial	600	255	532	131	677	102			
10 Exposures in default	297	28	301	1	359	119			
11 Items associated with particularly high risk	—	—	—	—	—	—			
12 Covered bonds	—	—	—	—	—	—			
15 Equity exposures	25	—	25	—	27	107			
16 Other exposures	1,010	—	1,123	—	500	45			
17 Total	86,230	8,137	86,076	1,108	15,223	17			

## Credit risk

### EU 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																Total £m	Of which: Unrated £m
	0% £m	2% £m	4% £m	10% £m	20% £m	35% £m	50% £m	70% £m	75% £m	100% £m	150% (1) £m	250% £m	370% £m	1250% £m	Others £m	Deducted £m		
<b>30 June 2020</b>																		
1 Central governments and central banks	84,794	—	—	—	29	—	—	—	—	—	—	473	—	—	—	—	85,296	628
2 Regional governments and local authorities	—	—	—	—	2	—	—	—	—	1	—	—	—	—	—	—	3	3
3 Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Institutions	—	—	—	—	242	—	473	—	—	4	13	—	—	—	—	—	732	22
5 Corporates	539	—	—	—	167	—	110	—	—	4,694	10	—	—	—	—	—	5,520	2,494
6 Retail	—	—	—	—	265	—	—	—	1,738	1	—	—	—	—	102	—	2,106	—
7 Secured by mortgages on immovable property	—	—	—	—	—	10,925	—	—	—	306	—	—	—	—	—	—	11,231	11,231
- residential	—	—	—	—	—	—	—	—	—	2,541	25	—	—	—	—	—	2,566	2,566
- commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Exposures in default	2	—	—	—	—	—	—	—	—	247	162	—	—	—	—	—	411	408
11 Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Equity exposures	—	—	—	—	—	—	—	—	—	13	—	1	—	—	—	—	14	1
15 Other exposures	357	—	—	—	84	—	29	—	—	349	—	—	—	—	23	—	842	842
16 Total EAD post CRM	85,692	—	—	—	789	10,925	612	—	1,738	8,156	210	474	—	—	125	—	108,721	18,195
17 EAD pre CRM	85,625	—	—	—	837	10,925	612	—	1,831	8,684	211	474	—	—	126	—	109,325	18,539
<b>31 December 2019</b>																		
1 Central governments and central banks	63,479	—	—	—	29	—	—	—	—	—	—	475	—	—	—	—	63,983	628
2 Regional governments and local authorities	—	—	—	—	19	—	—	—	—	1	—	—	—	—	—	—	20	20
3 Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Institutions	—	—	—	—	301	—	352	—	—	—	—	—	—	—	—	—	653	4
5 Corporates	95	—	—	—	179	—	93	—	—	6,811	52	—	—	—	—	—	7,230	2,510
6 Retail	—	—	—	—	279	—	—	—	1,911	—	—	—	—	—	86	—	2,276	—
7 Secured by mortgages on immovable property	—	—	—	—	—	10,712	—	—	—	196	1	—	—	—	—	—	10,909	10,908
- residential	—	—	—	—	—	—	—	—	—	632	31	—	—	—	—	—	663	663
- commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Exposures in default	—	—	—	—	—	—	—	—	—	188	114	—	—	—	—	—	302	299
11 Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Equity exposures	—	—	—	—	—	—	—	—	—	24	—	1	—	—	—	—	25	1
15 Other exposures	527	—	—	—	45	—	26	—	—	466	—	—	—	—	59	—	1,123	1,123
16 Total EAD post CRM	64,101	—	—	—	852	10,712	471	—	1,911	8,318	198	476	—	—	145	—	87,184	16,156
17 EAD pre CRM	64,102	—	—	—	851	10,712	471	—	1,966	8,673	198	476	—	—	147	—	87,596	16,298

Note:

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

## Counterparty credit risk

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

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

	a	b	c	d	e	f	g
	Notional £m	Replacement cost/current market value £m	potential future exposure £m	EEPE £m	Multiplier	EAD post-CRM £m	RWA £m
<b>30 June 2020</b>							
1 Mark-to-market method	n/a	411	462	n/a	n/a	704	364
9 Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	n/a	1,786	178
11 Total	n/a	411	462	n/a	n/a	2,490	542
<b>31 December 2019</b>							
1 Mark-to-market method	n/a	228	432	n/a	n/a	468	225
9 Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	n/a	1,179	142
11 Total	n/a	n/a	n/a	n/a	n/a	1,647	367

#### Key point

- The RWA increase reflected intragroup movements of mark-to-market positions and collateral as well as an increased volume of securities financing transactions (SFTs).

## Counterparty credit risk

### IRB Approach PD & LGD approach

#### EU 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
	PD scale	EAD post CRM and post-CCF £m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWAs £m	RWA density %
30 June 2020								
Central governments and central banks	0.00 to <0.15	164	0.01	3	50	0.95	4	3
Central governments and central banks	0.15 to <0.25	—	—	—	—	—	—	—
Central governments and central banks	0.25 to <0.50	—	—	—	—	—	—	—
Central governments and central banks	0.50 to <0.75	—	—	—	—	—	—	—
Central governments and central banks	0.75 to <2.50	—	—	—	—	—	—	—
Central governments and central banks	2.50 to <10.00	—	—	—	—	—	—	—
Central governments and central banks	10.00 to <100.00	—	—	—	—	—	—	—
Central governments and central banks	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Central governments and central banks</b>		<b>164</b>	<b>0.01</b>	<b>3</b>	<b>50</b>	<b>0.95</b>	<b>4</b>	<b>3</b>
Institutions	0.00 to <0.15	15	0.11	5	50	0.07	3	21
Institutions	0.15 to <0.25	209	0.22	6	50	0.19	79	38
Institutions	0.25 to <0.50	75	—	1	50	0.05	27	36
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>299</b>	<b>0.24</b>	<b>12</b>	<b>50</b>	<b>0.15</b>	<b>109</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	0.45	1	83	3.33	1	148
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)	—	100.00	1	11	5.00	—	—
<b>Total - Corporates - SME</b>		<b>1</b>	<b>32.38</b>	<b>2</b>	<b>60</b>	<b>3.87</b>	<b>1</b>	<b>101</b>

## Counterparty credit risk

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

		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 2020	PD scale							
Corporates - Specialised lending	Strong	30	—	11	—	4.99	21	70
Corporates - Specialised lending	Good	1	—	1	—	5.00	1	90
Corporates - Specialised lending	Satisfactory	—	—	—	—	—	—	—
Corporates - Specialised lending	Weak	—	—	—	—	—	—	—
Corporates - Specialised lending	Default	—	—	—	—	—	—	—
Total - Corporates - Specialised lending (1)		31	—	12	—	4.99	22	70
Corporates - Other	0.00 to <0.15	1,017	0.03	132	49	0.76	80	8
Corporates - Other	0.15 to <0.25	91	0.18	5	49	1.06	39	43
Corporates - Other	0.25 to <0.50	2	0.42	2	47	3.40	2	80
Corporates - Other	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - Other	0.75 to <2.50	—	—	—	—	—	—	—
Corporates - Other	2.50 to <10.00	—	3.00	1	35	3.00	—	107
Corporates - Other	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - Other	100.00 (Default)	—	—	—	—	—	—	—
Total - Corporates - Other		1,110	0.05	140	49	0.79	121	11
Total - Wholesale all portfolios		1,605	0.10	169	49	0.77	257	16



## Counterparty credit risk

### EU 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 2019								
Central governments and central banks	0.00 to <0.15	209	0.01	1	50	0.88	3	2
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>209</b>	<b>0.01</b>	<b>1</b>	<b>50</b>	<b>0.88</b>	<b>3</b>	<b>2</b>
Institutions	0.00 to <0.15	9	0.11	5	50	0.06	2	21
Institutions	0.15 to <0.25	256	0.22	8	50	0.07	87	34
Institutions	0.25 to <0.50	—	—	—	—	—	—	—
Institutions	0.50 to <0.75	—	—	—	—	—	—	—
Institutions	0.75 to <2.50	—	—	—	—	—	—	—
Institutions	2.50 to <10.00	—	—	—	—	—	—	—
Institutions	10.00 to <100.00	—	—	—	—	—	—	—
Institutions	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Institutions</b>		<b>265</b>	<b>0.22</b>	<b>13</b>	<b>50</b>	<b>0.07</b>	<b>89</b>	<b>34</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	83	3.83	1	159
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)	—	100.00	1	25	5.00	—	—
<b>Total - Corporates - SME</b>		<b>1</b>	<b>33.53</b>	<b>2</b>	<b>59</b>	<b>4.22</b>	<b>1</b>	<b>106</b>

## Counterparty credit risk

### EU 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 2019								
Corporates - Specialised lending	Strong	26	—	12	—	4.98	18	70
Corporates - Specialised lending	Good	1	—	1	—	5.00	1	90
Corporates - Specialised lending	Satisfactory	—	—	—	—	—	—	—
Corporates - Specialised lending	Weak	—	—	—	—	—	—	—
Corporates - Specialised lending	Default	—	—	—	—	—	—	—
<b>Total - Corporates - Specialised lending (1)</b>		<b>27</b>	<b>—</b>	<b>13</b>	<b>—</b>	<b>4.98</b>	<b>19</b>	<b>71</b>
Corporates - Other	0.00 to <0.15	334	0.04	101	48	1.75	46	14
Corporates - Other	0.15 to <0.25	114	0.18	5	50	2.00	37	32
Corporates - Other	0.25 to <0.50	2	0.41	2	49	3.82	2	91
Corporates - Other	0.50 to <0.75	—	—	—	—	—	—	—
Corporates - Other	0.75 to <2.50	—	—	1	—	—	—	—
Corporates - Other	2.50 to <10.00	—	3.00	2	35	3.50	—	112
Corporates - Other	10.00 to <100.00	—	—	—	—	—	—	—
Corporates - Other	100.00 (Default)	—	—	—	—	—	—	—
<b>Total - Corporates - Other</b>		<b>450</b>	<b>0.08</b>	<b>111</b>	<b>49</b>	<b>1.37</b>	<b>85</b>	<b>19</b>
<b>Total - Wholesale all portfolios</b>		<b>952</b>	<b>0.14</b>	<b>140</b>	<b>50</b>	<b>1.01</b>	<b>197</b>	<b>21</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 exposure in the Corporates – Other class reflects an increase in SFTs with highly-rated asset management funds.

## Counterparty credit risk

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

The table below shows risk-weight by exposure class.

Exposure class	Risk-weight						Total £m	Of which: Unrated £m
	0% £m	2% £m	20% £m	50% £m	75% £m	100% £m		
30 June 2020								
1 Central governments and central banks	327	—	—	—	—	—	327	—
6 Institutions	—	866	41	297	—	—	1,204	—
7 Corporates	—	—	—	186	—	36	222	—
11 Total	327	866	41	483	—	36	1,753	—

Exposure class	Risk-weight						Total £m	Of which: Unrated £m
	0% £m	2% £m	20% £m	50% £m	75% £m	100% £m		
31 December 2019								
1 Central governments and central banks	332	—	—	—	—	—	332	—
6 Institutions	—	846	61	169	—	—	1,076	—
7 Corporates	—	—	—	99	—	34	132	—
11 Total	332	846	61	268	—	34	1,540	—

#### Key point

- The increases in exposure to institutions and corporates reflect intragroup hedging transactions.

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

The table below shows the CVA charge split by approach.

	30 June 2020		31 December 2019	
	a	b	a	b
	Exposure amount £m	RWAs £m	Exposure amount £m	RWAs £m
3 All portfolios subject to the standardised CVA capital charge	510	833	291	480

#### Key point

- The increase in exposure and RWAs reflects intragroup hedging transactions.

### EU 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 2020	a	b	c	d	e
	Gross positive fair value £m	Netting benefits £m	Netted current credit exposure £m	Collateral held £m	Net credit exposure £m
1 Derivatives	14,709	14,631	77	77	—
2 SFTs	43,356	—	43,356	43,331	25
4 Total	58,065	14,631	43,434	43,408	25

31 December 2019	a	b	c	d	e
	Gross positive fair value £m	Netting benefits £m	Netted current credit exposure £m	Collateral held £m	Net credit exposure £m
1 Derivatives	9,088	9,039	48	48	—
2 SFTs	37,000	—	37,000	36,485	516
4 Total	46,088	9,039	37,048	36,533	516

#### Key points

- The increase in gross positive fair value for SFTs reflects an increase in highly-collateralised positions.
- The increase in gross positive fair value for derivatives reflects the impact of the fall in interest rates over the period and an increase in trades with central counterparties.
- The movements in netted current credit exposure were largely offset by collateral held

## Counterparty credit risk

### EU CCR6: CCR: Credit derivatives

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

	30 June 2020		31 December 2019	
	a	b	a	b
	Protection bought	Protection sold	Protection bought	Protection sold
	£m	£m	£m	£m
<b>Notionals</b>				
Single-name credit default swaps	26	—	24	—
Index credit default swaps	—	—	—	—
Total return swaps	—	—	—	—
Other credit derivatives	—	—	—	—
<b>Total notionals</b>	<b>26</b>	<b>—</b>	<b>24</b>	<b>—</b>
Of which: own credit portfolio - notionals (1)	26	—	24	—
<b>Fair values</b>				
Positive fair value (asset)	16	—	15	—
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.

### EU 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 2020		31 December 2019	
	a	b	a	b
	EAD post-CRM £m	RWA £m	EAD post-CRM £m	RWA £m
1 Exposures to QCCPs (total)	n/a	64	n/a	133
2 Exposures for trades at QCCPs (excluding OTC initial margin and default fund contributions)	866	17	846	17
Of which:				
3 (i) OTC derivatives	711	14	686	14
5 (iii) Securities financing transactions	155	3	160	3
9 Pre-funded default fund contributions	43	47	98	116

#### Key point

- The decrease in RWAs was driven by the reduction in trade exposure to a CCP, which was reflected in a lower default fund contribution.

## Market risk

### EU 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. All positions are under the standardised approach and relate solely to banking book foreign exchange risk.

	NWH Group		NWB Plc		RBS plc		UBI DAC		Coutts & Co	
	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m	a RWAs £m	b MCR £m
<b>30 June 2020</b>										
3 Foreign exchange position risk (outright products)	141	11	13	1	17	1	88	7	5	—
<b>31 December 2019</b>										
3 Foreign exchange position risk (outright products)	125	10	17	1	15	1	77	6		

#### Key points

##### NWH Group

- NWH Group's RWA exposure includes the position in NatWest Holdings Limited and its subsidiaries. The RWA increase was primarily due to increase in the US dollar position relating to coupon payments and transfer pricing charges between NWH Group entities.

##### NWB Plc

- RWAs remained broadly stable.

##### RBS plc

- RWAs remained broadly stable.

##### UBI DAC

- The RWA increase was mainly due to sterling currency positions for transfer pricing payments to other NWH Group entities.