

Lloyds Bank Group

2020 Half-Year
Pillar 3 Disclosures

30 June 2020

BASIS OF PREPARATION

This report presents the consolidated half-year Pillar 3 disclosures of Lloyds Bank plc (the Bank) together with its subsidiaries (the Lloyds Bank Group) as at 30 June 2020 and should be read in conjunction with the Lloyds Bank Group's 2020 half-year results.

The disclosures have been prepared in accordance with the Capital Requirements Directive and Regulation (CRD IV) and the European Banking Authority's revised guidelines:

- on materiality, proprietary and confidentiality and on disclosure frequency;
- on Pillar 3 disclosure formats and frequency that were published in December 2016 and;
- on uniform disclosures regarding the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds that were published in January 2018.

The disclosures provided in this report include those that were adopted from 31 December 2017, where they are required to be disclosed on a semi-annual basis, although certain disclosures have been excluded on the grounds that they are non-material (refer to page 50).

The information presented in this Pillar 3 report is not required to be, and has not been, subject to external audit.

The minimum Pillar 1 capital requirements referred to in this document are 8 per cent of aggregated risk-weighted assets.

Disclosures surrounding the capital resources, leverage exposures and capital requirements of Bank of Scotland plc (defined as a 'large subsidiary') will be published separately on the Group's website, located at www.lloydsbankinggroup.com/investors/financial-performance/

FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Lloyds Bank plc together with its subsidiaries (the Lloyds Bank Group) and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the Lloyds Bank Group's or its directors' and/or management's beliefs and expectations, are forward looking statements.

Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward looking statements but are not the exclusive means of identifying such statements.

Examples of such forward looking statements include, but are not limited to: projections or expectations of the Lloyds Bank Group's future financial position including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Lloyds Bank Group's future financial performance; the level and extent of future impairments and write-downs; statements of plans, objectives or goals of the Lloyds Bank Group or its management including in respect of statements about the future business and economic environments in the UK and elsewhere including, but not limited to, future trends in interest rates, foreign exchange rates, credit and equity market levels and demographic developments; statements about competition, regulation, disposals and consolidation or technological developments in the financial services industry; and statements of assumptions underlying such statements.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future.

Factors that could cause actual business, strategy, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward looking statements made by the Lloyds Bank Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; market related trends and developments; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; any impact of the transition from IBORs to alternative reference rates; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Lloyds Bank Group's or Lloyds Banking Group plc's credit ratings; the ability to derive cost savings and other benefits including, but without limitation as a result of any acquisitions, disposals and other strategic transactions; the ability to achieve strategic objectives; changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; concentration of financial exposure; management and monitoring of conduct risk; instability in the global financial markets, including Eurozone instability, instability as a result of uncertainty surrounding the exit by the UK from the European Union (EU) and as a result of such exit and the potential for other countries to exit the EU or the Eurozone and the impact of any sovereign credit rating downgrade or other sovereign financial issues; political instability including as a result of any UK general election; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; natural, pandemic (including but not limited to the coronavirus disease (COVID-19) outbreak) and other disasters, adverse weather and similar contingencies outside the Lloyds Bank Group's or Lloyds Banking Group plc's control; inadequate or failed internal or external processes or systems; acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical, pandemic or other such events; risks relating to climate change; changes in laws, regulations, practices and accounting standards or taxation, including as a result of the exit by the UK from the EU, or a further possible referendum on Scottish independence; changes to regulatory capital or liquidity requirements and similar contingencies outside the Lloyds Bank Group's or Lloyds Banking Group plc's control; the policies, decisions and actions of governmental or regulatory authorities or courts in the UK, the EU, the US or elsewhere including the implementation and interpretation of key legislation and regulation together with any resulting impact on the future structure of the Lloyds Bank Group; the ability to attract and retain senior management and other employees and meet its diversity objectives; actions or omissions by the Lloyds Bank Group's directors, management or employees including industrial action; changes to the Lloyds Bank Group's post-retirement defined benefit scheme obligations; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; the value and effectiveness of any credit protection purchased by the Lloyds Bank Group; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services, lending companies and digital innovators and disruptive technologies; and exposure to regulatory or competition scrutiny, legal, regulatory or competition proceedings, investigations or complaints. Please refer to the latest Annual Report on Form 20-F

filed by Lloyds Bank plc with the US Securities and Exchange Commission for a discussion of certain factors and risks together with examples of forward looking statements.

Lloyds Banking Group may also make or disclose written and/or oral forward looking statements in reports filed with or furnished to the US Securities and Exchange Commission, Lloyds Banking Group annual reviews, half-year announcements, proxy statements, offering circulars, prospectuses, press releases and other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group to third parties, including financial analysts.

Except as required by any applicable law or regulation, the forward looking statements contained in this document are made as of today's date, and the Lloyds Bank Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the Lloyds Bank Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.

TABLE OF CONTENTS

Table 1:	Key metrics (KM1) and a comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 (IFRS9-FL)	5
Table 2:	Overview of risk-weighted assets (OV1)	6
Table 3:	Risk-weighted assets movement by key driver	7
Credit Risk		8
Table 4:	Credit risk exposures	8-8
Table 5:	IRB – Credit risk exposures by portfolio and PD range – Central governments or central banks (CR6)	10
Table 6:	IRB – Credit risk exposures by portfolio and PD range – Institutions (CR6)	11
Table 7:	IRB – Credit risk exposures by portfolio and PD range – Corporate Main (CR6)	12
Table 8:	IRB – Credit risk exposures by portfolio and PD range – Corporate SME (CR6)	13
Table 9:	IRB – Credit risk exposures by portfolio and PD range – Residential mortgages (SME) (CR6)	14
Table 10:	IRB – Credit risk exposures by portfolio and PD range – Residential mortgages (non-SME) (CR6)	15
Table 11:	IRB – Credit risk exposures by portfolio and PD range – Qualifying revolving retail exposures (CR6)	16
Table 12:	IRB – Credit risk exposures by portfolio and PD range – Retail Other SME (CR6)	17
Table 13:	IRB – Credit risk exposures by portfolio and PD range – Retail Other non-SME (CR6)	18
Table 14A:	IRB – Specialised lending (CR10)	19
Table 15:	Standardised approach – credit risk exposure and credit risk mitigation effects (CR4)	20
Table 16:	Standardised approach – exposures by asset class (CR5)	21
Table 17:	Credit quality of exposures by exposure class and instrument (CR1-A)	23
Table 18:	Credit quality of exposures by industry type (CR1-B)	25
Table 19:	CRM techniques - Overview(CR3)	26
Table 20:	Credit quality of forborne exposures (CQ1)	28
Table 21:	Non-performing and forborne exposures (CR1-E)	29
Table 22 :	Performing and non-performing exposures and related provisions (CR1)	31
Counterparty Credit Risk		33
Table 23:	Analysis of CCR exposure by approach (CCR1)	33
Table 24:	Exposures to CCPs (CCR8)	34
Table 25:	Credit valuation adjustment (CVA) capital charge (CCR2)	34
Table 26:	Counterparty credit risk exposures: analysis by exposure class	35
Table 27:	IRB – CCR exposure by portfolio and PD scale – Corporate Main (CCR4)	36
Table 28:	IRB – CCR exposure by portfolio and PD scale – Central governments or central banks (CCR4)	36-36
Table 29:	IRB – CCR exposure by portfolio and PD scale – Institutions (CCR4)	38
Table 30:	CCR corporate exposures subject to supervisory slotting	39
Table 31:	Standardised approach – CCR exposures by regulatory portfolio and risk (CCR3)	40
Table 32:	Impact of netting and collateral held on exposure values (CCR5-A)	41
Table 33:	Credit derivative exposures (CCR6)	41
Capital and Leverage		42
Table 34:	Own funds template	42-45
Table 35:	Summary reconciliation of accounting assets and leverage ratio exposures	45
Table 36:	Leverage ratio common disclosure	46
Table 37:	Split-up of on balance sheet exposures (excluding derivatives, STFs and exempted exposures)	47
Appendix I Asset Encumbrance		48
Table 38:	Encumbered and unencumbered assets	48
Table 39:	Collateral received	49
Table 40:	Sources of encumbrance	49

Table 1: Key metrics (KM1) and a comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 (IFRS9-FL)¹

	T	T-1	T-2	T-3	T-4
	Q2	Q1	Q4	Q3	Q2
	2020 ²	2020	2019	2019	2019
Available capital (amounts)					
1 Common Equity Tier 1 (CET1) (£m)	25,253	24,807	24,637	24,380	25,082
2 CET1 capital as if IFRS 9 transitional arrangements were not applied (£m)	23,333	24,316	24,185	23,930	24,632
3 Tier 1 (£m)	32,543	31,415	31,542	29,637	30,339
4 Tier 1 capital as if IFRS 9 transitional arrangements were not applied (£m)	30,623	30,924	31,090	29,187	29,889
5 Total capital (£m)	38,976	38,125	37,976	36,245	36,457
6 Total capital as if IFRS 9 transitional arrangements were not applied (£m)	38,059	38,142	38,004	36,275	36,487
Risk-weighted assets (amounts)					
7 Total risk-weighted assets (£m)	173,311	175,612	171,940	175,631	173,782
8 Total risk-weighted assets as if IFRS 9 transitional arrangements were not applied (£m)	173,362	176,104	172,324	176,014	174,165
Risk-based capital ratios as a percentage of RWA					
9 Common Equity Tier 1 ratio (%)	14.6%	14.1%	14.3%	13.9%	14.4%
10 CET1 ratio as if IFRS 9 transitional arrangements were not applied (%)	13.5%	13.8%	14.0%	13.6%	14.1%
11 Tier 1 ratio (%)	18.8%	17.9%	18.3%	16.9%	17.5%
12 Tier 1 ratio as if IFRS 9 transitional arrangements were not applied (%)	17.7%	17.6%	18.0%	16.6%	17.2%
13 Total capital ratio (%)	22.5%	21.7%	22.1%	20.6%	21.0%
14 Total capital ratio as if IFRS 9 transitional arrangements were not applied (%)	22.0%	21.7%	22.1%	20.6%	20.9%
Additional CET1 buffer requirements as a percentage of RWA					
Capital conservation buffer requirement	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical buffer requirement	0.0%	0.0%	0.9%	0.9%	0.9%
Bank G-SIB and/or D-SIB additional requirements ³	2.0%	2.0%	2.0%	2.0%	—
Total of bank CET1 specific buffer requirements	4.5%	4.5%	5.4%	5.4%	—
CET1 available after meeting the bank's minimum capital requirements	10.1%	9.6%	9.8%	9.4%	9.9%
UK leverage ratio⁴					
15 UK leverage ratio exposure measure (£m)	589,861	589,261	582,921	597,876	590,895
16 UK leverage ratio	5.3%	5.1%	5.1%	4.6%	4.8%
17 UK leverage ratio as if IFRS 9 transitional arrangements were not applied	5.0%	5.0%	5.0%	4.5%	4.7%
Average Liquidity Coverage Ratio (weighted) (LCR)					
Total High Quality Liquid Assets (HQLA) (£m)	113,983	111,487	112,203	113,545	112,131
Total net cash outflow (£m)	87,501	87,313	88,490	90,061	89,826
LCR ratio (%)	130%	128%	127%	126%	125%

1. The Group applies the the full extent of the IFRS 9 transitional arrangements for capital as set out under the recent revisions to CRR Article 473a.

2. Incorporating profits for the period that remain subject to formal verification in accordance with the Capital Requirements Regulation.

3. The Group is subject to a systemic risk buffer of 2.0 per cent of risk-weighted assets which is designed to hold systemically important banks to higher capital standards so that they can withstand a greater level of stress before requiring resolution.

4. The CRD IV leverage ratio at 30 June 2020 is 4.9 per cent (31 December 2019: 4.8 per cent).

The average UK leverage ratio over the quarter (1 April 2020 to 30 June 2020) is 5.1 per cent, compared to 5.1 per cent at the start and 5.3 per cent at the end of the quarter. The average exposure measure over the quarter is £591,585m. The countercyclical leverage buffer is currently 0 per cent.

Table 2: Overview of risk-weighted assets (OV1)

	June 2020 RWA £m	Dec 2019 RWA £m	June 2020 Minimum capital Requirements £m	Dec 2019 Minimum capital Requirements £m
	T	T-1	T	T-1
1 Credit risk (excluding counterparty credit risk)	138,415	138,990	11,073	11,119
2 of which: standardised approach	20,806	21,897	1,664	1,752
3 of which: the foundation rating-based (FIRB) approach	37,085	37,482	2,967	2,999
4 of which: the retail IRB (RIRB) approach	64,574	63,192	5,166	5,055
of which: corporates – specialised lending	8,957	9,018	717	721
of which: non-credit obligation assets ¹	6,994	7,401	559	592
5 of which: equity IRB under the simple risk-weight or the internal models approach	—	—	—	—
6 Counterparty credit risk	2,334	2,102	187	168
7 of which: marked to market	1,538	1,370	123	110
8 of which: original exposure	—	—	—	—
9 of which: the standardised approach	—	—	—	—
10 of which: internal ratings-based model method (IMM)	—	—	—	—
of which: comprehensive approach for credit risk mitigation (for SFTs)	241	232	19	19
11 of which: exposures to central counterparties (including trades, default fund contributions and initial margin)	277	229	22	18
12 of which: credit valuation adjustment (CVA)	279	271	22	22
13 Settlement risk	—	—	—	—
14 Securitisation exposures in banking book²	5,840	4,497	467	360
15 of which: IRB ratings-based approach (RBA)	—	1,525	—	122
16 of which: IRB supervisory formula approach (SFA)	—	—	—	—
17 of which: internal assessment approach (IAA)	—	234	—	19
18 of which: standardised approach	—	177	—	14
of which: revised framework internal ratings based approach	1,935	1,214	155	97
of which: revised framework standardised approach	790	242	63	19
of which: revised framework external ratings based approach	3,115	1,107	249	89
19 Market risk	259	171	21	14
20 of which: standardised approach	78	45	6	4
21 of which: internal model approaches	181	125	14	10
22 Large exposures	—	—	—	—
23 Operational risk	24,086	24,413	1,927	1,953
24 of which: basic indicator approach	—	—	—	—
25 of which: standardised approach	24,086	24,413	1,927	1,953
26 of which: advanced measurement approach	—	—	—	—
27 Amounts below the thresholds for deduction (subject to 250% risk weight)	2,377	1,767	190	141
²⁸ Floor adjustment	—	—	—	—
29 Total	173,311	171,940	13,865	13,755
Pillar 2A capital requirement ³			7,707	8,422
Total capital requirement			21,572	22,177

¹ Non-credit obligation assets (IRB approach) predominately relate to other balance sheet assets that have no associated credit risk.

² Securitisations are shown separately within this table, however, are included within Credit Risk in Table 3: Risk-weighted assets movement by key driver (as per the reconciliation below).

³ The Pillar 2A capital requirement is currently c.4.4 per cent of aggregated risk-weighted assets, of which c.2.5 per cent must be met with CET1 capital.

Credit Risk RWAs, including Securitisations

	June 2020 RWAs per OV1 £m	June 2020 Securitisation RWAs £m	June 2020 Total Credit risk RWAs £m
Total credit risk	138,415	5,840	144,255
Of which: credit risk exposures subject to IRB approach	117,609	5,050	122,659
Of which: credit risk exposures subject to standardised approach	20,806	790	21,596

Table 3: Risk-weighted assets movement by key driver

	Credit risk IRB £m	Credit risk SA £m	Credit risk total ² £m	Counterparty credit risk ³ £m	Market risk £m	Operational risk £m	Total £m
Total risk-weighted assets as at 31 March 2020	—	—	—	—	—	—	175,612
Less: total threshold risk-weighted assets ¹	—	—	—	—	—	—	2,209
Risk-weighted assets at 31 March 2020	123,166	23,052	146,218	2,507	265	24,413	173,403
Asset size	(1,676)	(1,278)	(2,954)	(119)	—	—	(3,073)
Asset quality	2,618	137	2,754	(64)	—	—	2,690
Model updates	—	—	—	—	(12)	—	(12)
Methodology and policy	(1,551)	(363)	(1,914)	—	1	—	(1,913)
Acquisitions and disposals	—	—	—	—	—	—	—
Movement in risk levels (Market risk only)	—	—	—	—	5	—	5
Foreign exchange movements	104	48	152	11	—	—	163
Other	—	—	—	—	—	(327)	(327)
Risk-weighted assets at 30 June 2020	122,659	21,596	144,255	2,334	259	24,086	170,934
Threshold risk-weighted assets ¹	—	—	—	—	—	—	2,377
Total risk-weighted assets as at 30 June 2020							173,311

¹ Threshold risk-weighted assets reflect the element of deferred tax assets that are permitted to be risk-weighted instead of being deducted from CET1 capital.

² Credit risk includes securitisation risk-weighted assets.

³ Counterparty credit risk includes movements in contributions to the default fund of central counterparties and movements in credit valuation adjustment risk.

The risk-weighted assets movement table provides analysis of the movement in risk-weighted assets in the period by risk type and an insight into the key drivers of the movements. The key driver analysis is compiled on a monthly basis through the identification and categorisation of risk-weighted asset movements and is subject to management judgment.

Credit risk, risk-weighted assets:

- Asset size reduction of £3.0bn reflects reduced lending volumes in Retail portfolios with limited impact from increased lending through government supported products.
- Asset quality increases of £2.8bn primarily relate to model calibrations and an increase in credit risk, reflecting the current economic environment.
- Methodology and policy decreases of £2.0bn include the impact of the revisions to the SME scalar.

Counterparty credit risk, risk-weighted assets decreased by £0.2bn due to movements in market rates during the quarter.

PILLAR 1 CAPITAL REQUIREMENTS: CREDIT RISK

The following table shows the Group's credit exposures split by Basel exposure class, together with associated risk-weighted assets. Exposures are presented on a pre CRM and post CCF basis.

Table 4: Credit risk exposures

	June 2020			December 2019		
	Credit risk exposure	Risk-weighted assets	Average risk weight	Credit risk exposure	Risk-weighted assets	Average risk weight
	£m	£m	%	£m	£m	%
Central governments or central banks	3,094	361	12%	2,775	335	12%
Institutions	7,459	930	12%	6,068	827	14%
Corporates	70,638	44,751	63%	69,945	45,338	65%
of which: Specialised lending	12,797	8,957	70%	12,774	9,018	71%
of which: SMEs	10,137	6,112	60%	10,327	7,318	71%
Retail	393,685	64,574	16%	386,724	63,192	16%
Secured by real estate property	323,292	38,183	12%	324,427	35,791	11%
SMEs	8,102	1,929	24%	8,354	2,036	24%
Non-SMEs	315,190	36,254	12%	316,073	33,755	11%
Qualifying revolving	40,974	10,512	26%	39,159	11,442	29%
Other retail	29,418	15,879	54%	23,138	15,959	69%
SMEs	8,958	1,676	19%	2,237	1,559	70%
Non-SMEs	20,460	14,203	69%	20,901	14,401	69%
Equity	—	—	—	—	—	—
Non-credit obligation assets ¹	9,845	6,994	71%	11,001	7,401	67%
Total IRB approach	484,721	117,609	24%	476,513	117,093	25%
Central governments or central banks	61,745	—	—	46,658	—	—
Regional governments or local authorities	475	33	7%	476	28	6%
Public sector entities	4,145	1	—	4,169	1	—
Multilateral development banks	6,990	—	—	6,243	—	—
International organisations	—	—	—	—	—	—
Institutions	246	119	48%	483	219	45%
Corporates	8,257	6,499	79%	8,107	7,056	87%
of which: SMEs	3,933	3,251	83%	3,769	3,509	93%
Retail	11,928	8,044	67%	11,966	8,532	71%
of which: SMEs	3,100	1,514	49%	2,628	1,528	58%
Secured by mortgages on immovable property	6,354	2,224	35%	6,762	2,367	35%
of which: SMEs	9	4	40%	8	4	43%
Exposures in default	1,059	1,234	117%	1,192	1,295	109%
Items associated with particularly high risk	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—
short-term credit assessment	—	—	—	—	—	—
Collective investments undertakings	—	—	—	—	—	—
Equity exposures	—	—	—	—	—	—
Other exposures ¹	3,015	2,652	88%	2,809	2,400	85%
Total standardised approach	104,214	20,806	20%	88,865	21,897	25%
Total	588,935	138,415	24%	565,378	138,990	25%

¹ Non-credit obligation assets (IRB approach) and Other exposures (Standardised approach) predominantly relate to other balance sheet assets that have no associated credit risk. These comprise non-financial assets, including fixed assets, cash, items in the course of collection, prepayments and sundry debtors.

Exposures subject to the IRB approach – key movements for the six months to 30 June 2020

Central governments or central banks

– Exposures increased by £0.3bn with a negligible increase in risk-weighted assets, mainly due to an increase in deposits placed with the US Federal reserve.

Institutions

– Exposures increased by £1.4bn and risk-weighted assets increased by £0.1bn mainly due to new business with lower risk weights attached.

Corporates

– Risk weighted assets £0.6bn lower with reductions from revisions to the SME Scalar and migrations to default, partly offset by an increase due to credit migration on non-defaulted exposures.

Retail – Secured by real estate property

– Exposures reduced by £1.1bn due to lower demand for retail lending products. RWAs increase by £2.4bn primarily due to cyclical adjustments to models to reflect arrears profile.

Qualifying Revolving

– Exposures increased by £1.8bn due to model calibrations. Risk-weighted assets decreased by £0.9bn due to lower utilisation rates and lower defaults.

Exposures subject to the Standardised approach – key movements for the six months to 30 June 2020

Central governments or central banks

– Exposures increased by £15.1bn due to increased deposits with the Bank of England.

ANALYSIS OF CREDIT RISK EXPOSURES SUBJECT TO THE IRB APPROACH

Exposures in the tables below are stated on two different bases (gross carrying values and EAD post-CCF and CRM). On-balance sheet gross exposures and off-balance sheet exposures represent gross carrying values (before taking into account SCRAAs) before the application of CRM and CCF. Disclosures provided in the tables that follow take into account PD floors and LGD floors specified by regulators in respect of the calculation of regulatory capital requirements.

The Basel guidelines include a single prescribed scale for presenting the credit quality of all IRB portfolios by asset class. The tables that follow use this prescribed scale.

'RWA density' represents the 'average risk weight'. 'Number of obligors' corresponds to the number of individual PDs (in each band). This means that a customer may be counted more than once in the same asset class. For example, in the case of Corporate Main and Corporate SME, as customers may have exposures in both Commercial Banking and Motor Finance portfolios, an individual corporate obligor may be counted twice.

Table 5: IRB – Credit risk exposures by portfolio and PD range – Central governments or central banks (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	2,899	390	—	2,553	0.01%	6	45.00%	4.3	361	14.13%	—	—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	—
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	—
Sub-total	2,899	390	—	2,553	0.01%	6	45.00%	4.3	361	14.13%	—	—

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	2,575	400	20.00%	2,296	0.01%	7	45.00%	4.5	335	14.60%	—	—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	—
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	—
Sub-total	2,575	400	20.00%	2,296	0.01%	7	45.00%	4.5	335	14.60%	—	—

Table 6: IRB – Credit risk exposures by portfolio and PD range – Institutions (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	7,038	349	73.86%	7,067	0.06%	961	31.46%	1.7	727	10.29%	1	
0.15 to <0.25	140	94	33.14%	171	0.18%	31	44.99%	0.9	60	34.77%	—	
0.25 to <0.50	93	15	52.10%	100	0.37%	55	15.70%	3.3	29	28.73%	—	
0.50 to <0.75	2	9	72.76%	9	0.63%	28	44.96%	1.1	7	81.91%	—	
0.75 to <2.50	95	36	3.38%	96	1.59%	57	42.87%	0.8	106	109.88%	1	
2.50 to <10.00	1	—	99.99%	1	3.12%	19	44.66%	1.0	2	122.08%	—	
10.00 to <100.00	—	—	—	—	31.00%	2	45.00%	1.0	—	250.38%	—	
100.00 (Default)	—	—	0.00%	—	100.00%	2	45.00%	1.0	—	—	—	
Sub-total	7,370	504	60.77%	7,445	0.08%	1,155	31.72%	1.7	930	12.50%	2	—

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	5,483	414	64.82%	5,620	0.05%	1,313	32.47%	1.6	576	10.26%	1	
0.15 to <0.25	259	44	63.77%	275	0.18%	43	38.88%	1.2	80	29.01%	—	
0.25 to <0.50	62	44	41.25%	80	0.30%	60	33.81%	1.9	32	39.92%	—	
0.50 to <0.75	1	3	22.88%	2	0.62%	24	44.90%	1.9	2	90.77%	—	
0.75 to <2.50	77	73	63.36%	124	1.38%	52	43.56%	1	128	103.10%	1	
2.50 to <10.00	2	4	100.00%	6	2.74%	23	44.87%	1.2	8	133.27%	—	
10.00 to <100.00	1	—	—	1	12.73%	12	40.59%	1.1	2	224.10%	—	
100.00 (Default)	—	—	0.00%	—	100.00%	5	45.00%	1	—	—	—	
Sub-total	5,885	581	62.92%	6,107	0.09%	1,531	33.02%	1.6	827	13.55%	2	—

Table 7: IRB – Credit risk exposures by portfolio and PD range – Corporate Main (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	7,638	11,769	74.64%	16,075	0.07%	1,045	41.74%	2.9	4,468	27.80%	5	
0.15 to <0.25	2,472	3,463	73.60%	4,304	0.18%	2,393	44.60%	2.4	1,951	45.32%	4	
0.25 to <0.50	6,181	5,792	70.97%	8,869	0.35%	4,736	44.18%	2.4	5,466	61.63%	15	
0.50 to <0.75	3,120	1,930	70.84%	4,032	0.63%	6,471	44.30%	2.4	3,324	82.46%	11	
0.75 to <2.50	5,040	2,493	71.34%	6,737	1.24%	10,024	43.28%	2.1	6,464	95.96%	36	
2.50 to <10.00	3,790	1,185	73.59%	4,550	4.64%	6,274	43.15%	1.9	6,378	140.17%	92	
10.00 to <100.00	563	301	75.82%	777	19.15%	538	41.88%	1.7	1,630	209.86%	62	
100.00 (Default)	1,374	277	68.52%	1,550	100.00%	1,169	43.45%	1.6	—	—	673	
Sub-total	30,178	27,209	73.07%	46,893	4.41%	32,651	43.10%	2.4	29,681	63.30%	898	1,099

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	7,788	11,379	74.57%	15,744	0.07%	685	41.91%	3.1	4,634	29.44%	5	
0.15 to <0.25	2,445	3,216	69.96%	4,032	0.18%	2,966	44.62%	2.5	1,962	48.65%	4	
0.25 to <0.50	6,642	6,325	67.81%	9,227	0.35%	5,338	44.17%	2.3	5,723	62.02%	16	
0.50 to <0.75	3,296	1,672	70.09%	4,218	0.63%	7,100	43.58%	2.3	3,392	80.40%	12	
0.75 to <2.50	5,197	2,890	71.33%	7,050	1.24%	10,646	43.14%	2.1	6,842	97.05%	38	
2.50 to <10.00	3,023	1,318	67.19%	3,809	3.89%	5,152	42.68%	1.7	4,918	129.12%	61	
10.00 to <100.00	482	336	65.30%	681	18.26%	520	44.56%	1.9	1,531	224.87%	59	
100.00 (Default)	1,014	154	85.25%	1,145	100.00%	1,233	42.14%	1.5	—	—	495	
Sub-total	29,887	27,291	71.41%	45,906	3.45%	33,640	43.05%	2.5	29,002	63.18%	691	413

Table 8: IRB – Credit risk exposures by portfolio and PD range – Corporate SME (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	600	68	105.87%	679	0.07%	1,118	41.85%	3.4	163	24.01%	—	
0.15 to <0.25	109	31	73.22%	132	0.19%	418	44.80%	2.3	43	32.92%	—	
0.25 to <0.50	791	460	70.01%	1,064	0.36%	989	41.99%	2.4	494	46.39%	2	
0.50 to <0.75	1,327	383	70.73%	1,541	0.57%	4,276	38.97%	3.4	812	52.68%	3	
0.75 to <2.50	2,767	868	72.06%	3,269	1.27%	7,703	38.87%	3.1	2,138	65.40%	16	
2.50 to <10.00	1,959	542	79.07%	2,307	4.21%	5,056	38.84%	2.8	1,995	86.47%	40	
10.00 to <100.00	349	42	70.49%	373	21.09%	1,798	37.82%	2.6	467	125.30%	29	
100.00 (Default)	376	44	72.40%	407	100.00%	844	39.17%	2.4	—	—	159	
Sub-total	8,278	2,438	73.96%	9,772	6.52%	22,201	39.48%	3.0	6,112	62.55%	250	237

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	Average Maturity (years)	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	598	103	96.44%	699	0.07%	126	41.98%	3.5	204	29.19%	—	
0.15 to <0.25	89	39	63.46%	114	0.19%	208	42.67%	1.9	38	33.66%	—	
0.25 to <0.50	936	440	73.51%	1,254	0.36%	910	42.01%	2.6	696	55.53%	3	
0.50 to <0.75	1,374	426	70.25%	1,672	0.57%	4,523	39.10%	3.3	996	59.55%	4	
0.75 to <2.50	2,755	785	71.00%	3,322	1.25%	7,357	38.54%	2.9	2,396	72.13%	17	
2.50 to <10.00	2,223	439	75.92%	2,555	4.23%	4,973	38.32%	2.6	2,464	96.45%	43	
10.00 to <100.00	367	31	70.32%	389	20.01%	1,644	37.52%	2.4	523	134.47%	27	
100.00 (Default)	306	25	63.21%	322	100.00%	782	39.43%	2.3	—	—	127	
Sub-total	8,648	2,289	73.21%	10,327	5.46%	20,524	39.26%	2.8	7,318	70.86%	222	155

Table 9: IRB – Credit risk exposures by portfolio and PD range – Residential mortgages (SME) (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors f	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	—	—	—	—	—	—	—	—	—	—		—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—		—
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—		—
0.50 to <0.75	2,652	292	97.35%	2,901	0.54%	22,712	17.60%	352	12.12%	3		285
0.75 to <2.50	2,975	344	97.93%	3,278	1.15%	20,879	17.07%	627	19.13%	6		336
2.50 to <10.00	1,124	96	97.85%	1,202	4.12%	7,959	17.64%	505	42.01%	9		94
10.00 to <100.00	407	23	97.66%	419	24.52%	3,555	18.01%	292	69.71%	19		22
100.00 (Default)	186	9	98.62%	195	100.00%	1,232	15.46%	153	78.65%	30		9
Sub-total	7,344	765	97.70%	7,995	5.01%	56,337	17.36%	1,929	24.13%	67	134	747

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors f	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	—	—	—	—	—	—	—	—	—	—		—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—		—
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—		—
0.50 to <0.75	2,983	269	97.10%	3,252	0.54%	24,017	17.41%	400	12.31%	3		261
0.75 to <2.50	2,957	286	97.58%	3,247	1.15%	21,517	16.58%	630	19.41%	6		279
2.50 to <10.00	1,243	74	97.27%	1,317	4.21%	8,714	17.12%	572	43.42%	10		72
10.00 to <100.00	352	13	96.36%	366	22.34%	3,291	18.38%	280	76.29%	15		12
100.00 (Default)	165	5	98.10%	171	100.00%	1,168	14.51%	154	89.78%	25		5
Sub-total	7,700	646	97.33%	8,354	4.35%	58,707	17.03%	2,036	24.37%	59	83	629

Table 10: IRB – Credit risk exposures by portfolio and PD range – Residential mortgages (non-SME) (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD ¹ %	Number of Obligors	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	226,381	13,101	99.75%	249,624	0.36%	2,017,951	10.63%	19,403	7.77%	123		13,069
0.15 to <0.25	24,465	240	65.54%	25,653	0.95%	208,135	10.00%	3,459	13.48%	30		157
0.25 to <0.50	18,446	166	72.10%	19,306	1.33%	150,199	10.51%	3,210	16.62%	31		120
0.50 to <0.75	3,933	14	67.40%	4,110	2.87%	37,249	10.85%	1,168	28.42%	14		9
0.75 to <2.50	6,230	601	75.34%	6,951	6.00%	54,378	10.87%	2,730	39.28%	50		453
2.50 to <10.00	4,012	4	80.00%	4,174	15.74%	33,515	10.13%	2,610	62.52%	79		3
10.00 to <100.00	2,149	—	92.90%	2,196	50.07%	18,279	9.98%	1,426	64.96%	138		—
100.00 (Default)	3,176	—	48.09%	3,176	100.00%	23,477	11.39%	2,247	70.75%	443		—
Sub-total	288,791	14,127	97.77%	315,190	2.17%	2,543,183	10.58%	36,254	11.50%	908	1,666	13,812

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	221,774	11,906	99.60%	243,621	0.29%	2,009,604	10.57%	16,575	6.80%	99		11,858
0.15 to <0.25	27,973	297	62.05%	29,346	0.72%	238,382	10.03%	3,473	11.84%	27		184
0.25 to <0.50	20,163	192	66.89%	21,124	1.13%	167,656	10.25%	3,221	15.25%	29		128
0.50 to <0.75	4,675	275	73.34%	5,077	1.98%	43,483	10.93%	1,222	24.06%	13		201
0.75 to <2.50	5,593	24	84.25%	5,858	4.44%	48,260	11.13%	2,132	36.39%	32		20
2.50 to <10.00	4,898	6	77.07%	5,107	14.77%	41,753	10.09%	3,112	60.94%	91		5
10.00 to <100.00	3,041	—	—	3,119	47.11%	26,011	9.90%	1,989	63.76%	181		—
100.00 (Default)	2,821	—	—	2,821	100.00%	21,247	12.35%	2,031	72.00%	463		—
Sub-total	290,938	12,700	97.62%	316,073	2.08%	2,596,396	10.52%	33,755	10.68%	935	1,140	12,397

¹. Obligors are allocated to grades based on PIT PDs, so the weighted and arithmetic average PDs are above the range due to the use of more conservative TTC PDs

Table 11: IRB – Credit risk exposures by portfolio and PD range – Qualifying revolving retail exposures (CR6)

June 2020												
PD Scale	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	RWA	RWA density	EL	Value adjustments and provisions	Undrawn commitments (post CCF)
	£m	£m	%	£m	%		%	£m	%	£m	£m	£m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	756	18,109	68.85%	13,224	0.09%	9,109,162	54.33%	410	3.10%	6		12,468
0.15 to <0.25	491	7,174	70.17%	5,525	0.20%	4,285,438	57.95%	365	6.61%	6		5,034
0.25 to <0.50	1,110	9,084	68.26%	7,311	0.36%	5,691,393	62.08%	826	11.30%	16		6,201
0.50 to <0.75	951	3,880	69.92%	3,664	0.62%	3,148,677	69.08%	711	19.42%	16		2,713
0.75 to <2.50	3,114	4,912	74.68%	6,783	1.36%	5,283,616	74.50%	2,556	37.69%	69		3,668
2.50 to <10.00	2,256	1,321	83.21%	3,356	5.36%	1,658,652	76.95%	3,023	90.08%	138		1,099
10.00 to <100.00	671	133	98.24%	813	28.94%	526,602	77.06%	1,635	201.07%	182		131
100.00 (Default)	299	—	—	299	100.00%	982,662	68.66%	984	328.76%	127		—
Sub-total	9,648	44,613	70.19%	40,974	2.14%	30,686,202	63.27%	10,512	25.66%	560	798	31,314

December 2019												
PD Scale	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	RWA	RWA density	EL	Value adjustments and provisions	Undrawn commitments (post CCF)
	£m	£m	%	£m	%		%	£m	%	£m	£m	£m
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	901	16,137	65.00%	11,390	0.09%	9,200,666	57.16%	382	3.35%	6		10,489
0.15 to <0.25	616	7,132	63.10%	5,117	0.20%	4,189,024	60.67%	362	7.07%	7		4,501
0.25 to <0.50	1,406	9,068	60.99%	6,936	0.36%	5,625,328	64.82%	840	12.11%	17		5,531
0.50 to <0.75	1,115	3,808	65.82%	3,621	0.62%	3,397,823	72.76%	754	20.81%	17		2,507
0.75 to <2.50	3,878	5,140	66.15%	7,279	1.37%	4,972,328	75.58%	2,861	39.31%	79		3,400
2.50 to <10.00	2,581	1,286	81.15%	3,626	4.55%	1,643,645	78.12%	3,379	93.20%	153		1,044
10.00 to <100.00	736	114	100.82%	870	31.18%	603,761	78.12%	1,850	212.60%	224		115
100.00 (Default)	320	—	—	320	100.00%	951,575	67.12%	1,014	316.45%	134		—
Sub-total	11,554	42,685	64.62%	39,159	2.43%	30,584,150	66.33%	11,442	29.22%	636	522	27,585

Table 12: IRB – Credit risk exposures by portfolio and PD range – Retail Other SME (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	—	—	—	—	—	—	—	—	—	—		—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—		—
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—		—
0.50 to <0.75	2,580	423	100.00%	794	0.54%	60,840	72.29%	349	43.97%	3		423
0.75 to <2.50	2,625	441	100.00%	934	1.15%	65,053	70.55%	564	60.35%	8		440
2.50 to <10.00	1,519	217	100.00%	492	4.37%	39,567	75.19%	429	87.20%	16		217
10.00 to <100.00	854	80	100.00%	206	27.83%	39,439	81.58%	261	126.88%	48		80
100.00 (Default)	214	5	100.00%	181	100.00%	10,000	7.78%	73	40.26%	14		5
Sub-total	7,792	1,166	100.00%	2,607	10.54%	214,899	68.47%	1,676	64.28%	89	81	1,165

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	—	—	—	—	—	—	—	—	—	—		—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—		—
0.25 to <0.50	—	—	—	—	—	—	—	—	—	—		—
0.50 to <0.75	301	367	100.00%	668	0.54%	57,530	77.92%	316	47.39%	3		367
0.75 to <2.50	439	348	100.00%	787	1.15%	61,956	77.70%	523	66.48%	7		348
2.50 to <10.00	293	127	100.00%	420	4.34%	36,809	80.78%	397	94.42%	15		127
10.00 to <100.00	147	33	100.00%	180	25.34%	38,776	86.11%	244	135.25%	40		33
100.00 (Default)	178	4	100.00%	182	100.00%	9,524	7.25%	79	43.36%	13		4
Sub-total	1,357	879	99.99%	2,237	11.54%	204,595	73.30%	1,559	69.69%	77	56	879

Table 13: IRB – Credit risk exposures by portfolio and PD range – Retail Other non-SME (CR6)

June 2020												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors f	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	196	1	30.00%	196	0.08%	13,677	36.14%	19	9.56%	—		—
0.15 to <0.25	111	3	30.00%	116	0.22%	25,646	75.56%	41	35.21%	—		1
0.25 to <0.50	5,626	10	30.00%	5,641	0.37%	510,791	37.73%	1,533	27.17%	12		3
0.50 to <0.75	3,398	9	30.00%	3,412	0.71%	285,813	45.45%	1,540	45.14%	14		3
0.75 to <2.50	6,506	32	30.00%	6,555	1.51%	695,088	65.53%	5,573	85.02%	73		10
2.50 to <10.00	3,393	17	30.00%	3,418	4.47%	381,449	64.91%	3,607	105.54%	109		5
10.00 to <100.00	691	4	30.00%	697	31.88%	85,960	55.74%	921	132.06%	136		1
100.00 (Default)	424	—	—	424	100.00%	130,323	46.44%	969	228.67%	133		—
Sub-total	20,344	76	30.00%	20,460	4.61%	2,128,747	53.46%	14,203	69.42%	477	879	23

December 2019												
PD Scale	Original on-balance sheet gross exposure £m	Off balance sheet exposures pre CCF £m	Average CCF %	EAD post CRM and post CCF £m	Average PD %	Number of Obligors f	Average LGD %	RWA £m	RWA density %	EL £m	Value adjustments and provisions £m	Undrawn commitments (post CCF) £m
	a	b	c	d	e	f	g	i	j	k	l	m
0.00 to <0.15	405	—	30.00%	406	0.08%	23,274	34.07%	36	8.79%	—		—
0.15 to <0.25	87	2	30.00%	92	0.21%	21,528	74.87%	31	34.11%	—		1
0.25 to <0.50	5,471	6	30.00%	5,484	0.37%	497,501	37.13%	1,460	26.63%	11		2
0.50 to <0.75	3,322	6	30.00%	3,334	0.71%	276,201	44.15%	1,460	43.79%	13		2
0.75 to <2.50	6,650	22	30.00%	6,698	1.54%	713,742	64.57%	5,591	83.48%	73		7
2.50 to <10.00	3,831	14	30.00%	3,859	4.48%	438,258	66.40%	4,113	106.58%	124		4
10.00 to <100.00	737	4	30.00%	744	31.74%	97,609	58.46%	996	133.94%	151		1
100.00 (Default)	286	—	—	286	100.00%	114,832	49.83%	713	249.67%	99		—
Sub-total	20,788	54	30.00%	20,901	4.03%	2,182,945	53.48%	14,401	68.90%	471	620	16

ANALYSIS OF CREDIT RISK EXPOSURES SUBJECT TO OTHER IRB APPROACHES

Exposures in the table below are stated on two different bases. On-balance sheet and off-balance sheet amounts represent net carrying values (after taking into account specific credit risk adjustments (SCRA)) before the application of CRM and CCF. Exposure amount represents EAD post CRM and CCF.

Table 14A: IRB – Specialised lending (CR10)

June 2020							
Specialised lending							
Regulatory Categories	Remaining maturity	On-balance sheet amount £m	Off-balance sheet amount £m	RW %	Exposure amount £m	RWA £m	Expected losses £m
1) Strong	Less than 2.5 years	2,540	668	50%	2,851	1,426	—
	Equal to or more than 2.5 years	2,602	764	70%	3,207	2,245	13
2) Good	Less than 2.5 years	1,797	446	70%	2,230	1,557	9
	Equal to or more than 2.5 years	2,790	371	90%	3,178	2,864	25
3) Satisfactory	Less than 2.5 years	159	4	115%	178	205	5
	Equal to or more than 2.5 years	323	11	115%	362	418	10
4) Weak	Less than 2.5 years	10	—	250%	11	26	1
	Equal to or more than 2.5 years	72	2	250%	86	215	7
5) Default	Less than 2.5 years	224	38	0%	311	—	156
	Equal to or more than 2.5 years	34	1	0%	41	—	21
Total	Less than 2.5 years	4,730	1,156		5,582	3,214	170
	Equal to or more than 2.5 years	5,821	1,148		6,874	5,742	76

December 2019							
Specialised lending							
Regulatory Categories	Remaining maturity	On-balance sheet amount £m	Off-balance sheet amount £m	RW %	Exposure amount £m	RWA £m	Expected losses £m
1) Strong	Less than 2.5 years	2,414	536	50%	2,594	1,297	—
	Equal to or more than 2.5 years	3,043	1,031	70%	3,836	2,685	15
2) Good	Less than 2.5 years	1,739	378	70%	2,050	1,434	8
	Equal to or more than 2.5 years	2,654	451	90%	3,059	2,751	24
3) Satisfactory	Less than 2.5 years	142	16	115%	158	180	4
	Equal to or more than 2.5 years	404	17	115%	433	495	12
4) Weak	Less than 2.5 years	5	—	250%	5	12	—
	Equal to or more than 2.5 years	60	1	250%	66	165	5
5) Default	Less than 2.5 years	165	2	0	215	—	107
	Equal to or more than 2.5 years	52	—	0	66	—	33
Total	Less than 2.5 years	4,465	932		5,021	2,923	120
	Equal to or more than 2.5 years	6,213	1,500		7,460	6,095	90

ANALYSIS OF CREDIT RISK EXPOSURES SUBJECT TO THE STANDARDISED APPROACH

Standardised exposures in the table below are stated on two different bases (pre-CCF and CRM and post-CCF and CRM). Note, the exposures are also net of SCARs.

Table 15: Standardised approach – credit risk exposure and credit risk mitigation effects (CR4)

	June 2020					
	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density ¹
	£m	£m	£m	£m	£m	%
	a	b	c	d	e	f
Central governments or central banks	61,647	—	69,799	429	—	0%
Regional governments or local authorities	475	—	474	—	33	7%
Public sector entities	4,145	1	4,145	—	1	—
Multilateral development banks	6,990	—	6,990	—	—	—
International organisations	—	—	—	—	—	—
Institutions	190	66	228	528	119	16%
Corporates	6,439	3,820	6,118	1,512	6,499	85%
Retail	11,697	22,856	11,108	231	8,044	71%
Secured by mortgages on immovable property	6,349	12	6,349	4	2,224	35%
of which: residential property	6,348	12	6,348	4	2,223	35%
of which: commercial property	1	—	1	—	1	100%
Exposures in default	933	434	932	121	1,234	117%
Items associated with particularly high risk	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—
Short term claims on institutions and corporates	—	—	—	—	—	—
Collective investment undertakings (CIUs)	—	—	—	—	—	—
Equity exposures	—	—	—	—	—	—
Other items	3,015	—	3,015	—	2,652	88%
Total	101,877	27,192	109,156	2,828	20,806	19%

	December 2019					
	Exposures before CCF and CRM		Exposures before CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density ¹
	£m	£m	£m	£m	£m	%
	a	b	a	b	e	f
Central governments or central banks	46,658	1	46,658	1	—	—
Regional governments or local authorities	476	—	476	—	28	6%
Public sector entities	4,169	—	4,169	—	1	—
Multilateral development banks	6,243	—	6,243	—	—	—
International organisations	—	—	—	—	—	—
Institutions	401	52	401	52	219	17%
Corporates	6,666	3,722	6,666	3,722	7,056	89%
Retail	11,756	21,704	11,756	21,704	8,532	71%
Secured by mortgages on immovable property	6,758	9	6,758	9	2,367	35%
of which: residential property	6,757	9	6,757	9	2,366	35%
of which: commercial property	1	—	1	—	1	100%
Exposures in default	1,138	234	1,138	234	1,295	109%
Items associated with particularly high risk	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—
Short term claims on institutions and corporates	—	—	—	—	—	—
Collective investment undertakings (CIUs)	—	—	—	—	—	—
Equity exposures	—	—	—	—	—	—
Other items	2,809	—	2,809	—	2,400	85%
Total	87,073	25,723	87,073	25,723	21,897	24%

¹ RWA density is RWA expressed as a percentage of exposures post CCF and CRM.

Table 16: Standardised approach – exposures by asset class (CR5)

Exposures are stated on a post-CRM post-CCF basis.

Exposures are classed as “rated” only where an ECAI rating has been used to derive the risk weight. Where a rating is unavailable, or where the risk weight has been determined by application of specific CRR provisions, exposures have been classed as “unrated”. This also applies to central governments or central banks exposures within the UK and EEA that receive a zero per cent risk weight in line with regulatory permission.

Exposure Classes	June 2020																Total £m	Of which: Unrated £m
	Risk Weight																	
	0% £m	2% £m	4% £m	10% £m	20% £m	35% £m	50% £m	70% £m	75% £m	100% £m	150% £m	250% £m	370% £m	1250% £m	Others £m			
Central governments or central banks	70,228	—	—	—	—	—	—	—	—	—	—	—	—	—	—	70,228	69,332	
Regional government or local authorities	312	—	—	—	163	—	—	—	—	—	—	—	—	—	—	474	32	
Public sector entities	4,144	—	—	—	—	—	—	—	—	1	—	—	—	—	—	4,145	3,183	
Multilateral development banks	6,990	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,990	6,990	
International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Institutions	—	—	510	—	81	—	165	—	—	—	—	—	—	—	—	756	551	
Corporates	—	—	—	—	1	—	1,023	—	—	6,593	14	—	—	—	—	7,630	6,364	
Retail	—	—	—	—	—	—	—	—	11,340	—	—	—	—	—	—	11,340	11,340	
Secured by mortgages on immovable property	—	—	—	—	—	6,353	—	—	—	1	—	—	—	—	—	6,354	6,354	
of which: residential property	—	—	—	—	—	6,353	—	—	—	—	—	—	—	—	—	6,353	6,353	
of which: commercial property	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	1	1	
Exposures in default	—	—	—	—	—	—	—	—	—	689	363	—	—	—	—	1,052	1,052	
Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Institutions and corporations with a short term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other items	71	—	—	—	365	—	—	—	—	2,579	—	—	—	—	—	3,015	3,015	
Total	81,745	—	510	—	610	6,353	1,187	—	11,340	9,862	377	—	—	—	—	111,984	108,211	

Table 16: Standardised approach – exposures by asset class (CR5) (Continued)

Exposure Classes	December 2019																Total £m	Of which: Unrated £m
	Risk Weight																	
	0% £m	2% £m	4% £m	10% £m	20% £m	35% £m	50% £m	70% £m	75% £m	100% £m	150% £m	250% £m	370% £m	1250% £m	Others £m			
Central governments or central banks	47,343	—	—	—	—	—	—	—	—	—	—	—	—	—	—	47,343	47,018	
Regional government or local authorities	335	—	—	—	141	—	—	—	—	—	—	—	—	—	—	476	—	
Public sector entities	4,169	—	—	—	—	—	—	—	—	1	—	—	—	—	—	4,169	1	
Multilateral development banks	6,243	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,243	6,243	
International organisations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Institutions	—	—	846	—	120	—	322	—	—	—	—	—	—	—	—	1,288	885	
Corporates	—	—	—	—	1	—	1,287	—	—	6,606	15	—	—	—	—	7,908	6,220	
Retail	—	—	—	—	—	—	—	—	11,966	—	—	—	—	—	—	11,966	11,966	
Secured by mortgages on immovable property	—	—	—	—	—	6,761	—	—	—	1	—	—	—	—	—	6,762	6,762	
of which: residential property	—	—	—	—	—	6,761	—	—	—	—	—	—	—	—	—	6,761	6,761	
of which: commercial property	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	1	1	
Exposures in default	—	—	—	—	—	—	—	—	—	987	205	—	—	—	—	1,192	1,192	
Items associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Institutions and corporations with a short term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other items	71	—	—	—	423	—	—	—	—	2,315	—	—	—	—	—	2,809	2,809	
Total	58,161	—	846	—	685	6,761	1,609	—	11,966	9,910	220	—	—	—	—	90,157	83,096	

IMPAIRMENT AND CREDIT QUALITY OF EXPOSURES

The tables that follow present an analysis of credit risk exposures and credit risk adjustments (including charges in the period) analysed by regulatory exposure class and industry. Gross carrying value comprises both on and off-balance sheet exposures. Net values represent gross carrying values less specific credit risk adjustments.

The Group does not recognise any general credit risk adjustment as defined by the EBA therefore this column has been excluded from templates CR1-A and CR1-B. The gross carrying values included in templates CR1-A and CR1-B take account of accumulated write-offs, therefore accumulated write-offs are not shown separately.

Table 17: Credit quality of exposures by exposure class and instrument (CR1-A)

	June 2020				
	Gross carrying values of		Specific credit risk adjustment ¹	Credit risk adjustment charges in the period ¹	Net values
	Defaulted exposures	Non-defaulted exposures			
	£m	£m	£m	£m	£m
a	b	c	f	g	
Central governments or central banks	—	3,288	—	—	3,288
Institutions	—	7,874	—	1	7,873
Corporates	2,430	78,817	1,623	894	79,624
of which: Specialised lending	358	12,787	288	174	12,857
of which: SMEs	421	10,295	237	83	10,479
Retail	4,313	390,353	3,559	1,841	391,107
Secured by real estate property	3,371	307,655	1,800	712	309,226
SMEs	195	7,913	134	96	7,974
Non-SMEs	3,176	299,742	1,666	616	301,252
Qualifying revolving	299	53,962	798	546	53,463
Other retail	643	28,736	960	584	28,418
SMEs	219	8,739	81	121	8,877
Non-SMEs	424	19,997	879	462	19,541
Equity	—	—	—	—	—
Non-credit obligation assets	—	9,845	—	—	9,845
Total IRB approach	6,743	490,177	5,183	2,737	491,738
Central governments or central banks		61,648	—	23	61,648
Regional governments or local authorities		475	—	—	475
Public sector entities		4,145	—	—	4,145
Multilateral development banks		6,990	—	—	6,990
International organisations		—	—	—	—
Institutions		257	1	—	256
Corporates		10,345	87	56	10,258
of which: SMEs		4,335	18	11	4,317
Retail		35,047	493	323	34,553
of which: SMEs		3,468	28	315	3,440
Secured by mortgages on immovable property		6,392	31	10	6,361
of which: SMEs		9	—	—	9
Exposures in default ²	2,116		749	283	1,367
Items associated with particularly high risk		—	—	—	—
Covered bonds		—	—	—	—
Claims on institutions and corporates with a short-term credit assessment		—	—	—	—
Collective investments undertakings		—	—	—	—
Equity exposures		—	—	—	—
Other exposures		3,015	—	—	3,015
Total standardised approach	2,116	128,314	1,361	694	129,069
Total	8,859	618,491	6,544	3,430	620,806
of which: Loans	8,049	403,433	6,237	3,140	405,245
of which: Debt securities	1	5,207	2	1	5,206
of which: Off-balance sheet exposures	809	120,050	305	—	120,554

Table 17: Credit quality of exposures by exposure class and instrument (CR1-A) (continued)

	December 2019				
	Gross carrying values of		Specific credit risk adjustment	Credit risk adjustment charges in the period	Net values
	Defaulted exposures	Non-defaulted exposures			
	£m	£m	£m	£m	£m
Central governments or central banks	—	2,975	—	—	2,975
Institutions	—	6,467	—	—	6,467
Corporates	1,776	79,558	682	5	80,653
of which: Specialised lending	277	12,942	115	(44)	13,105
of which: SMEs	331	10,606	155	5	10,783
Retail	3,779	385,522	2,421	743	386,881
Secured by real estate property	2,992	308,992	1,223	(155)	310,760
SMEs	170	8,176	83	3	8,263
Non-SMEs	2,821	300,816	1,140	(158)	302,497
Qualifying revolving	320	53,919	522	475	53,717
Other retail	467	22,612	675	422	22,403
SMEs	182	2,055	56	2	2,181
Non-SMEs	286	20,556	620	420	20,222
Equity	—	—	—	—	—
Non-credit obligation assets	—	11,001	—	—	11,001
Total IRB approach	5,556	485,523	3,103	748	487,976
Central governments or central banks		46,659	—	—	46,659
Regional governments or local authorities		476	—	—	476
Public sector entities		4,169	—	—	4,169
Multilateral development banks		6,243	—	—	6,243
International organisations		—	—	—	—
Institutions		453	—	—	453
Corporates		10,451	63	44	10,388
of which: SMEs		4,029	8	—	4,020
Retail		33,715	255	197	33,461
of which: SMEs		2,849	20	—	2,829
Secured by mortgages on immovable property		6,795	28	(3)	6,767
of which: SMEs		8	—	—	8
Exposures in default ¹	1,921	—	549	377	1,372
Items associated with particularly high risk		—	—	—	—
Covered bonds		—	—	—	—
Claims on institutions and corporates with a short-term credit assessment		—	—	—	—
Collective investments undertakings		—	—	—	—
Equity exposures		—	—	—	—
Other exposures		2,809	—	—	2,809
Total standardised approach	1,921	111,771	896	614	112,797
Total	7,477	597,294	3,999	1,362	600,772

¹ The total of specific credit risk adjustments and credit risk adjustment charges in the period are lower than financial reporting amounts predominantly due to the differing regulatory treatment of a number of exposures and the exclusion of the £200m central overlay to the expected credit loss allowances reported in the Group's June 2020 half year news release.

² The breakdown of "exposures in default" by the exposure class that corresponds to the exposure before default, comprises Corporate £1,437m (2019: £1,286m) and Retail £679m (2019: £635m).

Table 18: Credit quality of exposures by industry type (CR1-B)

	June 2020				
	Gross carrying values of		Specific credit risk adjustment ¹	Credit risk adjustment charges in the period ¹	Net values
	Defaulted exposures	Non-defaulted exposures			
	£m	£m	£m	£m	£m
a	b	c	f	g	
Agriculture, forestry and fishing	223	6,813	63	30	6,973
Energy and water supply	1	4,250	24	19	4,227
Manufacturing	546	13,026	236	161	13,336
Construction	314	5,596	221	(19)	5,689
Transport, distribution and hotels	1,909	19,494	922	452	20,481
Postal and communications	9	1,356	12	11	1,353
Property companies	597	23,453	319	124	23,730
Financial, business and other services	550	124,164	689	650	124,025
Personal: mortgages	3,632	306,369	1,787	617	308,214
Personal: other	744	93,239	1,705	1,134	92,278
Lease financing	10	5,003	9	9	5,004
Hire purchase	325	15,729	557	243	15,497
Total	8,859	618,491	6,544	3,430	620,806

	December 2019				
	Gross carrying values of		Specific credit risk adjustment ¹	Credit risk adjustment charges in the period ¹	Net values
	Defaulted exposures	Non-defaulted exposures			
	£m	£m	£m	£m	£m
Agriculture, forestry and fishing	171	6,782	42	(4)	6,911
Energy and water supply	46	4,188	5	(3)	4,228
Manufacturing	380	11,370	85	6	11,665
Construction	318	5,713	193	13	5,838
Transport, distribution and hotels	1,593	19,863	515	326	20,942
Postal and communications	4	1,071	3	5	1,072
Property companies	444	23,944	178	(25)	24,210
Financial, business and other services	350	102,081	248	88	102,183
Personal: mortgages	3,248	307,857	1,241	(167)	309,864
Personal: other	746	92,629	1,106	948	92,269
Lease financing	11	5,432	3	—	5,441
Hire purchase	167	16,363	379	175	16,150
Total	7,477	597,294	3,999	1,362	600,772

¹ The total of specific credit risk adjustments and credit risk adjustment charges in the period are lower than financial reporting amounts predominantly due to the differing regulatory treatment of a number of exposures and the exclusion of the £200m central overlay to the expected credit loss allowances reported in the Group's June 2020 half year news release.

ANALYSIS OF CREDIT RISK MITIGATION

The following table provides an analysis of net carrying values of credit risk exposures secured by different CRM techniques split by regulatory approach and asset class.

Table 19: CRM techniques - Overview (CR3)

	June 2020				
	Exposures unsecured – carrying amount	Exposures to be secured ¹	Exposures secured by collateral ²	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	£m	£m	£m	£m	£m
Exposures subject to the IRB approach					
Central governments or central banks	2,574	714	—	714	—
Institutions ³	4,529	3,344	3,319	—	25
Corporates	44,316	35,308	34,160	681	466
of which: Specialised lending	10	12,847	12,847	—	—
of which: SMEs	3,852	6,627	6,314	312	—
Retail	64,127	326,980	320,579	6,401	—
Secured by real estate property	53	309,173	309,153	21	—
SMEs	53	7,921	7,901	21	—
Non-SMEs	—	301,252	301,252	—	—
Qualifying revolving	53,463	—	—	—	—
Other retail	10,612	17,807	11,426	6,380	—
SMEs	2,379	6,498	118	6,380	—
Non-SMEs	8,233	11,308	11,308	—	—
Equity	—	—	—	—	—
Non-credit obligation assets	9,845	—	—	—	—
Total – IRB approach	125,391	366,347	358,059	7,797	491
Exposures subject to the standardised approach					
Central governments and central banks	61,648	—	—	—	—
Regional governments or local authorities	474	1	—	1	—
Public sector entities	4,145	—	—	—	—
Multilateral development banks	6,990	—	—	—	—
International organisations	—	—	—	—	—
Institutions	256	—	—	—	—
Corporates	9,424	834	395	417	22
Retail	33,801	752	163	589	—
Secured by mortgages on immovable property	4	6,357	6,357	—	—
Exposures in default	975	391	391	—	—
Items associated with particularly high risk	—	—	—	—	—
Covered bonds	—	—	—	—	—
Claims on institutions and corp. with a ST credit assessment	—	—	—	—	—
Collective investment undertakings (CIUs)	—	—	—	—	—
Equity exposures	—	—	—	—	—
Other exposures	3,015	—	—	—	—
Total – standardised approach	120,733	8,336	7,306	1,007	22
Total exposures	246,124	374,683	365,365	8,804	514
of which: defaulted	2,510	3,859	3,859	—	—

¹ Allocation of the carrying amount of multi-secured exposures is made by order of priority to their different CRM techniques.

² At 30 June 2020 the value of exposures secured by eligible financial collateral is £3.5bn (2019: £3.6bn) and the value of exposures secured by other eligible collateral is £361.9bn (2019: £364.7bn)

³ Exposures to Institutions secured by collateral includes £3,013m (2019: £2,235m) of exposures in the form of covered bonds.

Table 19: CRM techniques - Overview (CR3) (continued)

	December 2019				
	Exposures unsecured – carrying amount	Exposures to be secured ¹	Exposures secured by collateral ²	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	£m	£m	£m	£m	£m
Exposures subject to the IRB approach					
Central governments or central banks	2,296	679	—	679	—
Institutions	3,955	2,512	2,472	—	40
Corporates	43,914	36,738	35,730	234	774
of which: Specialised Lending	—	13,104	13,104	—	—
of which: SME	4,086	6,697	6,697	—	—
Retail	64,368	322,513	322,459	—	—
Secured by real estate property	—	310,760	310,706	—	—
SME	—	8,263	8,209	—	—
Non-SME	—	302,497	302,497	—	—
Qualifying Revolving	53,717	—	—	—	—
Other Retail	10,651	11,753	11,753	—	—
SME	2,154	27	27	—	—
Non-SME	8,497	11,725	11,725	—	—
Equity	—	—	—	—	—
Non-credit obligation assets	11,001	—	—	—	—
Total – IRB approach	125,534	362,442	360,660	913	814
Exposures subject to the standardised approach	—	—	—	—	—
Central governments and central banks	46,659	—	—	—	—
Regional governments or local authorities	476	—	—	—	—
Public sector entities	4,169	—	—	—	—
Multilateral development banks	6,243	—	—	—	—
International organisations	—	—	—	—	—
Institutions	453	—	—	—	—
Corporates	9,588	800	405	344	51
Retail	33,286	174	174	—	—
Secured by mortgages on immovable property	—	6,767	6,767	—	—
Exposures in default	1,008	364	364	—	—
Items associated with particularly high risk	—	—	—	—	—
Covered bonds	—	—	—	—	—
Claims on institutions and corp. with a ST credit assessment	—	—	—	—	—
Collective investment undertakings (CIUs)	—	—	—	—	—
Equity exposures	—	—	—	—	—
Other exposures	2,809	—	—	—	—
Total – standardised approach	104,691	8,105	7,710	344	51
Total exposures	230,225	370,548	368,371	1,257	865
of which: defaulted	2,362	3,385	3,385	—	—

ANALYSIS OF PERFORMING, NON-PERFORMING AND FORBORNE EXPOSURES

The exposures in the tables that follow have been prepared in accordance with FINREP definitions and as such the loans and debt securities include balances subject to the credit risk, counterparty credit risk and securitisation frameworks. The loans are inclusive of cash and balances held with central banks.

Table 20: Credit quality of forborne exposures (CQ1)

June 2020									
	a	b	c	d	e		f	g	h
£m	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 forborne exposures		
	Performing Forborne	Non-performing	Of Which: Defaulted	Of Which: Impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
1 Loans and advances	2,305	8,270	5,717	5,866	(128)	(1,805)	5,861	3,967	
2 Central banks	—	—	—	—	—	—	—	—	
3 General governments	—	—	—	—	—	—	—	—	
4 Credit institutions	—	—	—	—	—	—	—	—	
5 Other financial corporations	27	12	12	12	(11)	(6)	5	3	
6 Non-financial corporations	362	3,932	3,896	3,095	(41)	(1,330)	612	438	
7 Households	1,916	4,326	1,809	2,760	(77)	(469)	5,244	3,526	
8 Debt Securities	—	—	—	—	—	—	—	—	
9 Loans Commitments Given	187	345	213	292	(2)	(2)	—	—	
10 Total	2,493	8,616	5,930	6,158	(130)	(1,807)	5,861	3,967	

December 2019									
	a	b	c	d	e		f	g	h
£m	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 forborne exposures		
	Performing Forborne	Non-performing	Of Which: Defaulted	Of Which: Impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
1 Loans and advances	2,277	8,059	4,932	5,987	(61)	(1,228)	6,579	4,723	
2 Central banks	—	—	—	—	—	—	—	—	
3 General governments	2	—	—	—	—	—	—	—	
4 Credit institutions	—	—	—	—	—	—	—	—	
5 Other financial corporations	7	53	53	53	(3)	(6)	8	6	
6 Non-financial corporations	367	3,486	3,162	3,162	(9)	(872)	1,004	874	
7 Households	1,901	4,520	1,717	2,771	(49)	(350)	5,567	3,844	
8 Debt Securities	—	—	—	—	—	—	—	—	
9 Loans Commitments Given	309	325	232	242	(1)	(1)	15	15	
10 Total	2,587	8,385	5,165	6,229	(62)	(1,229)	6,594	4,738	

Table 21: Non-performing and forborne exposures (CQ3)

		June 2020											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing Exposures			Non-performing Exposures								
fm		Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 years <= 5 years	Past due > 5 years <= 7 years	Past due > 7 years	Of which: defaulted	
1	Loans and advances	976,609	480,527	496,082	2,263	420,351	62,439	12,201	6,589	1,822	1,364	1,157	184
2	Central banks	2,674	1,337	1,337	—	1,337	—	—	—	—	—	—	—
3	General governments	5,926	2,951	2,976	—	2,951	—	—	—	—	—	—	—
4	Credit institutions	13,874	6,936	6,939	3	6,939	—	—	—	—	—	—	—
5	Other financial corporations	132,347	65,861	66,486	4	65,033	832	30	23	—	—	2	—
6	Non-financial corporations	160,730	78,176	82,554	259	64,401	14,034	3,989	3,604	222	44	35	3
7	Of which: SMEs	75,741	37,413	38,328	45	31,544	5,915	870	679	169	16	1	—
8	Households	661,058	325,267	335,790	1,997	279,690	47,574	8,182	2,962	1,600	1,320	1,120	181
9	Debt securities	66,807	33,403	33,404	—	33,397	—	1	1	—	—	—	—
10	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
11	General governments	28,291	14,146	14,146	—	14,143	—	—	—	—	—	—	—
12	Credit institutions	18,554	9,277	9,277	—	9,276	—	—	—	—	—	—	—
13	Other financial corporations	18,494	9,247	9,247	—	9,245	—	—	—	—	—	—	—
14	Non-financial corporations	1,468	734	734	—	734	—	1	1	—	—	—	—
15	Off-balance-sheet exposures	119,605			598								392
16	Central banks	—			—								—
17	General governments	96			—								—
18	Credit institutions	89			—								—
19	Other financial corporations	6,247			—								—
20	Non-financial corporations	32,904			393								391
21	Households	80,269			205								—
22	Total	1,163,022	513,930	529,486	2,861	453,747	62,439	12,202	6,590	1,822	1,364	1,157	576

Table 21: Non-performing and forborne exposures (CQ3) (continued)

fm	December 2019											
	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing Exposures			Non-performing Exposures								
Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 years <= 5 years	Past due > 5 years <= 7 years	Past due > 7 years			
1 Loans and advances	509,472	507,143	2,328	11,400	6,097	2,026	1,187	1,068	813	151	59	7,080
2 Central banks	37,632	37,632	—	—	—	—	—	—	—	—	—	—
3 General governments	785	776	9	—	—	—	—	—	—	—	—	—
4 Credit institutions	5,747	5,742	4	—	—	—	—	—	—	—	—	—
5 Other financial corporations	60,021	60,013	7	65	58	—	—	2	4	—	—	65
6 Non-financial corporations	72,539	72,273	267	3,545	2,885	493	76	37	51	2	2	3,162
7 Of which: SMEs	33,456	33,430	26	789	550	207	8	19	3	2	—	786
8 Households	332,749	330,707	2,041	7,790	3,154	1,532	1,111	1,029	759	149	57	3,854
9 Debt securities	31,596	31,596	—	1	—	—	—	—	—	1	—	1
10 Central banks	51	51	—	—	—	—	—	—	—	—	—	—
11 General governments	13,317	13,317	—	—	—	—	—	—	—	—	—	—
12 Credit institutions	8,811	8,811	—	—	—	—	—	—	—	—	—	—
13 Other financial corporations	8,592	8,592	—	—	—	—	—	—	—	—	—	—
14 Non-financial corporations	826	826	—	1	—	—	—	—	—	1	—	1
15 Off-balance-sheet exposures	114,917	—	—	465	—	—	—	—	—	—	—	228
16 Central banks	—	—	—	—	—	—	—	—	—	—	—	—
17 General governments	95	—	—	3	—	—	—	—	—	—	—	1
18 Credit institutions	119	—	—	—	—	—	—	—	—	—	—	—
19 Other financial corporations	6,838	—	—	1	—	—	—	—	—	—	—	1
20 Non-financial corporations	32,027	—	—	271	—	—	—	—	—	—	—	226
21 Households	75,837	—	—	190	—	—	—	—	—	—	—	—
22 Total	655,984	538,739	2,328	11,866	6,097	2,026	1,187	1,068	813	152	59	7,309

Table 22 : Performing and non-performing exposures and related provisions (CR1)

		June 2020														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	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						
£m		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			On performing exposures	On non-performing exposures
1	Loans and advances	976,609	482,790	480,527	2,263	902	118	(3,288)	(1,315)	(1,972)	(2,531)	(293)	(2,175)	(301)	339,897	6,909
2	Central banks	2,674	1,337	1,337	—	—	—	—	—	—	—	—	—	—	—	—
3	General governments	5,926	2,951	2,951	—	—	—	—	—	—	—	—	—	—	196	—
4	Credit institutions	13,874	6,938	6,936	3	—	—	(15)	(15)	—	—	—	—	—	—	—
5	Other financial corporations	132,347	65,865	65,861	4	4	—	(112)	(32)	(79)	(6)	—	(6)	—	707	3
6	Non-financial corporations	160,730	78,435	78,176	259	76	4	(1,096)	(347)	(749)	(1,359)	—	(1,359)	(301)	47,274	442
7	Of which: SMEs	75,741	37,458	37,413	45	5	—	(446)	(135)	(310)	(131)	—	(131)	—	25,716	281
8	Households	661,058	327,264	325,267	1,997	822	114	(2,065)	(921)	(1,144)	(1,166)	(293)	(809)	—	291,719	6,465
9	Debt securities	66,807	33,403	33,403	—	—	—	(9)	(9)	—	(1)	—	(1)	—	—	—
10	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	General governments	28,291	14,146	14,146	—	—	—	(3)	(3)	—	—	—	—	—	—	—
12	Credit institutions	18,554	9,277	9,277	—	—	—	(1)	(1)	—	—	—	—	—	—	—
13	Other financial corporations	18,494	9,247	9,247	—	—	—	(5)	(5)	—	—	—	—	—	—	—
14	Non-financial corporations	1,468	734	734	—	—	—	—	—	—	(1)	—	(1)	—	—	—
15	Off-balance-sheet exposures	119,605	114,126	5,479	598	387	211	(421)	(236)	(186)	(41)	(6)	(35)	—	6,786	—
16	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	General governments	96	96	—	—	—	—	—	—	—	—	—	—	—	91	—
18	Credit institutions	89	89	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Other financial corporations	6,247	6,104	143	—	—	—	(6)	(4)	(2)	—	—	—	—	68	—
20	Non-financial corporations	32,904	30,912	1,992	393	270	123	(153)	(79)	(73)	(35)	—	(35)	—	6,532	—
21	Households	80,269	76,925	3,344	205	117	88	(263)	(153)	(110)	(6)	(6)	—	—	94	—
22	Total	1,163,022	630,319	519,409	2,861	1,290	329	(3,718)	(1,560)	(2,158)	(2,573)	(299)	(2,210)	(301)	346,682	6,909

Table 22: Performing and non-performing exposures and related provisions (CR1) (continued)

£m	December 2019														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	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
	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
1 Loans and advances	472,350	437,543	34,806	11,399	3,324	8,075	(1,572)	(669)	(903)	(1,634)	(235)	(1,399)	(277)	325,277	7,527
2 Central banks	1,779	1,779	—	—	—	—	—	—	—	—	—	—	—	—	—
3 General governments	767	767	—	—	—	—	—	—	—	—	—	—	—	224	—
4 Credit institutions	5,301	5,301	—	—	—	—	—	—	—	—	—	—	—	—	—
5 Other financial corporations	59,717	59,287	430	65	—	65	(64)	(5)	(59)	(6)	—	(6)	—	674	8
6 Non-financial corporations	72,382	66,848	5,534	3,545	383	3,162	(334)	(113)	(221)	(895)	(15)	(880)	(277)	41,376	1,007
7 Of which: SMEs	33,456	31,000	2,456	789	68	721	(225)	(43)	(182)	(104)	(4)	(100)	—	18,302	575
8 Households	332,404	303,561	28,843	7,789	2,941	4,848	(1,173)	(550)	(623)	(733)	(220)	(513)	—	283,003	6,513
9 Debt securities	31,549	31,549	—	1	—	1	(1)	(1)	—	(1)	—	(1)	—	5,948	—
10 Central banks	51	51	—	—	—	—	—	—	—	—	—	—	—	—	—
11 General governments	13,317	13,317	—	—	—	—	—	—	—	—	—	—	—	—	—
12 Credit institutions	8,811	8,811	—	—	—	—	—	—	—	—	—	—	—	512	—
13 Other financial corporations	8,545	8,545	—	—	—	—	—	—	—	—	—	—	—	5,436	—
14 Non-financial corporations	826	826	—	1	—	1	—	—	—	(1)	—	(1)	—	—	—
15 Off-balance-sheet exposures	114,917	111,484	3,433	465	361	104	(165)	(91)	(74)	(8)	(3)	(5)	—	19,144	15
16 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17 General governments	95	95	—	3	3	—	—	—	—	—	—	—	—	390	—
18 Credit institutions	119	119	—	—	—	—	—	—	—	—	—	—	—	5	—
19 Other financial corporations	6,838	6,783	54	1	1	—	—	—	—	—	—	—	—	172	—
20 Non-financial corporations	32,027	30,971	1,057	271	266	5	(54)	(27)	(27)	(5)	—	(5)	—	6,202	15
21 Households	75,837	73,515	2,322	190	91	99	(111)	(64)	(47)	(3)	(3)	—	—	12,375	—
22 Total	618,815	580,576	38,239	11,865	3,685	8,180	(1,738)	(761)	(977)	(1,643)	(238)	(1,405)	(277)	350,369	7,542

PILLAR 1 CAPITAL REQUIREMENTS: COUNTERPARTY CREDIT RISK

Counterparty credit risk (including CVA) represents 1.3 per cent (2019: 1.2 per cent) of the Group's total risk-weighted assets.

Table 23: Analysis of CCR exposure by approach (CCR1)¹

	June 2020						
	Notional	Replacement cost/current market value ²	Potential future credit exposure ²	Effective expected positive exposure (EEPE)	Multiplier	EAD Post CRM ³	RWAs
	£m	£m	£m	£m	x	£m	£m
	a	b	c	d	e	f	g
1 Mark to Market		2,468	1,003			2,874	1,538
2 Original exposure	—					—	—
3 Standardised approach		—		—	—	—	—
4 IMM (for derivatives and SFTs)				—	—	—	—
5 of which: securities financing transactions				—	—	—	—
6 of which: derivatives and long settlement transactions				—	—	—	—
7 of which: from contractual cross-product netting				—	—	—	—
8 Financial collateral simple method (for SFTs)						—	—
9 Financial collateral comprehensive method (for SFTs)						13,398	241
10 VaR for SFTs						—	—
11 Total	—	2,468	1,003	—	—	16,272	1,778

	December 2019						
	Notional	Replacement cost/current market value ²	Potential future credit exposure ²	Effective expected positive exposure (EEPE)	Multiplier	EAD Post CRM ³	RWAs
	£m	£m	£m	£m	x	£m	£m
	a	b	c	d	e	f	g
1 Mark to Market		1,981	1,043			2,581	1,370
2 Original exposure	—					—	—
3 Standardised approach		—		—	—	—	—
4 IMM (for derivatives and SFTs)				—	—	—	—
5 of which: securities financing transactions				—	—	—	—
6 of which: derivatives and long settlement transactions				—	—	—	—
7 of which: from contractual cross-product netting				—	—	—	—
8 Financial collateral simple method (for SFTs)						—	—
9 Financial collateral comprehensive method (for SFTs)						10,988	232
10 VaR for SFTs						—	—
11 Total	—	1,981	1,043	—	—	13,569	1,602

¹ CCP exposures and charges are excluded from this table. For CCP balances please refer to Table 24.

² Replacement cost and PFE have been reported on a net basis where a netting agreement is in place (collateral is deducted from the replacement cost).

³ Exposures values of £0.7bn subject to CVA are embedded in this section, the CVA risk-weighted assets are excluded from this table. For CVA risk-weighted assets please refer to Table 25.

Table 24: Exposures to CCPs (CCR8)

	June 2020		December 2019	
	EAD post CRM	RWA	EAD post CRM	RWA
	£m	£m	£m	£m
	a	b	a	b
1 Exposures to QCCPs (total)	6,575	277	6,995	229
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	6,334	130	6,818	140
3 (i) OTC derivatives	6,172	123	6,648	133
4 (ii) Exchange-traded derivatives	149	6	169	7
5 (iii) SFTs	12	—	—	—
6 (iv) Netting sets where cross-product netting has been approved	—	—	—	—
7 Segregated initial margin	—	—	—	—
8 Non-segregated initial margin	105	2	81	2
9 Prefunded default fund contributions	136	145	96	88
10 Alternative calculation of own funds requirements for exposures	—	—	—	—
11 Exposures to non-QCCPs (total)	—	—	—	—
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—	—	—
13 (i) OTC derivatives	—	—	—	—
14 (ii) Exchange-traded derivatives	—	—	—	—
15 (iii) SFTs	—	—	—	—
16 (iv) Netting sets where cross-product netting has been approved	—	—	—	—
17 Segregated initial margin	—	—	—	—
18 Non-segregated initial margin	—	—	—	—
19 Prefunded default fund contributions	—	—	—	—
20 Unfunded default fund contributions	—	—	—	—

Table 25: Credit valuation adjustment (CVA) capital charge (CCR2)¹

	June 2020		December 2019	
	EAD post CRM	RWA	EAD post CRM	RWA
	£m	£m	£m	£m
	a	b-a	a	b
1 charge	—	—	—	—
2 (i) VaR component (including the 3×multiplier)	—	—	—	—
3 3×multiplier)	—	—	—	—
4 All portfolios subject to the Standardised Method	731	279	723	271
EU ⁴ Based on Original Exposure Method	—	—	—	—
5 Total subject to the CVA capital charge	731	279	723	271

¹ The CVA exposures disclosed in this table are embedded in the exposures reported in Table 23: Analysis of CCR exposure by approach (CCR1).

Table 26: Counterparty credit risk exposures: analysis by exposure class

	June 2020		December 2019	
	EAD post CRM £m	RWA £m	EAD post CRM £m	RWA £m
Foundation IRB approach				
Corporate – main	1,894	676	1,474	576
Corporate – SME	2	2	2	2
Central governments or central banks	1,227	70	666	36
Institutions	1,218	361	1,314	392
Other IRB approach				
Corporate – specialised lending ¹	883	644	789	577
Total IRB approach	5,224	1,753	4,246	1,584
Exposures subject to the standardised approach				
Central governments or central banks	10,939	—	9,262	—
Multilateral development banks	14	—	—	—
International organisations	46	—	29	—
Institutions	6,449	137	6,903	144
Corporates	37	20	27	16
Total standardised approach	17,486	157	16,221	159
Contributions to the default fund of a Central Counterparty	136	145	96	88
Credit valuation adjustment ³		279		271
Total	22,846	2,334	20,564	2,102

¹ Exposures subject to the IRB Supervisory Slotting Approach.

² No positions relating to counterparty credit risk securitisation positions were deducted from capital in either 2020 or 2019.

³ CVA exposure value of £0.7bn is embedded in the asset class analysis above.

Table 27: IRB – CCR exposure by portfolio and PD scale – Corporate Main (CCR4)

PD Scale	June 2020						
	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity (years)	RWA	RWA density
	£m	%		%		£m	%
	a	b	c	d	e	f	g
0.00 to <0.15	1,450	0.06%	218	42.7%	3.2	384	26.5%
0.15 to <0.25	17	0.18%	61	45.0%	1.5	6	35.9%
0.25 to <0.50	283	0.31%	353	45.0%	0.5	106	37.6%
0.50 to <0.75	23	0.63%	77	45.0%	1.6	17	70.5%
0.75 to <2.50	55	1.35%	155	45.0%	3.3	64	117.6%
2.50 to <10.00	64	3.61%	97	45.0%	3.4	98	153.8%
10.00 to <100.00	—	15.21%	8	45.0%	1.4	1	213.5%
100.00 (Default)	1	100.00%	15	45.0%	1.6	—	—%
Sub-total	1,894	0.33%	984	43.2%	2.8	676	35.7%

PD Scale	December 2019						
	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity (years)	RWA	RWA density
	£m	%		%		£m	%
	a	b	c	d	e	f	g
0.00 to <0.15	1,057	0.06%	227	42.7%	3.6	301	28.5%
0.15 to <0.25	13	0.18%	66	45.0%	2.8	6	46.7%
0.25 to <0.50	234	0.32%	377	45.0%	0.5	89	38.1%
0.50 to <0.75	38	0.63%	99	45.0%	1.4	26	67.7%
0.75 to <2.50	74	1.30%	171	45.0%	3.3	86	116.3%
2.50 to <10.00	51	3.33%	110	45.0%	1.7	65	128.3%
10.00 to <100.00	1	17.64%	10	45.0%	1.7	3	223.5%
100.00 (Default)	6	100.00%	11	45.0%	1.8	—	—
Sub-total	1,474	0.72%	1,071	43.3%	3.0	576	39.1%

Table 28: IRB – CCR exposure by portfolio and PD scale – Central governments or central banks (CCR4)

PD Scale	June 2020						
	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity (years)	RWA	RWA density
	£m	%		%		£m	%
	a	b	c	d	e	f	g
0.00 to <0.15	1,227	0.05%	5	45.0%	—	70	5.7%
0.15 to <0.25	—	—	—	—	—	—	—
0.25 to <0.50	—	—	—	—	—	—	—
0.50 to <0.75	—	—	—	—	—	—	—
0.75 to <2.50	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—
100.00 (Default)	—	—	—	—	—	—	—
Sub-total	1,227	0.05%	5	45.0%	—	70	5.7%

PD Scale	December 2019						
	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity (years)	RWA	RWA density
	£m	%		%		£m	%
	a	b	c	d	e	f	g
0.00 to <0.15	666	0.05%	7	45.0%	—	36	5.4%
0.15 to <0.25	—	—	—	—	—	—	—
0.25 to <0.50	—	—	—	—	—	—	—
0.50 to <0.75	—	—	—	—	—	—	—
0.75 to <2.50	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—
100.00 (Default)	—	—	—	—	—	—	—
Sub-total	666	0.05%	7	45.0%	—	36	5.4%

Table 29: IRB – CCR exposure by portfolio and PD scale – Institutions (CCR4)

PD Scale	June 2020						
	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity (years)	RWA	RWA density
	£m	%		%		£m	%
	a	b	c	d	e	f	g
0.00 to <0.15	1,157	0.04%	116	45.0%	2.4	307	26.5%
0.15 to <0.25	61	0.18%	12	45.0%	4.9	54	89.1%
0.25 to <0.50	—	0.36%	4	45.0%	2.8	—	86.6%
0.50 to <0.75	—	0.63%	1	45.0%	1.0	—	81.1%
0.75 to <2.50	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—
100.00 (Default)	—	—	—	—	—	—	—
Sub-total	1,218	0.05%	133	45.0%	2.5	361	29.7%

PD Scale	December 2019						
	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity (years)	RWA	RWA density
	£m	%		%		£m	%
	a	b	c	d	e	f	g
0.00 to <0.15	1,274	0.05%	123	45.0%	2.7	357	28.0%
0.15 to <0.25	39	0.18%	14	45.0%	4.7	34	86.3%
0.25 to <0.50	—	0.29%	3	45.0%	4	—	95.4%
0.50 to <0.75	—	—	0	—	—	—	—
0.75 to <2.50	—	1.00%	1	45.0%	—	—	64.8%
2.50 to <10.00	—	—	0	—	—	—	—
10.00 to <100.00	—	—	0	—	—	—	—
100.00 (Default)	—	—	0	—	—	—	—
Sub-total	1,314	0.05%	141	45.0%	2.7	392	29.8%

Table 30: CCR corporate exposures subject to supervisory slotting

		June 2020 Specialised lending				
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	EAD post CRM	RWA
		£m	£m	%	£m	£m
1) Strong	Less than 2.5 years	36	—	50%	35	18
	Equal to or more than 2.5 years	1,149	—	70%	688	481
2) Good	Less than 2.5 years	15	—	70%	15	11
	Equal to or more than 2.5 years	126	—	90%	90	81
3) Satisfactory	Less than 2.5 years	—	—	115%	—	—
	Equal to or more than 2.5 years	44	—	115%	44	50
4) Weak	Less than 2.5 years	—	—	250%	—	—
	Equal to or more than 2.5 years	1	—	250%	1	3
5) Default	Less than 2.5 years	—	—	0%	—	—
	Equal to or more than 2.5 years	9	—	0%	9	—
Total	Less than 2.5 years	52	—		51	29
	Equal to or more than 2.5 years	1,329	—		832	615

		December 2019 Specialised lending				
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	EAD post CRM	RWA
		£m	£m	%	£m	£m
1) Strong	Less than 2.5 years	31	—	50%	30	15
	Equal to or more than 2.5 years	1,040	—	70%	611	428
2) Good	Less than 2.5 years	10	—	70%	10	7
	Equal to or more than 2.5 years	121	—	90%	87	78
3) Satisfactory	Less than 2.5 years	—	—	115%	—	—
	Equal to or more than 2.5 years	43	—	115%	43	49
4) Weak	Less than 2.5 years	—	—	250%	—	—
	Equal to or more than 2.5 years	—	—	250%	—	—
5) Default	Less than 2.5 years	—	—	0%	—	—
	Equal to or more than 2.5 years	8	—	0%	8	—
Total	Less than 2.5 years	41	—		40	22
	Equal to or more than 2.5 years	1,212	—		749	555

Table 31: Standardised approach – CCR exposures by regulatory portfolio and risk (CCR3)

Exposures are classed as “rated” only where an ECAI rating has been used to derive the risk-weight. Where a rating is unavailable, or where the risk weight has been determined by application of specific CRR provisions, exposures have been classed as “unrated”. Only those exposure classes where standardised CCR exposures are held have been included.

Exposure Classes	June 2020												Total £m	Of which: Unrated £m
	0% £m	2% £m	4% £m	10% £m	20% £m	50% £m	70% £m	75% £m	100% £m	150% £m	Others £m			
¹ Central governments or central banks	10,939	—	—	—	—	—	—	—	—	—	—	10,939	10,939	
⁴ Multilateral development banks	14	—	—	—	—	—	—	—	—	—	—	14	14	
⁵ International organisations	46	—	—	—	—	—	—	—	—	—	—	46	46	
⁶ Institutions	—	6,289	149	—	—	11	—	—	—	—	—	6,449	6,438	
⁷ Corporates	—	—	—	—	—	35	—	—	3	—	—	37	3	
¹¹ Total – Standardised Approach	11,000	6,289	149	—	—	46	—	—	3	—	—	17,486	17,441	

Exposure Classes	December 2019												Total £m	Of which: Unrated £m
	0% £m	2% £m	4% £m	10% £m	20% £m	50% £m	70% £m	75% £m	100% £m	150% £m	Others £m			
¹ Central governments or central banks	9,262	—	—	—	—	—	—	—	—	—	—	9,262	9,262	
⁴ Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	
⁵ International organisations	29	—	—	—	—	—	—	—	—	—	—	29	29	
⁶ Institutions	—	6,730	169	—	—	4	—	—	—	—	—	6,903	6,899	
⁷ Corporates	—	—	—	—	—	24	—	—	4	—	—	27	4	
¹¹ Total – Standardised Approach	9,291	6,730	169	—	—	28	—	—	4	—	—	16,221	16,193	

Table 32: Impact of netting and collateral held on exposure values (CCR5-A)

	June 2020				
	Gross positive fair value exposure amount	Netting benefits credit	Netted current credit exposure	Collateral held ¹	Net Credit exposure ²
	£m	£m	£m	£m	£m
	a	b	c	d	e
¹ Derivatives	86,997	79,408	7,589	5,329	2,260
² SFTs	127,587	—	127,587	118,798	8,788
⁴ Total	214,584	79,408	135,176	124,127	11,048

	December 2019				
	Gross positive fair value exposure amount	Netting benefits credit	Netted current credit exposure	Collateral held ¹	Net Credit exposure ²
	£m	£m	£m	£m	£m
	a	b	c	d	e
¹ Derivatives	61,585	55,625	5,960	4,251	1,709
² SFTs	101,002	—	101,002	94,151	6,851
⁴ Total	162,587	55,625	106,962	98,402	8,561

¹ The collateral held values for SFTs are reported after taking into account the volatility adjustments for these balances.

² The net credit exposure value may differ from EAD value disclosed in Table 23: Analysis of CCR exposure by approach (CCR1), due to the other parameters for the calculation of regulatory exposure values which are not disclosed in this table.

Table 33: Credit derivative exposures (CCR6)

	June 2020			December 2019		
	Credit derivative hedges			Credit derivative hedges		
	Protection bought	Protection sold	Other credit derivations	Protection bought	Protection sold	Other credit derivations
	£m	£m	£m	£m	£m	£m
	a	b	c	a	b	c
Notionals						
Single-name credit default swaps	1,630	212	—	1,755	212	—
Index credit default swaps	415	27	—	349	89	—
Total return swaps	67	799	—	67	261	—
Credit options	—	—	—	—	—	—
Other credit derivatives	—	—	—	—	—	—
Total notionals	2,112	1,039	—	2,170	563	—
Fair values						
Positive fair value (asset)	32	8	—	6	12	—
Negative fair value (liability)	(39)	(50)	—	(74)	(24)	—

CAPITAL AND LEVERAGE

Table 34: Own funds template

	Transitional rules		Fully loaded rules	
	At 30 June 2020	At 31 Dec 2019	At 30 June 2020	At 31 Dec 2019
	£m	£m	£m	£m
Common equity tier 1 (CET1) capital: instruments and reserves				
Capital instruments and related share premium accounts	2,174	2,174	2,174	2,174
of which: called up share capital	1,574	1,574	1,574	1,574
of which: share premium	600	600	600	600
Retained earnings	30,024	28,380	30,024	28,380
Accumulated other comprehensive income and other reserves (including unrealised gains and losses)	4,336	3,820	4,336	3,820
Foreseeable dividends	–	–	–	–
Common equity tier 1 (CET1) capital before regulatory adjustments	36,534	34,374	36,534	34,374
Common equity tier 1 (CET1) capital: regulatory adjustments				
Additional value adjustments	(186)	(220)	(186)	(220)
Intangible assets (net of related tax liability)	(4,189)	(4,050)	(4,189)	(4,050)
Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) of the CRR are met)	(3,541)	(3,207)	(3,541)	(3,207)
Fair value reserves related to gains or losses on cash flow hedges	(1,667)	(1,556)	(1,667)	(1,556)
Negative amounts resulting from the calculation of expected loss amounts	–	(195)	–	(195)
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	23	22	23	22
Defined benefit pension fund assets	(1,721)	(531)	(1,721)	(531)
Total regulatory adjustments applied to common equity tier 1 (CET1)	(11,281)	(9,737)	(11,281)	(9,737)
Common equity tier 1 (CET1) capital	25,253	24,637	25,253	24,637

Table 34: Own funds template (continued)

	Transitional rules		Fully loaded rules	
	At 30 June 2020 £m	At 31 Dec 2019 £m	At 30 June 2020 £m	At 31 Dec 2019 £m
Additional tier 1 (AT1) capital: instruments				
Capital instruments and related share premium accounts	5,930	4,865	5,930	4,865
of which: classified as equity under applicable accounting standards	5,930	4,865	5,930	4,865
Amount of qualifying items referred to in Article 484 (4) of the CRR and the related share premium accounts subject to phase out from AT1	861	1,384	—	—
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in CET1) issued by subsidiaries and held by third parties	499	656	—	—
of which: instruments issued by subsidiaries subject to phase out	499	656	—	—
Additional tier 1 (AT1) capital before regulatory adjustments	7,290	6,905	5,930	4,865
Additional tier 1 (AT1) capital: regulatory adjustments				
Residual amounts deducted from AT1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to Article 475 of the CRR	—	—	—	—
of which: significant investments in Tier 2 instruments of other financial sector entities	—	—	—	—
Total regulatory adjustments applied to additional tier 1 (AT1) capital	—	—	—	—
Additional tier 1 (AT1) capital	7,290	6,905	5,930	4,865
Tier 1 capital	32,543	31,542	31,183	29,502
Tier 2 (T2) capital: instruments and provisions				
Capital instruments and related share premium accounts	5,157	4,577	5,157	4,577
Amount of qualifying items referred to in Article 484 (5) of the CRR and the related share premium accounts subject to phase out from T2	846	1,268	—	—
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in CET1 or AT1) issued by subsidiaries and held by third parties	716	1,069	25	43
of which: instruments issued by subsidiaries subject to phase out	691	1,026	—	—
Credit risk adjustments	—	—	—	—
Tier 2 (T2) capital before regulatory adjustments	6,719	6,914	5,182	4,620
Tier (T2) capital: regulatory adjustments				
Direct and indirect holdings by the Group of the T2 instruments and subordinated loans of financial sector entities where the Group has a significant investment in those entities (net of eligible short positions)	—	—	—	—
IFRS 9 transitional adjustments	(286)	(480)	(286)	(480)
Total regulatory adjustments applied to tier 2 (T2) capital	(286)	(480)	(286)	(480)
Tier 2 (T2) capital	6,433	6,434	4,896	4,140
Total capital	38,976	37,976	36,079	33,642
Total risk-weighted assets	173,311	171,940	173,311	171,940

Table 34: Own funds template (continued)

	Transitional rules		Fully loaded rules	
	At 30 June 2020	At 31 Dec 2019	At 30 June 2020	At 31 Dec 2019
	£m	£m	£m	£m
Capital ratios and buffers				
Common Equity Tier 1 (as a percentage of risk exposure amount)	14.6%	14.3%	14.6%	14.3%
Tier 1 (as a percentage of risk exposure amount)	18.8%	18.3%	18.0%	17.2%
Total capital (as a percentage of risk exposure amount)	22.5%	22.1%	20.8%	19.6%
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)	4.502%	5.444%	4.502%	5.444%
of which: capital conservation buffer requirement	2.500%	2.500%	2.500%	2.500%
of which: countercyclical buffer requirement	0.002%	0.944%	0.002%	0.944%
of which: systemic risk buffer requirement	2.000%	2.000%	2.000%	2.000%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) ¹	10.1%	9.8%	10.1%	9.8%
Amounts below the threshold for deduction (before risk weighting)				
Direct and indirect holdings of the capital of financial sector entities where the Group does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	226	229	226	229
Direct and indirect holdings by the Group of the CET1 instruments of financial sector entities where the Group has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	—	—	—	—
Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in 38 (3) are met)	951	707	951	707
Applicable caps on the inclusion of provisions in Tier 2				
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	—	—	—	—
Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	716	738	716	738
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)				
Current cap on AT1 instruments subject to phase out arrangements	1,360	2,041	—	—
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	2,049	1,109	—	—
Current cap on T2 instruments subject to phase out arrangements	1,325	1,987	—	—
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	2,104	966	—	—

¹ Of which 2.5% is required to meet Pillar 2A requirements.

Table 35: Summary reconciliation of accounting assets and leverage ratio exposures

	At June 2020 Fully loaded £m	At Dec 2019 Fully loaded £m
Total assets as per published financial statements	607,644	581,368
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting ¹	(199)	—
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(605)	(1,294)
Adjustments for derivative financial instruments	(2,568)	(965)
Adjustments for securities financing transactions (SFTs)	1,546	689
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	44,302	44,172
Other adjustments ²	(14,339)	(7,641)
Leverage ratio total exposure measure	635,781	616,329

¹ Reflects the accelerated implementation for the netting of regular-way purchases and sales awaiting settlement in accordance with CRR Article 500d.

² Includes an adjustment to exclude lending under the UK Government's Bounce Back Loan Scheme (BBLS).

Table 36: Leverage ratio common disclosure

	At 30 June 2020 Fully loaded £m	At 31 Dec 2019 Fully loaded £m
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) ¹	529,246	519,516
Asset amounts deducted in determining Tier 1 capital	(7,659)	(7,641)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	521,587	511,875
Derivative exposures		
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	2,796	2,491
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	7,593	8,186
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	142	—
Deductions of receivables assets for cash variation margin provided in derivatives transactions	(2,457)	(3,264)
Adjusted effective notional amount of written credit derivatives	239	301
Adjusted effective notional offsets and add-on deductions for written credit derivatives	(84)	(153)
Total derivative exposures	8,229	7,561
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	66,106	56,497
Netted amounts of cash payables and cash receivables of gross SFT assets	(5,989)	(4,465)
Counterparty credit risk exposure for SFT assets	1,546	689
Total securities financing transaction exposures	61,663	52,721
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	126,338	123,239
Adjustments for conversion to credit equivalent amounts	(82,036)	(79,067)
Other off-balance sheet exposures	44,302	44,172
Capital and total exposure measure		
Tier 1 capital	31,183	29,502
Leverage ratio total exposure measure	635,781	616,329
Leverage ratio		
Leverage ratio	4.9%	4.8%

¹ Includes an adjustment to exclude lending under the UK Government's Bounce Back Loan Scheme (BBLs).

Table 37: Split-up of on balance sheet exposures (excluding derivatives, STFs and exempted exposures)

	At June 2020 Fully loaded £m	At December 2019 Fully loaded £m
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	529,246	519,516
Trading book exposures	247	290
Banking book exposures, of which:	528,999	519,226
Covered bonds	3,013	2,253
Exposures treated as sovereigns	73,613	56,182
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	4,619	4,645
Institutions	4,349	3,594
Secured by mortgages of immovable properties	311,605	315,166
Retail exposures	41,744	44,785
Corporates	49,844	50,449
Exposures in default	7,527	6,679
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	32,685	35,473

Appendix I - Asset Encumbrance

Table 38: Encumbered and unencumbered assets

The values reported in the tables below represent the median of the values reported to the regulator via quarterly supervisory returns over the period 1 January, 2020 to 30 June 2020

	June 2020							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA	
	£m	£m	£m	£m	£m	£m	£m	£m
Encumbered and unencumbered assets								
Total assets	99,965	13,328			500,240	60,712		
Equity instruments	—	—			171	—		
Debt securities ¹	9,192	7,126	9,192	7,126	24,951	20,780	24,951	20,780
of which: covered bonds	6	6	6	6	2,391	2,391	2,391	2,391
of which: asset-backed securities	1,833	—	1,833	—	721	9	721	9
of which: issued by general governments	6,440	6,287	6,440	6,287	8,472	8,472	8,472	8,472
of which: issued by financial corporations	2,751	874	2,751	874	15,492	11,684	15,492	11,684
of which: issued by non-financial corporations	—	—	—	—	801	376	801	376
Other assets²	89,944	6,083			474,490	39,931		

	December 2019							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA	
	£m	£m	£m	£m	£m	£m	£m	£m
Encumbered and unencumbered assets								
Total assets	102,470	11,595			488,308	57,543		
Equity instruments	—	—			171	—		
Debt securities ¹	9,624	7,172	9,624	7,172	24,980	19,914	24,980	19,914
of which: covered bonds	6	6	6	6	1,991	1,991	1,991	1,991
of which: asset-backed securities	2,372	—	2,372	—	721	—	721	—
of which: issued by general governments	6,961	6,884	6,961	6,884	8,748	8,748	8,748	8,748
of which: issued by financial corporations	2,859	314	2,859	314	14,565	10,166	14,565	10,166
of which: issued by non-financial corporations	1	—	1	—	894	490	894	490
Other assets²	92,846	4,561			463,024	37,629		

¹ Includes debt securities accounted for as a financial assets at fair value through profit and loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income.

² All remaining regulatory balance sheet assets, including loans on demand and other loans and advances. The carrying amount of other encumbered assets predominantly reflects other loans and advances.

Table 39: Collateral received

Collateral received	June 2020				December 2019			
	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
	of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA	
	£m	£m	£m	£m	£m	£m	£m	£m
Collateral received	17,531	17,531	55,606	54,105	13,829	13,827	54,517	54,465
Loans on demand	—	—	—	—	—	—	—	—
Equity Instruments	—	—	—	—	—	—	—	—
Debt securities ¹	17,531	17,531	54,480	54,105	13,829	13,827	54,517	54,465
of which: covered bonds	—	—	479	479	1	1	234	234
of which: asset-backed securities	—	—	506	506	—	—	170	170
of which: issued by general governments	17,477	17,477	52,793	52,604	13,739	13,739	54,372	54,372
of which: issued by financial corporations	55	—	1,050	1,050	90	57	399	382
of which: issued by non-financial corporations	—	—	—	—	—	—	—	—
Loans and advances other than loans on demand	—	—	—	—	—	—	—	—
Other collateral received	—	—	—	—	—	—	—	—
Own debt securities issued other than own covered bonds or asset-backed securities	—	—	—	—	—	—	—	—
Own covered bonds and asset-backed securities issued and not yet pledged			8,927	—			9,310	—
Total assets, collateral received and own debt securities issued	114,055	29,886			116,298	25,305		

¹ Includes debt securities accounted for as a financial assets at fair value through profit and loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income.

Table 40: Sources of encumbrance

Sources of Encumbrance ¹	June 2020		December 2019	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
	£m	£m	£m	£m
Carrying amount of selected financial liabilities	85,608	79,746	82,239	75,900

¹ Consists of derivatives, deposits and debt securities issued

TEMPLATES NOT DISCLOSED

Certain quantitative EBA templates prescribed on a semi-annual basis are not applicable to the Group. These include INS1 (Non-deducted participations in insurance undertakings), CCR7 (RWA flow statements of CCR exposures under the IMM) and CCR5-B (Composition of collateral for exposures to CCR). Regarding CCR5-B, the PRA introduced a waiver for firms where the fair value of collateral received or the fair value of collateral posted in the form of debt securities does not exceed £100bn (using quarterly data) - the Group is below this threshold.

CR2-A (Changes in the stock of general and specific credit risk adjustments) is met through the disclosure of Note 9 (Allowance for impairment losses) of the Group's 2019 half-year results. CR8 (RWA flow statements of credit risk exposures under the IRB approach) is met through the disclosure of Table 3: Risk-weighted assets movement by key driver.

CR2-B (Changes in the stock of defaulted and impaired loans and debt securities) has been excluded as the requirement is beyond what is required by the CRR.

CR10 (Equity exposure subject to the simple risk weight method) has not been disclosed as Lloyds Bank Group has no equity exposures.

Article 432 of the CRR on non-material, proprietary or confidential information permits institutions to omit one or more disclosures if the information provided by such a disclosure is not regarded as material. The following templates have been omitted on the grounds that they are non-material: CR1-C (Credit quality of exposures by geography) as we are a predominantly UK focused bank; CR7 (IRB approach – effect on the RWAs of credit derivatives used as CRM); MR1 (Market risk under the standardised approach); MR2-A and MR2-B (Market risk under the IMA approach); MR3 (IMA values for trading portfolios) and MR4 (Comparison of VaR estimates with gains/losses).

CONTACTS

For further information please contact:

INVESTORS AND ANALYSTS

Douglas Radcliffe
Group Investor Relations Director
020 7356 1571
douglas.radcliffe@lloydsbanking.com

Edward Sands
Director of Investor Relations
020 7356 1585
edward.sands@lloydsbanking.com

Nora Thoden
Director of Investor Relations
020 7356 2334
nora.thoden@lloydsbanking.com

CORPORATE AFFAIRS

Grant Ringshaw
Director of Media Relations
020 7356 2362
grant.ringshaw@lloydsbanking.com

Matt Smith
Head of Corporate Media
020 7356 3522
matt.smith@lloydsbanking.com

Registered office: Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN
Registered in England no. 00002065