



2014 EU-wide Stress Test

Summary Adverse Scenario

UK - Lloyds Banking Group plc

| Actual figures as of 31 December 2013 | | mln GBP, % |
|---|--|--------------|
| Operating profit before impairments | | 6,631 |
| Impairment losses on financial and non-financial assets in the banking book | | 3,004 |
| Common Equity Tier 1 capital ⁽¹⁾ | | 27,844 |
| Total Risk Exposure ⁽¹⁾ | | 272,125 |
| Common Equity Tier 1 ratio, % ⁽¹⁾ | | 10.2% |

| Outcome of the adverse scenario as of 31 December 2016 | | mln GBP, % |
|---|--|-------------|
| 3 yr cumulative operating profit before impairments | | 14,574 |
| 3 yr cumulative impairment losses on financial and non-financial assets in the banking book | | 20,769 |
| 3 yr cumulative losses from the stress in the trading book | | 1,356 |
| Valuation losses due to sovereign shock after tax and prudential filters | | 365 |
| Common Equity Tier 1 capital ⁽¹⁾ | | 18,916 |
| Total Risk Exposure ⁽¹⁾ | | 303,229 |
| Common Equity Tier 1 ratio, % ⁽¹⁾ | | 6.2% |

| Memorandum items | | mln GBP |
|---|--|---------|
| Common EU wide CET1 Threshold (5.5%) | | 16,678 |
| Total amount of instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period (cumulative conversions) ⁽²⁾ | | 0 |
| Total Additional Tier 1 and Tier 2 instruments eligible as regulatory capital under the CRR provisions that convert into Common Equity Tier 1 or are written down upon a trigger event ⁽³⁾ | | 5,532 |
| Of which: eligible instruments whose trigger is above CET1 capital ratio in the adverse scenario ⁽³⁾ | | 0 |

⁽¹⁾ According to CRR/CRD4 definition transitional arrangements as per reporting date. Figures as of 31/12/2013 computed as of first day of application:

⁽²⁾ Conversions not considered for CET1 computation

⁽³⁾ Excluding instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period



2014 EU-wide Stress Test

Summary Baseline Scenario

UK - Lloyds Banking Group plc

| Actual figures as of 31 December 2013 | | mln GBP, % |
|---|--|--------------|
| Operating profit before impairments | | 6,631 |
| Impairment losses on financial and non-financial assets in the banking book | | 3,004 |
| Common Equity Tier 1 capital ⁽¹⁾ | | 27,844 |
| Total Risk Exposure ⁽¹⁾ | | 272,125 |
| Common Equity Tier 1 ratio, % ⁽¹⁾ | | 10.2% |

| Outcome of the baseline scenario as of 31 December 2016 | | mln GBP, % |
|---|--|--------------|
| 3 yr cumulative operating profit before impairments | | 17,023 |
| 3 yr cumulative impairment losses on financial and non-financial assets in the banking book | | 6,802 |
| 3 yr cumulative losses from the stress in the trading book | | 862 |
| Common Equity Tier 1 capital ⁽¹⁾ | | 37,807 |
| Total Risk Exposure ⁽¹⁾ | | 277,646 |
| Common Equity Tier 1 ratio, % ⁽¹⁾ | | 13.6% |

| Memorandum items | | mln GBP |
|---|--|---------|
| Common EU wide CET1 Threshold (8.0%) | | 22,212 |

⁽¹⁾ According to CRR/CRD4 definition transitional arrangements as per reporting date. Figures as of 31/12/2013 computed as of first day of application: 01/01/2014.

2014 EU-wide Stress Test

P&L

(mln GBP)

| | 31/12/2013 | Baseline Scenario | | | Adverse Scenario | | |
|--|---------------|-------------------|---------------|---------------|------------------|---------------|---------------|
| | | 31/12/2014 | 31/12/2015 | 31/12/2016 | 31/12/2014 | 31/12/2015 | 31/12/2016 |
| Net interest income | 10,987 | 10,987 | 10,987 | 10,987 | 10,987 | 10,560 | 10,498 |
| Net trading income | | -222 | -50 | 36 | -469 | -198 | -63 |
| of which trading losses from stress scenarios | | -431 | -259 | -172 | -678 | -407 | -271 |
| Other operating income | 1,646 | 958 | 993 | 1,022 | 1,042 | 1,064 | 1,049 |
| Operating profit before impairments | 6,631 | 5,257 | 5,604 | 6,162 | 4,757 | 4,760 | 5,057 |
| Impairment of financial assets (-) | -3,004 | -2,682 | -2,089 | -2,031 | -5,338 | -8,642 | -6,790 |
| Impairment of financial assets other than instruments designated at fair value through P&I (-) | -3,004 | -2,550 | -2,010 | -1,978 | -5,098 | -8,495 | -6,648 |
| Impairment Financial assets designated at fair value through P&L (-) | 0 | -132 | -79 | -53 | -240 | -146 | -142 |
| Impairment on non financial assets (-) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating profit after impairments from stress scenarios | 3,627 | 2,575 | 3,515 | 4,131 | -580 | -3,882 | -1,733 |
| Other Income and expenses | -894 | -1,023 | -719 | -466 | 385 | -1,505 | -1,338 |
| Pre-Tax profit | 2,733 | 1,552 | 2,797 | 3,665 | -196 | -5,387 | -3,071 |
| Tax | -1,217 | 2,114 | -839 | -1,099 | 2,639 | 1,616 | 921 |
| Net income | 1,516 | 3,667 | 1,958 | 2,565 | 2,443 | -3,771 | -2,150 |
| Attributable to owners of the parent | 1,480 | 3,631 | 1,922 | 2,529 | 2,407 | -3,807 | -2,186 |
| of which carried over to capital through retained earnings | 1,480 | 3,631 | 1,922 | 2,529 | 2,407 | -3,807 | -2,186 |
| of which distributed as dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

2014 EU-wide Stress Test
Credit Risk

| (min GBP, %) | | LTV % (as of 31/12/2013) | Exposure values (as of 31/12/2013) | | | | | | Risk exposure amounts (as of 31/12/2013) | | | | | | Value adjustments and provisions (as of 31/12/2013) | | | | | |
|-------------------------------|---|--------------------------|------------------------------------|-----------|---------------|-----------|---------------|-----------|--|-----------|---------------|-----------|---------------|-----------|---|-----------|---------------|-----------|---------------|-----------|
| | | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | |
| | | | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted |
| UK - Lloyds Banking Group plc | Central banks and central governments | | 15,578 | 0 | 0 | 0 | 81,878 | 0 | 1,605 | 0 | 0 | 0 | 49 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| | Institutions | | 12,917 | 2 | 0 | 0 | 1,255 | 0 | 4,258 | 0 | 0 | 0 | 369 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| | Corporates | | 99,230 | 8,925 | 0 | 0 | 46,454 | 12,568 | 62,031 | 0 | 0 | 0 | 41,305 | 1,666 | 348 | 3,475 | 0 | 0 | 532 | 8,558 |
| | Corporates - Of Which: Specialised Lending | | 7 | 9 | 0 | 0 | 26,006 | 11,207 | 11 | 0 | 0 | 0 | 23,571 | 0 | 0 | 0 | 0 | 0 | 123 | 6,009 |
| | Corporates - Of Which: SME | | 12,474 | 1,637 | 0 | 0 | 6,518 | 836 | 9,662 | 0 | 0 | 0 | 5,273 | 1,027 | 141 | 737 | 0 | 0 | 264 | 1,387 |
| | Retail | | 0 | 0 | 409,842 | 8,853 | 12,405 | 982 | 0 | 0 | 75,640 | 9,499 | 6,068 | 1,124 | 0 | 0 | 1,370 | 1,528 | 177 | 302 |
| | Retail - Secured on real estate property | | | | | | | | | | | | | | | | | | | |
| | Retail - Secured on real estate property - Of Which: SME | 67% | 0 | 0 | 357,168 | 6,921 | 7,098 | 754 | 0 | 0 | 45,120 | 7,394 | 2,536 | 830 | 0 | 0 | 919 | 1,204 | 71 | 134 |
| | Retail - Secured on real estate property - Of Which: non-SME | 49% | 0 | 0 | 10,798 | 353 | 0 | 0 | 0 | 0 | 4,069 | 423 | 0 | 0 | 0 | 0 | 14 | 7 | 0 | 0 |
| | | 68% | 0 | 0 | 346,370 | 6,568 | 7,098 | 754 | 0 | 0 | 41,050 | 6,971 | 2,535 | 830 | 0 | 0 | 905 | 1,197 | 71 | 134 |
| | Retail - Qualifying Revolving | | 0 | 0 | 37,565 | 787 | 393 | 29 | 0 | 0 | 15,227 | 1,128 | 297 | 44 | 0 | 0 | 181 | 197 | 17 | 4 |
| | Retail - Other Retail | | 0 | 0 | 15,109 | 1,145 | 4,914 | 199 | 0 | 0 | 15,294 | 977 | 3,236 | 251 | 0 | 0 | 270 | 126 | 90 | 164 |
| | Retail - Other Retail - Of Which: SME | | 0 | 0 | 2,396 | 468 | 1,494 | 17 | 0 | 0 | 2,392 | 208 | 653 | 13 | 0 | 0 | 25 | 1 | 0 | 0 |
| | Retail - Other Retail - Of Which: non-SME | | 0 | 0 | 12,713 | 678 | 3,419 | 182 | 0 | 0 | 12,902 | 769 | 2,583 | 238 | 0 | 0 | 245 | 125 | 90 | 164 |
| | Equity | | 2,934 | 0 | 0 | 0 | 0 | 0 | 5,902 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Securitisation | | 14,104 | 0 | 0 | 0 | 0 | 0 | 3,329 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Other non-credit obligation assets | | 0 | 0 | 0 | 0 | 18,443 | 0 | 0 | 0 | 0 | 0 | 18,408 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | | 144,764 | 8,928 | 409,842 | 8,853 | 160,435 | 13,551 | 77,125 | 0 | 75,640 | 9,499 | 66,199 | 2,791 | 348 | 3,475 | 1,370 | 1,528 | 711 | 8,860 |
| | Securitisation and re-securitisations positions deducted from capital * | | 142 | 0 | 0 | 0 | 0 | 0 | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |

(*) Refers to the part of Securitization exposure that is deducted from capital and is not included in RWA

| (min GBP, %) | | LTV % (as of 31/12/2013) | Exposure values (as of 31/12/2013) | | | | | | Risk exposure amounts (as of 31/12/2013) | | | | | | Value adjustments and provisions (as of 31/12/2013) | | | | | |
|----------------|---|--------------------------|------------------------------------|-----------|---------------|-----------|---------------|-----------|--|-----------|---------------|-----------|---------------|-----------|---|-----------|---------------|-----------|---------------|-----------|
| | | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | |
| | | | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted |
| United Kingdom | Central banks and central governments | | 57 | 0 | 0 | 0 | 71,254 | 0 | 2 | 0 | 0 | 0 | 40 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| | Institutions | | 3,866 | 0 | 0 | 0 | 815 | 0 | 1,456 | 0 | 0 | 0 | 273 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| | Corporates | | 78,972 | 8,296 | 0 | 0 | 32,182 | 4,573 | 52,767 | 0 | 0 | 0 | 27,670 | 222 | 348 | 3,468 | 0 | 0 | 202 | 2,853 |
| | Corporates - Of Which: Specialised Lending | | 7 | 9 | 0 | 0 | 19,910 | 4,416 | 11 | 0 | 0 | 0 | 17,900 | 0 | 0 | 0 | 0 | 0 | 118 | 2,261 |
| | Corporates - Of Which: SME | | 12,425 | 1,523 | 0 | 0 | 1,590 | 9 | 9,638 | 0 | 0 | 0 | 344 | 10 | 141 | 737 | 0 | 0 | 0 | 0 |
| | Retail | | 0 | 0 | 400,344 | 7,932 | 9,707 | 763 | 0 | 0 | 68,412 | 7,280 | 4,665 | 854 | 0 | 0 | 1,223 | 1,055 | 113 | 95 |
| | Retail - Secured on real estate property | | | | | | | | | | | | | | | | | | | |
| | Retail - Secured on real estate property - Of Which: SME | 67% | 0 | 0 | 347,670 | 6,000 | 5,419 | 676 | 0 | 0 | 37,891 | 5,176 | 1,897 | 737 | 0 | 0 | 772 | 732 | 71 | 88 |
| | Retail - Secured on real estate property - Of Which: non-SME | 49% | 0 | 0 | 10,798 | 353 | 0 | 0 | 0 | 0 | 4,069 | 423 | 0 | 0 | 0 | 0 | 14 | 7 | 0 | 0 |
| | | 67% | 0 | 0 | 336,872 | 5,647 | 5,418 | 676 | 0 | 0 | 33,822 | 4,753 | 1,897 | 737 | 0 | 0 | 758 | 725 | 71 | 88 |
| | Retail - Qualifying Revolving | | 0 | 0 | 37,565 | 787 | 393 | 29 | 0 | 0 | 15,227 | 1,128 | 297 | 44 | 0 | 0 | 181 | 197 | 17 | 4 |
| | Retail - Other Retail | | 0 | 0 | 15,109 | 1,145 | 3,895 | 58 | 0 | 0 | 15,294 | 977 | 2,472 | 73 | 0 | 0 | 270 | 126 | 26 | 3 |
| | Retail - Other Retail - Of Which: SME | | 0 | 0 | 2,396 | 468 | 1,493 | 17 | 0 | 0 | 2,392 | 208 | 652 | 13 | 0 | 0 | 25 | 1 | 0 | 0 |
| | Retail - Other Retail - Of Which: non-SME | | 0 | 0 | 12,713 | 678 | 2,402 | 40 | 0 | 0 | 12,902 | 769 | 1,819 | 60 | 0 | 0 | 245 | 125 | 26 | 2 |
| | Equity | | 2,464 | 0 | 0 | 0 | 0 | 0 | 4,842 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Securitisation | | 10,274 | 0 | 0 | 0 | 0 | 0 | 2,208 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Other non-credit obligation assets | | 0 | 0 | 0 | 0 | 18,186 | 0 | 0 | 0 | 0 | 0 | 18,151 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | | 95,633 | 8,296 | 400,344 | 7,932 | 132,144 | 5,335 | 61,274 | 0 | 68,412 | 7,280 | 50,799 | 1,076 | 348 | 3,468 | 1,223 | 1,055 | 316 | 2,947 |
| | Securitisation and re-securitisations positions deducted from capital * | | 142 | 0 | 0 | 0 | 0 | 0 | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |

(*) Refers to the part of Securitization exposure that is deducted from capital and is not included in RWA

| (min GBP, %) | | LTV % (as of 31/12/2013) | Exposure values (as of 31/12/2013) | | | | | | Risk exposure amounts (as of 31/12/2013) | | | | | | Value adjustments and provisions (as of 31/12/2013) | | | | | |
|---------------|---|--------------------------|------------------------------------|-----------|---------------|-----------|---------------|-----------|--|-----------|---------------|-----------|---------------|-----------|---|-----------|---------------|-----------|---------------|-----------|
| | | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | |
| | | | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted |
| United States | Central banks and central governments | | 14,671 | 0 | 0 | 0 | 0 | 0 | 1,516 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Institutions | | 3,163 | 0 | 0 | 0 | 64 | 0 | 911 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Corporates | | 8,278 | 10 | 0 | 0 | 1,988 | 176 | 3,733 | 0 | 0 | 0 | 1,718 | 45 | 0 | 7 | 0 | 0 | 0 | 53 |
| | Corporates - Of Which: Specialised Lending | | 0 | 0 | 0 | 0 | 390 | 132 | 0 | 0 | 0 | 0 | 322 | 0 | 0 | 0 | 0 | 0 | 0 | 23 |
| | Corporates - Of Which: SME | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail | | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Secured on real estate property | | | | | | | | | | | | | | | | | | | |
| | Retail - Secured on real estate property - Of Which: SME | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Secured on real estate property - Of Which: non-SME | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Qualifying Revolving | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Other Retail | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Other Retail - Of Which: SME | | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Other Retail - Of Which: non-SME | | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Equity | | 65 | 0 | 0 | 0 | 0 | 0 | 124 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Securitisation | | 1,673 | 0 | 0 | 0 | 0 | 0 | 184 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Other non-credit obligation assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | | 27,850 | 10 | 0 | 0 | 2,054 | 176 | 6,467 | 0 | 0 | 0 | 1,735 | 45 | 0 | 7 | 0 | 0 | 0 | 53 |
| | Securitisatation and re-securitisatations positions deducted from capital * | | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |

(*) Refers to the part of Securitization exposure that is deducted from capital and is not included in RWA

| (min GBP, %) | | LTV % (as of 31/12/2013) | Exposure values (as of 31/12/2013) | | | | | | Risk exposure amounts (as of 31/12/2013) | | | | | | Value adjustments and provisions (as of 31/12/2013) | | | | | |
|--------------|---|--------------------------|------------------------------------|-----------|---------------|-----------|---------------|-----------|--|-----------|---------------|-----------|---------------|-----------|---|-----------|---------------|-----------|---------------|-----------|
| | | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | |
| | | | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted |
| Ireland | Central banks and central governments | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Institutions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Corporates | | 0 | 0 | 0 | 0 | 1,529 | 5,724 | 0 | 0 | 0 | 0 | 2,122 | 638 | 0 | 0 | 0 | 0 | 330 | 5,600 |
| | Corporates - Of Which: Specialised Lending | | 0 | 0 | 0 | 0 | 395 | 5,112 | 0 | 0 | 0 | 0 | 988 | 0 | 0 | 0 | 0 | 0 | 5 | 3,696 |
| | Corporates - Of Which: SME | | 0 | 0 | 0 | 0 | 753 | 483 | 0 | 0 | 0 | 0 | 754 | 508 | 0 | 0 | 0 | 0 | 264 | 1,387 |
| | Retail | | 0 | 0 | 4,253 | 840 | 940 | 142 | 0 | 0 | 5,930 | 2,050 | 705 | 177 | 0 | 0 | 103 | 473 | 63 | 161 |
| | Retail - Secured on real estate property | | | | | | | | | | | | | | | | | | | |
| | Retail - Secured on real estate property - Of Which: SME | 76% | 0 | 0 | 4,253 | 840 | 0 | 0 | 0 | 0 | 5,930 | 2,050 | 0 | 0 | 0 | 0 | 103 | 473 | 0 | 0 |
| | Retail - Secured on real estate property - Of Which: non-SME | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Qualifying Revolving | 76% | 0 | 0 | 4,253 | 840 | 0 | 0 | 0 | 0 | 5,930 | 2,050 | 0 | 0 | 0 | 0 | 103 | 473 | 0 | 0 |
| | Retail - Other Retail | | 0 | 0 | 0 | 0 | 940 | 142 | 0 | 0 | 0 | 0 | 705 | 177 | 0 | 0 | 0 | 0 | 63 | 161 |
| | Retail - Other Retail - Of Which: SME | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Other Retail - Of Which: non-SME | | 0 | 0 | 0 | 0 | 940 | 142 | 0 | 0 | 0 | 0 | 705 | 177 | 0 | 0 | 0 | 0 | 63 | 161 |
| | Equity | | 8 | 0 | 0 | 0 | 0 | 0 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Securitisatation | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Other non-credit obligation assets | | 0 | 0 | 0 | 0 | 26 | 0 | 0 | 0 | 0 | 0 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | | 8 | 0 | 4,253 | 840 | 2,495 | 5,866 | 29 | 0 | 5,930 | 2,050 | 2,853 | 815 | 0 | 0 | 103 | 473 | 393 | 5,761 |
| | Securitisatation and re-securitisatations positions deducted from capital * | | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |

(*) Refers to the part of Securitization exposure that is deducted from capital and is not included in RWA

| (min GBP, %) | | LTV % (as of 31/12/2013) | Exposure values (as of 31/12/2013) | | | | | | Risk exposure amounts (as of 31/12/2013) | | | | | | Value adjustments and provisions (as of 31/12/2013) | | | | | |
|--------------|---|--------------------------|------------------------------------|-----------|---------------|-----------|---------------|-----------|--|-----------|---------------|-----------|---------------|-----------|---|-----------|---------------|-----------|---------------|-----------|
| | | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | | F-IRB | | A-IRB | | STA | |
| | | | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted | Non-defaulted | Defaulted |
| Netherlands | Central banks and central governments | | 0 | 0 | 0 | 0 | 8,199 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Institutions | | 300 | 0 | 0 | 0 | 48 | 0 | 135 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Corporates | | 543 | 0 | 0 | 0 | 825 | 274 | 346 | 0 | 0 | 0 | 830 | 325 | 0 | 0 | 0 | 0 | 0 | 34 |
| | Corporates - Of Which: Specialised Lending | | 0 | 0 | 0 | 0 | 114 | 57 | 0 | 0 | 0 | 0 | 119 | 0 | 0 | 0 | 0 | 0 | 0 | 28 |
| | Corporates - Of Which: SME | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail | | 0 | 0 | 5,245 | 81 | 243 | 2 | 0 | 0 | 1,298 | 168 | 104 | 2 | 0 | 0 | 44 | 0 | 0 | 1 |
| | Retail - Secured on real estate property | | | | | | | | | | | | | | | | | | | |
| | Retail - Secured on real estate property - Of Which: SME | 100% | 0 | 0 | 5,245 | 81 | 197 | 2 | 0 | 0 | 1,298 | 168 | 69 | 2 | 0 | 0 | 44 | 0 | 0 | 1 |
| | Retail - Secured on real estate property - Of Which: non-SME | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Qualifying Revolving | 100% | 0 | 0 | 5,245 | 81 | 197 | 2 | 0 | 0 | 1,298 | 168 | 69 | 2 | 0 | 0 | 44 | 0 | 0 | 1 |
| | Retail - Other Retail | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Other Retail - Of Which: SME | | 0 | 0 | 0 | 0 | 46 | 0 | 0 | 0 | 0 | 0 | 35 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Retail - Other Retail - Of Which: non-SME | | 0 | 0 | 0 | 0 | 46 | 0 | 0 | 0 | 0 | 0 | 35 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Equity | | 6 | 0 | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Securitisatation | | 252 | 0 | 0 | 0 | 0 | 0 | 76 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Other non-credit obligation assets | | 0 | 0 | 0 | 0 | 46 | 0 | 0 | 0 | 0 | 0 | 46 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | | 1,101 | 0 | 5,245 | 81 | 9,361 | 276 | 568 | 0 | 1,298 | 168 | 989 | 328 | 0 | 0 | 44 | 0 | 0 | 35 |
| | Securitisatation and re-securitisatations positions deducted from capital * | | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |

(*) Refers to the part of Securitization exposure that is deducted from capital and is not included in RWA

| Adverse Scenario | | | | | | | | |
|------------------|---------------------|--------------------------|------------------|---------------------|--------------------------|------------------|---------------------|--------------------------|
| as of 31/12/2014 | | | as of 31/12/2015 | | | as of 31/12/2016 | | |
| Impairment rate | Stock of Provisions | Coverage Ratio - Default | Impairment rate | Stock of Provisions | Coverage Ratio - Default | Impairment rate | Stock of Provisions | Coverage Ratio - Default |
| 0.00% | 1 | 38.75% | 0.00% | 1 | 42.00% | 0.00% | 1 | 43.43% |
| 0.09% | 14 | 37.42% | 0.14% | 33 | 38.50% | 0.06% | 42 | 36.72% |
| 0.80% | 15,211 | 53.06% | 1.28% | 18,276 | 54.83% | 0.90% | 20,449 | 54.83% |
| 1.31% | 7,071 | 57.20% | 1.68% | 8,128 | 59.66% | 1.58% | 8,781 | 60.44% |
| 1.22% | 2,652 | 53.25% | 1.84% | 2,974 | 52.47% | 1.08% | 3,171 | 51.58% |
| 0.50% | 6,067 | 24.22% | 0.90% | 11,477 | 27.96% | 0.95% | 16,345 | 29.83% |
| 0.20% | 3,549 | 17.65% | 0.55% | 7,082 | 20.73% | 0.65% | 10,330 | 22.75% |
| 0.72% | 121 | 16.98% | 1.43% | 319 | 27.45% | 1.26% | 457 | 31.11% |
| 0.19% | 3,428 | 17.68% | 0.52% | 6,763 | 20.47% | 0.63% | 9,874 | 22.46% |
| 2.26% | 1,261 | 52.05% | 3.12% | 2,433 | 61.16% | 2.86% | 3,949 | 64.00% |
| 2.98% | 1,257 | 38.33% | 3.24% | 1,962 | 48.44% | 3.04% | 2,565 | 53.03% |
| 0.51% | 63 | 6.58% | 0.07% | 126 | 14.52% | 0.07% | 17 | 10.33% |
| 2.45% | 1,193 | 48.00% | 3.79% | 1,833 | 56.55% | 3.59% | 2,394 | 60.13% |
| 0.00% | 0 | - | 0.00% | 0 | - | 0.00% | 0 | - |
| 0.48% | 21,293 | 41.62% | 0.83% | 29,788 | 41.13% | 0.78% | 36,436 | 40.45% |

| Adverse Scenario | | | | | | | | |
|------------------|----------------------|--------------------------------|------------------|----------------------|--------------------------------|------------------|----------------------|--------------------------------|
| as of 31/12/2014 | | | as of 31/12/2015 | | | as of 31/12/2016 | | |
| Impairment rate | Stocks of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stocks of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stocks of Provisions | Coverage Ratio - Default Stock |
| 0.00% | 1 | - | 0.00% | 1 | - | 0.00% | 1 | - |
| 0.08% | 5 | 34.63% | 0.12% | 10 | 37.13% | 0.05% | 12 | 35.76% |
| 0.56% | 8,386 | 50.74% | 1.06% | 10,428 | 52.12% | 0.81% | 11,642 | 51.97% |
| 0.85% | 2,834 | 53.92% | 1.53% | 3,414 | 55.45% | 1.45% | 3,817 | 56.03% |
| 0.49% | 1,030 | 50.27% | 0.97% | 1,280 | 51.40% | 0.82% | 1,429 | 50.77% |
| 0.44% | 4,822 | 20.81% | 0.86% | 9,937 | 26.03% | 0.92% | 14,568 | 28.49% |
| 0.14% | 2,644 | 13.72% | 0.50% | 5,939 | 18.44% | 0.61% | 8,996 | 21.11% |
| 0.72% | 120 | 16.98% | 1.43% | 318 | 27.45% | 1.26% | 455 | 31.11% |
| 0.12% | 2,524 | 13.55% | 0.47% | 5,621 | 18.07% | 0.59% | 8,541 | 20.73% |
| 2.26% | 1,261 | 52.05% | 3.12% | 2,433 | 61.16% | 2.86% | 3,449 | 64.00% |
| 2.39% | 918 | 31.66% | 3.12% | 1,566 | 45.00% | 2.92% | 2,124 | 51.17% |
| 0.51% | 63 | 6.58% | 1.00% | 127 | 14.52% | 0.87% | 170 | 18.83% |
| 2.88% | 855 | 41.51% | 3.68% | 1,438 | 54.04% | 3.48% | 1,953 | 59.33% |
| 0.00% | 0 | - | 0.00% | 0 | - | 0.00% | 0 | - |
| 0.41% | 13,214 | 35.53% | 0.78% | 20,377 | 35.94% | 0.77% | 26,224 | 36.06% |

| Adverse Scenario | | | | | | | | |
|------------------|---------------------|--------------------------------|------------------|---------------------|--------------------------------|------------------|---------------------|--------------------------------|
| as of 31/12/2014 | | | as of 31/12/2015 | | | as of 31/12/2016 | | |
| Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock |
| 0.00% | 0 | | 0.00% | 0 | | 0.00% | 0 | |
| 0.10% | 3 | 38.80% | 0.15% | 9 | 39.04% | 0.06% | 36 | 36.99% |
| 0.58% | 137 | 33.30% | 1.11% | 268 | 37.15% | 0.84% | 364 | 38.31% |
| 0.85% | 35 | 23.90% | 1.53% | 48 | 29.61% | 1.45% | 57 | 32.57% |
| - | 1 | - | - | 1 | - | - | 1 | - |
| 0.51% | 0 | 36.78% | 1.00% | 1 | 39.80% | 0.87% | 1 | 40.87% |
| - | 0 | - | - | 0 | - | - | 0 | - |
| - | 0 | - | - | 0 | - | - | 0 | - |
| - | 0 | - | - | 0 | - | - | 0 | - |
| - | 0 | - | - | 0 | - | - | 0 | - |
| - | 0 | - | - | 0 | - | - | 0 | - |
| 0.51% | 0 | 36.78% | 1.00% | 0 | 39.80% | 0.87% | 0 | 40.87% |
| 0.51% | 0 | 36.78% | 1.00% | 0 | 39.80% | 0.87% | 0 | 40.87% |
| - | 0 | - | - | 0 | - | - | 0 | - |
| 0.00% | 0 | - | 0.00% | 0 | - | 0.00% | 0 | - |
| 0.22% | 140 | 33.41% | 0.41% | 277 | 37.21% | 0.30% | 375 | 38.28% |

| Adverse Scenario | | | | | | | | |
|------------------|---------------------|--------------------------------|------------------|---------------------|--------------------------------|------------------|---------------------|--------------------------------|
| as of 31/12/2014 | | | as of 31/12/2015 | | | as of 31/12/2016 | | |
| Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock |
| - | 0 | - | - | 0 | - | - | 0 | - |
| 33.16% | 6,320 | 73.45% | 51.01% | 6,815 | 77.15% | 50.38% | 7,023 | 78.46% |
| 30.92% | 4,031 | 76.55% | 36.88% | 4,328 | 80.34% | 32.30% | 4,542 | 81.78% |
| 33.18% | 1,577 | 65.38% | 51.05% | 1,583 | 62.39% | 50.49% | 1,586 | 61.09% |
| 4.96% | 1,118 | 54.64% | 5.00% | 1,369 | 53.59% | 5.16% | 1,569 | 51.63% |
| 5.12% | 780 | 50.09% | 4.79% | 976 | 49.72% | 5.00% | 1,130 | 48.20% |
| - | 0 | - | - | 0 | - | - | 0 | - |
| 5.12% | 780 | 50.09% | 4.79% | 976 | 49.72% | 5.00% | 1,130 | 48.20% |
| - | 0 | - | - | 0 | - | - | 0 | - |
| 4.27% | 337 | 70.43% | 5.84% | 394 | 67.28% | 5.80% | 439 | 64.05% |
| - | 0 | - | - | 0 | - | - | 0 | - |
| 4.27% | 337 | 70.43% | 5.84% | 394 | 67.28% | 5.80% | 439 | 64.05% |
| - | 0 | - | - | 0 | - | - | 0 | - |
| 9.58% | 7,438 | 70.21% | 10.28% | 8,184 | 72.25% | 7.57% | 8,592 | 72.05% |

| Adverse Scenario | | | | | | | | |
|------------------|---------------------|--------------------------------|------------------|---------------------|--------------------------------|------------------|---------------------|--------------------------------|
| as of 31/12/2014 | | | as of 31/12/2015 | | | as of 31/12/2016 | | |
| Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock | Impairment rate | Stock of Provisions | Coverage Ratio - Default Stock |
| 0.00% | 0 | - | 0.00% | 0 | - | 0.00% | 0 | - |
| 0.08% | 0 | 38.80% | 0.12% | 1 | 39.04% | 0.05% | 1 | 36.99% |
| 0.58% | 69 | 19.70% | 1.11% | 101 | 25.86% | 0.84% | 118 | 28.46% |
| 0.85% | 36 | 54.13% | 1.53% | 41 | 57.40% | 1.45% | 44 | 58.66% |
| 0.49% | 0 | 30.75% | 0.97% | 0 | 34.76% | 0.82% | 0 | 35.81% |
| 0.29% | 66 | 12.25% | 0.38% | 91 | 15.84% | 0.34% | 108 | 16.46% |
| 0.29% | 66 | 12.24% | 0.38% | 89 | 15.84% | 0.34% | 107 | 16.47% |
| - | 1 | - | - | 1 | - | - | 1 | - |
| 0.29% | 65 | 12.24% | 0.38% | 88 | 1.00% | 0.34% | 106 | 16.47% |
| 0.23% | 0 | - | - | 0 | - | - | 0 | - |
| 0.23% | 1 | 15.72% | 0.23% | 1 | 15.72% | 0.23% | 1 | 15.72% |
| 0.23% | 1 | - | - | 1 | - | - | 1 | - |
| 0.23% | 0 | 15.72% | 0.23% | 0 | 15.72% | 0.23% | 0 | 15.72% |
| 0.00% | 0 | - | 0.00% | 0 | - | 0.00% | 0 | - |
| 0.16% | 135 | 17.05% | 0.23% | 192 | 21.43% | 0.19% | 227 | 22.48% |



2014 EU-wide Stress Test

| RWA (mln GBP) | Baseline Scenario | | | | Adverse Scenario | | |
|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | as of 31/12/2013 | as of 31/12/2014 | as of 31/12/2015 | as of 31/12/2016 | as of 31/12/2014 | as of 31/12/2015 | as of 31/12/2016 |
| Risk exposure amount for credit risk | 231,254 | 237,091 | 234,751 | 236,775 | 240,757 | 252,764 | 258,722 |
| Risk exposure amount Securitisation and re-securitisations | 3,329 | 6,825 | 8,289 | 9,248 | 10,673 | 14,340 | 16,602 |
| Risk exposure amount Other credit risk | 227,925 | 230,266 | 226,463 | 227,526 | 230,084 | 238,423 | 242,120 |
| Risk exposure amount for market risk | 14,277 | 14,277 | 14,277 | 14,277 | 17,519 | 17,722 | 17,912 |
| Risk exposure amount for operational risk | 26,595 | 26,595 | 26,595 | 26,595 | 26,595 | 26,595 | 26,595 |
| Transitional floors for Risk exposure amount | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Risk exposure amount | 272,125 | 277,963 | 275,623 | 277,646 | 284,870 | 297,080 | 303,229 |

2014 EU-wide Stress Test

Securitisation

| | | (mln GBP) | as of 31/12/2013 | Baseline scenario | | | Adverse scenario | | |
|----------------------|--|-----------|------------------|-------------------|------------|------------|------------------|------------|------------|
| | | | | 31/12/2014 | 31/12/2015 | 31/12/2016 | 31/12/2014 | 31/12/2015 | 31/12/2016 |
| Exposure values | Banking Book | | 13,989 | | | | | | |
| | Trading Book (excl. correlation trading positions under CRM) | | 184 | | | | | | |
| | Correlation Trading Portfolio (CRM) | | 0 | | | | | | |
| | Total | | 14,173 | | | | | | |
| Risk exposure values | Banking Book | | 3,172 | 6,583 | 7,995 | 8,931 | 10,375 | 13,958 | 16,176 |
| | Trading Book (excl. correlation trading positions under CRM) | | 157 | 242 | 294 | 317 | 298 | 383 | 426 |
| | Total | | 3,329 | 6,825 | 8,289 | 9,248 | 10,673 | 14,340 | 16,602 |
| Impairments | Hold to Maturity portfolio | | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| | Available for Sale portfolio | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Held for trading portfolio | | | | | | | | |
| | Total | | 0 | 0 | 0 | 0 | 1 | 1 | 1 |

2014 EU-wide Stress Test - Sovereign Exposure

| (mln GBP) | | VALUES AS OF 31/12/2013 | | | | | | VALUES AS OF 31/12/2013 | | | | VALUES AS OF 31/12/2013 | | | |
|---|----------------------------------|--|--|--|---|---|--|--|--------------------------------------|--|--------------------------------------|---|--------------------------------------|--|--------------------------------------|
| Residual Maturity | Country / Region | GROSS DIRECT LONG EXPOSURES (accounting value gross of provisions) (1) | | NET DIRECT POSITIONS (gross exposures (long) net of cash short positions of sovereign debt to other counterparties only where there is a maturity matching) (1) | | | | DIRECT SOVEREIGN EXPOSURES IN DERIVATIVES (1) | | | | INDIRECT SOVEREIGN EXPOSURES (3) (on and off balance sheet) | | | |
| | | | of which: loans and advances | | of which: AFS banking book | of which: FVO (designated at fair value through profit&loss) banking book | of which: Financial assets held for trading (2) | Derivatives with positive fair value at 31/12/2013 | | Derivatives with negative fair value at 31/12/2013 | | Derivatives with positive fair value at 31/12/2013 | | Derivatives with negative fair value at 31/12/2013 | |
| | | | | | | | | Notional value | Fair-value at 31/12/2013 (+) | Notional value | Fair-value at 31/12/2013 (-) | Notional value | Fair-value at 31/12/2013 (+) | Notional value | Fair-value at 31/12/2013 (-) |
| [0 - 3M] [3M - 1Y] [1Y - 2Y] [2Y - 3Y] [3Y - 5Y] [5Y - 10Y] [10Y - more] Tot | Austria | 126 0 0 0 0 0 0 126 | 0 0 0 0 0 0 0 0 | 126 0 0 0 0 0 0 126 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 126 0 0 0 0 0 0 126 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 |
| [0 - 3M] [3M - 1Y] [1Y - 2Y] [2Y - 3Y] [3Y - 5Y] [5Y - 10Y] [10Y - more] Tot | Germany | 0 4 0 0 4 145 8 161 | 0 0 0 0 0 0 0 0 | 0 4 0 0 4 145 8 161 | 0 0 0 0 0 101 0 101 | 0 0 0 0 0 0 0 0 | 0 4 0 0 4 44 8 60 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 |
| [0 - 3M] [3M - 1Y] [1Y - 2Y] [2Y - 3Y] [3Y - 5Y] [5Y - 10Y] [10Y - more] Tot | Poland | 1,303 0 0 0 0 0 0 1,303 | 0 0 0 0 0 0 0 0 | 1,303 0 0 0 0 0 0 1,303 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 1,303 0 0 0 0 0 0 1,303 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 |
| [0 - 3M] [3M - 1Y] [1Y - 2Y] [2Y - 3Y] [3Y - 5Y] [5Y - 10Y] [10Y - more] Tot | United Kingdom | 521 349 584 353 1,425 15,520 22,217 40,968 | 0 0 0 0 0 2 0 2 | 521 349 584 353 1,425 15,520 22,217 40,968 | 503 349 0 318 1,221 14,043 16,070 32,503 | 0 0 23 34 184 1,211 3,068 4,521 | 18 0 561 1 20 263 3,079 3,942 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 |
| [0 - 3M] [3M - 1Y] [1Y - 2Y] [2Y - 3Y] [3Y - 5Y] [5Y - 10Y] [10Y - more] Tot | U.S. | 0 0 1,588 0 104 3,514 1,783 6,989 | 0 0 247 0 0 0 0 247 | 0 0 1,588 0 104 3,514 1,783 6,989 | 0 0 1,341 0 0 3,443 1,781 6,565 | 0 0 0 0 0 0 1 0 | 0 0 0 0 104 72 0 177 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 |
| [0 - 3M] [3M - 1Y] [1Y - 2Y] [2Y - 3Y] [3Y - 5Y] [5Y - 10Y] [10Y - more] Tot | Other advanced economies non EEA | 48 0 0 0 0 0 0 48 | 0 0 0 0 0 0 0 0 | 48 0 0 0 0 0 0 48 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 48 0 0 0 0 0 0 48 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 |
| [0 - 3M] [3M - 1Y] [1Y - 2Y] [2Y - 3Y] [3Y - 5Y] [5Y - 10Y] [10Y - more] Tot | Middle East | 30 0 0 0 0 0 0 30 | 0 0 0 0 0 0 0 0 | 30 0 0 0 0 0 0 30 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 30 0 0 0 0 0 0 30 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 | 0 0 0 0 0 0 0 0 |

Notes and definitions

(1) The exposures reported cover only exposures to central, regional and local governments on immediate borrower basis, and do not include exposures to other counterparties with full or partial government guarantees

(2) The banks disclose the exposures in the "Financial assets held for trading" portfolio after offsetting the cash short positions having the same maturities.

(3) The exposures reported include the positions towards counterparties (other than sovereign) on sovereign credit risk (i.e. CDS, financial guarantees) booked in all the accounting portfolio (on-off balance sheet).

Irrespective of the denomination and or accounting classification of the positions the economic substance over the form must be used as a criteria for the identification of the exposures to be included in this column. This item does not include exposures to counterparties (other than sovereign) with full or partial government guarantees by central, regional and local governments

2014 EU-wide Stress Test

Capital

| | | | Baseline Scenario | | | | Adverse Scenario | | |
|--|----------|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| (mln GBP) | | CRR / CRDIV DEFINITION OF CAPITAL | As of 31/12/2013 | As of 31/12/2014 | As of 31/12/2015 | As of 31/12/2016 | As of 31/12/2014 | As of 31/12/2015 | As of 31/12/2016 |
| OWN FUNDS | A | OWN FUNDS | 50,857 | 50,959 | 51,277 | 50,293 | 49,601 | 41,475 | 34,738 |
| | A.1 | COMMON EQUITY TIER 1 CAPITAL (net of deductions and after applying transitional adjustments) | 27,844 | 30,290 | 33,622 | 37,807 | 28,065 | 22,617 | 18,916 |
| | A.1.1 | Capital instruments eligible as CET1 Capital (including share premium and net own capital instruments) | 24,396 | 24,396 | 24,396 | 24,396 | 24,396 | 24,396 | 24,396 |
| | A.1.1.1 | Of which: CET1 instruments subscribed by Government | 2,334 | 2,334 | 2,334 | 2,334 | 2,334 | 2,334 | 2,334 |
| | A.1.2 | Retained earnings | 4,844 | 8,474 | 10,396 | 12,925 | 7,250 | 3,444 | 1,258 |
| | A.1.3 | Accumulated other comprehensive income | -3,956 | -2,409 | -1,772 | -1,347 | -1,963 | -819 | -243 |
| | A.1.3.1 | Of which: arising from unrealised gains/losses from Sovereign exposure in AFS portfolio | -495 | -433 | -433 | -433 | -627 | -504 | -609 |
| | A.1.3.2 | Of which: arising from unrealised gains/losses from the rest of AFS portfolio | -120 | -139 | -160 | -174 | -213 | -277 | -320 |
| | A.1.4 | Other Reserves | 12,222 | 12,022 | 12,022 | 12,022 | 12,022 | 12,022 | 12,022 |
| | A.1.5 | Funds for general banking risk | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.6 | Minority interest given recognition in CET1 capital | 0 | 327 | 0 | 0 | 327 | 327 | 327 |
| | A.1.7 | Adjustments to CET1 due to prudential filters excluding those from unrealised gains/losses from AFS portfolio | 939 | 807 | 807 | 807 | 807 | 807 | 807 |
| | A.1.8 | Adjustments to CET1 due to prudential filters from unrealised gains/losses from Sovereign Exposure in AFS portfolio | 396 | 346 | 260 | 173 | 502 | 303 | 244 |
| | A.1.9 | (-) Intangible assets (including Goodwill) | -1,979 | -1,551 | -1,274 | -998 | -1,551 | -1,274 | -998 |
| | A.1.10 | (-) DTAs that rely on future profitability and do not arise from temporary differences net of associated DTLs | -5,025 | -7,204 | -6,348 | -5,270 | -7,819 | -9,307 | -10,227 |
| | A.1.11 | (-) IRB shortfall of credit risk adjustments to expected losses | -865 | -1,259 | -1,174 | -1,273 | -1,215 | -966 | -1,258 |
| | A.1.12 | (-) Defined benefit pension fund assets | -78 | -827 | -1,319 | -1,646 | -1,531 | -2,445 | -3,054 |
| | A.1.13 | (-) Reciprocal cross holdings in CET1 Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.14 | (-) Excess deduction from AT1 items over AT1 Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.15 | (-) Deductions related to assets which can alternatively be subject to a 1.250% risk weight | -141 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.15.1 | Of which: from securitisation positions (-) | -141 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.16 | (-) Holdings of CET1 capital instruments of financial sector entities where the institution does not have a significant investment | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.17 | (-) Deductible DTAs that rely on future profitability and arise from temporary differences | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.18 | (-) Holdings of CET1 capital instruments of financial sector entities where the institution has a significant investment | -2,908 | -2,667 | -2,371 | -1,983 | -2,872 | -3,326 | -3,642 |
| | A.1.19 | (-) Amount exceeding the 17.65% threshold | -405 | -665 | -385 | -14 | -845 | -1,227 | -1,486 |
| | A.1.20 | Transitional adjustments | 405 | 500 | 385 | 14 | 558 | 683 | 769 |
| | A.1.20.1 | Transitional adjustments due to grandfathered CET1 Capital instruments (+/-) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.20.2 | Transitional adjustments due to additional minority interests (+/-) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.1.20.3 | Other transitional adjustments to CET1 Capital excl. adjustments for Sovereign exposure in AFS (+/-) | 405 | 500 | 385 | 14 | 558 | 683 | 769 |
| | A.2 | ADDITIONAL TIER 1 CAPITAL (net of deductions and after transitional adjustments) | 3,809 | 3,730 | 3,349 | 2,967 | 3,730 | 3,349 | 2,967 |
| | A.2.1 | Of which: (+) Other existing support government measures | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A.3 | TIER 1 CAPITAL (net of deductions and after transitional adjustments) | 31,653 | 34,021 | 36,970 | 40,773 | 31,795 | 25,966 | 21,882 |
| | A.4 | TIER 2 CAPITAL (net of deductions and after transitional adjustments) | 19,204 | 16,938 | 14,307 | 9,520 | 17,806 | 15,509 | 12,856 |
| OWN FUNDS REQUIREMENTS | B | TOTAL RISK EXPOSURE AMOUNT | 272,125 | 277,963 | 275,623 | 277,646 | 284,870 | 297,080 | 303,229 |
| | B.1 | of which: stemming from exposures that fall below the 10% / 15% limits for CET1 deduction (+) | 11,154 | | | | | | |
| | B.2 | of which: stemming from from CVA capital requirements (+) | 3,190 | | | | | | |
| | B.3 | of which: stemming from higher asset correlation parameter against exposures to large financial institutions under IRB the IRB approaches to credit risk (+) | 2,541 | | | | | | |
| | B.4 | of which: stemming from the application of the supporting factor to increase lending to SMEs (-) | -2,770 | | | | | | |
| | B.5 | of which: stemming from the effect of exposures that were previously part of Risk Exposure amount and receive a deduction treatment under CRR/CRDIV (-) | 0 | | | | | | |
| | B.6 | of which: others subject to the discretion of National Competent Authorities | 0 | | | | | | |
| CAPITAL RATIOS (%) - Transitional period | C.1 | Common Equity Tier 1 Capital ratio | 10.23% | 10.90% | 12.20% | 13.62% | 9.85% | 7.61% | 6.24% |
| | C.2 | Tier 1 Capital ratio | 11.63% | 12.24% | 13.41% | 14.69% | 11.16% | 8.74% | 7.22% |
| | C.3 | Total Capital ratio | 18.69% | 18.33% | 18.60% | 18.11% | 17.41% | 13.96% | 11.46% |
| Memorandum items | D | Common Equity Tier 1 Capital Threshold | | 22,237 | 22,050 | 22,212 | 15,668 | 16,339 | 16,678 |
| | E | Total amount of instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period (cumulative conversions) (1) | | 0 | 0 | 0 | 0 | 0 | 0 |
| | F | Total Additional Tier 1 and Tier 2 instruments eligible as regulatory capital under the CRR provisions that convert into Common Equity Tier 1 or are written down upon a trigger event (2) | | | | | 7,265 | 6,560 | 5,532 |
| | F.1 | Of which: eligible instruments whose trigger is above CET1 capital ratio in the adverse scenario (2) | | | | | 0 | 0 | 0 |
| | G | Fully Loaded Common Equity Tier 1 Capital ratio (3) | | | | 13.61% | | | 5.98% |

(1) Conversions not considered for CET1 computation

(2) Excluding instruments included in E

(3) Memorandum item based on a fully implemented CRR/CRD IV definition of Common Equity Tier 1 capital including 60% of unrealised gains/losses from Sovereign Exposure in AFS portfolio

2014 EU-wide Stress Test

Major Capital Measures from 1 January to 30 September 2014

Major Capital Measures Impacting Tier 1 and Tier 2 Eligible Capital from 1 January 2014 to 30 September 2014

| Issuance of CET 1 Instruments | Impact on Common Equity Tier 1 Million GBP |
|---|--|
| Raising of capital instruments eligible as CET1 capital (+) | 0 |
| Repayment of CET1 capital, buybacks (-) | 0 |
| Conversion to CET1 of hybrid instruments becoming effective between 1 January and 30 September 2014 (+) | 0 |

| Net issuance of Additional Tier 1 and T2 Instruments | Impact on Additional Tier 1 and Tier 2 Million GBP |
|---|--|
| Net issuance of Additional Tier 1 and T2 Instruments with a trigger at or above bank's post stress test CET1 ratio in the adverse scenario during the stress test horizon (+/-) | 5,329 |
| Net issuance of Additional Tier 1 and T2 Instrument with a trigger below bank's post stress test CET1 ratio in the adverse scenario during the stress test horizon (+/-) | 0 |

| Losses | Million GBP |
|---|-------------|
| Realized fines/litigation costs from 1 January to 30 September 2014 (net of provisions) (-) | -225 |
| Other material losses and provisions from 1 January to 30 September 2014 (-) | -875 |

2014 EU-wide Stress Test - Restructuring scenarios

| Effects of mandatory restructuring plans publicly announced before 31st December 2013 and formally agreed with the European Commission. | | | | | |
|---|-------------------|-----------------------------|------------------|-----------------------------|--|
| | Baseline scenario | | Adverse scenario | | Narrative description of the transactions. (type, date of completion/commitment, portfolios, subsidiaries, branches) |
| | CET1 impact | Risk exposure amount impact | CET1 impact | Risk exposure amount impact | |
| (mln GBP) | | | | | |
| 2013 | 0 | 0 | | | <ul style="list-style-type: none"> Restructuring represents the divestment of TSB (c600 branches) under EU State Aid restructuring plan. Full Retail Divestment by end 2015. If IPO market deemed to be closed (based on market metrics) automatic extension to deadline of up to 12 months is triggered. Base case assumes full divestment by 2015. Stress assumes partial disposal in 2014 with remaining 65% not disposed due to market closure. |
| 2014 | 376 | 123 | 376 | 123 | |
| 2015 | -1,182 | -4,522 | 0 | 0 | |
| 2016 | 0 | 0 | 0 | 0 | |
| Total | -806 | -4,400 | 376 | 123 | |