

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.

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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 Securitisations 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 | 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 | — | — | — | — | — | — | — | — | — | — | | — |
| 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 | 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 | — | — | — | — | — | — | — | — | — | — | | — |
| 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 | Of which: Unrated |
|---|---------------|----------|------------|----------|------------|--------------|--------------|----------|---------------|--------------|------------|----------|----------|----------|----------|----------------|----------------|----------------------|
| | Risk Weight | | | | | | | | | | | | | | | | | |
| | 0% | 2% | 4% | 10% | 20% | 35% | 50% | 70% | 75% | 100% | 150% | 250% | 370% | 1250% | Others | £m | | |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £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 | Of which: defaulted | |
| 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).

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