Standard Chartered PLC
Pillar 3 Disclosures
30 June 2026

Incorporated in England and Wales with registered number 966425
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Standard Chartered PLC is incorporated in England and Wales with limited liability, and is headquartered in London, where it is authorised by the UK's Prudential Regulation Authority (PRA), and is regulated by the Financial Conduct Authority (FCA) and the PRA. Within this document 'the Group' refers to Standard Chartered PLC together with its subsidiary undertakings. Unless the context requires, within this document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Greater China & North Asia (GCNA) includes China, Hong Kong, Japan, Korea, Macau and Taiwan; ASEAN & South Asia (ASA) includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam; and Africa & Middle East (AME) includes Bahrain, Egypt, Iraq, Jordan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (UAE). Throughout this document unless specified the disclosures are at Group level. Throughout this document, unless another currency is specified, the word 'dollar' or symbol $ means United States dollar. Throughout this document IRB refers to internal ratings based models. The Group does not use the Foundation IRB approach.

1. Introduction

1.1 Purpose and basis of preparation

The Pillar 3 disclosures comprise information on the underlying drivers of risk-weighted assets (RWA), capital, leverage and liquidity ratios as at 30 June 2026 in accordance with the United Kingdom's (UK) Capital Requirements Regulation (CRR) and the Prudential Regulation Authority's (PRA) Rulebook.

The disclosures have been prepared in line with the disclosure templates introduced by the PRA Policy Statement PS22/21 'Implementation of Basel standards: Final rules' published in October 2021.

This report presents the Pillar 3 Disclosures of Standard Chartered PLC (the Group) as at 30 June 2026 and should be read in conjunction with the Group's Half Year Report 2026.

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

1.2 Highlights

- The Group's capital and leverage position is managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity
- The Group has a Common Equity Tier 1 (CET1) ratio of 14.2 per cent, above the current CET1 requirement of 10.3 per cent
- The Group is not highly leveraged and its leverage ratio of 4.7 per cent is above of the current leverage requirement of 3.7 per cent
- The Group continues to manage its balance sheet proactively, with a particular focus on the efficient management of RWA

1.3 Frequency

In accordance with Group policy the Pillar 3 Disclosures are made quarterly as at 31 March, 30 June, 30 September and 31 December in line with the PRA guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of the UK CRR, and the Guidelines on disclosure requirements under Part Eight of the CRR. Disclosures are published on the Standard Chartered PLC website as soon as is practicable after the publication date of the Group's Interim, Half Year and Annual Report and Accounts.

1.4 Verification

Whilst the 30 June 2026 Pillar 3 Disclosures are not required to be externally audited, the document has been verified internally in accordance with the Group's policies on disclosure and its financial reporting and governance processes. Controls comparable to those for the Group's Half Year Report 2026 have been applied to confirm compliance with PRA regulations.

- Items excluded on the grounds of materiality:
  - Quantitative disclosures of non-deducted participations in insurance undertakings and collateral obtained by taking possession and execution processes
  - Quantitative disclosures on exposures to equities not included in the trading book

1.5 Key prudential metrics

Table 1: Key metrics template (UK KM1)

		30.06.26 $million	31.03.26 $million	31.12.25 $million	30.09.25 $million	30.06.25 $million
	Available own funds					
1	Common Equity Tier 1 (CET1) capital	**37,003**	35,616	36,440	36,594	37,260
2	Tier 1 capital	**46,088**	43,707	43,949	43,109	43,777
3	Total capital	**55,164**	52,759	53,227	52,531	53,281
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**261,451**	266,186	258,031	258,378	259,684
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio	**14.2%**	13.4%	14.1%	14.2%	14.3%
6	Tier 1 ratio	**17.6%**	16.4%	17.0%	16.7%	16.9%
7	Total capital ratio	**21.1%**	19.8%	20.6%	20.3%	20.5%
	Additional own funds requirements based on Supervisory Review and Evaluation Process (SREP) (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements	**1.88%**	1.88%	1.88%	1.88%	2.10%
UK 7b	Additional AT1 SREP requirements	**0.63%**	0.63%	0.63%	0.63%	0.70%
UK 7c	Additional T2 SREP requirements	**0.84%**	0.84%	0.84%	0.84%	0.93%
UK 7d	Total SREP own funds requirements	**11.34%**	11.34%	11.34%	11.34%	11.74%
	Combined buffer requirement (as a percentage of RWA)					
8	Capital conservation buffer	**2.50%**	2.50%	2.50%	2.50%	2.50%
9	Institution specific countercyclical capital buffer	**0.37%**	0.38%	0.38%	0.37%	0.38%
10	Global Systemically Important Institution buffer	**1.00%**	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement	**3.87%**	3.88%	3.88%	3.87%	3.88%
UK 11a	Overall capital requirements[1]	**15.22%**	15.22%	15.22%	15.21%	15.62%
12	CET1 available after meeting the total SREP own funds requirements	**7.77%**	7.00%	7.74%	7.78%	7.75%
	Leverage ratio					
13	Leverage ratio total exposure measure	**980,765**	953,190	938,190	936,824	933,234
14	Leverage ratio	**4.7%**	4.6%	4.7%	4.6%	4.7%
	Additional leverage ratio disclosure requirements					
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks	**4.7%**	4.6%	4.7%	4.6%	4.7%
14b	Leverage ratio including claims on central banks	**4.2%**	4.2%	4.3%	4.2%	4.2%
14c	Average leverage ratio excluding claims on central banks	**4.6%**	4.5%	4.6%	4.6%	4.6%
14d	Average leverage ratio including claims on central banks	**4.2%**	4.1%	4.2%	4.1%	4.2%
14e	Countercyclical leverage ratio buffer	**0.1%**	0.1%	0.1%	0.1%	0.1%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	**189,273**	187,764	185,262	182,646	180,147
UK 16a	Cash outflows – Total weighted value	**206,152**	199,699	193,861	191,877	190,919
UK 16b	Cash inflows – Total weighted value	**86,050**	79,478	74,049	71,495	69,800
16	Total net cash outflows (adjusted value)	**120,102**	120,220	119,812	120,381	121,119
17	Liquidity coverage ratio	**158.0%**	156.5%	154.8%	151.9%	148.8%
	Net Stable Funding Ratio					
18	Total available stable funding	**484,589**	475,366	464,406	450,956	439,809
19	Total required stable funding	**353,442**	343,641	335,038	324,273	319,956
20	NSFR ratio	**137.2%**	138.4%	138.6%	139.0%	137.5%

1. UK 11a has been re-presented to reflect the Total Capital requirement rather than the CET1 requirement previously disclosed

Table 2 shows information about the Group's total loss-absorbing capacity (TLAC) available, and TLAC requirements, applied at the resolution group level under a Single Point of Entry resolution strategy.

Table 2: Key metrics – TLAC requirements (KM2)

	30.06.26 $million	31.03.26 $million	31.12.25 $million	30.09.25 $million	30.06.25 $million
Resolution group					
Total loss-absorbing capacity (TLAC) available	**91,941**	89,768	86,461	88,130	86,574
Total RWA at the level of the resolution group	**261,451**	266,186	258,031	258,378	259,684
TLAC as a percentage of RWA	**35.2%**	33.7%	33.5%	34.1%	33.3%
UK Leverage ratio exposure measure at the level of the resolution group	**980,765**	953,190	938,190	936,824	933,234
TLAC as a percentage of UK Leverage exposure measure	**9.4%**	9.4%	9.2%	9.4%	9.3%
Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**Yes**	Yes	Yes	Yes	Yes
Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**No**	No	No	No	No
If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied	**N/A**	N/A	N/A	N/A	N/A

2. Capital

2.1 Capital management

The Group's capital and leverage positions are managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity.

2.2 Capital resources

Table 3 summarises the consolidated capital position of the Group.

Table 3: Reconciliation between financial total equity and regulatory CET1 before regulatory adjustments

	30.06.26 $million	31.12.25 $million
Total equity per balance sheet (financial view)	55,893	54,586
Consolidation and regulatory adjustments	(12)	56
Total equity per balance sheet (regulatory view)	55,881	54,642
Foreseeable dividend	(780)	(1,377)
Other equity instruments (included in AT1)	(10,600)	(9,024)
Non-controlling interests	(223)	(202)
Common Equity Tier 1 capital before regulatory adjustments	44,278	44,039

Table 4: Composition of regulatory own funds (UK CC1)

		30.06.26 $million	31.12.25 $million
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	**5,084**	5,120
	Of which: Share premium accounts	**3,989**	3,989
2	Retained earnings[1]	**26,601**	24,528
3	Accumulated other comprehensive income (and other reserves)	**9,458**	10,406
5	Minority interests (amount allowed in consolidated CET1)	**257**	262
5a	Independently reviewed interim and year-end profits/(loss)[2]	**3,658**	5,100
	Foreseeable dividends[3]	**(780)**	(1,377)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**44,278**	44,039
	Common Equity Tier 1 capital: regulatory adjustments		
7	Additional value adjustments	**(746)**	(693)
8	Intangible assets (net of related tax liability)	**(6,328)**	(6,145)
10	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) CRR are met)	**(19)**	(15)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**303**	(315)
12	Negative amounts resulting from the calculation of expected loss amounts	**(538)**	(599)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	**395**	412
15	Defined-benefit pension fund assets	**(224)**	(149)
	Fair value gains and losses from own credit risk related to derivative liabilities	**(76)**	(70)
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	**(42)**	(25)
UK-20c	of which: securitisation positions	**(10)**	(11)
UK-20d	of which: free deliveries	**(32)**	(14)
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	**–**	–
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(7,275)**	(7,599)
29	**Common Equity Tier 1 (CET1) capital**	**37,003**	36,440
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	**9,105**	7,529
31	of which: classified as equity under applicable accounting standards	**9,105**	7,529
32	of which: classified as liabilities under applicable accounting standards	**–**	–
36	Additional Tier 1 (AT1) capital before regulatory adjustments	**9,105**	7,529
	Additional Tier 1 capital: regulatory adjustments	**9,105**	–
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	**–**	(20)
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(20)**	(20)
44	**Additional Tier 1 (AT1) capital**	**9,085**	7,509
45	**Tier 1 capital (T1 = CET1 + AT1)**	**46,088**	43,949
	Tier 2 (T2) capital: instruments and provisions		
46	Capital instruments and the related share premium accounts	**8,859**	9,041
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	**–**	–
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	**247**	267
51	**Tier 2 (T2) capital before regulatory adjustments**	**9,106**	9,308
	Tier 2 capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	**(30)**	–
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(30)**	(30)
58	**Tier 2 (T2) capital**	**9,076**	9,278
59	**Total capital (TC = T1 + T2)**	**55,164**	53,227
60	**Total Risk exposure amount**	**261,451**	258,031

Table 4: Composition of regulatory own funds (UK CC1) continued

		30.06.26 $million	31.12.25 $million
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	**14.2%**	14.1%
62	Tier 1 (as a percentage of total risk exposure amount)	**17.6%**	17.0%
63	Total capital (as a percentage of total risk exposure amount)	**21.1%**	20.6%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	**10.3%**	10.3%
65	of which: capital conservation buffer requirement	**2.5%**	2.5%
66	of which: countercyclical buffer requirement	**0.4%**	0.4%
67	of which: systemic risk buffer requirement	**–**	–
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	**1.0%**	1.0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	**7.8%**	7.7%
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	**2,312**	2,270
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	**1,332**	1,186
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**608**	572
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	**–**	–
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	**616**	575
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	**–**	–
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**815**	826

1. Retained earnings include the effect of regulatory consolidation adjustments
2. Independently reviewed profits are in accordance with regulatory consolidation rules
3. Foreseeable dividends as at HY 2026 represent ordinary dividends and preference dividends

The main movements in capital in the period were:

- CET1 capital increased by $0.6 billion as retained profits of $3.7 billion, offsetting with negative movement in FVOCI of $0.1 billion, foreign currency translation impact of $0.3 billion, share buybacks of $1.5 billion, foreseeable of $0.8 billion and an increase in regulatory deductions and other movements of $0.4 billion.
- AT1 capital has increased by $1.6 billion due to new issuance of securities.
- Tier 2 capital decreased by $0.2 billion due to regulatory amortisation and foreign currency translation impact.

The Group's current CET1 requirement was 10.3 per cent at 30 June 2026, comprising:

- A minimum Pillar 1 CET1 requirement of 4.5 per cent
- A Pillar 2A CET1 requirement of 1.9 per cent, representing 56.25 per cent of the total Pillar 2A requirement of 3.34 per cent
- A capital conservation buffer of 2.5 per cent
- A G-SII buffer of 1.0 per cent
- A countercyclical capital buffer of 0.4 per cent

Table 5: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2)

	30.06.26		31.12.25	
	Balance sheet as in published financial statements $million	Under regulatory scope of consolidation $million	Balance sheet as in published financial statements $million	Under regulatory scope of consolidation $million
Assets				
Cash and balances at central banks	**84,541**	**84,607**	77,746	77,816
Financial assets held at fair value through profit or loss	**225,286**	**225,286**	195,257	195,253
Derivative financial instruments	**82,225**	**82,225**	65,782	65,782
Loans and advances to banks	**45,962**	**45,962**	43,901	43,901
Loans and advances to customers	**299,279**	**299,279**	286,788	286,788
Investment securities	**156,446**	**158,420**	166,956	168,743
Other assets	**84,024**	**84,210**	67,931	68,172
Current tax assets	**422**	**422**	574	573
Prepayments and accrued income	**2,900**	**2,899**	3,058	3,064
Interests in associates and joint ventures	**1,532**	**1,508**	1,426	1,486
Goodwill and intangible assets	**6,394**	**6,446**	6,231	6,263
Of which: goodwill	**6,388**	**6,441**	6,229	6,258
Of which: other intangibles (excluding MSRs)	**6**	**5**	2	5
Of which: MSRs			–	–
Property, plant and equipment	**2,439**	**2,439**	2,559	2,558
Deferred tax assets	**570**	**570**	493	493
Retirement benefit schemes in surplus	**228**	**228**	154	154
Assets classified as held for sale	**1,158**	**1,158**	1,099	1,099
Total assets	**993,406**	**995,659**	919,955	922,145
Liabilities				
Deposits by banks	**29,800**	**29,800**	30,846	30,846
Customer accounts	**552,644**	**552,644**	530,161	530,161
Repurchase agreements and other similar secured borrowing	**4,624**	**4,624**	7,757	7,757
Financial liabilities held at fair value through profit or loss	**99,900**	**99,900**	89,597	89,597
Derivative financial instruments	**83,460**	**83,460**	68,204	68,204
Debt securities in issue	**79,377**	**79,377**	72,858	72,858
Other liabilities	**69,865**	**72,323**	46,655	48,911
Current tax liabilities	**838**	**834**	709	705
Accruals and deferred income	**6,161**	**5,968**	7,358	7,237
Subordinated liabilities and other borrowed funds	**8,772**	**8,772**	8,834	8,834
Of which: considered as Additional Tier 1 capital	**–**	**–**	–	–
Of which: considered as Tier 2 capital	**8,772**	**8,772**	8,834	8,834
Deferred tax liabilities	**746**	**746**	752	752
Provisions for liabilities and charges	**373**	**373**	401	401
Retirement benefit obligations	**291**	**291**	323	323
Liabilities included in disposal groups held for sale	**662**	**662**	914	914
Total liabilities	**937,513**	**939,774**	865,369	867,500
Shareholders' Equity				
Share capital and share premium account	**6,578**	**6,578**	6,614	6,614
Other reserves & retained earnings	**39,730**	**39,718**	39,979	40,034
Total parent company shareholders' equity	**46,308**	**46,296**	46,593	46,648
Other equity instruments	**9,105**	**9,105**	7,528	7,529
Total equity excluding non-controlling interests	**55,413**	**55,401**	54,121	54,177
Non-controlling interest	**480**	**484**	465	468
Total equity	**55,893**	**55,885**	54,586	54,645
Total equity and liabilities	**993,406**	**995,659**	919,955	922,145

2.3 Minimum requirement for own funds and eligible liabilities

Total loss-absorbing capacity (TLAC) as defined in the final standards adopted by the Financial Stability Board (FSB) and a new framework on minimum requirement for own funds and eligible liabilities (MREL) are intended to ensure that there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss. The framework is complemented with disclosure requirements., the disclosures are based on the formats provided in the Basel Committee Standards for Pillar 3 Phase 2 disclosures requirements.

The Group's MREL leverage requirement as at H1 2026 was equivalent to 28.3 per cent of RWA. This is composed of a minimum requirement of 25.3 per cent of RWA and the Group's combined buffer (comprising the capital conservation buffer, the G-SII buffer and the countercyclical buffer). The Group's MREL ratio was 35.2 per cent of RWA and 9.4 per cent of leverage exposure at H1 2026.

During the period, the Group successfully raised $9.0 billion of MREL eligible securities from its holding company, Standard Chartered PLC. Issuance includes $1.6 billion of Additional Tier 1 and $7.4 billion of callable senior debt.

Details of the Group's MREL eligible instruments are set out in the Standard Chartered PLC Main Features of Capital Instruments document available on the Group's website at **sc.com/capitalsecurities**.

Table 6 shows details of the composition of the Groups MREL.

Table 6: TLAC composition for G-SIBs (TLAC1)

	30.06.26 $million	31.12.25 $million
Regulatory capital elements of TLAC and adjustments		
Common Equity Tier 1 capital (CET1)	**37,003**	36,440
Additional Tier 1 capital (AT1) before TLAC adjustments	**9,085**	7,509
AT1 ineligible as TLAC as issued out of subsidiaries to third parties	**–**	–
Other adjustments	**–**	–
AT1 instruments eligible under the TLAC framework	**9,085**	7,509
Tier 2 capital (T2) before TLAC adjustments	**9,076**	9,278
Amortised portion of T2 instruments where remaining maturity > 1 year	**7**	941
T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	**(247)**	(267)
Other adjustments	**(157)**	–
T2 instruments eligible under the TLAC framework	**8,678**	9,952
TLAC arising from regulatory capital	**54,766**	53,901
Non-regulatory capital elements of TLAC		
External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	**–**	–
External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	**37,220**	32,599
Of which: amount eligible as TLAC after application of the caps	**37,220**	32,599
External TLAC instruments issued by funding vehicles prior to 1 January 2022	**–**	–
Eligible ex ante commitments to recapitalise a G-SIB in resolution	**–**	–
TLAC arising from non-regulatory capital instruments before adjustments	**37,220**	32,599
Non-regulatory capital elements of TLAC: adjustments		
TLAC before deductions	**91,986**	86,500
Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)		
Deduction of investments in own other TLAC liabilities	**(45)**	(39)
Other adjustments to TLAC		
TLAC after deductions	**91,941**	86,461
Risk-weighted assets and leverage exposure measure for TLAC purposes		
Total risk-weighted assets adjusted as permitted under the TLAC regime	**261,451**	258,031
UK Leverage exposure measure	**980,765**	938,190
TLAC ratios and buffers		
TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	**35.2%**	33.5%
TLAC (as a percentage of leverage exposure)	**9.4%**	9.2%
CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	**7.8%**	7.7%
Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	**3.9%**	3.9%
Of which: capital conservation buffer requirement	**2.5%**	2.5%
Of which: bank specific countercyclical buffer requirement	**0.4%**	0.4%
Of which: higher loss absorbency requirement	**1.0%**	1.0%

Table 7 shows information regarding the ranking of the Group's liabilities at the resolution group level.

Table 7: Resolution entity – creditor ranking at legal entity level (TLAC3)

	30.06.26			
	Creditor ranking			
	1 $million	2 $million	3 $million	Total $million
Description of creditor ranking	**Tertiary non-preferential debt[2]**	**Tertiary non-preferential debt – Tier 2 securities**	**Ordinary non-preferential debt[3]**	
Total capital and liabilities net of credit risk mitigation[1]	**9,162**	**8,852**	**39,025**	**57,039**
Of which: are excluded liabilities	**–**	**–**	**(946)**	**(946)**
Total capital and liabilities less excluded liabilities	**9,162**	**8,852**	**38,079**	**56,093**
Of which: are potentially eligible as TLAC	**9,162**	**8,852**	**38,079**	**56,093**
Of which: with 1 year ≤ residual maturity < 2 years	**–**	**–**	**5,328**	**5,328**
Of which: with 2 years ≤ residual maturity < 5 years	**–**	**–**	**15,780**	**15,780**
Of which: with 5 years ≤ residual maturity < 10 years	**–**	**4,343**	**12,120**	**16,462**
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	**–**	**2,750**	**4,851**	**7,601**
Of which: perpetual securities	**9,162**	**1,759**	**–**	**10,922**

	31.12.25			
	Creditor ranking			
	1 $million	2 $million	3 $million	Total $million
Description of creditor ranking	Tertiary non-preferential debt[2]	Tertiary non-preferential debt – Tier 2 securities	Ordinary non-preferential debt[3]	
Total capital and liabilities net of credit risk mitigation[1]	7,580	10,147	36,890	54,617
Of which: are excluded liabilities	–	–	(1,278)	(1,278)
Total capital and liabilities less excluded liabilities	7,580	10,147	35,612	53,339
Of which: are potentially eligible as TLAC	7,580	10,147	35,612	53,339
Of which: with 1 year ≤ residual maturity < 2 years	–	1,250	5,316	6,566
Of which: with 2 years ≤ residual maturity < 5 years	–	–	13,474	13,474
Of which: with 5 years ≤ residual maturity < 10 years	–	3,134	12,721	15,855
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	4,000	4,101	8,101
Of which: perpetual securities	7,580	1,763	–	9,343

1. Excludes CET1 and is based on accounting values
2. AT1 Preference shares and Contingent Convertible Capital Instruments
3. Senior bonds, derivative liabilities, tax claims etc

2.3 Minimum requirement for own funds and eligible liabilities continued

TLAC 2 is a G-SII disclosure requirement that provides information on the ranking of liabilities within the Group's material sub-groups, as defined by the FSB TLAC Term Sheet. The Group has five material sub-groups for which disclosure is required: Standard Chartered Bank, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank Korea Limited, Standard Chartered Bank (China) Limited, and Standard Chartered Bank (Singapore) Limited.

Table 8: Standard Chartered Bank – creditor ranking (TLAC2)

	30.06.26					
	Creditor ranking					
	1 $million	2 $million	2 $million	3 $million	4 $million	Total $million
Is the resolution entity the creditor/investor?	**No[1]**	**Yes**	**No**	**Yes**	**Yes**	
Description of creditor ranking	**Tertiary non-preferential debt – common shares**	**Tertiary non-preferential debt – AT1 cocos**	**Tertiary non-preferential debt – Tier 2 securities**	**Tertiary non-preferential debt – Tier 2 securities**	**Secondary non-preferential debt**	
Total capital and liabilities net of credit risk mitigation[2]	**20,597**	**7,304**	**291**	**8,869**	**9,914**	**46,975**
Of which: are excluded liabilities	**–**	**–**	**–**	**–**	**–**	**–**
Total capital and liabilities less excluded liabilities	**20,597**	**7,304**	**291**	**8,869**	**9,914**	**46,975**
Of which: are potentially eligible as TLAC	**20,597**	**7,304**	**291**	**8,869**	**9,914**	**46,975**
Of which: with 1 year ≤ residual maturity < 2 years	**–**	**–**	**–**	**–**	**2,607**	**2,607**
Of which: with 2 years ≤ residual maturity < 5 years	**–**	**–**	**291**	**–**	**4,364**	**4,655**
Of which: with 5 years ≤ residual maturity < 10 years	**–**	**–**	**–**	**4,000**	**2,943**	**6,943**
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	**–**	**–**	**–**	**4,119**	**–**	**4,119**
Of which: is perpetual securities	**20,597**	**7,304**	**–**	**750**	**–**	**28,651**

	31.12.25					
	Creditor ranking					
	1 $million	2 $million	2 $million	3 $million	4 $million	Total $million
Is the resolution entity the creditor/investor?	No[1]	Yes	No	Yes	Yes	
Description of creditor ranking	Tertiary non-preferential debt – common shares	Tertiary non-preferential debt – AT1 cocos	Tertiary non-preferential debt – Tier 2 securities	Tertiary non-preferential debt – Tier 2 securities	Secondary non-preferential debt	
Total capital and liabilities net of credit risk mitigation[2]	20,597	5,722	291	8,888	8,248	43,746
Of which: are excluded liabilities	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	20,597	5,722	291	8,888	8,248	43,746
Of which: are potentially eligible as TLAC	20,597	5,722	291	8,888	8,248	43,746
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	6,550	6,550
Of which: with 5 years ≤ residual maturity < 10 years	–	–	291	4,000	1,698	5,990
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	4,138	–	4,138
Of which: is perpetual securities	20,597	5,722	–	750	–	27,069

1. Held by Standard Chartered Holdings Limited
2. Excludes CET1 (except common shares)

Table 9: Standard Chartered Bank (Hong Kong) Limited – creditor ranking (TLAC2)

	30.06.26				
	Creditor ranking				
	1 $million	2 $million	3 $million	4 $million	Total $million
Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
Description of creditor ranking	Common Shares	Securities and preference shares qualifying as AT1	Dated subordinated notes qualifying as Tier 2	Loss absorbing non-preferred notes	
Total capital and liabilities net of credit risk mitigation[1]	8,291	3,900	2,839	4,389	19,420
Of which: are excluded liabilities	–	–	–	–	–
Total capital and liabilities less excluded liabilities	8,291	3,900	2,839	4,389	19,420
Of which: are potentially eligible as TLAC	8,291	3,900	2,839	4,389	19,420
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	1,250	1,250
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	1,000	1,000
Of which: with 5 years ≤ residual maturity < 10 years	–	–	2,139	1,139	3,278
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	700	1,000	1,700
Of which: is perpetual securities	8,291	3,900	–	–	12,191

	31.12.25				
	Creditor ranking				
	1 $million	2 $million	3 $million	4 $million	Total $million
Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
Description of creditor ranking	Common Shares	Securities and preference shares qualifying as AT1	Dated subordinated notes qualifying as Tier 2	Loss absorbing non-preferred notes	
Total capital and liabilities net of credit risk mitigation[1]	8,354	4,800	1,873	3,923	18,949
Of which: are excluded liabilities	–	–	–	–	–
Total capital and liabilities less excluded liabilities	8,354	4,800	1,873	3,923	18,949
Of which: are potentially eligible as TLAC	8,354	4,800	1,873	3,923	18,949
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	1,500	1,500
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	1,250	1,250
Of which: with 5 years ≤ residual maturity < 10 years	–	–	1,173	1,173	2,345
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	700	–	700
Of which: is perpetual securities	8,354	4,800	–	–	13,154

1. Excludes CET1 (except common shares)

Table 10: Standard Chartered Bank Korea Limited – creditor ranking (TLAC2)

	30.06.26			
	Creditor ranking			
	1	2	3	Total
	$million	$million	$million	$million
Is the resolution entity the creditor/investor?	No[1]	No[2]	No[3]	
Description of creditor ranking	Common Shares	Additional Tier 1 securities	Tier 2 securities	
Total capital and liabilities net of credit risk mitigation[4]	1,302	266	645	2,214
Of which: are excluded liabilities	–	–	–	–
Total capital and liabilities less excluded liabilities	1,302	266	645	2,214
Of which: are potentially eligible as TLAC	1,302	266	645	2,214
Of which: with 1 year ≤ residual maturity < 2 years	–	–	259	259
Of which: with 2 years ≤ residual maturity < 5 years	–	–	387	387
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	–
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–
Of which: is perpetual securities	1,302	266	–	1,568

	31.12.25			
	Creditor ranking			
	1	2	3	Total
	$million	$million	$million	$million
Is the resolution entity the creditor/investor?	No[1]	No[2]	No[3]	
Description of creditor ranking	Common Shares	Additional Tier 1 securities	Tier 2 securities	
Total capital and liabilities net of credit risk mitigation[4]	1,302	266	695	2,263
Of which: are excluded liabilities	–	–	–	–
Total capital and liabilities less excluded liabilities	1,302	266	695	2,263
Of which: are potentially eligible as TLAC	1,302	266	695	2,263
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	695	695
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	–
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–
Of which: is perpetual securities	1,302	266	–	1,568

1. Held by Standard Chartered NEA Limited
2. Held by Standard Chartered Bank (Hong Kong) Limited
3. Held by Standard Chartered Bank
4. Excludes CET1 (except common shares)

Table 11: Standard Chartered Bank (Singapore) Limited – creditor ranking (TLAC2)

	30.06.26					
	Creditor ranking					
	1	2	2	2	3	Total
	$million	$million	$million	$million	$million	$million
Is the resolution entity the creditor/investor?	No[1]	Yes	No[2]	No[2]	No[2]	
Description of creditor ranking	Common Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Capital Securities	Tier 2 Subordinated Notes	
Total capital and liabilities net of credit risk mitigation[3]	5,770	–	298	1,163	2,949	10,180
Of which: are excluded liabilities	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	5,770	–	298	1,163	2,949	10,180
Of which: are potentially eligible as TLAC	5,770	–	298	1,163	2,949	10,180
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	–	2,949	2,949
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–	–
Of which: is perpetual securities	5,770	–	298	1,163	–	7,231

	31.12.25					
	Creditor ranking					
	1	2	2	2	3	Total
	$million	$million	$million	$million	$million	$million
Is the resolution entity the creditor/investor?	No[1]	Yes	No[2]	No[2]	No[2]	
Description of creditor ranking	Common Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Capital Securities	Tier 2 Subordinated Notes	
Total capital and liabilities net of credit risk mitigation[3]	5,770	500	298	580	2,650	9,799
Of which: are excluded liabilities	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	5,770	500	298	580	2,650	9,799
Of which: are potentially eligible as TLAC	5,770	500	298	580	2,650	9,799
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	–	2,650	2,650
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–	–
Of which: is perpetual securities	5,770	500	298	580	–	7,149

1. Held by Standard Chartered Holdings (Singapore) Private Limited ($3,461 million), Standard Chartered Bank Malaysia Berhad ($1,273 million), Standard Chartered Bank Vietnam Limited ($333 million), and Standard Chartered Bank (Thai) PCL ($633 million)
2. Held by Standard Chartered Bank
3. Excludes CET1 (except common shares)

Table 12: Standard Chartered Bank (China) Limited – creditor ranking (TLAC2)

	30.06.26		
	Creditor ranking		
	1	2	Total
	$million	$million	$million
Is the resolution entity the creditor/investor?	**No[1]**	**Yes**	
Description of creditor ranking	**Common Shares**	**Tier 2 capital**	
Total capital and liabilities net of credit risk mitigation[2]	**1,446**	**884**	**2,330**
Of which: are excluded liabilities	**–**	**–**	**–**
Total capital and liabilities less excluded liabilities	**1,446**	**884**	**2,330**
Of which: are potentially eligible as TLAC	**1,446**	**884**	**2,330**
Of which: with 1 year ≤ residual maturity < 2 years	**–**	**–**	**–**
Of which: with 2 years ≤ residual maturity < 5 years	**–**	**–**	**–**
Of which: with 5 years ≤ residual maturity < 10 years	**–**	**–**	**–**
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	**–**	**884**	**884**
Of which: is perpetual securities	**1,446**	**–**	**1,446**

	31.12.25		
	Creditor ranking		
	1	2	Total
	$million	$million	$million
Is the resolution entity the creditor/investor?	No[1]	Yes	
Description of creditor ranking	Common Shares	Tier 2 capital	
Total capital and liabilities net of credit risk mitigation[2]	1,446	858	2,304
Of which: are excluded liabilities	–	–	–
Total capital and liabilities less excluded liabilities	1,446	858	2,304
Of which: are potentially eligible as TLAC	1,446	858	2,304
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	858	858
Of which: is perpetual securities	1,446	–	1,446

1. Held by Standard Chartered Bank (Hong Kong) Limited
2. Excludes CET1 (except common shares)

2.4 Countercyclical capital buffer

The Group's countercyclical capital buffer (CCyB) is calculated by applying the applicable country-specific CCyB rates to its qualifying credit exposures, based on the jurisdiction of the obligor, on a weighted average basis.

The Group's CCyB was 37 basis points at H1 2026, a decrease of 1 basis point from 31 December 2025.

Countries are included in the table if the relevant own funds requirements of that country exceed 1 per cent of the Group's total relevant own funds requirements for CCyB calculation purposes.

Table 13: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1)

	30.06.26												
	General credit exposures		Relevant credit exposures – Market risk				Own funds requirements						
Breakdown by country	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	%	%
Australia	287	3,460	438	–	612	4,797	120	31	10	161	2,014	1.2	1.0
Belgium	–	1,156	–	–	22	1,178	8	–	–	9	108	0.1	1.0
Chile	–	370	9	–	25	404	9	–	–	10	122	0.1	0.5
Croatia	–	2	–	–	1	3	–	–	–	–	2	0.0	1.5
Cyprus	40	130	–	–	–	170	5	–	–	5	64	0.0	1.5
Czech Republic	–	7	–	–	–	7	–	–	–	–	4	0.0	1.3
Denmark	10	896	–	–	193	1,099	11	–	3	14	179	0.1	2.5
France	46	3,744	122	–	1,051	4,963	92	8	17	117	1,458	0.9	1.0
Germany	106	6,094	150	–	1,364	7,714	109	6	22	137	1,713	1.0	0.8
Greece	1	433	–	–	–	434	5	–	–	5	59	0.0	0.3
Hong Kong	7,353	75,465	937	–	407	84,162	1,732	11	7	1,750	21,874	13.0	0.5
Hungary	–	228	279	–	–	507	11	1	–	12	144	0.1	1.0
Ireland	17	3,673	429	–	257	4,376	48	65	4	117	1,465	0.9	1.5
Korea	947	35,247	262	–	238	36,694	737	2	4	743	9,283	5.5	1.0
Lithuania	–	–	–	–	–	–	–	–	–	–	–	0.0	1.0
Luxembourg	258	6,684	–	–	673	7,615	162	3	11	176	2,195	1.3	0.5
Netherlands	53	1,827	45	–	763	2,688	86	–	12	99	1,232	0.7	2.0
Norway	–	300	4	–	328	632	11	–	5	17	214	0.1	2.5
Poland	28	219	5	–	4	256	10	–	–	11	132	0.1	1.0
Portugal	1	2	–	–	56	59	–	–	1	1	15	0.0	0.8
Romania	1	–	–	–	–	1	–	–	–	–	–	0.0	1.0
Saudi Arabia	283	2,879	4	–	22	3,188	71	4	–	75	940	0.6	1.0
Slovakia	–	4	–	–	–	4	–	–	–	–	–	0.0	1.5
Slovenia	–	–	–	–	–	–	–	–	–	–	–	0.0	1.0
South Africa	34	2,990	99	–	157	3,280	63	16	3	82	1,019	0.6	1.0
Spain	11	324	18	–	73	426	15	–	1	16	199	0.1	0.5
Sweden	3	1,196	–	–	286	1,485	31	–	5	36	445	0.3	2.0
United Kingdom	4,485	57,376	816	–	16,840	79,517	839	10	240	1,089	13,612	8.1	2.0
Other countries	40,642	240,842	32,396	–	12,399	326,280	7,697	841	204	8,737	109,243	65.1	0.0

Table 13: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1) continued

	31.12.25												
	General credit exposures		Relevant credit exposures – Market risk				Own funds requirements						
Breakdown by country	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	%	%
Armenia	–	–	–	–	–	–	–	–	–	–	–	0.0	1.5
Australia	251	3,212	468	–	289	4,220	96	36	4	136	1,701	1.1	1.0
Belgium	–	564	2	–	20	586	8	–	–	9	114	0.1	1.0
Bulgaria	–	–	–	–	–	–	–	–	–	–	–	0.0	2.0
Chile	–	206	106	–	7	319	6	4	–	10	120	0.1	0.5
Croatia	–	5	–	–	–	5	–	–	–	–	3	0.0	1.5
Cyprus	2	157	–	–	–	159	9	–	–	9	109	0.1	1.0
Czech Republic	–	–	6	–	–	6	–	1	–	1	18	0.0	1.3
Denmark	12	771	3	–	177	963	12	–	3	14	179	0.1	2.5
Estonia	–	–	4	–	–	4	–	–	–	–	–	0.0	1.5
France	51	3,302	378	–	1,035	4,766	75	21	16	112	1,403	0.9	1.0
Germany	69	5,549	390	–	1,475	7,483	102	26	22	150	1,871	1.2	0.8
Greece	1	471	7	–	–	479	6	1	–	6	80	0.0	0.3
Hong Kong	6,272	71,804	468	–	230	78,774	1,698	16	3	1,718	21,472	13.3	0.5
Hungary	–	238	201	–	–	439	12	1	–	12	153	0.1	1.0
Iceland	–	–	–	–	–	–	–	–	–	–	–	0.0	2.5
Ireland	30	3,628	1,023	–	176	4,857	54	82	3	139	1,739	1.1	1.5
Korea	868	34,843	1,302	–	178	37,191	736	11	3	749	9,367	5.8	1.0
Latvia	–	–	–	–	–	–	–	–	–	–	–	0.0	1.0
Lithuania	–	–	–	–	–	–	–	–	–	–	–	0.0	1.0
Luxembourg	267	7,241	101	–	379	7,988	144	7	6	157	1,959	1.2	0.5
Netherlands	2	2,039	66	–	769	2,876	109	4	12	125	1,560	1.0	2.0
Norway	–	386	7	–	305	698	13	–	5	18	227	0.1	2.5
Poland	30	173	10	–	–	213	9	–	–	9	110	0.1	1.0
Romania	1	–	–	–	–	1	–	–	–	–	–	0.0	1.0
Slovakia	1	5	–	–	–	6	–	–	–	–	2	0.0	1.5
Slovenia	–	–	7	–	–	7	–	1	–	1	10	0.0	1.0
Spain	9	251	59	–	60	379	12	4	1	17	217	0.1	0.5
Sweden	–	975	52	–	245	1,272	26	5	4	35	437	0.3	2.0
United Kingdom	4,366	46,594	1,444	–	16,522	68,926	820	42	240	1,102	13,773	8.5	2.0
Other countries	39,271	235,970	24,528	–	10,039	309,808	7,619	615	147	8,384	104,785	73.7	0.0

Table 14: Amount of institution-specific countercyclical capital buffer (UK CCyB2)

		30.06.26 $million	31.12.25 $million
1	Total risk exposure amount (see Table 15: Overview of RWA (UK OV1))	**261,451**	258,031
2	Institution specific countercyclical capital buffer rate	**0.37%**	0.38%
3	Institution specific countercyclical capital buffer requirement	**974**	982

2.5 Capital Requirements

Pillar 1 and Pillar 2A CET1 requirements and the Combined Buffer requirement together represent the Group's Maximum Distributable Amount threshold. The Group will be subject to restrictions on discretionary distributions if the CET1 ratio falls below this threshold. The Group expects to continue to operate with a prudent management buffer above this threshold.

The Group may be subject to a PRA buffer. The PRA buffer is a firm-specific buffer set by the PRA to help ensure that firms remain adequately capitalised during periods of stress. In setting the PRA buffer, the PRA considers results of Bank of England (BoE) stress tests and other relevant supervisory information. Information relating to any PRA buffer is confidential and is therefore not disclosed.

The table below presents the Group's RWA and Pillar 1 capital requirements (calculated as 8 per cent of RWA). Further information on credit RWAs can be found in:

- Table 31, which presents credit risk exposures under the IRB approach, including counterparty credit risk;
- Table 17, which presents RWA flow statements for credit risk exposures under the IRB approach, including securitisations ;
- Table 46, which presents exposures under the standardised approach, including amounts below the threshold for deduction; and;
- Section 4.2, which presents exposures subject to counterparty credit risk.

Table 15: Overview of risk weighted exposure amounts (UK OV1)

		30.06.26		31.03.26		31.12.25	
		Risk-weighted assets	Regulatory capital requirement[1]	Risk-weighted assets	Regulatory capital requirement[1]	Risk-weighted assets	Regulatory capital requirement[1]
		$million	$million	$million	$million	$million	$million
1	**Credit risk (excluding CCR)[2]**	**157,952**	**12,636**	160,857	12,869	159,477	12,758
2	Of which the standardised approach (Table 46)	**39,441**	**3,155**	37,518	3,001	37,456	2,996
4	Of which slotting approach	**5,899**	**472**	5,997	480	5,857	469
5	Of which the advanced IRB (AIRB) approach (Table 31)	**112,612**	**9,009**	117,342	9,387	116,164	9,293
6	**Counterparty credit risk – CCR[3]**	**24,422**	**1,954**	25,850	2,068	22,406	1,792
7	Of which the standardised approach	**5,947**	**476**	6,183	495	4,197	336
8	Of which internal model method (IMM)	**10,674**	**854**	10,949	876	10,667	853
UK 8a	Of which exposures to a CCP	**1,481**	**118**	1,641	131	1,322	106
UK 8b	Of which credit valuation adjustment – CVA (Table 64)	**1,919**	**154**	2,967	237	2,413	193
9	Of which other CCR	**4,401**	**352**	4,110	329	3,806	304
15	**Settlement risk**	**–**	**–**	–	–	–	–
16	**Securitisation exposures in the non-trading book**	**6,857**	**549**	6,105	488	5,867	469
17	Of which SEC-IRBA approach	**3,147**	**252**	2,692	215	2,779	222
18	Of which SEC-ERBA (including IAA)	**2,116**	**169**	2,163	173	2,059	165
19	Of which SEC-SA approach	**1,594**	**128**	1,250	100	1,029	82
UK 19a	Of which 1250%/deduction	**–**	**–**	–	–	–	–
20	**Position, foreign exchange and commodities risks (Market risk)**	**32,258**	**2,581**	33,643	2,691	30,663	2,453
21	Of which the standardised approach	**18,290**	**1,463**	17,577	1,406	17,156	1,372
22	Of which IMA	**13,968**	**1,117**	16,066	1,285	13,507	1,081
UK 22a	Large exposures		**–**	–	–	–	–
23	**Operational risk[4]**	**35,111**	**2,809**	35,111	2,809	35,223	2,818
25	Of which standardised approach	**35,111**	**2,809**	35,111	2,809	35,223	2,818
27	**Amounts below the thresholds for deduction (subject to 250% risk weight) (Table 45)**	**4,850**	**388**	4,619	370	4,395	352
28	**Floor Adjustment**	**–**	**–**	–	–	–	–
29	**Total**	**261,451**	**20,916**	266,186	21,295	258,031	20,642

1. The regulatory capital requirement is calculated as 8 per cent of the RWA, and represents the minimum total capital ratio in accordance with CRR Article 92 (1)
2. Credit risk (excluding counterparty credit risk) includes non-credit obligation assets
3. Counterparty credit risk includes assets which are assessed under IRB and SA
4. To calculate operational risk standardised risk-weighted assets, a regulatory defined beta co-efficient is applied to average gross income for the previous three years, across each of the eight business lines prescribed in the CRR

Total risk-weighted assets (RWA) of $261.5 billion increased $3.4 billion or 1 per cent in comparison to 31 December 2025:

- Credit risk RWA at $194.1 billion increased by $1.9billion as compared with 31 December 2025. The increase was driven by asset growth and mix of $8.9 billion primarily in CIB, and a $0.4 billion increase from model and asset quality changes. This was partly offset by a $2 billion reduction from currency translation and a $5.4 billion reduction resulting from continued optimisation initiatives.
- Operational risk RWA remains largely unchanged in comparison to 31 December 2025.
- Market risk RWA increased by $1.6 billion to $32.3 billion driven by higher Value-at-Risk $1.2 billion reflecting elevated market volatility during the period, and Specific Interest Rate Risk of $1.3 billion primarily from an increase in positions in the Credits and Rates businesses of $0.7 billion and $0.5 billion respectively. This was partially offset by Structural FX position of $0.9 billion due to increased hedging activity.

Table 16 shows the significant drivers of credit risk, market risk and operational risk RWA movements since 31 December 2025.

Table 16: Movement analysis for RWA

	Credit risk IRB $million	Credit risk SA $million	Credit risk Total [2] $million	Counterparty Credit risk $million	Total Credit & Counterparty Credit risk $million	Operational risk $million	Market risk $million	Total $million
As at 31 December 2025	126,859	42,880	169,739	22,406	192,145	35,223	30,663	258,031
Asset size[3]	1,033	987	2,020	3,680	5,700	–	–	5,700
Asset quality[3]	735	–	735	(94)	641	–	–	641
Model updates	835	–	835	–	835	–	(565)	270
Methodology and policy	–	–	–	–	–	–	–	–
Acquisitions and disposals	–	–	–	–	–	–	–	–
Foreign exchange movements	(1,268)	(479)	(1,747)	(142)	(1,889)	–	–	(1,889)
Other, including non-credit risk movements[1]	–	–	–	–	–	(112)	3,545	3,433
As at 31 March 2026	**128,194**	**43,388**	**171,582**	**25,850**	**197,432**	**35,111**	**33,643**	**266,186**
Asset size	**(3,366)**	**2,550**	**(816)**	**(1,338)**	**(2,154)**	**–**	**–**	**(2,154)**
Asset quality	**(139)**	**–**	**(139)**	**(70)**	**(209)**	**–**	**–**	**(209)**
Model updates	**(826)**	**–**	**(826)**	**–**	**(826)**	**–**	**–**	**(826)**
Methodology and policy	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisitions and disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Foreign exchange movements	**(90)**	**(51)**	**(141)**	**(20)**	**(161)**	**–**	**–**	**(161)**
Other, including non-credit risk movements[1]	**–**	**–**	**–**	**–**	**–**	**–**	**(1,385)**	**(1,385)**
As at 30 June 2026	**123,773**	**45,887**	**169,660**	**24,422**	**194,082**	**35,111**	**32,258**	**261,451**

1. RWA efficiencies are disclosed against 'Other, including non-credit risk movements'
2. See Table 15: Overview of risk weighted exposure amounts (UK OV1). To note that 'Securitisation exposures in the non-trading book', 'Settlement risk' and 'Amounts below the threshold for deduction (subject to 250% risk-weight)' are included in credit risk
3. The prior period comparatives have been represented to reflect movements in asset growth previously reflected within asset quality

Table 17 shows the significant drivers of credit risk, IRB RWA movements (excluding counterparty credit risk and standardised credit risk) since 31 December 2025.

Table 17: RWEA flow statements of credit risk exposures under the IRB approach (UK CR8)

		Risk-weighted assets $million	Regulatory capital requirement $million
	As at 31 December 2025	122,021	9,762
	Asset size[1]	1,016	81
	Asset quality[1]	735	59
	Model updates	835	67
	Methodology and policy	–	–
	Acquisitions and disposals	–	–
	Foreign exchange movements	(1,268)	(101)
	Other	–	–
1	As at 31 March 2026	123,339	9,867
2	Asset size	(3,783)	(303)
3	Asset quality	(138)	(11)
4	Model updates	(826)	(66)
5	Methodology and policy	–	–
6	Acquisitions and disposals	–	–
7	Foreign exchange movements	(81)	(6)
8	Other	–	–
9	**As at 30 June 2026**	**118,511**	**9,481**

1. The prior period comparatives have been represented to reflect movements in asset growth previously reflected within asset quality

IRB credit RWA decreased by $4.8 billion from 31 December 2025 driven by:

- $1.7 billion net decrease in asset size.
- $0.5 billion increase due to a deterioration in asset quality.
- $1.3 billion reduction from currency translation

Table 18 shows the significant drivers of credit counterparty risk under IMM RWA movements since 31 December 2025.

Table 18: RWEA flow statements of CCR exposures under the IMM (UK CCR7)

		Risk-weighted assets $million	Regulatory capital requirement $million
	As at 31 December 2025	10,667	853
	Asset size[2]	265	21
	Credit quality of counterparties[2]	(78)	(6)
	Model updates (IMM only)	–	–
	Methodology and policy (IMM only)	–	–
	Acquisitions and disposals	–	–
	Foreign exchange movements	95	8
	Other[1]	–	–
1	**As at 31 March 2026**	**10,949**	**876**
2	Asset size	(251)	(20)
3	Credit quality of counterparties	(16)	(1)
4	Model updates (IMM only)	–	–
5	Methodology and policy (IMM only)	–	–
6	Acquisitions and disposals	–	–
7	Foreign exchange movements	(8)	(1)
8	Other[1]	–	–
9	**As at 30 June 2026**	**10,674**	**854**

1. RWA efficiencies are disclosed against 'Other'
2. The prior period comparatives have been represented to reflect movements in asset growth previously reflected within asset quality

Table 19 shows the RWA flow statements of market risk RWA exposures under the Internal Model Approach (IMA) since 31 December 2025.

Table 19: RWA flow statements of market risk exposures under the IMA (UK MR2-B)

		VaR $million	SVaR $million	IRC $million	Comprehensive risk measure $million	Other[1] $million	Total RWAs $million	Total own funds requirements $million
	At 31 December 2025	2,572	6,399	–	–	4,536	13,507	1,081
	Regulatory adjustment	–	–	–	–	–	–	–
	RWAs post adjustment at 31 December 2025	2,572	6,399	–	–	4,536	13,507	1,081
	Movement in risk levels	436	2,276	–	–	412	3,124	250
	Model updates/changes	–	–	–	–	(565)	(565)	(45)
	Methodology and policy	–	–	–	–	–	–	–
	Acquisitions and disposals	–	–	–	–	–	–	–
	Foreign exchange movements	–	–	–	–	–	–	–
	Other	–	–	–	–	–	–	–
1	**At 31 March 2026**	**3,008**	**8,675**	**–**	**–**	**4,383**	**16,066**	**1,285**
1a	Regulatory adjustment	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1b	**RWAs post adjustment at 31 March 2026**	**3,008**	**8,675**	**–**	**–**	**4,383**	**16,066**	**1,285**
2	Movement in risk levels	**753**	**(2,832)**	**–**	**–**	**(19)**	**(2,098)**	**(168)**
3	Model updates/changes	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4	Methodology and policy	**–**	**–**	**–**	**–**	**–**	**–**	**–**
5	Acquisitions and disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**
6	Foreign exchange movements	**–**	**–**	**–**	**–**	**–**	**–**	**–**
7	Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**
8a	**At 30 June 2026**	**3,760**	**5,843**	**–**	**–**	**4,364**	**13,968**	**1,117**
8b	Regulatory adjustment							
8	**RWAs post adjustment at 30 June 2026**	**3,760**	**5,843**	**–**	**–**	**4,364**	**13,968**	**1,117**

1. Other IMA capital add-ons for market risks not fully captured in either VaR or SVar. More details on Risks not in VaR can be found in the Group's Half Year Report 2026 on page 71

2.6 Leverage ratio

UK banks are subject to a minimum leverage ratio of 3.25 per cent. In addition, firms may be subject to an Additional Leverage Ratio Buffer (ALRB) and a Countercyclical Leverage Ratio Buffer (CLRB). The ALRB is set at 35 per cent of the applicable G-SII buffer, while the CLRB is set at 35 per cent of the firm-specific countercyclical capital buffer.

At 30 June 2025, the Group's leverage ratio requirement, including applicable buffers, was 3.7 per cent, comprising:

i. A minimum requirement of 3.25 per cent
ii. An ALRB of 0.35 per cent
iii. A CLRB of 0.1 per cent

The leverage ratio was 1 basis points higher than FY 2025. Leverage exposure increased by $42.6 billion from the increase in Loans and advances and other assets of $47.4 billion, an increase in securities financing transaction and add-on of $9.8 billion, an increase in Derivatives including cash collateral of $6.6 billion, partly offset by an increase in claims on central banks of $10 billion, decrease in Off-balance sheet items of $7 billion, increase in unsettled regular way trades offset benefit of $4.2 billion. Tier 1 capital increased by $2.1 billion as CET1 capital increased by $0.6 billion and AT1 issuance of $1.5 billion during the period.

Table 20: Leverage ratio

	30.06.26 $million	31.03.26 $million	31.12.25 $million
Tier 1 capital (end point)	**46,088**	43,707	43,949
Leverage exposure	**980,765**	953,190	938,190
Leverage ratio	**4.7%**	4.6%	4.7%
Leverage exposure quarterly average	**977,419**	964,481	949,214
Leverage ratio quarterly average	**4.6%**	4.5%	4.6%
Countercyclical leverage ratio buffer	**0.1%**	0.1%	0.1%
G-SII additional leverage ratio buffer	**0.4%**	0.4%	0.4%

CRR leverage ratio

Table 21, 22 and 23 present the leverage ratio based on the UK CCR basis requirements.

Table 21: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1)

		30.06.26 $million	31.12.25 $million
1	Total assets as per published financial statements	**993,406**	919,955
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	**2,253**	2,192
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	**–**	–
4	(Adjustment for exemption of exposures to central banks)	**(104,705)**	(94,673)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	**–**	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	**(8,444)**	(4,254)
7	Adjustment for eligible cash pooling transactions	**–**	–
8	Adjustment for derivative financial instruments	**(231)**	8,839
9	Adjustment for securities financing transactions (SFTs)	**6,828**	6,715
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**110,336**	117,341
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	**(1,284)**	(1,291)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**–**	–
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	**–**	–
12	Other adjustments[1]	**(17,394)**	(16,634)
13	**Total exposure measure**	**980,765**	938,190

1. Other Adjustments include Cash Collateral posted ($(10,785) million), Tier 1 Capital deduction other than disclosed in above row 11 ($(6,755) million), DTA ($146 million)

Table 22: LRCom: Leverage ratio common disclosure (UK LR2)

		30.06.26 $million	31.12.25 $million
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**799,397**	756,185
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	**–**	–
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	**(10,785)**	(10,011)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	**–**	–
5	(General credit risk adjustments to on-balance sheet items)	**–**	–
6	(Asset amounts deducted in determining tier 1 capital (leverage))	**(8,039)**	(8,084)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**780,573**	738,090
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**22,821**	17,685
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	**–**	–
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**62,160**	59,656
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	**–**	–
UK-9b	Exposure determined under the original exposure method	**–**	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	**(5,555)**	(5,324)
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	**–**	–
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	**–**	–
11	Adjusted effective notional amount of written credit derivatives	**27,637**	24,572
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(25,069)**	(21,968)
13	**Total derivatives exposures**	**81,994**	74,621
	Securities financing transaction exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**174,705**	160,963
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(68,965)**	(64,868)
16	Counterparty credit risk exposure for SFT assets	**6,828**	6,715
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	**–**	–
17	Agent transaction exposures	**–**	–
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	**–**	–
18	**Total securities financing transaction exposures**	**112,567**	102,811
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	**448,021**	447,113
20	(Adjustments for conversion to credit equivalent amounts)	**(337,685)**	(329,772)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	**–**	–
22	**Off-balance sheet exposures**	**110,336**	117,341
	Excluded exposures		
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**–**	–
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	**–**	–
UK-22g	(Excluded excess collateral deposited at triparty agents)	**–**	–
UK-22k	**(Total exempted exposures)**	**–**	–
	Capital and total exposures		
23	Tier 1 capital (leverage)	**46,088**	43,949
24	Total exposure measure including claims on central banks	**1,085,470**	1,032,863
UK-24a	(-) Claims on central banks excluded	**(104,705)**	(94,673)

		30.06.26 $million	31.12.25 $million
UK-24b	**Total exposure measure excluding claims on central banks**	**980,765**	938,190
	Leverage ratio		
25	Leverage ratio excluding claims on central banks	**4.7%**	4.7%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks	**4.7%**	4.7%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied	**4.7%**	4.7%
UK-25c	Leverage ratio including claims on central banks	**4.2%**	4.3%
26	Regulatory minimum leverage ratio requirement	**3.3%**	3.3%
	Additional leverage ratio disclosure requirements – leverage ratio buffers		
27	Leverage ratio buffer	**0.5%**	0.5%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer	**0.4%**	0.4%
UK-27b	Of which: countercyclical leverage ratio buffer	**0.1%**	0.1%
	Additional leverage ratio disclosure requirements – disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	**101,896**	100,155
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	**105,739**	96,096
UK-31	Average total exposure measure including claims on central banks	**1,070,385**	1,042,790
UK-32	Average total exposure measure excluding claims on central banks	**977,419**	949,214
UK-33	Average leverage ratio including claims on central banks	**4.2%**	4.2%
UK-34	Average leverage ratio excluding claims on central banks	**4.6%**	4.6%

Table 23: LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3)

		30.06.26 $million	31.12.25 $million
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**788,612**	746,174
UK-2	Trading book exposures	**160,637**	125,923
UK-3	Banking book exposures, of which:	**627,975**	620,251
UK-4	Covered bonds	**4,443**	3,056
UK-5	Exposures treated as sovereigns	**221,984**	228,715
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	**20,100**	17,098
UK-7	Institutions	**48,582**	48,577
UK-8	Secured by mortgages of immovable properties	**89,101**	88,624
UK-9	Retail exposures	**27,396**	28,307
UK-10	Corporates	**154,284**	146,503
UK-11	Exposures in default	**5,832**	6,658
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	**56,254**	52,713

3. Credit risk

3.1 Credit risk quality

Credit risk EAD is based on the current outstanding exposure and accrued interest and fees, which are recognised in the Group's balance sheet in accordance with IFRS, plus a proportion of any undrawn facility. For standardised EAD, the proportion of any undrawn facility included is dependent on the facility type and tenor, and for IRB exposure classes this proportion is modelled.

Tables 24 to 30 depict past-due exposures, broken down by past-due bands and provide further information on non-performing and forborne exposures, as defined in the CRR, as well as by geography and industry.

Table 24: Performing and non-performing exposures and related provisions (UK CR1)

		30.06.26														
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			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	Accumulated partial write-off	On performing exposures	On non-performing exposures
		$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
005	Cash balances at central banks and other demand deposits	89,395	88,940	455	599	–	599	–	–	–	(2)	–	(2)	–	–	–
010	Loans and advances	433,417	419,027	14,390	5,785	–	5,785	(1,013)	(524)	(489)	(3,138)	–	(3,138)	(4,905)	138,189	980
020	Central banks	17,820	17,253	567	–	–	–	(1)	(1)	–	–	–	–	–	872	–
030	General governments	7,216	6,484	732	720	–	720	(28)	(8)	(20)	(56)	–	(56)	(6)	1,220	–
040	Credit institutions	87,574	87,198	376	71	–	71	(3)	(3)	–	(10)	–	(10)	(27)	4,760	–
050	Other financial corporations	84,660	83,786	874	196	–	196	(21)	(13)	(8)	(53)	–	(53)	(342)	9,775	0
060	Non-financial corporations	111,930	101,513	10,417	3,438	–	3,438	(618)	(263)	(355)	(2,353)	–	(2,353)	(4,527)	22,790	305
070	Of which SMEs	9,002	8,755	247	631	–	631	(99)	(91)	(8)	(391)	–	(391)	–	1,422	71
080	Households	124,217	122,793	1,424	1,360	–	1,360	(342)	(236)	(106)	(666)	–	(666)	(3)	98,772	675
090	Debt securities	158,178	155,136	3,042	302	–	302	(66)	(62)	(4)	(4)	–	(0)	–	–	–
100	Central banks	30,562	28,836	1,726	285	–	285	(13)	(11)	(2)	(4)	–	–	–	–	–
110	General governments	75,918	74,900	1,018	–	–	–	(20)	(19)	(1)	–	–	–	–	–	–
120	Credit institutions	31,040	30,955	85	0	–	–	(4)	(4)	–	–	–	–	–	–	–
130	Other financial corporations	19,068	19,011	57	–	–	–	(28)	(27)	(1)	–	–	–	–	–	–
140	Non-financial corporations	1,590	1,434	156	17	–	17	(1)	(1)	(0)	(0)	–	(0)	–	–	–
150	Off-balance-sheet exposures	324,841	318,577	6,264	523	–	523	(189)	(127)	(62)	(107)	–	(107)	–	8,352	82
160	Central banks	266	262	4	–	–	–	(0)	(0)	(0)	–	–	–	–	–	–
170	General governments	3,535	3,171	364	10	–	10	(3)	(1)	(2)	(0)	–	(0)	–	529	9
180	Credit institutions	18,486	18,177	309	1	–	1	(2)	(2)	(0)	(0)	–	(0)	–	411	–
190	Other financial corporations	88,724	88,555	169	1	–	1	(6)	(5)	(1)	(0)	–	(0)	–	706	0
200	Non-financial corporations	145,643	140,251	5,392	509	–	509	(168)	(111)	(57)	(107)	–	(107)	–	6,622	73
210	Households	68,187	68,161	26	2	–	2	(10)	(8)	(2)	(0)	–	(0)	–	84	0
220	Total	1,005,831	981,680	24,151	7,209	–	7,208	(1,268)	(713)	(555)	(3,251)	–	(3,247)	(4,905)	146,541	1,062

Table 24: Performing and non-performing exposures and related provisions (UK CR1) continued

		31.12.25														
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			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	Accumulated partial write-off	On performing exposures	On non-performing exposures
		$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
005	Cash balances at central banks and other demand deposits	79,728	79,256	472	773	–	773	(1)	–	(1)	(9)	–	(9)	–	–	–
010	Loans and advances	410,810	400,732	10,078	6,053	–	6,053	(981)	(534)	(447)	(3,094)	–	(3,094)	(4,883)	138,866	995
020	Central banks	14,895	14,895	–	–	–	–	–	–	–	–	–	–	–	535	–
030	General governments	5,555	5,435	120	855	–	855	(3)	(3)	–	(37)	–	(37)	(6)	1,505	–
040	Credit institutions	82,376	82,190	186	76	–	76	(3)	(3)	–	(10)	–	(10)	(27)	4,313	–
050	Other financial corporations	80,141	79,208	933	204	–	204	(26)	(10)	(16)	(68)	–	(68)	(328)	10,912	–
060	Non-financial corporations	106,236	99,084	7,152	3,673	–	3,673	(511)	(193)	(318)	(2,622)	–	(2,622)	(4,520)	23,524	340
070	Of which SMEs	9,548	9,170	378	660	–	660	(93)	(84)	(9)	(414)	–	(414)	–	2,230	6
080	Households	121,608	119,920	1,688	1,245	–	1,245	(438)	(325)	(113)	(357)	–	(356)	(3)	98,078	655
090	Debt securities	168,552	167,350	1,202	301	–	301	(60)	(55)	(5)	(5)	–	(5)	–	730	–
100	Central banks	23,762	23,760	2	283	–	283	(15)	(15)	–	(5)	–	(5)	–	5	–
110	General governments	92,761	91,919	842	–	–	–	(23)	(22)	(1)	–	–	–	–	423	–
120	Credit institutions	30,782	30,678	104	–	–	–	(8)	(7)	(1)	–	–	–	–	220	–
130	Other financial corporations	20,010	19,815	195	–	–	–	(12)	(10)	(2)	–	–	–	–	5	–
140	Non-financial corporations	1,237	1,178	59	18	–	18	(1)	(1)	–	–	–	–	–	77	–
150	Off-balance-sheet exposures	312,840	307,121	5,719	596	–	596	(124)	(75)	(49)	(100)	–	(100)		6,672	56
160	Central banks	580	580	–	–	–	–	–	–	–	–	–	–		–	–
170	General governments	5,197	5,165	32	–	–	–	(4)	(2)	(2)	–	–	–		568	–
180	Credit institutions	14,774	14,548	226	9	–	9	(2)	(2)	–	–	–	–		185	–
190	Other financial corporations	82,367	81,250	1,117	1	–	1	(7)	(5)	(1)	–	–	–		437	–
200	Non-financial corporations	139,345	135,121	4,224	582	–	582	(98)	(56)	(43)	(100)	–	(100)		5,350	57
210	Households	70,577	70,457	120	4	–	4	(13)	(9)	(3)	–	–	–		132	–
220	**Total**	971,930	954,458	17,472	7,723	–	7,723	(1,166)	(664)	(502)	(3,208)	–	(3,208)	(4,883)	146,267	1,052

Table 25: Maturity of exposures (UK CR1-A)

		30.06.26					
		Net exposure value					
		On demand $million	<= 1 year $million	> 1 year <= 5 years $million	> 5 years $million	No stated maturity $million	Total $million
1	Loans and advances	**20,444**	**232,170**	**94,288**	**105,440**	**–**	**452,342**
2	Debt securities	**615**	**109,694**	**81,650**	**70,330**	**–**	**262,289**
3	**Total**	**21,059**	**341,864**	**175,938**	**175,770**	**–**	**714,631**
		31.12.25					
		Net exposure value					
		On demand $million	<= 1 year $million	> 1 year <= 5 years $million	> 5 years $million	No stated maturity $million	Total $million
1	Loans and advances	13,653	224,952	86,751	104,802	–	430,158
2	Debt securities	111	108,429	83,109	60,808	–	252,457
3	**Total**	13,764	333,381	169,860	165,610	–	682,615

Table 26: Changes in the stock of non-performing loans and advances (UK CR2)

		30.06.26	31.12.25
		Gross carrying amount $million	Gross carrying amount $million
010	**Initial stock of non-performing loans and advances**	**6,053**	6,286
020	Inflows to non-performing portfolios	**1,259**	3,509
030	Outflows from non-performing portfolios	**(1,527)**	(3,742)
040	Outflows due to write-offs	**(389)**	(1,718)
050	Outflow due to other situations	**(1,138)**	(2,023)
060	**Final stock of non-performing loans and advances**	**5,785**	6,053

Table 27: Credit quality of forborne exposures (UK CQ1)

		30.06.26							
		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	
			Non-performing forborne						
		Performing forborne		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
		$million	$million	$million	$million	$million	$million	$million	$million
005	Cash balances at central banks and other demand deposits	–	–	–	–	–	–	–	–
010	Loans and advances	497	1,693	1,693	1,693	(97)	(910)	291	233
020	Central banks	–	–	–	–	–	–	–	–
030	General governments	–	23	23	23	–	(1)	–	–
040	Credit institutions	–	–	–	–	–	–	–	–
050	Other financial corporations	48	131	131	131	–	(34)	18	18
060	Non-financial corporations	408	1,281	1,281	1,281	(97)	(766)	224	193
070	Households	41	258	258	258	–	(109)	49	22
080	Debt Securities	–	–	–	–	–	–	–	–
090	Loan commitments given	–	–	–	–	–	–	–	–
100	Total	497	1,693	1,693	1,693	(97)	(910)	291	233

		31.12.25							
		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	
			Non-performing forborne						
		Performing forborne		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
		$million	$million	$million	$million	$million	$million	$million	$million
005	Cash balances at central banks and other demand deposits	–	–	–	–	–	–	–	–
010	Loans and advances	356	1,606	1,606	1,606	(68)	(873)	244	203
020	Central banks	–	–	–	–	–	–	–	–
030	General governments	–	27	27	27	–	(1)	–	–
040	Credit institutions	–	–	–	–	–	–	–	–
050	Other financial corporations	48	35	35	35	–	(30)	–	–
060	Non-financial corporations	264	1,284	1,284	1,284	(67)	(744)	194	182
070	Households	44	259	259	259	–	(98)	49	21
080	Debt Securities	–	–	–	–	–	–	–	–
090	Loan commitments given	–	–	–	–	–	–	–	–
100	Total	356	1,606	1,606	1,606	(68)	(873)	244	203

Table 28: Credit quality of performing and non-performing exposures by past due days (UK CQ3)

		30.06.26 Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
		$million	Not past due or past due ≤ 30 days $million	Past due > 30 days ≤ 90 days $million	$million	Unlikely to pay that are not past due or are past due ≤ 90 days $million	Past due > 90 days ≤ 180 days $million	Past due > 180 days ≤ 1 year $million	Past due > 1 year ≤ 2 years $million	Past due > 2 years ≤ 5 years $million	Past due > 5 years ≤ 7 years $million	Past due > 7 years $million	Of which defaulted $million
005	Cash balances at central banks and other demand deposits	89,395	89,395	–	599	599	–	–	–	–	–	–	599
010	Loans and advances	433,417	432,981	436	5,785	2,259	1,046	66	231	714	530	939	5,785
020	Central banks	17,820	17,820	–	–	–	–	–	–	–	–	–	–
030	General governments	7,216	7,216	–	720	139	519	–	1	23	38	–	720
040	Credit institutions	87,574	87,574	–	71	33	33	–	–	5	0	–	71
050	Other financial corporations	84,660	84,652	8	196	66	–	19	34	29	48	–	196
060	Non-financial corporations	111,930	111,778	152	3,438	1,577	–	–	130	602	440	689	3,438
070	Of which SMEs	9,002	8,964	38	631	199	–	–	105	128	34	165	631
080	Households	124,217	123,941	276	1,360	444	494	47	66	55	4	250	1,360
090	Debt securities	158,178	158,178	–	302	302	–	–	–	–	–	–	17
100	Central banks	30,562	30,562	–	285	285	–	–	–	–	–	–	–
110	General governments	75,918	75,918	–	–	–	–	–	–	–	–	–	–
120	Credit institutions	31,040	31,040	–	0	0	–	–	–	–	–	–	–
130	Other financial corporations	19,068	19,068	–	–	–	–	–	–	–	–	–	–
140	Non-financial corporations	1,590	1,590	–	17	17	–	–	–	–	–	–	17
150	Off-balance-sheet exposures	324,841	–	–	523	–	–	–	–	–	–	–	523
160	Central banks	266	–	–	–	–	–	–	–	–	–	–	–
170	General governments	3,535	–	–	10	–	–	–	–	–	–	–	10
180	Credit institutions	18,486	–	–	1	–	–	–	–	–	–	–	1
190	Other financial corporations	88,724	–	–	1	–	–	–	–	–	–	–	1
200	Non-financial corporations	145,643	–	–	509	–	–	–	–	–	–	–	509
210	Households	68,187	–	–	2	–	–	–	–	–	–	–	2
220	Total	1,005,831	680,554	436	7,209	3,160	1,046	65	232	714	530	939	6,924

Table 28: Credit quality of performing and non-performing exposures by past due days (UK CQ3) continued

		31.12.25											
		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 are 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
		$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
005	Cash balances at central banks and other demand deposits	79,728	79,728	–	773	773	–	–	–	–	–	–	773
010	Loans and advances	410,810	410,168	641	6,053	3,017	689	132	470	520	488	738	6,053
020	Central banks	14,895	14,895	–	–	–	–	–	–	–	–	–	–
030	General governments	5,555	5,555	–	855	794	–	–	1	23	37	–	855
040	Credit institutions	82,376	82,372	4	76	34	42	–	–	–	–	–	76
050	Other financial corporations	80,141	80,042	99	204	139	–	–	–	50	–	15	204
060	Non-financial corporations	106,236	105,992	244	3,673	1,623	–	83	402	400	446	719	3,673
070	Of which SMEs	9,548	9,511	37	660	227	–	83	80	75	35	161	660
080	Households	121,608	121,314	294	1,245	427	647	49	66	46	6	4	1,245
090	Debt securities	168,552	168,552	–	301	301	–	–	–	–	–	–	18
100	Central banks	23,762	23,762	–	283	283	–	–	–	–	–	–	–
110	General governments	92,761	92,761	–	–	–	–	–	–	–	–	–	–
120	Credit institutions	30,783	30,783	–	–	–	–	–	–	–	–	–	–
130	Other financial corporations	20,010	20,010	–	–	–	–	–	–	–	–	–	–
140	Non-financial corporations	1,237	1,237	–	18	18	–	–	–	–	–	–	18
150	Off-balance-sheet exposures	312,840			596								596
160	Central banks	580			–								–
170	General governments	5,197			–								–
180	Credit institutions	14,774			9								9
190	Other financial corporations	82,367			1								1
200	Non-financial corporations	139,345			582								582
210	Households	70,577			4								4
220	**Total**	971,930	658,448	641	7,723	4,090	689	132	470	520	488	738	7,440

Tables 29 and 30 break down defaulted and non-defaulted exposures by exposure class, as defined in the CRR, and by geography and industry.

Table 29: Quality of non-performing exposures by geography (UK CQ4)

		30.06.26						
		Gross carrying amount						
			Of which non-performing					
				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		$million	$million	$million	$million	$million	$million	$million
010	**On-balance-sheet exposures**	687,676		6,401		**(4,223)**		–
020	Hong Kong	88,300		450		**(592)**		–
030	Korea	48,646		342		**(258)**		–
040	Singapore	72,576		530		**(578)**		–
050	United States	107,982		38		**(56)**		–
060	Other countries	370,172		5,041		**(2,739)**		–
080	**Off-balance-sheet exposures**	325,364		523		–	**(296)**	
120	Great Britain	29,970		0		–	**(11)**	
130	Hong Kong	37,132		0		–	**(17)**	
140	Singapore	47,237		2		–	**(12)**	
150	United States	83,956		–		–	**(23)**	
200	Other countries	127,069		521		–	**(233)**	
210	**Total**	1,013,040		6,924		**(4,223)**	**(296)**	–

		31.12.25						
		Gross carrying amount						
			Of which non-performing					
				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		$million	$million	$million	$million	$million	$million	$million
010	**On-balance-sheet exposures**	666,218		6,844		(4,151)		–
020	Hong Kong	79,750		418		(573)		–
030	Korea	47,152		314		(248)		–
040	Singapore	77,747		492		(545)		–
050	United States	99,654		107		(71)		–
060	Other countries	361,915		5,512		(2,715)		–
110	**Off-balance-sheet exposures**	313,436		596			(224)	
120	United Kingdom	33,056		2			(9)	
130	Hong Kong	44,243		–			(25)	
140	Singapore	45,310		2			(8)	
150	United States	72,037		11			(18)	
200	Other countries	118,790		581			(164)	
210	**Total**	979,654		7,440		(4,151)	(224)	–

Table 30: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5)

		30.06.26					
		Gross carrying amount					
			Of which non-performing				
				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		$million	$million	$million	$million	$million	$million
005	Cash balances at central banks and other demand deposits	89,994		599		(2)	–
010	Agriculture, forestry and fishing	622		54		(14)	–
020	Mining and quarrying	4,273		30		(11)	–
030	Manufacturing	30,164		1,048		(967)	–
040	Electricity, gas, steam and air conditioning supply	10,918		226		(53)	–
050	Water supply	305		0		(3)	–
060	Construction	2,062		59		(56)	–
070	Wholesale and retail trade	23,423		759		(298)	–
080	Transport and storage	8,586		86		(34)	–
090	Accommodation and food service activities	3,916		155		(88)	–
100	Information and communication	5,099		74		(38)	–
110	Financial and insurance activities	399		31		(2)	–
120	Real estate activities	15,318		548		(331)	–
130	Professional, scientific and technical activities	812		7		(1)	–
140	Administrative and support service activities	952		5		(6)	–
150	Public administration and defence, compulsory social security	0		–		–	–
160	Education	160		0		(0)	–
170	Human health services and social work activities	591		1		(0)	–
180	Arts, entertainment and recreation	236		14		(10)	–
190	Other services	7,533		341		(1,058)	–
200	Total	115,368		3,438		(2,970)	–
210	Households	125,577		1,360		(1,008)	–
220	**Total**	330,939		5,397		(3,980)	–

Table 30: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5) continued

		31.12.25					
		Gross carrying amount					
			Of which non-performing				
				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		$million	$million	$million	$million	$million	$million
005	Cash balances at central banks and other demand deposits	80,501		773		(10)	–
010	Agriculture, forestry and fishing	804		28		(29)	–
020	Mining and quarrying	4,175		32		(25)	–
030	Manufacturing	32,175		1,149		(1,188)	–
040	Electricity, gas, steam and air conditioning supply	9,714		269		(87)	–
050	Water supply	296		–		(2)	–
060	Construction	1,550		66		(76)	–
070	Wholesale and retail trade	22,754		786		(602)	–
080	Transport and storage	7,000		107		(46)	–
090	Accommodation and food service activities	1,882		111		(67)	–
100	Information and communication	4,374		53		(90)	–
110	Financial and insurance activities	284		36		(1)	–
120	Real estate activities	15,540		691		(636)	–
130	Professional, scientific and technical activities	697		7		(8)	–
140	Administrative and support service activities	778		5		(7)	–
150	Public administration and defence, compulsory social security	–		–		–	–
160	Education	151		11		–	–
170	Human health services and social work activities	508		–		–	–
180	Arts, entertainment and recreation	241		1		–	–
190	Other services	6,986		319		(271)	–
200	Total	109,909		3,673		(3,133)	–
210	Households	122,853		1,245		(795)	–
220	**Total**	313,263		5,691		(3,938)	–

3.2 Risk grade profile

Table 31 sets out credit and counterparty risk EAD within the IRB portfolios by regulatory exposure classes. EAD has been calculated after taking into account the impact of credit risk mitigation. Where an exposure is guaranteed or covered by credit derivatives, it is shown against the exposure class of the guarantor or derivative issuer. A further split of the major exposure classes by credit grade can be seen in Tables 32 to 43.

IRB credit risk excluding counterparty credit risk EAD decreased by $2.3 billion and RWA decreased by $3.6billion (Tables 32 to 43):

- Central governments and central banks EAD decreased by $11.9 billion and RWA by $3.8billion
- Institutions EAD increased by $1.5 billion and RWA decreased by $0.2billion
- Corporates EAD increased by $11.0 billion and RWA by $2.5billion
- Retail EAD decreased by $2.9 billion and RWA by $2.1billion

Table 31: IRB – Credit risk exposure by exposure class

	30.06.26											
	Original on-balance sheet gross exposure $million	Off-balance sheet exposure pre CCF $million	Average CCF %	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2] thousands	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %	Expected loss $million	Value adjustments and provisions $million
IRB Exposure Class												
Central governments or central banks	167,678	4,392	23	162,514	0.29	0.1	45	1.14	17,557	11	133	(93)
Institutions	58,750	21,784	64	71,105	0.37	1.4	32	0.97	11,956	17	47	(10)
Corporates	110,458	291,067	28	214,579	1.74	19.9	38	1.43	67,101	31	2,441	(2,406)
Other	89,194	270,395	28	192,943	1.34	15.9	40	1.32	59,405	31	1,669	(1,613)
Of which Specialised lending	18,865	18,349	32	18,837	4.20	0.9	23	2.60	6,381	34	516	(557)
Of which SME	2,399	2,323	20	2,799	13.40	3.0	31	1.32	1,315	47	256	(236)
Retail	86,508	30,311	45	99,288	1.39	2,677.7	29		15,992	16	633	(353)
Of which secured by real estate	74,861	2,934	62	76,683	0.68	296.1	14		5,936	8	90	(44)
• SME	319	33	50	336	4.40	1.8	7		17	5	1	(1)
• Non SME	74,542	2,901	62	76,347	0.67	294.3	14		5,919	8	89	(43)
Of which qualifying revolving retail	4,575	21,385	45	14,160	2.38	2,083.5	84		4,584	32	233	(128)
Of which other retail	7,072	5,992	35	8,445	6.70	298.1	66		5,472	65	310	(181)
• SME	2,128	2,111	4	2,072	10.79	21.3	47		1,154	56	119	(88)
• Non SME	4,944	3,881	52	6,373	4.74	276.8	75		4,318	68	191	(93)
Non-credit obligation assets[5]	–	–	–	–	–				–	–		–
Total IRB[4]	423,394	347,554	41	547,486	1.78	2,699.0	46	1.47	112,606	21	3,254	(2,862)

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties for central governments or central banks, institutions and corporates and on individual pools of clients for retail
3. Corporates of which specialised lending includes exposures for specialised lending subject to supervisory slotting criteria
4. Refer to Table 15 (OV1) for RWA
5. The non credit obligation number has been restated

Table 31: IRB – Credit risk exposure by exposure class continued

	31.12.25											
	Original on-balance sheet gross exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
IRB Exposure Class												
Central governments or central banks	179,125	5,238	22	174,443	0.42	0.2	45	1.21	21,328	12	144	(96)
Institutions	57,686	21,704	65	69,637	0.34	1.2	32	0.91	12,143	17	47	(9)
Corporates	109,300	289,087	25	203,590	2.05	19.9	39	1.45	64,608	32	2,721	(2,783)
Other	89,096	270,291	25	183,197	1.64	15.7	40	1.36	58,559	32	1,954	(1,997)
Of which Specialised lending[3]	17,767	16,624	29	17,576	4.46	0.8	24	2.51	4,811	27	508	(540)
Of which SME	2,437	2,172	22	2,817	13.83	3.4	29	1.28	1,238	44	259	(246)
Retail	87,983	32,274	47	102,148	1.47	3,027.6	31		18,080	18	745	(401)
Of which secured by real estate	74,370	2,299	99	76,647	0.66	295.3	15		5,800	8	103	(46)
• SME	341	49	51	366	4.39	2.0	6		17	5	2	(2)
• Non SME	74,029	2,250	100	76,281	0.64	293.3	15		5,783	8	101	(44)
Of which qualifying revolving retail	4,494	23,446	45	15,023	2.35	2,320.5	84		4,691	31	242	(129)
Of which other retail	9,119	6,529	34	10,478	6.47	411.8	69		7,589	72	400	(226)
• SME	2,178	1,991	5	2,119	10.48	22.2	47		1,197	56	120	(68)
• Non SME	6,941	4,538	47	8,359	5.01	389.6	77		6,392	76	280	(158)
Non-credit obligation assets[5]	–	–	–	–	–				–	–		–
Total IRB[4]	434,094	348,303	38	549,818	2.06	3,048.9	46	1.46	116,159	21	3,657	(3,289)

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties for central governments or central banks, institutions and corporates and on individual pools of clients for retail
3. Corporates of which specialised lending includes exposures for specialised lending subject to supervisory slotting criteria
4. Refer to Table 15 (OV1) for RWA
5. The non credit obligation number has been restated

Table 32: IRB approach – Credit risk exposures by exposure class and PD range for central governments or central banks (UK CR6)

	30.06.26											
PD range %	Original on-balance sheet exposure $million	Off-balance sheet exposure pre CCF $million	Average CCF %	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2] thousands	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %	Expected loss $million	Value adjustments and provisions $million
0.00 to <0.15	155,477	2,244	8	158,473	0.03	0.1	45	1.15	12,585	8	19	(20)
0.00 to <0.10	148,545	1,925	7	151,593	0.02	0.1	45	1.11	10,311	7	15	(13)
0.10 to <0.15	6,932	319	14	6,880	0.13	–	43	1.85	2,274	33	4	(6)
0.15 to <0.25	672	248	29	404	0.22	–	43	0.51	112	28	–	–
0.25 to <0.50	315	–	–	198	0.39	–	45	1.19	100	51	–	–
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	–
0.75 to <2.50	3,963	312	39	1,384	1.25	–	44	0.93	1,073	78	8	(7)
0.75 to <1.75	2,375	306	39	1,022	0.98	–	43	0.97	713	70	4	(3)
1.75 to <2.5	1,588	5	–	361	2.03	–	45	0.81	360	100	3	(4)
2.50 to <10.00	4,964	1,126	41	1,429	4.16	–	43	0.89	1,807	126	26	(18)
2.5 to <5	3,923	876	50	1,215	3.49	–	44	0.96	1,457	120	19	(11)
5 to <10	1,041	251	12	214	–	–	–	–	350	164	8	(8)
10.00 to <100.00	854	448	37	324	13.21	–	45	0.82	664	205	19	(1)
10 to <20	854	448	37	324	13.21	–	45	0.82	664	205	19	(1)
20 to <30	–	–	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
100.00 (Default)	1,433	14	–	302	100.00	–	40	0.86	1,216	403	61	(47)
Total	167,678	4,392	23	162,514	0.29	0.1	45	1.14	17,557	11	133	(93)

	31.12.25											
PD range %	Original on-balance sheet exposure $million	Off-balance sheet exposure pre CCF $million	Average CCF %	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2] thousands	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %	Expected loss $million	Value adjustments and provisions $million
0.00 to <0.15	166,224	2,582	13	169,733	0.03	0.1	45	1.22	14,696	9	22	(16)
0.00 to <0.10	156,781	1,980	8	160,482	0.02	0.1	45	1.17	11,522	7	16	(12)
0.10 to <0.15	9,442	602	28	9,251	0.13	–	43	2.01	3,174	34	5	(4)
0.15 to <0.25	612	4	100	282	0.22	–	45	1.02	95	34	–	–
0.25 to <0.50	215	54	17	124	0.39	–	44	1.00	62	50	–	–
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	–
0.75 to <2.50	5,494	333	21	2,434	1.62	–	44	0.88	2,130	88	17	(8)
0.75 to <1.75	2,598	318	21	980	1.00	–	43	1.31	734	75	4	(2)
1.75 to <2.5	2,897	15	32	1,453	2.03	–	45	0.59	1,395	96	13	(6)
2.50 to <10.00	4,463	2,190	33	1,143	4.83	–	43	1.10	1,515	133	23	(9)
2.5 to <5	3,187	1,535	43	821	4	–	45	1.31	1,050	128	13	(7)
5 to <10	1,276	655	9	322	8	–	36	0.56	465	144	10	(2)
10.00 to <100.00	414	–	–	161	10.54	–	45	0.11	289	180	8	(1)
10 to <20	414	–	–	161	10.54	–	45	0.11	289	180	8	(1)
20 to <30	–	–	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
100.00 (Default)	1,703	75	–	566	100.00	0.1	43	1.00	2,541	449	74	(62)
Total	179,125	5,238	22	174,443	0.42	0.2	45	1.21	21,328	12	144	(96)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 33: IRB approach – Credit risk exposures by exposure class and PD range for institutions (UK CR6)

PD range	30.06.26											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	41,668	15,724	58	56,755	0.05	0.7	36	1.03	6,245	11	10	(8)
0.00 to <0.10	37,939	14,755	58	52,509	0.04	0.5	36	1.06	5,280	10	8	(7)
0.10 to <0.15	3,729	969	61	4,247	0.13	0.1	32	0.74	964	23	2	–
0.15 to <0.25	1,041	852	66	1,490	0.22	0.1	29	0.50	373	25	1	–
0.25 to <0.50	326	608	79	556	0.39	0.1	15	0.44	118	21	–	–
0.50 to <0.75	7,209	1,338	82	6,281	0.52	0.1	11	0.93	1,236	20	4	–
0.75 to <2.50	4,970	1,234	80	2,853	1.27	0.2	31	0.89	2,266	79	11	–
0.75 to <1.75	4,566	993	76	2,442	1.15	0.1	32	0.96	2,019	83	9	–
1.75 to <2.5	404	241	94	411	2.03	–	19	0.47	247	60	2	–
2.50 to <10.00	3,237	1,434	99	2,873	3.55	0.2	14	0.35	1,375	48	13	(1)
2.5 to <5	3,053	1,273	99	2,692	3.26	0.1	14	0.36	1,305	48	12	(1)
5 to <10	184	161	100	181	7.82	–	8	0.20	69	38	1	–
10.00 to <100.00	231	591	40	276	13.78	–	18	0.25	289	105	7	–
10 to <20	231	591	40	276	13.77	–	17	0.25	288	104	7	–
20 to <30	–	–	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	–	–	–	–	33.00	–	45	1.00	1	–	–	–
100.00 (Default)	68	3	26	21	100.00	–	27	1.03	55	262	1	(1)
Total	58,750	21,784	64	71,105	0.37	1.4	32	0.97	11,956	17	47	(10)

PD range	31.12.25											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	41,309	15,881	60	55,724	0.05	0.6	35	0.97	5,879	11	9	(6)
0.00 to <0.10	37,176	14,712	60	50,743	0.04	0.5	35	1.01	4,904	10	7	(5)
0.10 to <0.15	4,132	1,170	67	4,981	0.13	0.1	32	0.64	975	20	2	–
0.15 to <0.25	988	910	66	1,483	0.22	0.1	26	0.49	350	24	1	–
0.25 to <0.50	374	379	66	523	0.39	0.1	25	0.38	187	36	1	–
0.50 to <0.75	7,089	1,344	81	5,803	0.52	0.1	13	0.81	1,200	21	4	(1)
0.75 to <2.50	5,772	1,643	81	4,111	1.38	0.2	31	0.75	3,173	77	17	(1)
0.75 to <1.75	4,699	1,247	76	3,135	1.18	0.1	34	0.82	2,279	73	13	–
1.75 to <2.5	1,073	396	97	976	2.03	–	23	0.53	894	92	5	(1)
2.50 to <10.00	1,794	1,058	100	1,772	4.06	0.1	13	0.25	959	54	8	–
2.5 to <5	1,650	763	99	1,519	3.45	0.1	14	0.27	771	51	8	–
5 to <10	144	295	100	254	7.69	–	4	0.16	187	74	1	–
10.00 to <100.00	299	484	27	204	13.78	–	21	0.28	332	163	6	–
10 to <20	299	484	27	204	13.76	–	21	0.28	331	162	6	–
20 to <30	–	–	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	–	–	–	–	33.00	–	45	1.00	1	–	–	–
100.00 (Default)	61	5	53	17	100.00	–	35	1.44	63	371	1	(1)
Total	57,686	21,704	65	69,637	0.34	1.2	32	0.91	12,143	17	47	(9)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 34: IRB approach – Credit risk exposures by exposure class and PD range for Corporates (UK CR6)

PD range	30.06.26											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	**47,797**	**147,390**	**29**	**127,930**	**0.07**	**4.5**	**40**	**1.47**	**20,928**	**16**	**46**	**(28)**
0.00 to <0.10	**31,976**	**102,964**	**29**	**99,414**	**0.05**	**2.8**	**41**	**1.48**	**14,194**	**14**	**28**	**(22)**
0.10 to <0.15	**15,821**	**44,427**	**29**	**28,518**	**0.13**	**1.7**	**37**	**1.43**	**6,734**	**24**	**17**	**(5)**
0.15 to <0.25	**13,737**	**39,443**	**23**	**20,840**	**0.22**	**2.1**	**36**	**1.48**	**6,909**	**33**	**22**	**(24)**
0.25 to <0.50	**10,573**	**30,602**	**30**	**18,047**	**0.39**	**1.7**	**33**	**1.32**	**7,117**	**39**	**29**	**(7)**
0.50 to <0.75	**15,533**	**37,908**	**26**	**21,587**	**0.57**	**2.5**	**35**	**1.27**	**10,847**	**50**	**50**	**(10)**
0.75 to <2.50	**10,719**	**22,391**	**27**	**14,030**	**1.27**	**3.4**	**34**	**1.53**	**10,161**	**72**	**69**	**(23)**
0.75 to <1.75	**8,260**	**19,430**	**28**	**11,620**	**1.13**	**2.5**	**33**	**1.46**	**7,477**	**64**	**47**	**(16)**
1.75 to <2.5	**2,459**	**2,963**	**18**	**2,408**	**2.03**	**0.9**	**43**	**1.88**	**2,684**	**111**	**23**	**(7)**
2.50 to <10.00	**7,190**	**9,844**	**30**	**7,801**	**3.84**	**2.7**	**33**	**1.12**	**7,332**	**94**	**99**	**(37)**
2.5 to <5	**5,803**	**8,106**	**31**	**6,590**	**3.28**	**2.0**	**32**	**1.14**	**5,903**	**90**	**73**	**(26)**
5 to <10	**1,386**	**1,738**	**22**	**1,213**	**6.95**	**0.8**	**34**	**0.96**	**1,430**	**118**	**28**	**(9)**
10.00 to <100.00	**2,175**	**2,023**	**23**	**1,734**	**18.21**	**2.1**	**31**	**1.96**	**2,862**	**165**	**104**	**(95)**
10 to <20	**1,146**	**1,739**	**17**	**1,086**	**13.41**	**2.1**	**31**	**1.37**	**1,610**	**148**	**48**	**(35)**
20 to <30	**806**	**159**	**65**	**450**	**24.46**	**–**	**28**	**3.21**	**950**	**211**	**40**	**(44)**
30.00 to <100.00	**221**	**124**	**40**	**198**	**33.21**	**–**	**26**	**1.80**	**302**	**153**	**16**	**(16)**
100.00 (Default)	**2,734**	**1,466**	**37**	**2,610**	**100.00**	**0.8**	**52**	**1.29**	**945**	**36**	**2,022**	**(2,182)**
Total	**110,458**	**291,067**	**28**	**214,579**	**1.74**	**19.9**	**38**	**1.43**	**67,101**	**31**	**2,441**	**(2,406)**

PD range	31.12.25											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	46,628	139,433	26	117,942	0.07	4.4	41	1.50	18,906	16	33	(26)
0.00 to <0.10	34,146	98,877	26	94,290	0.05	2.8	42	1.50	13,640	14	22	(20)
0.10 to <0.15	12,482	40,555	27	23,652	0.13	1.5	37	1.47	5,267	22	12	(6)
0.15 to <0.25	15,128	40,226	23	22,716	0.22	2.1	38	1.39	7,162	32	19	(6)
0.25 to <0.50	9,635	32,445	28	17,747	0.39	1.7	33	1.32	6,660	38	22	(7)
0.50 to <0.75	14,088	36,919	22	19,757	0.57	2.5	36	1.33	10,118	51	41	(13)
0.75 to <2.50	10,407	26,347	23	13,986	1.35	3.9	34	1.54	10,866	78	73	(25)
0.75 to <1.75	7,659	21,361	23	10,821	1.15	2.8	32	1.52	6,737	62	44	(14)
1.75 to <2.5	2,748	4,986	20	3,164	2.03	1.1	39	1.72	4,130	131	29	(10)
2.50 to <10.00	7,032	9,847	24	6,797	4.31	2.5	33	1.28	7,291	107	97	(40)
2.5 to <5	5,674	7,920	25	5,516	3.72	1.8	33	1.30	5,547	101	68	(29)
5 to <10	1,357	1,928	19	1,282	7.11	0.8	33	1.20	1,743	136	28	(10)
10.00 to <100.00	3,261	1,966	27	1,556	18.85	2.1	32	1.93	2,650	170	92	(96)
10 to <20	2,190	1,707	25	943	13.74	2.0	33	1.24	1,447	153	41	(35)
20 to <30	861	142	40	445	24.55	–	25	3.64	987	222	38	(51)
30.00 to <100.00	210	117	28	168	33.03	0.1	24	1.04	215	128	13	(9)
100.00 (Default)	3,121	1,904	33	3,089	100.00	0.7	56	1.23	955	31	2,344	(2,570)
Total	109,300	289,087	25	203,590	2.05	19.9	39	1.45	64,608	32	2,721	(2,783)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 35: IRB approach – Credit risk exposures by exposure class and PD range for Corporates – Other (UK CR6)

PD range	30.06.26											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	42,160	142,057	29	122,097	0.07	4.3	42	1.38	19,915	16	42	(27)
0.00 to <0.10	28,952	99,045	29	95,482	0.05	2.6	43	1.39	13,599	14	26	(22)
0.10 to <0.15	13,208	43,012	29	26,616	0.13	1.6	38	1.33	6,316	24	16	(5)
0.15 to <0.25	10,150	36,273	22	17,010	0.22	1.8	38	1.23	5,599	33	17	(4)
0.25 to <0.50	7,658	26,898	30	14,536	0.39	1.5	35	1.23	5,971	41	23	(6)
0.50 to <0.75	12,435	32,831	25	17,928	0.56	2.0	38	1.14	9,543	53	42	(9)
0.75 to <2.50	8,174	19,994	27	11,819	1.27	2.7	36	1.45	9,005	76	60	(16)
0.75 to <1.75	6,226	17,314	28	9,770	1.12	2.0	34	1.39	6,545	67	40	(10)
1.75 to <2.5	1,949	2,680	17	2,048	2.03	0.7	47	1.70	2,460	120	21	(5)
2.50 to <10.00	5,998	9,249	30	6,673	3.80	1.6	33	1.00	6,511	98	86	(20)
2.5 to <5	4,869	7,547	31	5,697	3.25	1.2	33	1.03	5,275	93	63	(16)
5 to <10	1,129	1,701	22	976	6.99	0.4	35	0.82	1,237	127	24	(4)
10.00 to <100.00	1,031	1,726	22	1,236	19.98	1.4	32	1.29	2,087	169	79	(61)
10 to <20	539	1,568	17	642	13.57	1.4	30	0.8	924	144	27	(8)
20 to <30	337	97	86	420	24.33	–	37	2.2	900	214	38	(40)
30.00 to <100.00	154	61	47	175	33.03	–	28	0.9	263	150	14	(13)
100.00 (Default)	1,588	1,367	38	1,644	100.00	0.6	55	1.39	774	47	1,320	(1,470)
Total	89,194	270,395	28	192,943	1.34	15.9	40	1.32	59,405	31	1,669	(1,613)

PD range	31.12.25											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	41,741	133,829	26	112,194	0.07	4.1	42	1.42	18,104	16	32	(25)
0.00 to <0.10	31,165	95,184	26	90,383	0.05	2.6	43	1.43	13,133	15	21	(20)
0.10 to <0.15	10,576	38,644	27	21,811	0.13	1.4	38	1.35	4,971	23	11	(5)
0.15 to <0.25	11,648	37,502	22	19,135	0.22	1.8	39	1.17	6,225	33	17	(5)
0.25 to <0.50	6,391	29,597	28	14,323	0.39	1.5	34	1.31	5,725	40	19	(6)
0.50 to <0.75	11,967	33,089	22	17,301	0.57	2.0	38	1.24	9,326	54	38	(12)
0.75 to <2.50	7,748	23,591	23	11,602	1.36	3.1	36	1.39	9,770	84	66	(17)
0.75 to <1.75	5,486	19,464	23	8,817	1.15	2.2	34	1.39	5,862	66	39	(11)
1.75 to <2.5	2,262	4,127	21	2,785	2.03	0.9	43	1.41	3,908	140	27	(6)
2.50 to <10.00	5,378	9,148	23	5,404	4.31	1.4	34	1.15	6,387	118	82	(22)
2.5 to <5	4,476	7,426	24	4,534	3.73	1.1	34	1.19	4,938	109	59	(18)
5 to <10	901	1,721	18	870	7.33	0.4	34	0.96	1,449	167	22	(4)
10.00 to <100.00	2,272	1,737	28	1,124	20.19	1.3	34	1.59	2,217	197	77	(72)
10 to <20	1,735	1,575	26	588	13.88	1.2	34	1.04	1,082	184	29	(17)
20 to <30	332	56	75	374	24.56	–	40	2.74	931	249	36	(46)
30.00 to <100.00	206	106	28	161	33.03	0.1	23	0.94	204	127	12	(9)
100.00 (Default)	1,951	1,798	34	2,114	100.00	0.5	60	1.30	805	38	1,623	(1,838)
Total	89,096	270,291	25	183,197	1.64	15.7	40	1.36	58,559	32	1,954	(1,997)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 36: IRB approach – Credit risk exposures by exposure class and PD range for corporates – specialised lending (UK CR6)

PD range	30.06.26											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	**5,524**	**4,822**	**29**	**5,585**	**0.09**	**0.3**	**20**	**3.13**	**988**	**18**	**4**	**(1)**
0.00 to <0.10	**2,920**	**3,587**	**29**	**3,714**	**0.07**	**0.2**	**19**	**3.25**	**581**	**16**	**2**	**–**
0.10 to <0.15	**2,604**	**1,236**	**28**	**1,872**	**0.13**	**0.1**	**23**	**2.88**	**407**	**22**	**1**	**–**
0.15 to <0.25	**3,453**	**2,854**	**33**	**3,600**	**0.22**	**0.2**	**23**	**3.35**	**1,278**	**36**	**5**	**(20)**
0.25 to <0.50	**2,824**	**3,543**	**33**	**3,404**	**0.39**	**0.1**	**24**	**1.80**	**1,121**	**33**	**6**	**(1)**
0.50 to <0.75	**2,877**	**4,727**	**35**	**3,343**	**0.59**	**0.2**	**22**	**2.04**	**1,204**	**36**	**7**	**(1)**
0.75 to <2.50	**1,872**	**1,881**	**26**	**1,465**	**1.25**	**0.1**	**24**	**2.23**	**838**	**57**	**6**	**(6)**
0.75 to <1.75	**1,501**	**1,724**	**25**	**1,261**	**1.13**	**0.1**	**25**	**1.99**	**721**	**57**	**5**	**(5)**
1.75 to <2.5	**370**	**158**	**37**	**203**	**2.03**	**–**	**17**	**3.73**	**117**	**58**	**2**	**(2)**
2.50 to <10.00	**578**	**291**	**53**	**522**	**4.00**	**–**	**21**	**2.93**	**444**	**85**	**6**	**(15)**
2.5 to <5	**483**	**288**	**53**	**440**	**3.58**	**–**	**20**	**2.59**	**335**	**76**	**5**	**(9)**
5 to <10	**95**	**4**	**15**	**83**	**6.18**	**–**	**23**	**4.72**	**109**	**131**	**2**	**(5)**
10.00 to <100.00	**886**	**196**	**29**	**249**	**14.78**	**–**	**27**	**3.77**	**470**	**189**	**11**	**(32)**
10 to <20	**353**	**86**	**26**	**205**	**12.06**	**–**	**29**	**3.75**	**404**	**197**	**9**	**(25)**
20 to <30	**467**	**60**	**32**	**28**	**24.55**	**–**	**20**	**4.06**	**42**	**150**	**2**	**(4)**
30.00 to <100.00	**65**	**50**	**30**	**15**	**33.00**	**–**	**19**	**3.53**	**23**	**153**	**1**	**(3)**
100.00 (Default)	**851**	**35**	**36**	**669**	**100.00**	**–**	**39**	**0.95**	**38**	**6**	**471**	**(481)**
Total	**18,865**	**18,349**	**32**	**18,837**	**4.20**	**0.9**	**23**	**2.60**	**6,381**	**34**	**516**	**(557)**

PD range	31.12.25											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	4,831	5,225	30	5,582	0.09	0.3	23	2.91	780	14	1	(1)
0.00 to <0.10	2,980	3,449	33	3,808	0.07	0.2	23	2.84	503	13	1	–
0.10 to <0.15	1,851	1,776	23	1,774	0.13	0.1	22	3.06	277	16	1	(1)
0.15 to <0.25	3,350	2,512	36	3,397	0.22	0.2	25	3.20	912	27	2	(1)
0.25 to <0.50	3,137	2,675	33	3,279	0.39	0.1	25	1.42	913	28	3	(1)
0.50 to <0.75	1,969	3,510	25	2,197	0.57	0.1	25	2.14	738	34	3	(1)
0.75 to <2.50	2,058	2,161	19	1,647	1.24	0.1	21	2.78	746	45	4	(7)
0.75 to <1.75	1,724	1,407	23	1,442	1.13	0.1	21	2.65	645	45	3	(3)
1.75 to <2.5	334	754	11	204	2.03	–	16	3.74	101	50	1	(4)
2.50 to <10.00	878	402	45	634	4.11	–	25	2.90	520	82	7	(13)
2.5 to <5	725	282	44	514	3.62	–	21	2.71	330	64	4	(7)
5 to <10	153	121	46	121	6.19	–	40	3.71	190	157	3	(6)
10.00 to <100.00	666	81	17	163	13.45	–	21	3.92	180	110	4	(22)
10 to <20	172	14	5	130	10.54	–	23	3.77	144	111	3	(17)
20 to <30	494	67	20	34	24.55	–	17	4.50	35	103	1	(5)
30.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
100.00 (Default)	878	58	32	677	100.00	–	38	0.93	22	3	484	(494)
Total	17,767	16,624	29	17,576	4.46	0.8	24	2.51	4,811	27	508	(540)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 37: IRB approach – Credit risk exposures by exposure class and PD range for corporates – SME (UK CR6)

	30.06.26											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	113	511	10	248	0.07	–	36	1.14	25	10	–	–
0.00 to <0.10	104	332	9	218	0.06	–	32	1.09	14	6	–	–
0.10 to <0.15	9	179	11	30	0.13	–	63	1.48	11	37	–	–
0.15 to <0.25	134	316	31	230	0.23	0.1	21	1.28	32	14	–	–
0.25 to <0.50	91	161	11	107	0.40	0.1	23	1.62	25	23	–	–
0.50 to <0.75	221	350	29	316	0.65	0.3	26	1.12	100	32	1	–
0.75 to <2.50	673	516	21	746	1.47	0.6	27	1.30	318	43	3	(1)
0.75 to <1.75	533	392	22	589	1.30	0.4	24	1.32	211	36	2	(1)
1.75 to <2.5	140	125	19	157	2.08	0.2	37	1.25	107	68	–	–
2.50 to <10.00	614	304	19	606	4.35	1.0	29	1.38	377	62	7	(2)
2.5 to <5	451	271	19	453	3.51	0.7	31	1.50	293	65	5	(1)
5 to <10	162	33	19	154	6.82	0.4	24	1.03	84	55	2	–
10.00 to <100.00	258	101	20	249	15.00	0.7	36	1.68	305	122	14	(2)
10 to <20	254	85	17	239	14.14	0.7	35	1.67	282	118	12	(2)
20 to <30	2	2	1	2	26.84	–	66	5.00	8	400	–	–
30.00 to <100.00	2	13	44	8	37.43	–	45	1.48	16	200	1	–
100.00 (Default)	295	64	6	297	100.00	0.2	57	1.25	133	45	231	(231)
Total	2,399	2,323	20	2,799	13.40	3.0	31	1.32	1,315	47	256	(236)

	31.12.25											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	56	379	5	166	0.08	–	33	2.17	22	13	–	–
0.00 to <0.10	1	244	4	99	0.04	–	16	2.32	4	4	–	–
0.10 to <0.15	55	135	8	67	0.13	–	58	1.93	19	28	–	–
0.15 to <0.25	130	212	26	184	0.23	0.1	19	1.55	25	14	–	–
0.25 to <0.50	107	173	23	145	0.40	0.1	18	1.20	22	15	–	–
0.50 to <0.75	152	320	37	259	0.64	0.4	20	0.97	54	21	–	–
0.75 to <2.50	601	595	27	737	1.47	0.7	31	1.10	350	47	3	(1)
0.75 to <1.75	449	490	27	562	1.29	0.5	29	1.15	230	41	2	–
1.75 to <2.5	152	105	28	175	2.08	0.2	37	0.95	121	69	1	–
2.50 to <10.00	776	297	15	759	4.62	1.1	25	1.15	384	51	8	(5)
2.5 to <5	473	212	17	468	3.62	0.7	31	1.22	279	60	5	(4)
5 to <10	303	86	10	291	6.24	0.4	15	1.04	104	36	3	–
10.00 to <100.00	323	148	18	269	15.98	0.8	27	1.65	253	94	11	(2)
10 to <20	283	118	19	225	14.06	0.8	30	1.69	221	98	9	(1)
20 to <30	35	19	9	37	24.48	–	12	1.16	21	57	1	–
30.00 to <100.00	4	11	25	7	33.00	–	38	3.07	11	157	1	–
100.00 (Default)	292	48	15	298	100.00	0.2	58	1.34	128	43	237	(238)
Total	2,437	2,172	22	2,817	13.83	3.4	29	1.28	1,238	44	259	(246)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 38: IRB approach – Credit risk exposures by exposure class and PD range for retail (UK CR6)

	30.06.26											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	61,730	14,263	49	68,100	0.06	1,029.5	28		2,888	4	23	(5)
0.00 to <0.10	57,330	9,746	50	61,645	0.06	761.2	24		2,440	4	20	(3)
0.10 to <0.15	4,398	4,517	46	6,455	0.11	268.1	53		449	7	4	(2)
0.15 to <0.25	4,733	1,634	38	5,363	0.19	105.2	30		543	10	4	(4)
0.25 to <0.50	7,111	4,868	45	9,313	0.35	242.1	42		1,672	18	14	(5)
0.50 to <0.75	3,168	3,495	46	4,767	0.65	221.4	63		1,650	35	20	(8)
0.75 to <2.50	4,621	3,716	34	5,789	1.38	550.6	54		2,624	45	44	(29)
0.75 to <1.75	3,403	2,975	36	4,419	1.23	441.9	56		1,858	42	30	(21)
1.75 to <2.5	1,218	742	23	1,370	2.11	108.7	47		767	56	14	(8)
2.50 to <10.00	3,339	1,817	42	4,063	4.27	396.9	67		3,655	90	118	(58)
2.5 to <5	2,316	1,447	43	2,915	3.11	261.7	69		2,387	82	65	(30)
5 to <10	1,025	371	38	1,149	7.11	135.1	63		1,268	110	54	(27)
10.00 to <100.00	1,109	325	29	1,193	25.60	97.3	58		1,801	151	172	(59)
10 to <20	697	248	28	758	14.57	60.8	61		1,141	151	74	(24)
20 to <30	121	43	37	136	24.54	14.1	60		259	190	20	(6)
30.00 to <100.00	291	36	27	298	55.63	22.2	45		401	135	78	(26)
100.00 (Default)	697	193	1	700	100.00	34.7	49		1,160	166	238	(185)
Total	86,508	30,311	45	99,288	1.39	2,677.7	29		15,992	16	633	(353)

	31.12.25											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	61,964	15,878	51	69,401	0.07	1,097.0	29		3,097	4	27	(10)
0.00 to <0.10	53,479	10,602	52	58,240	0.06	815.3	27		2,430	4	21	(7)
0.10 to <0.15	8,484	5,275	51	11,162	0.12	281.7	41		669	6	5	(3)
0.15 to <0.25	6,054	2,203	49	7,122	0.19	125.8	28		640	9	6	(2)
0.25 to <0.50	5,240	3,671	48	6,976	0.36	271.1	54		1,470	21	13	(6)
0.50 to <0.75	3,965	3,759	46	5,695	0.65	247.9	62		1,986	35	26	(10)
0.75 to <2.50	4,967	4,066	33	6,228	1.39	628.0	58		3,164	51	54	(32)
0.75 to <1.75	3,683	3,327	35	4,800	1.24	501.1	61		2,296	48	37	(24)
1.75 to <2.5	1,284	739	22	1,426	2.10	126.8	51		870	61	17	(7)
2.50 to <10.00	3,798	2,194	40	4,631	4.24	485.5	70		4,406	95	143	(63)
2.5 to <5	2,642	1,740	41	3,333	3.11	305.1	72		2,915	87	79	(31)
5 to <10	1,156	456	36	1,299	7.09	180.6	67		1,490	115	64	(30)
10.00 to <100.00	1,256	350	30	1,350	25.25	130.1	63		2,086	155	209	(75)
10 to <20	821	279	29	893	14.59	84.0	66		1,394	156	93	(34)
20 to <30	120	35	36	132	24.37	18.5	65		247	187	21	(8)
30.00 to <100.00	313	38	31	324	55.87	27.5	50		444	137	95	(31)
100.00 (Default)	739	153	4	745	100.00	42.2	50		1,231	165	267	(203)
Total	87,983	32,274	47	102,148	1.47	3,027.6	31		18,080	18	745	(401)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 39: IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property – SME (UK CR6)

PD range	30.06.26											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	55	–	100	55	0.10	0.4	15		2	4	–	–
0.00 to <0.10	29	–	100	29	0.08	0.2	15		1	3	–	–
0.10 to <0.15	26	–	100	26	0.13	0.2	15		1	4	–	–
0.15 to <0.25	42	9	58	47	0.18	0.2	12		2	4	–	–
0.25 to <0.50	14	1	47	14	0.37	0.1	6		–	–	–	–
0.50 to <0.75	26	1	75	27	0.61	0.2	2		–	–	–	–
0.75 to <2.50	101	16	44	108	1.51	0.6	2		3	3	–	–
0.75 to <1.75	64	15	44	70	1.14	0.5	2		2	3	–	–
1.75 to <2.5	37	2	50	38	2.20	0.1	2		1	3	–	–
2.50 to <10.00	48	5	48	50	4.61	0.2	6		5	10	–	–
2.5 to <5	29	4	41	31	3.70	0.1	8		4	13	–	–
5 to <10	19	1	87	20	6.04	–	3		1	5	–	–
10.00 to <100.00	28	1	33	29	17.17	0.1	4		3	10	–	–
10 to <20	25	1	33	25	14.79	–	3		1	4	–	–
20 to <30	3	–	–	3	26.84	–	14		1	33	–	–
30.00 to <100.00	1	–	–	1	61.74	–	12		–	–	–	–
100.00 (Default)	5	–	100	6	100.00	–	6		2	33	1	(1)
Total	**319**	**33**	**50**	**336**	**4.40**	**1.8**	**7**		**17**	**5**	**1**	**(1)**

PD range	31.12.25											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	63	–	100	63	0.10	0.5	15		2	3	–	–
0.00 to <0.10	35	–	100	35	0.08	0.3	15		1	3	–	–
0.10 to <0.15	27	–	–	27	0.13	0.2	15		1	4	–	–
0.15 to <0.25	40	11	61	47	0.18	0.2	12		2	4	–	–
0.25 to <0.50	21	–	87	21	0.39	0.2	5		1	5	–	–
0.50 to <0.75	27	2	49	28	0.62	0.3	3		1	4	–	–
0.75 to <2.50	117	23	36	125	1.49	0.6	2		3	2	–	(1)
0.75 to <1.75	77	21	32	84	1.15	0.5	2		2	2	–	(1)
1.75 to <2.5	40	2	82	41	2.20	0.1	3		2	5	–	–
2.50 to <10.00	44	9	64	49	5.44	0.1	5		4	8	–	–
2.5 to <5	20	6	50	23	3.77	0.1	7		2	9	–	–
5 to <10	24	3	96	26	6.90	–	3		1	4	–	–
10.00 to <100.00	23	3	75	26	16.80	0.1	4		2	8	–	–
10 to <20	19	3	76	21	13.95	–	2		1	5	–	–
20 to <30	3	–	100	3	26.50	–	14		1	33	–	–
30.00 to <100.00	1	–	25	1	49.48	–	10		–	–	–	–
100.00 (Default)	6	1	100	7	100.00	–	5		2	29	2	(1)
Total	341	49	51	366	4.39	2.0	6		17	5	2	(2)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 40: IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property Non SME (UK CR6)

	30.06.26											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	59,740	916	88	60,549	0.06	204.6	14		2,375	4	18	(1)
0.00 to <0.10	55,858	810	88	56,570	0.06	187.0	13		2,116	4	17	(1)
0.10 to <0.15	3,882	106	91	3,979	0.12	17.6	16		259	7	2	–
0.15 to <0.25	4,449	128	96	4,572	0.19	23.8	16		445	10	3	–
0.25 to <0.50	5,429	1,723	43	6,170	0.36	28.1	17		781	13	5	–
0.50 to <0.75	1,887	37	100	1,923	0.62	15.3	17		551	29	5	–
0.75 to <2.50	2,052	90	99	2,142	1.34	13.6	14		730	34	8	–
0.75 to <1.75	1,610	30	97	1,639	1.12	10.7	14		480	29	5	–
1.75 to <2.5	442	60	100	502	2.08	2.8	15		251	50	3	–
2.50 to <10.00	442	6	89	447	4.88	3.7	15		329	74	5	–
2.5 to <5	278	4	100	282	3.53	2.2	15		193	68	3	–
5 to <10	164	2	66	165	7.20	1.5	15		136	82	2	–
10.00 to <100.00	259	1	100	260	36.19	2.4	15		279	107	16	(4)
10 to <20	84	1	100	85	13.45	1.0	15		88	104	2	(1)
20 to <30	35	–	100	35	25.06	0.3	17		53	151	2	–
30.00 to <100.00	139	1	100	140	52.83	1.2	15		139	99	12	(2)
100.00 (Default)	284	–	54	284	100.00	2.8	21		429	151	29	(38)
Total	74,542	2,901	62	76,347	0.67	294.3	14		5,919	8	89	(43)

	31.12.25											
PD range	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	59,661	1,448	100	61,109	0.07	207.4	15		2,547	4	21	(1)
0.00 to <0.10	51,728	848	100	52,577	0.06	185.4	14		2,073	4	18	(1)
0.10 to <0.15	7,933	600	100	8,533	0.12	22.0	16		474	6	3	–
0.15 to <0.25	5,726	515	100	6,242	0.19	23.1	15		519	8	4	–
0.25 to <0.50	3,461	132	100	3,594	0.37	20.6	17		492	14	4	–
0.50 to <0.75	2,388	70	100	2,458	0.63	19.8	21		669	27	8	(1)
0.75 to <2.50	1,883	78	100	1,961	1.34	13.7	16		639	33	10	(1)
0.75 to <1.75	1,459	35	100	1,493	1.11	10.8	16		429	29	6	(1)
1.75 to <2.5	424	43	100	467	2.06	2.8	16		211	45	4	–
2.50 to <10.00	407	5	100	412	4.63	3.7	16		289	70	6	(1)
2.5 to <5	268	5	100	273	3.44	2.3	16		176	64	3	–
5 to <10	139	1	100	139	6.97	1.5	15		112	81	2	–
10.00 to <100.00	224	2	100	226	37.28	2.4	15		223	99	15	(4)
10 to <20	71	1	100	72	13.46	0.9	16		76	106	2	(1)
20 to <30	22	–	100	22	24.23	0.3	15		26	118	1	–
30.00 to <100.00	131	1	100	132	52.40	1.2	15		121	92	12	(2)
100.00 (Default)	279	–	100	279	100.00	2.6	22		405	145	33	(36)
Total	74,029	2,250	100	76,281	0.64	293.3	15		5,783	8	101	(44)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 41: IRB approach – Credit risk exposures by exposure class and PD range for retail – qualifying revolving (UK CR6)

30.06.26												
PD range %	Original on-balance sheet exposure $million	Off-balance sheet exposure pre CCF $million	Average CCF %	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2] thousands	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %	Expected loss $million	Value adjustments and provisions $million
0.00 to <0.15	841	11,293	45	5,942	0.08	769.5	86		276	5	4	(3)
0.00 to <0.10	419	7,391	45	3,767	0.07	522.9	87		149	4	2	(2)
0.10 to <0.15	421	3,902	45	2,175	0.11	246.5	84		128	6	2	(2)
0.15 to <0.25	82	1,094	36	480	0.18	78.1	70		36	8	1	(1)
0.25 to <0.50	567	2,475	45	1,691	0.34	170.6	82		240	14	5	(4)
0.50 to <0.75	526	2,859	47	1,870	0.66	178.0	86		478	26	11	(5)
0.75 to <2.50	813	2,436	39	1,754	1.38	497.2	81		733	42	20	(13)
0.75 to <1.75	658	2,141	40	1,515	1.27	406.6	82		606	40	16	(10)
1.75 to <2.5	155	295	29	239	2.12	90.6	73		127	53	4	(3)
2.50 to <10.00	1,289	1,118	54	1,896	4.18	310.9	83		1,739	92	66	(39)
2.5 to <5	866	920	53	1,357	3.01	210.5	84		1,032	76	35	(19)
5 to <10	423	198	58	539	7.11	100.4	81		708	131	32	(20)
10.00 to <100.00	341	110	63	411	22.58	62.3	80		817	199	74	(30)
10 to <20	234	68	74	284	13.94	37.1	81		547	193	33	(14)
20 to <30	43	28	44	56	23.91	9.4	76		125	223	10	(4)
30.00 to <100.00	64	15	48	71	56.14	15.7	77		145	204	31	(12)
100.00 (Default)	116	–	–	116	100.00	16.9	63		265	228	52	(33)
Total	4,575	21,385	45	14,160	2.38	2,083.5	84		4,584	32	233	(128)

31.12.25												
PD range %	Original on-balance sheet exposure $million	Off-balance sheet exposure pre CCF $million	Average CCF %	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2] thousands	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %	Expected loss $million	Value adjustments and provisions $million
0.00 to <0.15	961	12,291	45	6,532	0.08	828.1	86		300	5	5	(7)
0.00 to <0.10	500	8,125	46	4,199	0.07	573.2	87		164	4	2	(4)
0.10 to <0.15	461	4,165	45	2,334	0.11	254.9	84		136	6	2	(3)
0.15 to <0.25	93	1,196	37	534	0.18	95.8	71		40	7	1	(1)
0.25 to <0.50	562	2,812	45	1,822	0.34	198.1	82		258	14	5	(4)
0.50 to <0.75	477	3,047	47	1,910	0.67	185.4	87		493	26	11	(6)
0.75 to <2.50	720	2,699	39	1,778	1.39	549.4	82		758	43	21	(18)
0.75 to <1.75	597	2,354	41	1,559	1.29	447.2	83		641	41	17	(14)
1.75 to <2.5	123	345	28	218	2.12	102.2	74		117	54	4	(3)
2.50 to <10.00	1,224	1,287	53	1,913	4.10	363.2	84		1,758	92	67	(33)
2.5 to <5	835	1,056	53	1,391	2.98	235.4	85		1,063	76	36	(17)
5 to <10	389	231	58	522	7.07	127.8	83		696	133	31	(16)
10.00 to <100.00	322	114	68	399	22.61	77.3	81		808	203	73	(24)
10 to <20	223	78	76	282	13.93	47.9	82		554	196	33	(11)
20 to <30	35	20	50	45	23.72	11.3	77		104	231	8	(3)
30.00 to <100.00	63	17	51	72	56.12	18.1	78		150	208	32	(10)
100.00 (Default)	135	–	–	135	100.00	23.2	60		276	204	59	(36)
Total	4,494	23,446	45	15,023	2.35	2,320.5	84		4,691	31	242	(129)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 42: IRB approach – Credit risk exposures by exposure class and PD range for other retail – SME (UK CR6)

PD range	30.06.26											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	20	15	1	18	0.10	0.6	61		7	39	–	–
0.00 to <0.10	8	5	2	8	0.07	0.3	59		2	25	–	–
0.10 to <0.15	11	10	–	10	0.13	0.2	62		5	50	–	–
0.15 to <0.25	62	152	4	67	0.20	0.6	43		10	15	–	(1)
0.25 to <0.50	52	56	15	53	0.38	0.6	40		11	21	–	–
0.50 to <0.75	90	112	4	82	0.63	1.2	40		23	28	–	(1)
0.75 to <2.50	963	873	3	918	1.64	8.4	45		409	45	7	(9)
0.75 to <1.75	562	518	3	528	1.35	5.5	45		219	41	3	(6)
1.75 to <2.5	401	355	3	391	2.02	3.0	47		191	49	4	(3)
2.50 to <10.00	661	518	6	653	4.32	6.5	47		360	55	13	(4)
2.5 to <5	496	373	7	496	3.54	4.4	47		269	54	8	(3)
5 to <10	166	145	5	157	6.78	2.1	46		91	58	5	–
10.00 to <100.00	131	192	5	130	22.03	1.8	45		97	75	13	(5)
10 to <20	101	168	6	103	12.90	1.4	44		69	67	6	(2)
20 to <30	7	7	–	6	25.67	0.1	61		11	183	1	–
30.00 to <100.00	23	17	–	21	65.71	0.3	46		17	81	6	(2)
100.00 (Default)	149	193	1	151	100.00	1.6	62		238	158	86	(68)
Total	2,128	2,111	4	2,072	10.79	21.3	47		1,154	56	119	(88)

PD range	31.12.25											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	23	18	1	20	0.10	0.7	61		2	10	–	–
0.00 to <0.10	10	7	2	9	0.07	0.4	60		1	11	–	–
0.10 to <0.15	13	11	–	11	0.13	0.3	61		2	18	–	–
0.15 to <0.25	71	156	6	77	0.20	0.7	43		10	13	–	–
0.25 to <0.50	65	84	20	72	0.38	0.9	36		12	17	–	–
0.50 to <0.75	112	99	3	99	0.63	1.4	45		29	29	–	–
0.75 to <2.50	988	745	3	930	1.61	8.5	45		407	44	7	(2)
0.75 to <1.75	614	467	3	571	1.35	5.8	44		230	40	3	(1)
1.75 to <2.5	374	278	2	359	2.03	2.8	47		177	49	3	(1)
2.50 to <10.00	643	559	8	644	4.27	6.6	48		359	56	13	(2)
2.5 to <5	482	394	9	492	3.47	4.5	48		268	54	8	(1)
5 to <10	161	165	5	153	6.87	2.2	48		91	59	5	–
10.00 to <100.00	129	178	5	126	21.63	1.9	47		91	72	13	(2)
10 to <20	103	160	6	103	13.15	1.5	46		72	70	6	(1)
20 to <30	5	7	–	4	26.17	0.1	64		5	125	1	–
30.00 to <100.00	20	12	–	19	67.53	0.3	48		14	74	6	–
100.00 (Default)	147	152	3	151	100.00	1.5	64		287	190	87	(62)
Total	2,178	1,991	5	2,119	10.48	22.2	47		1,197	56	120	(68)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 43: IRB approach – Credit risk exposures by exposure class and PD range for other retail – Non SME (UK CR6)

PD range	30.06.26											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	**1,074**	**2,039**	**51**	**1,536**	**0.07**	**54.4**	**75**		**228**	**15**	**1**	**(1)**
0.00 to <0.10	**1,016**	**1,540**	**55**	**1,271**	**0.06**	**50.8**	**75**		**172**	**14**	**1**	**–**
0.10 to <0.15	**58**	**499**	**42**	**265**	**0.11**	**3.6**	**75**		**56**	**21**	**–**	**–**
0.15 to <0.25	**98**	**251**	**40**	**197**	**0.19**	**2.5**	**62**		**50**	**25**	**–**	**(2)**
0.25 to <0.50	**1,049**	**613**	**55**	**1,385**	**0.36**	**42.7**	**74**		**640**	**46**	**4**	**(1)**
0.50 to <0.75	**639**	**486**	**46**	**865**	**0.66**	**26.7**	**78**		**598**	**69**	**4**	**(2)**
0.75 to <2.50	**692**	**301**	**58**	**867**	**1.44**	**30.8**	**71**		**749**	**86**	**9**	**(7)**
0.75 to <1.75	**509**	**271**	**58**	**667**	**1.25**	**18.6**	**71**		**551**	**83**	**6**	**(5)**
1.75 to <2.5	**183**	**30**	**55**	**200**	**2.08**	**12.2**	**72**		**197**	**99**	**3**	**(2)**
2.50 to <10.00	**899**	**170**	**69**	**1,017**	**4.28**	**75.6**	**79**		**1,222**	**120**	**34**	**(15)**
2.5 to <5	**647**	**146**	**70**	**749**	**3.25**	**44.5**	**80**		**889**	**119**	**19**	**(8)**
5 to <10	**253**	**25**	**63**	**268**	**7.15**	**31.1**	**75**		**332**	**124**	**15**	**(7)**
10.00 to <100.00	**350**	**21**	**61**	**363**	**25.13**	**30.7**	**76**		**605**	**167**	**69**	**(20)**
10 to <20	**253**	**10**	**77**	**261**	**16.27**	**21.3**	**77**		**436**	**167**	**33**	**(7)**
20 to <30	**33**	**8**	**43**	**36**	**25.23**	**4.3**	**73**		**69**	**192**	**7**	**(2)**
30.00 to <100.00	**64**	**3**	**54**	**65**	**60.50**	**5.0**	**73**		**100**	**154**	**29**	**(10)**
100.00 (Default)	**143**	**–**	**100**	**143**	**100.00**	**13.4**	**62**		**226**	**158**	**70**	**(45)**
Total	**4,944**	**3,881**	**52**	**6,373**	**4.74**	**276.8**	**75**		**4,318**	**68**	**191**	**(93)**

PD range	31.12.25											
	Original on-balance sheet exposure	Off-balance sheet exposure pre CCF	Average CCF	EAD post CRM and post CCF	Average PD[1]	Number of obligors[2]	Average LGD[1]	Average maturity[1]	RWA	RWA density[1]	Expected loss	Value adjustments and provisions
%	$million	$million	%	$million	%	thousands	%	years	$million	%	$million	$million
0.00 to <0.15	1,256	2,121	54	1,677	0.07	60.3	75		246	15	1	(2)
0.00 to <0.10	1,206	1,622	57	1,420	0.06	56.0	75		191	13	1	(2)
0.10 to <0.15	50	499	41	257	0.11	4.3	76		56	22	–	–
0.15 to <0.25	124	325	30	222	0.20	6.0	73		69	31	1	(1)
0.25 to <0.50	1,131	643	52	1,467	0.37	51.3	77		707	48	4	(2)
0.50 to <0.75	961	541	44	1,200	0.65	41.0	75		794	66	7	(3)
0.75 to <2.50	1,259	521	34	1,434	1.45	55.8	78		1,357	95	16	(10)
0.75 to <1.75	936	450	35	1,093	1.25	36.8	78		994	91	11	(7)
1.75 to <2.5	323	71	25	341	2.08	18.9	77		363	106	6	(3)
2.50 to <10.00	1,480	334	40	1,613	4.40	111.9	81		1,996	124	57	(27)
2.5 to <5	1,037	279	42	1,154	3.31	62.8	82		1,406	122	32	(13)
5 to <10	443	56	29	459	7.16	49.1	78		590	129	26	(14)
10.00 to <100.00	558	53	28	573	24.36	48.4	78		962	168	108	(45)
10 to <20	405	37	27	415	15.65	33.7	79		691	167	52	(21)
20 to <30	55	8	33	58	25.01	6.8	75		111	191	11	(5)
30.00 to <100.00	98	8	26	100	59.99	7.9	75		159	159	45	(19)
100.00 (Default)	172	–	86	173	100.00	14.9	62		261	151	86	(68)
Total	6,941	4,538	47	8,359	5.01	389.6	77		6,392	76	280	(158)

1. Weighted averages are based on EAD
2. Number of obligors is based on the number of counterparties within each PD grade

Table 44 sets out the slotting approach that is applied to financing of individual projects where the repayment is highly dependent on the performance of the underlying pool or collateral, known as specialised lending. It uses a standard set of rules for the calculation of RWAs, based upon an assessment of factors such as the financial strength of the counterparty. The requirements for the application of the Slotting approach are detailed in CRR article 153.

Table 44: Specialised lending and equity exposures under the simple risk-weighted approach (UK CR10.2)

		30.06.26					
		Income-producing real estate and high volatility commercial real estate (Slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
	Remaining maturity	$million	$million	%	$million	$million	$million
Category 1	Less than 2.5 years	5,718	923	50	6,023	3,167	5
	Equal to or more than 2.5 years	903	1,025	70	1,248	849	5
Category 2	Less than 2.5 years	1,138	245	70	1,185	996	19
	Equal to or more than 2.5 years	130	198	90	209	187	2
Category 3	Less than 2.5 years	328	–	115	328	378	9
	Equal to or more than 2.5 years	5	–	115	5	5	–
Category 4	Less than 2.5 years	138	–	250	138	323	11
	Equal to or more than 2.5 years	–	–	250	–	–	–
Category 5	Less than 2.5 years	378	3	–	379	–	189
	Equal to or more than 2.5 years	–	–	–	–	–	–
Total	Less than 2.5 years	7,701	1,172		8,053	4,864	233
	Equal to or more than 2.5 years	1,037	1,223		1,462	1,042	7

		31.12.25					
		Income-producing real estate and high volatility commercial real estate (Slotting approach)					
		On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
	Remaining maturity	$million	$million	%	$million	$million	$million
Category 1	Less than 2.5 years	4,619	823	50	4,869	3,047	13
	Equal to or more than 2.5 years	904	1,007	70	1,248	849	5
Category 2	Less than 2.5 years	991	323	70	1,001	832	14
	Equal to or more than 2.5 years	187	527	90	410	367	3
Category 3	Less than 2.5 years	479	38	115	499	553	14
	Equal to or more than 2.5 years	53	–	115	53	61	1
Category 4	Less than 2.5 years	13	–	250	13	28	1
	Equal to or more than 2.5 years	–	107	250	57	142	5
Category 5	Less than 2.5 years	443	16	–	448	–	224
	Equal to or more than 2.5 years	37	–	–	37	–	19
Total	Less than 2.5 years	6,544	1,201		6,829	4,459	266
	Equal to or more than 2.5 years	1,181	1,642		1,806	1,419	33

3.3 Credit risk mitigation

Table 45 shows the unfunded credit protection held by the Group, consisting of credit derivatives and guarantees, and funded credit protection, including financial collateral. Exposure class has been defined based on the guarantor of the exposure.

Table 45: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (UK CR3)

		30.06.26				
		Exposures unsecured $million	Exposures secured $million	of which secured by collateral $million	of which secured by financial guarantees $million	of which secured by credit derivatives $million
1	Total loans	**385,872**	**139,169**	**128,881**	**10,288**	**490**
2	Total debt securities	**158,410**	**–**	**–**	**–**	
3	**Total exposures**	**544,282**	**139,169**	**128,881**	**10,288**	**490**
4	Of which non-performing exposures	**2,560**	**981**	**974**	**6**	**3**
5	Of which defaulted	**2,560**	**981**			

		31.12.25				
		Exposures unsecured $million	Exposures secured $million	of which secured by collateral $million	of which secured by financial guarantees $million	of which secured by credit derivatives $million
1	Total loans	353,419	139,861	130,853	9,007	320
2	Total debt securities	168,058	730	90	639	
3	**Total exposures**	521,477	140,591	130,943	9,647	320
4	Of which non-performing exposures	3,024	995	988	7	3
5	Of which defaulted	3,024	995			

Table 46 presents the EAD before and after the effect of CRM, including credit substitution and financial collateral, with a further split into on balance-sheet and off-balance sheet exposures. Off-balance sheet exposures are presented before and after the application of standardised CCFs.

Table 46: Standardised approach – Credit risk exposure and CRM effects (UK CR4)

		30.06.26					
		Exposures before CCF and CRM[1]		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet $million	Off-balance sheet $million	On-balance sheet $million	Off-balance sheet $million	RWA $million	RWA density %
	Standardised Exposure Class						
1	Central governments or central banks	**31,728**	**158**	**32,327**	**738**	**1,656**	**5**
4	Multilateral development banks	**25,909**	**855**	**29,325**	**495**	**715**	**2**
6	Institutions	**23**	**230**	**13**	**–**	**5**	**38**
7	Corporates	**42,406**	**47,717**	**15,636**	**1,354**	**12,961**	**76**
8	Retail	**16,277**	**19,167**	**10,915**	**249**	**7,937**	**71**
9	Secured on real estate property	**8,768**	**315**	**8,649**	**120**	**4,267**	**49**
10	Exposures in default	**165**	**38**	**163**	**13**	**176**	**100**
11	Items belonging to regulatory high risk categories	**987**	**257**	**818**	**39**	**1,285**	**150**
15	Equity	**2,163**	**–**	**2,164**	**–**	**4,161**	**192**
16	Other items[2]	**21,756**	**226**	**24,233**	**170**	**11,128**	**46**
17	Total Standardised[3]	150,182	68,963	124,243	3,178	44,291	35

		31.12.25					
		Exposures before CCF and CRM[1]		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet $million	Off-balance sheet $million	On-balance sheet $million	Off-balance sheet $million	RWA $million	RWA density %
	Standardised Exposure Class						
1	Central governments or central banks	26,274	272	27,356	754	1,777	6
4	Multilateral development banks	27,145	741	30,296	398	859	3
6	Institutions	15	356	7	–	4	57
7	Corporates	37,816	59,648	11,425	1,472	11,098	86
8	Retail	15,275	18,246	12,911	229	7,968	61
9	Secured on real estate property	8,633	270	8,538	128	3,967	46
10	Exposures in default	183	36	179	13	192	100
11	Items belonging to regulatory high risk categories	2,085	313	1,838	43	2,821	150
15	Equity	1,186	–	1,186	–	2,965	250
16	Other items[2]	17,874	332	20,115	301	10,199	50
17	Total Standardised	136,486	80,214	113,851	3,338	41,850	36

1. EAD before the effect of collateral and substitution.
2. Other items include public sector entities.
3. Refer to table 15 (OV1): Standardised approach $39,441 million and amount below threshold for deduction $4,850 million RWA

Table 47: IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques (UK CR7)

		30.06.26		31.12.25	
		Pre-credit derivatives risk weighted exposure amount $million	Actual risk weighted exposure amount $million	Pre-credit derivatives risk weighted exposure amount $million	Actual risk weighted exposure amount $million
6	Central governments and central banks	17,556	17,556	21,328	21,328
7	Institutions	11,958	11,958	12,143	12,143
8	Corporates	73,001	73,001	70,467	70,467
8.1	of Corporates – which SMEs	1,315	1,315	1,238	1,238
8.1	of which Corporates – Specialised lending	12,279	12,279	10,669	10,669
9	Retail	15,996	15,996	18,083	18,083
9.1	of which Retail – SMEs – Secured by immovable property collateral	17	17	18	18
9.2	of which Retail – non-SMEs – Secured by immovable property collateral	5,919	5,919	5,783	5,783
9.3	of which Retail – Qualifying revolving	4,585	4,585	4,692	4,692
9.4	of which Retail – SMEs – Other	1,155	1,155	1,198	1,198
9.5	of which Retail – Non-SMEs – Other	4,319	4,319	6,392	6,392
10	**Total**	**118,511**	**118,511**	122,021	122,021

Table 48: IRB approach – Disclosure of the extent of the use of CRM techniques (UK CR7-A)

		30.06.26													
			Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
		Total exposures	Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWEA with substitution effects (reduction effects only)	RWEA without substitution effects (both reduction and sustitution effects)
		$million	%	%	%	%	%	%	%	%	%	%	%	$million	$million
	IRB Exposure Class														
1	Central governments and central banks	168,832	–	–	–	–	–	–	–	–	–	5.5	–	17,850	17,557
2	Institutions	72,650	4.8	0.8	–	–	0.8	1.7	–	–	–	11.6	–	11,620	11,958
3	Corporates	202,539	2.0	7.4	2.7	0.1	4.7	1.1	–	–	–	10.8	–	69,887	73,002
3.1	Of which Corporates – SMEs	2,859	3.4	36.1	35.4	0.1	0.7	–	–	–	–	4.9	–	1,336	1,315
3.2	Of which Corporates – Specialised lending	35,797	0.5	14.8	0.4	0.4	14.1	1.2	–	–	–	20.9	–	13,388	12,280
3.3	Of which Corporates – Other	163,883	2.3	5.3	2.6	–	2.7	1.1	–	–	–	8.7	–	55,162	59,407
4	Retail	100,013	0.1	75.4	75.4	–	–	–	–	–	–	0.7	–	16,104	15,996
4.1	Of which Retail – Immovable property SMEs	337	–	90.4	90.4	–	–	–	–	–	–	–	–	17	17
4.2	Of which Retail – Immovable property non-SMEs	76,348	–	98.4	98.4	–	–	–	–	–	–	–	–	5,919	5,919
4.3	Of which Retail – Qualifying revolving	14,160	–	–	–	–	–	–	–	–	–	–	–	4,585	4,585
4.4	Of which Retail – Other SMEs	2,209	1.3	0.3	–	–	0.2	–	–	–	–	6.5	–	1,168	1,156
4.5	Of which Retail – Other non-SMEs	6,960	0.4	–	–	–	–	–	–	–	–	8.4	–	4,415	4,319
5	Total	544,035	1.4	16.7	14.9	–	1.8	0.6	–	–	–	7.4	–	115,462	118,511

Table 48: IRB approach – Disclosure of the extent of the use of CRM techniques (UK CR7-A)

		31.12.25													
		Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)			
		Total exposures	Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWEA with substitution effects (reduction effects only)	RWEA without substitution effects (both reduction and sustitution effects)
		$million	%	%	%	%	%	%	%	%	%	%	%	$million	$million
	IRB Exposure Class														
1	Central governments and central banks	180,287	–	–	–	–	–	–	–	–	–	5.3	–	21,825	21,328
2	Institutions	71,707	4.1	1.9	–	–	1.9	1.7	–	–	–	10.5	–	11,848	12,143
3	Corporates	191,728	1.8	7.8	2.9	–	4.8	1.0	–	–	–	10.6	–	67,651	70,467
3.1	Of which Corporates – SMEs	2,909	3.5	40.4	39.8	–	0.5	–	–	–	–	6.2	–	1,258	1,238
3.2	Of which Corporates – Specialised lending	32,332	0.5	15.9	0.3	0.1	15.4	1.1	–	–	–	19.0	–	11,541	10,669
3.3	Of which Corporates – Other	156,486	2.1	5.6	2.8	–	2.7	1.0	–	–	–	8.9	–	54,852	58,560
4	Retail	103,031	0.1	72.2	72.2	–	–	–	–	–	–	0.9	–	18,219	18,083
4.1	Of which Retail – Immovable property SMEs	366	–	90.6	90.6	–	–	–	–	–	–	–	–	18	18
4.2	Of which Retail – Immovable property non-SMEs	76,280	–	97.1	97.1	–	–	–	–	–	–	–	–	5,783	5,783
4.3	Of which Retail – Qualifying revolving	15,023	–	–	–	–	–	–	–	–	–	–	–	4,692	4,692
4.4	Of which Retail – Other SMEs	2,286	1.3	0.1	–	–	0.1	–	–	–	–	7.3	–	1,213	1,198
4.5	Of which Retail – Other non-SMEs	9,076	0.3	–	–	–	–	–	–	–	–	7.9	–	6,514	6,392
5	**Total**	546,753	1.2	16.6	14.6	–	1.9	0.6	–	–	–	7.0	–	119,543	122,021

3.4 Standardised risk weight profile

External ratings, where available, are used to assign risk weights for standardised approach (SA) exposures. These external ratings must come from EU approved rating agencies, known as External Credit Assessment Institutions (ECAI); which currently include Moody's, Standard & Poor's and Fitch. The Group uses the ECAI ratings from these agencies in its day-to-day business, which are tracked and kept updated. Assessments provided by approved ECAI are mapped to credit quality steps as prescribed by the CRR.

The Group currently does not use assessments provided by export credit agencies for the purpose of evaluating RWA in the standardised approach.

The following tables set out EAD and EAD after CRM associated with each risk weight as prescribed in Part Three, Title II, Chapter 2 of the CRR, including credit and counterparty credit risk regulatory risk weights based on the exposure classes applied to unrated exposures.

Standardised EAD post CRM and post CCF increased by $10.2 billion

- Central governments or central banks increased by $5.0 billion
- Public sector entities increased by $3.6 billion
- Corporates increased by $4.1 billion
- Retail decreased by $2.0 billion

Table 49: Standardised approach (UK CR5)

		30.06.26													
		Risk Weight													
		0%	2%	4%	20%	35%	50%	75%	100%	150%	250%	Others	Deducted	Total	Of which unrated
	Standardised Exposure Class														
1	Central governments or central banks	**32,321**	**–**	**–**	**–**	**–**	**–**	**–**	**135**	**–**	**609**	**–**	**–**	**33,065**	**–**
3	Public sector entities	**–**	**–**	**–**	**12,362**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**12,362**	**–**
4	Multilateral development banks	**28,320**	**–**	**–**	**307**	**–**	**1,079**	**–**	**114**	**–**	**–**	**–**	**–**	**29,820**	**–**
6	Institutions	**–**	**–**	**–**	**4**	**–**	**9**	**–**	**–**	**–**	**–**	**–**	**–**	**13**	**–**
7	Corporates	**–**	**–**	**–**	**4,357**	**–**	**341**	**–**	**12,292**	**–**	**–**	**–**	**–**	**16,990**	**12,486**
8	Retail	**–**	**–**	**–**	**273**	**–**	**–**	**10,891**	**–**	**–**	**–**	**–**	**–**	**11,164**	**14,510**
9	Secured on real estate property	**–**	**–**	**–**	**–**	**6,751**	**–**	**–**	**2,018**	**–**	**–**	**–**	**–**	**8,769**	**8,769**
10	Exposures in default	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**176**	**–**	**–**	**–**	**–**	**176**	**(41)**
11	Items belonging to regulatory high risk categories	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**857**	**–**	**–**	**–**	**857**	**343**
15	Equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**832**	**–**	**1,332**	**–**	**–**	**2,164**	**138**
16	Other items[1]	**3,406**	**–**	**–**	**2**	**–**	**–**	**–**	**8,575**	**–**	**–**	**58**	**–**	**12,041**	**2,705**
17	**Total Standardised**	**64,047**	**–**	**–**	**17,305**	**6,751**	**1,429**	**10,891**	**24,142**	**857**	**1,941**	**58**	**–**	**127,421**	**38,910**

		31.12.25													
		Risk Weight													
		0%	2%	4%	20%	35%	50%	75%	100%	150%	250%	Others	Deducted	Total	Of which unrated
	Standardised Exposure Class														
1	Central governments or central banks	27,191	–	–	–	–	–	–	347	–	572	–	–	28,110	–
3	Public sector entities	–	–	–	8,795	–	–	–	–	–	–	–	–	8,795	–
4	Multilateral development banks	28,944	–	–	390	–	1,158	–	202	–	–	–	–	30,694	–
6	Institutions	–	–	–	–	–	7	–	–	–	–	–	–	7	–
7	Corporates	–	–	–	1,580	–	196	–	11,120	–	–	–	–	12,896	11,083
8	Retail	–	–	–	2,891	–	–	10,248	–	–	–	–	–	13,139	10,525
9	Secured on real estate property	–	–	–	–	7,045	–	–	1,621	–	–	–	–	8,666	8,666
10	Exposures in default	–	–	–	–	–	–	–	192	–	–	–	–	192	192
11	Items belonging to regulatory high risk categories	–	–	–	–	–	–	–	–	1,881	–	–	–	1,881	1,189
15	Equity	–	–	–	–	–	–	–	–	–	1,186	–	–	1,186	1,186
16	Other items[1]	3,208	–	–	3	–	–	–	8,354	–	–	58	–	11,623	3,064
17	**Total Standardised**	59,343	–	–	13,659	7,045	1,361	10,248	21,836	1,881	1,758	58	–	117,189	35,905

1. Other items include cash, fixed assets, prepayments and accrued income

3.5 Securitisation

Securitisation is defined by the CRR as a transaction or scheme where the credit risk of an exposure or pool of exposures is tranched and where the payments arising from the transaction or scheme are dependent upon the performance of the underlying exposure(s) and where the subordination of tranches determine the distribution of losses during the ongoing life of the transaction or the scheme.

Table 50: Securitisation exposures in the non-trading book (UK-SEC1)

		30.06.26															
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor				
		Traditional				Synthetic			Traditional				Traditional				
		STS		Non-STS													
			of which SRT		of which SRT		of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	**–**	**–**	**641**	**–**	**15,460**	**15,460**	**16,101**	**–**	**–**	**–**	**–**	**895**	**19,416**	**–**	**20,311**
2	Retail (total)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**825**	**6,738**	**–**	**7,562**
3	Residential mortgage	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**241**	**3,790**	**–**	**4,031**
4	Credit card	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**299**	**223**	**–**	**522**
5	Other retail exposures	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**284**	**2,724**	**–**	**3,009**
6	Re-securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**			**–**	**–**
7	Wholesale (total)	**–**	**–**	**641**	**–**	**15,460**	**15,460**	**16,101**	**–**	**–**	**–**	**–**	**70**	**12,679**	**–**	**12,749**
8	Loans to corporates	**–**	**–**	**641**	**–**	**14,066**	**14,066**	**14,707**	**–**	**–**	**–**	**–**		**10,169**	**–**	**10,169**
9	Commercial mortgage	**–**	**–**	**–**	**–**				**–**	**–**	**–**	**–**		**1,550**	**–**	**1,550**
10	Lease and receivables	**–**	**–**	**–**	**–**	**1,394**	**1,394**	**1,394**	**–**	**–**	**–**	**–**	**70**	**759**	**–**	**829**
11	Other wholesale	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**201**	**–**	**201**
12	Re-securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**			**–**	**–**

		31.12.25															
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor				
		Traditional				Synthetic			Traditional				Traditional				
		STS		Non-STS													
			of which SRT		of which SRT		of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	–	–	664	–	14,717	14,717	15,381	–	–	–	–	254	16,934	–	17,188
2	Retail (total)	–	–	–	–	–	–	–	–	–	–	–	254	5,835	–	6,090
3	Residential mortgage	–	–	–	–	–	–	–	–	–	–	–	–	3,001	–	3,001
4	Credit card	–	–	–	–	–	–	–	–	–	–	–	52	145	–	197
5	Other retail exposures	–	–	–	–	–	–	–	–	–	–	–	202	2,689	–	2,892
6	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Wholesale (total)	–	–	664	–	14,717	14,717	15,381	–	–	–	–	–	11,099	–	11,099
8	Loans to corporates	–	–	664	–	13,324	13,324	13,988	–	–	–	–	–	9,716	–	9,716
9	Commercial mortgage	–	–	–	–	–	–	–	–	–	–	–	–	884	–	884
10	Lease and receivables	–	–	–	–	1,393	1,393	1,393	–	–	–	–	–	498	–	498
11	Other wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 51: Securitisation exposures in the trading book (UK-SEC2)

		30.06.26											
		Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
		Traditional				Traditional				Traditional			
		STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	–	–	–	–	–	–	–	–	160	1,410	–	1,571
2	Retail (total)	–	–	–	–	–	–	–	–	160	913	–	1,073
3	Residential mortgage	–	–	–	–	–	–	–	–	3	362	–	365
4	Credit card	–	–	–	–	–	–	–	–	12	6	–	18
5	Other retail exposures	–	–	–	–	–	–	–	–	145	545	–	690
6	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–
7	Wholesale (total)	–	–	–	–	–	–	–	–	–	497	–	497
8	Loans to corporates	–	–	–	–	–	–	–	–	–	267	–	267
9	Commercial mortgage	–	–	–	–	–	–	–	–	–	141	–	141
10	Lease and receivables	–	–	–	–	–	–	–	–	–	89	–	89
11	Other wholesale	–	–	–	–	–	–	–	–	–	–	–	–
12	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–

		31.12.25											
		Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
		Traditional				Traditional				Traditional			
		STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	–	–	–	–	–	–	–	–	109	1,257	–	1,366
2	Retail (total)	–	–	–	–	–	–	–	–	105	818	–	923
3	Residential mortgage	–	–	–	–	–	–	–	–	8	294	–	302
4	Credit card	–	–	–	–	–	–	–	–	10	7	–	17
5	Other retail exposures	–	–	–	–	–	–	–	–	88	517	–	605
6	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–
7	Wholesale (total)	–	–	–	–	–	–	–	–	3	439	–	442
8	Loans to corporates	–	–	–	–	–	–	–	–	–	255	–	255
9	Commercial mortgage	–	–	–	–	–	–	–	–	–	46	–	46
10	Lease and receivables	–	–	–	–	–	–	–	–	3	138	–	142
11	Other wholesale	–	–	–	–	–	–	–	–	–	–	–	–
12	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–

Table 52: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor (UK-SEC3)

		30.06.26																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	**8,885**	**6,575**	**–**	**–**	**–**	**15,460**	**–**	**–**	**–**	**3,147**	**–**	**–**	**–**	**252**	**–**	**–**	**–**
2	Traditional transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic transactions	**8,885**	**6,575**	**–**	**–**	**–**	**15,460**	**–**	**–**	**–**	**3,147**	**–**	**–**	**–**	**252**	**–**	**–**	**–**
10	Securitisation	**8,885**	**6,575**	**–**	**–**	**–**	**15,460**	**–**	**–**	**–**	**3,147**	**–**	**–**	**–**	**252**	**–**	**–**	**–**
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	**8,885**	**6,575**	**–**	**–**	**–**	**15,460**	**–**	**–**	**–**	**3,147**	**–**	**–**	**–**	**252**	**–**	**–**	**–**
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

		31.12.25																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	12,300	2,417	–	–	–	14,717	–	–	–	2,779	–	–	–	222	–	–	–
2	Traditional transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic transactions	12,300	2,417	–	–	–	14,717	–	–	–	2,779	–	–	–	222	–	–	–
10	Securitisation	12,300	2,417	–	–	–	14,717	–	–	–	2,779	–	–	–	222	–	–	–
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	12,300	2,417	–	–	–	14,717	–	–	–	2,779	–	–	–	222	–	–	–
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 53: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor (UK-SEC4)

		30.06.26																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	**18,627**	**1,457**	**51**	**176**	**–**	**–**	**11,960**	**8,351**	**0**	**–**	**2,116**	**1,594**	**–**	**–**	**169**	**127**	**–**
2	Traditional securitisation	**18,627**	**1,457**	**51**	**176**	**–**	**–**	**11,960**	**8,351**	**0**	**–**	**2,116**	**1,594**	**–**	**–**	**169**	**127**	**–**
3	Securitisation	**18,627**	**1,457**	**51**	**176**	**–**	**–**	**11,960**	**8,351**	**0**	**–**	**2,116**	**1,594**	**–**	**–**	**169**	**127**	**–**
4	Retail underlying	**6,749**	**775**	**38**	**–**	**–**	**–**	**4,482**	**3,081**	**0**	**–**	**781**	**554**	**–**	**–**	**62**	**44**	**–**
5	Of which STS	**825**	**–**	**–**	**–**	**–**	**–**	**692**	**133**	**–**	**–**	**85**	**13**	**–**	**–**	**7**	**1**	**–**
6	Wholesale	**11,878**	**682**	**13**	**176**	**–**	**–**	**7,479**	**5,270**	**0**	**–**	**1,335**	**1,040**	**–**	**–**	**107**	**83**	**–**
7	Of which STS	**70**	**–**	**–**	**–**	**–**	**–**	**70**	**–**	**–**	**–**	**7**	**–**	**–**	**–**	**1**	**–**	**–**
8	Re-securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
9	Synthetic securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
10	Securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
11	Retail underlying	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
12	Wholesale	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
13	Re-securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

		31.12.25																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**Total exposures**	16,203	664	318	4	–	–	11,612	5,576	–	–	2,059	1,029	–	–	165	82	–
2	Traditional securitisation	16,203	664	318	4	–	–	11,612	5,576	–	–	2,059	1,029	–	–	165	82	–
3	Securitisation	16,203	664	318	4	–	–	11,612	5,576	–	–	2,059	1,029	–	–	165	82	–
4	Retail underlying	5,554	219	318	–	–	–	3,424	2,666	–	–	590	552	–	–	47	44	–
5	Of which STS	254	–	–	–	–	–	120	135	–	–	12	13	–	–	1	1	–
6	Wholesale	10,649	445	–	4	–	–	8,188	2,910	–	–	1,470	477	–	–	118	38	–
7	Of which STS	–	–	–		–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 54: Exposures securitised by the institution – Exposures in default and specific credit risk adjustments (UK-SEC5)

		30.06.26			31.12.25		
		Exposures securitised by the institution – Institution acts as originator or as sponsor			Exposures securitised by the institution – Institution acts as originator or as sponsor		
		Total outstanding nominal amount			Total outstanding nominal amount		
			Of which exposures in default	Total amount of specific credit risk adjustments made during the period		Of which exposures in default	Total amount of specific credit risk adjustments made during the period
		$million	$million	$million	$million	$million	$million
1	**Total exposures**	**24,453**	**127**	**–**	23,021	113	–
2	Retail (total)	**–**	**–**	**–**	–	–	–
3	Residential mortgage	**–**	**–**	**–**	–	–	–
4	Credit card	**–**	**–**	**–**	–	–	–
5	Other retail exposures	**–**	**–**	**–**	–	–	–
6	Re-securitisation	**–**	**–**	**–**	–	–	–
7	Wholesale (total)	**24,453**	**127**	**–**	23,021	113	–
8	Loans to corporates	**22,693**	**127**	**–**	21,489	113	–
9	Commercial mortgage	**352**	**–**	**–**	82	–	–
10	Lease and receivables	**1,408**	**–**	**–**	1,450	–	–
11	Other wholesale	**–**	**–**	**–**	–	–	–
12	Re-securitisation	**–**	**–**	**–**	–	–	–

4. Traded risk

4.1 Market risk

Market risk is the potential for fair value loss due to adverse changes in financial markets.

- The Trading book exposures mostly arise from client activity covering hedging, investment, market making and bond underwriting. The provision of these services entails the Group taking moderate market risk positions. All trading teams support client activity. There are no proprietary trading teams. Hence, income earned from market risk-related activities is primarily driven by the volume of client activity.
- The Non-trading book exposures arise from Treasury's liquid assets buffer, predominantly held in high-quality marketable debt securities, and from CIB's loan underwriting and investments in select investment grade debt securities with no trading intent.
- The primary categories of market risk for the Group are:
- Interest Rate Risk: arising from changes in yield curves and implied volatilities.
- Foreign Exchange Rate Risk: arising from changes in currency exchange rates and implied volatilities.
- Commodity Risk: arising from changes in commodity prices and implied volatilities.
- Credit Spread Risk: arising from changes in the price of debt instruments and credit-linked derivatives, driven by factors other than the level of risk-free interest rates.
- Equity Risk: arising from changes in the prices of equities and implied volatilities.

Market risk regulatory capital requirements

The CRR specifies minimum capital requirements against market risk in the trading book. Interest rate risk in the non-trading book is covered separately under the Pillar 2 framework.

The PRA has granted the Group permission to use the internal model approach (IMA) covering the majority of interest rate, foreign exchange, precious metals, base metals, energy and agriculture market risk in the trading book. Positions outside the IMA scope are assessed according to standard PRA rules.

The minimum regulatory market risk capital requirements for the trading book are presented below for the Group.

Table 55: Market risk under standardised approach (UK MR1)

		30.06.26 Risk Weighted Assets $million	31.12.25 Risk Weighted Assets $million
	Outright products		
1	Interest rate risk (general and specific)	**12,905**	12,072
2	Equity risk (general and specific)	**24**	121
3	Foreign exchange risk	**3,401**	4,363
4	Commodity risk	**454**	507
	Options		
5	Simplified approach	**–**	–
6	Delta-plus method	**21**	18
7	Scenario approach	**77**	76
8	Securitisation (specific risk)	**1,408**	1,316
9	Total	**18,290**	17,156

Internal Models Approach

The table below shows the average, high and low VaR and Stressed VaR for the period June 2025 to June 2026 and the actual position on 30 June 2026. The results reflect only the Group portfolio covered by the internal model approach and are calculated at a 99 per cent confidence level.

Table 56: IMA values for trading portfolios (UK MR3)

		30.06.26 $million	31.12.25 $million
	VaR (10 day 99%)[1]		
1	Maximum value	**147**	135
2	Average value	**84**	86
3	Minimum value	**53**	53
4	Period end	**86**	60
	Stressed VaR (10 day 99%)[1]		
5	Maximum value	**356**	358
6	Average value	**193**	207
7	Minimum value	**74**	106
8	Period end	**150**	218
	Incremental Risk Charge (99.99%)[1]		
9	Maximum value	**–**	–
10	Average value	**–**	–
11	Minimum value	**–**	–
12	Period end	**–**	–
	Comprehensive Risk capital charge (99.9%)[1]		
13	Maximum value	**–**	–
14	Average value	**–**	–
15	Minimum value	**–**	–
16	Period end	**–**	–

1. Represents only the Group's portfolio covered by the IMA and calculated at the 99 per cent confidence level. Details of the Group's management VaR covering all non-structured market risk exposures, across the trading and non-trading books, calculated at the 97.5 per cent confidence level can be found in the Group's Half Year Report 2026 on page 71

Table 57: Market risk under the Internal Model Approach (IMA) (UK MR2-A)

		30.06.26		31.12.25	
		RWAs $million	Own funds requirements $million	RWAs $million	Own funds requirements $million
1	**VaR (higher of values a and b)**	**3,760**	**301**	2,572	206
(a)	Previous day's VaR	**1,072**	**86**	753	60
(b)	Average of the daily VaR	**3,760**	**301**	2,572	206
2	**SVaR (higher of values a and b)**	**5,843**	**467**	6,399	512
(a)	Latest SVaR	**1,870**	**150**	2,723	218
(b)	Average of the SVaR	**5,843**	**467**	6,399	512
3	**IRC (higher of values a and b)**	**–**	**–**	–	–
(a)	Most recent IRC measure	**–**	**–**	–	–
(b)	12 weeks average IRC measure	**–**	**–**	–	–
4	**Comprehensive risk measure (higher of values a, b and c)**	**–**	**–**	–	–
(a)	Most recent risk measure of comprehensive risk measure	**–**	**–**	–	–
(b)	12 weeks average of comprehensive risk measure	**–**	**–**	–	–
(c)	Comprehensive risk measure Floor	**–**	**–**	–	–
5	**Other[1]**	**4,364**	**349**	4,536	363
6	**Total[2]**	**13,968**	**1,117**	13,507	1,081

1. Other IMA capital add-ons for market risks not fully captured in either VaR or SVaR. More details on Risks not in VaR can be found in the Group's Half Year Report 2026 on page 71
2. There are zero IRC and CRM as the Group has not applied model permission for specific interest rate risk comprehensive risk measure

Backtesting

In H1 2026, there were no regulatory backtesting negative exceptions at Group level. In the one-year period to 30 June 2026, there have been no Group level backtesting exceptions.

The graph below illustrates the performance of the VaR model used in capital calculations. It compares the 99 percentile profit and loss confidence level given by the VaR model with the hypothetical profit and loss of each day given the actual market movement ignoring any intra-day trading activity.

Table 58: June 2026 Comparison of VaR estimates with gains/losses at Group level with hypothetical profit and loss (P&L) versus VaR (99 per cent, one day) (UK MR4)

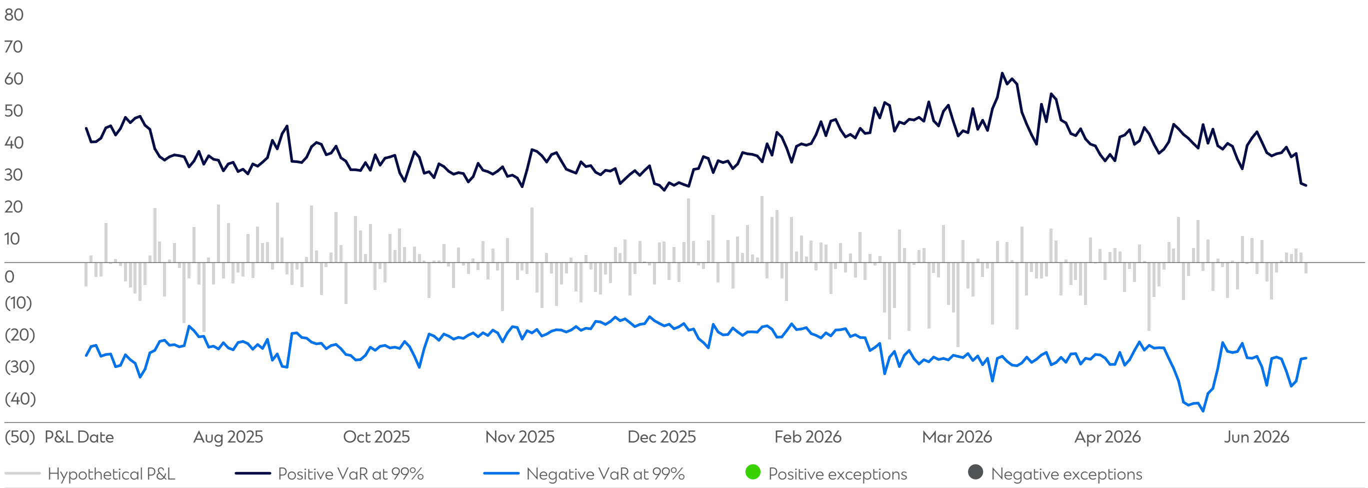
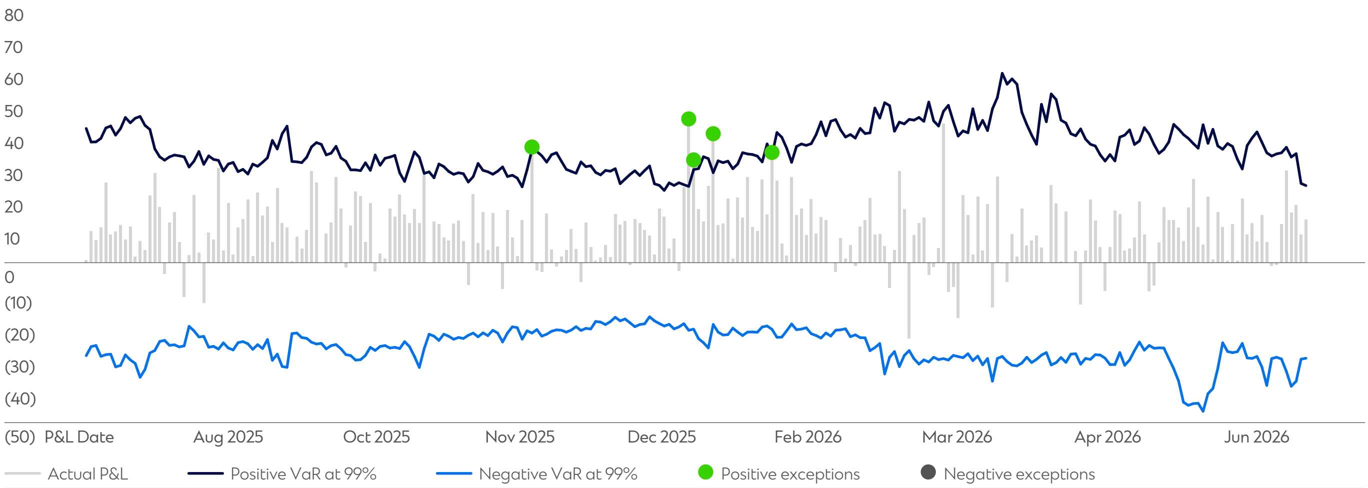


Table 59: June 2026 Comparison of VaR estimates with gains/losses at Group level with actual profit and loss (P&L) versus VaR (99 per cent, one day) (UK MR4)



4.2 Counterparty credit risk

Counterparty credit risk (CCR) is the risk that the Group's counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative or repo contract defaults prior to the maturity date of the contract and that the Group at the time has a claim on the counterparty. CCR arises predominantly in the trading book when hedging with external counterparties is required.

CCR is managed within the overall credit risk appetite for corporate and financial institutions. CCR limits are set for individual counterparties, including central clearing counterparties, and for specific portfolios. Individual limits are calibrated to the credit grade and business model of the counterparties, and are set on Potential Future Exposure (PFE). Portfolio limits are set to contain concentration risk across multiple dimensions, and are set on PFE or other equivalent measures.

The Group reduces its credit exposures to counterparties by entering into contractual netting agreements which result in a single amount owed by or to the counterparty. The amount is calculated by netting the mark-to-market (MTM) owed by the counterparty to the Group and the MTM owed by the Group to the counterparty on the transactions covered by the netting agreement. In line with the International Accounting Standard (IAS) 32 principles, the Group's balance sheet will present assets and liabilities on a net basis provided there is a legally enforceable right to set off assets and liabilities, and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Table 61 shows the credit exposure on derivative transactions after taking into account the benefits from legally enforceable netting agreements and collateral held, including transactions cleared through recognised trading exchanges.

Table 60: Composition of collateral for CCR exposures (UK CCR5)

		30.06.26					
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received	Segregated	Fair value of collateral posted	Unsegregated	Fair value of collateral received Segregated	Fair value of collateral posted Unsegregated
		$million	$million	$million	$million	$million	$million
	Collateral type						
1	Cash	–	12,870	2,881	15,494	802	280
2	Debt	540	8,040	8,144	7,109	196,873	165,959
3	Equity	–	–	–	–	13,542	3,527
4	Other	–	–	–	–	7	–
5	**Total**	**540**	**20,910**	**11,025**	**22,603**	**211,224**	**169,766**

		31.12.25					
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received	Segregated	Fair value of collateral posted	Unsegregated	Fair value of collateral received Segregated	Fair value of collateral posted Unsegregated
		$million	$million	$million	$million	$million	$million
	Collateral type						
1	Cash	–	12,281	2,320	14,196	669	–
2	Debt[1]	522	8,906	8,897	5,976	186,133	161,596
3	Equity[1]	–	–	–	–	13,478	488
4	Other[1]	–	–	–	–	–	–
5	**Total**	522	21,187	11,216	20,172	200,281	162,084

1. The collateral categorisation has been re-presented because of the reclassification of SFT securities received and posted from other collateral to respective categories

Table 61: Analysis of CCR exposure by approach (UK CCR1)

		30.06.26							
		Replacement cost (RC) $million	Potential future exposure (PFE) $million	EEPE $million	Alpha used for computing regulatory exposure value	Exposure value pre-CRM $million	Exposure value post-CRM $million	Exposure value $million	RWEA $million
UK1	Original Exposure Method (for derivatives)	–	–		1.4	–	–	–	–
UK2	Simplified SA-CCR (for derivatives)	–	–		1.4	–	–	–	–
1	SA-CCR (for derivatives)	2,948	5,016		1.4	17,426	11,149	11,146	5,947
2	IMM (for derivatives and SFTs)			19,006	1.4	38,194	26,608	26,598	10,674
2a	Of which securities financing transactions netting sets			–		–	–	–	–
2b	Of which derivatives and long settlement transactions netting sets			19,006		38,194	26,608	26,598	10,674
2c	Of which from contractual cross-product netting sets			–		–	–	–	–
3	Financial collateral simple method (for SFTs)					–	–	–	–
4	Financial collateral comprehensive method (for SFTs)					282,730	226,896	226,896	4,401
5	VaR for SFTs					–	–	–	–
6	**Total**					**338,349**	**264,653**	**264,641**	**21,022**

		31.12.25							
		Replacement cost (RC) $million	Potential future exposure (PFE) $million	EEPE $million	Alpha used for computing regulatory exposure value	Exposure value pre-CRM $million	Exposure value post-CRM $million	Exposure value $million	RWEA $million
UK1	Original Exposure Method (for derivatives)	–	–		1.4	–	–	–	–
UK2	Simplified SA-CCR (for derivatives)	–	–		1.4	–	–	–	–
1	SA-CCR (for derivatives)	1,219	4,432		1.4	12,426	7,912	7,910	4,197
2	IMM (for derivatives and SFTs)			18,561	1.4	33,276	25,986	25,978	10,667
2a	Of which securities financing transactions netting sets			–		–	–	–	–
2b	Of which derivatives and long settlement transactions netting sets			18,561		33,276	25,986	25,978	10,667
2c	Of which from contractual cross-product netting sets			–		–	–	–	–
3	Financial collateral simple method (for SFTs)					–	–	–	–
4	Financial collateral comprehensive method (for SFTs)					260,602	206,783	206,783	3,806
5	VaR for SFTs					–	–	–	–
6	**Total**					306,304	240,681	240,671	18,670

Table 62: Exposures to CCPs (UK CCR8)

		30.06.26		31.12.25	
		Exposure value $million	RWA $million	Exposure value $million	RWA $million
1	**Exposures to QCCPs (total)**		**1,232**		1,018
2	Trade exposure	**13,095**	**954**	10,201	865
3	Of which OTC derivatives	**9,704**	**741**	7,169	728
4	Of which exchange-traded derivatives	**2,074**	**187**	1,739	112
5	Of which SFTs	**1,318**	**26**	1,293	26
6	Of which collateral posted	**–**	**–**	–	–
7	Segregated initial margin	**–**		–	
8	Non-segregated initial margin	**659**	**101**	–	–
9	Prefunded default fund contributions	**650**	**177**	798	153
10	Unfunded default fund contributions	**–**	**–**	–	–
11	**Exposures to non-QCCPs (total)**		**249**		305
12	Trade exposure	**74**	**72**	307	295
13	Of which OTC derivatives	**15**	**15**	234	224
14	Of which exchange-traded derivatives	**59**	**57**	73	71
15	Of which SFTs	**–**	**–**	–	–
16	Of which collateral posted	**–**	**–**	–	–
17	Segregated initial margin	**–**		–	
18	Non-segregated initial margin	**177**	**168**	–	–
19	Prefunded default fund contributions	**1**	**9**	1	9
20	Unfunded default fund contributions	**–**	**–**	–	–

Table 63: Credit derivatives exposures (UK CCR6)

		30.06.26		31.12.25	
		Protection bought $million	Protection sold $million	Protection bought $million	Protection sold $million
	Notionals				
1	Single-name credit default swaps	**16,337**	**14,177**	14,893	12,191
2	Index credit default swaps	**17,319**	**12,766**	15,936	11,276
3	Total return swaps	**53,109**	**935**	45,432	1,365
4	Credit options	**–**	**–**	–	–
5	Other Credit derivatives	**–**	**–**	–	–
	Total notionals	**86,765**	**27,878**	76,261	24,832
	Fair values				
6	Positive fair value (asset)	**704**	**858**	679	369
7	Negative fair value (liability)	**(2,238)**	**(241)**	(2,506)	(260)

Table 64: Transactions subject to own funds requirements for CVA risk (UK CCR2)

		30.06.26		31.12.25	
		Exposure Value $million	RWA $million	Exposure Value $million	RWA $million
1	Total transactions subject to the Advanced method	**–**	**–**	–	–
2	(i) VaR component (including the 3× multiplier)		**–**		–
3	(ii) stressed VaR component (including the 3× multiplier)		**–**		–
4	Transactions subject to the Standardised method	**21,796**	**1,919**	22,327	2,413
UK4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	**–**	**–**	–	–
5	**Total transactions subject to own funds requirements for CVA risk**	**21,796**	**1,919**	22,327	2,413

Table 65 depicts EAD after the effect of collateral associated with each risk weight prescribed in Part Three, Title II, Chapter 2 of the CRR for counterparty credit risk.

Table 65: Standardised approach – CCR exposures by regulatory exposure class and risk weights (UK CCR3)

		30.06.26												
		Risk Weight												
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Others	Total
	Standardised Exposure Class													
1	Central governments or central banks	**173**	**–**	**–**	**–**	**13**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**186**
4	Multilateral development banks	**376**	**–**	**–**	**–**	**27**	**–**	**16**	**–**	**–**	**–**	**–**	**–**	**419**
6	Institutions	**–**	**11,587**	**24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11,611**
7	Corporates	**–**	**–**	**–**	**–**	**64**	**–**	**24**	**–**	**–**	**4,845**	**–**	**–**	**4,933**
8	Retail	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**–**	**–**	**–**	**2**
10d	Other items	**162**	**–**	**–**	**–**	**1**	**12**	**–**	**–**	**–**	**–**	**–**	**–**	**175**
11	**Total Standardised**	**711**	**11,587**	**24**	**–**	**105**	**12**	**40**	**–**	**2**	**4,845**	**–**	**–**	**17,326**

		31.12.25												
		Risk Weight												
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Others	Total
	Standardised Exposure Class													
1	Central governments or central banks	498	–	–	–	5	–	–	–	–	–	–	–	503
4	Multilateral development banks	232	–	–	–	31	–	7	–	–	1	–	–	271
6	Institutions	–	8,933	8	–	4	–	–	–	–	–	–	–	8,945
7	Corporates	–	–	–	–	63	–	6	–	–	4,073	–	–	4,142
8	Retail	–	–	–	–	–	–	–	–	1	–	–	–	1
10	Other items[1]	127	–	–	–	3	18	–	–	–	–	–	–	148
11	**Total Standardised**	857	8,933	8	–	106	18	13	–	1	4,074	–	–	14,010

The following tables provide further detail on the exposure classes subject to counterparty credit risk, in particular for central governments or central banks, institutions, corporates. These have been split by internal credit grade which relate to the PD ranges presented.

IRB EAD post CRM and post CCF increased by $23.3 billion:

- Central governments or central banks EAD decreased by $3.7 billion
- Institutions EAD increased by $9.7 billion
- Corporates EAD increased by $17.3 billion

Table 66: IRB – CCR exposures by exposure class

	30.06.26						
	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
IRB exposure class							
Central governments or central banks	**12,036**	**0.80**	**53**	**18**	**0.36**	**737**	**6**
Institutions	**127,895**	**0.34**	**1,054**	**6**	**0.41**	**4,399**	**3**
Corporates	**119,253**	**0.21**	**7,585**	**13**	**0.42**	**11,389**	**10**
Of which specialised lending	**1,234**	**0.64**	**277**	**45**	**2.34**	**564**	**46**
Of which SME	**12**	**2.71**	**20**	**89**	**2.10**	**23**	**188**
Total IRB	**259,184**	**0.30**	**8,692**	**10**	**0.41**	**16,525**	**6**

	31.12.25						
	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
IRB exposure class							
Central governments or central banks	15,742	0.67	54	12	0.28	850	5
Institutions	118,236	0.27	1,045	7	0.44	4,122	3
Corporates	101,906	0.19	7,419	13	0.43	9,995	10
Of which specialised lending	1,231	0.60	279	50	2.10	589	48
Of which SME	19	1.94	25	85	2.12	30	159
Total IRB	235,884	0.27	8,518	10	0.42	14,967	6

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties

Table 67: IRB approach – CCR exposures by exposure class and PD scale for central governments or central banks (UK CCR4)

	30.06.26						
PD range %	Exposure value	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	**10,643**	**0.05**	**37**	**15**	**0.26**	**281**	**3**
0.15 to < 0.25	**100**	**0.22**	**4**	**45**	**1.00**	**34**	**34**
0.25 to < 0.50	**7**	**0.39**	**1**	**–**	**1.00**	**3**	**48**
0.50 to < 0.75	**17**	**0.51**	**1**	**45**	**1.00**	**10**	**56**
0.75 to < 2.50	**126**	**0.89**	**2**	**45**	**1.19**	**95**	**76**
2.50 to < 10.00	**820**	**3.51**	**6**	**45**	**1.41**	**284**	**35**
10.00 to < 100.00	**305**	**13.77**	**1**	**36**	**0.59**	**11**	**4**
100.00 (default)	**19**	**100.00**	**1**	**45**	**1.00**	**19**	**98**
Total	**12,036**	**0.80**	**53**	**18**	**0.36**	**737**	**6**

	31.12.25						
PD range %	EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	14,411	0.06	41	9	0.16	261	2
0.15 to < 0.25	28	0.22	2	45	1.00	9	34
0.25 to < 0.50	11	0.39	1	–	1.00	5	48
0.50 to < 0.75	3	0.51	1	45	1.00	2	56
0.75 to < 2.50	135	1.18	2	45	1.09	113	84
2.50 to < 10.00	824	3.51	5	45	1.88	346	42
10.00 to < 100.00	305	13.77	1	36	1.08	12	4
100.00 (default)	25	100.00	1	45	1.48	101	398
Total	15,742	0.67	54	12	0.28	850	5

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties within each PD grade

Table 68: IRB approach – CCR exposures by exposure class and PD scale for institutions (UK CCR4)

PD range %	30.06.26 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	**110,376**	**0.05**	**655**	**6**	**0.44**	**2,765**	**3**
0.15 to < 0.25	**5,942**	**0.22**	**103**	**4**	**0.32**	**275**	**5**
0.25 to < 0.50	**1,695**	**0.39**	**42**	**4**	**0.20**	**98**	**6**
0.50 to < 0.75	**2,959**	**0.55**	**74**	**4**	**0.26**	**216**	**7**
0.75 to < 2.50	**4,855**	**1.16**	**89**	**7**	**0.30**	**720**	**15**
2.50 to < 10.00	**1,853**	**4.40**	**74**	**4**	**0.29**	**269**	**15**
10.00 to < 100.00	**14**	**13.77**	**10**	**45**	**1.01**	**33**	**243**
100.00 (default)	**201**	**100.00**	**7**	**1**	**0.14**	**24**	**12**
Total	**127,895**	**0.34**	**1,054**	**6**	**0.41**	**4,399**	**3**

PD range %	31.12.25 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	106,683	0.05	646	7	0.44	2,829	3
0.15 to < 0.25	4,912	0.22	99	5	0.41	270	6
0.25 to < 0.50	774	0.39	48	6	0.36	70	9
0.50 to < 0.75	1,889	0.53	72	6	0.41	199	11
0.75 to < 2.50	3,644	1.30	113	8	0.36	645	18
2.50 to < 10.00	136	3.44	46	8	0.35	36	26
10.00 to < 100.00	9	13.88	15	45	1.02	22	244
100.00 (default)	189	100.00	6	2	0.04	50	27
Total	118,236	0.27	1,045	7	0.44	4,122	3

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties within each PD grade

Table 69: IRB approach – CCR exposures by exposure class and PD scale for corporates (UK CCR4)

PD range %	30.06.26 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	**84,357**	**0.08**	**4,681**	**11**	**0.40**	**4,277**	**5**
0.15 to < 0.25	**15,543**	**0.22**	**1,193**	**15**	**0.54**	**2,257**	**15**
0.25 to < 0.50	**3,980**	**0.39**	**528**	**24**	**0.65**	**1,157**	**29**
0.50 to < 0.75	**9,258**	**0.56**	**534**	**13**	**0.32**	**1,636**	**18**
0.75 to < 2.50	**5,836**	**1.13**	**440**	**14**	**0.28**	**1,528**	**26**
2.50 to < 10.00	**226**	**3.34**	**135**	**57**	**1.77**	**378**	**167**
10.00 to < 100.00	**51**	**19.63**	**62**	**57**	**2.40**	**150**	**294**
100.00 (default)	**2**	**100.00**	**12**	**42**	**2.84**	**6**	**721**
Total	**119,253**	**0.21**	**7,585**	**13**	**0.42**	**11,389**	**10**

PD range %	31.12.25 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	73,291	0.07	4,582	11	0.40	3,684	5
0.15 to < 0.25	14,541	0.22	1,163	13	0.45	1,760	12
0.25 to < 0.50	3,371	0.39	501	29	0.89	1,210	36
0.50 to < 0.75	6,374	0.54	530	15	0.41	1,443	23
0.75 to < 2.50	4,159	1.19	442	20	0.45	1,568	38
2.50 to < 10.00	114	3.92	125	61	1.95	201	176
10.00 to < 100.00	50	14.71	59	43	1.32	117	234
100.00 (default)	6	100.00	17	36	2.39	12	200
Total	101,906	0.19	7,419	13	0.43	9,995	10

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties within each PD grade

Table 70: IRB approach – CCR exposures by exposure class and PD scale for corporates – specialised lending (UK CCR4)

PD range %	30.06.26 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	**433**	**0.11**	**57**	**54**	**1.47**	**110**	**25**
0.15 to < 0.25	**184**	**0.22**	**64**	**32**	**4.06**	**79**	**43**
0.25 to < 0.50	**307**	**0.39**	**39**	**51**	**1.99**	**182**	**59**
0.50 to < 0.75	**210**	**0.60**	**51**	**35**	**3.00**	**118**	**56**
0.75 to < 2.50	**60**	**1.33**	**44**	**31**	**2.50**	**40**	**67**
2.50 to < 10.00	**32**	**3.19**	**13**	**28**	**2.71**	**27**	**84**
10.00 to < 100.00	**7**	**29.97**	**5**	**19**	**4.39**	**7**	**106**
100.00 (default)	**1**	**100.00**	**4**	**19**	**4.31**	**–**	**66**
Total	**1,234**	**0.64**	**277**	**45**	**2.34**	**564**	**46**

PD range %	31.12.25 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	522	0.12	53	58	1.34	151	29
0.15 to < 0.25	188	0.22	67	37	3.61	81	43
0.25 to < 0.50	263	0.39	34	54	1.80	160	61
0.50 to < 0.75	112	0.54	40	40	3.30	70	63
0.75 to < 2.50	125	1.18	58	44	2.36	105	85
2.50 to < 10.00	16	3.41	18	30	3.24	14	90
10.00 to < 100.00	3	20.91	4	17	4.18	3	90
100.00 (default)	2	100.00	5	19	4.35	4	180
Total	1,231	0.60	279	50	2.10	589	48

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties within each PD grade

Table 71: IRB approach – CCR exposures by exposure class and PD scale for corporates – SME (UK CCR4)

PD range %	30.06.26 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	**–**	**0.09**	**2**	**45**	**1.00**	**–**	**11**
0.15 to < 0.25	**–**	**0.25**	**2**	**87**	**1.00**	**–**	**53**
0.25 to < 0.50	**–**	**0.39**	**1**	**66**	**1.00**	**–**	**50**
0.50 to < 0.75	**–**	**0.67**	**1**	**66**	**1.00**	**–**	**68**
0.75 to < 2.50	**1**	**1.54**	**6**	**69**	**1.29**	**1**	**91**
2.50 to < 10.00	**11**	**2.95**	**7**	**92**	**2.22**	**22**	**204**
10.00 to < 100.00	**–**	**13.77**	**1**	**87**	**1.00**	**–**	**264**
100.00 (default)	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**12**	**2.71**	**20**	**89**	**2.10**	**23**	**188**

PD range %	31.12.25 EAD post CRM and post CCF $million	Average PD[1] %	Number of obligors[2]	Average LGD[1] %	Average maturity[1] years	RWA $million	RWA density[1] %
0.00 to < 0.15	1	0.10	5	49	1.00	–	13
0.15 to < 0.25	1	0.25	2	87	1.00	–	53
0.25 to < 0.50	3	0.39	4	66	1.00	2	51
0.50 to < 0.75	–	0.67	2	66	1.00	–	69
0.75 to < 2.50	2	1.15	5	62	1.00	1	67
2.50 to < 10.00	12	2.83	7	97	2.84	26	227
10.00 to < 100.00	–	–	–	–	–	–	–
100.00 (default)	–	–	–	–	–	–	–
Total	19	1.94	25	85	2.12	30	159

1. Weighted averages are based on EAD
2. Number of obligors is based on number of counterparties within each PD grade

5. Liquidity risk

Table 72: Liquidity Coverage Ratio (LCR) (UK LIQ1)

		30.06.26							
		Total unweighted value (average)				Total weighted value (average)			
		30.09.25 $million	31.12.25 $million	31.03.26 $million	30.06.26 $million	30.09.25 $million	31.12.25 $million	31.03.26 $million	30.06.26 $million
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	High-Quality Liquid Assets								
1	**Total High-Quality Liquid Assets (HQLA)**					182,646	185,262	187,764	189,273
	Cash outflows								
2	Retail deposits and deposits from small business customers, of which:	204,354	211,436	218,701	223,818	19,227	19,671	20,373	20,881
3	Stable deposits	38,809	43,228	45,532	46,389	1,940	2,161	2,277	2,319
4	Less stable deposits	165,545	168,207	173,170	177,428	17,287	17,509	18,096	18,562
5	Unsecured wholesale funding, of which:	276,536	281,690	287,713	292,494	119,322	121,234	123,733	125,928
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	116,321	119,083	122,009	124,189	29,045	29,718	30,433	30,962
7	Non-operational deposits (all counterparties)	155,582	158,131	161,102	164,199	85,645	87,041	88,698	90,860
8	Unsecured debt	4,633	4,476	4,602	4,106	4,633	4,476	4,602	4,106
9	Secured wholesale funding					7,290	7,246	7,247	8,237
10	Additional requirements	110,451	111,343	114,645	118,351	32,668	30,576	31,203	31,831
11	Outflows related to derivative exposures and other collateral requirements	19,872	16,512	15,366	14,625	15,360	12,825	12,649	12,510
12	Outflows related to loss of funding on debt products	37	28	28	50	37	28	28	50
13	Credit and liquidity facilities	90,542	94,804	99,251	103,677	17,271	17,723	18,526	19,271
14	Other contractual funding obligations	13,730	15,534	17,770	20,072	9,699	11,260	12,963	14,845
15	Other contingent funding obligations	257,474	254,800	254,839	254,572	3,670	3,873	4,180	4,430
16	**Total cash outflows**					191,877	193,861	199,699	206,152
	Cash inflows								
17	Secured lending (e.g. reverse repos)	83,075	89,539	92,372	50,297	14,181	15,143	16,082	18,011
18	Inflows from fully performing exposures	50,851	51,729	53,496	30,768	35,407	36,143	37,493	40,393
19	Other cash inflows	33,173	34,449	38,253	22,040	21,908	22,764	25,903	27,646
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					–	–	–	–
UK-19b	(Excess inflows from a related specialised credit institutions)					–	–	–	–
20	**Total cash inflows**	167,099	175,717	184,121	96,200	71,495	74,049	79,478	86,050
UK-20a	Fully exempt inflows	–	–	–	57,154	–	–	–	–
UK-20b	Inflows subject to 90% cap	–	–	–	40,599	–	–	–	–
UK-20c	Inflows subject to 75% cap	159,337	167,334	174,981	96,477	71,495	74,049	79,478	86,050
	Total adjusted value								
21	**Liquidity buffer**					182,646	185,262	187,764	189,273
22	**Total net cash outflows**					120,381	119,812	120,220	120,102
23	**Liquidity coverage ratio (%)**					152%	155%	157%	158%

Table 73: Quantitative information of LCR (UK LIQ1) continued

		31.12.25							
		Total unweighted value (average)				Total weighted value (average)			
		31.03.25	30.06.25	30.09.25	31.12.25	31.03.25	30.06.25	30.09.25	31.12.25
		$million	$million	$million	$million	$million	$million	$million	$million
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	High-Quality Liquid Assets								
1	**Total High-Quality Liquid Assets (HQLA)**					177,586	180,147	182,646	185,262
	Cash outflows								
2	Retail deposits and deposits from small business customers, of which:	188,544	196,413	204,354	211,436	17,541	18,345	19,227	19,671
3	Stable deposits	29,423	33,815	38,809	43,228	1,471	1,691	1,940	2,161
4	Less stable deposits	159,121	162,598	165,545	168,207	16,070	16,654	17,287	17,509
5	Unsecured wholesale funding, of which:	268,878	273,127	276,536	281,690	117,376	118,768	119,322	121,234
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	109,512	113,024	116,321	119,083	27,361	28,239	29,045	29,718
7	Non-operational deposits (all counterparties)	155,354	155,636	155,582	158,131	86,002	86,062	85,645	87,041
8	Unsecured debt	4,012	4,467	4,633	4,476	4,012	4,467	4,633	4,476
9	Secured wholesale funding					6,848	7,339	7,290	7,246
10	Additional requirements	106,994	109,191	110,451	111,343	32,782	33,637	32,668	30,576
11	Outflows related to derivative exposures and other collateral requirements	21,962	21,972	19,872	16,512	16,314	16,661	15,360	12,825
12	Outflows related to loss of funding on debt products	49	21	37	28	49	21	37	28
13	Credit and liquidity facilities	84,983	87,198	90,542	94,804	16,418	16,955	17,271	17,723
14	Other contractual funding obligations	12,786	13,060	13,730	15,534	9,209	9,280	9,699	11,260
15	Other contingent funding obligations	256,674	258,204	257,474	254,800	3,546	3,550	3,670	3,873
16	**Total cash outflows**					187,301	190,919	191,877	193,861
	Cash inflows								
17	Secured lending (e.g. reverse repos)	74,199	80,197	83,075	89,539	13,130	13,797	14,181	15,143
18	Inflows from fully performing exposures	52,089	51,250	50,851	51,729	36,249	35,716	35,407	36,143
19	Other cash inflows	30,028	31,465	33,173	34,449	18,973	20,287	21,908	22,764
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					–	–	–	–
UK-19b	(Excess inflows from a related specialised credit institutions)					–	–	–	–
20	**Total cash inflows**	156,316	162,912	167,099	175,717	68,352	69,800	71,495	74,049
UK-20a	Fully exempt inflows	–	–	–	–	–	–	–	–
UK-20b	Inflows subject to 90% cap	–	–	–	–	–	–	–	–
UK-20c	Inflows subject to 75% cap	149,270	155,246	159,337	167,334	68,352	69,800	71,495	74,049
	Total adjusted value								
21	**Liquidity buffer**					177,586	180,147	182,646	185,262
22	**Total net cash outflows**					118,948	121,119	120,381	119,812
23	**Liquidity coverage ratio (%)**					149%	149%	152%	155%

Table 73: Net Stable Funding Ratio (UK LIQ2)

		30.06.26				
		Unweighted value by residual maturity				Weighted value (average)
		No maturity $million	< 6 months $million	6 months to < 1yr $million	≥ 1yr $million	$million
Available stable funding (ASF) Items						
1	Capital items and instruments	51,821	575	1,052	7,578	59,926
2	Own funds	51,821	575	1,052	7,578	59,926
3	Other capital instruments		–	–	–	–
4	Retail deposits		212,448	8,844	1,497	203,550
5	Stable deposits		55,059	2,736	66	54,972
6	Less stable deposits		157,389	6,108	1,431	148,578
7	Wholesale funding:		401,482	43,180	60,641	219,473
8	Operational deposits		123,277	–	–	61,639
9	Other wholesale funding		278,204	43,180	60,641	157,834
10	Interdependent liabilities		2,643	44	29	–
11	Other liabilities:	1,636	68,082	1,758	799	1,640
12	NSFR derivative liabilities	1,636				
13	All other liabilities and capital instruments not included in the above categories		68,082	1,758	799	1,640
14	**Total available stable funding (ASF)**					**484,589**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					15,142
UK-15a	Assets encumbered for more than 12m in cover pool		–	–	–	–
16	Deposits held at other financial institutions for operational purposes		3,088	–	(3)	1,543
17	Performing loans and securities:		191,693	55,932	229,110	269,797
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		27,769	1,930	1,995	5,530
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		73,637	28,702	28,728	51,516
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		48,206	14,953	89,395	107,455
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,838	1,108	1,410	3,051
22	Performing residential mortgages, of which:		2,235	1,595	62,960	44,769
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,674	989	57,034	39,148
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		39,847	8,753	46,031	60,527
25	Interdependent assets		0	–	2,716	–
26	Other assets:	–	65,603	2,845	57,531	58,987
27	Physical traded commodities				25,488	21,665
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		665	13	13,386	11,954
29	NSFR derivative assets		–	–	–	–
30	NSFR derivative liabilities before deduction of variation margin posted		22,345	–	–	1,117
31	All other assets not included in the above categories		42,594	2,832	18,658	24,251
32	Off-balance sheet items		174,940	76,565	110,704	7,974
33	**Total RSF**					**353,442**
34	**Net Stable Funding Ratio (%)**					**137.2%**

Table 73: Net Stable Funding Ratio (UK LIQ2) continued

		31.12.25				
		Unweighted value by residual maturity				
		No maturity $million	< 6 months $million	6 months to < 1yr $million	≥ 1yr $million	Weighted value (average) $million
Available stable funding (ASF) Items						
1	Capital items and instruments	50,690	525	584	9,215	60,197
2	Own funds	50,690	525	584	9,215	60,197
3	Other capital instruments		–	–	–	–
4	Retail deposits		201,300	9,751	1,678	194,416
5	Stable deposits		53,045	2,781	60	53,095
6	Less stable deposits		148,255	6,970	1,618	141,321
7	Wholesale funding:		399,225	37,525	56,655	208,148
8	Operational deposits		118,453	–	–	59,227
9	Other wholesale funding		280,772	37,525	56,655	148,921
10	Interdependent liabilities		2,816	52	48	–
11	Other liabilities:	1,147	61,093	1,577	858	1,646
12	NSFR derivative liabilities	1,147				
13	All other liabilities and capital instruments not included in the above categories		61,093	1,577	858	1,646
14	**Total available stable funding (ASF)**					464,406
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					12,538
UK-15a	Assets encumbered for more than 12m in cover pool		–	–	–	–
16	Deposits held at other financial institutions for operational purposes		2,742	–	–	1,371
17	Performing loans and securities:		189,484	61,192	216,751	262,570
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		27,126	1,596	2,165	5,671
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		68,638	29,217	26,712	48,825
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		47,760	14,981	85,796	104,299
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,748	1,643	1,525	3,490
22	Performing residential mortgages, of which:		2,136	1,571	61,767	43,818
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,561	949	55,781	38,131
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		43,824	13,828	40,310	59,956
25	Interdependent assets		–	–	2,917	–
26	Other assets:	–	59,403	2,571	47,992	51,331
27	Physical traded commodities				18,178	15,451
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		420	9	11,990	10,557
29	NSFR derivative assets		559	–	–	559
30	NSFR derivative liabilities before deduction of variation margin posted		19,703	–	–	985
31	All other assets not included in the above categories		38,722	2,561	17,825	23,779
32	Off-balance sheet items		174,334	74,530	103,661	7,348
33	**Total RSF**					335,158
34	**Net Stable Funding Ratio (%)**					138.6%

6. Interest rate risk in the banking book

The Group defines Interest Rate Risk in the Banking Book ('IRRBB') as the potential for loss of future earnings or economic value following adverse movements in interest rates, which arises from a mismatch in the re-pricing profile of assets, liabilities, and off-balance sheet items in the banking book.

Risk Control and Governance

Treasury is responsible for monitoring IRRBB through the Treasury Risk Type Framework, policies and Risk Appetite, subject to independent oversight and challenge from Risk and Internal Audit.

The Board delegates the management of IRRBB to the Group Asset & Liability Committee (GALCO), which provides oversight of Group-level IRRBB and works in conjunction with Country ALCOs to monitor IRRBB as per the Risk Type Framework. IRRBB is managed at a country level by the Country ALCO, chaired by the Country CEO.

IRRBB models and methodologies are defined for the Group by Business, CIB and WRB, independently validated and approved by the Risk function. Country modelling assumptions are derived locally using the Group's methodologies and are reviewed by Country ALCO.

The Group uses Funds Transfer Pricing (FTP) to transfer re-pricing risk from the business to Treasury, including that arising from structural positions such as non-maturity deposit balances. For non-maturity deposits (NMDs), the assumed duration is dependent on the portion that can be considered stable and the degree to which these balances are considered price sensitive.

Certain structural balances have been approved by GALCO and Country ALCOs to be risk managed directly under the Group's structural hedging programme. Other re-pricing risks transferred to Treasury are managed on an integrated basis with a securities portfolio maintained for liquidity and investment management purposes. Basis risk where material (whether transferred to and managed by Treasury or remaining in the business) is reported and overseen at local ALCOs.

Re-pricing risk arising within Treasury is managed using a combination of on-balance sheet short and long tenor securities and derivative hedges. Derivative hedges are subject to Fair Value and Cash Flow Hedge accounting treatment where available. These interest rate risk positions and limits are independently monitored by the Risk function.

Key Risk Measures

The Group uses two key metrics for measuring IRRBB: Net Interest Income ('NII') Sensitivity, an income measure which quantifies the potential change in projected net interest income over a one-year horizon from defined movements in interest rates; and Economic Value of Equity ('EVE'), a value measure which estimates the potential change in the present value of the Group's Banking Book assets and liabilities from defined movements in interest rates. These measures differ in their coverage of the drivers of interest rate risk and the time horizon for these to materialise but used together they can provide a complementary and rounded view of the Group's risk profile. Both NII Sensitivity and EVE are monitored monthly against defined Risk Appetite limits, which are set at the Group level and, where appropriate, at a country level in compliance with local regulatory requirements.

NII Sensitivity and EVE are indicative stress tests calculated under various interest rate scenarios, including parallel and non-parallel shifts and a range of internally designed scenarios that assess vulnerabilities in the Group's business model and key behavioural assumptions under interest rate shocks and stresses. These stress tests are supplemented by internal NII forecasts which are used for financial planning purposes.

Stress tests are performed monthly to identify structural risks to Net Interest Income or the Economic Value of the Banking Book under adverse but plausible interest rate scenarios. Additionally, stress testing of IRRBB is covered as part of ICAAP and BoE concurrent stress testing exercises (more information on stress testing can be found in the found in the Group's Half Year Report 2026 on pages 21 to 22). Stress testing of price risk on Fair Value instruments in the Banking Book is conducted by Traded Risk Management under the Traded Risk Framework.

Prescribed Regulatory Interest Rate Shock and Stress Scenarios

The following table shows the Group's NII sensitivity and EVE regulatory metrics under each of the interest rate shock scenarios prescribed by the PRA (Rule 9.4A of the PRA Rulebook: CRR Firms: Interest Rate Risk Arising from Non-Trading Activities Instrument 2020 and in accordance with EBA Article 448(1) CRR). The sensitivities are indicative and subject to standardised shocks and parametric assumptions that may differ to those used in the Group's own internal models; please see next section for more information.

The sensitivities should not be considered an income or profit forecast. Furthermore, the regulatory EVE results should not be considered a proxy for expected income or capital impacts on a going concern basis.

Key modelling and parametric assumptions

Net Interest Income Sensitivity

For regulatory NII sensitivities, currency specific shocks are applied as follows:

- A parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves, including +/- 200 bps immediate shock for USD and HKD; +/- 150 bps for SGD; +/- 250 bps for CNY and GBP; and +/- 300 bps for KRW.

The assessment assumes that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. No assumptions are made in relation to the impact on credit spreads in a changing rate environment. Significant modelling and behavioural assumptions are made regarding scenario simplification, market competition, pass-through rates, asset and liability re-pricing tenors, and price flooring.

Economic Value of Equity Sensitivity

The regulatory EVE sensitivities have been calculated under six standardised interest rate shock scenarios for measuring EVE under the standard outlier test, defined by the PRA.

For EVE, commercial margins and other spread components have been included in the modelled cashflows. The sensitivity represents a hypothetical impact to capital assuming a complete balance sheet run-off, assuming no new business. Balances are adjusted for assumed behavioural profiles, primarily non-maturity deposits, which reflect quantitative and qualitative assessments of the expected stability, rate sensitivity and run off of client balances under varying interest rate conditions.

In line with regulatory guidelines:

- all equity instruments that have no coupon or call dates have been excluded;
- market interest rate floors start at -1.0% for the overnight tenor on the yield curve and increase by 5bps per year to 0.0% at the 20 year tenor point on the yield curve; and
- the aggregate EVE sensitivity for each interest rate shock scenario is calculated by adding together the negative and positive changes to EVE occurring in each currency. Positive values are weighted by 50%, but the full impact of negative values is included.

As at 30 June 2026, the average repricing maturity assigned to Non-Maturity Deposits was 8 months and the longest repricing maturity was 60 months.

Table 74: Quantitative information on IRRBB (UK IRRBB1)

	In reporting currency	Change in EVE		Change in NII		Tier 1 capital	
	Period	30.06.26	31.12.25	30.06.26	31.12.25	30.06.26	31.12.25
010	Parallel shock up	**(1,932)**	(2,479)	**1,009**	1,135		
020	Parallel shock down	**944**	1,267	**(1,613)**	(1,664)		
030	Steepener shock	**(258)**	(352)				
040	Flattener shock	**(263)**	(314)				
050	Short rates shock up	**(934)**	(1,174)				
060	Short rates shock down	**380**	511				
070	Maximum	**(1,932)**	(2,479)	**(1,613)**	(1,664)		
080	**Tier 1 capital**					**46,088**	43,949

As at 30 June 2026, the maximum EVE decline was $1,932 million under the parallel shock up. This does not represent the expected impact to capital. EVE sensitivity is driven by duration mismatches in the balance sheet. The magnitude of the result is largely due to the exclusion of equity, in line with regulatory guidelines, versus the inclusion of a structural hedge that is designed to stabilise the net interest income arising from the deployment of equity.

In addition, EVE sensitivity shows the theoretical reduction in the value of the structural hedge when rates rise but does not capture the benefit to future income that would result from rising interest rates as demonstrated by the NII Sensitivity.

Duration mismatches for the remainder of the balance sheet are largely immaterial, however, the sensitivity is amplified by large shocks to Emerging Markets currencies, and the impact of weighting positive values at the currency level by 50%. This 50% haircut on positive EVE values is also the main driver of asymmetry between EVE up and down shocks.

The most adverse impact to NII under the regulatory scenarios was a reduction of $1,613 million under the parallel shock down. While the interest rate shocks used to compute the regulatory NII sensitivity are larger than the Group's NII sensitivities used for risk management, the drivers of the sensitivities and the limitations of these measures are consistent (please see page 91 of the Half Year Report 2026 for more information).

7. Forward-looking statements

The information included in this document may contain 'forward-looking statements' based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, ESG commitments, ambitions and targets). Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'aim', 'continue' or other words of similar meaning to any of the foregoing. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause the Group's actual results and its plans and objectives to differ materially from those expressed or implied in forward-looking statements. The factors include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legal, regulatory and policy developments, including regulatory measures addressing climate change and broader sustainability-related issues; the development of standards and interpretations, including evolving requirements and practices in ESG reporting; the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyber-attacks, data, information or security breaches or technology failures involving the Group; changes in tax rates or policy; future business combinations or dispositions; and other factors specific to the Group, including those identified in Standard Chartered PLC's Annual Report and the financial statements of the Group. To the extent that any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group, they should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be, nor should be interpreted as, a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date that it is made. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to Standard Chartered PLC's Annual Report and the financial statements of the Group for a discussion of certain of the risks and factors that could adversely impact the Group's actual results, and cause its plans and objectives, to differ materially from those expressed or implied in any forward-looking statements.

Financial instruments

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

Annex 1 Key metrics – Standard Chartered – Solo Consolidation

Table 75: Standard Chartered – Solo Consolidation – Leverage ratio

		30.06.26 $million	31.03.26 $million	31.12.25 $million	30.09.25 $million	30.06.25 $million
	Leverage ratio					
13	Leverage ratio total exposure measure	**467,791**	467,448	448,330	452,434	458,219
14	Leverage ratio	**4.4%**	4.1%	4.2%	4.2%	4.2%
	Additional leverage ratio disclosure requirements					
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks	**4.4%**	4.1%	4.2%	4.2%	4.2%
14b	Leverage ratio including claims on central banks	**3.9%**	3.8%	3.8%	3.8%	3.8%
14c	Average leverage ratio excluding claims on central banks	**4.1%**	4.0%	4.1%	4.2%	4.2%
14d	Average leverage ratio including claims on central banks	**3.7%**	3.6%	3.6%	3.8%	3.8%
14e	Countercyclical leverage ratio buffer	**0.1%**	0.1%	0.1%	0.1%	0.1%

Acronyms

ABS	Asset Backed Securities
AIRB	Advanced Internal Rating Based approach
ALCO	Asset and Liability Committee
ALM	Asset and Liability Management
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
BOU	Bank of Uganda
BRC	Board Risk Committee
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical capital buffer
CDOs	Collateralised Debt Obligations
CDS	Credit Default Swap
CET1	Common Equity Tier 1
CMBS	Commercial Mortgage Backed Securities
CQS	Credit Quality Step
CPM	Credit & Portfolio Management
CRD	Capital Requirements Directive
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSA	Credit Support Annex
CSDG	Capital Structuring & Distribution Group
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Bank
DVA	Debit Valuation Adjustment
EAD	Exposure at default
EBA	European Banking Authority
ECAI	External Credit Assessment Institutions
EL	Expected loss
FCA	Financial Conduct Authority
FIRB	Foundation Internal Ratings Based approach
FPC	Financial Policy Committee
FSB	Financial Stability Board
FSS	Financial Supervisory Service (South Korea)
FVA	Funding valuation adjustments
GCRO	Group Chief Risk Officer
G-SIB	Global Systemically Important Bank
G-SII	Global Systemically Important Institutions
HKMA	Hong Kong Monetary Authority
IAS	International Accounting Standard
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal Liquidity Adequacy Assessment Process
IFRS	International Financial Reporting Standards

Acronyms

IMA	Internal Model Approach
IMM	Internal model Method
IRB	Internal Ratings Based
IRC	Incremental Risk Charge
IRR	Interest Rate Risk
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MAC	Model Assessment Committee
MAS	Monetary Authority of Singapore
MDB	Multilateral Development Banks
MR	Market Risk
MREL	Minimum requirements for own funds and eligible liabilities
MTM	Mark-To-Market
NII	Net Interest Income
NSFR	Net Stable Funding Ratio
O-SII	Other Systemically Important Institution
OBSC	Operational Balance Sheet Committee
OTC	Over the counter
PD	Probability of Default
PFE	Potential Future Exposure
PIT	Point in Time
PM	Portfolio Management
PRA	Prudential Regulation Authority
PV01	Present Value 01
PVA	Prudent Valuation Adjustment
QCCP	Qualifying Central Counterparty
QRRE	Qualifying Revolving Retail Exposure
RMB	Renminbi
RMBS	Residential Mortgage Backed Securities
RNIV	Risk not in VaR
RTS	Regulatory Technical Standards
RWAs	Risk-Weighted Assets
SA	Standardised Approach
SA-CCR	Standardized approach for counterparty credit risk
SFT	Securities Financing Transactions
SIF	Significant Influence Function
SME	Small and Medium – sized Enterprise
SPE	Special Purpose Entity
SVAR	Stressed VaR
T1	Tier 1 capital
T2	Tier 2 capital
TC	Total capital
TLAC	Total loss-absorbing capacity
TM	Treasury Markets
TRS	Total Return Swap

Acronyms

TTC	Through the cycle
VaR	Value at Risk
VBC	Valuation and Benchmarks Committee
XVA	Credit and Funding Valuation Adjustment

Glossary

Additional Tier 1 (AT1) capital
Additional Tier 1 capital consists of instruments issued by the bank and related share premium other than Common Equity Tier 1 that meet the Capital Requirement Regulation (CRR) criteria for inclusion in Tier 1 capital.

Advanced Internal Rating Based (AIRB) approach
The AIRB approach under the Basel framework is used to calculate credit risk capital based on the Group's own estimates of prudential parameters.

Africa & Middle East (AME)
Africa & Middle East (AME) includes Bahrain, Egypt, Iraq, Jordan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

Arrears
A debt or other financial obligation is considered to be in a state of arrears when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as 'delinquency'.

Available-for-Sale
Non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables; held to maturity investments, or financial assets at fair value through profit or loss.

ASEAN
Association of South East Asian Nations (ASEAN) which includes the Group's operation in Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

ASEAN & South Asia (ASA)
ASEAN & South Asia (ASA) includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

Asia
Asia includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Sri Lanka, Singapore, Thailand, Vietnam, Mainland China, Hong Kong, Japan, Korea, Macau and Taiwan.

Asset Backed Securities (ABS)
Securities that represent an interest in an underlying pool of referenced assets. The referenced pool can comprise any assets which attract a set of associated cash flows but are commonly pools of residential or commercial mortgages and in the case of Collateralised Debt Obligations (CDOs), the reference pool may be ABS.

Attributable profit to ordinary shareholders
Profit for the year after non-controlling interests and the declaration of dividends on preference shares classified as equity.

Backtesting
A statistical technique used to monitor and assess the accuracy of a model, and how that model would have performed had it been applied in the past.

Basel II
The capital adequacy framework issued by the Basel Committee on Banking Supervision (BCBS) in June 2006 in the form of the 'International Convergence of Capital Measurement and Capital Standards'.

Basel III
In December 2010, the BCBS issued the Basel III rules text, which were updated in June 2011, and represents the details of strengthened global regulatory standards on bank capital adequacy and liquidity. The new requirements have been fully implemented.
In December 2017, the BCBS published a document setting out the finalisation of the Basel III framework. The new requirements issued in December 2017 will be implemented by 2023.

BCBS or Basel Committee on Banking Supervision
A forum on banking supervisory matters which develops global supervisory standards for the banking industry. Its members are officials from 45 central banks or prudential supervisors from 28 countries and territories.

Basis point (bps)
One hundredth of a per cent (0.01 per cent); 100 basis points is 1 per cent. Used in quoting movements e.g. in interest rates or yields on securities.

Capital conservation buffer
A capital buffer prescribed by regulators under Basel III and designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should a bank's CET1 capital fall within the capital conservation buffer range, capital distributions will be constrained by the regulators.

CRD or Capital Requirements Directive
A capital adequacy legislative package adopted by the PRA. CRD comprises the Capital Requirements Directive and the UK Capital Requirements Regulation (CRR). The package implements the Basel III framework together with transitional arrangements for some of its requirements. CRD IV came into force on 1 January 2014. The EU CRR II and CRD V amending the existing package came into force in June 2019 with most changes starting to apply from 28 June 2021. Only those parts of the EU CRR II that applied on or before 31 December 2020, when the UK was a member of the EU, have been implemented. The PRA recently finalised the UK's version of the CRR II for implementation into the PRA Rulebook on 1 January 2022.

Central Counterparty (CCP)
A CCP is a clearing house that acts as an intermediary between counterparties for certain products that are traded in one or more financial markets.

Common Equity Tier 1 (CET1) capital
Common Equity Tier 1 capital consists of the common shares issued by the bank and related share premium, retained earnings, accumulated other comprehensive income and other disclosed reserves, eligible non-controlling interests and regulatory adjustments required in the calculation of Common Equity Tier 1.

Common Equity Tier 1 ratio
Common Equity Tier 1 capital as a percentage of risk-weighted assets.

Countercyclical capital buffer (CCyB)
The countercyclical capital buffer is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets in a given jurisdiction. The Bank of England's Financial Policy Committee has the power to set CCyB rate for the United Kingdom. Each bank must calculate its 'institution-specific' CCyB rate, defined as the weighted average of the CCyB rates in effect across the jurisdictions in which it has credit exposures. The institution-specific CCyB rate is then applied to a bank's total risk weighted assets.

Counterparty credit risk (CCR)
The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.

Credit Conversion Factor (CCF)
Either prescribed by CRR or modelled by the bank, an estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default.

Credit Default Swap (CDS)
A derivative contract where a buyer pays a fee to a seller in return for receiving a payment in the event of a credit event (for example bankruptcy, payment default on a reference asset or assets, or downgrades by an rating agency) on an underlying obligation.

Credit quality step (CQS)
Credit Quality Steps (CQS) are used to derive the risk-weight to be applied to exposures treated under the Standardised approach to credit risk.

Credit risk
Credit risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Group in accordance with agreed terms.

Credit risk mitigation (CRM)
Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

Credit support annex (CSA)
A legal document that regulates the exchange of collateral between the parties of OTC derivative transactions.

Credit Valuation Adjustment (CVA)
In the context of prudential requirements, additional regulatory capital charge that covers the risk of mark-to-market losses associated with changes in the credit worthiness of counterparties to derivative transactions.

Debit Valuation Adjustment (DVA)
In the context of prudential requirements, adjustment required to Tier 1 capital to derecognise any unrealised fair value gains and losses associated with fair valued liabilities that are attributable to the market's perception of the Group's credit worthiness.

Domestic systemically important banks (D-SIB)
Domestic systemically important banks are deemed systemically relevant for the domestic financial system in which they operate. The FSB and the BCBS have developed a framework for identifying and dealing with D-SIBs. The D-SIB framework has been implemented in the EU via CRD IV which refers to D-SIBs as Other Systemically Important Institutions ('O-SIIs').

Equity price risk
The financial risk involved in holding equity in a particular investment. Arises from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options.

Expected Loss (EL)
The Group measure of anticipated loss for exposures captured under an internal ratings based credit risk approach for capital adequacy calculations. It is measured as the Group-modelled view of anticipated loss based on Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), with a one-year time horizon.

Exposure
Credit exposures represent the amount lent to a customer, together with any undrawn commitment.

Exposure at default (EAD)
The estimation of the extent to which the Group may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.

External Credit Assessment Institutions (ECAI)
For the Standardised Approach to credit risk for sovereigns, corporates and institutions, external ratings are used to assign risk-weights. These external ratings must come from credit rating agencies that are registered or certified in accordance with the credit rating agencies (CRA) regulation or from a central bank issuing credit ratings which is exempt from the application this regulation.

Fair value
The value of an asset or liability when it is transacted on an arm's length basis between knowledgeable and willing parties.

Financial Policy Committee (FPC)
The Financial Policy Committee is an independent committee at the Bank of England that has the primary objective of identifying, monitoring and taking action to remove or reduce systemic risks with a view to protecting and enhancing the resilience of the UK financial system. The FPC's secondary objective is to support the economic policy of the Government.

Foreseeable dividends net of scrip
Includes both ordinary and preference share dividends reasonably expected to be paid out of any future residual interim or year-end profits. In the case of ordinary dividends, the amount of foreseeable dividends deducted from the interim or year-end profits is equal to the amount of interim or year-end profits multiplied by the dividend payout ratio. In the case of preference share dividends, the amount of foreseeable dividends is equal to the amount accrued during the relevant reporting period payable at a future date.

Foundation Internal Ratings Based (FIRB) Approach
A method of calculating credit risk capital requirements using internal PD models but with supervisory estimates of LGD and conversion factors for the calculation of EAD.

Free delivery
When a bank takes receipt of a debt or equity security, a commodity or foreign exchange without making immediate payment, or where a bank delivers a debt or equity security, a commodity or foreign exchange without receiving immediate payment.

Funding valuation adjustments (FVA)
FVA reflects an adjustment to fair value in respect of derivative contracts associated with the funding costs that the market participant would incorporate when determining an exit price.

Greater China
Greater China includes the Group's operation in the People's Republic of China, the Hong Kong Special Administrative Region of the People's Republic of China and Taiwan.

Greater China & North Asia (GCNA)
Greater China & North Asia (GCNA) includes China, Hong Kong, Japan, Korea, Macau and Taiwan.

G-SIBs or Global Systemically Important Banks
Global banking financial institutions whose size, complexity and systemic interconnectedness mean that their distress or failure would cause significant disruption to the wider financial system and economic activity. The list of G-SIBs is assessed under a framework established by the Financial Stability Board (FSB) and the BCBS. In the UK, the G-SIB framework is implemented via the CRD and G-SIBs are referred to as Global Systemically Important Institutions (G-SIIs).

G-SIB buffer
A CET1 capital buffer which results from designation as a G-SIB. The G-SIB buffer is between 1 per cent and 3.5 per cent, dependent on the allocation to one of five buckets based on the annual scoring. In the EU, the G-SIB buffer is implemented via CRD IV as Global Systemically Important Institutions ('G-SII') buffer requirement.

Haircut
A haircut, or volatility adjustment, ensures the value of exposures and collateral are adjusted to account for the volatility caused by foreign exchange or maturity mismatches, when the currency and maturity of an exposure differ materially to the currency and maturity of the associated collateral.

Held-to-maturity
Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the intention and ability to hold to maturity.

Impaired loans
Loans where individually identified impairment provisions have been raised. Also includes loans which are collateralised or where indebtedness has already been written down to the expected realisable value. The impaired loan category may include loans, which, while impaired, are still performing.

Individually assessed loan impairment provisions (IIP)
Impairment is measured for assets that are individually significant to the Group. Typically assets within the Corporate & Institutional Banking segment of the Group are assessed individually.

Individual capital guidance
Guidance given by the PRA to the Group about the amount and quality of capital resources to maintain.

Individual impairment charge
The amount of individually assessed loan impairment provisions that are charged to the income statement in the reporting period.

Individual liquidity guidance
Guidance given by the PRA to the Group about the amount, quality and funding profile of liquidity resources to maintain.

Institution
A credit institution or an investment firm as defined under the Capital Requirement Regulation (CRR).

Internal Capital Adequacy Assessment Process (ICAAP)
A requirement on institutions under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks.

Internal Liquidity Adequacy Assessment Process (ILAAP)
A requirement on institutions under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of liquidity to be held against these risks.

Internal Model Approach (IMA)
The approach used to calculate market risk capital and RWA with an internal market risk model approved by the PRA under the terms of CRD IV/CRR.

Internal Model Method (IMM)
One of three approaches defined in the Basel Framework to determine exposure values for counterparty credit risk.

Interest Rate Risk (IRR)
Interest rate risk arises due to the investment into rate-sensitive assets, as well as from mismatches between debt issuance and placements.

Internal ratings- based approach ('IRB')
Risk-weighting methodology in accordance with the Basel Capital Accord where capital requirements are based on a firm's own estimates of prudential parameters.

Items belonging to regulatory high-risk categories
In relation to the Standardised Approach to credit risk, items which attract a risk-weight of 150 per cent. This includes exposures arising from venture capital business and certain positions in collective investment schemes.

Leverage ratio
A ratio that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk-based backstop measure.

Liquidity Coverage Ratio (LCR)
The ratio of the stock of high quality liquid assets to expected net cash outflows over the following 30 days. High quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

Loans and advances
This represents lending made under bilateral agreements with customers entered into in the normal course of business and is based on the legal form of the instrument.

Loss Given Default (LGD)
The percentage of an exposure that a lender expects to lose in the event of obligor default.

Mark-to-market approach
One of the approaches available to banks to calculate the exposure value associated with derivative transactions. The approach calculates the current replacement cost of derivative contracts, by determining the market value of the contract and considering any potential future exposure.

Market risk
The potential for loss of earnings or economic value due to adverse changes in financial market rates or prices.

Maturity
The time from the reporting date to the contractual maturity date of an exposure, capped at five years. Maturity is considered as part of the calculation of risk-weights for the Group's exposures treated under the IRB approach to credit risk.

Minimum capital requirement
Minimum capital required to be held for credit, market and operational risk.

Model validation
The process of assessing how well a model performs using a predefined set of criteria including the discriminatory power of the model, the appropriateness of the inputs, and expert opinion.

MREL or minimum requirement for own fund and eligible liabilities
A requirement under the Bank Recovery and Resolution Directive for EU resolution authorities to set a minimum requirement for own funds and eligible liabilities for banks, implementing the FSB's Total Loss-Absorbing Capacity (TLAC) standard. MREL is intended to ensure there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss.

Multilateral Development Banks (MDB)
An institution created by a group of countries to provide financing for the purpose of development. Under the Standardised approach to credit risk, eligible multilateral development banks attract a zero per cent risk-weight.

Net stable funding ratio (NSFR)
The ratio of available stable funding to required stable funding over a one year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing and encourage stable funding over a one year time horizon.

North East (NE) Asia
North East (NE) Asia includes the Group's operation in the Republic of Korea and Japan.

Operational risk
The potential for loss arising from the failure of people, process, or technology, or the impact of external events.

Over-the-Counter (OTC) traded products/OTC derivatives
A bilateral transaction that is not exchange traded and is valued using valuation models.

Pillar 1
The first Pillar of the three pillars of Basel framework which provides the approach to the calculation of the minimum capital requirements for credit, market and operational risk. Minimum capital requirements are 8 per cent of the Group's risk-weighted assets.

Pillar 2
The second pillar of the three pillars of the Basel framework which requires banks to undertake a comprehensive assessment of their risks that are not already covered by Pillar 1 and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available.

Pillar 3
The third pillar of the three pillars of Basel framework which aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk practices.

Point in time (PIT)
Considers the economic conditions at the point in the economic cycle at which default occurs when estimating the probability of default.

Portfolio Impairment Provision (PIP)
The amount of loan impairment provisions assessed on the collective portfolio that are charged to the income statement in the reporting period.

Potential Future Exposure (PFE)
An estimate of the potential increase in exposure that may arise on a derivative contract prior to default, used to derive the exposure amount.

Probability of Default (PD)
PD is an internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation within 12 months.

Present Value 01 (PV01)
This represents the change in present value of an asset or liability for a 1 basis point change in the nominal yield curve.

Prudential Regulatory Authority (PRA)
The Prudential Regulation Authority is the statutory body responsible for the prudential supervision of banks, building societies, credit unions, insurers and a small number of significant investment firms in the UK. The PRA is a part of the Bank of England.

Prudent Valuation Adjustment (PVA)
An adjustment to CET1 capital, to reflect the difference between the accounting fair value and the regulatory prudent value of positions, where the application of prudence results in a lower absolute carrying value than recognised in the financial statements.

Qualifying Central Counterparty (QCCP)
Central counterparty that is either authorised (when established in the EU) or recognised (when established in a third-country) in accordance with the rules laid down in the European Market Infrastructure Regulation (EMIR).

Qualifying Revolving Retail Exposure (QRRE)
Retail IRB exposures that are revolving, unsecured, and, to the extent they are not drawn, immediately and unconditionally cancellable, such as credit cards.

Regulatory capital
Sum of Tier 1 and Tier 2 capital after regulatory adjustments.

Regulatory or Prudential consolidation
The regulatory consolidation of Standard Chartered PLC differs from the statutory consolidation in that it only includes undertakings that are credit institutions, investment firms, other financial institutions, and ancillary service undertakings. Subsidiaries continue to be fully consolidated, whilst participations in undertakings that principally engage in these financial services activities are proportionally consolidated. These participations are considered associates for statutory accounting purposes. Insurance or corporate entities are excluded from the scope of prudential consolidation and recognised on an equity accounted basis.

Repurchase agreement (repo) / reverse repurchase agreement (reverse repo)
A short term funding agreement which allows a borrower to sell a financial asset, such as ABS or Government bonds as collateral for cash. As part of the agreement the borrower agrees to repurchase the security at some later date, usually less than 30 days, repaying the proceeds of the loan. For the party on the other end of the transaction (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement or reverse repo.

Residential Mortgage-Backed Securities (RMBS)
Securities that represent interests in a group of residential mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).

Residual maturity
The remaining maturity of a facility from the reporting date until either the contractual maturity of the facility or the effective maturity date.

Retail Internal Ratings Based (Retail IRB) Approach
In accordance with the PRA handbook and CRR, the approach to calculating credit risk capital requirements for eligible retail exposures.

Risk Appetite
Risk Appetite is defined by the Group and approved by the Board. It is the maximum amount and type of risk the Group is willing to assume in pursuit of its strategy.

Risk Capacity
The maximum level of risk the Group can assume, given its current capabilities and resources, before breaching constraints determined by capital and liquidity requirements and internal operational capability (including but not limited to technical infrastructure, risk management capabilities, expertise), or otherwise failing to meet the expectations of regulators and law enforcement agencies.

Risk-weighted assets (RWA)
A measure of a bank's assets adjusted for their associated risks, expressed as a percentage of an exposure value in accordance with the applicable Standardised or IRB approach provisions.

RWA density
The risk-weighted asset as a percentage of exposure at default (EAD).

Scrip dividends
Dividends paid to existing shareholders in securities instead of cash payment.

Securities Financing Transactions (SFT)
Securities Financing Transactions are secured (i.e. collateralised) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g. stock lending or stock borrowing or the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

Securitisation
Securitisation is a process by which credit exposures are aggregated into a pool, which is used to back new securities. Under traditional securitisation transactions, assets are sold to a special purpose entity (SPE) who then issues new securities to investors at different level of seniority (credit tranching). This allows the credit quality of the assets to be separated from the credit rating of the originating institution and transfers risk to external investors in a way that meets their risk appetite. Under synthetic securitisation transactions, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitized remain exposures of the originating institution.

Securitisation position(s)
The positions assumed by the Group following the purchase of securities issued by Asset-Backed Securitisation programmes or those retained following the origination of a securitisation programme.

Specialised lending
Specialised lending exposures are defined as an exposure to an entity which was created specifically to finance and/or operate physical assets, where the contractual arrangements given the lender a substantial degree of control over the assets and the income that they generate and the primary source of repayment of the obligation is the income generated by the assets being financed, rather than the independent capacity of a broader commercial enterprise.

Special Purpose Entities (SPEs)
SPEs are entities that are created to accomplish a narrow and well defined objective. There are often specific restrictions or limits around their ongoing activities. Transactions with SPEs take a number of forms, including: the provision of financing to fund asset purchases, or commitments to provide financing for future purchases; derivative transactions to provide investors in the SPE with a specified exposure; the provision of liquidity or backstop facilities which may be drawn upon if the SPE experiences future funding difficulties; and direct investment in the notes or equity issued by SPEs.

Standardised Approach (SA)
In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk-weights. In relation to operational risk, a method of calculating the operational risk capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.

Stressed Value at Risk (SVAR)
A regulatory market risk measure based on potential market movements for a continuous one-year period of stress for a trading portfolio.

Through the cycle (TTC)
Reduces the volatility in the estimation of the probability of default by considering the average conditions over the economic cycle at the point of default, versus the point in time (PIT) approach, which considers economic conditions at the point of the economic cycle at which default occurs.

Tier 1 capital
Tier 1 capital comprises Common Equity Tier 1 capital plus Additional Tier 1 securities and related share premium accounts.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk-weighted assets.

Tier 2 capital
Tier 2 capital comprises qualifying subordinated liabilities and related share premium accounts.

Total Loss Absorbing Capacity (TLAC)
An international standard for TLAC issued by the FSB, which requires G-SIBs to have sufficient loss-absorbing and recapitalisation capacity available in resolution, to minimise impacts on financial stability, maintain the continuity of critical functions and avoid exposing public funds to loss.

Total Return Swap (TRS)
A derivative transaction that swaps the total return on a financial instrument, including cash flows and capital gains or losses, for an interest rate return.

Trading book
The trading book consists of all positions in CRD financial instrument and commodities which are fair valued through the profit and loss account for accounting purposes, which are held either with trading intent or in order to hedge other elements of the trading book and which are either free of any restrictive covenants on their tradability or ability to be hedged.

Value at Risk (VAR)
A quantitative measure of market risk estimating the potential loss that will not be exceeded in a set time period at a set statistical confidence level.

Write downs
After an advance has been identified as impaired and is subject to an impairment allowance, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write downs will occur when and to the extent that, the whole or part of a debt is considered irrecoverable.

Wrong way risk
Wrong way risk occurs when an exposure increase is coupled with a decrease in the credit quality of the obligor.

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