BANK OF ENGLAND

The results of the 2021 solvency stress test of the UK banking system: annex

Annex 1: 2021 solvency stress test: bank-specific results

Table A1.A: Projected CET1 capital ratios and Tier 1 leverage ratios in the stress scenario[(a)(b)(c)(d)(e)(f)]

Per cent	Actual (end-2020)	Minimum stressed ratio (before strategic management actions)	Minimum stressed ratio (after the impact of strategic management actions)[(g)]	Reference rate[(h)]	Actual (2021 Q3)
CET1 ratios					
Barclays	15.1	8.2	9.4	8.1	15.4
HSBC	15.9	9.8	10.4	7.7	15.9
Lloyds Banking Group	16.2	6.8	7.8	7.7	17.2
Nationwide	36.2	16.9	17.0	8.4	37.7
NatWest Group	18.5	10.4	10.4	7.0	18.7
Santander UK	15.2	11.2	11.2	8.2	16.6
Standard Chartered	14.4	10.5	10.9	7.1	14.6
Virgin Money UK	13.9	8.8	8.9	6.1	14.9
Aggregate	**16.2**	**9.6**	**10.5**	**7.6**	**16.5**
Leverage ratios					
Barclays	5.3	4.0	4.1	3.7	5.1
HSBC	6.2	4.9	5.1	3.9	6.2
Lloyds Banking Group	5.8	3.5	3.9	3.8	5.8
Nationwide	5.2	5.0	5.0	3.6	5.5
NatWest Group	6.4	4.4	4.4	3.6	5.9
Santander UK	5.1	4.1	4.1	3.5	5.4
Standard Chartered	5.2	4.7	4.9	3.6	5.1
Virgin Money UK	5.0	3.8	4.1	3.3	5.2
Aggregate	**5.8**	**4.5**	**4.8**	**3.7**	**5.7**

Sources: Participating banks' published accounts and STDF data submissions, Bank analysis and calculations.

(a) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(b) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook
(c) Minimum aggregate CET1 ratios are calculated by dividing aggregate CET1 capital by aggregate risk-weighted assets at the aggregate low point of the stress in 2022. Minimum aggregate Tier 1 leverage ratios are calculated by dividing aggregate Tier 1 capital by the aggregate leverage exposure measure at the aggregate low point of the stress in 2022.
(d) The minimum CET1 ratios and leverage ratios shown in the table do not necessarily occur in the same year of the stress scenario for all banks. See footnote (e) to Table A for low point years for individual banks. For individual banks, low-point years are based on their post-strategic management action and CRD V restrictions.
(e) All figures shown on a transitional IFRS 9 basis.
(f) End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA's Policy Statement PS17/21.
(g) There is no conversion of banks' AT1 instruments in the stress as no bank's CET1 ratio falls below 7% on a non-transitional IFRS 9 basis after strategic management actions.
(h) The aggregate reference rate is calculated as a weighted average of reference rates in the aggregate low-point year.

Table A1.B: Dividends, variable remuneration, AT1 coupons and other distributions in the 2021 SST

£ billions	**Dividends[a]**		**Variable remuneration[b]**		**AT1 discretionary coupons and other distributions[c]**	
	Actual 2020	**To end-2022 in the stress**	**Actual 2020**	**To end-2022 in the stress**	**Actual 2020**	**To end-2022 in the stress**
Barclays	0.2	0.0	0.9	0.0	0.9	0.8
HSBC[d]	2.4	0.0	1.9	3.1	1.0	2.0
Lloyds Banking Group	0.4	0.0	0.1	0.0	0.5	0.4
Nationwide[e]	0.1	0.2	0.0	0.1	0.1	0.2
NatWest Group	0.4	0.0	0.1	0.1	0.4	0.7
Santander UK	0.1	0.3	0.1	0.1	0.2	0.7
Standard Chartered[d]	0.2	0.0	0.6	0.2	0.3	0.0
Virgin Money UK	0.0	0.0	0.0	0.0	0.1	0.2
Aggregate[f]	**3.8**	**0.5**	**3.7**	**3.6**	**3.5**	**5.0**

Sources: Participating banks' STDF data submissions, Bank analysis and calculations.

(a) Dividends shown net of scrip payments, and are in respect of the year noted.
(b) Variable remuneration reflects upfront cash awards paid in the current year only, pre tax.
(c) Other distributions include preference share dividends, special dividends, share buybacks and other discretionary distributions, as applicable.
(d) HSBC and Standard Chartered figures have been converted to sterling using exchange rates consistent with the stress scenario.
(e) Dividend figures for Nationwide refer to distributions relating to its Core Capital Deferred Shares, a CET1 capital instrument.
(f) Aggregate is the sum of all firms with HSBC and SCB converted at start £/$ rates.

Barclays plc

Barclays plc (Barclays) is a retail, corporate and investment bank, operating primarily in the United Kingdom and United States.

The results of the hypothetical stress scenario show that Barclays' capital position remains above its reference rates, with a capital low point of 9.4% CET1 ratio in 2022 and 4.1% Tier 1 leverage ratio in 2021, after strategic management actions.

The PRC judged that Barclays is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, Barclays' capital position fell to a low point of 8.2% CET1 ratio in 2021 and a low point of 3.6% Tier 1 leverage ratio in 2021, after strategic management actions.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic. The scenario includes a synchronised fall in global output with accompanying increases in unemployment affecting many of the economies in which Barclays operates.

The size and nature of Barclays' UK and international credit card businesses, as well as its US leveraged lending and UK mid-corporates and SME loan books, led to increases in impairments as a result of the global macroeconomic stress.

The global low interest rate environment helped to limit impairments by reducing debt servicing costs but also constrained net interest income throughout the scenario.

Increased RWAs contributed to depletion of the CET1 ratio in the scenario, particularly in Barclays' wholesale and counterparty credit risk portfolios.

Barclays starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

The assessment includes stressed projections of misconduct costs.

Barclays pays ordinary dividends early in 2021 in respect of profits accrued on performance in 2020, the period prior to the start of the solvency stress test scenario. Following this, and up to its 2022 transitional CET1 low point, Barclays pays no further ordinary dividends and is subject to CRD V restrictions on distributions in 2021 and 2022.

The assessment also incorporates the impact of strategic management actions that the PRC judged Barclays could realistically take in the stress scenario, including cost reductions.

The Interim Management Statement published on 21 October 2021 showed CET1 capital and Tier 1 leverage ratio of 15.4% and 5.1% respectively.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of Barclays to outcomes that are much more severe than the MPC's central forecast. Barclays was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.C: Projected consolidated solvency ratios in the stress scenario

Barclays plc	Actual (end-2020)[i]	Minimum stressed ratio (before strategic management actions)[i]	Minimum stressed ratio (after the impact of strategic management actions)[i]	Reference rate	Actual (2021 Q3)[i]
IFRS9 Transitional					
Common equity Tier 1 ratio[a][b]	15.1%	8.2%[g]	9.4%	8.1%	15.4%
Tier 1 Capital ratio[c]	19.0%	11.2%[g]	12.4%[g]		19.6%
Total capital ratio[d]	22.1%	13.5%[g]	14.7%[g]		22.9%
Memo: risk-weighted assets (£ billions)	306	370[g]	369[g]		307
Memo: CET1 (£ billions)	46	30[g]	35[g]		47
Tier 1 leverage ratio[a][e]	5.3%	4.0%[h]	4.1%	3.7%	5.1%
Memo: leverage exposure (£ billions)	1,091	1,112[h]	1,111[h]		1,161
IFRS9 non-transitional					
Common equity Tier 1 ratio[f]	14.3%	7.7%	8.2%	7.0%	15.0%
Tier 1 leverage ratio[f]	5.0%	3.4%	3.6%	3.3%	5.0%

Sources: Participating banks' published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks' AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA's Policy Statement PS17/21.

HSBC Holdings plc

HSBC Holdings plc (HSBC) is a retail, corporate, and investment bank, operating globally.

The results of the hypothetical stress scenario show that HSBC's capital position remains above its reference rates, with a capital low point of 10.4% CET1 ratio in 2021 and 5.1% Tier 1 leverage ratio in 2023, after strategic management actions.

The PRC judged that HSBC is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, HSBC's capital position fell to a low point of 9.8% CET1 ratio in 2021 and a low point of 5.0% Tier 1 leverage ratio in 2023, after strategic management actions.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic. The scenario includes a synchronised fall in global output with accompanying increases in unemployment affecting many of the economies in which HSBC operates.

The size and nature of HSBC's UK and international corporate lending businesses, as well as its UK personal loan books, led to increases in credit impairments as a result of the global macroeconomic stress.

The global low interest rate environment helped to limit impairments by reducing debt servicing costs but also constrained net interest income throughout the scenario.

Increased RWAs contributed to depletion of the CET1 ratio in the scenario, particularly in HSBC's retail and wholesale portfolios.

HSBC's starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

This assessment includes stressed projections of misconduct costs.

HSBC pays ordinary dividends early in 2021 in respect of profits accrued on performance in 2020, the period prior to the start of the solvency stress test scenario. Following this, and up to its 2021 transitional CET1 low point, HSBC pays no further ordinary dividends and is not subject to CRD V restrictions on distributions.

The assessment also incorporates the impact of strategic management actions that the PRC judged HSBC could realistically take in the stress scenario, including cost reductions.

The Interim Management Statement published on 25 October 2021 showed CET1 ratio of 15.9% and Tier 1 leverage ratio of 6.2%.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of HSBC to outcomes that are much more severe than the MPC's central forecast. HSBC was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.D: Projected consolidated solvency ratios in the stress scenario

HSBC Holdings plc	Actual (end-2020)[i]	Minimum stressed ratio (before strategic management actions)[i]	Minimum stressed ratio (after the impact of strategic management actions)[i]	Reference rate	Actual (2021 Q3)[i]
IFRS9 Transitional					
Common equity Tier 1 ratio[a][b]	15.9%	9.8%[g]	10.4%	7.7%	15.9%
Tier 1 Capital ratio[c]	18.7%	12.1%[g]	12.7%[g]		18.7%
Total capital ratio[d]	21.5%	14.6%[g]	15.4%[g]		21.3%
Memo: risk-weighted assets ($ billions)	858	1,065[g]	1,014[g]		839
Memo: CET1 ($ billions)	136	105[g]	105[g]		133
Tier 1 leverage ratio[a][e]	6.2%	4.9%[h]	5.1%	3.9%	6.2%
Memo: leverage exposure ($ billions)	2,552	2,642[h]	2,592[h]		2,514
IFRS9 non-transitional					
Common equity Tier 1 ratio[f]	15.7%	9.2%	9.8%	7.2%	15.8%
Tier 1 leverage ratio[f]	6.2%	4.8%	5.0%	3.9%	6.2%

Sources: Participating banks' published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks' AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA's Policy Statement PS17/21.

Lloyds Banking Group plc

Lloyds Banking Group plc (LBG) is a retail and corporate bank with a small trading business, operating primarily in the United Kingdom.

The results of the hypothetical stress scenario show that LBG's capital position remains above its reference rates, with a capital low point of 7.8% CET1 ratio in 2022 and 3.9% Tier 1 leverage ratio in 2022, after strategic management actions.

The PRC judged that LBG is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, LBG's capital position fell to a low point of 7.8% CET1 ratio in 2022 and a low point of 3.6% Tier 1 leverage ratio in 2021, after strategic management actions.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic.

The size and nature of LBG's retail secured and unsecured businesses, as well as its SME and mid-corporate businesses, led to increases in credit impairments as a result of the macroeconomic stress.

The low interest rate environment helped to limit impairments by reducing debt servicing costs but also constrained net interest income throughout the scenario.

Increased RWAs contributed to depletion of the CET1 ratio in the scenario, particularly in LBG's retail portfolios.

LBG's starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

This assessment includes stressed projections of misconduct costs.

LBG pays ordinary dividends early in 2021 in respect of profits accrued on performance in 2020, the period prior to the start of the solvency stress test scenario. Following this, and up to its 2022 transitional CET1 low point, LBG pays no further ordinary dividends and is subject to CRD V restrictions on distributions in 2022.

The assessment also incorporates the impact of strategic management actions that the PRC judged LBG could realistically take in the stress scenario, including cost reductions.

The Interim Management Statement published on 30 September 2021 showed CET1 capital and Tier 1 leverage ratios of 17.2% and 5.8% respectively.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of LBG to outcomes that are much more severe than the MPC's central forecast. LBG was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.E: Projected consolidated solvency ratios in the stress scenario

Lloyds Banking Group plc	Actual (end-2020)[i]	Minimum stressed ratio (before strategic management actions)[i]	Minimum stressed ratio (after the impact of strategic management actions)[i]	Reference rate	Actual (2021 Q3)[i]
IFRS9 Transitional					
Common equity Tier 1 ratio[a][b]	16.2%	6.8%[g]	7.8%	7.7%	17.2%
Tier 1 Capital ratio[c]	19.1%	8.6%[g]	9.7%[g]		19.8%
Total capital ratio[d]	23.3%	11.2%[g]	12.3%[g]		23.6%
Memo: risk-weighted assets (£ billions)	203	264[g]	260[g]		201
Memo: CET1 (£ billions)	33	18[g]	20[g]		34
Tier 1 leverage ratio[a][e]	5.8%	3.5%[h]	3.9%	3.8%	5.8%
Memo: leverage exposure (£ billions)	666	641[h]	641[h]		672
IFRS9 non-transitional					
Common equity Tier 1 ratio[f]	15.0%	6.7%	7.8%	7.7%	16.6%
Tier 1 leverage ratio[f]	5.5%	3.5%	3.6%	3.3%	5.7%

Sources: Participating banks' published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks' AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA's Policy Statement PS17/21.

Nationwide Building Society

Nationwide Building Society (Nationwide) is a UK Building Society.

The results of the hypothetical stress scenario show that Nationwide's capital position remains above its reference rates, with a capital low point of 17.0% CET1 ratio in 2021 and 5.0% Tier 1 leverage ratio in 2021, after strategic management actions.

The PRC judged that Nationwide is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, Nationwide's capital position fell to a low point of 16.9% CET1 ratio in 2021 and a low point of 5.0% Tier 1 leverage ratio in 2021, after strategic management actions.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic.

The size and nature of Nationwide's retail secured and unsecured businesses led to increases in credit impairments as a results of the macroeconomic stress.

The low interest rate environment helped to limit impairments by reducing debt servicing costs but also constrained net interest income throughout the scenario.

Increased RWAs contributed to depletion of the CET1 ratio in the scenario, particularly in Nationwide's retail portfolios.

Nationwide's starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

This assessment also includes stressed projections of misconduct costs.

Nationwide continues to make annual distributions on its Core Capital Deferred Shares (CCDS) throughout the scenario and is not subject to CRD V restrictions on its distributions.

The assessment also incorporates the impact of strategic management actions that the PRC judged Nationwide could realistically take in the stress scenario, including cost reductions.

The Interim Management Statement published on 19 November 2021 showed CET1 capital and Tier 1 leverage ratios of 37.7% and 5.5% respectively.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of Nationwide to outcomes that are much more severe than the MPC's central forecast. Nationwide was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.F: Projected consolidated solvency ratios in the stress scenario

Nationwide Building Society	Actual (end-2020)[i]	Minimum stressed ratio (before strategic management actions)[i]	Minimum stressed ratio (after the impact of strategic management actions)[i]	Reference rate	Actual (2021 Q3)[i]
IFRS9 Transitional					
Common equity Tier 1 ratio[a][b]	36.2%	16.9%[g]	17.0%	8.4%	37.7%
Tier 1 Capital ratio[c]	41.0%	19.1%[g]	19.2%[g]		42.1%
Total capital ratio[d]	50.3%	23.6%[g]	23.7%[g]		50.9%
Memo: risk-weighted assets (£ billions)	32	64[g]	64[g]		33
Memo: CET1 (£ billions)	12	11[g]	11[g]		12
Tier 1 leverage ratio[a][e]	5.2%	5.0%[h]	5.0%	3.6%	5.5%
Memo: leverage exposure (£ billions)	250	245[h]	245[h]		251
IFRS9 non-transitional					
Common equity Tier 1 ratio[f]	35.6%	16.8%	16.9%	8.3%	37.3%
Tier 1 leverage ratio[f]	5.2%	5.0%	5.0%	3.6%	5.4%

Sources: Participating banks' published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks' AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA's Policy Statement PS17/21.

NatWest Group plc

NatWest Group plc (NatWest) is a retail and corporate bank with a trading business, operating primarily in the United Kingdom.

The results of the hypothetical stress scenario show that NatWest's capital position remains above its reference rates, with a capital low point of 10.4% CET1 ratio in 2022 and 4.4% Tier 1 leverage ratio in 2025.

The PRC judged that NatWest is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, NatWest's capital position fell to a low point of 10.3% CET1 ratio in 2022 and a low point of 4.4% Tier 1 leverage ratio in 2025.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic.

The size and nature of NatWest's retail secured and unsecured businesses, as well as its SME and mid-corporate businesses, led to increases in credit impairments as a result of the macroeconomic stress.

The low interest rate environment helped to limit impairments by reducing debt servicing costs but also constrained net interest income throughout the scenario.

Increased RWAs contributed to depletion of the CET1 ratio in the scenario, particularly in NatWest's retail secured and wholesale portfolios.

NatWest's starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

This assessment also includes stressed projections of misconduct costs.

NatWest pays ordinary dividends early in 2021 in respect of profits accrued on performance in 2020, the period prior to the start of the solvency stress test scenario. Following this, and up to its 2022 transitional CET1 low point, NatWest pays no further ordinary dividends and is not subject to CRD V restrictions on distributions.

NatWest decided not to submit strategic management actions in this scenario.

The Interim Management Statement published on 29 October 2021 showed CET1 capital and Tier 1 leverage ratios of 18.7% and 5.9% respectively.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of NatWest to outcomes that are much more severe than the MPC's central forecast. NatWest was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.G: Projected consolidated solvency ratios in the stress scenario

NatWest Group plc	Actual (end-2020)[i]	Minimum stressed ratio (before strategic management actions)[i]	Minimum stressed ratio (after the impact of strategic management actions)[i]	Reference rate	Actual (2021 Q3)[i]
IFRS9 Transitional					
Common equity Tier 1 ratio[a][b]	18.5%	10.4%[g]	10.4%	7.0%	18.7%
Tier 1 Capital ratio[c]	21.9%	13.0%[g]	13.0%[g]		21.5%
Total capital ratio[d]	25.7%	15.8%[g]	15.8%[g]		25.2%
Memo: risk-weighted assets (£ billions)	170	208[g]	208[g]		160
Memo: CET1 (£ billions)	31	22[g]	22[g]		30
Tier 1 leverage ratio[a][e]	6.4%	4.4%[h]	4.4%	3.6%	5.9%
Memo: leverage exposure (£ billions)	573	583[h]	583[h]		570
IFRS9 non-transitional					
Common equity Tier 1 ratio[f]	17.5%	10.3%	10.3%	7.0%	18.1%
Tier 1 leverage ratio[f]	6.1%	4.4%	4.4%	3.6%	5.7%

Sources: Participating banks' published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks' AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA's Policy Statement PS17/21.

Santander UK Group Holdings plc

Santander UK Group Holdings plc (Santander UK) is the UK subsidiary of Banco Santander S.A. and is a retail and corporate bank that operates primarily in the United Kingdom.

The results of the hypothetical stress scenario show that Santander UK's capital position remains above its reference rates, with a capital low point of 11.2% CET1 ratio in 2025 and 4.1% Tier 1 leverage ratio in 2025.

The PRC judged that Santander UK is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, Santander UK's capital position fell to a low point of 11.2% CET1 ratio in 2025 and a low point of 4.1% Tier 1 leverage ratio in 2025.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic.

The size and nature of Santander UK's retail secured and unsecured businesses, as well as its SME and mid-corporate businesses, led to increases in credit impairments as a result of the macroeconomic stress.

The low interest rate environment helped to limit impairments by reducing debt-servicing costs but also constrained net interest income throughout the scenario.

Santander UK's risk-weighted assets were countercyclical throughout the stress due to the design of the firm's current regulatory capital model for its mortgage portfolio.

Santander UK's exposure to its defined benefit pension scheme and the impact of non-performing exposures resulted in a reduction of capital resources in the later years of the stress.

Santander UK's starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

This assessment also includes stressed projections of misconduct costs.

Santander UK pays dividends throughout the stress scenario but is subject to CRD V restrictions on distributions in 2025.

Santander UK decided not to submit strategic management actions in this scenario.

The Interim Management Statement published on 26 October 2021 showed CET1 ratio of 16.6% and Tier 1 leverage ratio of 5.4% respectively.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of Santander UK to outcomes that are much more severe than the MPC's central forecast. Santander UK was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.H: Projected consolidated solvency ratios in the stress scenario

Santander UK Group Holdings plc	Actual (end-2020)[i]	Minimum stressed ratio (before strategic management actions)[i]	Minimum stressed ratio (after the impact of strategic management actions)[i]	Reference rate	Actual (2021 Q3)[i]
IFRS9 Transitional					
Common equity Tier 1 ratio[a][b]	15.2%	11.2%[g]	11.2%	8.2%	16.6%
Tier 1 Capital ratio[c]	18.6%	14.3%[g]	14.3%[g]		20.0%
Total capital ratio[d]	21.1%	15.5%[g]	15.5%[g]		22.3%
Memo: risk-weighted assets ($ billions)	73	73[g]	73[g]		69
Memo: CET1 (£ billions)	11	8[g]	8[g]		11
Tier 1 leverage ratio[a][e]	5.1%	4.1%[h]	4.1%	3.5%	5.4%
Memo: leverage exposure (£ billions)	259	251[h]	251[h]		250
IFRS9 non-transitional					
Common equity Tier 1 ratio[f]	15.1%	11.2%	11.2%	8.2%	16.6%
Tier 1 leverage ratio[f]	5.1%	4.1%	4.1%	3.5%	5.4%

Sources: Participating banks’ published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks’ AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA’s Policy Statement PS17/21.

Standard Chartered plc

Standard Chartered plc (Standard Chartered) is a retail, corporate and investment bank, operating primarily in Asia, Africa and the Middle East.

The results of the hypothetical stress scenario show that Standard Chartered's capital position remains above its reference rates, with a capital low point of 10.9% CET1 ratio in 2021 and 4.9% Tier 1 leverage ratio in 2021, after strategic management actions.

The PRC judged that Standard Chartered is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, Standard Chartered's capital position fell to a low point of 10.8% CET1 ratio in 2021 and a low point of 4.9% Tier 1 leverage ratio in 2021, after strategic management actions.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic. The scenario includes a synchronised fall in global output with accompanying increases in unemployment affecting many of the economies in which Standard Chartered operates.

The size and nature of Standard Chartered's international wholesale lending businesses, as well as its international credit cards business, led to increases in credit impairments as a result of the global macroeconomic stress.

The global low interest rate environment helped to limit impairments by reducing debt servicing costs but also constrained net interest income throughout the scenario.

Increased RWAs contributed to depletion of the CET1 ratio in the scenario, particularly in Standard Chartered's wholesale portfolios.

Standard Chartered's starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

This assessment also includes stressed projections of misconduct costs.

Standard Chartered pays ordinary dividends early in 2021 in respect of profits accrued on performance in 2020, the period prior to the start of the solvency stress test scenario. Following this, and up to its 2021 transitional CET1 low point, Standard Chartered pays no further ordinary dividends and is not subject to CRD V restrictions on distributions.

The assessment also incorporates the impact of strategic management actions that the PRC judged Standard Chartered could realistically take in the stress scenario, including cost reductions.

The Interim Management Statement published on 2 November 2021 showed CET1 capital and Tier 1 leverage ratios of 14.6% and 5.1% respectively.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of Standard Chartered to outcomes that are much more severe than the MPC's central forecast. Standard Chartered was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.I: Projected consolidated solvency ratios in the stress scenario

Standard Chartered plc	Actual (end-2020)[(i)]	Minimum stressed ratio (before strategic management actions)[(i)]	Minimum stressed ratio (after the impact of strategic management actions)[(i)]	Reference rate	Actual (2021 Q3)[(i)]
IFRS9 Transitional					
Common equity Tier 1 ratio[(a)(b)]	14.4%	10.5%[(g)]	10.9%	7.1%	14.6%
Tier 1 Capital ratio[(c)]	16.5%	12.1%[(g)]	12.6%[(g)]		17.2%
Total capital ratio[(d)]	21.2%	15.7%[(g)]	16.3%[(g)]		22.0%
Memo: risk-weighted assets ($ billions)	269	316[(g)]	312[(g)]		268
Memo: CET1 ($ billions)	39	33[(g)]	34[(g)]		39
Tier 1 leverage ratio[(a)(e)]	5.2%	4.7%[(h)]	4.9%	3.6%	5.1%
Memo: leverage exposure ($ billions)	835	791[(h)]	781[(h)]		890
IFRS9 non-transitional					
Common equity Tier 1 ratio[(f)]	14.3%	10.3%	10.8%	7.1%	14.5%
Tier 1 leverage ratio[(f)]	5.1%	4.7%	4.9%	3.5%	5.1%

Sources: Participating banks’ published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks’ AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA’s Policy Statement PS17/21.

Virgin Money UK plc

Virgin Money UK plc (Virgin Money UK) is a retail and corporate bank, operating primarily in the United Kingdom.

The results of the hypothetical stress scenario show that Virgin Money UK's capital position remains above its reference rates, with a capital low of 8.9% CET1 ratio in 2021 and 4.1% Tier 1 leverage ratio in 2022, after strategic management actions.

The PRC judged that Virgin Money UK is resilient to outcomes for the economy that are much more severe than the MPC's central forecast.

On a non-transitional IFRS 9 basis, Virgin Money UK's capital position fell to a low point of 7.4% CET1 ratio in 2021 and a low point of 3.5% Tier 1 leverage ratio in 2021, after strategic management actions.

The scenario for the 2021 stress test included a severe path for the domestic and global economy on top of the 2020 economic shock associated with the Covid pandemic.

The size and nature of Virgin Money UK's retail unsecured and SME business led to increases in credit impairments as a results of the macroeconomic stress.

The low interest rate environment helped to limit impairments by reducing debt-servicing costs but also constrained net interest income throughout the scenario.

Increased RWAs contributed to depletion of the CET1 ratio in the scenario, particularly in Virgin Money UK's retail portfolios.

Virgin Money UK's starting CET1 ratio includes IFRS 9 transitional relief associated with higher non-defaulted provisions booked before 31 December 2020 due to the impact of the COVID-19 pandemic. The size of transitional relief during the SST scenario will depend on starting provisions, low point year and banks' individual approaches to provisioning.

This assessment also includes stressed projections of misconduct costs.

Virgin Money UK does not pay ordinary dividends up to its 2021 transitional CET1 low point and is not subject to CRD V restrictions on distributions.

The assessment also incorporates the impact of strategic management actions that the PRC judged Virgin Money UK could realistically take in the stress scenario, including cost reductions

The full year annual report published on 24 November 2021 showed CET1 capital and Tier 1 leverage ratios of 14.9% and 5.2% respectively.

The SST exercise was designed as a cross-check on the PRC's judgement of the resilience of Virgin Money UK to outcomes that are much more severe than the MPC's central forecast. Virgin Money UK was not required to take action to strengthen its capital position as a result of the solvency stress test outcomes.

Table A1.J: Projected consolidated solvency ratios in the stress scenario

Virgin Money UK plc	Actual (end-2020)[i]	Minimum stressed ratio (before strategic management actions)[i]	Minimum stressed ratio (after the impact of strategic management actions)[i]	Reference rate	Actual (2021 Q3)[i]
IFRS9 Transitional					
Common equity Tier 1 ratio[a][b]	13.9%	8.8%[g]	8.9%	6.1%	14.9%
Tier 1 Capital ratio[c]	17.7%	12.1%[g]	12.2%[g]		17.8%
Total capital ratio[d]	20.8%	15.1%[g]	15.3%[g]		22.0%
Memo: risk-weighted assets (£ billions)	24	28[g]	28[g]		24
Memo: CET1 (£ billions)	3	2[g]	2[g]		4
Tier 1 leverage ratio[a][e]	5.0%	3.8%[h]	4.1%	3.3%	5.2%
Memo: leverage exposure (£ billions)	86	80[h]	80[h]		83
IFRS9 non-transitional					
Common equity Tier 1 ratio[f]	12.9%	7.3%	7.4%	6.1%	14.4%
Tier 1 leverage ratio[f]	4.7%	3.5%	3.5%	3.3%	5.0%

Sources: Participating banks' published accounts and STDF data submissions, Bank analysis and calculations.

(a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after strategic management actions. There is no conversion of banks' AT1 instruments in the stress.
(b) The CET1 capital ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets, where these are in line with CRR and the UK implementation of CRD V via the PRA Rulebook.
(c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD V.
(d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD V.
(e) The Tier 1 leverage ratio is Tier 1 capital expressed as a percentage of the leverage exposure measure excluding central bank reserves, as defined in Rule 1.2 of the Leverage Ratio part of the PRA Rulebook.
(f) The low point year for the non-transitional IFRS 9 may differ to the low point year on a transitional IFRS 9 basis.
(g) Corresponds to the same year as the minimum CET1 ratio over the stress scenario after strategic management actions.
(h) Corresponds to the same year as the minimum leverage ratio over the stress scenario after strategic management actions.
(i) Treatment of software assets non-deduction: End-2020 capital numbers include the benefit from software assets non-deduction, and minimum stress numbers that occur in 2021 also include the benefit from software assets non-deduction. Minimum stress numbers that occur after 2021 exclude the benefit from software assets non-deduction. This is in line with the PRA's Policy Statement PS17/21.

Annex 2: 2021 solvency stress test: bank-specific projected impairment charges and traded risk losses

Table A2.A: Projected cumulative five-year impairment charge rates on UK lending in the stress scenario[(a)(b)]

Per cent	Mortgage lending to individuals	Non-mortgage lending to individuals	Commercial real estate lending	Lending to businesses excluding commercial real estate
Barclays	0.4	31.7	5.4	8.7
HSBC	0.1	18.2	7.5	8.9
Lloyds Banking Group	0.7	23.8	7.7	8.6
Nationwide	0.3	26.8	–	–
NatWest Group	0.6	26.7	5.8	6.1
Santander UK	0.6	14.0	5.2	8.5
Standard Chartered	–	–	–	3.8
Virgin Money UK	0.3	24.2	–	8.6

Sources: Participating Banks STDF data submissions, Bank analysis and calculations.

(a) Cumulative impairment charge rates = (five-year total impairment charge) / (average gross on balance sheet exposure), where the denominator is a simple average of 2020, 2021, 2022, 2023, 2024 year-end positions. The HSBC and Standard Chartered impairment charge rates are calculated by first converting each component to sterling using exchange rates consistent with the stress scenario.
(b) Portfolios with cumulative impairment charges of £0.0 billion or end-2020 drawn balances of £0.0 billion (ie below £0.05 billion) are excluded.

Table A2.B: Projected cumulative five-year impairment charges on UK lending in the stress scenario[a][b]

£ billions	Mortgage lending to individuals	Non-mortgage lending to individuals	Commercial real estate lending	Lending to businesses excluding commercial real estate
Barclays	0.6	6.9	0.3	3.8
HSBC	0.2	2.4	0.8	6.1
Lloyds Banking Group	2.1	8.8	0.8	3.3
Nationwide	0.6	1.3	–	–
NatWest Group	1.0	3.7	0.6	4.0
Santander UK	1.0	1.5	0.3	1.1
Standard Chartered	–	–	–	0.1
Virgin Money UK	0.2	1.3	–	0.6

Sources: Participating Banks STDF data submissions, Bank analysis and calculations.

(a) The HSBC and Standard Chartered impairment charges are calculated by first converting each component to sterling using exchange rates consistent with the stress scenario.

(b) Portfolios with cumulative impairment charges of £0.0 billion or end-2020 drawn balances of £0.0 billion (ie below £0.05 billion) are excluded.

Table A2.C: Projected cumulative five-year impairment charge rates in the stress scenario[(a)(b)(c)]

Per cent	**Lending to individuals**					**Lending to businesses**				
	United Kingdom	Hong Kong and China	United States	Euro area	Rest of world	United Kingdom	Hong Kong and China	United States	Euro area	Rest of world
Barclays	4.3	–	32.1	5.6	–	8.4	–	20.9	3.5	8.9
HSBC	1.9	2.6	3.2	0.2	4.7	8.7	4.1	6.7	1.3	1.8
Lloyds Banking Group	3.3	–	–	0.4	–	8.4	–	6.9	3.9	1.4
Nationwide	1.0	–	–	–	–	1.1	–	–	–	–
NatWest Group	2.5	–	–	2.7	–	6.1	–	0.7	6.4	3.6
Santander UK	1.4	–	–	–	–	7.6	–	–	–	–
Standard Chartered	–	1.8	–	–	2.9	3.8	4.8	2.3	4.6	3.9
Virgin Money UK	2.3	–	–	–	–	8.1	–	–	–	–

Sources: Participating Banks STDF data submissions, Bank analysis and calculations.

(a) Cumulative impairment charge rates = (five-year total impairment charge) / (average gross on balance sheet exposure), where the denominator is a simple average of 2020, 2021, 2022, 2023, 2024 year-end positions. The HSBC and Standard Chartered impairment charge rates are calculated by first converting each component to sterling using exchange rates consistent with the stress scenario.

(b) Portfolios with cumulative impairment charges of £0.0 billion or end-2020 drawn balances of £0.0 billion (ie below £0.05 billion) are excluded.

(c) Data exclude material associates.

Table A2.D: Projected cumulative five-year impairment charges in the stress scenario[a][b][c]

£ billions	Lending to individuals					Lending to businesses				
	United Kingdom	Hong Kong and China	United States	Euro area	Rest of world	United Kingdom	Hong Kong and China	United States	Euro area	Rest of world
Barclays	7.5	–	4.8	0.7	–	4.0	–	2.3	0.2	0.7
HSBC	2.6	2.6	0.5	0.0	3.8	6.9	6.2	3.8	0.6	2.3
Lloyds Banking Group	10.9	–	–	0.1	–	4.1	–	0.1	0.1	0.0
Nationwide	1.9	–	–	–	–	0.0	–	–	–	–
NatWest Group	4.8	–	–	0.4	–	4.5	–	0.0	0.6	0.3
Santander UK	2.5	–	–	–	–	1.3	–	–	–	–
Standard Chartered	–	0.6	–	–	1.6	0.1	0.8	0.1	0.3	2.7
Virgin Money UK	1.4	–	–	–	–	0.6	–	–	–	–

Sources: Participating Banks STDF data submissions, Bank analysis and calculations.

(a) The HSBC and Standard Chartered impairment charges are calculated by first converting each component to sterling using exchange rates consistent with the stress scenario.
(b) Portfolios with cumulative impairment charges of £0.0 billion or end-2020 drawn balances of £0.0 billion (ie below £0.05 billion) are excluded.
(c) Data exclude material associates.

Table A2.E: Projected traded risk losses in 2021 of the stress scenario[a][b][c]

	£ billions
Barclays	4.8
HSBC	3.7
Lloyds Banking Group	1.3
NatWest Group	0.4
Standard Chartered	1.5

Sources: Participating Banks STDF data submissions, Bank analysis and calculations.

(a) Traded risk losses include: market risk losses; counterparty credit risk losses, losses arising from changes in banks' credit and fair value adjustments; prudential value adjustment; gain/losses from fair value through other comprehensive income items and fair value options; excluding securitisation positions. They exclude banking revenues and costs.
(b) Nationwide, Santander UK and Virgin Money UK are excluded as they have relatively minimal traded risk exposures.
(c) Losses for HSBC and SCB are converted to sterling using exchange rates consistent with the stress scenario for comparability with other banks.