Barclays Bank Ireland PLC
Interim Pillar 3 Report

30 June 2020

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Notes

Barclays Bank Ireland PLC is referred to as 'BBI' or 'the Bank' in this report. The abbreviations '€m' represent millions of euro.
There are a number of key judgement areas, for example impairment calculations, which are based on models and which are subject to ongoing adjustment and modifications. Reported numbers reflect best estimates and judgements at the given point in time.

Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the results glossary that can be accessed at home.barclays/investor-relations/reports-and-events/latest-financial-results.

Forward-looking statements

The Bank cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning.

Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Bank (including, without limitation, during management presentations to financial analysts) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Bank's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS impacts and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made and such statements may be affected by changes in legislation, the development of standards and interpretations under IFRS, including evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Bank or any securities issued by the Bank; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the exit by the UK from the European Union and the disruption that may subsequently result in Ireland, the EU and globally; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Bank's control. As a result, the Bank actual financial position, future results, dividend payments, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures may differ materially from the statements or guidance set forth in the Bank's forward-looking statements. Additional risks and factors which may impact the Bank's future financial condition and performance are identified in the Bank's 2019 Annual Report and the Bank's 2020 Interim Report which are available on Barclays' website at https://home.barclays/investor-relations/.

Subject to our obligations under the applicable laws and regulations of any relevant jurisdiction, (including, without limitation, Ireland), in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Disclosure Background

Barclays Bank Ireland Pillar 3 disclosures complement those disclosed in the BBI 2020 Interim Results Announcement and provide additional information about BBI's risk profile, including its regulatory capital, risk weighted assets (RWAs), liquidity and leverage exposures. The Pillar 3 report is prepared in accordance with the Capital Requirements Regulation and Capital Requirements Directive ('CRR' and 'CRD IV' respectively, also known as the 'CRDIV legislative package'). In particular, articles 431 to 455 of the CRR specify the Pillar 3 framework requirements.

On 27 June 2019, CRR II came into force amending CRR. As an amending regulation, the existing provisions of CRR apply unless they are amended by CRR II. Certain aspects of CRR II are dependent on final technical standards to be issued by the European Banking Authority (EBA) and adopted by the European Commission.

The Bank is an Other-Systematically Important Institution and will be considered as the highest level of consolidation within a member state when the Brexit transitional arrangements end on 31 December 2020. It does not currently have an individual MREL/TLAC requirement. However, it will be subject to general requirement that gone-concern capital (Additional Tier 1, Tier 2 and qualifying elements of the senior non-preferred debt (so-called Tier 3 capital) exceed 16% of the RWA's.

On 19 June 2020, CRR was further amended to accelerate specific CRR II provisions, previously due to be implemented in June 2021. These accelerated provisions, most of which came into force on 27 June 2020, primarily relate to the IFRS 9 transitional relief calculation impacting own funds, CRR leverage to include additional settlement netting and exclude qualifying claims on central banks, and immaterial changes to the calculation of risk weighted assets. The exclusion of qualifying claims on central banks from the CRR leverage exposure is subject to ECB notification which the ECB published on 16 September 2020 in Decision (EU) 2020/1306 of the European Central Bank.

The IFRS 9 transitional arrangements have been extended by two years and a new modified calculation has been introduced allowing 100% relief throughout 2020 and 2021 on increases in stage 1 and stage 2 provisions from 1 January 2020 throughout 2020 and 2021; 75% in 2022; 50% in 2023; 25% in 2024 with no relief applied from 2025. The phasing out of transitional relief on the "day 1" impact of IFRS 9 as well as increases in stage 1 and stage 2 provisions between 1 January 2018 and 31 December 2019 under the modified calculation remain unchanged and continue to be subject to 70% transitional relief throughout 2020; 50% for 2021; 25% for 2022 and with no relief applied from 2023. Also impacting own funds from 30 June 2020 until 31December 2020 inclusive are amendments to the regulatory technical standards on prudential valuation which include an increase to diversification factors applied to certain additional valuation adjustments.

Additionally, certain accelerated provisions such as the deduction from own funds and risk-weighting of software intangible assets, are under consultation and effective from the date of publication of regulatory technical standards [expected later in 2020].

In response to the COVID-19 pandemic, the EBA also introduced additional disclosure requirements in relation to the application of payment moratoria to existing loans as well as new lending subject to public guarantees schemes. These disclosures are included within tables 35 to 36 of this document.

The Pillar 3 disclosures have also been prepared in accordance with the EBA "Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of CRR" and the EBA "Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013", as amended by Regulation (EU) 2019/876, in effect at the reporting date. The disclosures included in this report reflect the Bank's interpretation of the current rules and guidance.

BBI's approach to managing risk, including its internal ratings-based approach, is described within its 2019 Pillar 3 year-end disclosures.

Table 1: KM1 - Key metrics

This table shows key metrics and their components on both a transitional and fully loaded basis as at 30 June 2020.

		As at 30 June 2020 €m	As at 31 December 2019 €m
	Available capital (amounts)		
1	Common Equity Tier 1 (CET1) [1]	**2,488**	2,599
1a	Fully loaded Expected Credit Loss (ECL) accounting model [2]	**2,419**	2,552
2	Tier 1 [3]	**3,053**	3,164
2a	Fully loaded ECL accounting model Tier 1 [4]	**2,984**	3,117
3	Total capital [3]	**3,598**	3,753
3a	Fully loaded ECL accounting model total capital [4]	**3,549**	3,730
	Risk-weighted assets (amounts)		
4	Total risk-weighted assets (RWA) [1]	**18,749**	17,879
4a	Fully loaded ECL accounting model total risk-weighted assets (RWA) [2]	**18,708**	17,849
	Risk-based capital ratios as a percentage of RWA		
5	Common Equity Tier 1 ratio (%)	**13.3%**	14.5%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	**12.9%**	14.3%
6	Tier 1 ratio (%)	**16.3%**	17.7%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	**16.0%**	17.5%
7	Total capital ratio (%)	**19.2%**	21.0%
7a	Fully loaded ECL accounting model total capital ratio (%)	**19.0%**	20.9%
	Additional CET1 buffer requirements as a percentage of RWA		
8	Capital conservation buffer requirement (%)	**2.5%**	2.5%
9	Countercyclical buffer requirement (%)	**0.0%**	0.2%
10	Bank O-SII buffer requirements (%) [3]	**0.0%**	0.3%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + 9 + 10)	**2.5%**	3.0%
12	CET1 available after meeting the bank’s minimum capital requirements (%)	**10.8%**	11.5%
	CRR leverage ratio		
13	Total CRR leverage ratio exposure measure	**63,780**	54,431
14	Fully loaded CRR leverage ratio (%) [4]	**4.7%**	5.7%
	Liquidity Coverage Ratio		
15	Total HQLA	**20,367**	14,873
16	Total net cash outflows	**9,251**	7,933
17	LCR ratio (%)	**210%**	187%

1 *CET1 capital and RWAs are calculated applying the IFRS9 transitional arrangements of the CRR as amended by the CRR II applicable as at the reporting date.*
2 *Fully loaded CET1 capital and RWAs are calculated without applying the transitional arrangements of the CRR as amended by the CRR II applicable as at the reporting date.*
3 *The Bank will be subject to an O-SII Buffer of 0.5% from 1 July 2020, rising to 0.75% on 1 July 2021.*
4 *Fully loaded CRR Leverage Ratio is calculated without applying the transitional arrangements of the CRR as amended by the CRR II applicable as at the reporting date.*

The CET1 ratio decreased to 13.3% (December 2019: 14.5%):

- *CET1 capital decreased by €109mn to €2.5bn. This was driven primarily by a loss in the period of €95 million and increases in prudential filters,*

- *RWAs increased by €0.9bn to €18.7bn primarily driven by the increase in market risk weighted assets.*

Table 2: CC1 – Composition of regulatory capital

This table shows the components of regulatory capital presented on both a transitional and fully loaded basis as at 30 June 2020.

		Ref†	As at 30 June 2020 Transitional position	As at 30 June 2020 Fully Loaded
	Common Equity Tier 1 capital: instruments and reserves		€m	€m
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	*a*	974	974
2	Retained earnings	*b*	1,583	1,583
3	Accumulated other comprehensive income (and other reserves)	*c*	(23)	(23)
4	Adjustment to retained earnings for foreseeable dividends		-	-
6	**Common Equity Tier 1 capital before regulatory adjustments**		**2,534**	**2,534**
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudent valuation adjustments		(18)	(18)
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	*d*	(44)	(44)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		-	-
11	Cash flow hedge reserve		(1)	(1)
12	Shortfall of provisions to expected losses		(12)	(12)
14	Gains and losses due to changes in own credit risk on fair valued liabilities	*e*	(40)	(40)
	Adjustment under IFRS 9 transitional arrangements		69	-
28	**Total regulatory adjustments to Common Equity Tier 1**		**(46)**	**(115)**
29	**Common Equity Tier 1 capital (CET1)**		**2,488**	**2,419**
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	*f*	565	565
31	*Of which: classified as equity under applicable accounting standards*	*f*	565	565
36	**Additional Tier 1 capital before regulatory adjustments**		**565**	**565**
44	**Additional Tier 1 capital (AT1)**		565	565
45	**Tier 1 capital (T1 = CET1 + AT1)**		**3,053**	**2,984**
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	*f*	565	565
51	**Tier 2 capital before regulatory adjustments**		**565**	**565**
	Tier 2 capital: regulatory adjustments			
55	Adjustment under IFRS 9 transitional arrangements to T2	*h*	(20)	-
57	**Total regulatory adjustments to Tier 2 capital**		**(20)**	-
58	**Tier 2 capital (T2)**		**545**	**565**
59	**Total regulatory capital (TC = T1 + T2)**		**3,598**	**3,549**
60	**Total risk-weighted assets**		**18,749**	**18,708**
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		13.3%	12.9%
62	Tier 1 (as a percentage of risk-weighted assets)		16.3%	16.0%
63	Total capital (as a percentage of risk-weighted assets)		19.2%	19.0%
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)		2.5%	2.5%
65	*Of which: capital conservation buffer requirement*		2.5%	2.5%
66	*Of which: bank-specific countercyclical buffer requirement*		0.0%	0.0%
67	*Of which: Other Systemically Important Institutions (O-SII) buffer requirement*		0.0%	0.0%
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements		10.8%	10.4%

Notes:
† The references (a) - (h) identify balance sheet components in Table 3: CC2 – Reconciliation of regulatory capital to balance sheet on page 7 which are used in the calculation of regulatory capital.

Capital

Table 3: CC2 – Reconciliation of regulatory capital to balance sheet

These tables show the reconciliation between balance sheet prepared for statutory and regulatory scope of consolidation. The amount shown under the regulatory scope of consolidation is not a risk weighted asset measure; it is based on an accounting measure and cannot be directly reconciled to other tables in this report.

As at 30 June 2020	Ref†	Accounting balance sheet per published financial statements €m	Deconsolidation of insurance/other entities €m	Consolidation of banking associates/other entities €m	Balance sheet per regulatory scope of consolidation €m
Assets					
Cash and balances at central banks		20,418	-	-	20,418
Cash collateral and settlement balances		13,248	-	-	13,248
Loans and advances at amortised cost		14,290	-	-	14,290
Reverse repurchase agreements and other similar secured lending		1,720	-	-	1,720
Trading portfolio assets		1,600	-	-	1,600
Financial assets at fair value through the income statement		5,748	-	-	5,748
Derivative financial instruments		34,935	-	-	34,935
Financial assets at fair value through other comprehensive income		-	-	-	-
Investments in associates and joint ventures		-	-	-	-
Goodwill and intangible assets		44	-	-	44
Of which: goodwill		-	-	-	-
Of which: other intangibles (excluding MSRs)	*d*	44	-	-	44
Property, plant and equipment		110	-	-	110
Current tax assets		3	-	-	3
Deferred tax assets		176	-	-	176
Retirement benefit assets		-	-	-	-
Other assets	*e*	205	-	-	205
Total assets		**92,497**	-	-	**92,497**
Liabilities					
Deposits at amortised cost		24,392	-	-	24,392
Cash collateral and settlement balances		13,309	-	-	13,309
Repurchase agreements and other similar secured borrowing		3,073	-	-	3,073
Debt securities in issue		2,706	-	-	2,706
Subordinated liabilities		891	-	-	891
Trading portfolio liabilities		1,540	-	-	1,540
Financial liabilities designated at FV		8,285	-	-	8,285
Derivative financial instruments		34,490	-	-	34,490
Current tax liabilities		11	-	-	11
Deferred tax liabilities		7	-	-	7
Retirement benefit liabilities		53	-	-	53
Other liabilities		405	-	-	405
Provisions	*g,h*	45	-	-	45
Total liabilities		**89,207**	-	-	**89,207**
Total Equity					
Called up share capital and share premium		974	-	-	974
Of which: amount eligible for CET1	*a*	974	-	-	974
Other equity instruments	*f*	565	-	-	565
Other reserves	*c*	(4)	-	-	(4)
Retained earnings	*b*	1,755	-	-	1,755
Total equity excluding non-controlling interest		3,290	-	-	3,290
Non-controlling interest		-	-	-	-
Total equity		**3,290**	-	-	**3,290**
Total liability and equity		**92,497**	-	-	**92,497**

Notes:
† The references (a) – (h) identify balance sheet components that are used in the calculation of regulatory capital in Table 2: CC1 - Composition of regulatory capital on page 6.

IFRS 9 – Transitional capital arrangements

On 1 January 2018, IFRS9 transitional capital arrangements were implemented by Regulation (EU) 2017/2395. The Bank elected to apply the transitional arrangements and will disclose both transitional and fully loaded CET1 ratios until the end of the transitional period. The transitional benefit is phased out over a 5 year period with 95% applicable for 2018; 85% for 2019; 70% for 2020; 50% for 2021; 25% for 2022 and with no transitional benefit from 2023.

The transitional arrangements, implemented under a modified static approach, allow for transitional relief on the “day 1” impact on adoption of IFRS 9 (static element) and for the increase between “day 1” and the reporting date (modified element), subject to eligibility. For the static element, stage 1, stage 2 and stage 3 provisions are eligible for transition, whereas for the modified element, stage 3 provisions are excluded.

Separate calculations are performed for standardised and advanced IRB portfolios, reflecting the different ways these frameworks take account of provisions. Under the standardised approach, increases in provisions for both the static and modified elements are eligible for transition. Under the advanced approach, for both the static and modified elements, provisions are only eligible for transitional relief to the extent that they exceed regulatory expected loss.

Any increases in impairment allowances as a result of IFRS 9, net of tax, decreases shareholders’ equity through retained earnings. This is somewhat mitigated by the transitional relief applied on eligible impairment.

For regulatory Internal Ratings Based (IRB) exposures, the calculation of capital takes account of the expected loss via a comparison with the impairment allowances. Where regulatory expected losses exceed impairment allowances, the shortfall is deducted from CET1 capital. Where the impairment allowance is higher than expected loss, the excess is added back to tier 2 capital and capped at an amount of 0.6% of IRB RWAs.

The DTAs created from the increase of impairment are also accounted for in the CET1 ratio. When DTAs arising from temporary differences are above the 10% CET1 capital threshold, any excess above the threshold is deducted and those below the threshold are risk weighted at 250% up to the point they reach the 10% CET1 capital threshold.

Standardised RWAs decrease due to the increase in impairment being offset against the Standardised Credit Risk exposures.

Capital

Table 4: IFRS 9-FL – ` of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

		As at 30 June 2020	As at 31 December 2019
		€m	€m
	Available capital (amounts)		
1	Common Equity Tier 1 (CET1) capital[a]	2,488	2,599
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,419	2,552
3	Tier 1 capital[b]	3,053	3,164
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,984	3,117
5	Total capital[b]	3,598	3,753
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	3,549	3,730
	Risk-weighted assets (amounts)	€m	€m
7	Total risk-weighted assets[a]	18,749	17,879
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18,708	17,849
	Capital ratios		
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	13.3%	14.5%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12.9%	14.3%
11	Tier 1 (as a percentage of risk exposure amount)	16.3%	17.7%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.0%	17.5%
13	Total capital (as a percentage of risk exposure amount)	19.2%	21.0%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.0%	20.9%
	Leverage ratio	**€m**	**€m**
15	Leverage ratio total exposure measure	63,780	54,431
16	Leverage ratio[c]	4.8%	5.8%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.7%	5.7%

Notes:

a Transitional CET1 capital and RWAs are calculated applying the transitional arrangements of the CRR. This includes IFRS 9 transitional arrangements.
b Transitional T1 and Total capital are calculated applying the transitional arrangements of the CRR. This includes IFRS 9 transitional arrangements.
c Leverage ratio is calculated applying the fully phased in treatment of the CRR.

Table 5: Risk weighted assets by risk type and business

This table shows risk weighted assets by risk type.

	Credit risk		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std	A-IRB	Std	A-IRB	Settlement risk	CVA	Std	IMA	TSA	
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
As at 30 June 2020	**4,754**	**7,557**	**904**	**1,145**	**32**	**401**	**13**	**1,651**	**2,292**	**18,749**
As at 31 December 2019	4,531	8,105	606	1,194	120	322	-	766	2,235	17,879

Table 6: OV1 - Overview of risk weighted assets by risk type and capital requirements

The table shows RWAs, split by risk type and approach. For credit risk, RWAs are shown by credit exposure class.

		RWA		Minimum Capital Requirements	
		As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
		€m	€m	€m	€m
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**12,311**	**12,636**	**985**	**1,011**
2	Of which standardised approach	**4,754**	**4,531**	**380**	**363**
3	Of which the foundation IRB (FIRB) approach	-	-	-	-
4	Of which the advanced IRB (AIRB) approach	**7,557**	**8,105**	**605**	**648**
5	Of which Equity IRB under the Simple risk-weight or the internal models approach	-	-	-	-
6	CCR	**2,450**	**2,122**	**196**	**170**
7	Of which mark to market	**63**	**436**	**5**	**35**
8	Of which original exposure	-	-	-	-
9	Of which standardised approach	-	-	-	-
9a	Of which financial collateral comprehensive method	**10**	**3**	**1**	-
10	Of which internal model method	**1,920**	**1,312**	**154**	**105**
11	Of which risk exposure amount for contributions to the default fund of a CCP	**56**	**49**	**4**	**4**
12	Of which CVA	**401**	**322**	**32**	**26**
13	Settlement risk	**32**	**120**	**3**	**10**
14	Securitisation exposures in banking book (after cap)	-	-	-	-
14a	Of which capital deduction approach (CAPD)	-	-	-	-
14b	Of which look through approach (KIRB)	-	-	-	-
15	Of which IRB approach	-	-	-	-
16	Of which IRB supervisory formula approach (SFA)	-	-	-	-
17	Of which internal assessment approach (IAA)	-	-	-	-
18	Of which standardised approach	-	-	-	-
19	Market risk	**1,664**	**766**	**133**	**61**
20	Of which the standardised approach	**13**	-	**1**	-
21	Of which IMA	**1,651**	**766**	**132**	**61**
22	Large exposures	-	-	-	-
23	Operational risk	**2,292**	**2,235**	**183**	**179**
24	Of which basic indicator approach	-	-	-	-
25	Of which standardised approach	**2,292**	**2,235**	**183**	**179**
26	Of which advanced measurement approach	-	-	-	-
27	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-	-
28	Floor Adjustments	-	-	-	-
29	Total	**18,749**	**17,879**	**1,500**	**1,430**

For further detail on movements in RWAs for each risk type please see Analysis of credit risk (page 18), Analysis of counterparty credit risk (page 44), and Analysis of market risk (page 55).

Table 7: Movements in risk weighted assets

The below tables show movements in RWAs, split by risk types and macro drivers

Risk Weighted Assets	Credit Risk €m	Counterparty Credit Risk[a] €m	Market Risk €m	Operational Risk €m	Total €m
As at 1 January 2020	**12,636**	**2,242**	**766**	**2,235**	**17,879**
Book size	(370)	254	806	57	747
Acquisitions and disposals	-	-	-	-	-
Book quality	66	46	-	-	112
Model updates	167	-	-	-	167
Methodology and policy	(20)	-	142	-	122
Foreign exchange movement	(168)	(128)	(50)	-	(346)
Other	-	68	-	-	68
As at 30 June 2020	**12,311**	**2,482**	**1,664**	**2,292**	**18,749**

Notes:
a RWAs in relation to default fund contributions are included in counterparty credit risk.

RWA increased from €17,879m to €18,749m:

- Book size increased €747m due to increased trading activity of existing clients as well as migration of back-books in the year to date. These increases have been partially offset by additional collateral coverage of facilities as at June 2020
- Book quality increased RWAs €112m due to a reduction in credit quality predominantly within the CIB and IB portfolios
- Model updates increased RWAs €167m following a recalibration of the model used to assess Barclaycard Germany exposures
- Methodology and Policy increased RWAs €122m due to increased minimum multiplication factors as well as higher exception counts observed compared to prior period
- Foreign exchange movements decreased RWAs €346m due to an appreciation of EUR against other significant currencies in which the entity has exposures denominated (GBP, USD)

Tables 8, 9 and 10 below show a subset of the information included in table 7, focused on positions captured under modelled treatment.

Table 8: CR8 - RWA flow statement of credit risk exposures under the IRB approach

		RWA amount €m	Capital requirements €m
1	**As at 1 January 2020**	**8,105**	**648**
2	Asset size	(535)	(43)
3	Asset quality	20	2
4	Model updates	167	14
5	Methodology and policy	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	(200)	(16)
8	Other	-	-
9	**As at 30 June 2020**	**7,557**	**605**

Table 9: CCR7 - RWA flow statement of counterparty credit risk exposures under the IMM

The total in this table shows the contribution of IMM exposures to CCR RWAs (under both standardised and AIRB).

		RWA amount €m	Capital requirements €m
1	**As at 1 January 2020**	**1,312**	**105**
2	Asset size	653	52
3	Credit quality of counterparties	38	3
4	Model updates (IMM only)	-	-
5	Methodology and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	(83)	(7)
8	Other	-	-
9	**As at 30 June 2020**	**1,920**	**154**

Internal Model Method (IMM) RWAs increased €0.6bn to €1,9bn primarily due to an increase in collateral, trading activity and volatility.

Table 10: MR2-B - RWA flow statement of market risk exposures under the IMA

		VaR €m	SVaR €m	IRC €m	CRM €m	Other €m	Total RWA €m	Total Capital requirements €m
1	**As at 1 January 2020**	**107**	**281**	**376**	**-**	**2**	**766**	**61**
2	Movement in risk levels	250	459	74	-	9	792	63
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	47	95	-	-	-	142	11
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	(6)	(19)	(24)	-	-	(49)	(3)
7	Other	-	-	-	-	-	-	-
8	**As at 30 June 2020**	**398**	**816**	**426**	**-**	**11**	**1,651**	**132**

Internal Model Approach RWA increased €0.8bn to €1.6bn primarily driven by trade migration, notably in the Macro business during the period (EUR Government Bond Trading and EUR SSA Trading) as well as the increased market volatility and an increase of VaR multiplication factor from 3.4 to 4.

Basis of preparation for movements in risk weighted assets

This analysis splits RWA movement by credit, counterparty credit, market and operational risk. Seven categories of drivers have been identified and are described below. Not all the drivers are applicable to all risk types, however all categories have been listed below for completeness purposes.

Book size

Credit risk and counterparty risk (including CVA)

- new business and maturing loans
- changes in product mix and exposure growth for existing portfolios
- book size reductions owing to risk mitigation and write-offs

Market risk

This represents RWA movements owing to the changes in trading positions and volumes driven by business activity.

Book quality

Credit risk and counterparty risk (including CVA)

This represents RWA movements driven by changes in the underlying credit quality and recoverability of portfolios and reflected through model calibrations or realignments where applicable. This includes, but is not exclusive to:

- PD migration and LGD changes driven by economic conditions
- ratings migration for standardised exposures

Market risk

This is the movement in RWAs owing to changing risk levels in the trading book, caused by fluctuations in market conditions.

Model updates

Credit risk and counterparty risk (including CVA)

This is the movement in RWAs as a result of both internal and external model updates. This includes, but is not exclusive to:

- updates to existing model inputs driven by both internal and external review
- model enhancements to improve models performance

Market risk

This is the movement in RWAs reflecting change in model scope, changes to market data levels, volatilities, correlations, liquidity and ratings used as input for the internal modelled RWA calculations.

Methodology and policy

Credit risk and counterparty risk (including CVA)

This is the movement in RWAs as a result of both internal and external methodology, policy and regulatory changes. This includes, but is not exclusive to:

- updates to RWA calculation methodology, communicated by the regulator
- the implementation of credit risk mitigation to a wider scope of portfolios

Market risk

This is the movement in RWAs as a result of both internal and external methodology, policy and regulatory changes for market risk.

Acquisitions and disposals

This is the movement in RWAs as a result of the disposal or acquisition of business operations impacting the size of banking and trading portfolios.

Foreign exchange movements

This is the movement in RWAs as a result of changes in the exchange rate between the functional currency of the BBI business area or portfolio and our presentational currency for consolidated reporting. It should be noted that foreign exchange movements shown in Table 8 do not include the impact of foreign exchange for the counterparty credit risk or market risk RWAs.

Other

This is the movement in RWAs driven by items that cannot be reasonably assigned to the other driver categories. In relation to market risk RWAs, this includes changes in measurement that are not driven by methodology, policy or model updates. This category had a nil balance for the six months ended 30 June 2020.

Leverage ratio and exposures

BBI is required to disclose a Capital Requirements Regulation (CRR) leverage ratio, which is based on the end point CRR definition of tier 1 capital and the CRR definition of leverage exposure.

The following leverage tables show the components of the leverage ratio using the CRR definition for the leverage exposure and Tier 1 capital, on a fully loaded basis as at 30 June 2020.

This disclosure has been prepared using the format set out in Annex I and Annex II of the final 'Implementing technical standards with regard to disclosure of the leverage ratio for institutions (Commission implementing regulation-EU 2016/200).

Table 11: LR1 - Summary reconciliation of accounting assets and leverage ratio exposures

This table is a summary of the total leverage exposure and comprises of total IFRS assets used for statutory purposes, regulatory consolidation and other leverage adjustments.

		As at 30 June 2020	As at 31 December 2019
		€m	€m
1	Total assets as per published financial statements	**92,497**	69,045
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	**-**	-
4	Adjustments for derivative financial instruments	**(33,535)**	(22,617)
5	Adjustments for securities financing transactions (SFTs)	**224**	64
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**7,353**	7,992
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	**-**	-
7	Other adjustments	**(102)**	(53)
EU-7a	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	**(2,657)**	-
8	**Total leverage ratio exposure**	**63,780**	54,431

a Capital and leverage measures are calculated applying CRR as amended by CRR II applicable as at the reporting date.

b Leverage ratio is calculated applying the fully loaded treatment of the CRR.

Leverage

Table 12: LR2 - Leverage ratio common disclosure

This table shows the leverage ratio calculation and includes additional breakdowns for the leverage exposure measure.

		As at 30 June 2020 €m	As at 31 December 2019 €m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	47,996	37,409
2	Asset amounts deducted in determining tier 1 capital	(102)	(53)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**47,794**	**37,356**
Derivative exposures			
4	Replacement cost associated with *all* derivatives transactions (ie net of eligible cash variation margin)	1,734	1,700
5	Add-on amounts for PFE associated with *all* derivatives transactions (mark-to-market method)	10,057	10,487
7	Deductions of receivables assets for cash variation margin provided in derivatives transactions	(7,809)	(5,034)
8	Exempted CCP leg of client-cleared trade exposures	(2,646)	(2,440)
9	Adjusted effective notional amount of written credit derivatives	17,757	14,945
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives	(17,693)	(14,945)
11	**Total derivative exposures**	**1,399**	**4,712**
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	12,207	5,829
13	Netted amounts of cash payables and cash receivables of gross SFT assets	(5,297)	(1,522)
14	Counterparty credit risk exposure for SFT assets	223	64
16	**Total securities financing transaction exposures**	**7,133**	**4,371**
		-	
Other off-balance sheet exposures		-	
17	Off-balance sheet exposures at gross notional amount	20,552	21,893
18	Adjustments for conversion to credit equivalent amounts	(13,200)	(13,901)
19	**Other off-balance sheet exposures**	**7,352**	**7,992**
Capital and total exposures			
20	Tier 1 capital	2,984	3,117
21	**Total leverage ratio exposures**	**63,780**	**54,431**
Leverage ratio			
22	**Leverage ratio**	4.7%	5.7%
Choice on transitional arrangements and amount of derecognised fiduciary items			
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	

The CRR leverage ratio decreased to 4.7%. The Tier 1 capital decreased by €131mn to €3.0bn, which included a net decrease in Common Equity Tier 1 capital. The CRR leverage exposure increased by €9bn to €63.7bn primarily driven by increases in cash balances held with central banks and increases in SFTs.

Table 13: Split-up of on balance sheet exposures (excluding derivatives, SFTs, and exempted exposures)

The table shows a breakdown of the on-balance sheet exposures excluding derivatives, SFTs and exempted exposures, by asset class.

		As at 30 June 2020 €m	As at 31 December 2019 €m
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	38,091	31,547
EU-2	Trading book exposures	2,276	3,077
EU-3	Banking book exposures, of which:	35,815	28,470
EU-4	Covered bonds	-	-
EU-5	Exposures treated as sovereigns	20,656	13,021
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	-	-
EU-7	Institutions	985	2,779
EU-8	Secured by mortgages of immovable properties	6,096	5,831
EU-9	Retail exposures	3,633	3,775
EU-10	Corporate	3,507	2,503
EU-11	Exposures in default	302	238
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	636	323

Liquidity

Table 14: LIQ1 - Liquidity Coverage ratio

This table shows the level and components of the Liquidity Coverage Ratio. This disclosure has been prepared in accordance with the requirements set out in the 'Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013' as specified in Annexure II which complements Article 435(1)(f) of Regulation (EU) No 575/2013.

Liquidity coverage ratio (period end)

	Total period end value	
	30 June 2020	31 December 2019
	€m	€m
Liquidity buffer	20,367	14,873
Total net cash outflows	9,678	7,933
Liquidity coverage ratio (%) (period end)	210%	187%

LIQ1 - Liquidity coverage ratio (average)

		Total unweighted value (average)		Total weighted value (average)	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
	Number of data points used in calculation of averages	12	1[a]	12	1[a]
	High-quality liquid assets	€m	€m	€m	€m
1	Total high-quality liquid assets (HQLA)			16,500	14,873
	Cash outflows				
2	**Retail deposits and deposits from small business customers, of which:**	1,603	1,677	158	165
3	*Stable deposits*	47	53	2	3
4	*Less stable deposits*	1,552	1,624	156	163
5	**Unsecured wholesale funding, of which:**	13,341	11,020	7,100	5,629
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	2,442	1,891	611	473
7	*Non-operational deposits (all counterparties)*	10,858	9,129	6,449	5,156
8	*Unsecured debt*	40	-	40	-
9	**Secured wholesale funding**	5,478		381	356
10	**Additional requirements, of which:**	15,583	15,699	6,293	5,092
11	*Outflows related to derivative exposures and other collateral requirements*	4,547	3,280	4,547	3,280
12	*Outflows related to loss of funding on debt products*	182	145	182	145
13	*Credit and liquidity facilities*	10,854	12,275	1,564	1,668
14	**Other contractual funding obligations**	-	-	-	-
15	**Other contingent funding obligations**	8,118	8,522	436	470
16	**Total cash outflows**			13,987	11,356
	Cash inflows				
17	**Secured lending (e.g. reverse repos)**	7,018	5,691	286	251
18	**Inflows from fully performing exposures**	1,446	1,393	1,079	948
19	Other cash inflows	3,752	2,581	3,751	2,581
20	**Total cash inflows**	12,216	9,665	5,116	3,780
	Fully exempt inflows	-	-	-	-
	Inflows subject to 90% cap	-	-	-	-
	Inflows subject to 75% cap	12,216	9,665	5,117	3,780
21	**Liquidity buffer**			16,500	14,873
22	**Total net cash outflows**			9,251	7,933
23	**Liquidity coverage ratio (%) (average)**			178%	187%

a Total unweighted and weighted average values for 31 December 2019 were based on period end data

As at 30 June 2020, BBI's LCR was 210%, equivalent to a surplus of €9.7bn to 110% regulatory requirement, as shown on Table 14. The strong liquidity position reflects BBI's prudent approach given the continued macroeconomic uncertainty. The Bank also continued to maintain significant surpluses to its internal liquidity requirements.
The composition of the liquidity pool is subject to limits set by the BBI Board and the independent liquidity risk, credit risk, and market risk functions. In addition, the investment of the liquidity pool is monitored for concentration risk by issuer, currency and asset type.

As at 30 June 2020, 100% of the liquidity pool consisted of EUR cash.

The strong deposit franchise in BBI is a primary funding source for the Bank. The deposit franchise is complimented by the BBI CP programme, portfolio of Schuldschein notes, TLTRO funding (€1.92bn drawn in H1) and unsecured intergroup funding facilities to give a well-diversified and stable source of funding for BBI.

BBI maintains access to a variety of sources of wholesale funding in major currencies, including those available from term investors across a range of distribution channels and geographies, short-term funding markets and repo markets. In addition, BBI has direct access to US, European and Asian capital markets through Barclays Group. As a result, wholesale funding is well diversified by product, maturity, geography and currency.

Key sources of wholesale funding for BBI include money markets, commercial paper, medium-term issuances (including structured notes). BBI also has access to ECB monetary policy operations such as MRO and TLTRO.

Table 15: Detailed view of credit risk EAD, RWAs and Capital Requirement

This table shows RWAs for credit risk by credit exposure class.

	As at 30 June 2020			As at 31 December 2019		
	EAD €m	RWA €m	Capital requirements €m	EAD €m	RWA €m	Capital requirements €m
Credit risk						
Standardised approach						
Central governments or central banks	172	10	1	165	7	1
Regional governments or local authorities	-	-	-	-	-	-
Public sector entities	-	-	-	6	6	1
Multilateral development banks	-	-	-	-	-	-
International organisations	-	-	-	-	-	-
Institutions	85	57	5	76	55	4
Corporates	2,892	2,897	232	2,898	2,821	226
Retail	1,992	1,494	118	2,011	1,508	121
Secured by mortgages	6	2	-	9	5	-
Exposures in default	198	219	18	118	126	10
Items associated with high risks	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-
Collective investment undertakings	-	-	-	-	-	-
Equity positions	-	-	-	-	-	-
Other items	310	75	6	17	3	-
Total standardised approach credit risk exposure	5,655	4,754	380	5,300	4,531	363
Advanced IRB approach	-	-	-			
Central governments or central banks	20,583	602	48	12,957	592	47
Institutions	1,648	231	19	3,528	170	14
Corporates	6,139	2,135	171	6,687	2,728	218
Retail	10,781	4,131	330	11,372	4,164	333
- Small and medium-sized enterprises (SMEs)	-	-	-	-	-	-
- Secured by real estate collateral	6,443	2,497	199	6,787	2,506	200
- Qualifying revolving retail	4,338	1,634	131	4,585	1,658	133
- Other retail	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-
Non-credit obligation assets	307	458	37	204	451	36
Total advanced IRB credit risk exposure	39,458	7,557	605	34,748	8,105	648
Total credit risk weighted assets	45,113	12,311	985	40,048	12,636	1,011

Risk weighted assets decreased by €326mn to €12.3bn primarily driven by a RWA decrease in the Corporates asset class under IRB of €0.6bn to €2.1bn due to a reduction in lending volumes. Exposure At Default (EAD) increased by €5.0bn to €45.1bn due to movements in central bank balances.

Table 16: CR3 – CRM techniques

This table shows the use of CRM techniques broken down by loans and debt securities. This table includes unsecured and secured exposures including collateral, financial guarantees and credit derivatives for both Standardised and Internal rating based approach.

	As at 30 June 2020	Exposures unsecured – Carrying amount €m	Exposures to be secured €m	Exposures secured by collateral €m	Exposures secured by financial guarantees €m	Exposures secured by credit derivatives €m
1	Total loans	28,522	7,142	6,541	601	-
2	Total debt securities	-	-	-	-	-
3	**Total exposures**	28,522	7,142	6,541	601	-
4	Of which defaulted	217	85	85	-	-
	As at 31 December 2019					
1	Total loans	22,451	7,190	6,607	583	-
2	Total debt securities	-	-	-	-	-
3	**Total exposures**	22,451	7,190	6,607	583	-
4	Of which defaulted	187	71	71	-	-

The total unsecured and secured exposure increase €6.0bn to €35.6bn due to increases in amounts of cash held with central banks..

Table 17: CR4 Standardised – Credit Risk exposure and CRM effect

This table shows the impact of CRM and credit conversion factors (CCF) on exposure values, broken down by credit exposure class. This table includes exposures subject to the Standardised approach only.

The term 'before CCF and CRM' means the original gross exposures before the application of credit conversion factor and before the application of risk mitigation techniques.

	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	€m	€m	€m	€m	€m	%
As at 30 June 2020						
1 Central governments or central banks	**172**	**10**	**172**	**-**	**10**	**6%**
2 Regional governments or local authorities	**-**	**-**	**-**	**-**	**-**	**-**
3 Public sector entities	**-**	**-**	**-**	**-**	**-**	**-**
4 Multilateral development banks	**-**	**-**	**-**	**-**	**-**	**-**
5 International Organisations	**-**	**-**	**-**	**-**	**-**	**-**
6 Institutions	**36**	**57**	**36**	**49**	**57**	**67%**
7 Corporates	**1,591**	**4,386**	**1,435**	**1,457**	**2,897**	**100%**
8 Retail	**1,992**	**206**	**1,992**	**-**	**1,494**	**75%**
9 Secured by mortgages on immovable property	**6**	**-**	**6**	**-**	**2**	**37%**
10 Exposures in default	**173**	**35**	**173**	**25**	**219**	**111%**
11 Items associated with particularly high risk	**-**	**-**	**-**	**-**	**-**	**-**
12 Covered Bonds	**-**	**-**	**-**	**-**	**-**	**-**
13 Claims on institutions and corporate with a short-term credit assessment	**-**	**-**	**-**	**-**	**-**	**-**
14 Claims in the form of CIU	**-**	**-**	**-**	**-**	**-**	**-**
15 Equity exposures	**-**	**-**	**-**	**-**	**-**	**-**
16 Other items	**310**	**-**	**310**	**-**	**75**	**24%**
17 **Total**	**4,280**	**4,694**	**4,124**	**1,531**	**4,754**	**84%**
As at 31 December 2019						
1 Central governments or central banks	165	15	165	-	7	4%
2 Regional governments or local authorities	-	-	-	-	-	-
3 Public sector entities	-	9	-	6	6	100%
4 Multilateral development banks	-	-	-	-	-	-
5 International Organisations	-	-	-	-	-	-
6 Institutions	27	52	27	49	55	73%
7 Corporates	1,343	4,745	1,305	1,593	2,821	97%
8 Retail	2,011	111	2,011	-	1,508	75%
9 Secured by mortgages on immovable property	9	-	9	-	5	53%
10 Exposures in default	110	16	110	8	126	107%
11 Items associated with particularly high risk	-	-	-	-	-	-
12 Covered Bonds	-	-	-	-	-	-
13 Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-
14 Claims in the form of CIU	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-
16 Other items	17	-	17	-	3	16%
17 **Total**	3,682	4,948	3,644	1,656	4,531	86%

On-Balance sheet exposure increased by €0.6bn to €4.2bn driven by book size increase in corporate customers and other items book size increase in Barclaycard retail.

Further information about the key drivers for RWA, Pre-CCF and CRM exposures and post-CCF CRM exposures are provided in Tables 15, 19 and 20.

Table 18: CR7– Effect on RWA of credit derivatives used as CRM techniques (IRB)

This table shows the effect of credit derivatives on the IRB approach to capital requirements' calculations. It assumes the absence of recognition of credit derivative as a CRM technique (pre – credit derivatives RWAs).

	Pre-credit derivatives RWAs		Actual RWAs	
	As at 30 June 2020 €m	As at 31 December 2019 €m	As at 30 June 2020 €m	As at 31 December 2019 €m
1 Exposures under Foundation IRB	-	-	-	-
2 Central governments and central banks	-	-	-	-
3 Institutions	-	-	-	-
4 Corporates - SME	-	-	-	-
5 Corporates - Specialised Lending	-	-	-	-
6 Corporates - Other	-	-	-	-
7 Exposures under Advanced IRB	**7,557**	**8,105**	**7,556**	**8,105**
8 Central governments and central banks	602	592	602	592
9 Institutions	231	170	231	170
10 Corporates - SME	2	1	2	1
11 Corporates - Specialised Lending	168	126	168	126
12 Corporates - Other	1,965	2,601	1,965	2,601
13 Retail - Secured by real estate SME	-	-	-	-
14 Retail - Secured by real estate non-SME	2,497	2,506	2,497	2,506
15 Retail - Qualifying revolving	1,634	1,658	1,634	1,658
16 Retail - Other SME	-	-	-	-
17 Retail - Other non-SME	-	-	-	-
18 Equity IRB	-	-	-	-
19 Other non credit-obligation assets	458	451	458	451
20 Total	**7,557**	**8,105**	**7,557**	**8,105**

The decrease in pre-credit derivative RWA and Actual RWA were primarily driven by decrease in Corporates – Other asset class and credit cards balances.

Numbers are aligned to the 'Detailed view of credit risk EAD, RWAs and Capital Requirement' table. Please see Table 15 for further information on key movements.

Table 19: CR5-A Analysis of exposures by asset classes and risk weight pre-CCF and CRM under the standardised approach

This table shows exposure at default pre-CRM, broken down by Credit Exposure Class and risk weight. This table includes exposures subject to the Standardised approach only.

	0% €m	2% €m	4% €m	10% €m	20% €m	35% €m	50% €m	70% €m	75% €m	100% €m	150% €m	250% €m	370% €m	1250% €m	Others €m	Deducted €m	Total €m	of which: Unrated €m
As at 30 June 2020																		
1 Central governments or central banks	172	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	182	129
2 Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	39	-	3	-	-	50	-	-	-	-	-	-	92	86
7 Corporates	-	-	-	-	21	-	163	-	-	5,673	121	-	-	-	-	-	5,978	4,154
8 Retail	-	-	-	-	-	-	-	-	2,198	-	-	-	-	-	-	-	2,198	2,198
9 Secured by mortgages on immovable property	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	6	6
10 Exposures in default	-	-	-	-	-	-	-	-	-	157	51	-	-	-	-	-	208	208
11 Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Claims in the form of CIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Other items	211	-	-	-	31	-	-	-	-	68	-	-	-	-	-	-	310	310
17 **Total**	383	-	-	-	91	6	166	-	2,198	5,958	172	-	-	-	-	-	8,974	7,091

Table 19: CR5-A Analysis of exposures by asset classes and risk weight pre-CCF and CRM under the standardised approach continued

	0% €m	2% €m	4% €m	10% €m	20% €m	35% €m	50% €m	70% €m	75% €m	100% €m	150% €m	250% €m	370% €m	1250% €m	Others €m	Deducted €m	Total €m	of which: Unrated €m
As at 31 December 2019																		
1 Central governments or central banks	173	-	-	-	-	-	-	-	-	7	-	-	-	-	-	-	180	180
2 Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-	-	-	-	9	-	-	-	-	-	-	9	9
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	27	-	-	-	-	52	-	-	-	-	-	-	79	78
7 Corporates	-	-	-	-	64	-	376	-	-	5,461	187	-	-	-	-	-	6,088	3,814
8 Retail	-	-	-	-	-	-	-	-	2,122	-	-	-	-	-	-	-	2,122	2,122
9 Secured by mortgages on immovable property	-	-	-	-	-	7	-	-	-	3	-	-	-	-	-	-	9	9
10 Exposures in default	-	-	-	-	-	-	-	-	-	103	23	-	-	-	-	-	126	123
11 Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Claims in the form of CIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Other items	3	-	-	-	14	-	-	-	-	-	-	-	-	-	-	-	17	17
17 **Total**	176	-	-	-	105	7	376	-	2,122	5,635	210	-	-	-	-	-	8,630	6,354

Standardised credit risk exposure pre-CCF and CRM increased €344mn to €8.9bn primarily due to a change in the liquidity pool composition.

Table 20: CR5-B Analysis of exposures by asset classes and risk weight post-CCF and CRM under the standardised approach

The difference between exposure at default pre-CRM set out in Table 19 and exposure at default post-CRM below is the impact of financial collateral and CCF as described in Table 17.

	0% €m	2% €m	4% €m	10% €m	20% €m	35% €m	50% €m	70% €m	75% €m	100% €m	150% €m	250% €m	370% €m	1250% €m	Total €m	of which: Unrated €m
As at 30 June 2020																
1 Central governments or central banks	162	-	-	-	-	-	-	-	-	10	-	-	-	-	172	119
2 Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	35	-	1	-	-	49	-	-	-	-	85	80
7 Corporates	-	-	-	-	4	-	33	-	-	2,802	53	-	-	-	2,892	2,200
8 Retail	-	-	-	-	-	-	-	-	1,992	-	-	-	-	-	1,992	1,992
9 Secured by mortgages on immovable property	-	-	-	-	-	6	-	-	-	-	-	-	-	-	6	6
10 Exposures in default	-	-	-	-	-	-	-	-	-	155	43	-	-	-	198	198
11 Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Claims in the form of CIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Other items	211	-	-	-	31	-	-	-	-	68	-	-	-	-	310	310
17 **Total**	373	-	-	-	70	6	34	-	1,992	3,084	96	-	-	-	5,655	4,905

Analysis of Credit Risk

Table 20: CR5-B Analysis of exposures by asset classes and risk weight post-CCF and CRM under the standardised approach continued

		0% €m	2% €m	4% €m	10% €m	20% €m	35% €m	50% €m	70% €m	75% €m	100% €m	150% €m	250% €m	370% €m	1250% €m	Total €m	of which: Unrated €m
As at 31 December 2019																	
1	Central governments or central banks	157	-	-	-	-	-	-	-	-	7	-	-	-	-	165	165
2	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	6	-	-	-	-	6	6
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	27	-	-	-	-	49	-	-	-	-	76	75
7	Corporates	-	-	-	-	38	-	190	-	-	2,566	104	-	-	-	2,898	1,876
8	Retail	-	-	-	-	-	-	-	-	2,011	-	-	-	-	-	2,011	2,011
9	Secured by mortgages on immovable property	-	-	-	-	-	7	-	-	-	3	-	-	-	-	9	9
10	Exposures in default	-	-	-	-	-	-	-	-	-	102	16	-	-	-	118	115
11	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Claims in the form of CIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	3	-	-	-	14	-	-	-	-	-	-	-	-	-	17	17
17	**Total**	160	-	-	-	79	7	190	-	2,011	2,733	120	-	-	-	5,300	4,274

Standardised credit risk exposure post-CCF and CRM increased €355mn to €5.6bn primarily due to a change in the liquidity pool composition.

Table 21: Internal default grade probabilities and mapping to external ratings

The table below illustrates the approximate relationship between external rating agency grades and the PD bands for wholesale exposures. The EBA and internal Default Grade (DG) bands are based on TTC PD. Note that this relationship is dynamic, and therefore, varies over time, region and industry.

EBA PD Range	Internal	Default Probability				
%	DG Band	>Min	Mid	<=Max	Moody’s	Standard and Poor's
0.00 to < 0.15	1	0.00%	0.01%	0.02%	Aaa, Aa1, Aa2	AAA, AA+, AA
	2	0.02%	0.03%	0.03%	Aa3	AA-
	3	0.03%	0.04%	0.05%	A1	A+
	4	0.05%	0.08%	0.10%	A2, A3	A, A-
	5	0.10%	0.13%	0.15%	Baa1	BBB+
0.15 to < 0.25	6	0.15%	0.18%	0.20%	Baa2	BBB
	7	0.20%	0.23%	0.25%	Baa2	BBB
0.25 to < 0.50	8	0.25%	0.28%	0.30%	Baa3	BBB-
	9	0.30%	0.35%	0.40%	Baa3	BBB-
	10	0.40%	0.45%	0.50%	Ba1	BB+
0.50 to < 0.75	11	0.50%	0.55%	0.60%	Ba1	BB
	12	0.60%	-	-	Ba2	BB
0.75 to < 2.50	12	-	0.90%	1.20%	Ba2	BB-
	13	1.20%	1.38%	1.55%	Ba3	BB-
	14	1.55%	1.85%	2.15%	Ba3	B+
	15	2.15%	-	-	B1	B+
2.50 to < 10.00	15	-	2.60%	3.05%	B1	B+
	16	3.05%	3.75%	4.45%	B2	B
	17	4.45%	5.40%	6.35%	B3,Caa1	B
	18	6.35%	7.50%	8.65%	B3,Caa1	B-
	19	8.65%	10.00%	-	Caa2	CCC+
10.00 to < 100.00	19	-	-	11.35%	Caa2	CCC+
	20	11.35%	15.00%	18.65%	Caa2	CCC
	21	18.65%	30.00%	100.00%	Caa3, Ca, C	CCC-, CC+ ,CC, C
100.00 (Default)					D	D

IRB obligor grade disclosure

The following tables show credit risk exposure at default post-CRM for the advanced IRB approach and foundation IRB approach for portfolios within both the trading and banking books. Separate tables are provided for the following credit exposure classes: central governments and central banks (Table 22), institutions (Table 23), corporates (Table 24), corporates subject to slotting (Table 26), secured retail (Table 27) and revolving retail (Table 28).

BBI's Model Risk Management group reviews and approves the application of post model adjustments to models that do not fully reflect the risk of the underlying exposures.

Table 22: CR6 Credit risk exposures by exposure class and PD range for central governments and central banks

	Original on-balance sheet gross exposure €m	Off-balance sheet exposures pre CCF €m	Average CCF %	EAD post CRM and post CCF €m	Average PD %	Number of obligors	Average LGD %	Average Maturity Years	RWA €m	RWA Density %	EL €m	Value Adjustment and Provisions €m
As at 30 June 2020												
0.00 to < 0.15	20,436	222	45.0%	20,536	0.0%	4	45.0%	1	601	2.9%	1	
0.15 to < 0.25	47	-	0.0%	47	0.2%	1	1.0%	4	1	1.5%	-	
0.25 to < 0.50	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.50 to < 0.75	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.75 to < 2.50	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
2.50 to < 10.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
10.00 to < 100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
100.00 (Default)	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
Total	20,483	222	45.0%	20,583	0.0%	5	44.9%	1	602	2.9%	1	-
As at 31 December 2019												
0.00 to < 0.15	12,651	223	45.0%	12,751	0.0%	7	45.7%	1	498	3.9%	1	
0.15 to < 0.25	206	-	0.0%	206	0.2%	2	46.3%	2	94	45.7%	-	
0.25 to < 0.50	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.50 to < 0.75	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.75 to < 2.50	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
2.50 to < 10.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
10.00 to < 100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
100.00 (Default)	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
Total	12,857	223	45.0%	12,957	0.0%	9	45.7%	1	592	4.6%	1	-

The RWA density associated with advanced IRB exposure to central governments and central banks decreased by 1.7% to 2.9%. This was primarily driven by a change in the liquidity pool composition.

Table 23: CR6 Credit risk exposures by exposure class and PD range for institutions

	Original on-balance sheet gross exposure €m	Off-balance sheet exposures pre CCF €m	Average CCF %	EAD post CRM and post CCF €m	Average PD %	Number of obligors	Average LGD %	Average Maturity Years	RWA €m	RWA Density %	EL €m	Value Adjustment and Provisions €m
As at 30 June 2020												
0.00 to < 0.15	960	2,888	22.5%	1,631	0.0%	41	39.2%	1	219	13.5%	-	
0.15 to < 0.25	3	14	100.0%	16	0.2%	3	60.0%	1	11	64.4%	-	
0.25 to < 0.50	-	1	91.4%	1	0.4%	1	58.6%	1	1	72.4%	-	
0.50 to < 0.75	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.75 to < 2.50	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
2.50 to < 10.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
10.00 to < 100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
100.00 (Default)	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
Total	963	2,903	22.9%	1,648	0.0%	45	39.5%	1	231	14.0%	-	(1)
As at 31 December 2019												
0.00 to < 0.15	3,105	2,191	17.3%	3,524	0.1%	43	9.3%	4	165	4.7%	-	
0.15 to < 0.25	-	-	0.0%	-	0.2%	1	45.0%	1	-	46.0%	-	
0.25 to < 0.50	1	1	100.0%	2	0.3%	2	51.3%	1	2	73.3%	-	
0.50 to < 0.75	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.75 to < 2.50	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
2.50 to < 10.00	-	2	96.1%	2	3.5%	3	57.7%	2	3	177.6%	-	
10.00 to < 100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
100.00 (Default)	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
Total	3,106	2,194	17.4%	3,528	0.1%	49	9.4%	4	170	4.8%	-	-

The RWA density associated with advanced IRB exposure to institutions increased by 9.2% to 14.0%. This was primarily driven by LGD adjustments related to available collateral.

Table 24: CR6 Credit risk exposures by exposure class and PD range for corporates

	Original on-balance sheet gross exposure €m	Off-balance sheet exposures pre CCF €m	Average CCF %	EAD post CRM and post CCF €m	Average PD %	Number of obligors	Average LGD %	Average Maturity Years	RWA €m	RWA Density %	EL €m	Value Adjustment and Provisions €m
As at 30 June 2020												
0.00 to < 0.15	170	5,279	51.0%	2,872	0.1%	65	24.7%	3	466	16.2%	1	
0.15 to < 0.25	913	1,740	52.2%	1,807	0.2%	29	25.1%	3	598	33.1%	1	
0.25 to < 0.50	403	636	46.8%	721	0.4%	43	34.4%	3	453	62.8%	1	
0.50 to < 0.75	29	53	47.0%	63	0.6%	9	56.1%	2	75	119.5%	-	
0.75 to < 2.50	100	145	49.2%	173	1.1%	20	24.2%	3	109	63.2%	1	
2.50 to < 10.00	160	235	49.5%	279	5.5%	41	35.4%	3	253	90.8%	5	
10.00 to < 100.00	4	17	65.0%	15	11.4%	4	14.3%	5	13	88.1%	1	
100.00 (Default)	-	-	0.0%	-	0.0%	2	0.0%	-	-	0.0%	-	
Total	1,779	8,105	50.8%	5,930	0.5%	213	26.8%	3	1,967	33.2%	10	(22)
As at 31 December 2019												
0.00 to < 0.15	194	6,091	53.0%	3,442	0.1%	69	27.5%	3	724	21.0%	1	
0.15 to < 0.25	160	2,220	62.3%	1,542	0.2%	29	32.9%	3	595	38.6%	2	
0.25 to < 0.50	346	970	46.4%	853	0.3%	51	39.0%	3	572	67.1%	2	
0.50 to < 0.75	59	64	79.2%	97	0.6%	5	56.3%	2	102	104.4%	-	
0.75 to < 2.50	291	138	44.5%	355	1.4%	16	40.5%	3	377	106.3%	3	
2.50 to < 10.00	82	273	41.3%	196	5.1%	43	26.3%	3	151	77.4%	4	
10.00 to < 100.00	20	19	45.0%	28	18.5%	3	44.6%	1	75	265.3%	2	
100.00 (Default)	2	-	0.0%	2	100.0%	1	56.3%	3	5	200.1%	1	
Total	1,154	9,775	54.2%	6,515	0.5%	217	31.5%	3	2,601	39.9%	15	(8)

The RWA density associated with IRB exposures to corporate decreased 6.7% to 33.2% primarily due to repayment of the facilities with higher than the average RWA density.

Table 25: CR6 Credit risk exposures by exposure class and PD range for corporate of which: SMEs

	Original on-balance sheet gross exposure €m	Off-balance sheet exposures pre CCF €m	Average CCF %	EAD post CRM and post CCF €m	Average PD %	Number of obligors	Average LGD %	Average Maturity Years	RWA €m	RWA Density %	EL €m	Value Adjustment and Provisions €m
As at 30 June 2020												
0.00 to < 0.15	-	6	100.0%	6	0.1%	1	60.0%	1	1	22.0%	-	
0.15 to < 0.25	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.25 to < 0.50	-	-	0.0%	1	0.4%	3	68.7%	2	1	83.6%	-	
0.50 to < 0.75	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.75 to < 2.50	-	1	50.0%	-	1.8%	2	47.9%	-	-	72.7%	-	
2.50 to < 10.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
10.00 to < 100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
100.00 (Default)	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
Total	-	7	95.3%	7	0.2%	6	60.0%	1	2	28.0%	-	-
As at 31 December 2019												
0.00 to < 0.15	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.15 to < 0.25	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.25 to < 0.50	-	-	0.0%	1	0.4%	2	65.1%	3	1	84.2%	-	
0.50 to < 0.75	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
0.75 to < 2.50	-	1	49.5%	-	0.9%	2	51.7%	1	-	64.7%	-	
2.50 to < 10.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
10.00 to < 100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
100.00 (Default)	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	
Total	-	1	47.2%	1	0.6%	4	58.6%	2	1	76.7%	-	-

The RWA density associated with IRB exposures to corporate SME decreased 48.7% to 28.0% primarily due to new Corporates with lower default grades.

Table 26: CR10 Corporate exposures subject to the slotting approach

Slotting, also known as specialised lending, is an approach that is applied to financing of individual projects where the repayment is highly dependent on the performance of the underlying pool or collateral. 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.

Regulatory categories		Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA	Expected losses
As at 30 June 2020			€m	€m	%	€m	€m	€m
Category 1	Strong	Less than 2.5 years	21	1	50%	21	11	-
		Equal to or more than 2.5 years	57	-	70%	57	40	-
Category 2	Good	Less than 2.5 years	-	-	70%	-	-	-
		Equal to or more than 2.5 years	106	41	90%	130	117	1
Category 3	Satisfactory	Less than 2.5 years	-	-	115%	-	-	-
		Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Weak	Less than 2.5 years	-	-	250%	-	-	-
		Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Default	Less than 2.5 years	-	-	0%	-	-	-
		Equal to or more than 2.5 years	-	-	0%	-	-	-
Total		Less than 2.5 years	21	1	50%	21	11	-
		Equal to or more than 2.5 years	163	41	84%	187	157	1
As at 31 December 2019								
Category 1	Strong	Less than 2.5 years	5	-	50%	5	3	-
		Equal to or more than 2.5 years	121	10	70%	134	94	1
Category 2	Good	Less than 2.5 years	-	-	70%	-	-	-
		Equal to or more than 2.5 years	32	-	90%	32	29	-
Category 3	Satisfactory	Less than 2.5 years	-	-	115%	-	-	-
		Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Weak	Less than 2.5 years	-	-	250%	-	-	-
		Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Default	Less than 2.5 years	-	-	0%	-	-	-
		Equal to or more than 2.5 years	-	-	0%	-	-	-
Total		Less than 2.5 years	5	-	50%	5	3	-
		Equal to or more than 2.5 years	153	10	74%	166	123	1

RWAs increased €42mn to €168mn primarily due to an increase in specialised lending activities across risk weight categories. Exposure amounts movement from Strong to Good is driven by Irish Residential Properties.

Table 27: CR6 Credit risk exposures by exposure class and PD range for secured retail

	Original on-balance sheet gross exposure €m	Off-balance sheet exposures pre CCF €m	Average CCF %	EAD post CRM and post CCF €m	Average PD %	Number of obligors	Average LGD %	Average Maturity Years	RWA €m	RWA Density %	EL €m	Value Adjustment and Provisions €m
As at 30 June 2020												
0.00 to < 0.15	4,065	-	0.0%	4,106	0.1%	48,084	21.9%	16	898	21.9%	8	
0.15 to < 0.25	1,282	-	0.0%	1,295	0.2%	16,048	22.1%	16	418	32.3%	4	
0.25 to < 0.50	299	-	0.0%	302	0.3%	3,634	23.2%	16	141	46.6%	2	
0.50 to < 0.75	138	-	0.0%	139	0.6%	1,590	25.5%	17	66	47.3%	2	
0.75 to < 2.50	263	-	0.0%	266	1.1%	2,958	26.2%	17	196	73.8%	6	
2.50 to < 10.00	80	-	0.0%	81	6.0%	983	24.1%	17	194	240.8%	9	
10.00 to < 100.00	125	-	0.0%	126	32.8%	1,478	24.0%	17	498	393.9%	50	
100.00 (Default)	127	-	0.0%	128	100.0%	1,275	28.7%	10	86	67.1%	39	
Total	6,379	-	0.0%	6,443	2.9%	76,050	22.4%	16	2,497	38.7%	120	(95)
As at 31 December 2019												
0.00 to < 0.15	4,364	-	0.0%	4,407	0.1%	50,795	22.1%	17	1,048	23.8%	9	
0.15 to < 0.25	1,410	-	0.0%	1,424	0.2%	17,124	22.3%	16	500	35.1%	5	
0.25 to < 0.50	340	-	0.0%	344	0.3%	4,042	23.5%	16	175	50.8%	2	
0.50 to < 0.75	127	-	0.0%	129	0.6%	1,473	26.1%	17	56	43.6%	2	
0.75 to < 2.50	230	-	0.0%	232	1.1%	2,603	27.3%	18	142	61.2%	6	
2.50 to < 10.00	50	-	0.0%	50	5.1%	671	24.6%	18	118	234.1%	5	
10.00 to < 100.00	95	-	0.0%	96	37.5%	1,105	24.2%	18	394	412.4%	29	
100.00 (Default)	104	-	0.0%	105	100.0%	1,046	29.1%	11	73	69.9%	30	
Total	6,720	-	0.0%	6,787	2.3%	78,859	22.6%	17	2,506	36.9%	88	(65)

The RWA density associated with IRB exposures to secured retail remained broadly stable at 38.7% (December 2019: 36.9%).

Table 28: CR6 Credit risk exposures by exposure class and PD range for revolving retail

	Original on-balance sheet gross exposure €m	Off-balance sheet exposures pre CCF €m	Average CCF[a] %	EAD post CRM and post CCF €m	Average PD %	Number of obligors	Average LGD %	Average Maturity Years	RWA €m	RWA Density %	EL €m	Value Adjustment and Provisions €m
As at 30 June 2020												
0.00 to < 0.15	298	3,862	0%	2,380	0.0%	895,603	75.7%	-	122	5.1%	6	
0.15 to < 0.25	73	165	0%	124	0.2%	32,614	75.8%	-	25	20.3%	2	
0.25 to < 0.50	368	335	0%	472	0.4%	81,383	78.9%	-	159	33.8%	11	
0.50 to < 0.75	175	45	0%	192	0.5%	21,847	81.7%	-	90	47.0%	7	
0.75 to < 2.50	755	112	0%	856	1.1%	102,725	83.0%	-	728	85.0%	66	
2.50 to < 10.00	156	12	0%	166	4.6%	30,820	79.0%	-	355	213.0%	49	
10.00 to < 100.00	29	2	0%	30	23.5%	6,466	77.2%	-	127	424.0%	41	
100.00 (Default)	118	46	0%	118	100.0%	23,203	49.8%	-	28	23.6%	86	
Total	1,972	4,579	0%	4,338	3.4%	1,194,661	77.2%	-	1,634	37.7%	268	(268)
As at 31 December 2019												
0.00 to < 0.15	383	3,913	0%	2,404	0.0%	870,998	75.8%	-	109	4.5%	2	
0.15 to < 0.25	94	201	0%	161	0.2%	42,398	75.9%	-	27	17.0%	1	
0.25 to < 0.50	407	382	0%	532	0.4%	91,341	78.8%	-	143	27.0%	4	
0.50 to < 0.75	161	47	0%	179	0.5%	19,617	81.9%	-	272	152.4%	13	
0.75 to < 2.50	823	130	0%	936	1.2%	112,453	83.2%	-	499	53.3%	18	
2.50 to < 10.00	194	16	0%	207	4.7%	37,439	79.1%	-	348	167.9%	21	
10.00 to < 100.00	39	2	0%	41	25.6%	8,732	77.1%	-	145	354.6%	22	
100.00 (Default)	125	44	0%	125	100.0%	25,807	49.2%	-	115	91.3%	54	
Total	2,226	4,735	0%	4,585	3.5%	1,208,785	77.3%	-	1,658	36.2%	135	(216)

a The Bank uses an Exposure Value Approach to model EAD hence Average CCF is 0% across all PD ranges

The RWA density associated with IRB exposures to revolving retail remained broadly stable at 37.7% (December 2019: 36.2%).

Table 29: CR1-A – Credit quality of exposures by exposure class and instrument

This table provides a comprehensive picture of the credit quality of BBI's on balance sheet and off balance sheet exposures.

As at 30 June 2020	Defaulted exposures €m	Non-defaulted exposure €m	Specific credit risk adjustment €m	General credit risk adjustment €m	Credit risk adjustment charges in the period €m	Net values €m	Accumulated write-offs €m
1 Central governments or central banks	-	20,707	-	-	-	20,707	-
2 Institutions	-	3,866	1	-	1	3,865	-
3 Corporates	-	10,109	27	-	19	10,082	-
4 Of which: Specialised lending	-	226	6	-	5	220	-
5 Of which: SMEs	-	7	-	-	-	7	-
6 Retail	292	12,638	363	-	82	12,567	9
7 Secured by real estate property	127	6,252	95	-	30	6,284	1
8 Of which: SMEs	-	-	-	-	-	-	-
9 Of which: Non-SMEs	127	6,252	95	-	30	6,284	1
10 Qualifying revolving	165	6,386	268	-	52	6,283	8
11 Other retail	-	-	-	-	-	-	-
12 Of which: SMEs	-	-	-	-	-	-	-
13 Of which: Non-SMEs	-	-	-	-	-	-	-
14 Equity	-	-	-	-	-	-	-
15 **Total IRB approach**	292	47,320	391	-	102	47,221	9
16 Central governments or central banks	-	183	1	-	1	182	-
17 Regional governments or local authorities	-	-	-	-	-	-	-
18 Public sector entities	-	-	-	-	-	-	-
19 Multilateral development banks	-	-	-	-	-	-	-
20 International organisations	-	-	-	-	-	-	-
21 Institutions	-	97	5	-	-	92	-
22 Corporates	174	6,031	93	-	55	6,112	8
23 Of which: SMEs	-	278	5	-	3	273	-
24 Retail	164	2,243	137	-	20	2,270	11
25 Of which: SMEs	-	-	-	-	-	-	-
26 Secured by mortgages on immovable property	-	7	-	-	(1)	7	-
27 Of which: SMEs	-	-	-	-	-	-	-
28 Exposures in default	338	-	130	-	27	208	-
29 Items associated with particularly high risk	-	-	-	-	-	-	-
30 Covered bonds	-	-	-	-	-	-	-
31 Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-
32 Collective investments undertakings	-	-	-	-	-	-	-
33 Equity exposures	-	-	-	-	-	-	-
34 Other exposures	-	310	-	-	-	310	-
35 **Total standardised approach**	338	8,871	236	-	75	8,973	19
36 **Total**	630	56,191	627	-	177	56,194	28
37 Of which: Loans	549	35,727	612	-	191	35,664	28
38 Of which: Debt securities	-	-	-	-	-	-	-
39 Of which: Off-balance-sheet exposures	81	20,464	15	-	(14)	20,530	-

Table 29: CR1-A – Credit quality of exposures by exposure class and instrument continued

As at 31 December 2019	Defaulted exposures €m	Non-defaulted exposure €m	Specific credit risk adjustment €m	General credit risk adjustment €m	Credit risk adjustment charges in the period €m	Net values €m	Accumulated write-offs €m
1 Central governments or central banks	-	13,079	-	-	-	13,079	-
2 Institutions	-	5,300	-	-	-	5,300	-
3 Corporates	2	11,097	8	-	7	11,091	-
4 Of which: Specialised lending	-	168	-	-	-	168	-
5 Of which: SMEs	-	1	-	-	-	1	-
6 Retail	274	13,407	281	-	60	13,400	52
7 Secured by real estate property	104	6,616	65	-	65	6,655	-
8 Of which: SMEs	-	-	-	-	-	-	-
9 Of which: Non-SMEs	104	6,616	65	-	65	6,655	-
10 Qualifying revolving	170	6,791	216	-	(5)	6,745	52
11 Other retail	-	-	-	-	-	-	-
12 Of which: SMEs	-	-	-	-	-	-	-
13 Of which: Non-SMEs	-	-	-	-	-	-	-
14 Equity	-	-	-	-	-	-	-
15 **Total IRB approach**	276	42,883	289	-	67	42,870	52
16 Central governments or central banks	-	180	-	-	-	180	-
17 Regional governments or local authorities	-	-	-	-	-	-	-
18 Public sector entities	-	9	-	-	-	9	-
19 Multilateral development banks	-	-	-	-	-	-	-
20 International organisations	-	-	-	-	-	-	-
21 Institutions	-	84	5	-	5	79	-
22 Corporates	64	6,104	38	-	35	6,130	2
23 Of which: SMEs	-	367	2	-	2	365	-
24 Retail	165	2,157	117	-	42	2,205	24
25 Of which: SMEs	-	-	-	-	-	-	-
26 Secured by mortgages on immovable property	-	10	1	-	1	9	-
27 Of which: SMEs	-	3	-	-	-	3	-
28 Exposures in default	229	-	103	-	102	126	-
29 Items associated with particularly high risk	-	-	-	-	-	-	-
30 Covered bonds	-	-	-	-	-	-	-
31 Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-
32 Collective investments undertakings	-	-	-	-	-	-	-
33 Equity exposures	-	-	-	-	-	-	-
34 Other exposures	-	17	-	-	-	17	-
35 **Total standardised approach**	229	8,561	161	-	83	8,629	26
36 **Total**	505	51,444	450	-	150	51,499	78
37 Of which: Loans	445	14,481	422	-	122	14,504	78
38 Of which: Debt securities	-	-	-	-	-	-	-
39 Of which: Off-balance-sheet exposures	60	21,827	28	-	28	21,859	-

Non-defaulted exposures increased €4.7bn to €56.1bn primarily within “Central government or central banks” due to a change in the liquidity pool composition.

Specific credit risk adjustments increased €177mn to €0.6bn primarily due to an increase in loan balances.

Table 30: CR1-B – Credit quality of exposures by industry or counterparty types

This table provides a comprehensive picture of the credit quality of BBI's on balance sheet and off balance sheet exposures by industry types.

As at 30 June 2020		Defaulted exposures €m	Non-defaulted exposures €m	Specific credit risk adjustment €m	General credit risk adjustment €m	Credit risk adjustment charges in the period €m	Net values €m	Accumulated write-offs €m
1	Agriculture, forestry and fishing	-	-	-	-	-	-	-
2	Mining and quarrying	38	1,807	25	-	13	1,820	-
3	Manufacturing	16	4,478	24	-	15	4,470	-
4	Electricity, gas, steam and air conditioning supply	-	2,093	4	-	2	2,089	-
5	Water supply	-	394	-	-	-	394	-
6	Construction	-	881	4	-	4	877	-
7	Wholesale and retail trade	2	1,364	7	-	6	1,359	-
8	Transport and storage	-	505	1	-	1	504	-
9	Accommodation and food service activities	-	336	7	-	6	329	-
10	Information and communication	-	1,516	7	-	6	1,509	-
11	Real estate activities	1	439	9	-	7	431	-
12	Professional, scientific and technical activities	-	616	5	-	4	611	-
13	Administrative and support service activities	97	249	16	-	11	330	-
14	Public administration and defence, compulsory social security	-	166	-	-	-	166	-
15	Education	-	-	-	-	-	-	-
16	Human health services and social work activities	-	60	1	-	1	59	-
17	Arts, entertainment and recreation	-	53	1	-	1	52	-
18	Other services	476	41,234	516	-	100	41,194	28
19	**Total**	630	56,191	627	-	177	56,194	28

Table 30: CR1-B – Credit quality of exposures by industry or counterparty types continued

As at 31 December 2019	Defaulted exposures €m	Non-defaulted exposures €m	Specific credit risk adjustment €m	General credit risk adjustment €m	Credit risk adjustment charges in the period €m	Net values €m	Accumulated write-offs €m
1 Agriculture, forestry and fishing	-	-	-	-	-	-	-
2 Mining and quarrying	38	1,779	12	-	12	1,805	-
3 Manufacturing	3	5,199	9	-	9	5,192	2
4 Electricity, gas, steam and air conditioning supply	-	2,337	2	-	(1)	2,335	-
5 Water supply	-	391	-	-	-	391	-
6 Construction	-	722	-	-	-	722	-
7 Wholesale and retail trade	2	955	1	-	-	955	-
8 Transport and storage	-	569	-	-	-	569	-
9 Accommodation and food service activities	-	343	1	-	1	342	-
10 Information and communication	-	1,560	1	-	1	1,559	-
11 Real estate activities	1	723	2	-	1	723	-
12 Professional, scientific and technical activities	2	598	1	-	1	599	-
13 Administrative and support service activities	5	252	5	-	5	253	-
14 Public administration and defence, compulsory social security	-	190	-	-	-	190	-
15 Education	-	-	-	-	-	-	-
16 Human health services and social work activities	-	60	-	-	-	59	-
17 Arts, entertainment and recreation	-	212	-	-	-	212	-
18 Other services	454	35,552	416	-	121	35,593	76
19 **Total**	505	51,444	450	-	150	51,499	78

Non-defaulted exposures increased €4.7bn to €56.1bn primarily within “Other services” due to a change in the liquidity pool composition,.

Specific credit risk adjustments increased €177mn to €0.6bn primarily due to an increase in loan balances.

Table 31: CR1-C – Credit quality of exposures by geography

This table provides a comprehensive picture of the credit quality of BBI's on balance sheet and off balance sheet exposures by geography.

As at 30 June 2020	Defaulted exposures €m	Non-defaulted exposures €m	Specific credit risk adjustment €m	General credit risk adjustment €m	Credit risk adjustment charges of the period €m	Net values €m	Accumulated write-offs €m
Europe	**628**	**51,799**	**612**	**-**	**166**	**51,815**	**28**
Germany	321	30,747	379	-	92	30,689	19
Italy	249	7,986	159	-	34	8,076	1
France	18	5,268	26	-	20	5,260	-
Ireland	1	2,397	14	-	7	2,384	-
Spain	1	1,823	11	-	11	1,813	-
UK	**2**	**3,702**	**12**	**-**	**9**	**3,692**	**-**
Americas	**-**	**458**	**2**	**-**	**1**	**456**	**-**
United States	-	441	2	-	1	439	-
Asia	**-**	**157**	**1**	**-**	**1**	**156**	**-**
India	-	52	1	-	1	51	-
Japan	-	44	-	-	-	44	-
New Zealand	-	36	-	-	-	36	-
Africa and Middle East	**-**	**75**	**-**	**-**	**-**	**75**	**-**
Total	**630**	**56,191**	**627**	**-**	**177**	**56,194**	**28**
As at 31 December 2019							
Europe	**501**	**45,602**	**445**	**-**	**145**	**45,658**	**78**
Germany	228	21,418	287	-	(8)	21,359	75
Italy	225	8,579	125	-	125	8,679	1
France	6	5,875	7	-	7	5,874	-
Ireland	1	4,348	6	-	6	4,343	-
UK	**4**	**5,088**	**4**	**-**	**4**	**5,088**	**-**
Americas	**1**	**603**	**1**	**-**	**1**	**603**	**-**
United States	1	546	1	-	1	546	-
Asia	**-**	**124**	**-**	**-**	**-**	**124**	**-**
India	-	102	-	-	-	102	-
Africa and Middle East	**-**	**26**	**-**	**-**	**-**	**26**	**-**
Total	**505**	**51,444**	**450**	**-**	**150**	**51,499**	**78**

The increase in Non-defaulted exposures across Europe is primarily driven by a change in the liquidity pool composition. Specific credit risk adjustments increased €177mn to €0.6bn primarily due to an increase in loan balances.

Table 32: Credit quality of forborne exposures

	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						
As at 30 June 2020	Performing forborne €m	Total €m	Of which defaulted €m	Of which impaired €m	On performing forborne exposures €m	On non-performing forborne exposures €m	Total €m	Of which collateral and financial guarantees received on non-performing exposures with forebearance measures €m
1 **Loans and Advances**	34	194	69	189	(6)	(69)	93	93
2 Central banks	-	-	-	-	-	-	-	-
3 General governments	-	-	-	-	-	-	-	-
4 Credit institutions	-	-	-	-	-	-	-	-
5 Other financial corporations	-	-	-	-	-	-	-	-
6 Non-financial corporations	33	23	23	23	(6)	(10)	-	-
7 Households	1	171	46	166	-	(59)	93	93
8 **Debt securities**	-	-	-	-	-	-	-	-
9 **Loan commitments given**	12	6	6	6	-	-	-	-
10 **Total**	**46**	**200**	**75**	**195**	**(6)**	**(69)**	**93**	**93**
As at 31 December 2019								
1 **Loans and Advances**	4	213	72	206	-	(70)	100	100
2 Central banks	-	-	-	-	-	-	-	-
3 General governments	-	-	-	-	-	-	-	-
4 Credit institutions	-	-	-	-	-	-	-	-
5 Other financial corporations	-	-	-	-	-	-	-	-
6 Non-financial corporations	2	23	23	23	-	(10)	-	-
7 Households	2	190	49	183	-	(60)	100	100
8 **Debt securities**	-	-	-	-	-	-	-	-
9 **Loan commitments given**	-	3	-	3	-	-	-	-
10 **Total**	**4**	**216**	**72**	**209**	**-**	**(70)**	**100**	**100**

Table 33: Credit quality of performing and non-performing exposures by past due dates

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
	As at 30 June 2020	Total €m	Not past due or past due ≤ 30 days €m	Past due > 30 days ≤ 90 days €m	Total €m	Unlikely to pay that are not past due or are past due ≤ 90 days €m	Past due > 90 days ≤ 180 days €m	Past due > 180 days ≤ 1 year €m	Past due > 1 year ≤ 2 years €m	Past due > 2 year ≤ 5 years €m	Past due > 5 year ≤ 7 years €m	Past due > 7 years €m	Of which defaulted €m
1	**Loans and advances**	**29,169**	**28,937**	**233**	**680**	**352**	**91**	**66**	**34**	**116**	**19**	**10**	**18**
2	Central banks	478	478	-	-	-	-	-	-	-	-	-	-
3	General governments	697	697	-	-	-	-	-	-	-	-	-	-
4	Credit institutions	5,477	5,477	-	-	-	-	-	-	-	-	-	-
5	Other financial corporations	9,162	9,029	133	13	-	-	-	-	13	-	-	-
6	Non-financial corporations	3,526	3,510	16	129	89	18	2	5	13	3	1	18
7	Of which SMEs	-	-	-	4	-	-	-	-	3	-	1	-
8	Households	9,830	9,747	88	575	263	73	64	29	90	16	9	-
9	**Debt securities**	-	-	-	-	-	-	-	-	-	-	-	-
10	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
11	General governments	-	-	-	-	-	-	-	-	-	-	-	-
12	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
13	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
14	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
15	**Off-balance-sheet exposures**	**18,365**			**43**								**43**
16	Central banks	-			-								-
17	General governments	7			-								-
18	Credit institutions	776			-								-
19	Other financial corporations	1,180			1								1
20	Non-financial corporations	11,579			39								39
21	Households	4,823			3								3
22	**Total**	**47,534**	**28,937**	**233**	**723**	**352**	**91**	**66**	**34**	**116**	**19**	**10**	**61**
	As at 31 December 2019												
1	**Loans and advances**	38,245	38,175	71	529	249	57	67	-	153	-	3	505
2	Central banks	12,826	12,826	-	-	-	-	-	-	-	-	-	-
3	General governments	478	478	-	-	-	-	-	-	-	-	-	-
4	Credit institutions	5,916	5,916	-	-	-	-	-	-	-	-	-	-
5	Other financial corporations	6,125	6,125	-	13	-	-	-	-	13	-	-	13
6	Non-financial corporations	2,444	2,444	-	40	20	-	4	-	14	-	3	40
7	Of which SMEs	-	-	-	4	-	-	-	-	4	-	-	4
8	Households	10,456	10,386	71	476	229	57	63	-	126	-	-	452
9	**Debt securities**	-	-	-	-	-	-	-	-	-	-	-	-
10	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
11	General governments	-	-	-	-	-	-	-	-	-	-	-	-
12	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
13	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
14	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
15	**Off-balance-sheet exposures**	20,606			74								74
16	Central banks	-			-								-
17	General governments	16			-								-
18	Credit institutions	858			-								-
19	Other financial corporations	1,262			-								-
20	Non-financial corporations	13,639			24								24
21	Households	4,831			50								50
22	**Total**	**58,851**	**38,175**	**71**	**603**	**249**	**57**	**67**	**-**	**153**	**-**	**3**	**579**

Table 34: Performing and non-performing exposures

		Gross carrying amount/nominal						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			Accumulated partial write-off	On performing exposures	On non-performing exposures
	As at 30 June 2020	Total €m	Of which stage 1 €m	Of which stage 2 €m	Total €m	Of which stage 2 €m	Of which stage 3 €m	Total €m	Of which stage 1 €m	Of which stage 2 €m	Total €m	Of which stage 2 €m	Of which stage 3 €m	€m	€m	€m
1	**Loans and advances**	**29,169**	**24,818**	**4,351**	**680**	**23**	**657**	**(335)**	**(34)**	**(301)**	**(257)**	**(5)**	**(252)**	**-**	**13,245**	**338**
2	Central banks	478	478	-	-	-	-	-	-	-	-	-	-	-	109	-
3	General governments	697	697	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Credit institutions	5,477	5,436	41	-	-	-	-	-	-	-	-	-	-	3,825	-
5	Other financial corporations	9,162	8,902	260	13	-	13	(2)	(1)	(1)	(4)	-	(4)	-	2,988	9
6	Non-financial corporations	3,526	1,828	1,698	129	-	129	(43)	(5)	(38)	(54)	-	(54)	-	279	5
7	Of which SMEs	-	-	-	4	-	4	-	-	-	(4)	-	(4)	-	-	-
8	Households	9,830	7,477	2,352	538	23	515	(290)	(27)	(262)	(199)	(5)	(194)	-	6,044	324
9	**Debt securities**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	**Off-balance-sheet exposures**	**18,365**	**13,850**	**4,515**	**43**	**-**	**43**	**(10)**	**(4)**	**(6)**	-	-	-	-	-	-
16	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	General governments	7	-	7	-	-	-	-	-	-	-	-	-	-	-	-
18	Credit institutions	775	739	36	-	-	-	-	-	-	-	-	-	-	-	-
19	Other financial corporations	1,180	344	836	1	-	1	-	-	-	-	-	-	-	-	-
20	Non-financial corporations	11,580	8,384	3,196	39	-	39	(10)	(4)	(6)	-	-	-	-	-	-
21	Households	4,823	4,383	440	3	-	3	-	-	-	-	-	-	-	-	-
22	**Total**	**47,534**	**38,668**	**8,866**	**723**	**23**	**700**	**(345)**	**(38)**	**(307)**	**(257)**	**(5)**	**(252)**	**-**	**13,245**	**338**

Table 34: Performing and non-performing exposures continued

		Gross carrying amount/nominal						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					
	As at 31 December 2019	Total €m	Of which stage 1 €m	Of which stage 2 €m	Total €m	Of which stage 2 €m	Of which stage 3 €m	Total €m	Of which stage 1 €m	Of which stage 2 €m	Total €m	Of which stage 2 €m	Of which stage 3 €m	Accumulated partial write-off €m	On performing exposures €m	On non-performing exposures €m
1	**Loans and advances**	**38,245**	**36,428**	**1,819**	**529**	**21**	**505**	**(224)**	**(40)**	**(184)**	**(204)**	**(3)**	**(200)**	**-**	**9,288**	**235**
2	Central banks	12,826	12,826	-	-	-	-	-	-	-	-	-	-	-	-	-
3	General governments	478	478	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Credit institutions	5,916	5,916	-	-	-	-	-	-	-	-	-	-	-	2,946	-
5	Other financial corporations	6,125	6,119	7	13	-	13	(1)	(1)	-	(4)	-	(4)	-	15	9
6	Non-financial corporations	2,444	2,202	243	40	-	40	(12)	(6)	(6)	(23)	-	(23)	-	237	5
7	Of which SMEs	-	-	-	4	-	4	-	-	-	(4)	-	(4)	-	-	-
8	Households	10,456	8,887	1,569	476	21	452	(211)	(33)	(178)	(177)	(3)	(173)	-	6,090	221
9	**Debt securities**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	**Off-balance-sheet exposures**	**20,606**	**19,595**	**1,010**	**74**	**-**	**74**	**(10)**	**(4)**	**(6)**	**-**	**-**	**-**		**-**	**-**
16	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
17	General governments	16	16	-	-	-	-	-	-	-	-	-	-		-	-
18	Credit institutions	858	836	22	-	-	-	-	-	-	-	-	-		-	-
19	Other financial corporations	1,262	1,259	2	-	-	-	-	-	-	-	-	-		-	-
20	Non-financial corporations	13,639	12,823	816	24	-	24	(10)	(4)	(6)	-	-	-		-	-
21	Households	4,831	4,661	170	50	-	50	-	-	-	-	-	-		-	-
22	**Total**	**58,851**	**56,023**	**2,829**	**603**	**21**	**579**	**(234)**	**(44)**	**(190)**	**(204)**	**(3)**	**(200)**	**-**	**9,288**	**235**

Table 35: Loans and advances subject to legislative and non-legislative moratoria

This table provides an overview of the credit quality of loans and advances subject to moratoria on loan repayments applied in the light of the COVID-19 crisis.

	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing				Performing			Non performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
As at 30 June 2020	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
1 Loans and advances subject to moratorium	402	399	-	172	3	-	2	(15)	(15)	-	(13)	(1)	-	(1)	-
2 of which: Households	402	399	-	172	3	-	2	(15)	(15)	-	(13)	(1)	-	(1)	-
3 *of which: Collateralised by residential immovable property*	293	292	-	131	1	-	1	(8)	(8)	-	(8)	-	-	-	-
4 of which: Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 *of which: Small and Medium-sized Enterprises*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 *of which: Collateralised by commercial immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 36: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

This table provides an overview of the volume of loans and advances subject to legislative and non-legislative moratoria.

			Gross carrying amount							
						Residual maturity of moratoria				
	As at 30 June 2020	Number of obligors	€m	Of which: legislative moratoria €m	Of which: expired €m	<= 3 months €m	> 3 months <= 6 months €m	> 6 months <= 9 months €m	> 9 months <= 12 months €m	> 1 year €m
1	Loans and advances for which moratorium was offered	22,009	808							
2	Loans and advances subject to moratorium (granted)	12,831	402	375	2	137	152	31	41	39
3	of which: Households		402	375	2	137	152	31	41	39
4	*of which: Collateralised by residential immovable property*		293	266	2	28	152	31	41	39
5	of which: Non-financial corporations		-	-	-	-	-	-	-	-
6	*of which: Small and Medium-sized Enterprises*		-	-	-	-	-	-	-	-
7	*of which: Collateralised by commercial immovable property*		-	-	-	-	-	-	-	-

Table 37: CR2-B - Changes in the stock of defaulted and impaired loans and debt securities

This table provides an overview of the BBI's stock of defaulted and impaired loans and debt securities.

		Gross carrying value defaulted exposures[a] €m
1	**As at 1 January 2020**	**531**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	180
3	Returned to non-defaulted status	(15)
4	Amounts written off	(31)
5	Other changes[b]	19
6	**As at 30 June 2020**	**684**

Notes:

a Defaulted exposures are defined as all stage 3 impaired gross loans and debt securities under IFRS9 and any stage 1 and stage 2 gross loans and debt securities under IFRS9 more than 90 days past due.
b Other changes include repayments and disposals net drawdowns.

Table 38: CR2-A – Changes in the stock of general and specific credit risk adjustments

This table shows the movement in the impairment allowance in 2020.

		Accumulated specific credit risk adjustment[a] €m	Accumulated general credit risk adjustment €m
1	**As at 1 January 2020**	437	-
2	Increases due to amounts set aside for estimated loan losses during the period[b]	208	-
3	Decreases due to amounts reversed for estimated loan losses during the period[c]	(23)	-
4	Decreases due to amounts taken against accumulated credit risk adjustments	-	-
5	Transfers between credit risk adjustments	-	-
6	Impact of exchange rate differences		-
7	Business combinations, including acquisitions and disposals of subsidiaries	-	-
9	Other adjustments	1	-
10	**As at 30 June 2020**	623	-
11	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	(11)	-
12	Specific credit risk adjustments directly recorded to the statement of profit or loss	-	-

Notes:

a Excludes other assets impairment.
b Increases due to amounts set aside for estimated loan losses during the period includes the net impact of changes made to parameters (such as probability of default, exposure at default and loss given default), changes in macro-economic variables, new assets originated, repayments and drawdowns.
c Represents amounts written off.

Analysis of Counterparty Credit Risk

Table 39: Detailed view of counterparty credit risk EAD, RWAs and Capital Requirement

As at 30 June 2020	EAD €m	RWA €m	Capital Requirements €m
Counterparty credit risk exposure class			
Standardised approach			
Central governments or central banks	-	-	-
Regional governments or local authorities	-	-	-
Public sector entities	-	-	-
Multilateral development banks	-	-	-
International organisations	-	-	-
Institutions	166	13	1
Corporates	847	868	69
Retail	-	-	-
Secured by mortgages	-	-	-
Exposures in default	-	-	-
Items associated with high risk	-	-	-
Covered bonds	-	-	-
Securitisation positions	-	-	-
Collective investment undertakings	-	-	-
Equity positions	-	-	-
Other items	-	-	-
Total Standardised Approach Credit Risk Exposure	1,013	881	70
Advanced IRB approach	-	-	-
Central governments or central banks	407	45	4
Institutions	952	309	25
Corporates	2,622	791	63
Retail	-	-	-
- Small and medium enterprises (SME)	-	-	-
- Secured by real estate collateral	-	-	-
- Qualifying revolving retail	-	-	-
- Other retail	-	-	-
Equity	-	-	-
Securitisation positions	-	-	-
Non-credit obligation assets	-	-	-
Total Advanced IRB Credit Risk Exposure	3,981	1,145	92
Default fund contributions	183	56	5
Total Counterparty Credit Risk	5,177	2,082	167

Analysis of Counterparty Credit Risk

Table 39: Detailed view of counterparty credit risk EAD, RWAs and Capital Requirement continued

As at 31 December 2019	EAD €m	RWA €m	Capital Requirements €m
Counterparty credit risk exposure class	-	-	-
Standardised approach	-	-	-
Central governments or central banks	-	-	-
Regional governments or local authorities	-	-	-
Public sector entities	-	-	-
Multilateral development banks	-	-	-
International organisations	-	-	-
Institutions	491	122	10
Corporates	550	555	44
Retail	-	-	-
Secured by mortgages	-	-	-
Exposures in default	-	-	-
Items associated with high risk	-	-	-
Covered bonds	-	-	-
Securitisation positions	-	-	-
Collective investment undertakings	-	-	-
Equity positions	-	-	-
Other items	-	-	-
Total Standardised Approach Credit Risk Exposure	1,041	677	54
Advanced IRB approach	-	-	-
Central governments or central banks	364	43	3
Institutions	1,643	628	51
Corporates	2,032	523	42
Retail	-	-	-
- Small and medium enterprises (SME)	-	-	-
- Secured by real estate collateral	-	-	-
- Qualifying revolving retail	-	-	-
- Other retail	-	-	-
Equity	-	-	-
Securitisation positions	-	-	-
Non-credit obligation assets	-	-	-
Total Advanced IRB Credit Risk Exposure	4,039	1,194	96
Default fund contributions	87	49	4
Total Counterparty Credit Risk	5,167	1,920	154

Counterparty credit risk RWAs increased €162m to €2.0bn primarily driven by increase in SFT and derivative trading activity.

Table 40: CCR1 – Analysis of CCR exposure by approach

This table provides the CCR regulatory requirements split between the method and main parameters used. This tables excludes default fund contribution and as such cannot be directly reconciled to Table 39.

	As at 30 June 2020	Notional €m	Replacement cost/current market value €m	Potential future credit exposure €m	EEPE €m	Multiplier	EAD post CRM €m	RWAs €m
1	Mark to market		81	334			197	95
2	Original exposure	-					-	-
3	Standardised approach						-	-
4	IMM (for derivatives and SFTs)				3,359	1.4	4,703	1,920
5	Of which securities financing transactions				334	1.4	468	58
6	Of which derivatives and long settlement transactions				3,025	1.4	4,235	1,862
7	Of which from contractual cross-product netting				-		-	-
8	Financial collateral simple method (for SFTs)						-	-
9	Financial collateral comprehensive method (for SFTs)						94	10
10	VaR for SFTs						-	-
11	**Total**							2,025
	As at 31 December 2019							
1	Mark to market		506	2,183			1,506	556
2	Original exposure	-					-	-
3	Standardised approach		-				-	-
4	IMM (for derivatives and SFTs)				2,527	1.4	3,538	1,312
5	Of which securities financing transactions				103	1.4	144	15
6	Of which derivatives and long settlement transactions				2,424	1.4	3,394	1,297
7	Of which from contractual cross-product netting				-		-	-
8	Financial collateral simple method (for SFTs)						-	-
9	Financial collateral comprehensive method (for SFTs)						36	3
10	VaR for SFTs						-	-
11	**Total**							1,871

Counterparty credit risk RWAs increased €155m to €2.0bn primarily driven by portfolio level moves for derivatives in Internal Model Method and Mark to Market Method.

Table 41: CCR3 Counterparty credit risk exposures by exposure classes and risk weight under standardised approach

This table shows exposure at default, broken down by exposure class and risk weight. This table includes exposures subject to the Standardised approach only.

	Exposures by regulatory portfolio and risk	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deducted	Total	of which: Unrated
	As at 30 June 2020																		
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	144	-	-	19	-	-	-	-	-	-	-	-	-	-	-	163	79
7	Corporates	-	-	-	-	-	-	-	-	-	842	-	-	-	-	-	-	842	842
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Claims in the form of CIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total**	**-**	**144**	**-**	**-**	**19**	**-**	**-**	**-**	**-**	**842**	**-**	**-**	**-**	**-**	**-**	**-**	**1,005**	**921**

Table 41: CCR3 Counterparty credit risk exposures by exposure classes and risk weight under standardised approach continued

	Exposures by regulatory portfolio and risk	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deducted	Total	of which: Unrated
	As at 31 December 2019																		
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	377	-	-	63	-	-	-	-	-	-	-	-	-	-	-	440	440
7	Corporates	-	-	-	-	-	-	-	-	-	537	-	-	-	-	-	-	537	537
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Claims in the form of CIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total**	-	**377**	-	-	**63**	-	-	-	-	**537**	-	-	-	-	-	-	**977**	**977**

Standardised counterparty risk exposures increased €28m to €0.9bn primarily driven by SFT trading activity within 2%, 20% and 100% risk weight categories.

IRB obligor grade disclosure

The following tables show counterparty credit risk exposure at default post-CRM for the advanced IRB approach for portfolios within both the trading and banking books. Separate tables are provided for the following exposure classes: central governments and central banks (Table 42), institutions (Table 43) and corporates (Table 44) .

Table 42: CCR4 Counterparty credit risk exposures by portfolio and PD range for central governments and central banks

	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity	RWA	RWA Density	Expected Loss	Value Adjustment and Provisions
	€m	%		%		€m	%	€m	€m
As at 30 June 2020									
0.00 to < 0.15	382	0.0%	14	45.0%	3	36	9.3%	-	-
0.15 to < 0.25	25	0.2%	2	45.4%	1	9	37.1%	-	-
0.25 to < 0.50	-	0.0%	-	0.0%	-	-	0.0%	-	-
0.50 to < 0.75	-	0.0%	-	0.0%	-	-	0.0%	-	-
0.75 to < 2.50	-	0.0%	-	0.0%	-	-	0.0%	-	-
2.50 to < 10.00	-	0.0%	-	0.0%	-	-	0.0%	-	-
10.00 to < 100.00	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	-	0.0%	-	0.0%	-	-	0.0%	-	-
Total	407	0.0%	16	45.0%	3	45	11.0%	-	-
As at 31 December 2019									
0.00 to < 0.15	353	0.0%	10	45.0%	3	38	10.7%	-	-
0.15 to < 0.25	7	0.2%	1	55.4%	1	3	44.1%	-	-
0.25 to < 0.50	4	0.3%	1	48.0%	2	2	55.0%	-	-
0.50 to < 0.75	-	0.0%	-	0.0%	-	-	0.0%	-	-
0.75 to < 2.50	-	0.0%	-	0.0%	-	-	0.0%	-	-
2.50 to < 10.00	-	0.0%	-	0.0%	-	-	0.0%	-	-
10.00 to < 100.00	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	-	0.0%	-	0.0%	-	-	0.0%	-	-
Total	364	0.0%	12	45.2%	3	43	11.8%	-	-

The RWA density associated with advanced IRB exposures to central governments and central banks remained broadly stable at 11%.

Table 43: CCR4 Counterparty credit risk exposures by portfolio and PD range for institutions

	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity	RWA	RWA Density	Expected Loss	Value Adjustment and Provisions
	€m	%		%		€m	%	€m	€m
As at 30 June 2020									
0.00 to < 0.15	890	0.0%	70	46.9%	2	266	30.0%	-	-
0.15 to < 0.25	45	0.2%	11	51.7%	1	19	41.5%	-	-
0.25 to < 0.50	2	0.4%	6	55.5%	2	1	65.6%	-	-
0.50 to < 0.75	-	0.6%	3	45.0%	1	-	74.5%	-	-
0.75 to < 2.50	-	0.8%	1	45.0%	1	-	40.8%	-	-
2.50 to < 10.00	15	6.0%	4	50.2%	2	23	149.0%	1	-
10.00 to < 100.00	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	-	0.0%	-	0.0%	-	-	0.0%	-	-
Total	952	0.1%	95	47.2%	2	309	32.5%	1	-
As at 31 December 2019									
0.00 to < 0.15	1,620	0.1%	66	46.0%	3	605	37.3%	1	-
0.15 to < 0.25	8	0.2%	8	45.0%	2	5	61.1%	-	-
0.25 to < 0.50	2	0.4%	4	57.1%	2	2	81.1%	-	-
0.50 to < 0.75	1	0.7%	2	45.5%	1	1	99.4%	-	-
0.75 to < 2.50	-	0.9%	4	45.0%	1	-	37.7%	-	-
2.50 to < 10.00	11	2.6%	4	45.0%	2	15	136.8%	-	-
10.00 to < 100.00	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	-	0.0%	-	0.0%	-	-	0.0%	-	-
Total	1,642	0.1%	88	46.0%	3	628	38.2%	2	-

The RWA density associated with advanced IRB exposures to institutions decreased 5.7% to 32.5% This was primarily driven by a decrease in SFT exposures and the change in PDs.

Table 44: CCR4 Counterparty credit risk exposures by portfolio and PD range for corporates

	EAD post CRM	Average PD	Number of obligors	Average LGD	Average Maturity	RWA	RWA Density	Expected Loss	Value Adjustment and Provisions
	€m	%		%		€m	%	€m	€m
As at 30 June 2020									
0.00 to < 0.15	1,893	0.1%	465	45.0%	2	406	21.5%	1	-
0.15 to < 0.25	491	0.2%	97	45.2%	3	241	49.0%	-	-
0.25 to < 0.50	145	0.3%	38	42.8%	1	57	39.0%	-	-
0.50 to < 0.75	28	0.6%	15	51.5%	1	21	72.9%	-	-
0.75 to < 2.50	64	1.4%	10	44.0%	2	65	101.4%	-	-
2.50 to < 10.00	1	7.9%	2	36.3%	2	1	131.3%	-	-
10.00 to < 100.00	-	13.4%	3	34.4%	3	-	164.0%	-	-
100.00 (Default)	-	0.0%	-	0.0%	-	-	0.0%	-	-
Total	2,622	0.1%	630	45.0%	2	791	30.2%	1	-
As at 31 December 2019									
0.00 to < 0.15	1,679	0.1%	398	45.7%	2	354	21.0%	1	-
0.15 to < 0.25	298	0.2%	87	49.7%	2	133	44.5%	-	-
0.25 to < 0.50	33	0.3%	21	49.0%	1	17	52.4%	-	-
0.50 to < 0.75	3	0.6%	10	45.9%	1	2	65.5%	-	-
0.75 to < 2.50	18	1.0%	5	51.2%	2	16	92.9%	-	-
2.50 to < 10.00	1	6.7%	4	45.5%	2	1	138.7%	-	-
10.00 to < 100.00	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	-	0.0%	-	0.0%	-	-	0.0%	-	-
Total	2,032	0.1%	525	46.4%	2	523	25.7%	1	-

The RWA density associated with advanced IRB exposures to corporates increased 4.5% to 30.2% driven by default grade and exposure movements.

Table 45: CCR5-A - Impact of netting and collateral held on exposure values

This table shows the impact on exposure from netting and collateral held for derivatives and SFTs

As at 30 June 2020		Gross positive fair value or net carrying amount €m	Netting benefits €m	Netted current credit exposure €m	Collateral held €m	Net credit exposure €m
1	Derivatives	39,740	30,370	9,370	13,558	1,413
2	SFTs	26,591	26,368	223	-	223
3	Cross-product netting	-	-	-	-	-
4	**Total**	66,331	56,738	9,593	13,558	1,636
As at 31 December 2019						
1	Derivatives	31,564	25,319	6,245	8,780	1,418
2	SFTs	10,079	10,015	64	-	64
3	Cross-product netting	-	-	-	-	-
4	**Total**	41,643	35,334	6,309	8,780	1,482

Net carrying amount increased €24.6bn to €66.3bn primarily due to increase in trading activity.

Further details relating to collateral can be found in Table 46.

Table 46: CCR5-B - Composition of collateral for exposures to CCR

This table shows the types of collateral posted or received to support or reduce CCR exposures relating to derivative transactions or SFTs, including transactions cleared through a CCP.

		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral			
		Segregated	Unsegregated	Segregated	Unsegregated	Fair value of collateral received	Fair value of posted collateral
As at 30 June 2020		€m	€m	€m	€m	€m	€m
1	Cash	-	10,564	-	8,128	-	316
2	Debt	1,109	1,405	42	684	-	-
3	Equity	-	479	-	-	-	-
4	Others	-	-	-	-	-	-
5	**Total**	1,109	12,448	42	8,812	-	316
As at 31 December 2019							
1	Cash	-	6,428	-	5,179	-	64
2	Debt	1,058	846	52	720	-	-
3	Equity	-	447	-	-	-	-
4	Others	-	-	-	-	-	-
5	**Total**	1,058	7,721	52	5,899	-	64

Derivatives collateral received increased €4.7bn to €13.5bn and posted collateral increased €2.9bn to €8.8bn driven by trading activity.

Table 47: CCR6 - Credit derivatives exposures

This table provides a breakdown of the BBI's exposures to credit derivatives products.

		Credit derivative hedges		Other credit derivatives
		Protection bought	Protection sold	
As at 30 June 2020		€m	€m	€m
Notionals				
	Single-name credit default swaps	25	-	23,026
	Index credit default swaps	-	-	19,001
	Total return swaps	-	-	360
	Credit options	-	-	1,256
	Other credit derivatives	-	-	-
Total notionals		25	-	43,643
Fair values		-	-	-
	Positive fair value (asset)	-	-	480
	Negative fair value (liability)	(2)	-	(514)
As at 31 December 2019				
Notionals				
	Single-name credit default swaps	25	-	14,662
	Index credit default swaps	-	-	31,682
	Total return swaps	-	-	588
	Credit options	-	-	5,159
	Other credit derivatives	-	-	-
Total notionals		25	-	52,091
Fair values		(3)	-	(105)
	Positive fair value (asset)	-	-	733
	Negative fair value (liability)	(3)	-	(838)

Credit derivatives notionals decreased €8.4bn to €43.6bn driven by index credit derivative trading activity.

Table 48: CCR8 Exposures to CCPs

This table provides a breakdown of the BBI's exposures and RWAs to central counterparties (CCP).

		As at 30 June 2020		As at 31 December 2019	
		EAD post CRM €m	RWAs €m	EAD post CRM €m	RWAs €m
1	**Exposures to QCCPs (total)**		59		56
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	92	2	377	8
3	(i) OTC derivatives	10	-	377	8
4	(ii) Exchange-traded derivatives	1	-	-	-
5	(iii) SFTs	81	2	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	-		-	
8	Non-segregated initial margin	52	1	-	-
9	Prefunded default fund contributions	183	56	87	49
10	Alternative calculation of own funds requirements for exposures		-		-
11	**Exposures to non-QCCPs (total)**		-		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13	(i) OTC derivatives	-	-	-	-
14	(ii) Exchange-traded derivatives	-	-	-	-
15	(iii) SFTs	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-		-	
18	Non-segregated initial margin	-	-	-	-
19	Prefunded default fund contributions	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-

Overall movement in QCCPs driven primarily by portfolio changes across Derivatives and SFTs, while prefunded default fund contributions increased €96m to €183m due to trading activity.

Credit value adjustments

The Credit value adjustment (CVA) measures the risk from MTM losses due to deterioration in the credit quality of a counterparty to over-the-counter derivative transactions with BBI. It is a complement to the counterparty credit risk charge that accounts for the risk of outright default of a counterparty.

Table 49: CCR2 Credit valuation adjustment (CVA) capital charge

Two approaches can be used to calculate the adjustment:

- Standardised approach: this approach takes account of the external credit rating of each counterparty, and incorporates the effective maturity and EAD from the calculation of the CCR
- Advanced approach: this approach requires the calculation of the charge as a) a 10-day 99% Value at Risk (VaR) measure for the most recent two year period and b) the same measure for a stressed period. The sum of the two VaR measures is scaled by the VaR multiplier (which increased to 4 from 3.4) to yield the capital charge.

Credit valuation adjustment (CVA) capital charge		Exposure value €m	RWA €m
As at 30 June 2020			
1	Total portfolios subject to the Advanced Method	**1,515**	**398**
2	(i) VaR component (including the 4x multiplier)		**85**
3	(ii) Stressed VaR component (including 4x multiplier)		**313**
4	All portfolios subject to the Standardised Method	**3**	**3**
EU4	Based on original exposure method		
5	**Total subject to the CVA capital charge**	**1,518**	**401**
As at 31 December 2019			
1	Total portfolios subject to the Advanced Method	1,374	322
2	(i) VaR component (including the 3.4x multiplier)		61
3	(ii) Stressed VaR component (including 3.4x multiplier)		261
4	All portfolios subject to the Standardised Method	-	-
EU4	Based on original exposure method		
5	**Total subject to the CVA capital charge**	1,374	322

CVA RWA increased by €79mn to €401mn primarily due to increase in VaR multiplier from 3.4 to 4 and portfolio migrations.

Regulatory measures

The following disclosures provide details on regulatory measures of market risk.

BBI's market risk capital requirement comprises of two elements:

- the market risk of trading book positions booked to legal entities are measured under a CBI approved internal models approach, including Regulatory VaR, Stressed Value at Risk (SVaR), Incremental Risk Charge (IRC) and Comprehensive Risk Measure as required
- the trading book positions that do not meet the conditions for inclusion within the approved internal models approach are calculated using standardised rules.

The table below summarises the regulatory market risk measures, under the internal models approach. Refer to Table 52 "Market risk own funds requirements' for the breakdown of capital requirements by approach.

Table 50: MR3 - Analysis of Regulatory VaR, SVaR, IRC and Comprehensive Risk Measure

As at 30 June 2020	Period-end €m	Avg. €m	Max €m	Min €m
Regulatory VaR (1-day)	3.27	1.70	4.47	0.66
Regulatory VaR (10-day)[a]	10.35	5.37	14.13	2.08
SVaR (1-day)	4.04	3.51	7.00	1.83
SVaR (10-day)[a]	12.76	11.10	22.15	5.78
IRC	34.27	27.47	38.54	19.67
Comprehensive Risk Measure	-	-	-	-
As at 31 December 2019				
Regulatory VaR (1-day)	0.81	0.80	1.07	0.37
Regulatory VaR (10-day)[a]	2.56	2.54	3.37	1.17
SVaR (1-day)	2.15	2.24	3.54	1.11
SVaR (10-day)[a]	6.81	7.09	11.20	3.50
IRC	29.85	12.78	37.79	1.51
Comprehensive Risk Measure	-	-	-	-

Notes:
a The 10 day VaR is based on scaling of 1 day VaR model output since VaR is currently not modelled for a 10 day holding period.

Table 51: Breakdown of the major regulatory risk measures by portfolio

As at 30 June 2020	Macro €m	Equities €m	Credit €m	Banking €m	Group Treasury €m	Financial Resource Management €m	Fixed Income Financing €m
Regulatory VaR (1-day)	2.28	0.02	0.86	-	0.01	3.12	-
Regulatory VaR (10-day)	7.22	0.05	2.73	-	0.03	9.88	0.01
SVaR (1-day)	2.91	0.03	1.03	-	0.02	4.89	0.02
SVaR (10-day)	9.21	0.11	3.25	-	0.05	15.46	0.05
IRC	15.24	-	23.37	-	-	11.82	-
Comprehensive Risk Measure	-	-	-	-	-	-	-
As at 31 December 2019							
Regulatory VaR (1-day)	0.09	0.01	0.23	-	0.01	0.88	-
Regulatory VaR (10-day)	0.28	0.05	0.72	-	0.02	2.78	-
SVaR (1-day)	0.23	0.05	0.55	-	0.01	1.85	-
SVaR (10-day)	0.72	0.14	1.73	-	0.04	5.86	-
IRC	-	-	30.29	-	-	2.58	-
Comprehensive Risk Measure	-	-	-	-	-	-	-

The table above shows the primary portfolios which are driving the trading businesses' modelled capital requirement as at 30 June 2020. The standalone portfolio results diversify at the total level and are not additive.

Capital requirements for market risk

The table below shows the elements of capital requirements and risk weighted assets under the market risk framework as defined in the CRR. The Bank is required to hold capital for the market risk exposures arising from regulatory trading books.-Inputs for the modelled components include the measures on Table 50, using the higher of the end of period value or an average over the past 60 days (times a multiplier in the case of VaR and SVaR).

Table 52: MR1-A - Market risk own funds requirements

		RWA		Capital requirements	
		As at 30 June 2020 €m	As at 31 December 2019 €m	As at 30 June 2020 €m	As at 31 December 2019 €m
1	**Internal models approach**	**1,651**	**766**	**132**	**61**
2	VaR	398	107	32	9
3	SVaR	816	282	65	22
4	Incremental risk charge	426	375	34	30
5	Comprehensive risk measure	-	-	-	-
6	Risks not in VaR	11	2	1	-
7	**Standardised approach**	**13**	**-**	**1**	**-**
8	Interest rate risk (general and specific)	-	-	-	-
9	Equity risk (general and specific)	13	-	1	-
10	Foreign exchange risk	-	-	-	-
11	Commodity risk	-	-	-	-
12	Specific interest rate risk of securitisation position	-	-	-	-
13	**Total**	**1,664**	**766**	**133**	**61**

Overall modelled market risk RWA increased €0.8bn to €1.6bn driven by migration activities and increase in VaR multiplication factor from 3.4 to 4.

Table 53: MR1-B - Market risk under standardised approach

This table shows the RWAs and capital requirements for standardised market risk split between outright products, options and securitisation. This table includes exposures subject to the Standardised approach only.

		RWA		Capital requirements	
		As at 30 June 2020 €m	As at 31 December 2019 €m	As at 30 June 2020 €m	As at 31 December 2019 €m
	Outright products				
1	Interest rate risk (general and specific)	-	-	-	-
2	Equity risk (general and specific)	13	-	1	-
3	Foreign exchange risk	-	-	-	-
4	Commodity risk	-	-	-	-
	Options		-		-
5	Simplified approach	-	-	-	-
6	Delta-plus method	-	-	-	-
7	Scenario approach	-	-	-	-
8	**Securitisation (Specific Risk)**	-	-	-	-
9	**Total**	13	-	1	-

Table 54: MR2-A - Market risk under internal models approach

This table shows RWAs and capital requirements under the internal models approach. The table shows the calculation of capital requirements as a function of latest and average values for each component.

		RWA		Capital requirements	
		As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
		€m	€m	€m	€m
1	**VaR** (higher of values a and b)	398	107	32	9
(a)	Previous day's VaR (Article 365(1) (VaRt-1))	215	38	17	3
(b)	Average of the daily VaR (Article 365(1)) on each of the preceding sixty business days (VaRavg) x multiplication factor ((mc) in accordance with Article 366)	398	107	32	9
2	**SVaR** (higher of values a and b)	816	282	65	22
(a)	Latest SVaR (Article 365(2) (sVaRt-1))	429	150	34	12
(b)	Average of the SVaR (Article 365(2) during the preceding sixty business days (sVaRavg) x multiplication factor (ms) (Article 366)	816	182	65	22
3	Incremental risk charge -**IRC** (higher of values a and b)	426	375	34	30
(a)	Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371)	426	375	34	30
(b)	Average of the IRC number over the preceding 12 weeks	304	315	24	25
4	Comprehensive Risk Measure – **CRM** (higher of values a, b and c)	-	-	-	-
(a)	Most recent risk number for the correlation trading portfolio (article 377)	-	-	-	-
(b)	Average of the risk number for the correlation trading portfolio over the preceding 12-weeks	-	-	-	-
(c)	8 % of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338(4))	-	-	-	-
5	Other	11	2	1	-
6	**Total**	1,651	766	132	61

Overall modelled market risk RWA increased €0.8bn to €1.6bn driven by migration activities and increase in VaR multiplication factor from 3.4 to 4.

Regulatory back testing

Back testing is the method by which BBI checks and affirms that its procedures for estimating VaR are reasonable and serve its purpose of estimating the potential loss arising from unfavourable market movements. The back testing process is a regulatory requirement and seeks to estimate the performance of the regulatory VaR model. Performance is measured by the number of exceptions to the model i.e. actual or hypothetical P&L loss in one trading day is greater than the estimated VaR for the same trading day. BBI could be underestimating VaR if exceptions occur more frequently than expected.

Back testing is performed at a legal entity level, the results shown in the table and graph below. Regulatory back testing compares Regulatory VaR at 99% confidence level (one-day holding period equivalent) to actual and hypothetical[1] changes in portfolio value as defined in CRR Article 366.

During the period BBI began monitoring its VaR model performance using its own backtesting exception count and status for the previous 250-day period. Prior to this date, the BBI exception count had been maintained in line with the consolidated Barclays Bank Plc and Barclays Capital Securities Ltd entity, whose primary regulator is the PRA. The CRR defines green status as consistent with a good working VaR model and is achieved for models that have four or fewer back testing exceptions in a 250-day period. Back testing counts the number of days when a loss exceeds the corresponding VaR estimate, measured at the 99% regulatory confidence level.

In the first half of 2020, banks that have regulatory permission to calculate model-based market risk RWAs, such as BBI, experienced an elevated number of VaR backtesting exceptions driven by the high level of market volatility. On 27 June, a package of measures published by the European Commission to amend certain parts of the CRR became effective. The measures include a provision for competent authorities to exclude backtesting exceptions from the backtesting count provided those exceptions do not result from deficiencies in the internal model and provided they occurred in the period 1 January 2020 and 31 December 2021. The ECB are yet to publish further guidance on the application of this approach for firms with IMA approval and so currently there are no backtesting exceptions excluded from the count of total exceptions.

During the first half of the year, BBI's regulatory VaR model experienced five backtesting exceptions against actual P&L (of which four were exceptions against hypothetical P&L), all of which were clustered around the period of extreme market volatility and driven by outsized market moves. Although the firm experienced a high number of backtesting exceptions, while this could indicate concerns with the performance of the model, the fact that it is driven by COVID-related market volatility, significantly greater than the volatility used in the model calibration, is a key consideration both by Market Risk and regulators.

The table below shows the BBI VaR back testing exceptions as at 30 June 2020.

	Actual P&L		Hypo P&L	
Legal Entity	Total Exceptions	Status[a]	Total Exceptions	Status[a]
BBI[b]	10	R	9	A

Note
a Status is accurate as of half year-end.
b As of 30 June 2020, BBI began using its own exception count and status for VaR backtesting. Prior to this date, the BBI exception count had been maintained in line with its parent entity.
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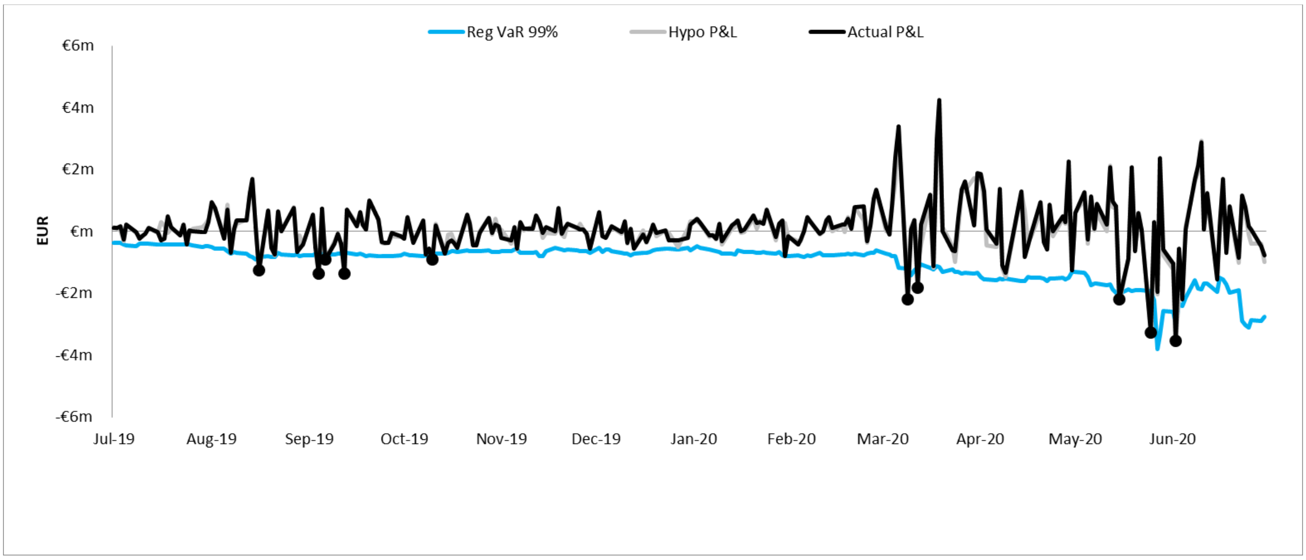
The charts below show VaR for BBI. The dark blue and grey points on the charts indicate losses on the small number of days on which actual and hypo P&L respectively exceeded the VaR amount.
In addition to being driven by market moves in excess of the 99% confidence level, back testing exceptions can be caused by risks that impact P&L not captured directly in the VaR itself but separately captured as non VaR-type, namely Risks Not in VaR (RNIVs).
Exceptions are reported to internal management and regulators on a regular basis and investigated to evaluate the model performs as expected.

MR4-Comparison of VaR estimates with gains/losses



1 Hypothetical changes in portfolio value are the change in the value of the portfolio held at the end of the previous day using market data at the end of the current day