

Table: RBS projected consolidated solvency ratios in the stress scenario.

			Minimum stressed ratio after 'strategic' management actions and before conversion of AT1						
	Actual (end-2015)	Minimum stressed ratio (<i>before</i> the impact of 'strategic' management actions or AT1 conversion)	Non-dividend 'strategic' management actions only(i)	All 'strategic' management actions including CRD IV distribution restrictions	Minimum stressed ratio (<i>after</i> the impact of 'strategic' management actions and conversion of AT1)	Hurdle rate	Systematic reference point	Actual (2016 Q3)	Submit revised capital plan?
Common equity Tier 1 ratio(a)(b)	15.5%	5.5%	5.8%	5.9%	6.7%	6.6%(j)	7.1%	15.0%	Revised capital plan received and accepted
Tier 1 capital ratio(c)	19.1%	8.1%(f)	8.5%(f)	8.5%(f)	8.5%(f)			19.1%	
Total capital ratio(d)	24.7%	12.5%(f)	12.8%(f)	12.9%(f)	12.9%(f)			24.1%	
Memo: risk weighted assets (£ billion)	243	255(f)	255(f)	255(f)	255(f)			235	
Memo: CET1 (£ billion)	37.6	14(f)	15(f)	15(f)	17(f)			35.2	
Tier 1 leverage ratio(a)(e)	5.6%	2.7%	2.9%	2.9%	2.9%	3.0%	3.2%	5.6%	
Memo: leverage exposure (£ billion)	702(g)	591(h)	591(h)	591(h)	591(h)			703	

Notes to table:

- a) The low points for the common equity Tier 1 (CET1) ratio and leverage ratio shown in the table do not necessarily occur in the same year of the stress scenario and correspond to the year where the minimum stressed ratio is calculated after all 'strategic' management actions and before conversion of AT1.
- b) The CET1 ratio is defined as CET1 capital expressed as a percentage of risk-weighted assets (RWAs) where CET1 capital is defined in line with the UK implementation of CRD IV as set out in the PRA Rulebook and in *Supervisory Statement SS7/13*, 'CRD IV and capital', December 2013, and RWAs are defined in line with the UK implementation of CRD IV as set out in the PRA Rulebook and relevant Supervisory Statements, December 2013.
- c) Tier 1 capital ratio is defined as Tier 1 capital expressed as a percentage of RWAs where Tier 1 capital is defined as the sum of CET1 capital and additional Tier 1 capital in line with the UK implementation of CRD IV.
- d) Total capital ratio is defined as total capital expressed as a percentage of RWAs where total capital is defined as the sum of Tier 1 capital and Tier 2 capital in line with the UK implementation of CRD IV.
- e) The leverage ratio is calculated in line with the Policy Statement 'The Financial Policy Committee's powers over leverage ratio tools', July 2015.
- f) Corresponds to the same year as the minimum CET1 ratio over the stress scenario.
- g) Leverage exposure measure taken from the bank's annual accounts.
- h) Corresponds to the same year as the minimum leverage ratio over its stress scenario.
- i) This includes CRD IV distribution restrictions. Where a bank is subject to such restrictions all non business as usual cuts to distributions subject to CRD IV restrictions will appear in the next column – 'All 'strategic' management actions including CRD IV distribution restrictions'. This should not be interpreted as a judgement by the Bank that any or all of such cuts are conditional on such restrictions.
- j) The hurdle rate for CET1 ratio refers to the Individual Capital Guidance.