

**Santander UK Group Holdings plc and Santander UK plc**

**June 2019 Additional Capital and Risk Management Disclosures**

**Introduction**

Santander UK Group Holdings plc’s Additional Capital and Risk Management Disclosures for the half year ended 30 June 2019 should be read in conjunction with our 2019 Half Yearly Financial Report.

As a significant wholly-owned subsidiary of Banco Santander, S.A, under CRD IV<sup>1</sup> Santander UK Group Holdings plc (the ‘Company’) is required to produce and publish annually a specified number of Pillar 3 disclosures rather than a complete set of Pillar 3 disclosures. In accordance with the EBA guidelines on disclosure frequency<sup>2</sup>, the Company has assessed the need to publish capital-related disclosures more frequently than annually and the disclosures deemed appropriate for more frequent publication have been included in the additional capital disclosures set out in this document. All disclosures cover the consolidated Santander UK Group Holdings plc Group position.

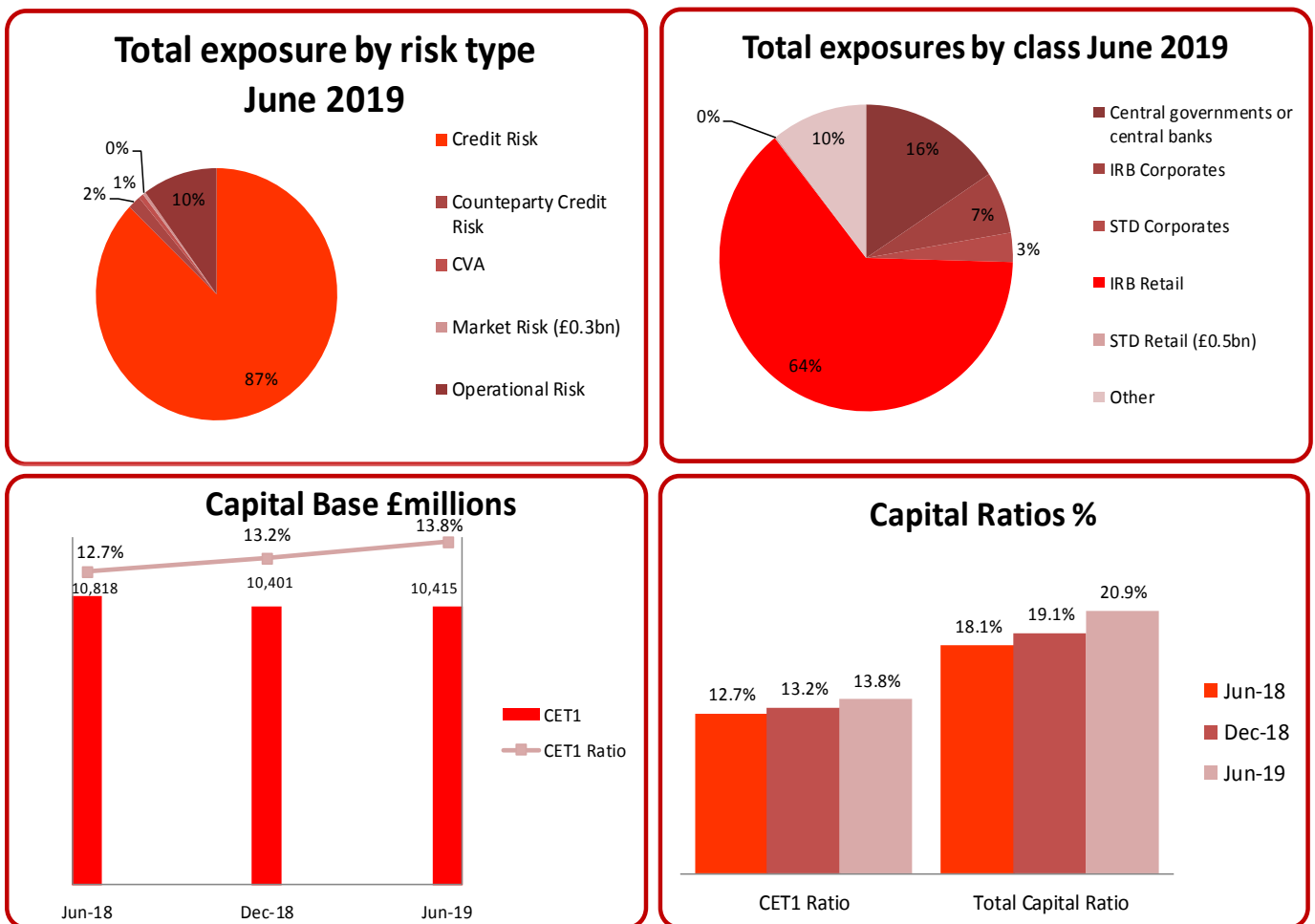
The Company is the immediate parent company of Santander UK plc. The Company was incorporated on 23 September 2013 and on 10 January 2014 became the immediate parent company of Santander UK plc and its controlled entities. From this date, the Company became the head of the Santander UK group for regulatory capital and leverage purposes. This document also includes a specified number of Pillar 3 disclosures in accordance with the EBA guidelines on disclosure frequency for the Santander UK plc Group in Appendix 1.

Pages 2-28 cover Santander UK Holdings plc and pages 29-45 cover Santander UK plc.

**CRD IV disclosures**

This document contains disclosures required under CRD IV and the EBA for the Company as a significant subsidiary of an EU Banking Group, some of which are not disclosed in the Half Yearly Financial Report. All disclosures cover the 30 June 2019 position or movement during 2019.

**Summary**



<sup>1</sup> The Capital Requirements Directive IV (‘CRD IV’) and Capital Requirements Regulation (‘CRR’) legislative package, collectively referred to as CRD IV.

<sup>2</sup> EBA guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(20) and 433 of Regulation (EU) No 575/2013.

### Key metrics

The following table summarises the Company's Own Funds and key risk-based capital ratios at 30 June 2019 together with the previously disclosed quarter end information at 31 March 2019, 31 December 2018, 30 September 2018 and 30 June 2018. Further detail on Risk Weighted Assets is included in the subsequent sections of this document.

	30 June 2019 £m	31 March 2019 £m	31 December 2018 £m	30 September 2018 £m	30 June 2018 £m
<b>Available Capital (amounts)</b>					
Common Equity Tier 1 (CET1) capital	10,415	10,363	10,401	10,327	10,818
Fully loaded <sup>1</sup> Expected Credit Loss (ECL) accounting model CET1	10,395	10,345	10,380	10,305	10,796
Tier 1 capital	12,849	12,810	12,767	12,696	13,178
Fully loaded ECL accounting model Tier 1	12,829	12,792	12,746	12,674	13,156
Total capital	15,713	15,730	15,038	14,901	15,427
Fully loaded ECL accounting model total capital	15,693	15,712	15,017	14,879	15,405
<b>Risk-weighted assets (amounts)</b>					
Total risk-weighted assets (RWA)	75,293	77,847	78,780	78,792	85,128
Fully loaded ECL accounting model total RWA	75,333	77,885	78,836	78,849	85,203
<b>Risk-based capital ratios as a percentage of RWA</b>					
Common Equity Tier 1 ratio	13.8%	13.3%	13.2%	13.1%	12.7%
Fully loaded ECL accounting model Common Equity Tier 1 (%)	13.8%	13.3%	13.2%	13.1%	12.7%
Tier 1 ratio	17.1%	16.5%	16.2%	16.1%	15.5%
Fully loaded ECL accounting model Tier 1 ratio (%)	17.0%	16.4%	16.2%	16.1%	15.4%
Total capital ratio	20.9%	20.2%	19.1%	18.9%	18.1%
Fully loaded ECL accounting model total capital ratio (%)	20.8%	20.2%	19.0%	18.9%	18.1%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	1.88%	1.88%	1.88%
Countercyclical buffer requirement (%)	0.95%	0.95%	0.96%	0.48%	0.48%
Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
Total of bank CET1 specific buffer requirements (%)	3.45%	3.45%	2.84%	2.36%	2.36%
CET1 available after meeting the banks minimum capital	5.88%	5.36%	5.87%	6.25%	5.85%
<b>Basel III leverage ratio</b>					
Total Basel III leverage ratio exposure measure (£bn)	301.8	297.4	300.3	306.2	314.8
Basel III leverage ratio	4.1%	4.2%	4.1%	4.0%	4.1%
Fully loaded ECL accounting model leverage Ratio	4.1%	4.2%	4.1%	4.0%	4.1%
<b>Liquidity Coverage Ratio</b>					
Total high-quality liquid assets (HQLA)	47,707	43,196	52,982	50,404	46,537
Total net cash outflow	30,702	30,958	32,391	34,539	33,757
Liquidity coverage ratio (LCR)	155.4%	141.9%	163.6%	145.9%	137.9%

### Key Movements

CET1 capital was stable at £10.4bn, with ongoing capital accretion through retained profits, offset by market-driven pension movements. RWAs reduced largely as a result of the June 2019 SRT securitisation and lower lending in our corporate business as we continue to focus on risk-weighted returns. This was partially offset by increased RWAs from lending growth in mortgages and consumer (auto) finance. CET1 capital ratio increased 60bps in H1 2019 to 13.8%, achieving our end-state capital position, notwithstanding any future changes to the counter-cyclical buffer. As leverage becomes the binding constraint, CET1 capital ratio could continue to increase alongside lending growth. The Company takes a prudent approach to risk and our calculation of RWAs uses through-the-cycle modelling of unexpected losses. As a result we have a higher mortgage RWA translation ratio than other large UK banks. Following implementation of planned PRA changes by 1 January 2021, RWA calculation models will have to use a hybrid of through-the-cycle and point-in-time assumptions and as a result we expect a significant decrease in our RWAs.

The RFB DoLSub LCR and LCR eligible liquidity pool both decreased following the transfer of our Isle of Man and Jersey businesses (Crown Dependencies) into Abbey National Treasury Service plc (ANTS) as part of ring-fencing implementation.

<sup>1</sup> Fully loaded excludes the impact of transitional arrangements.

**TLAC1: Total Loss Absorbing Capacity composition for G-SIBs (at resolution group level)**

TLAC position of the Santander UK Group Holdings (the resolution group)

		£bn
<b>Regulatory capital elements of TLAC and adjustments</b>		
1	Common Equity Tier 1 capital (CET1)	10.4
2	Additional Tier 1 capital (AT1) before TLAC adjustments	2.4
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties	-
4	Other adjustments	-
5	AT1 instruments eligible under the TLAC framework	2.4
6	Tier 2 capital (T2) before TLAC adjustments	2.9
7	Amortised portion of T2 instruments where remaining maturity > 1 year	0.2
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	-
9	Other adjustments	-
10	T2 instruments eligible under the TLAC framework	3.0
11	TLAC arising from regulatory capital	15.9
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	9.3
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements.	-
14	Of which: amount eligible as TLAC after application of the caps	-
15	External TLAC instruments issued by funding vehicles prior to 1 January 2022	-
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution	-
17	TLAC arising from non-regulatory capital instruments before adjustments	9.3
<b>Non-regulatory capital elements of TLAC: adjustments</b>		
18	TLAC before deductions	25.2
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)	-
20	Deduction of investments in own other TLAC liabilities	-
21	Other adjustments to TLAC	-
22	TLAC after deductions	25.2
<b>Risk-weighted assets and leverage exposure measure for TLAC purposes</b>		
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	175.3
24	Leverage exposure measure	303.0
<b>TLAC ratios and buffers</b>		
25	TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	33.4%
26	TLAC (as a percentage of leverage exposure)	8.3%
27	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	-
28	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.45%
29	Of which: capital conservation buffer requirement	2.50%
30	Of which: bank specific countercyclical buffer requirement	0.95%
31	Of which: D-SIB / G-SIB buffer	-

**TLAC2 – Material subgroup entity – creditor ranking at legal entity level**

Creditor Hierarchy of Material subsidiaries, Santander UK plc

£bn		Creditor ranking					Sum of 1 to 6	
		1 (most junior)	2	3	4	5		6
1	Is the resolution entity the creditor/investor? (yes or no)	Yes	Yes	Yes	Yes	Yes	Yes	-
2	Description of creditor ranking (free text)	Share Capital	Additional Tier 1 Instruments	Additional Tier 1 Instruments	Subordinated Debt	Subordinated Debt	Bail-In Debt	-
3	Total capital and liabilities net of credit risk mitigation	3.1	1.8	0.6	1.2	1.9	8.7	17.3
4	Subset of row 3 that are excluded liabilities	-	-	-	-	-	-	-
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	3.1	1.8	0.6	1.2	1.9	8.7	17.3
6	Subset of row 5 that are eligible as TLAC	-	-	-	-	-	-	-
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	-	-	1.8	1.8
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	1.3	-	-	1.2	5.6	8.1
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	0.2	0.8	-	1.4	2.4
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities	-	0.5	0.3	0.4	0.7	-	1.9
11	Subset of row 6 that is perpetual securities	3.1	-	-	-	-	-	3.1

**TLAC3 – Resolution entity – creditor ranking at legal entity level**

Creditor Hierarchy of Santander Group Holdings

£bn		Creditor ranking				Sum of 1 to 5
		1 (most junior)	2	3	4	
1	Description of creditor ranking	Common shares Book value	Preferred shares Stated value	Additional Tier 1 Instruments Stated value	Subordinated Debt Par value	Total
2	Total capital and liabilities net of credit risk mitigation	7.1	2.6	3.1	9.2	22.0
3	Subset of row 2 that are excluded liabilities	-	-	-	-	-
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)	7.1	2.6	3.1	9.2	22.0
5	Subset of row 4 that are potentially eligible as TLAC	7.1	2.6	3.1	9.2	22.0
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	-	-	-	1.8	1.8
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	-	1.3	1.2	5.6	8.1
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	0.2	0.8	1.9	2.9
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	-	1.1	1.1	-	2.2
10	Subset of row 5 that is perpetual securities	7.1	-	-	-	7.1

**KM2: Key metrics – TLAC requirements**

The following table summarises key metrics about TLAC available, and TLAC requirements applied, at the resolution group level.

		30 June 2019 £bn
1	Total Loss Absorbing Capacity (TLAC) available	25.2
2	Total RWA at the level of the resolution group	75.3
3	TLAC as a percentage of RWA (row 1 / row 2) (%)	33.5%
4	Leverage exposure measure at the level of the resolution group	303.0
5	TLAC as a percentage of leverage exposure measure (row 1 / row 4) (%)	8.3%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/A

**IFRS 9 Transitional Arrangements**

The following table summarises the impact of IFRS 9 transitional arrangements on 30 June 2019 over the full allowable period.

	85%	70%	50%	25%
	2019	2020	2021	2022
<b>Available Capital (amounts)</b>				
Common Equity Tier 1 (CET1) capital	10,415	10,411	10,406	10,401
CET1 Capital as if IFRS 9 STATIC transitional arrangements were not applied	10,399	10,398	10,397	10,396
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements were not applied	10,411	10,408	10,404	10,400
CET1 Capital as if ALL IFRS 9 transitional arrangements were not applied	10,395	10,395	10,395	10,395
Tier 1 Capital	12,849	12,846	12,841	12,835
Tier 1 Capital as if ALL IFRS 9 transitional arrangements were not applied	12,829	12,829	12,829	12,829
Total Capital	15,713	15,710	15,705	15,699
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	15,693	15,693	15,693	15,693
<b>Risk-weighted assets (amounts)</b>				
Total risk-weighted assets (RWA)	75,293	75,302	75,310	75,322
Total RWA as if IFRS 9 STATIC transitional arrangements were not applied	75,416	75,402	75,382	75,358
Total RWA as if IFRS 9 DYNAMIC transitional arrangements were not applied	75,210	75,233	75,261	75,297
Total RWA as if ALL IFRS 9 transitional arrangements were not applied	75,333	75,333	75,333	75,333
<b>Capital Ratios</b>				
Common Equity Tier 1 ratio	13.8%	13.8%	13.8%	13.8%
Common Equity Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	13.8%	13.8%	13.8%	13.8%
Tier 1 ratio	17.1%	17.1%	17.1%	17.0%
Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	17.0%	17.0%	17.0%	17.0%
Total capital ratio	20.9%	20.9%	20.9%	20.8%
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	20.8%	20.8%	20.8%	20.8%
<b>CRD IV leverage ratio</b>				
Leverage Ratio Total Exposure Measure	302,975	302,975	302,975	302,975
Leverage Ratio	4.1%	4.1%	4.1%	4.1%
Leverage ratio as if ALL IFRS 9 transitional arrangements were not applied	4.1%	4.1%	4.1%	4.1%

The Company is applying the IFRS 9 capital transitional arrangements set out in EU Regulation 2017/2395 that amend the Capital Requirements Regulation, including the application of paragraph 4 of the revised article 473a. Under the transitional arrangements, the Company is entitled to mitigate the effect to capital of excepted credit loss-based provisioning following the implementation of IFRS 9. The transitional arrangements last for a five year period beginning on the 1st of January 2018 with the amount capital relief available reduced each year by the transitional factor. The transitional factor is 85 percent in 2019, declining to 70 percent in 2020, 50 percent in 2021 and 25 percent in 2022.

The capital relief affects both the capital base and RWAs reported by the Company. The adjustment to CET1 capital is comprised of a static element and a dynamic element. The static element is based on the CET1 capital impact of the change in provision levels upon implementation of IFRS 9 (on 1st January 2018). The capital adjustments from this static element will only change over the five year transition period due to the phased reduction of the transitional factor. The dynamic element is based on the capital impact of the change in provision levels for non-credit impaired exposures from the first day of the implementation of IFRS 9. The dynamic element will change over the five year transition period and is also subject to progressive reduction over the 5 year transitional period due to the transitional factor. In addition to this adjustment, the transitional arrangements also reduce associated capital position impacts for exposures modelled under the Standardised Approach for Credit Risk, Deferred Tax assets created upon adoption of IFRS 9 ECL-based provisioning and Tier 2 capital from an excess of provisions over expected losses for exposures modelled using the Internal Rating Based approach.

**Leverage ratio**

The following table summarises the Company's end point CRD IV and UK Leverage ratio at 30 June 2019 together with the previously disclosed quarter end information at 31 March 2019, 31 December 2018, 30 September 2018 and June 2018. The UK Leverage ratio is consistent with the Leverage ratio applied to large UK banks under the framework defined by the Financial Policy Committee's review of the Leverage ratio.

	30 June 2019 £m	31 March 2019 £m	31 December 2018 £m	30 September 2018 £m	30 June 2018 £m
Common Equity Tier 1 (CET1) capital	10,415	10,363	10,401	10,327	10,818
End point Additional Tier 1 (AT1) capital	2,041	2,041	2,041	2,041	2,041
End point Tier 1 capital	12,456	12,404	12,442	12,368	12,859
Leverage Exposure CRD IV (£bn)	301.8	297.4	300.3	306.2	314.8
Leverage Exposure UK Leverage Ratio <sup>1</sup> (£bn)	275.7	274.5	275.6	279.0	295.6
End point Tier 1 Leverage Ratio CRD IV	4.1%	4.2%	4.1%	4.0%	4.1%
End point Tier 1 Leverage Ratio UK Leverage Ratio <sup>1</sup>	4.5%	4.5%	4.5%	4.4%	4.4%
Average Tier 1 Leverage Ratio UK Leverage Ratio <sup>1</sup>	4.5%	4.5%	4.4%	4.3%	4.4%

The Leverage Ratio has remained relatively flat in the period. Balance sheet movements impacting CRD IV leverage exposures are mainly due to an increase in deposits at Central Banks.

<sup>1</sup> Includes deductions permitted under the recommendation from the Financial Policy Committee on 25th July 2016.



**Liquidity Coverage Ratio**

Additional liquidity disclosures are published in the Company's 2019 Half Yearly Financial Report. For further information please refer to the Liquidity Risk section of the Company's 2019 Half Yearly Financial Report.

		Average unweighted value		Average weighted value	
		30 June 2019 £m	31 March 2019 £m	30 June 2019 £m	31 March 2019 £m
1	Total high-quality liquid assets (HQLA)	49,686	50,109	48,001	48,113
Cash-Outflows					
2	<b>Retail deposits and deposits from small business customers, of which:</b>	<b>133,846</b>	<b>134,269</b>	<b>7,861</b>	<b>7,904</b>
3	Stable deposits	116,767	116,956	5,838	5,848
4	Less stable deposits	17,079	17,313	2,023	2,056
5	<b>Unsecured wholesale funding</b>	<b>24,539</b>	<b>24,636</b>	<b>14,650</b>	<b>14,962</b>
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		-		-
7	Non-operational deposits (all counterparties)	22,379	22,261	12,490	12,587
8	Unsecured debt	2,160	2,375	2,160	2,375
9	<b>Secured wholesale funding</b>	<b>13,178</b>	<b>16,406</b>	<b>708</b>	<b>880</b>
10	<b>Additional requirements</b>	<b>22,096</b>	<b>23,505</b>	<b>8,649</b>	<b>9,246</b>
11	Outflows related to derivative exposures and other collateral requirements	6,048	6,405	6,048	6,405
12	Outflows related to loss of funding on debt products	242	276	242	276
13	Credit and liquidity facilities	15,806	16,824	2,359	2,565
14	<b>Other contractual funding obligations</b>	<b>307</b>	<b>564</b>	<b>247</b>	<b>511</b>
15	<b>Other contingent funding obligations</b>	<b>25,006</b>	<b>24,704</b>	<b>1,886</b>	<b>1,782</b>
16	<b>TOTAL CASH OUTFLOWS</b>	<b>218,972</b>	<b>224,084</b>	<b>34,001</b>	<b>35,285</b>
Cash-Inflows					
17	Secured lending (e.g. reverse repos)	13,039	15,069	400	494
18	Inflows from fully performing exposures	1,905	1,934	1,135	1,168
19	Other cash inflows	1,670	1,892	499	715
	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)		-		-
EU-19a			-		-
EU-19b	(Excess inflows from a related specialised credit institution)		-		-
20	<b>TOTAL CASH INFLOWS</b>	<b>16,614</b>	<b>18,895</b>	<b>2,034</b>	<b>2,377</b>
EU-20a	Fully exempt inflows		-		-
EU-20b	Inflows Subject to 90% Cap		-		-
EU-20c	Inflows Subject to 75% Cap	10,735	12,330	2,034	2,377
21	LIQUIDITY BUFFER		-	48,001	48,113
22	<b>TOTAL NET CASH OUTFLOWS</b>		-	<b>31,972</b>	<b>32,916</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		-	<b>150.13%</b>	<b>146.17%</b>
24	Number of data points used in calculation of averages	12	12	12	12

**Key Movements**

The quarterly average weighted LCR increased to 150% at 30 June 2019, reflecting the increase in H2 2018 of liquidity used to cover the transfer of the Isle of Man and Jersey businesses into ANTS.

**Overview of RWA**

The following table details RWA and equivalent Own Funds Requirements. Own Funds Requirements are calculated as RWA multiplied by 8%.

	RWA		Minimum capital requirements
	30 June 2019 £bn	31 March 2019 £bn	30 June 2019 £bn <sup>1</sup>
Credit risk (excluding counterparty credit risk) <sup>1</sup>	63.7	67.1	5.1
- Of which: standardised approach (SA)	20.9	23.9	1.7
- Of which: foundation internal rating-based (FIRB) approach	5.1	6.9	0.4
- Of which: advanced internal rating-based (AIRB) approach	37.7	36.3	3.0
Counterparty credit risk (CCR) <sup>1</sup>	1.3	1.3	0.1
- Of which: standardised approach for counterparty credit risk	1.3	1.2	0.1
- Of which: IMM	-	-	-
- Of which: other CCR	-	0.1	-
Credit Valuation Adjustment (CVA)	0.5	0.6	-
Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	0.5	0.4	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	-	-	-
Equity investments in funds – fall-back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in banking book (after cap) <sup>2</sup>	1.4	0.5	0.1
- Of which: securitisation IRB approach (SEC-IRBA)	0.1	0.1	-
- Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	0.9	0.2	0.1
- Of which: securitisation standardised approach (SEC-SA)	0.4	0.2	-
Market risk <sup>1</sup>	0.3	0.3	-
- Of which: standardised approach	0.3	0.3	-
- Of which: internal model approach (IMA)	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational Risk <sup>1</sup>	7.6	7.6	0.6
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Aggregate capital floor applied	-	-	-
Floor adjustment (before application of transitional cap)	-	-	-
Floor adjustment (after application of transitional cap)	-	-	-
Total <sup>1</sup>	75.3	77.8	6.0

**RWA flow statements of credit risk exposures under IRB and RWA flow statements of credit risk exposures under standardised<sup>3</sup>****RWA flow statements of credit risk exposures under IRB**

	RWA £bn	Capital requirements
RWAs at 1 April	45.0	3.6
Asset size	(0.6)	-
Asset quality	0.5	-
Model updates	0.2	-
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	45.1	3.6

**RWA flow statements of credit risk exposures under standardised approach**

	RWA £bn	Capital requirements
RWAs at 1 April	24.3	1.9
Asset size	(2.1)	(0.1)
Asset quality	0.4	-
Model updates	(0.9)	(0.1)
Methodology and policy	0.1	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	21.8	1.7

Impact of June 2019 SRT securitisation is reflected in both standardised and IRB Asset size.

<sup>1</sup> Includes balances which are not visible due to rounding have been included in the total

<sup>2</sup> Includes 3 Significant Risk Transfer transactions which are subject to re-characterisation risk

<sup>3</sup> Table excludes CVA

**Credit risk exposure and Credit Risk Mitigation (CRM) effects****Standardised approach**

	Exposures before CCF and CRM		Exposure 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
	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019
Central government of central banks	40.2	0.6	40.2	0.6	-	-
Regional government or local authorities	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	20%
Multilateral Development Banks	1.5	-	1.5	-	-	-
Intentional Organisations	-	-	-	-	-	-
Institutions	1.9	-	1.9	-	0.2	13%
Corporates	8.5	1.9	8.0	0.6	8.3	98%
Retail	11.2	8.9	11.2	-	8.2	73%
Secured by mortgages on immovable property	0.4	-	0.4	-	0.2	50%
Exposures in default	0.1	-	0.1	-	0.1	116%
Higher-risk categories	0.2	0.1	0.2	0.1	0.4	150%
Covered bonds	2.7	-	2.7	-	0.4	14%
Institutions and corporations with a short term credit assessment	-	-	-	-	-	-
Collective investment undertakings	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Other items	7.4	-	7.4	-	3.5	47%
Securitisations	2.5	-	2.5	-	0.4	15%
Contributions to the default fund of a CCP	-	-	-	-	0.1	1250%
<b>Total</b>	<b>76.6</b>	<b>11.5</b>	<b>76.1</b>	<b>1.3</b>	<b>21.8</b>	<b>28%</b>

**IRB approach**

	Exposures before CCF and CRM		Exposure 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
	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019
Corporates – Specialised Lending	3.5	0.8	3.5	0.3	3.2	84%
Corporates – SME	1.2	0.3	1.2	0.1	1.3	101%
Corporates – Other	12.0	13.2	12.0	5.8	7.7	43%
Institutions	1.6	0.2	1.6	0.1	0.6	32%
Retail Immovable Property	159.7	13.2	160.0	8.7	27.1	16%
Retail QRR	0.5	3.9	0.6	4.9	1.8	34%
Retail Other	2.2	-	2.2	-	1.9	86%
Equity	0.1	-	0.1	-	0.5	370%
Securitisations	3.7	0.7	3.7	0.7	1.0	23%
<b>Total</b>	<b>184.5</b>	<b>32.3</b>	<b>184.9</b>	<b>20.6</b>	<b>45.1</b>	<b>22%</b>

**IRB (specialised lending and equities)**

The following table outlines the level of exposure assigned to each Specialised Lending Category and maturity.

		Specialised Lending				Expected losses £m
Regulatory categories	Remaining maturity	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	
1	Less than 2.5 years	71.4	15.7	50%	38.9	-
	Equal to or more than 2.5 years	205.0	116.0	70%	168.3	1.0
2	Less than 2.5 years	1,008.7	214.3	70%	773.0	4.5
	Equal to or more than 2.5 years	1,902.9	438.1	90%	1,812.2	16.3
3	Less than 2.5 years	101.4	4.5	115%	113.9	2.9
	Equal to or more than 2.5 years	39.2	-	115%	45.1	1.1
4	Less than 2.5 years	78.0	7.9	250%	195.5	6.4
	Equal to or more than 2.5 years	0.6	25.2	250%	15.5	0.5
5	Less than 2.5 years	60.0	0.1	-	-	30.0
	Equal to or more than 2.5 years	-	-	-	-	-
Total	Less than 2.5 years	1,319.5	242.5	-	1,121.3	43.8
	Equal to or more than 2.5 years	2,147.7	579.3	-	2,041.1	18.9

Equities under the simple risk-weight approach						
	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	Capital requirements £m	
Exchange –traded equity exposures	-	-	190%	-	-	-
Private equity exposures	-	-	250%	-	-	-
Other equity exposures	127.4	-	370%	471.2	37.7	
<b>Total</b>	<b>127.4</b>	<b>-</b>	<b>-</b>	<b>471.2</b>	<b>37.7</b>	

**Countercyclical Capital Buffer**

The following table outlines the geographical distribution of credit risk exposures relevant for the calculation of the countercyclical capital buffer as at 30 June 2019.

Country	General credit exposure		Trading book exposure		Securitisation exposure		Own funds requirement			Total £bn	Own funds requirement weight	Counter-cyclical capital buffer rate
	Exposure value for SA £bn	Exposure value IRB £bn	Sum of long and short position of trading book £bn	Value of trading book exposure for internal models £bn	Exposure value for SA £bn	Exposure value IRB £bn	Of which: general credit exposures £bn	Of which: trading book exposures £bn	Of which: securitisation exposures £bn			
UK	13.7	208.1	-	-	0.1	4.0	4.2	-	-	4.2	-	1%
Crown Dependencies	0.4	0.3	-	-	-	-	-	-	-	-	-	0%
United States	0.1	0.2	-	-	-	-	-	-	-	-	-	0%
Spain	0.2	-	-	-	-	-	-	-	-	-	-	0%
Australia	0.4	-	-	-	-	-	-	-	-	-	-	0%
Luxembourg	0.4	0.1	-	-	-	-	-	-	-	-	-	0%
Canada	0.6	-	-	-	-	-	-	-	-	-	-	0%
Netherlands	0.1	0.1	-	-	-	-	-	-	-	-	-	0%
Ireland	0.2	0.4	-	-	2.8	-	-	-	0.1	0.1	-	0%
Norway	-	0.4	-	-	-	-	-	-	-	-	-	2%
Sweden	-	0.1	-	-	-	-	-	-	-	-	-	2%
France	0.3	-	-	-	-	-	-	-	-	-	-	0%
Belgium	0.1	-	-	-	-	-	-	-	-	-	-	0%
Finland	-	0.1	-	-	-	-	-	-	-	-	-	0%
British Virgin Islands	0.1	-	-	-	-	-	-	-	-	-	-	0%
Denmark	-	0.5	-	-	-	-	-	-	-	-	-	0.5%
Bermuda	-	0.1	-	-	-	-	-	-	-	-	-	0%
New Zealand	0.2	-	-	-	-	-	-	-	-	-	-	0%
Saudi Arabia	0.1	-	-	-	-	-	-	-	-	-	-	0%
Other	-	-	-	-	-	-	-	-	-	-	-	0% or not set

Exposure value of relevant credit exposures defined in accordance with Article 140(4) of Directive 2013/36/EU.

Countries included in the table above were selected if total exposure was greater than £0.1bn pre-deductions based on Article 140(4) of Directive 2013/36/EU.

The following table shows the amount of institution-specific countercyclical capital buffer.

	£bn
Total risk exposure	75.3
Institution specific countercyclical capital buffer rate	1.0%
Institution specific countercyclical capital buffer requirement	0.7

The level of the Countercyclical Capital Buffer for Santander UK at 30 June 2019 was 0.95%.

### Credit risk adjustments

The following table outlines the credit risk exposure, the associated level of impaired and past due exposures levels and impairment levels (credit risk adjustments) for 30 June 2019 by class of exposure. Further information on impairment losses and provisions is outlined in Notes 5 and 10 to the financial statements in the Company's 2019 Half Yearly Financial Report.

### Credit quality of exposures by industry

Breakdown of exposures by industry class and Credit Quality.

As at 30 June 2019	Gross carrying values of					
	Defaulted Exposure	Non-Defaulted Exposure	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net value
Central Banks and Central Governments	0	25,345	0	0	0	25,345
Agriculture, forestry and fishing	16	301	(2)	0	0	315
Mining and quarrying	26	219	(1)	0	0	244
Manufacturing	35	1,667	(9)	0	0	1,693
Electricity, gas, steam and air conditioning supply	0	828	(5)	0	0	823
Water supply	1	218	(1)	0	0	218
Construction	41	2,331	(13)	(1)	0	2,359
Wholesale and retail trade	34	5,736	(32)	(1)	0	5,738
Transport and storage	8	843	(5)	0	0	846
Accommodation and food service activities	48	2,391	(13)	0	0	2,426
Information and communication	13	621	(3)	0	0	631
Real estate activities	50	19,006	(106)	(2)	0	18,950
Professional, scientific and technical activities	30	1,562	(9)	0	0	1,583
Administrative and support service activities	10	2,042	(11)	0	0	2,041
Public administration and defence, compulsory social security	0	13	0	0	0	13
Education	2	442	(2)	0	0	442
Human health services and social work activities	90	2,076	(12)	(1)	0	2,154
Arts, entertainment and recreation	6	474	(3)	0	0	477
Other services	3	174	(1)	0	0	176
Retail	2,059	195,386	(584)	(96)	0	196,861
Financial Institutions and Other						
Financial Corporates	0	33,168	(5)	0	0	33,163
Total	2,472	294,843	(817)	(101)	0	296,498

### Credit risk exposure by country

The following table provides analysis of the distribution of exposures by geography.

As at 30 June 2019	Gross carrying values of					
	Defaulted Exposure	Non-Defaulted Exposure	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net value
UK	2,459	274,589	(799)	(101)	0	276,249
US	0	363	0	0	0	363
Japan	0	1,985	0	0	0	1,985
Ireland	0	8,097	0	0	0	8,097
Luxembourg	0	3,135	(1)	0	0	3,134
Jersey	8	952	(6)	0	0	954
Germany	0	496	0	0	0	496
Canada	0	18	0	0	0	18
France	0	1,597	0	0	0	1,597
Isle Of Man	1	592	(1)	0	0	592
Netherlands	0	280	0	0	0	280
Italy	0	75	0	0	0	75
Norway	0	391	0	0	0	391
Denmark	0	510	0	0	0	510
Australia	0	77	0	0	0	77
Other	4	1,686	(10)	0	0	1,680
Total	2,472	294,843	(817)	(101)	0	296,498

For geographical areas of past due and impaired exposures, over 99% are to the UK.

**Credit Risk Mitigation Techniques**

For more detail on the Company's approach to Credit Risk Mitigation refer to the Other Segments – Credit Risk Review section of the Company's 2019 Half Yearly Financial Report.

The following table provides analysis of secured and collateralised exposures as at 30 June 2019.

	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	30 June	30 June	30 June	30 June	30 June
	2019 £bn	2019 £bn	2019 £bn	2019 £bn	2019 £bn
Total loans	96,595	184,575	15,328	-	-
Total debt securities <sup>1</sup>	15,790	-	4,784	-	-
Total exposures	112,385	184,575	20,112	-	-
Of which defaulted	626	1,846	-	-	-

**Changes in the stock of specific credit risk adjustments**

Movement over the period 1 January 2019 to 30 June 2019 of specific credit risk adjustments.<sup>2</sup>

	Accumulated specific credit risk adjustment £m
<b>Opening balance (IFRS9)</b>	807
Increases due to origination and acquisition during the period	22
Decreases due to derecognition during the period	(24)
Changes due to change in credit risk (net)	110
Changes due to modifications without derecognition (net)	(1)
Changes due to update in the institution's methodology for estimation (net)	0
Other adjustments	4
Decrease in allowance account due to write-offs	(101)
<b>Closing balance</b>	817
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	38
Specific credit risk adjustments directly recorded to the statement of profit or loss	0

**Changes in the stock of defaulted and impaired loans and debt securities**

Movement over the period 1 January 2019 to 30 June 2019 of carrying value of defaulted exposures.

	Gross carrying value of defaulted exposures £m
Opening balance (IFRS9)	2,572
Loans and debt securities that have defaulted or impaired since the last reporting period	728
Returned to non-defaulted status	(548)
Amounts written off	(119)
Other changes <sup>3</sup>	(67)
Closing balance	2,566

**Credit risk exposure**

Breakdown of loans and advances to banks and customers and central bank exposures by credit quality (excludes securitisations and other debt instruments).

As at 30 June 2019	Gross carrying values of			Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net Value £m
	Defaulted Exposure	Non-Defaulted Exposure	Net value of exposures at the end of the period				
Central Banks and Central Governments	0	25,345	25,345	0	0	0	25,345
Financial Institutions and Other Financial Corporates	0	33,168	33,168	(5)	0	0	33,163
Corporate Exposures	413	40,944	41,357	(228)	(5)	6	41,129
Of which: Specialised lending	60	4,229	4,289	35	0	6	4,324
Retail	2,059	195,386	197,445	(584)	(96)	0	196,861
Of which: IRB residential immovable property	1,825	171,025	172,850	214	0	0	173,064
<b>Total</b>	<b>2,472</b>	<b>294,843</b>	<b>297,315</b>	<b>(817)</b>	<b>(101)</b>	<b>6</b>	<b>296,498</b>

<sup>1</sup> Per note 20 Financial Investments in the Half Yearly Financial Report, excluding debt securities

<sup>2</sup> Table has been revised from the version in the EBA "Final Report on the guidelines on disclosure requirements under part eight of regulation (EU) NO 575/2013" to reflect FINREP update due to the adoption of IFRS 9

<sup>3</sup> Includes residual movement on facilities that did not change stage in the year, and which were neither acquired nor purchased in the year

**Ageing of past-due exposures**

The following table provides an ageing analysis of accounting on-balance-sheet past-due exposures regardless of their impairment status.

As at 30 June 2019	Gross carrying values						> 1 year £m
	≤30 days £m	>30 days ≤ 60 days £m	>60 days ≤90 days £m	>90 days ≤ 180 days £m	> 180 days ≤ 1 year £m		
Loans	2,303	828	380	678	461	534	
Debt Securities	0	0	0	0	0	0	
<b>Total Exposures</b>	<b>2,303</b>	<b>828</b>	<b>380</b>	<b>678</b>	<b>461</b>	<b>534</b>	

**Non-performing and forborne exposures**

This table provides an overview of non-performing and forborne exposures as at 30 June 2019.

	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to creditCollaterals and financial risk guarantees received					
	£m	Of which performing but past due > 30 days and ≤ 90 days		Of Which non-performing £m	Of which defaulted £m	Of which impaired £m	Of which forborne £m	On performing exposures		On non-performing exposures		On non-performing exposures £m	Of which forborne £m
		£m	£m					£m	£m	£m	£m		
		£m	£m					£m	£m	£m	£m		
Debt Securities	21,167	0	0	0	0	0	0	0	0	0	0	0	0
Loans and Advances	255,052	1,117	1,350	2,472	2,472	2,472	668	(403)	(29)	(427)	(180)	2023	1,424
Off-balance-sheet exposures	43,182	0	0	68	0	0	0	(43)	0	(12)	0	0	0

**CRR Leverage ratio – disclosure template**

The table below provides a reconciliation of accounting assets to the CRD IV Leverage ratio exposure, and information on the composition of the principal exposure elements as at 30 June 2019. A CRD IV end point Tier 1 capital measure is used for this disclosure and Leverage Ratio calculation, consistent with the UK framework for large banks.

**Summary reconciliation of accounting assets and Leverage Ratio exposures**

	£bn	
1	Total assets as per published financial statements	290,272
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	965
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the Leverage Ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 CRR)	(2,983)
4	Adjustments for derivative financial instruments	(2,239)
5	Adjustments for securities financing transactions (SFTs)	659
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	13,932
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)	-
EU-6b	(Adjustment for exposures excluded from the Leverage Ratio exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	-
7	Other adjustments	1,228
8	Total Leverage Ratio exposure	301,834

**Leverage Ratio common disclosure**

	Exposure £bn	
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	262,364
2	(Asset amounts deducted in determining Tier 1 capital)	(2,983)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	259,381
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	4,382
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	1,579
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(2,702)
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	3,259
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	25,087
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,676)
14	Counterparty credit risk exposure for SFT assets	659
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b(4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	23,070
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	42,948
18	(Adjustments for conversion to credit equivalent amounts)	(29,016)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	13,932
Exempted exposures in accordance with CRR Article 429(7) and (14) (on and off balance sheet)		
	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	965
EU-19a		-
EU-19b	(Exposures exempted in accordance with Article 429(14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposures		
20	Tier 1 capital (CRD IV end point)	12,456
21	Total Leverage Ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	301,834
Leverage Ratio		
22	Leverage Ratio	4.1%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	-
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-



**Own Funds disclosure – balance sheet reconciliation**

The scope of consolidation and method for consolidation of the balance sheet is substantially the same as that used for regulatory purposes.

A reconciliation of regulatory own funds to the relevant balance sheet items is included in the table below as at 30 June 2019. This outlines the impact of the difference in scope of consolidation outlined above.

	Own Funds Type		
	CET1 £m	Additional Tier 1 £m	Tier 2 £m
<b>Santander UK Balance Sheet elements</b>			
Shareholder's equity and Non-controlling interests	14,110	2,276	-
Subordinated Liabilities	-	344	3,301
<b>CRD IV Adjustments</b>			
Additional value adjustments	(38)	-	-
Intangible Assets (net of related tax liability)	(1,753)	-	-
Fair value reserves related to gains or losses on cash flow hedges	(492)	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(642)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(20)	-	-
Deferred tax assets arising from temporary differences	(5)	-	-
Defined benefit pension fund assets	(584)	-	-
- Dividend accrual	(22)	-	-
- Deduction for minority interests	(159)	-	-
- IFRS 9 Transitional Adjustments	20	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	(186)	(437)
<b>Total</b>	<b>10,415</b>	<b>2,434</b>	<b>2,864</b>

**Own Funds disclosure – Transitional Own Funds disclosure template**

The following table provides disclosure of own funds items. The CRD IV end point position can be derived as the sum of the 30 June 2019 result and the associated end point adjustment. The Common Equity Tier 1 (CET1) Capital before regulatory adjustments below differs from other disclosures in this document as this template requires an alternative treatment of CET1 Minority Interests and foreseeable dividends.

	30 June 2019 £m	CRD IV end point adjustments £m	
Common Equity Tier 1 (CET1) Capital: instruments and reserves			
1	Capital Instruments and the related share premium accounts	7,060	-
2	Retained Earnings	6,338	-
3	Accumulated other comprehensive income (and other reserves)	531	-
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium account subject to phase out from CET1	-	-
5	Minority interests (amount allowed in consolidated CET1)	-	-
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>13,929</b>	<b>-</b>
Common Equity Tier 1 (CET1) Capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(38)	-
8	Intangible assets (net of related tax liability) (negative amount)	(1,753)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-
11	Fair value reserves related to gains or losses on cash flow hedges	(492)	-
12	Negative amounts resulting from the calculation of expected loss amounts	(642)	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains of losses on liabilities valued at fair value resulting from changes in own credit standing	(20)	-
15	Defined-benefit pension fund assets (negative amount)	(584)	-
f16	Direct and indirect holdings by an institution of own CET 1 instruments (negative amount)	-	-
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-
20c	of which: securitisation positions (negative amount)	-	-
20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(5)	-
22	Amount exceeding the 15% threshold (negative amount)	-	-
23	of which: direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
25	of which: deferred tax assets arising from temporary differences	-	-
25a	Losses for the current financial year (negative amount)	-	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	-
26	Regulatory adjustment applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment and IFRS 9 Transitional	20	-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	-
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(3,514)	-
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>10,415</b>	<b>-</b>
30	Capital instruments and the related share premium accounts	2,041	-
31	of which: classified as equity under applicable accounting standards	2,041	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	393	(393)
35	of which: instruments issued by subsidiaries subject to phase out	393	(393)
<b>36</b>	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>2,434</b>	<b>(393)</b>
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	-
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	-	-
41	Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital	-	-

	30 June 2019 £m	CRD IV end point adjustments £m
41b		
41c		
42		
43		
44	2,434	(393)
45	12,849	(393)
<b>Tier 2 (T2) capital: instruments and provisions</b>		
46	1,189	-
47	-	-
48	1,675	(75)
49	317	(317)
50	-	-
51	2,864	(75)
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
52	-	-
53	-	-
54	-	-
54a	-	-
54b	-	-
55	-	-
56	-	-
56a	-	-
56b	-	-
56c	-	-
57	-	-
58	2,864	-
59	15,713	-
59a	-	-
60	75,293	-
<b>Capital ratio and buffers</b>		
61	13.8%	-
62	17.1%	-
63	20.9%	-
64	3.45%	-
65	2.5%	-
66	0.95%	-
67	-	-
67a	-	-
68	13.8%	-
<b>Amounts below the threshold for deduction (before risk weighting)</b>		
72	-	-
73	-	-
75	-	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	-	-
77	267	-
78	-	-
79	267	-
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>		
80	-	-
81	-	-
82	-	-
83	-	-
84	-	-
85	-	-

## Own Funds disclosure – capital instruments main features

The following table outlines the main features of Santander UK Group Holdings plc Group's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.

1	Issuer	Santander UKplc	Santander UKplc	Santander UKplc	Santander UKplc	Santander UKplc	Santander UKplc	Santander UKplc	Santander UKplc
2	ISIN	XS0060837068	XS0117973262	XS0117973429	XS0103012893	US002920AC09	XS0989359756 US80283LAA17	US80281LAA35 XS1291333760	XS0133956168
3	Governing law(s) of the instrument	English	English	English	English	New York	English	English	English
Regulatory treatment									
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel CRR rules	Tier 2	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2	Ineligible
6	Eligible at solo/group/group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated
8	Amount recognised in regulatory capital (£m)	205	16	373	41	294	1,026	791	10
9	Par value of instrument (£m)	200	14	270	29	205	1,180	787	11
9a	Issue Price of Instrument	100.432%	99.277%	175m @ 97.712% 100m @ 109.744%	99.561%	99.626%	99.681%	99.724%	98.878%
9b	Redemption Price of Instrument	n/a	100% (call)	100% (call)	100%	100%	100%	100%	100%
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost
11	Original date of issuance	23/10/1995	28/09/2000	28/09/2000	21/10/1999	26/10/1999	07/11/2013	15/09/2015	14/08/2001
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	n/a	n/a	n/a	21/10/2030	26/10/2029	07/11/2023	15/09/2025	14/08/2031
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	No	No	No	No	n/a
15	Optional call date, contingent call dates and redemption amount	n/a	28/09/2020	28/09/2030	n/a	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	5 years	5 years	n/a	n/a	n/a	n/a	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Fixed to Floating	Fixed to Floating	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10.0625%	7.375%	7.125%	6.5%	7.95%	5%	4.75%	5.875%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory	Partially discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	Yes	Yes	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	No	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	Fully or Partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	at the option of the issuer	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	Additional Tier 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	Santander UK	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2	Senior	Senior	Senior	Senior	Senior
36	Non-compliant transitioned features	No	Yes	Yes	No	No	No	No	Yes
37	If yes, specify non-compliant features		Incentive to Redeem: Step Up Grandfathered to December 2021	Incentive to Redeem: Step Up Grandfathered to December 2021					No express waiver of set-off  Grandfathered to June 2025

## Own Funds disclosure – capital instruments main features

1	Issuer	Santander UK Group Holdings plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc
2	ISIN	US80281LAB18 XS1291352711	GB0000064393	GB0000044221	XS0124569566	n/a	XS1244538523	n/a	n/a	XS1592884123
3	Governing law(s) of the instrument	English	English	English	English	English	English	English	English	English
Regulatory treatment										
4	Transitional CRR rules	Tier 2	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Common Equity Tier 1	Additional Tier 1
5	Post-transitional Basel CRR rules	Tier 2	Tier 2/Ineligible	Tier 2/Ineligible	Ineligible	Additional Tier 1	Additional Tier 1	Additional Tier 1	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo/group/group & solo	Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Preferred	Preferred	Preferred	Additional Tier 1	Additional Tier 1	Additional Tier 1	Equity	Additional Tier 1
8	Amount recognised in regulatory capital (£m)	397	212	132	235	500	745	300	7,060	500
9	Par value of instrument (£m)	393	200	125	235	500	750	300	7,060	500
9a	Issue Price of Instrument	99.412%	100m @ 101.52% 100m @ 108.935%	101.55%	100%	100%	100%	100%	100%	100%
9b	Redemption Price of Instrument	100%	n/a	n/a	100% (call)	100% (call)	100% (call)	100% (call)	n/a	100% (call)
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity
11	Original date of issuance	15/09/2015	23/10/1995	09/06/1997	14/02/2001	24/06/2014	10/06/2015	02/12/2014	10/01/2014	10/04/2017
12	Perpetual or dated	Dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	15/09/2045	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14	Issuer call subject to prior supervisory approval	No	No	No	Yes	Yes	Yes	Yes	No	Yes
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	n/a	14/02/2026	24/09/2019	24/06/2022	24/12/2019	n/a	24/06/2024
16	Subsequent call dates, if applicable	n/a	n/a	n/a	Annually	Quarterly	5 years	Quarterly	n/a	5 years
Coupons / dividends										
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed to Floating	Variable	Fixed to Floating
18	Coupon rate and any related index	5.625%	10.375%	8.625%	7.037%	5.330%	7.375%	7.6%	n/a	6.75%
19	Existence of a dividend stopper	No	Yes	Yes	Yes	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	No	No	No	Yes	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Noncumulative	Noncumulative	Cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	n/a	CET1 Capital Ratio of the Group < 7%

Additional Capital and Risk Management Disclosures

32	If write-down, full or partial	n/a	n/a	n/a	n/a	Full	Full	Full	n/a	Full
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	Permanent	Permanent	Permanent	n/a	Permanent
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Additional Tier 1	Tier 2
36	Non-compliant transitioned features	No	Yes	Yes	Yes	No	No	No	No	No
37	If yes, specify non-compliant features		No CET1 conversion or write down trigger Dividend Stopper No express waiver of set-off  Grandfathered to December 2021 as Tier 1 Grandfathered from January 2022 to June 2025 as Tier 2	No CET1 conversion or write down trigger Dividend Stopper No express waiver of set-off  Grandfathered to December 2021 as Tier 1 Grandfathered from January 2022 to June 2025 as Tier 2	No CET1 conversion or write down trigger Dividend Stopper Incentive to Redeem: Step Up  Grandfathered to December 2021					

## CCA - Main features of regulatory capital instruments

The following table outlines the main features of Santander UK Group Holdings plc Group's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments &amp; other TLAC eligible instruments.

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK Group Holdings plc	Santander UK plc
2	ISIN	XS0060837068	XS0117973262	XS0117973429	XS0103012893	US002920AC09	XS0989359756 US80283LAA17	US80281LAA35 XS1291333760	XS0133956168
3	Governing law(s) of the instrument	English	English	English	English	New York	English	English	English
Regulatory treatment									
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2	Ineligible
6	Eligible at solo/group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated
8	Amount recognised in regulatory capital (£m)	205	16	373	41	294	1,026	791	10
9	Par value of instrument (£m)	200	14	270	29	205	1,180	787	11
9a	Issue Price of Instrument <sup>3</sup>	100.432%	99.277%	175m @ 97.712% 100m @ 109.744%	99.561%	99.626%	99.681%	99.724%	98.878%
9b	Redemption Price of Instrument	n/a	100% (call)	100% (call)	100%	100%	100%	100%	100%
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost
11	Original date of issuance	23/10/1995	28/09/2000	28/09/2000	21/10/1999	26/10/1999	07/11/2013	15/09/2015	14/08/2001
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	n/a	n/a	n/a	21/10/2030	26/10/2029	07/11/2023	15/09/2025	14/08/2031
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	No	No	No	No	n/a
15	Optional call date, contingent call dates and redemption amount	n/a	28/09/2020	28/09/2030	n/a	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	5 years	5 years	n/a	n/a	n/a	n/a	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Fixed to Floating	Fixed to Floating	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10.0625%	7.375%	7.125%	6.5%	7.95%	5%	4.75%	5.875%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory	Partially discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	Yes	Yes	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	No	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	Fully or Partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	at the option of the issuer	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	Additional Tier 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	Santander UK	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2	Senior	Senior	Senior	Senior	Senior
36	Non-compliant transitioned features	No	Yes	Yes	No	No	No	No	Yes
37	If yes, specify non-compliant features		Incentive to Redeem: Step Up Grandfathered to December 2021	Incentive to Redeem: Step Up Grandfathered to December 2021					No express waiver of set-off Grandfathered to June 2025

## CCA- Main features of regulatory capital instruments and of other TLAC-eligible instruments

1	Issuer	SantanderUK Group Holdings plc	SantanderUK plc	SantanderUK plc	SantanderUK plc	SantanderUK Group Holdings plc	SantanderUK Group Holdings plc	SantanderUK Group Holdings plc	SantanderUK Group Holdings plc	SantanderUK Group Holdings plc
2	ISIN	US802811AB18 XS1291352711	GB0000064393	GB0000044221	XS0124569566	n/a	XS1244538523	n/a	n/a	XS1592884123
3	Governing law(s) of the instrument	English	English	English	English	English	English	English	English	English
Regulatory treatment										
4	Transitional CRR rules	Tier 2	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Common Equity Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Tier 2	Tier 2/Ineligible	Tier 2/Ineligible	Ineligible	Additional Tier 1	Additional Tier 1	Additional Tier 1	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo / group / group & solo	Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Preferred	Preferred	Preferred	Additional Tier 1	Additional Tier 1	Additional Tier 1	Equity	Additional Tier 1
8	Amount recognised in regulatory capital (£m)	397	212	132	235	500	745	300	7,060	500
9	Par value of instrument (£m)	393	200	125	235	500	750	300	7,060	500
9a	Issue Price of Instrument	99.412%	100m @ 101.52% 100m @ 108.935%	101.55%	100%	100%	100%	100%	100%	100%
9b	Redemption Price of Instrument	100%	n/a	n/a	100% (call)	100% (call)	100% (call)	100% (call)	n/a	100% (call)
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity
11	Original date of issuance	15/09/2015	23/10/1995	09/06/1997	14/02/2001	24/06/2014	10/06/2015	02/12/2014	10/01/2014	10/04/2017
12	Perpetual or dated	Dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	15/09/2045	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14	Issuer call subject to prior supervisory approval	No	No	No	Yes	Yes	Yes	Yes	No	Yes
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	n/a	14/02/2026	24/09/2019	24/06/2022	24/12/2019	n/a	24/06/2024
16	Subsequent call dates, if applicable	n/a	n/a	n/a	Annually	Quarterly	5 years	Quarterly	n/a	5 years
Coupons / dividends										
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed to Floating	Variable	Fixed to Floating
18	Coupon rate and any related index	5.625%	10.375%	8.625%	7.037%	5.330%	7.375%	7.6%	n/a	6.75%
19	Existence of a dividend stopper	No	Yes	Yes	Yes	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	No	No	No	Yes	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Noncumulative	Noncumulative	Cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	n/a	CET1 Capital Ratio of the Group < 7%
32	If write-down, full or partial	n/a	n/a	n/a	n/a	Full	Full	Full	n/a	Full
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	Permanent	Permanent	Permanent	n/a	Permanent
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Additional Tier 1	Tier 2
36	Non-compliant transitioned features	No	Yes	Yes	Yes	No	No	No	No	No
37	If yes, specify non-compliant features		No CET1 conversion or write down trigger Dividend Stopper No express waiver of set-off Grandfathered to December 2021 as Tier 1 Grandfathered from January 2022 to June 2025 as Tier 2	No CET1 conversion or write down trigger Dividend Stopper No express waiver of set-off Grandfathered to December 2021 as Tier 1 Grandfathered from January 2022 to June 2025 as Tier 2	No CET1 conversion or write down trigger Dividend Stopper Incentive to Redeem: Step Up Grandfathered to December 2021					



## CCA Bail In- Main features of other TLAC-eligible instruments

1	Issuer	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc
2	ISIN	US80281LAC90	XS1331974607	US80281LAD73	US80281LAE56	XS1487315860	US80281LAF22	XS1615065320	US80281LAG05	US80281LAH87
3	Governing law(s) of the instrument	New York	English	New York	New York	English	New York	English	New York	New York
	3a Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	Contractual	n/a	Contractual	Contractual	n/a	Contractual	n/a	Contractual	Contractual
4	Transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5	Post-transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Eligible at solo/group/group & solo	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond
8	Amount recognised in regulatory capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9	Par value of instrument (£m)	787	197	787	1180	896	787	448	787	787
10	Accounting classification	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost
11	Original date of issuance	16/10/2015	10/12/2015	08/01/2016	05/08/2016	08/09/2016	10/01/2017	18/05/2017	03/11/2017	05/01/2018
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	16/10/2020	10/12/2020	08/01/2021	05/08/2021	08/09/2023	10/01/2023	18/05/2023	03/11/2028	05/01/2024
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Tax event at any time/par	Tax event at any time/par	Tax event at any time/par	Tax event at any time/par	Tax event at any time/par	10/01/2022/Tax event at any time/par	18/05/2022 / Tax absorption disqualification event call option / par	03/11/2027/Tax event at any time, Loss absorption disqualification event call option/par	05/01/2023/Tax event at any time, Loss absorption disqualification event call option/par
16	Subsequent call dates, if applicable <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	None	None	None	None
	Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Floating	Fixed to Floating	Fixed to Floating
18	Coupon rate and any related index	2.880%	0.790%	3.130%	2.880%	1.130%	3.580%	3m EURIBOR + 78bps	3.380%	4.800%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition
25	If convertible, fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at

<sup>1</sup> Not considering contingent call events

		conversion	conversion	conversion	conversion	conversion	conversion	conversion	conversion	conversion
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions
28	If convertible, specify instrument type convertible into	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities
29	If convertible, specify issuer of instrument it converts into	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc
30	Write-down feature	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition
32	If write-down, full or partial	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially
33	If write-down, permanent or temporary <sup>1</sup>	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34a	Type of subordination	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
36	Non-compliant transitioned features	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
37	If yes, specify non-compliant features	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  No Express waiver to set off  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  Permanently Grandfathered		

<sup>1</sup> Permanent subject to any write-up in accordance with s.48Y Banking Act 2009

<sup>2</sup> Section 48Y Banking Act 2009

## CCA Bail In- Main features of other TLAC-eligible instruments

1	Issuer	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc
2	ISIN	XS1799039976	XS1816338914	US80281LAJ44	XS1345415472	XS1435163859	XS1569879304	XS1573245864
3	Governing law(s) of the instrument	English	English	New York	English	English	English	English
	3a Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	n/a	n/a	Contractual	n/a	n/a	n/a	n/a
4	Transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5	Post-transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Eligible at solo/group/group & solo	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond	Bond	Bond	Bond	Bond
8	Amount recognised in regulatory capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9	Par value of instrument (£m)	672	500	787	500	45	18	73
10	Accounting classification	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost
11	Original date of issuance	27/03/2018	08/05/2018	15/11/2018	14/01/2016	22/06/2016	22/02/2017	10/03/2017
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	27/03/2024	08/05/2026	15/11/2024	14/01/2026	22/06/2026	22/02/2027	10/03/2027
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	27/03/2023/Tax event at any time, Loss absorption disqualification event call option/par	08/05/2025/Tax event at any time, Loss absorption disqualification event call option/par	15/11/2023/Tax event at any time, Loss absorption disqualification event call option/par	n/a / Tax event at any time / par	n/a / Tax event at any time / par	n/a / Tax event at any time / par	n/a / Tax event at any time, Loss absorption disqualification event call option / par
16	Subsequent call dates, if applicable <sup>1</sup>	None	None	None	n/a	n/a	n/a	n/a
	Coupons / dividends							
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed to Floating	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	3m EURIBOR + 85bps	2.920%	3.820%	3.630%	0.790%	3.450%	0.900%
19	Existence of a dividend stopper	No	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA
25	If convertible, fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at	To be determined at

<sup>1</sup> Not considering contingent call events

		conversion	conversion	conversion	conversion	conversion	conversion	conversion
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions
28	If convertible, specify instrument type convertible into	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities
29	If convertible, specify issuer of instrument it converts into	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc
30	Write-down feature	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA
32	If write-down, full or partial	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially
33	If write-down, permanent or temporary <sup>1</sup>	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34a	Type of subordination	Structural	Structural	Structural	Structural	Structural	Structural	Structural
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
36	Non-compliant transitioned features	No	No	No	Yes	Yes	Yes	Yes
37	If yes, specify non-compliant features				Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  No Express waiver to set off  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  No Express waiver to set off  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  No Express waiver to set off  Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity  No Express waiver to set off  Permanently Grandfathered

<sup>1</sup> Permanent subject to any write-up in accordance with s.48Y Banking Act 2009

<sup>2</sup> Section 48Y Banking Act 2009

## Appendix 1

### June 2019 Additional Capital and Risk Management Disclosures for Santander UK plc Group

#### Introduction

As a significant wholly-owned subsidiary under CRD IV<sup>1</sup>, Santander UK plc (RFB) is required to produce and publish annually a specified number of Pillar 3 disclosures rather than a complete set of Pillar 3 disclosures. In accordance with the EBA guidelines on disclosure frequency<sup>2</sup>, the RFB has assessed the need to publish capital-related disclosures more frequently than annually, and the disclosures deemed appropriate for more frequent publication have been included in the additional capital disclosures set out in this document. All disclosures cover the consolidated RFB Group position.

The RFB Group is the consolidated Group of Santander UK plc.

#### Key metrics

The following table summarises the Company's Own Funds and key risk-based capital ratios at 30 June 2019, together with the previously disclosed quarter end 31 March 2019. Further detail on Risk Weighted Assets is included in the subsequent sections of this document.

	30 June 2019 £m	31 March 2019 £m
<b>Available Capital (amounts)</b>		
Common Equity Tier 1 (CET1) capital	10,394	10,357
Fully loaded <sup>3</sup> Expected Credit Loss (ECL) accounting model CET1	10,374	10,338
Tier 1 capital	12,637	12,600
Fully loaded ECL accounting model Tier 1	12,617	12,581
Total capital	15,788	15,736
Fully loaded ECL accounting model total capital	15,768	15,718
<b>Risk-weighted assets (amounts)</b>		
Total risk-weighted assets (RWA)	74,742	77,168
Fully loaded ECL accounting model total RWA	74,782	77,206
<b>Risk-based capital ratios as a percentage of RWA</b>		
Common Equity Tier 1 ratio	13.9%	13.4%
Fully loaded ECL accounting model Common Equity Tier 1 (%)	13.9%	13.4%
Tier 1 ratio	16.9%	16.3%
Fully loaded ECL accounting model Tier 1 ratio (%)	16.9%	16.3%
Total capital ratio	21.1%	20.4%
Fully loaded ECL accounting model total capital ratio (%)	21.1%	20.4%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>		
Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%
Countercyclical buffer requirement (%)	0.96%	0.97%
Bank G-SIB and/or D-SIB additional requirements (%)	-	-
Total of bank CET1 specific buffer requirements (%)	3.46%	3.47%
CET1 available after meeting the banks minimum capital requirements (%)	5.94%	5.45%
<b>Basel III leverage ratio</b>		
Total Basel III leverage ratio exposure measure (£bn)	295.9	291.7
Basel III leverage ratio	4.1%	4.2%
Fully loaded ECL accounting model Leverage Ratio	4.1%	4.1%
<b>Liquidity Coverage Ratio</b>		
Total high-quality liquid assets (HQLA)	47,707	43,916
Total net cash outflow	30,258	30,030
Liquidity coverage ratio (LCR)	157.7%	146.2%

#### Key Movements

The RFB Group's CET1 ratio is higher than that of the Santander UK Group Holdings plc Group (13.9% vs. 13.8%) due to lower total RWAs.

<sup>1</sup> The Capital Requirements Directive IV ('CRD IV') and Capital Requirements Regulation ('CRR') legislative package, collectively referred to as CRD IV

<sup>2</sup> EBA guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(20) and 433 of Regulation (EU) No 575/2013

<sup>3</sup> Fully loaded excludes the impact of transitional arrangements.

**IFRS 9 Transitional Arrangements**

The following table summarises the impact of IFRS 9 transitional arrangements on 30 June 2019 over the full allowable period.

	85%	70%	50%	25%
	2019	2020	2021	2022
<b>Available Capital (amounts)</b>				
Common Equity Tier 1 (CET1) capital	10,394	10,390	10,386	10,380
CET1 Capital as if IFRS 9 STATIC transitional arrangements were not applied	10,379	10,377	10,376	10,375
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements were not applied	10,389	10,387	10,384	10,379
CET1 Capital as if ALL IFRS 9 transitional arrangements were not applied	10,374	10,374	10,374	10,374
Tier 1 Capital	12,637	12,634	12,629	12,623
Tier 1 Capital as if ALL IFRS 9 transitional arrangements were not applied	12,617	12,617	12,617	12,617
Total Capital	15,788	15,784	15,780	15,774
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	15,768	15,768	15,768	15,768
<b>Risk-weighted assets (amounts)</b>				
Total risk-weighted assets (RWA)	74,742	74,751	74,759	74,771
Total RWA as if IFRS 9 STATIC transitional arrangements were not applied	74,865	74,851	74,831	74,807
Total RWA as if IFRS 9 DYNAMIC transitional arrangements were not applied	74,659	74,682	74,710	74,746
Total RWA as if ALL IFRS 9 transitional arrangements were not applied	74,782	74,782	74,782	74,782
<b>Capital Ratios</b>				
Common Equity Tier 1 ratio	13.9%	13.9%	13.9%	13.9%
Common Equity Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	13.9%	13.9%	13.9%	13.9%
Tier 1 ratio	16.9%	16.9%	16.9%	16.9%
Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	16.9%	16.9%	16.9%	16.9%
Total capital ratio	21.1%	21.1%	21.1%	21.1%
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	21.1%	21.1%	21.1%	21.1%
<b>CRD IV leverage ratio</b>				
Leverage Ratio Total Exposure Measure	297,036	297,036	297,036	297,036
Leverage Ratio	4.1%	4.1%	4.1%	4.1%
Leverage ratio as if ALL IFRS 9 transitional arrangements were not applied	4.1%	4.1%	4.1%	4.1%

The RFB Group is applying the IFRS 9 capital transitional arrangements set out in EU Regulation 2017/2395 that amend the Capital Requirements Regulation, including the application of paragraph 4 of the revised article 473a. Under the transitional arrangements, the RFB Group is entitled to mitigate the effect to capital of ECL -based provisioning following the implementation of IFRS 9. The transitional arrangements last for a five year period beginning on the 1st of January 2018 with the amount of capital relief available reduced each year by the transitional factor. The transitional factor is 85 percent in 2019, declining to 70 percent in 2020, 50 percent in 2021 and 25 percent in 2022.

The capital relief affects both the capital base and RWAs reported by RFB Group. The adjustment to CET1 capital is comprised of a static element and a dynamic element. The static element is based on the CET1 capital impact of the change in provision levels upon implementation of IFRS 9 (on 1st January 2018). The capital adjustments from this static element will only change over the five year transition period due to the phased reduction of the transitional factor. The dynamic element is based on the capital impact of the change in provision levels for non-credit impaired exposures from the first day of the implementation of IFRS 9. The dynamic element will change over the five year transition period and is also subject to progressive reduction over the five-year transitional period due to the transitional factor. In addition to this adjustment, the transitional arrangements also reduce associated capital position impacts for exposures modelled under the Standardised Approach for Credit Risk, Deferred Tax assets created upon adoption of IFRS 9 ECL-based provisioning and Tier 2 capital from an excess of provisions over expected losses for exposures modelled using the Internal Rating Based approach.

**Leverage Ratio**

The following table summarises the RFB Group's end point CRD IV and UK PRA Tier 1 Leverage ratio at 30 June 2019 together with the previously disclosed quarter end 31 March 2019. This is consistent with the Leverage ratio applied to large UK banks under the framework defined by the Financial Policy Committee's review of the Leverage ratio.

	30 June 2019 £m	31 March 2019 £m
Common Equity Tier 1 (CET1) capital	10,394	10,357
End point Additional Tier 1 (AT1) capital	1,756	1,756
End point Tier 1 capital	12,150	12,113
Leverage Exposure CRD IV (£bn)	295.9	291.7
Leverage Exposure UK Leverage Ratio <sup>1</sup> (£bn)	274.0	272.8
End point Tier 1 Leverage Ratio CRD IV	4.1%	4.2%
End point Tier 1 Leverage Ratio UK Leverage Ratio <sup>1</sup>	4.4%	4.4%
Average Tier 1 Leverage Ratio UK Leverage Ratio <sup>1</sup>	4.4%	4.4%

<sup>1</sup> Includes deductions permitted under the recommendation from the Financial Policy Committee on 25th July 2016.

## Liquidity Coverage Ratio

The values presented below are the simple average of the preceding monthly periods ending on the reporting date as specified in the table.

		Average unweighted value		Average weighted value	
		30 June 2019 £m	31 March 2019 £m	30 June 2019 £m	31 March 2019 £m
1	Total high-quality liquid assets (HQLA)	46,714	45,402	45,614	44,323
Cash-Outflows					
2	<b>Retail deposits and deposits from small business customers, of which:</b>	<b>132,925</b>	<b>132,359</b>	<b>7,753</b>	<b>7,726</b>
3	Stable deposits	116,624	116,105	5,831	5,806
4	Less stable deposits	16,301	16,254	1,922	1,920
5	<b>Unsecured wholesale funding</b>	<b>24,364</b>	<b>24,480</b>	<b>14,332</b>	<b>14,687</b>
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7	Non-operational deposits (all counterparties)	22,102	21,776	12,070	11,983
8	Unsecured debt	2,262	2,704	2,262	2,704
9	<b>Secured wholesale funding</b>	<b>12,403</b>	<b>12,526</b>	<b>613</b>	<b>567</b>
10	<b>Additional requirements</b>	<b>20,987</b>	<b>21,983</b>	<b>8,169</b>	<b>8,507</b>
11	Outflows related to derivative exposures and other collateral requirements	5,683	5,679	5,683	5,679
12	Outflows related to loss of funding on debt products	369	471	369	471
13	Credit and liquidity facilities	14,935	15,833	2,117	2,357
14	<b>Other contractual funding obligations</b>	<b>61</b>	<b>69</b>	-	-
15	<b>Other contingent funding obligations</b>	<b>25,076</b>	<b>24,373</b>	<b>1,828</b>	<b>1,736</b>
16	<b>TOTAL CASH OUTFLOWS</b>	<b>215,816</b>	<b>215,790</b>	<b>32,695</b>	<b>33,223</b>
Cash-Inflows					
17	Secured lending (e.g. reverse repos)	12,188	11,304	299	342
18	Inflows from fully performing exposures	2,261	2,003	1,282	1,090
19	Other cash inflows	1,757	1,873	538	633
	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	-	-	-	-
EU-19a		-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)	-	-	-	-
20	<b>TOTAL CASH INFLOWS</b>	<b>16,206</b>	<b>15,180</b>	<b>2,119</b>	<b>2,065</b>
EU-20a	Fully exempt inflows	-	-	-	-
EU-20b	Inflows Subject to 90% Cap	-	-	-	-
EU-20c	Inflows Subject to 75% Cap	10,193	9,327	2,119	2,065
21	LIQUIDITY BUFFER	-	-	45,615	44,323
22	<b>TOTAL NET CASH OUTFLOWS</b>	-	-	<b>30,577</b>	<b>31,158</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>	-	-	<b>149.18%</b>	<b>142.25%</b>
24	Number of data points used in calculation of averages	6	3	6	3

The quarterly average weighted LCR increased to 150% at 30 June 2019, reflecting the increase in H2 2018 of liquidity used to cover the transfer of the Isle of Man and Jersey businesses into ANTS.



## RWA and Capital Requirements

### Overview of RWA

The following table details RWA and equivalent Own Funds Requirements. Own Funds Requirements are calculated as RWA multiplied by 8%.

	RWA		Minimum capital requirements
	30 June 2019 £bn	31 March 2019 £bn	30 June 2019 £bn <sup>1</sup>
Credit risk (excluding counterparty credit risk) <sup>1</sup>	63.6	66.9	5.1
- Of which: standardised approach (SA)	20.9	23.7	1.7
- Of which: foundation internal rating-based (FIRB) approach	5.1	6.9	0.4
- Of which: advanced internal rating-based (AIRB) approach	37.6	36.3	3.0
Counterparty credit risk (CCR) <sup>1</sup>	1.2	1.2	0.1
- Of which: standardised approach for counterparty credit risk	1.2	1.1	0.1
- Of which: IMM	-	-	-
- Of which: other CCR	-	0.1	-
Credit Valuation Adjustment (CVA)	0.5	0.6	-
Equity positions under the simple risk-weight approach and the internal model method during the five-year linear phase-in period	0.1	0.1	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	-	-	-
Equity investments in funds – fall-back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in banking book (after cap) <sup>2</sup>	1.4	0.5	0.1
- Of which: securitisation IRB approach (SEC-IRBA)	0.1	0.1	-
- Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	0.9	0.2	0.1
- Of which: securitisation standardised approach (SEC-SA)	0.4	0.2	-
Market risk <sup>1</sup>	0.3	0.3	-
- Of which: standardised approach (SA)	0.3	0.3	-
- Of which: internal model approach (IMA)	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational Risk <sup>1</sup>	7.6	7.6	0.6
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Aggregate capital floor applied	-	-	-
Floor adjustment (before application of transitional cap)	-	-	-
Floor adjustment (after application of transitional cap)	-	-	-
Total <sup>1</sup>	74.7	77.2	6.0

### RWA flow statements of credit risk exposures under IRB and RWA flow statements of credit risk exposures under standardised<sup>3</sup>

#### RWA flow statements of credit risk exposures under IRB

	RWA £bn	Capital requirements
RWAs at 1 April	44.6	3.6
Asset size	(0.6)	-
Asset quality	0.5	-
Model updates	0.2	-
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	44.7	3.6

#### RWA flow statements of credit risk exposures under standardised approach

	RWA £bn	Capital requirements
RWAs at 1 April	24.1	1.9
Asset size	(2.1)	(0.1)
Asset quality	0.4	-
Model updates	(0.9)	(0.1)
Methodology and policy	0.1	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	21.6	1.7

Impact of June 2019 SRT securitisation is reflected in both standardised and IRB Asset size.

<sup>1</sup> Includes balances which are not visible due to rounding have been included in the total

<sup>2</sup> Includes 3 Significant Risk Transfer transactions which are subject to re-characterisation risk

<sup>3</sup> Table excludes CVA

**Credit risk exposure and Credit Risk Mitigation (CRM) effects****Standardised approach**

	Exposures before CCF and CRM		Exposure 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
	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019
Central government of central banks	36.0	0.6	36.0	0.6	-	-
Regional government or local authorities	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	20%
Multilateral Development Banks	1.5	-	1.5	-	-	-
Intentional Organisations	-	-	-	-	-	-
Institutions	1.8	-	1.8	-	0.2	12%
Corporates	8.0	1.9	8.0	0.6	8.4	98%
Retail	11.2	8.9	11.2	-	8.2	73%
Secured by mortgages on immovable property	0.2	-	0.2	-	0.1	78%
Exposures in default	0.1	-	0.1	-	0.1	117%
Higher-risk categories	0.2	0.1	0.2	0.1	0.4	150%
Covered bonds	2.7	-	2.7	-	0.4	14%
Institutions and corporations with a short term credit assessment	-	-	-	-	-	-
Collective investment undertakings	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Other items	7.4	-	7.4	-	3.4	46%
Securitisations	2.5	-	2.5	-	0.4	15%
Contributions to the default fund of a CCP	-	-	-	-	0.1	1250%
<b>Total</b>	<b>71.6</b>	<b>11.5</b>	<b>71.6</b>	<b>1.3</b>	<b>21.7</b>	<b>30%</b>

**IRB approach**

	Exposures before CCF and CRM		Exposure 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
	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019 £bn	30 June 2019
Corporates – Specialised Lending	3.5	0.8	3.5	0.3	3.2	84%
Corporates – SME	1.2	0.3	1.2	0.1	1.3	101%
Corporates – Other	12.1	13.2	11.9	5.8	7.7	43%
Institutions	1.5	0.2	1.6	0.1	0.5	31%
Retail Immovable Property	159.7	13.2	160.0	8.7	27.1	16%
Retail QRR	0.5	3.9	0.6	4.9	1.8	34%
Retail Other	2.2	-	2.2	-	1.9	86%
Equity	-	-	-	-	0.1	370%
Securitisations	3.7	0.7	3.7	0.7	1.0	23%
<b>Total</b>	<b>184.4</b>	<b>32.3</b>	<b>184.7</b>	<b>20.6</b>	<b>44.6</b>	<b>22%</b>

**IRB (specialised lending and equities)**

The following table outlines the level of exposure assigned to each Specialised Lending Category and maturity.

Specialised Lending						
Regulatory categories	Remaining maturity	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	Expected losses £m
1	Less than 2.5 years	71.4	15.7	50%	38.9	-
	Equal to or more than 2.5 years	205.0	116.0	70%	168.3	1.0
2	Less than 2.5 years	1,008.7	214.3	70%	773.0	4.5
	Equal to or more than 2.5 years	1,902.9	438.1	90%	1,812.2	16.3
3	Less than 2.5 years	101.4	4.5	115%	113.9	2.9
	Equal to or more than 2.5 years	39.2	-	115%	45.1	1.1
4	Less than 2.5 years	78.0	7.9	250%	195.5	6.4
	Equal to or more than 2.5 years	0.6	25.2	250%	15.5	0.5
5	Less than 2.5 years	60.0	0.1	-	-	30.0
	Equal to or more than 2.5 years	-	-	-	-	-
<b>Total</b>	Less than 2.5 years	<b>1,319.5</b>	<b>242.5</b>	<b>-</b>	<b>1,121.3</b>	<b>43.8</b>
	Equal to or more than 2.5 years	<b>2,147.7</b>	<b>579.3</b>	<b>-</b>	<b>2,041.1</b>	<b>18.9</b>

Equities under the simple risk-weight approach					
	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	Capital requirements £m
Exchange –traded equity exposures	-	-	190%	-	-
Private equity exposures	-	-	250%	-	-
Other equity exposures	17.2	-	370%	63.5	5.1
<b>Total</b>	<b>17.2</b>	<b>-</b>	<b>-</b>	<b>63.5</b>	<b>5.1</b>

**Countercyclical Capital Buffer**

The following table outlines the geographical distribution of credit risk exposures relevant for the calculation of the countercyclical capital buffer as at 30 June 2019.

Country	General credit exposure		Trading book exposure		Securitisation exposure		Own funds requirement					
	Exposure value for SA £bn	Exposure value IRB £bn	Sum of long and short position of trading book £bn	Value of trading book exposure for internal models £bn	Exposure value for SA £bn	Exposure value IRB £bn	Of which: general credit exposures £bn	Of which: trading book exposures £bn	Of which: securitisation exposures £bn	Total £bn	Own funds requirement weight	Counter-cyclical capital buffer rate
UK	25.2	207.2	-	-	0.1	4.0	4.9	-	-	4.9	-	1%
Crown Dependencies	0.1	0.3	-	-	-	-	-	-	-	-	-	0%
United States	-	0.2	-	-	-	-	-	-	-	-	-	0%
Spain	0.2	-	-	-	-	-	-	-	-	-	-	0%
Australia	0.4	-	-	-	-	-	-	-	-	-	-	0%
Luxembourg	0.4	0.1	-	-	-	-	-	-	-	-	-	0%
Canada	0.6	-	-	-	-	-	-	-	-	-	-	0%
Netherlands	0.1	0.1	-	-	-	-	-	-	-	-	-	0%
Ireland	0.2	0.4	-	-	2.8	-	-	-	0.1	0.1	-	0%
Norway	-	0.4	-	-	-	-	-	-	-	-	-	2%
Sweden	-	0.1	-	-	-	-	-	-	-	-	-	2%
France	0.3	-	-	-	-	-	-	-	-	-	-	0%
Belgium	0.1	-	-	-	-	-	-	-	-	-	-	0%
Finland	-	0.1	-	-	-	-	-	-	-	-	-	0%
British Virgin Islands	0.1	-	-	-	-	-	-	-	-	-	-	0%
Denmark	-	0.5	-	-	-	-	-	-	-	-	-	0.5%
New Zealand	0.2	-	-	-	-	-	-	-	-	-	-	0%
Saudi Arabia	0.1	-	-	-	-	-	-	-	-	-	-	0%
Other	0.1	-	-	-	-	-	-	-	-	-	-	0% or not set

Exposure value of relevant credit exposures defined in accordance with Article 140(4) of Directive 2013/36/EU.

Countries included in the table above were selected if total exposure was greater than £0.1bn pre-deductions based on Article 140(4) of Directive 2013/36/EU.

The following table shows the amount of institution-specific countercyclical capital buffer.

	£bn
Total risk exposure	74.7
Institution specific countercyclical capital buffer rate	1.0%
Institution specific countercyclical capital buffer requirement	0.7

The level of the Countercyclical Capital Buffer for the RFB Group at 30 June 2019 was 0.96%.

**Credit risk adjustments**

The following table outlines the credit risk exposure, the associated level of impaired and past due exposures levels and impairment levels (credit risk adjustments) for 30 June 2019 by class of exposure. Further information on impairment losses and provisions is outlined in Notes 5 and 10 to the financial statements in the RFB 2019 Half Yearly Financial Report.

**Credit quality of exposures by industry**

Breakdown of exposures by industry class and Credit Quality.

As at 30 June 2019	Gross carrying values of					Net value
	Defaulted Exposure	Non-Defaulted Exposure	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	
Central Banks and Central Governments	-	21,314	-	-	-	21,314
Agriculture, forestry and fishing	16	299	(2)	-	-	313
Mining and quarrying	26	218	(1)	-	-	243
Manufacturing	35	1,656	(9)	-	-	1,682
Electricity, gas, steam and air conditioning supply	-	823	(5)	-	-	818
Water supply	1	217	(1)	-	-	217
Construction	41	2,316	(13)	-	-	2344
Wholesale and retail trade	34	5,699	(32)	(1)	-	5701
Transport and storage	8	838	(5)	-	-	841
Accommodation and food service activities	48	2,376	(13)	-	-	2,411
Information and communication	13	588	(3)	-	-	598
Real estate activities	50	18,877	(105)	(2)	-	18,822
Professional, scientific and technical activities	30	1,552	(9)	-	-	1,573
Administrative and support service activities	10	2,029	(11)	-	-	2,028
Public administration and defence, compulsory social security	-	13	-	-	-	13
Education	2	439	(2)	-	-	439
Human health services and social work activities	92	2,062	(12)	-	-	2,142
Arts, entertainment and recreation	6	471	(3)	-	-	474
Other services	3	170	(1)	-	-	172
Retail	2,056	195,082	(584)	(98)	-	196,554
Financial Institutions and Other Financial Corporates	-	32,383	(5)	-	-	32,378
Total	2,471	289,422	(816)	(101)	-	291,077

**Credit risk exposure by country**

The following table provides analysis of the distribution of exposures by geography.

As at 30 June 2019	Gross carrying values of					Net value
	Defaulted Exposure	Non-Defaulted Exposure	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	
UK	2,459	269,710	(798)	(101)	-	271,371
US	-	346	-	-	-	346
Japan	-	1,985	-	-	-	1,985
Ireland	-	8,095	-	-	-	8,095
Luxembourg	-	3,135	(1)	-	-	3,134
Jersey	8	951	(6)	-	-	953
Germany	-	491	-	-	-	491
Canada	-	18	-	-	-	18
France	-	1,597	-	-	-	1,597
Isle Of Man	-	304	(1)	-	-	303
Netherlands	-	280	-	-	-	280
Italy	-	75	-	-	-	75
Norway	-	391	-	-	-	391
Denmark	-	510	-	-	-	510
Australia	-	77	-	-	-	77
Other	4	1,457	(10)	-	-	1451
Total	2,471	289,422	(816)	(101)	-	291,077

For geographical areas of past due and impaired exposures, over 99% are to the UK.

**Credit Risk Mitigation Techniques**

For more detail on the RFB Group's approach to Credit Risk Mitigation refer to the Other Segments – Credit Risk Review section of the RFB 2019 Half Yearly Financial Report.

The following table provides analysis of secured and collateralised exposures as at 30 June 2019.

	Exposures unsecured	Exposures secured –	Exposures secured by	Exposures secured by	Exposures secured by
	– Carrying amount	Carrying amount	collateral	financial guarantees	credit derivatives
	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019
	£bn	£bn	£bn	£bn	£bn
Total loans	91,198	184,571	15,308	-	-
Total debt securities <sup>1</sup>	15,791	-	4,784	-	-
Total exposures	106,989	184,571	20,092	-	-
Of which defaulted	625	1,846	-	-	-

**Changes in the stock of specific credit risk adjustments**

Movement over the period 1 January 2019 to 30 June 2019 of specific credit risk adjustments.<sup>2</sup>

	Accumulated specific credit risk adjustment
	£m
<b>Opening balance (IFRS9)</b>	807
Increases due to origination and acquisition during the period	22
Decreases due to derecognition during the period	(24)
Changes due to change in credit risk (net)	109
Changes due to modifications without derecognition (net)	(1)
Changes due to update in the institution's methodology for estimation (net)	-
Other adjustments	4
Decrease in allowance account due to write-offs	(101)
<b>Closing balance</b>	816
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	38
Specific credit risk adjustments directly recorded to the statement of profit or loss	-

**Changes in the stock of defaulted and impaired loans and debt securities**

Movement over the period 1 January 2019 to 30 June 2019 of carrying value of defaulted exposures.

	Gross carrying value of defaulted exposures
	£m
Opening balance (IFRS9)	2,571
Loans and debt securities that have defaulted or impaired since the last reporting period	728
Returned to non-defaulted status	(548)
Amounts written off	(119)
Other changes <sup>3</sup>	(68)
Closing balance	2,564

**Credit risk exposure**

Breakdown of loans and advances to banks and customers and central bank exposures by credit quality (excludes securitisations and other debt instruments).

As at 30 June 2019	Gross carrying values of						
	Defaulted Exposure	Non-Defaulted Exposure	Net value of exposures at the end of the period	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net Value £m
Central Banks and Central Governments	-	21,314	21,314	-	-	-	21,314
Financial Institutions and Other Financial Corporates	-	32,383	32,383	(5)	-	-	32,378
Corporate Exposures	415	40,643	41,058	(227)	(3)	-	40,831
Of which Specialised lending	60	4,229	4,289	35	-	6	4,324
Retail	2,056	195,082	197,138	(584)	(98)	-	196,554
Of which: IRB residential immovable property	1,825	171,025	172,850	214	-	-	173,064
<b>Total</b>	<b>2,471</b>	<b>289,422</b>	<b>291,893</b>	<b>(816)</b>	<b>(101)</b>	<b>-</b>	<b>291,077</b>

<sup>1</sup> Per note 20 Financial Investments in the Half Yearly Financial Report, excluding debt securities

<sup>2</sup> Table has been revised from the version in the EBA "Final Report on the guidelines on disclosure requirements under part eight of regulation (EU) NO 575/2013" to reflect FINREP update due to the adoption of IFRS 9

<sup>3</sup> Includes residual movement on facilities that did not change stage in the year, and which were neither acquired nor purchased in the year

**Ageing of past-due exposures**

The following table provides an ageing analysis of accounting on-balance-sheet past-due exposures regardless of their impairment status.

As at 30 June 2019	Gross carrying values						
	≤30 days £m	>30 days ≤ 60 days £m	>60 days ≤90 days £m	>90 days ≤ 180 days £m	>180 days ≤ 1 year £m	> 1 year £m	
Loans	2,302	828	380	678	461	534	
Debt Securities	-	-	-	-	-	-	
<b>Total Exposures</b>	<b>2,302</b>	<b>828</b>	<b>380</b>	<b>678</b>	<b>461</b>	<b>534</b>	

**Non-performing and forborne exposures**

This table provides an overview of non-performing and forborne exposures as at 30 June 2019.

	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to creditCollaterals and financial risk guarantees received						
	Of which performing but past due > 30 days and ≤ 90 days		Of which performing forborne		Of which defaulted		Of which impaired		Of which forborne		On non-performing exposures		Of which forborne	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Debt Securities	21,157	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	249,476	1,116	1,350	2,471	2,471	2,471	668	(403)	(29)	(427)	(180)	2,023	1,424	
Off-balance-sheet exposures	42,907	-	-	68	-	-	-	(43)	-	(12)	-	-	-	

**CRR Leverage ratio – disclosure template**

The table below provides a reconciliation of accounting assets to the CRD IV Leverage ratio exposure, and information on the composition of the principal exposure elements as at 30 June 2019. A CRD IV end point Tier 1 capital measure is used for this disclosure and Leverage Ratio calculation, consistent with the UK framework for large banks.

**Summary reconciliation of accounting assets and Leverage Ratio exposures**

	£bn	
1	Total assets as per published financial statements	284,527
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	965
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the Leverage Ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 CRR)	(3,021)
4	Adjustments for derivative financial instruments	(2,352)
5	Adjustments for securities financing transactions (SFTs)	619
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	13,929
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)	-
EU-6b	(Adjustment for exposures excluded from the Leverage Ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	-
7	Other adjustments	1,228
8	<b>Total Leverage Ratio exposure</b>	<b>295,895</b>

**Leverage Ratio common disclosure**

	Exposure £bn	
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	256,670
2	(Asset amounts deducted in determining Tier 1 capital)	(3,021)
3	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>	<b>253,649</b>
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	4,368
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	1,428
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(2,702)
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>3,094</b>
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	25,087
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,676)
14	Counterparty credit risk exposure for SFT assets	619
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>	<b>23,030</b>
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	42,944
18	(Adjustments for conversion to credit equivalent amounts)	(29,014)
19	<b>Other off-balance sheet exposures (sum of lines 17 to 18)</b>	<b>13,929</b>
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	965
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposures		
20	Tier 1 capital (CRD IV end point)	12,150
21	<b>Total Leverage Ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>	<b>295,895</b>
Leverage Ratio		
22	Leverage Ratio	4.1%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	-
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-

**Own Funds disclosure – balance sheet reconciliation**

The scope of consolidation and method for consolidation of the RFB Group balance sheet is substantially the same as that used for regulatory purposes.

A reconciliation of regulatory own funds to the relevant balance sheet items for the RFB Group is included in the table below as at 30 June 2019. This outlines the impact of the difference in scope of consolidation outlined above.

	Own Funds Type		
	CET1 £m	Additional Tier 1 £m	Tier 2 £m
<b>Santander UK Balance Sheet elements</b>			
Shareholder's equity and Non-controlling interests	14,073	1,991	-
Subordinated Liabilities	-	252	3,394
<b>CRD IV Adjustments</b>			
Additional value adjustments	(31)	-	-
Intangible Assets (net of related tax liability)	(1,747)	-	-
Fair value reserves related to gains or losses on cash flow hedges	(492)	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(641)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(20)	-	-
Deferred tax assets arising from temporary differences	(4)	-	-
Defined benefit pension fund assets	(583)	-	-
- Dividend accrual	(22)	-	-
- Deduction for minority interests	(159)	-	-
- IFRS 9 Transitional Adjustments	20	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(243)
<b>Total</b>	<b>10,394</b>	<b>2,243</b>	<b>3,151</b>



**Own Funds disclosure – Transitional Own Funds disclosure template**

The following table provides disclosure of the RFB Group's own funds items. The CRD IV end point position can be derived as the sum of the 30 June 2019 result and the associated end point adjustment. The Common Equity Tier 1 (CET1) Capital before regulatory adjustments below differs from other disclosures in this document as this template requires an alternative treatment of CET1 Minority Interests and foreseeable dividends.

	30 June 2019 £m	CRD IV end point adjustments £m
Common Equity Tier 1 (CET1) Capital: instruments and reserves		
1	8,725	-
2	4,636	-
3	531	-
4	-	-
5	-	-
5a	-	-
6	<b>13,892</b>	<b>-</b>
Common Equity Tier 1 (CET1) Capital: regulatory adjustments		
7	(31)	-
8	(1,747)	-
10	-	-
11	(492)	-
12	(641)	-
13	-	-
14	(20)	-
15	(583)	-
16	-	-
17	-	-
18	-	-
19	-	-
20a	-	-
20b	-	-
20c	-	-
20d	-	-
21	(4)	-
22	-	-
23	-	-
25	-	-
25a	-	-
25b	-	-
26	20	-
26a	-	-
26b	-	-
27	-	-
28	(3,498)	-
29	<b>10,394</b>	<b>-</b>
30	1,756	-
31	1,756	-
32	-	-
33	-	-
34	487	(487)
35	487	(487)
36	<b>2,243</b>	<b>(487)</b>
Additional Tier 1 (AT1) capital: regulatory adjustments		
37	-	-
38	-	-
39	-	-
40	-	-
41	-	-
41a	-	-
41b	-	-
41c	-	-

	30 June 2019 £m	CRD IV end point adjustments £m
42	-	-
43	-	-
44	2,243	-
45	12,637	-
<b>Tier 2 (T2) capital: instruments and provisions</b>		
46	1,189	-
47	-	-
48	1,962	(45)
49	389	(389)
50	-	-
51	3,151	(45)
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
52	-	-
53	-	-
54	-	-
54a	-	-
54b	-	-
55	-	-
56	-	-
56a	-	-
56b	-	-
56c	-	-
57	-	-
58	3,151	-
59	15,788	-
59a	-	-
60	74,742	-
<b>Capital ratio and buffers</b>		
61	13.9%	-
62	16.9%	-
63	21.1%	-
64	3.46%	-
65	2.5%	-
66	0.96%	-
67	-	-
67a	-	-
68	13.9%	-
<b>Amounts below the threshold for deduction (before risk weighting)</b>		
72	-	-
73	-	-
75	-	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	-	-
77	266	-
78	-	-
79	265	-
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>		
80	-	-
81	-	-
82	-	-
83	-	-
84	-	-
85	-	-

**Own Funds disclosure – capital instruments main features**

The following table outlines the main features of Santander UK Plc's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments. Further details are included in the 2019 Half Yearly Financial Report in Note 2.6 to the financial statements.

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc
2	ISIN	XS0060837068	XS0117973262	XS0117973429	XS0103012893	US002920AC09	XS0989359756 US80283LAA17		XS0133956168
3	Governing law(s) of the instrument	English	English	English	English	New York	English	English	English
Regulatory treatment									
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel CRR rules	Tier 2	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2	Ineligible
6	Eligible at solo/group/group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated
8	Amount recognised in regulatory capital (£m)	205	16	373	41	294	1,026	396	10
9	Par value of instrument (£m)	200	14	270	29	205	1,180	394	11
9a	Issue Price of Instruments	100.432%	99.277%	175m @ 97.712% 100m @ 109.744%	99.561%	99.626%	99.681%	99.724%	98.878%
9b	Redemption Price of Instrument	n/a	100% (call)	100% (call)	100%	100%	100%	100%	100%
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost
11	Original date of issuance	23/10/1995	28/09/2000	28/09/2000	21/10/1999	26/10/1999	07/11/2013	15/09/2015	14/08/2001
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	n/a	n/a	n/a	21/10/2030	26/10/2029	07/11/2023	15/09/2025	14/08/2031
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	No	No	No	No	n/a
15	Optional call date, contingent call dates and redemption amount	n/a	28/09/2020	28/09/2030	n/a	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	5 years	5 years	n/a	n/a	n/a	n/a	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Fixed to Floating	Fixed to Floating	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10.0625%	7.375%	7.125%	6.5%	7.95%	5%	4.75%	5.875%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory	Partially discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	Yes	Yes	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	No	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	Fully or Partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	at the option of the issuer	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	Additional Tier 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	Santander UK	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2	Senior	Senior	Senior	Senior	Senior
36	Non-compliant transitioned features	No	Yes	Yes	No	No	No	No	Yes
37	If yes, specify non-compliant features		Incentive to Redeem: Step Up Grandfathered to December 2021	Incentive to Redeem: Step Up Grandfathered to December 2021					No express waiver of set-off Grandfathered to June 2025

## Own Funds disclosure – capital instruments main features

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander plc	Santander UK plc
2	ISIN		GB0000064393	GB0000044221	XS0124569566				n/a
3	Governing law(s) of the instrument	English	English	English	English	English	English	English	English
Regulatory treatment									
4	Transitional CRR rules	Tier 2	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Common Equity Tier 1
5	Post-transitional Basel CRR rules	Tier 2	Ineligible	Ineligible	Ineligible	Additional Tier 1	Additional Tier 1	Additional Tier 1	Common Equity Tier 1
6	Eligible at solo/ group/ group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Preferred	Preferred	Preferred	Additional Tier 1	Additional Tier 1	Additional Tier 1	Equity
8	Amount recognised in regulatory capital (£m)	198	212	132	235	210	745	300	7,060
9	Par value of instrument (£m)	197	200	125	235	210	750	300	7,060
9a	Issue Price of Instrument	99.412%	100m @ 101.52% 100m @ 108.935%	101.55%	100%	100%	100%	100%	100%
9b	Redemption Price of Instrument	100%	n/a	n/a	100% (call)	100% (call)	100% (call)	100% (call)	n/a
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity	Shareholders Equity
11	Original date of issuance	15/09/2015	23/10/1995	09/06/1997	14/02/2001	24/06/2014	10/06/2015	02/12/2014	10/01/2014
12	Perpetual or dated	Dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	15/09/2045	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14	Issuer call subject to prior supervisory approval	No	No	No	Yes	Yes	Yes	Yes	No
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	n/a	14/02/2026	24/09/2019	24/06/2022	24/12/2019	n/a
16	Subsequent call dates, if applicable	n/a	n/a	n/a	Annually	Quarterly	5 years	Quarterly	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed to Floating	Variable
18	Coupon rate and any related index	5.625%	10.375%	8.625%	7.037%	5.180%	7.375%	7.6%	n/a
19	Existence of a dividend stopper	No	Yes	Yes	Yes	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	No	No	No	Yes	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Noncumulative	Noncumulative	Cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a	Full	Full	Full	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	Permanent	Permanent	Permanent	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Additional Tier 1
36	Non-compliant transitioned features	No	Yes	Yes	Yes	No	No	No	No
37	If yes, specify non-compliant features		No CET1 conversion or write down trigger Dividend Stopper Grandfathered to December 2021	No CET1 conversion or write down trigger Dividend Stopper Grandfathered to December 2021	No CET1 conversion or write down trigger Dividend Stopper Incentive to Redeem: Step Up Grandfathered to December 2021				

## Own Funds disclosure – capital instruments main features

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc
2	ISIN				
3	Governing law(s) of the instrument	English	English	English	English
Regulatory treatment					
4	Transitional CRR rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel CRR rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1	Subordinated	Subordinated	Subordinated
8	Amount recognised in regulatory capital (£m)	500	198	197	197
9	Par value of instrument (£m)	500	197	196	196
9a	Issue Price of Instrument	100%	99.724%	99.724%	99.412%
9b	Redemption Price of Instrument	100% (call)	100%	100%	100%
10	Accounting classification	Shareholders Equity	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost
11	Original date of issuance	10/04/2017	15/09/2015	15/09/2015	15/09/2015
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	n/a	15/09/2025	15/09/2025	15/09/2045
14	Issuer call subject to prior supervisory approval	Yes	No	No	No
15	Optional call date, contingent call dates and redemption amount	24/06/2024	n/a	n/a	n/a
16	Subsequent call dates, if applicable	5 years	n/a	n/a	n/a
Coupons / dividends					
17	Fixed or floating dividend/coupon	Fixed to Floating	Fixed	Fixed	Fixed
18	Coupon rate and any related index	6.75%	4.75%	4.75%	5.625%
19	Existence of a dividend stopper	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger (s)	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No
31	If write-down, write-down trigger(s)	CET1 Capital Ratio of the Group < 7%	n/a	n/a	n/a
32	If write-down, full or partial	Full	n/a	n/a	n/a
33	If write-down, permanent or temporary	Permanent	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Senior	Senior	Senior
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features				

## Glossary

Advanced Internal Ratings Based Approach (AIRB)	A method of calculation using internal estimates for all risk components.
Basel III	In December 2010, the Basel Committee on Banking Supervision issued the Basel III rules text, which presents the details of strengthened global regulatory standards on bank capital adequacy and liquidity. The standards were implemented in the EU in January 2014.
Capital Conservation Buffer	A capital buffer required under Basel III to ensure banks build up capital buffers outside of periods of stress.
Common Equity Tier 1 (CET1) capital	The called-up share capital and eligible reserves less deductions calculated in accordance with the CRD IV implementation rules as per the PRA Policy Statement PS7/13. CET1 capital ratio is CET1 capital as a percentage of risk-weighted assets.
Common Equity Tier 1 ratio	CET1 capital as a percentage of risk weighted assets.
Countercyclical capital buffer (CCyB)	A capital buffer required under Basel III to ensure that capital requirements take account of the macro-financial environment in which banks operate.
Counterparty credit risk	A subset of credit risk and is the risk that a counterparty defaults.
CRD IV	An EU legislative package covering prudential rules for banks, building societies and investment firms.
Credit Conversion Factor (CCF)	An estimate of the amount Santander expects a customer to have drawn further on a facility limit at the point of default.
Credit Risk	The risk that a counterparty will default and will be unable to fulfil the obligations of their contract.
Credit Valuation Adjustment (CVA)	Adjustments to the fair values of derivative assets to reflect the creditworthiness of the counterparty.
Expected Loss (EL)	The Santander UK group measure of anticipated loss for exposures captured under an internal ratings-based credit risk approach for capital adequacy calculations. It is measured as the Santander UK group-modelled view of anticipated loss based on Probability of Default, Loss Given Default and Exposure at Default, with a one-year time horizon.
Exposure	The maximum loss that a financial institution might suffer if a borrower, counterparty or group fails to meet their obligations or assets and off-balance sheet positions have to be realised.
Exposure at Default (EAD)	The estimation of the extent to which the Santander UK group may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.
Fair Value	The value of an asset or liability when the transaction is on an arm's length basis.
Financial Policy Committee	An independent committee at the Bank of England with the objective of overseeing and taking action to remove or reduce systemic risks to protect and enhance the resilience of the UK financial system.
Foundation Internal Ratings Based Approach (FIRB)	A method of calculation for credit risk capital requirements using internal estimate of PD with supervisory estimates for LGD and supervisory calculations for EAD.
Global Systemically Important Bank (G-SIB)	G-SIBs are subject to higher capital buffer requirements, total loss-absorbing capacity requirements, resolvability requirements and higher supervisory expectations and have been phased in from 1 January 2016.
Institution	An investment firm or credit institution.
Internal Models Approach (IMA)	Approved by the PRA this model is used to calculate market risk capital and RWA.
Internal Ratings-Based Approach (IRB)	The Santander UK group's method, under the CRD IV framework, for calculating credit risk capital requirements using the Santander UK group's internal Probability of Default models but with supervisory estimates of Loss Given Default and conversion factors for the calculation of Exposure at Default.
Leverage Ratio	CRD IV end-point Tier 1 capital divided by exposures as defined by the European Commission Delegated Regulation 2015/62 of October 2014. In July 2016, the definition was amended to exclude from the calculation for total exposure those assets held against central banks that are matched by deposits in the same currency and of equal or longer maturity.
Loss Given Default (LGD)	The fraction of Exposure at Default that will not be recovered following default. LGD comprises the actual loss (the part that is not recovered), together with the economic costs associated with the recovery process.
Mark-to-Market Approach	An approach available to banks to calculate the exposure value associated with derivative transactions.
Market Risk	The risk of loss of earnings or economic value due to adverse changes in the financial market.
Maturity or Residual Maturity (for RWAs)	Remaining time until a transaction expires.
Minimum Capital Requirement	Minimum capital required for credit, market and operational risk.
Multilateral Development Banks	An institution created by a group of countries to provide financing for the purpose of development.
Operational Risk	The risk of loss due to the failure of people, process or technology.
Pillar 1	The first pillar of the Basel III approach which provides the approach to the calculation of the minimum capital requirements. This is 8% of the banks risk-weighted assets.
Pillar 3	The part of the CRD IV Accord which sets out the disclosure requirements for firms to publish details of their risks, capital and risk management. The aims are greater transparency and strengthening market discipline.
Probability of Default (PD)	The degree of likelihood that the counterparty fails to meet their financial obligation, within a period of one year.
Prudential Regulation Authority (PRA)	The UK financial services regulator formed as one of the successors to the FSA. The PRA is part of the Bank of England and is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm.
Prudential Valuation Adjustment (PVA)	These are adjustments to the tier 1 capital where the prudent value of the position in the trading book is seen by the bank as being below the fair value recognised in the financial statements.
Regulatory Capital	The amount of capital that the Santander UK group holds, determined in accordance with rules established by the UK PRA for the consolidated Santander UK group and by local regulators for individual Santander UK group companies.
Repurchase Agreement (repo)/Reverse Repurchase Agreement (reverse repo)	In a sale and repurchase agreement one party, the seller, sells a financial asset to another party, the buyer, under commitments to reacquire the asset at a later date. The buyer at the same time agrees to resell the asset at the same later date. From the seller's perspective such agreements are securities sold under repurchase agreements (repos) and from the buyer's securities purchased under commitments to resell (reverse repos).
Retail Internal Ratings Based Approach (Retail IRB)	The Santander UK group's internal method of calculating credit risk capital requirements for its key retail portfolios. The FSA approved the Santander UK group's application of the Retail IRB approach to the Santander UK group's credit portfolios with effect from 1 January 2008.
Risk-Weighted Assets (RWAs)	A measure of a bank's assets adjusted for their associated risks. Risk weightings are established in accordance with the Basel Capital Accord as implemented by the PRA.
RWA Density	The risk-weighted asset divided by exposure at default.
Securities Financing Transactions (SFT)	Transactions involving repurchase agreements and reverse repurchase agreements, stock borrow lending and other securities.
Securitisation Positions	The position assumed by the bank following the purchase of securities.
Specialised Lending	An exposure to an entity which was created specifically to finance and/or operate physical assets, where the contractual arrangements given the lender a substantial degree of control over the assets and the income that they generate and the primary source of repayment of the obligation is the income generated by the assets being financed.
Standardised Approach	In relation to credit risk, a method for calculating credit risk capital requirements under CRD IV, using External Credit Assessment Institutions ratings and supervisory risk weights. The Standardised approach is less risk-sensitive than IRB (see 'IRB' above). In relation to operational risk, a method of calculating the operational capital requirement under CRD IV, by the application of a supervisory defined

	percentage charge to the gross income of eight specified business lines.
Tier 1 Capital	A measure of a bank's financial strength defined by the PRA. It captures Core Tier 1 capital plus other Tier 1 securities in issue, but is subject to a deduction in respect of material holdings in financial companies.
Tier 1 Capital ratio	The ratio expresses Tier 1 capital as a percentage of risk weighted assets.
Tier 2 Capital	Defined by the PRA. Broadly, it includes qualifying subordinated debt and other Tier 2 securities in issue, eligible collective impairment allowances, unrealised available for sale equity gains and revaluation reserves. It is subject to deductions relating to the excess of expected loss over regulatory impairment allowance, securitisation positions and material holdings in financial companies.
Trading Book	Positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book, which must be free of restrictive covenants on their tradability or ability to be hedged.
Value at Risk (VaR)	An estimate of the potential loss which might arise from market movements under normal market conditions, if the current positions were to be held unchanged for one business day, measured to a confidence level.