

Santander UK Group Holdings plc and Santander UK plc

June 2023 Additional Capital and Risk Management Disclosures

Table of Contents

Santander UK Group Holdings plc and Santander UK plc	1
June 2023 Additional Capital and Risk Management Disclosures	1
Introduction.....	2
Retained EU Law disclosures.....	2
Key metrics (KM1).....	4
Key metrics – Minimum Requirement for Own Funds and Eligible Liabilities (MREL) requirements (KM2).....	5
TLAC1: Total Loss Absorbing Capacity composition for G-SIBs (at resolution group level).....	6
TLAC2 – Material subgroup entity – creditor ranking at legal entity level.....	7
TLAC3 – Resolution entity – creditor ranking at legal entity level.....	7
IFRS 9 Transitional Arrangements (IFRS9-FL).....	8
UK LRA: Disclosure of LR qualitative information.....	9
UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures.....	9
UK LR2 - LRCom: Leverage ratio common disclosure.....	10
UK LR3 - LRSpt Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures).....	11
Liquidity Coverage Ratio (LIQ1).....	13
Qualitative information on LCR (LIQB).....	14
Template UK LIQ2: Net Stable Funding Ratio.....	15
Overview of risk weighted exposure amounts (OV1).....	16
RWEA flow statements of credit risk exposures under IRB approach (CR8).....	17
RWEA flow statements of credit risk exposures under standardised approach	17
Performing and non-performing exposures and related provisions (CR1).....	18
Maturity of exposures (CR1A).....	19
Changes in the stock of non-performing loans and advances (CR2).....	19
CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (CR3).....	19
Standardised approach - Credit risk exposure and credit risk mitigation (CRM) effects (CR4).....	20
IRB approach - Credit risk exposure and credit risk mitigation (CRM) effects.....	20
Template UK CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques.....	21
Specialised lending and equity exposures under the simple risk weighted approach (CR10).....	23
Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (CCyB1).....	24
Amount of institution-specific countercyclical capital buffer (CCyB2).....	24
Credit quality of forborne exposures (CQ1).....	25
Credit quality of loans and advances to non-financial corporations by industry (CQ5).....	26
Collateral obtained by taking possession and execution processes (CQ7).....	26
Own Funds disclosure – balance sheet reconciliation.....	27
Composition of regulatory own funds (CC1).....	28
Reconciliation of regulatory own funds to balance sheet in the audited financial statements (CC2).....	30
Own Funds disclosure – capital instruments main features.....	31
CCA - Main features of regulatory capital instruments and of other TLAC-eligible instruments.....	35
Part 2	400
June 2023 Additional Capital and Risk Management Disclosures for Santander UK plc Group	40-63
Glossary.....	644

Introduction

Santander UK Group Holdings plc's Additional Capital and Risk Management Disclosures for the six months ended 30 June 2023 should be read in conjunction with our 2023 Half Yearly Financial Report.

As a wholly-owned large subsidiary of Banco Santander, S.A., under the retained EU law version of Capital Requirements Regulation (UK CRR) Santander UK Group Holdings plc (the Company) is required to produce and publish annually a specified number of Pillar 3 disclosures. In accordance with the European Banking Authority (EBA) guidelines on disclosure frequency^[1], 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 within Part 1 of this document on pages 3 to 39 cover the consolidated Santander UK Group Holdings plc group position.

The Company is the immediate parent company of Santander UK plc, a Ring Fenced Bank (RFB), and associated controlled entities and is the head of the Santander UK group for regulatory capital and leverage purposes. Part 2 of this document on pages 41-63 includes a specified number of Pillar 3 disclosures in accordance with the EBA guidelines on disclosure frequency for the Santander UK plc group, which are similar to those for the Company.

Retained EU Law disclosures

This document contains disclosures required under UK CRR for the Company as a large subsidiary of an EU parent undertaking, some of which are not disclosed in the 2023 Half Yearly Financial Report. All disclosures cover the 30 June 2023 position or movement during 2023.

^[1] EBA guidelines on materiality, proprietary and confidentiality and on disclosure frequency are under Articles 432(1), 432(20) and 433 of Regulation (EU) No 575/2013.

Part 1

Additional Capital and Risk Management Disclosures for Santander UK Group Holdings plc group

EXECUTIVE SUMMARY

COMMON EQUITY TIER 1 (CET1) RATIO



The CET1 capital ratio increased 20bps to 15.4%. This was largely due to higher profit. We remain strongly capitalised with significant headroom to minimum requirements and MDA.

TOTAL CAPITAL RATIO



Total capital ratio decreased by 10bps to 20.3%, due to reduction in Tier 2 capital securities partially offset by the increase in CET1 capital ratio as outlined above.

UK LEVERAGE RATIO



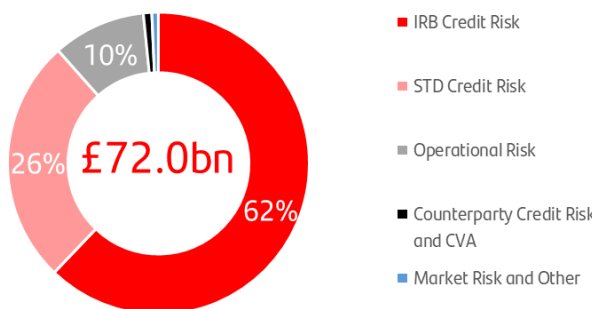
UK leverage ratio remained broadly stable at 5.3% (2022: 5.2%). UK leverage exposure reduced slightly to £245.7bn (2022: £248.6bn).

RISK-WEIGHTED ASSETS (RWAs) £bn

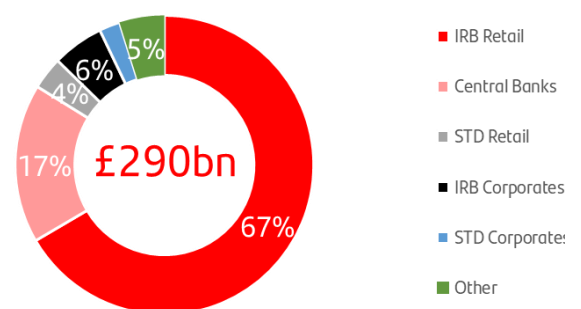


RWAs increased from £71.2bn to £72.0bn, this was principally driven by the business growth in consumer finance and the reversion of the AIRB large corporate model to FIRB.

RWA BY TYPE



EAD BY EXPOSURE TYPE



Key metrics (KM1)

The following table summarises the Company's Own Funds and key risk-based capital ratios at 30 June 2023 together with the previously disclosed quarter end information at 31 March 2023, 31 December 2022, 30 September 2022 and 30 June 2022. Further detail on Risk Weighted Assets are included in the subsequent sections of this document:

	30 June 2023 £m	31 March 2023 £m	31 December 2022 £m	30 September 2022 £m	30 June 2022 £m
Available own funds (amounts)					
1	11,070	10,955	10,843	11,039	10,927
2	13,267	13,152	13,039	13,235	13,123
3	14,634	14,618	14,500	14,753	14,615
Risk-weighted exposure amounts					
4	71,975	71,290	71,166	71,433	70,367
Capital ratios (as a percentage of risk-weighted exposure amount)					
5	15.38%	15.37%	15.24%	15.45%	15.53%
6	18.43%	18.45%	18.32%	18.53%	18.65%
7	20.33%	20.50%	20.37%	20.65%	20.77%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	3.22%	3.22%	3.22%	2.94%	2.95%
UK 7b	1.07%	1.07%	1.07%	0.98%	0.98%
UK 7c	1.43%	1.43%	1.43%	1.31%	1.31%
UK 7d	5.72%	5.72%	5.72%	5.22%	5.25%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	2.50%	2.50%	2.50%	2.50%	2.50%
UK 8a	-	-	-	-	-
9	0.98%	0.99%	0.01	-	-
UK 9a	-	-	-	-	-
10	-	-	-	-	-
UK 10a	-	-	-	-	-
11	3.48%	3.49%	3.50%	2.50%	2.50%
UK 11a	17.20%	17.21%	17.22%	15.72%	15.75%
12	3.13%	3.29%	3.16%	4.93%	5.02%
Leverage ratio					
13	245.7	249.1	248.6	248.4	248.6
14	5.3%	5.2%	5.2%	5.3%	5.2%
Additional leverage ratio disclosure requirements					
14a	5.3%	5.2%	5.2%	5.3%	5.2%
14b	4.6%	4.4%	4.4%	4.4%	4.4%
14c	5.3%	5.3%	5.2%	5.2%	5.2%
14d	4.5%	4.5%	4.4%	4.3%	4.3%
14e	0.3%	0.3%	0.3%	0.0%	0.0%
Liquidity Coverage Ratio					
15	49,707	49,465	48,895	51,345	49,177
UK 16a	33,059	32,009	31,950	32,511	30,608
UK 16b	1,932	1,857	1,913	1,908	1,983
16	31,127	30,152	30,037	30,603	28,625
17	159.69%	164.05%	162.78%	167.76%	171.79%
Net Stable Funding Ratio					
18	225,598	233,255	238,471	239,127	239,747
19	166,955	172,371	174,283	180,849	180,220
20	135.13%	135.32%	136.83%	132.22%	133.03%

Key Movements

The CET1 capital ratio increased 20bps to 15.4%. This was largely due to higher profit. We remain strongly capitalised with significant headroom to minimum requirements and MDA. The Overall capital requirements of 17.20% does not include the company specific Pillar 2B charge. UK leverage ratio remained broadly stable at 5.3% (2022: 5.2%). UK leverage exposure reduced slightly to £245.7bn (2022: £248.6bn). Total capital ratio remained broadly stable at 20.3% (2022: 20.4%).

1] Liquidity metrics is now reported for Santander UK, our Holding Company, from 1 January 2022 following adoption of CRR2 regulation.

Key metrics – Minimum Requirement for Own Funds and Eligible Liabilities (MREL) requirements (KM2)

The following table summarises key metrics about Own Funds and Eligible Liabilities available, and MREL requirements applied, for the Santander UK Group Holdings plc group:

	30 June 2023 £m	31 March 2023 £m	31 December 2022 £m	30 September 2022 £m	30 June 2022 £m
1 Total Own Funds and Eligible Liabilities available	26,174	26,336	26,136	25,703	25,106
1a Fully loaded ECL accounting model Own Funds and Eligible Liabilities available	26,165	26,329	26,116	25,653	25,047
2 Total RWA at the level of the resolution group	71,975	71,290	71,166	71,433	70,367
3 Total Own Funds and Eligible Liabilities as a percentage of RWA	36.4%	36.9%	36.7%	36.0%	35.7%
3a Fully loaded ECL accounting model Own Funds and Eligible Liabilities as a percentage of fully loaded ECL accounting model RWA	36.4%	37.0%	36.7%	36.0%	35.6%
4 UK Leverage exposure measure at the level of the resolution group ^[1]	245,725	249,083	248,602	248,430	248,565
5 Total Own Funds and Eligible Liabilities as a percentage of UK leverage exposure measure ^[2]	10.7%	10.6%	10.5%	10.3%	10.1%
5a Fully loaded ECL accounting model Own Funds and Eligible Liabilities as a percentage of fully loaded ECL accounting model UK leverage ratio exposure measure ^[2]	10.6%	10.6%	10.5%	10.3%	10.1%
6a Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	n/a	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 Own Funds and Eligible Liabilities, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as Own Funds and Eligible Liabilities if no cap was applied (%)	n/a	n/a	n/a	n/a	n/a

^[1] From the 1st of January 2022, the Leverage Exposure excludes claims on central banks. Periods prior to the 1 Jan 2022 are based on CRR Leverage exposure including claims on central banks, reflecting the rules in force at that time.

^[2] The MREL requirement for Santander UK Group Holdings plc, excluding capital buffers, is 26.5% of RWAs (2*^[P1+P2A]).

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

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

	30 June 2023 £bn	31 December 2022 £bn	30 June 2022 £bn	
Regulatory capital elements of TLAC and adjustments				
1	Common Equity Tier 1 capital (CET1)	11.1	10.8	10.9
2	Additional Tier 1 capital (AT1) before TLAC adjustments	2.2	2.2	2.2
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties		-	-
4	Other adjustments		-	-
5	AT1 instruments eligible under the TLAC framework	2.2	2.2	2.2
6	Tier 2 capital (T2) before TLAC adjustments	1.4	1.5	1.5
7	Amortised portion of T2 instruments where remaining maturity > 1 year	0.2	0.3	0.2
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	0.7	0.7	0.8
9	Other adjustments	-	-	-
10	T2 instruments eligible under the TLAC framework	0.8	0.9	0.9
11	TLAC arising from regulatory capital	14.1	14.0	14.1
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	12.1	12.2	11.0
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	12.1	12.2	11.0
Non-regulatory capital elements of TLAC: adjustments				
18	TLAC before deductions	26.2	26.1	25.1
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	26.2	26.1	25.1
Risk-weighted assets and leverage exposure measure for TLAC purposes				
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	72.0	71.2	70.4
24	Leverage exposure measure ¹	245.7	248.6	248.6
TLAC ratios and buffers				
25	TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	36.4%	36.7%	35.7%
26	TLAC (as a percentage of leverage exposure)	10.7%	10.5%	10.1%
27	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum requirements	8.9%	9.3%	9.2%
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)	3.48%	3.50%	2.50%
29	Of which: capital conservation buffer requirement	2.50%	2.50%	2.50%
30	Of which: bank specific countercyclical buffer requirement	0.98%	1.00%	-
31	Of which: D-SIB / G-SIB buffer	-	-	-

¹ From the 1st of January 2022, the Leverage Exposure excludes claims on central banks (previously the CRR Leverage Exposure was applied for TLAC and MREL purposes which included claims on central banks).

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	Yes	No	Yes	No	Yes	-
2	Description of creditor ranking	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	2.0	0.3	1.0	0.9	12.4	19.7
4	Subset of row 3 that are excluded liabilities	-	-	-	-	-	-	-
5	Total capital and liabilities less excluded liabilities	3.1	2.0	0.3	1.0	0.9	12.4	19.7
6	Subset of row 5 that are eligible as TLAC	3.1	2.0	-	1.0	-	11.4	17.5
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	-	-	2.5	2.5
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	-	0.5	-	4.9	5.4
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	-	0.3	-	4.0	4.3
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	0.2	-	-	0.2
11	Subset of row 6 that is perpetual securities	3.1	2.0	-	-	-	-	5.1

TLAC3 – Resolution entity – creditor ranking at legal entity level

Creditor Hierarchy of the Company:

	Creditor ranking				Sum of 1 to 4	
	1 (most junior)	2	3	4 (most senior)		
1	Description of creditor ranking	Share Capital Book value	Additional Tier 1 Instruments Stated value	Subordinated Debt Par value	Bail-in Debt Par value	Total
2	Total capital and liabilities net of credit risk mitigation	7.1	2.2	1.0	12.5	22.8
3	Subset of row 2 that are excluded liabilities	-	-	-	-	-
4	Total capital and liabilities less excluded liabilities	7.1	2.2	1.0	12.5	22.8
5	Subset of row 4 that are potentially eligible as TLAC	7.1	2.2	1.0	12.0	22.3
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	-	-	-	2.5	2.5
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	-	-	0.5	5.5	6.0
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	0.3	4.0	4.3
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	0.2	-	0.2
10	Subset of row 5 that is perpetual securities	7.1	2.2	-	-	9.3

IFRS 9 Transitional Arrangements (IFRS9-FL)

The following table summarises the impact of IFRS 9 transitional arrangements at 30 June 2023 over the full allowable period:

	2023	2024
IFRS9 Transitional Factor for credit loss-based provision movements post 1/1/20	50%	25%
Available Capital (amounts)		
1 Common Equity Tier 1 (CET1) capital	11,070	10,066
CET1 Capital as if IFRS 9 STATIC transitional arrangements were not applied	11,070	11,066
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements were not applied	11,061	11,061
2 CET1 Capital as if ALL IFRS 9 transitional arrangements were not applied	11,061	11,061
3 Tier 1 Capital	13,266	13,263
4 Tier 1 Capital as if ALL IFRS 9 transitional arrangements were not applied	13,257	12,258
5 Total Capital	14,634	14,630
6 Total Capital as if ALL IFRS 9 transitional arrangements were not applied	14,625	14,625
Risk-weighted assets (amounts)		
7 Total risk-weighted assets (RWA)	71,975	71,954
Total RWA as if IFRS 9 STATIC transitional arrangements were not applied	71,975	71,954
Total RWA as if IFRS 9 DYNAMIC transitional arrangements were not applied	71,933	71,933
8 Total RWA as if ALL IFRS 9 transitional arrangements were not applied	71,933	71,933
Capital Ratios		
9 Common Equity Tier 1 ratio	15.38%	15.38%
10 Common Equity Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	15.38%	15.38%
11 Tier 1 ratio	18.43%	18.43%
12 Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	18.43%	18.43%
13 Total capital ratio	20.33%	20.33%
14 Total Capital as if ALL IFRS 9 transitional arrangements were not applied	20.33%	20.33%
UK leverage ratio including claims on central banks		
15 Leverage Ratio Total Exposure Measure	290,420	290,420
16 Leverage Ratio	4.6%	4.6%
17 Leverage ratio as if ALL IFRS 9 transitional arrangements were not applied	4.7%	4.6%

The Company is applying the IFRS 9 capital transitional arrangements set out in the onshored versions of EU Regulation 2017/2 395 and EU Regulation 2020/873 that amend the Capital Requirements Regulation. Under the transitional arrangements, the Company is entitled to mitigate the effect to capital of Expected Credit Loss-based provisioning following the implementation of IFRS 9. The transitional arrangements will end on 31st December 2024 with the amount of capital relief available having reduced each year by a transitional factor. The transitional factor for 2024 is 25 percent which applies to post 1 January 2020 provision movements.

The capital relief affects both the capital base and RWAs reported by the Company. The adjustment to CET1 capital is now comprised of a dynamic element only, having previously been comprised of a static element and a dynamic element. The dynamic element is based on the capital impact of the change in provision levels post 1 January 2020. In addition to this adjustment, the transitional arrangements also reduce associated capital position impacts for exposures modelled under the Standardised Approach for Credit Risk and Tier 2 capital from an excess of provisions over expected losses for exposures modelled using the Internal Ratings-Based approach.

UK LRA: Disclosure of LR qualitative information**Description of the processes used to manage the risk of excessive leverage**

The leverage ratio for the UK consolidated group is monitored and reported to Capital Committee and other governance bodies, and is included in the group's Risk Appetite framework. The current level of the Leverage ratio and also forecast levels of the leverage ratio under a range of macroeconomic scenario, including stress scenarios, are considered. Under the Risk Appetite framework, limits and alert levels for the leverage ratio have been set to ensure that Leverage is maintained at acceptable levels and in excess of minimum regulatory requirements.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

The Leverage ratio for the UK consolidated group has increased from Mar23 5.21% to Jun23 5.32%, as a result of Tier 1 Capital movements in Capital of +£115m due to profits and a decrease in Leverage Exposure of -£3.4bn.

UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		30 June 2023 £m
1	Total assets as per published financial statements	284,341
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	1,736
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for exemption of exposures to central banks) ¹	(44,696)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	(1,475)
9	Adjustment for securities financing transactions (SFTs)	386
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	7,269
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	-
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-
12	Other adjustments	(1,836)
13	Total exposure measure	245,725

¹ Adjustment for exemption of exposures to central banks - is inclusive of 100% guaranteed Bounce Back loans.

UK LR2 - LRCom: Leverage ratio common disclosure

		Leverage ratio exposures	
		30 June 2023 £m	31 December 2022 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	227,634	235,475
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(3,844)	(4,225)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(2,703)	(2,696)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	221,087	228,553
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	4,089	4,485
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	872	875
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	4,961	5,359
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	14,730	8,826
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,707)	(1,478)
16	Counterparty credit risk exposure for SFT assets	386	371
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
17	Agent transaction exposures	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	Total securities financing transaction exposures	12,409	7,719
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	33,725	31,857
20	(Adjustments for conversion to credit equivalent amounts)	(26,456)	(24,886)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	7,269	6,971
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	-	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	-	-
UK-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital (leverage)	13,067	12,863
24	Total exposure measure including claims on central banks	290,420	297,800
UK-24a	(-) Claims on central banks excluded	(44,696)	(49,199)
UK-24b	Total exposure measure excluding claims on central banks	245,725	248,602
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.3%	5.2%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.3%	5.2%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.3%	5.2%
UK-25c	Leverage ratio including claims on central banks (%)	4.6%	4.4%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements - leverage ratio buffers			

		30 June 2023 £m	31 December 2022 £m
27	Leverage ratio buffer (%)	0.69%	0.69%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.35%	0.35%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.34%	0.34%
Additional leverage ratio disclosure requirements - disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	10,810	8,178
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	11,308	7,943
UK-31	Average total exposure measure including claims on central banks	294,019	302,068
UK-32	Average total exposure measure excluding claims on central banks	246,094	249,529
UK-33	Average leverage ratio including claims on central banks	4.4%	4.3%
UK-34	Average leverage ratio excluding claims on central banks	5.3%	5.2%

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

		Leverage ratio exposures 30 June 2023 £m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	227,634
UK-2	Trading book exposures	-
UK-3	Banking book exposures, of which:	227,634
UK-4	Covered bonds	1,700
UK-5	Exposures treated as sovereigns	4,728
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	844
UK-7	Institutions	809
UK-8	Secured by mortgages of immovable properties	177,301
UK-9	Retail exposures	10,981
UK-10	Corporates	20,296
UK-11	Exposures in default	3,429
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	7,546

LIQUIDITY METRICS EXECUTIVE SUMMARY

LIQUIDITY COVERAGE RATIO - SPOT



The LCR requirement (weighted) is broadly consistent over time, driven mainly by deposits. Corporate deposits contribute a greater requirement despite Retail deposits being significantly larger in number, as a result of the standardised LCR weightings.

HQLA increased marginally as a result of lending reductions offset by reduction of deposits and TFSME repayments. The LCR maintains a significant surplus to both internal and regulatory requirements.

LIQUIDITY COVERAGE RATIO - AVERAGE



NET STABLE FUNDING RATIO



The composition of the balance sheet has remained consistent year on year resulting in the NSFR ratio remaining broadly in line with 2022.

Liquidity Coverage Ratio (LIQ1)

This table shows HoldCo Group's 12-month average LCR. As HoldCo Company's 12-month average LCR was not available prior to December 2022, September 2022's numbers are based off of a 9 month average. The values presented below are the simple average of the preceding monthly periods ending on the reporting date as specified in the table:

UK 1a	Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
		30 June	31 March	31 December	30 September	30 June	31 March	31 December	30 September
		2023	2023	2022	2022	2023	2023	2022	2022
		£m	£m	£m	£m	£m	£m	£m	£m
UK-1b	Number of data points used in the calculation of averages	12	12	12	9	12	12	12	9
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					50,633	50,549	50,846	50,143
	CASH-OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	150,488	150,720	150,733	150,036	9,363	9,394	9,408	9,335
3	Stable deposits	123,933	124,211	124,267	124,221	6,197	6,211	6,213	6,211
4	Less stable deposits	26,555	26,509	26,466	25,815	3,166	3,183	3,195	3,124
5	Unsecured wholesale funding	26,531	26,574	26,484	26,349	14,291	14,048	13,734	13,538
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	2,030	2,105	2,151	2,079	381	398	409	392
7	Non-operational deposits (all counterparties)	22,762	22,775	22,862	22,747	12,171	11,956	11,854	11,623
8	Unsecured debt	1,739	1,694	1,471	1,523	1,739	1,694	1,471	1,523
9	Secured wholesale funding					154	119	111	86
10	Additional requirements	13,694	13,487	13,391	13,260	6,788	6,397	6,221	5,986
11	Outflows related to derivative exposures and other collateral requirements	5,718	5,357	5,245	4,991	5,718	5,357	5,245	4,991
12	Outflows related to loss of funding on debt products	200	201	131	137	200	201	131	137
13	Credit and liquidity facilities	7,776	7,929	8,015	8,132	870	839	845	858
14	Other contractual funding obligations	186	248	322	222	152	214	285	185
15	Other contingent funding obligations	24,761	26,421	28,183	29,449	1,679	1,991	2,318	2,534
16	TOTAL CASH OUTFLOWS					32,427	32,163	32,077	31,664
	CASH-INFLOWS								
17	Secured lending (e.g reverse repos)	4,809	3,918	3,452	3,096	6	6	4	4
18	Inflows from fully performing exposures	2,409	2,397	2,375	2,291	1,568	1,548	1,543	1,465
19	Other cash inflows	2,165	2,316	2,383	2,471	552	730	820	967
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								-
UK-19b	(Excess inflows from a related specialised credit institution)								-
20	TOTAL CASH INFLOWS	9,383	8,631	8,210	7,858	2,126	2,284	2,367	2,436
UK-20a	Fully exempt inflows								
UK-20b	Inflows Subject to 90% Cap								
UK-20c	Inflows Subject to 75% Cap	9,383	8,631	8,210	7,858	2,126	2,284	2,367	2,436
	TOTAL ADJUSTED VALUE								
UK-21	LIQUIDITY BUFFER					50,633	50,549	50,846	50,143
22	TOTAL NET CASH OUTFLOWS					30,301	29,879	29,710	29,228
23	LIQUIDITY COVERAGE RATIO					167.1	169.18	171.14	171.55

Qualitative information on LCR (LIQB)

<p>Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time</p> <p>The LCR requirement (weighted) is broadly consistent over time, driven mainly by deposits. Corporate deposits contribute a greater requirement despite Retail deposits being significantly larger in number, as a result of the standardised LCR weightings. The 12 month average HQLA has reduced slightly in Q2 as a result of lower customer deposits and TFSME repayments. The LCR maintains a significant surplus to both internal and regulatory requirements.</p>
<p>Explanations on the changes in the LCR over time</p> <p>The 12 month average LCR of 166% reflects our strong liquidity position</p>
<p>Explanations on the actual concentration of funding sources</p> <p>Santander UK is largely funded through customer deposits (£191bn), with the significant proportion being Retail. We also have c£64bn of wholesale funding which includes secured, unsecured term funding as well as c£21bn of TFSME Funding.</p>
<p>High-level description of the composition of the institution's liquidity buffer.</p> <p>The liquidity buffer is largely comprised (>93%) of Level 1 assets, primarily cash held in our Bank of England Reserve Account.</p>
<p>Derivative exposures and potential collateral calls</p> <p>The main drivers of derivative exposures / potential collateral calls are the Historic Look Back Approach (HLBA) to calculating collateral requirements in the LCR and collateral outflows due to counterparties in the event of a deterioration of our own credit quality. As secured issuance volumes have been reduced as a result of our participation in the TFSME, this has in turn reduced these amounts.</p>
<p>Currency mismatch in the LCR</p> <p>We have no material mismatch in our currency LCRs, with most of the funding raised in currency swapped back to GBP and the remainder being used to fund structural currency assets.</p>
<p>Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile</p> <p>n/a</p>

Template UK LIQ2: Net Stable Funding Ratio

In accordance with Article 451a(3) CRR

The table below represents the breakdown of the key component for the June 2023 HoldCo Group's NSFR ratio

(in currency amount)		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	-	-	500	18,121	18,121
2	Own funds	-	-	500	18,121	18,121
3	Other capital instruments	-	-	-	-	-
4	Retail deposits	-	151,519	1,714	1,055	145,209
5	Stable deposits	-	124,046	837	687	119,326
6	Less stable deposits	-	27,473	877	368	25,883
7	Wholesale funding:	-	51,201	1,948	23,875	37,081
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	51,201	1,948	23,875	37,081
10	Interdependent liabilities	-	-	-	-	-
11	Other liabilities:	603	9,484	4,779	22,798	25,187
12	NSFR derivative liabilities	603	-	-	-	-
13	All other liabilities and capital instruments not included in the above categories	-	9,484	4,779	22,798	25,187
14	Total available stable funding (ASF)	-	-	-	-	225,598
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)	-	-	-	-	354
UK-15a	Assets encumbered for more than 12m in cover pool	-	-	-	-	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	23,619	4,956	200,796	157,252
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	-	11,460	1,387	-	694
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	-	-	-	-	-
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	-	6,492	2,513	197,055	151,634
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2,592	1,509	185,565	139,416
22	Performing residential mortgages, of which:	-	249	429	178,604	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	249	429	178,604	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	-	5,667	1,056	3,741	4,924
25	Interdependent assets	-	-	-	-	-
26	Other assets:	-	1,687	84	6,673	7,744
27	Physical traded commodities	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	312
29	NSFR derivative assets	-	-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted	-	565	-	-	28
31	All other assets not included in the above categories	-	1,122	84	6,673	7,404
32	Off-balance sheet items	-	26,876	101	5,128	1,605
33	Total RSF	-	-	-	-	166,955
34	Net Stable Funding Ratio (%)	-	-	-	-	135.13%

RWA and Capital Requirements

Overview of risk weighted exposure amounts (OV1)

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

		Risk Weighted Exposure Amounts (RWEAs)		Total Own Funds Requirements
		30 June	31 March	30 June
		2023	2023	2023
		£bn	£bn	£bn
1	Credit risk (excluding CCR) ¹	63.6	62.9	5.0
2	Of which the standardised approach	18.9	18.5	1.5
3	Of which the foundation IRB (FIRB) approach	2.8	1.8	0.2
4	Of which slotting approach	3.6	3.1	0.3
UK 4a	Of which equities under the simple risk weighted approach	0.3	-	-
5	Of which the advanced IRB (AIRB) approach	38.0	39.5	3.0
6	Counterparty credit risk - CCR ¹	0.6	0.6	-
7	Of which the standardised approach	0.3	0.3	-
8	Of which internal model method (IMM)	0.2	0.2	-
UK 8a	Of which exposures to a CCP			
UK 8b	Of which credit valuation adjustment - CVA	0.1	0.1	-
9	Of which other CCR			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap) ²	0.2	0.3	-
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	0.2	0.3	-
19	Of which SEC-SA approach			
UK 19a	Of which 1250% / deduction			-
20	Position, foreign exchange and commodities risks (Market risk) ¹	0.3	0.3	-
21	Of which the standardised approach	0.3	0.3	-
22	Of which IMA			
UK 22a	3			
23	Operational risk ¹	7.2	7.2	0.6
UK 23a	Of which basic indicator approach			
UK 23b	Of which standardised approach	7.2	7.2	0.6
UK 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)			
29	Total 1	72.0	71.3	5.6

[1] Balances which are not visible due to rounding have been included in the total.

[2] Includes 4 Significant Risk Transfer transactions which are subject to re-characterisation risk.

RWEA flow statements of credit risk exposures under the IRB approach (CR8) and RWEA flow statements of credit risk exposures under the standardised approach¹**RWEA flow statements of credit risk exposures under IRB approach (CR8)**

	RWEA £bn	Capital requirements
1 Risk weighted exposure amount as at 31 March	44.6	3.5
2 Asset size	(0.1)	-
3 Asset quality	0.2	-
4 Model updates	0.2	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	-	-
9 Risk weighted exposure amount as at 30 June	44.9	3.5

RWEA flow statements of credit risk exposures under standardised approach

	RWEA £bn	Capital requirements
1 Risk weighted exposure amount as at 31 March	19.1	1.5
2 Asset size	0.3	-
3 Asset quality	-	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	-	-
9 Risk weighted exposure amount as at 30 June	19.4	1.5

RWA decrease of £0.1 bn in the asset size section of the IRB table is primarily driven by the decrease in retail mortgage portfolio. Model updates in the IRB approach table relate to reversion from A-IRB to F-IRB for some portfolios.

¹ Table excludes CVA

Performing and non-performing exposures and related provisions (CR1)

The following table provides an overview of the credit quality of non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class at 30 June 2023:

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated Partial write-off	Collateral and financial guarantees received		
	Performing exposures		Non-performing exposures				Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					On performing exposures	On non-performing exposures	
	£m	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	£m	£m	£m		£m		
Cash balances at central banks and other demand deposits	42,244	42,244	-	-	-	-	-	-	-	-	-	-	-	-	-	-
005 Loans and advances	226,440	208,385	18,055	3,429	620	2,809	(596)	(143)	(453)	(350)	(14)	(336)	-	214,531	2,154	
020 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 <i>General governments</i>	134	134	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	2,145	2,145	-	-	-	-	-	-	-	-	-	-	-	1,253	-	
050 <i>Other financial corporations</i>	16,917	16,664	253	51	-	51	(23)	(6)	(18)	(8)	-	(8)	-	12,403	40	
060 <i>Non-financial corporations</i>	17,781	14,565	3,216	688	-	688	(200)	(70)	(130)	(158)	-	(158)	-	16,879	252	
070 <i>Of which SMEs</i>	8,934	6,646	2,288	536	-	536	(143)	(50)	(93)	(104)	-	(104)	-	8,742	171	
080 <i>Households</i>	189,464	174,878	14,586	2,690	620	2,070	(372)	(67)	(305)	(184)	(14)	(170)	-	183,996	1,861	
090 Debt securities	7,442	7,442	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 <i>General governments</i>	4,474	4,315	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 <i>Credit institutions</i>	2,685	2,685	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 <i>Other financial corporations</i>	278	278	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 <i>Non-financial corporations</i>	6	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	33,627	32,645	982	98	-	98	(63)	(23)	(40)	(14)	-	(14)	-	-	-	-
160 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 <i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 <i>Other financial corporations</i>	921	921	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 <i>Non-financial corporations</i>	8,921	8,444	477	45	-	45	(26)	(13)	(13)	(12)	-	(12)	-	-	-	-
210 <i>Households</i>	23,786	23,281	505	53	-	53	(37)	(11)	(26)	(1)	-	(1)	-	-	-	-
220 Total	309,754	290,717	19,037	3,526	620	2,906	(659)	(166)	(493)	(364)	(14)	(350)	-	214,531	2,154	

Maturity of exposures (CR1-A)

At 30 June 2023	Net exposure value					No stated maturity	Total
	On demand	<= 1 year	>1 year <= 5 years	> 5 years			
1	Loans and advances to customers	5,454	7,482	25,570	176,503	-	215,009
2	Debt securities	-	2,299	3,368	1,775	-	7,442
3	Total	5,454	9,781	28,938	178,278	-	222,451

Changes in the stock of non-performing loans and advances (CR2)

		Gross carrying amount
		£m
010	Initial stock of non-performing loans and advances	3,142
020	Inflows to non-performing portfolios	970
030	Outflows from non-performing portfolios	(683)
040	Of which Outflows due to write-offs	(150)
050	Of which Outflows due to other situations	(533)
060	Final stock of non-performing loans and advances	3,429

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

For more details on the Company's approach to Credit Risk Mitigation refer to the Other Segments – Credit Risk Review section of our 2023 Half Yearly Financial Report.

The following table provides analysis of secured and collateralised exposures at 30 June 2023:

	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral		Of which secured by financial guarantees		Of which secured by credit derivatives
			30-Jun 2023	30-Jun 2023	30-Jun 2023	30-Jun 2023	
	£m	£m	£m	£m	£m	£m	£m
1	Loans and advances	9,752	216,685	213,953	2,732	-	-
2	Debt securities	5,638	1,804	1,804	-	-	-
3	Total	15,390	218,489	215,757	2,732	-	-
4	<i>Of which non-performing exposures</i>	739	2,690	-	-	-	-
5	<i>Of which defaulted</i>	739	2,690	-	-	-	-

Standardised approach - Credit risk exposure and credit risk mitigation (CRM) effects (CR4)

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWAs and RWAs density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWAs density (%)
	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 %
1 Central governments or central banks	47.3	-	49.9	0.1	-	0%
2 Regional government or local authorities	-	-	-	-	-	0%
3 Public sector entities	-	0.1	-	-	-	20%
4 Multilateral Development Banks	0.8	-	0.8	-	-	0%
5 International Organisations	-	-	-	-	-	0%
6 Institutions	1.1	-	1.1	-	0.2	16%
7 Corporates	8.6	3.6	6.4	0.2	6.0	91%
8 Retail	10.6	10.6	10.2	-	7.6	74%
9 Secured by mortgages on immovable property	1.3	-	1.3	-	0.5	37%
10 Exposures in default	0.3	0.1	0.2	-	0.2	123%
11 Exposures associated with particularly high risk	-	-	0.0	-	-	150%
12 Covered bonds	1.7	-	1.7	-	0.3	16%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
14 Collective investment undertakings	-	-	-	-	-	0%
15 Equity	-	-	-	-	-	0%
	6.8	-	6.8	-	4.4	
16 Other items						65%
Securitisations	0.2		0.2		0.2	100%
Contributions to the default fund of a CCP	-		-		-	1250%
17 Total	78.7	14.4	78.7	0.3	19.4	24%

IRB approach - Credit risk exposure and credit risk mitigation (CRM) effects

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWAs and RWAs density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWAs density (%)
	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 %
Corporates – Specialised Lending	4.8	0.6	4.8	0.4	3.7	69%
Corporates – SME	0.6	0.2	0.5	-	0.5	85%
Corporates – Other	7.0	5.7	7.6	3.7	4.1	36%
Institutions	0.8	-	-	-	0.1	1750%
Retail Immovable Property	179.0	10.4	179.4	6.3	32.7	18%
Retail QRR	0.4	4.0	0.5	5.1	1.8	32%
Retail Other	2.0	-	2.0	-	1.7	87%
Equity	0.1		0.1		0.3	370%
Securitisations	-	-	-	-	0.0	15%
Total	194.7	20.9	194.9	15.5	44.9	21%

Template UK CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

A-IRB		Total exposures	Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)								Unfunded credit Protection (UFCP)		RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	£bn
£bn	£bn													
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporates	7.9	-	99.78%	99.78%	-	-	-	-	-	-	-	1.7	1.7
3.1	<i>Of which Corporates – SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	<i>Of which Corporates – Specialised lending</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	<i>Of which Corporates – Other</i>	7.9	-	99.78%	99.78%	-	-	-	-	-	-	-	1.7	1.7
4	Retail	193.3	-	96.07%	96.07%	-	-	-	-	-	-	-	36.3	36.3
4.1	<i>Of which Retail – Immovable property SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	185.7	-	100.00%	100.00%	-	-	-	-	-	-	-	32.7	32.7
4.3	<i>Of which Retail – Qualifying revolving</i>	5.6	-	-	-	-	-	-	-	-	-	-	1.8	1.8
4.4	<i>Of which Retail – Other SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	<i>Of which Retail – Other non-SMEs</i>	2.0	-	-	-	-	-	-	-	-	-	-	1.7	1.7
5	Total	201.2	-	96.22%	96.22%	-	-	-	-	-	-	-	38.0	38.0

F-IRB		Total exposures	Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs			
			Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)		RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	£bn	£bn	
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Institutions	1.0	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	
3	Corporates	8.5	-	4.89%	4.89%	-	-	0.01%	0.01%	-	-	2.55%	-	6.5	6.5	
3.1	<i>Of which Corporates – SMEs</i>	0.6	-	29.08%	29.08%	-	-	0.07%	0.07%	-	-	13.95%	-	0.5	0.5	
3.2	<i>Of which Corporates – Specialised lending</i>	5.3	-	-	-	-	-	-	-	-	-	0.14%	-	3.7	3.7	
3.3	<i>Of which Corporates – Other</i>	2.6	-	9.10%	9.10%	-	-	-	-	-	-	4.78%	-	2.4	2.4	
4	Total	9.5	-	4.36%	4.36%	-	-	-	-	-	-	2.88%	-	6.7	6.7	

Specialised lending and equity exposures under the simple risk weighted approach (CR10)

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

Template UK CR10.1

		Specialised lending : Project finance (Slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	67.1	99.5	50%	141.7	67.1	-
	Equal to or more than 2.5 years	120.0	19.3	70%	137.9	81.0	0.6
Category 2	Less than 2.5 years	118.0	113.6	70%	203.2	128.4	0.8
	Equal to or more than 2.5 years	250.2	201.5	90%	399.7	327.9	3.2
Category 3	Less than 2.5 years	18.5	16.6	115%	30.9	33.5	0.9
	Equal to or more than 2.5 years	42.2	1.0	115%	43.0	47.8	1.2
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	203.6	229.7		375.8	229.0	1.7
	Equal to or more than 2.5 years	412.4	221.8		580.6	456.7	5.0

Template UK CR10.2

		Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	568.1	32.1	50%	592.2	265.6	-
	Equal to or more than 2.5 years	769.6	48.4	70%	806.1	518.4	3.2
Category 2	Less than 2.5 years	1,256.7	8.3	70%	1,263.0	824.4	5.1
	Equal to or more than 2.5 years	1,505.4	53.1	90%	1,545.3	1,258.7	12.4
Category 3	Less than 2.5 years	38.0	-	115%	38.0	41.1	1.1
	Equal to or more than 2.5 years	22.3	-	115%	22.3	23.0	0.6
Category 4	Less than 2.5 years	12.1	-	250%	12.1	30.1	1.0
	Equal to or more than 2.5 years	7.5	-	250%	7.5	15.8	0.6
Category 5	Less than 2.5 years	11.7	-	-	11.7	-	5.8
	Equal to or more than 2.5 years	27.8	-	-	27.8	-	13.9
Total	Less than 2.5 years	1,886.6	40.4		1,917.0	1,161.2	13.0
	Equal to or more than 2.5 years	2,332.6	101.5		2,409.0	1,815.9	30.7

Template UK CR10.5

		Equity exposures under the simple risk-weighted approach					
Categories		On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Private equity exposures		-	-	190%	-	-	-
Exchange-traded equity exposures		-	-	290%	-	-	-
Other equity exposures		81.0		370%	81	299.6	1.9
Total		81.0			81	299.6	1.9

Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (CCyB1)

The following table outlines the geographical distribution of credit risk exposures relevant for the calculation of the countercyclical capital buffer at 30 June 2023:

Country	General credit exposures		Relevant credit exposures – Market risk			Own funds requirement							Counter-cyclical buffer rate (%)
	Exposure value under the standardised approach £bn	Exposure value under the IRB approach £bn	Sum of long and short positions of trading book exposures For SA £bn	Value of trading book exposures for internal models £bn	Securitisation exposures Exposure value for non-trading book £bn	Total exposure value £bn	Relevant credit risk exposure-Credit Risk £bn	Relevant credit exposures– Market risk £bn	Relevant credit exposures- Securitisation positions in the non-trading book £bn	Total £bn	Risk-weighted exposure amounts £bn	Own funds requirements weights (%)	
United Kingdom	24.1	208.7	-	-	1.1	234.0	5.0	-	-	5.0	62.3	97.71%	1.00%
Isle of Man	0.4	-	-	-	-	0.4	-	-	-	-	0.2	0.30%	0.00%
Jersey	1.0	0.2	-	-	-	1.1	-	-	-	-	0.5	0.80%	0.00%
Guernsey	0.1	0.2	-	-	-	0.2	-	-	-	-	0.2	0.27%	0.00%
United States	-	-	-	-	-	-	-	-	-	-	0.1	0.13%	0.00%
Spain	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Australia	0.1	-	-	-	-	0.1	-	-	-	-	-	0.04%	1.00%
Luxembourg	-	0.1	-	-	-	0.1	-	-	-	-	0.1	0.11%	0.50%
Denmark	-	-	-	-	-	-	-	-	-	-	-	0.02%	2.50%
Canada	0.6	-	-	-	-	0.6	-	-	-	-	0.1	0.18%	-
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.01%	1.00%
Ireland	-	0.1	-	-	-	0.1	-	-	-	-	0.1	0.08%	0.50%
Norway	-	-	-	-	-	-	-	-	-	-	-	0.01%	2.50%
Sweden	-	-	-	-	-	-	-	-	-	-	-	-	2.00%
France	0.2	-	-	-	-	0.2	-	-	-	-	-	0.05%	0.50%
Belgium	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Finland	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Austria	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
British Virgin Islands	-	-	-	-	-	0.1	-	-	-	-	-	0.07%	-
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Germany	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.75%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Slovakia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Croatia	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Other	-	0.1	-	-	-	0.1	-	-	-	-	0.1	0.12%	0.00%
Total	26.5	209.4	-	-	1.1	237.0	5.0	-	-	5.0	63.7	100%	-

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

Amount of institution-specific countercyclical capital buffer (CCyB2)

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

	£bn
Total risk exposure amount	63.7
Institution specific countercyclical capital buffer rate	0.98%
Institution specific countercyclical capital buffer requirement	0.63

The level of the Countercyclical Capital Buffer for the Company at 30 June 2023 was 0.98%.

Credit quality of forborne exposures (CQ1)

The following table provides an overview of the quality of forborne exposures at 30 June 2023.

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which defaulted	Of which impaired					
	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balance at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	1,490	734	734	734	(44)	(163)	1,903	542
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit Institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-
060 Non-financial corporations	304	260	260	260	(28)	(108)	343	143
070 Households	1,186	474	474	474	(16)	(55)	1,560	399
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 Total	1,490	734	734	734	(44)	(163)	1,903	542

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

Breakdown of exposures by industry class and Credit Quality:

At 30 June 2023		Gross carrying amount	Of which non-performing	Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	121	20	20	121	(7)	-
020	Mining and quarrying	60	1	1	60	(2)	-
030	Manufacturing	680	69	69	680	(31)	-
	Electricity, gas, steam and air conditioning supply	372	-	-	372	-	-
040	Water supply	82	1	1	82	(1)	-
060	Construction	1,038	57	57	1,036	(16)	-
070	Wholesale and retail trade	1,776	122	122	1,777	(110)	-
080	Transport and storage	226	13	13	226	(4)	-
	Accommodation and food service activities	1,257	147	147	1,257	(64)	-
090	Information and communication	399	15	15	395	(3)	-
110	Financial and insurance activities	19,498	51	51	18,406	(32)	-
120	Real estate activities	8,872	42	42	8,860	(26)	-
	Professional, scientific and technical activities	1,163	63	63	1,171	(35)	-
130	Administrative and support service activities	741	43	43	741	(19)	-
140	Public administration and defence, compulsory social security	12	-	-	12	-	-
150	Education	265	7	7	256	(3)	-
160	Human health services and social work activities	936	60	60	936	(21)	-
170	Arts, entertainment and recreation	134	4	4	134	(2)	-
180	Other services	317	23	23	317	(12)	-
200	Total	37,949	738	738	36,839	(388)	-

Collateral obtained by taking possession and execution processes (CQ7)

The following table provides an overview of foreclosed assets obtained from non-performing exposures at 30 June 2023.

		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
		£m	£m
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	9	-
030	<i>Residential immovable property</i>	9	-
040	<i>Commercial Immovable property</i>	-	-
050	<i>Movable property (auto, shipping, etc.)</i>	-	-
060	<i>Equity and debt instruments</i>	-	-
070	<i>Other collateral</i>	-	-
080	Total	9	-

Own Funds disclosure – balance sheet reconciliation

The scope of consolidation and method for consolidation of the Company's 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 Company is included in the table below at 30 June 2023. 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
Santander UK Balance Sheet elements			
Shareholder's equity and Non-controlling interests	12,717	2,196	-
Subordinated Liabilities	-	-	2,150
UK CRR Adjustments			
Additional value adjustments	(14)	-	-
Intangible Assets (net of related tax liability)	(1,481)	-	-
Fair value reserves related to gains or losses on cash flow hedges	1,168	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(566)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(21)	-	-
Deferred tax assets arising from temporary differences	-	-	-
Defined benefit pension fund assets	(720)	-	-
- Dividend accrual	(17)	-	-
- Deduction for minority interests	-	-	-
- NPE Backstop	(5)	-	-
- Capital Add-on	-	-	-
- IFRS 9 Transitional Adjustments	9	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(781)
Total	11,070	2,196	1,368

Composition of regulatory own funds (CC1)

The following table provides disclosure of the Company's own funds items. The UK CRR end point position can be derived as the sum of the 30 June 2023 results 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 2023 Amounts £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital Instruments and the related share premium accounts	7,060	Share Capital
	of which: Instrument type 1	-	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained Earnings	6,803	Retained Earnings
3	Accumulated other comprehensive income (and other reserves)	(1,163)	Other Reserves
UK-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	12,700	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(14)	
8	Intangible assets (net of related tax liability) (negative amount)	(1,481)	Intangible Assets
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)	-	Deferred Tax Assets
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	1,168	Other Reserves
12	Negative amounts resulting from the calculation of expected loss amounts	(566)	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(21)	
15	Defined-benefit pension fund assets (negative amount)	(720)	Retirement Benefit Assets
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET1 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)	-	
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
UK-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
UK-20c	of which: securitisation positions (negative amount)	-	
UK-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)	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	
23	of which: 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	-	
25	of which: deferred tax assets arising from temporary differences	-	
UK-25a	Losses for the current financial year (negative amount)	-	
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	4	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(1,630)	
29	Common Equity Tier 1 (CET1) capital	11,070	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	2,196	Other Equity Instruments
31	of which: classified as equity under applicable accounting standards	2,196	Other Equity Instruments
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	-	
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR 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	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	2,196	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of 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)	-	

		30 June 2023 Amounts £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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 (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	2,196	
45	Tier 1 capital (T1 = CET1 + AT1)	13,266	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	655	Subordinated Liabilities
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-	
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in row 5 or 34) issued by subsidiaries and held by third parties	713	Subordinated Liabilities
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	Tier 2 (T2) capital before regulatory adjustments	1,368	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans 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)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans 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)	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
UK-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
UK-56b	Other regulatory adjustments to T2 capital	-	
the 57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	1,368	
59	Total Capital (TC = T1 + T2)	14,634	
60	Total Risk exposure amount	71,975	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.4%	
62	Tier 1 (as a percentage of total risk exposure amount)	18.4%	
63	Total capital (as a percentage of total risk exposure amount)	20.3%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount	3.48%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.98%	
67	of which: systemic risk buffer requirement	-	
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	15.4%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustment in T2 under standardised approach	240	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustment in T2 under internal ratings-based approach	270	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

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

The scope of consolidation and method for consolidation of the Company's 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 Company is included in the table below 30 June 2023. This outlines the impact of the difference in scope of consolidation outlined above:

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end 30 June 2023	As at period end 30 June 2023	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances at central banks	42,523	42,523	
2	Financial assets at fair value through profit or loss:	-	-	
3	- Trading assets	-	-	
4	- Derivative financial instruments	2,598	2,598	
5	- Other financial assets at fair value through profit or loss	568	568	
6	Financial assets at amortised cost:	-	-	
7	- Loans and advances to customers	215,010	215,145	
8	- Loans and advances to banks	1,276	1,438	
9	- Reverse repurchase agreements - non trading	12,024	12,024	
10	- Other financial assets at amortised cost	152	152	
11	Macro hedge of interest rate risk	(3,517)	(3,517)	
12	Financial assets at fair value through other comprehensive income	7,072	7,072	
13	Financial investments	-	-	
14	Interests in other entities	222	-	
15	Intangible assets	1,549	1,549	
16	Property, plant and equipment	1,512	2,098	
17	Current tax assets	548	558	
18	Deferred tax assets	-	4	
19	Retirement benefit assets	999	999	
20	Other assets	1,716	1,788	
21	Assets held for sale	95	95	
22	Total assets	284,347	285,094	
Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements				
1	Financial liabilities at fair value through profit or loss:	-	-	
2	- Trading liabilities	-	-	
3	- Derivative financial instruments	1,576	1,603	
4	- Other financial liabilities at fair value through profit or loss	864	864	
5	Financial liabilities at amortised cost:	-	-	
6	- Deposits by customers	191,638	191,353	
7	- Deposits by banks	26,152	26,703	
8	- Repurchase agreements - non trading	9,853	9,853	
9	- Debt securities in issue	34,533	34,533	
10	- Subordinated liabilities	2,150	2,150	
11	Macro hedge of interest rate risk	(67)	(67)	
12	Other liabilities	2,267	2,492	
13	Provisions	397	397	
14	Current tax liabilities	-	7	
15	Deferred tax liabilities	46	65	
16	Retirement benefit obligations	25	25	
17	Liabilities held for sale	-	-	
18	Total liabilities	269,434	269,978	
Shareholders' Equity				
1	Equity	-	-	
2	Share capital	7,060	7,213	
3	Share premium	-	-	
4	Other equity instruments	2,196	2,196	
5	Retained earnings	6,820	6,870	
6	Other reserves	(1,163)	(1,163)	
7	Non-controlling interests	-	-	
	Total shareholders' equity	14,913	15,116	

Own Funds disclosure – capital instruments main features

The following table outlines the main features of Santander UK's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments as shown in June 2023 Half Year report and the relevant notes.

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
2	ISIN	XS1487315860	US80281LAG05	XS1816338914	US80281LAJ44	XS1345415472	XS1435163859	XS1569879304	XS1573245864
2a	Public or Private Placement	Public	Public	Public	Public	Public	Private	Private	Private
3	Governing law(s) of the instrument	English	New York	English	New York	English	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	n/a	Yes	n/a	Yes	n/a	n/a	n/a	n/a
Regulatory treatment									
4	Current treatment taking into account, where applicable, transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5	Post-transitional Basel III rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Eligible at solo/(sub-)consolidated/ sub&(sub-)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
8	Amount recognised for MREL (£m)	0	789	502	790	508	34	15	55
9	Nominal amount of instrument (£m)	583	786	500	786	500	34	15	54
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	08/09/2016	03/11/2017	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	Dated
13	Original maturity date	08/09/2023	03/11/2028	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	n/a	Yes	Yes	Yes	n/a	n/a	n/a	n/a
15	Optional call date, contingent call dates and redemption amount	Tax event at any time / par	"Next issuer call option			15	Optional call date, contingent call dates and redemption amount	Tax event at any time / par	"Next issuer call option
16	Subsequent call dates, if applicable (1)	n/a	None	None	None	n/a	n/a	n/a	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Fixed to Floating	Fixed	Fixed to Floating	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	1.125%	3.820%	2.920%	4.800%	3.630%	0.790%	3.450%	0.900%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or 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
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative

23	Convertible or non-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	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	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	May convert fully or partially
26	If convertible, conversion rate	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at 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
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
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
30	Write-down feature	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	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	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 write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially
33	If write-down, permanent or temporary (2)	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism (3)	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
34b	Ranking of the instrument in normal insolvency proceedings	5	5	5	5	5	5	5	5
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
36	Non-compliant transitioned features	Yes	Yes	No	Yes	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 insolvency or the liquidation of the resolution entity Permanently Grandfathered	No disapplication of the right of set-off Permanently Grandfathered	-	No disapplication of the right of set-off Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of insolvency or the 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 insolvency or the 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 insolvency or the liquidation of the resolution entity Permanently Grandfathered	Right to accelerate the future scheduled payment of interest or principal, other than in the case of insolvency or the liquidation of the resolution entity Permanently Grandfathered

- (1) Not considering contingent call events
(2) Permanent subject to any write-up in accordance with s.48Y Banking Act 2009
(3) Section 48Y Banking Act 2009

		Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK Group Holdings plc
1	Issuer							
2	ISIN	GB0000044221	XS0103012893	XS0060837068	US002920AC09	XS0133956168	XS0989359756 US80283LAA17	n/a
2a	Public or Private Placement	Public	Public	Public	Public	Public	Public	Private
3	Governing law(s) of the instrument	English	English	English	New York	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	No	Yes	Yes	n/a
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Common Equity Tier 1
5	Post-transitional CRR rules	Tier 2	Tier 2	Tier 2	Ineligible	Tier 2	Tier 2	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Preferred	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Equity
8	Amount recognised in regulatory capital (£m)	131	5	205	192	6	40	7,060
9	Nominal amount of instrument (£m)	125	5	200	167	11	558	7,060
9a	Issue Price of Instrument	101.55%	99.561%	100.432%	99.626%	98.878%	99.681%	100%
9b	Redemption Price of Instrument	n/a	100%	n/a	100%	100%	100%	n/a
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Shareholders Equity
11	Original date of issuance	09/06/1997	21/10/1999	23/10/1995	26/10/1999	14/08/2001	07/11/2013	10/01/2014
12	Perpetual or dated	Perpetual	Dated	Perpetual	Dated	Dated	Dated	Perpetual
13	Original maturity date	n/a	21/10/2030	n/a	26/10/2029	14/08/2031	07/11/2023	n/a
14	Issuer call subject to prior supervisory approval	No	No	No	No	n/a	No	No
15	Optional call date, contingent call dates and redemption amount	n/a	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, Regulatory Capital Event call option / par	n/a
16	Subsequent call dates, if applicable	n/a	n/a	n/a	n/a	n/a	n/a	n/a
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Variable
18	Coupon rate and any related index	8.625%	6.5%	10.0625%	7.95%	5.875%	5%	n/a
19	Existence of a dividend stopper	Yes	No	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Mandatory	Partially discretionary	Partially discretionary	Mandatory	Mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Noncumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Contractual: None Statutory: Bail-in	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	n/a

				power under UK Banking Act 2009 at PONV – 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	n/a
26	If convertible, conversion rate	To be determined at conversion	To be determined at conversion	Contractual: 100% Statutory: To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion	n/a
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Contractual: at the option of the issuer Statutory: Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	n/a
28	If convertible, specify instrument type convertible into	CET1 or other securities	CET1 or other securities	Contractual: Additional Tier 1 Statutory: CET1 or other securities	CET1 or other securities	CET1 or other securities	CET1 or other securities	n/a
29	If convertible, specify issuer of instrument it converts into	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	n/a
30	Write-down feature	Yes	Yes	Yes	Yes	Yes	Yes	No
31	If write-down, write-down trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 at PONV – UK BoE/PRA	n/a
32	If write-down, full or partial	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	May write-down fully or partially	n/a
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent	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
34b	Ranking of the instrument in normal insolvency proceedings	n/a	n/a	n/a	n/a	n/a	n/a	1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Senior	Tier 2	Senior	Senior	Senior	Additional Tier 1
36	Non-compliant transitioned features	No	No	No	Yes	No	No	No
37	If yes, specify non-compliant features				No contractual recognition of bail-in and conversion powers			

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

Own Funds disclosure – capital instruments main features table on page 34-37 outlines the main features of the Company’s Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments. Other TLAC eligible instruments are detailed in the following table.

CCA Bail In- Main features of other TLAC and MREL-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	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	Santander UK Group Holdings plc	Santander UK Group Holdings plc	
2	ISIN	XS148731860	US80281LAG05	XS1816338914	US80281LAY44	XS1345415472	XS143516389	XS1569879304	XS1573245864	XS212608168	US80281LAM72	US80281LAN55	US80281LAP04	US80281LAQ86	XS2385791046	US80281LAR69	XS243299317	XS252522662	XS2555708036	US80281LAS43	US80281LAT26	
2a	Public or Private Placement	Public	Public	Public	Public	Public	Private	Private	Private	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public	
3	Governing law(s) of the instrument	English	New York	English	New York	English	English	English	English	English	New York	New York	New York	New York	English	New York	English	English	English	English	New York	New York
3a	Contractual recognition of write down and conversion powers of resolution authorities	n/a	Yes	n/a	Yes	n/a	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Current treatment taking into account, where applicable, transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5	Post-transitional Basel III rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	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	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond

8	Amount recognised for MREL (£m)	0	789	502	790	508	34	15	55	644	789	1104	474	785	645	794	504	661	781	1186	1010
9	Nominal amount of instrument (£m)	566	786	500	786	500	34	15	54	644	786	1101	472	786	644	786	500	644	750	1180	983
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	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	Liability – Amortised Cost	Liability – Amortised Cost
11	Original date of issuance	08/09/2016	03/11/2017	08/05/2018	15/11/2018	14/01/2016	22/06/2016	22/02/2017	10/03/2017	28/02/2020	21/08/2020	15/03/2021	15/03/2021	14/06/2021	13/09/2021	11/01/2022	17/01/2022	25/08/2022	16/11/2022	21/11/2022	10/01/2023
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	08/09/2023	03/11/2028	08/05/2026	15/11/2024	14/01/2026	22/06/2026	22/02/2027	10/03/2027	28/02/2025	21/08/2026	15/03/2025	15/03/2032	14/06/2027	13/09/2029	11/01/2028	17/01/2029	25/08/2028	16/11/2027	21/11/2026	10/01/2029
14	Issuer call subject to prior supervisory approval	n/a	Yes	Yes	Yes	n/a	n/a	n/a	n/a	Yes	Yes	Yes	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 option	Next issuer call option 03/11/2027 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 08/05/2025 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 15/11/2023 / Tax event at any time, Loss absorption disqualification event call option / par	Tax event at any time / par	Tax event at any time / par	Tax event at any time / par	Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 28/02/2024 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 21/08/2025 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 15/03/2024 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 15/03/2031 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 14/06/2026 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 13/09/2028 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 11/01/2027 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 17/01/2028 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 25/08/2027 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 16/11/2026 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 21/11/2025 / Tax event at any time, Loss absorption disqualification event call option / par	Next issuer call option 10/01/2028 / Tax event at any time, Loss absorption disqualification event call option / par
16	Subsequent call dates, if applicable ⁽¹⁾	n/a	None	None	None	n/a	n/a	n/a	n/a	None	None	None	None	None	None	None	None	None	None	None	None

Coupons / dividends																						
17	Fixed or floating dividend/coupon	Fixed	Fixed to Floating	Fixed	Fixed to Floating	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	1.125%	3.820%	2.920%	4.800%	3.630%	0.790%	3.450%	0.900%	0.390%	1.530%	1.090%	2.900%	1.670%	0.600%	2.470%	2.420%	3.530%	7.100%	6.830%	6.530%	
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No	No	No	No	No	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	Mandatory	Mandatory	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	No	No	No	No	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition

34	If temporary write-down, description of write-up mechanism ⁽¹⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34 a	Type of subordination	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural	Structural
34 b	Ranking of the instrument in normal insolvency proceedings	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
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	n/a	n/a	n/a	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	No	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	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 insolvency or the liquidation of the resolution entity"																				

(1) Not considering contingent call events

(2) Permanent subject to any write-up in accordance with s. 48Y Banking Act 2009

(3) Section 48Y Banking Act 2009

Part 2

June 2023 Additional Capital and Risk Management Disclosures for Santander UK plc Group

Introduction

As a wholly-owned large subsidiary under UK CRR, Santander UK plc (the 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 frequency¹, 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.

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

Key metrics (KM1)

The following table summarises the RFB Group's Own Funds and key risk-based capital ratios at 30 June 2023, together with the previously disclosed quarter end information at 31 March 2023, 31 December 2022, 30 September 2022 and 30 June 2022. Further detail on Risk Weighted Assets are included in the subsequent sections of this document:

	30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022	
	£m	£m	£m	£m	£m	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	10,992	10,906	10,799	11,006	10,908
2	Tier 1 capital	12,948	12,863	12,755	12,962	12,865
3	Total capital	14,395	14,402	14,303	14,661	14,541
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	70,682	70,173	70,089	70,291	69,212
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.55%	15.54%	15.41%	15.66%	15.76%
6	Tier 1 ratio (%)	18.32%	18.33%	18.20%	18.44%	18.59%
7	Total capital ratio (%)	20.37%	20.52%	20.41%	20.86%	21.01%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	3.19%	3.19%	3.19%	2.90%	2.91%
UK 7b	Additional AT1 SREP requirements (%)	1.06%	1.06%	1.06%	0.97%	0.97%
UK 7c	Additional T2 SREP requirements (%)	1.42%	1.42%	1.42%	1.29%	1.29%
UK 7d	Total SREP own funds requirements (%)	5.67%	5.68%	5.68%	5.15%	5.18%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.99%	0.99%	0.01	-	-
UK 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
UK 10a	Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	4.49%	4.49%	4.50%	3.50%	3.50%
UK 11a	Overall capital requirements (%)	18.16%	18.17%	18.17%	16.65%	16.68%
12	CET1 available after meeting the total SREP own funds requirements (%)	2.20%	2.35%	2.23%	4.21%	4.33%
Leverage ratio						
13	Total exposure measure excluding claims on central banks	241.2	244.5	244	243.8	243.8
14	Leverage ratio excluding claims on central banks (%)	5.4%	5.3%	5.2%	5.3%	5.3%
Additional leverage ratio disclosure requirements						
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.4%	5.3%	5.2%	5.3%	5.3%
14b	Leverage ratio including claims on central banks (%)	4.6%	4.4%	4.4%	4.4%	4.4%
14c	Average leverage ratio excluding claims on central banks (%)	5.3%	5.4%	5.3%	5.2%	5.2%
14d	Average leverage ratio including claims on central banks (%)	4.5%	4.5%	4.4%	4.3%	4.3%
14e	Countercyclical leverage ratio buffer (%)	0.3%	0.3%	0.3%	0.0%	0.0%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	46,525	46,453	46,160	48,751	47,039
UK 16a	Cash outflows – Total weighted value	32,208	31,613	31,345	31,206	29,405
UK 16b	Cash inflows – Total weighted value	1,916	1,841	1,897	1,886	1,962
16	Total net cash outflows (adjusted value)	30,292	29,772	29,448	29,320	27,443
17	Liquidity coverage ratio (%)	153.59%	156.03%	156.75%	166.28%	171.40%
Net Stable Funding Ratio						
18	Total available stable funding	221,377	228,202	233,408	234,204	235,019
19	Total required stable funding	163,799	168,786	170,615	177,128	176,535
20	NSFR ratio (%)	135.15%	135.20%	136.80%	132.22%	133.13%

Key Movements

The CET1 capital ratio increased 20bps to 15.6%. This was largely due to higher profit. We remain strongly capitalised with significant headroom to minimum requirements and MDA. UK leverage ratio increased 20 bps to 5.4% (2022: 5.2%). UK leverage exposure reduced slightly to £241.2bn (2022: £244.0bn). Total capital ratio remained broadly stable at 20.4% (2022: 20.4%).

IFRS 9 Transitional Arrangements (IFRS9 – FL)

The following table summarises the impact of IFRS 9 transitional arrangements at 30 June 2023 over the full allowable period:

	2023	2024
IFRS9 Transitional Factor for credit loss-based provision movements post 1/1/20	50%	25%
Available Capital (amounts)		
1 Common Equity Tier 1 (CET1) capital	10,992	10,988
CET1 Capital as if IFRS 9 STATIC transitional arrangements were not applied	10,992	10,988
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements were not applied	10,983	10,983
2 CET1 Capital as if ALL IFRS 9 transitional arrangements were not applied	10,983	10,983
3 Tier 1 Capital	12,948	12,944
4 Tier 1 Capital as if ALL IFRS 9 transitional arrangements were not applied	12,939	12,939
5 Total Capital	14,395	14,391
6 Total Capital as if ALL IFRS 9 transitional arrangements were not applied	14,386	14,386
Risk-weighted assets (amounts)		
7 Total risk-weighted assets (RWA)	70,682	70,661
Total RWA as if IFRS 9 STATIC transitional arrangements were not applied	70,682	70,661
Total RWA as if IFRS 9 DYNAMIC transitional arrangements were not applied	70,640	70,640
8 Total RWA as if ALL IFRS 9 transitional arrangements were not applied	70,640	70,640
Capital Ratios		
9 Common Equity Tier 1 ratio	15.55%	15.55%
10 Common Equity Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	15.55%	15.55%
11 Tier 1 ratio	18.32%	18.32%
12 Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	18.32%	18.32%
13 Total capital ratio	20.37%	20.37%
14 Total Capital as if ALL IFRS 9 transitional arrangements were not applied	20.37%	20.37%
UK leverage ratio including claims on central banks		
15 Leverage Ratio Total Exposure Measure	283,008	283,008
16 Leverage Ratio	4.6%	4.6%
17 Leverage ratio as if ALL IFRS 9 transitional arrangements were not applied	4.6%	4.6%

The RFB group is applying the IFRS 9 capital transitional arrangements set out in the onshored versions of EU 2017/2395 and EU Regulation 2020/873 that amend the Capital Requirements Regulation. Under the transitional arrangements, the Company is entitled to mitigate the effect to capital of Expected Credit Loss-based provisioning following the implementation of IFRS 9. The transitional arrangements will end on 31st December 2024 with the amount of capital relief available having reduced each year by a transitional factor. The transitional factor for 2024 is 25 percent which applies to post 1 January 2020 provision movements.

The capital relief affects both the capital base and RWAs reported by RFB group. The adjustment to CET1 capital is now comprised of a dynamic element only, having previously been comprised of a static element and a dynamic element. The dynamic element is based on the capital impact of the change in provision levels post 1 January 2020. In addition to this adjustment, the transitional arrangements also reduce associated capital position impacts for exposures modelled under the Standardised Approach for Credit Risk and Tier 2 capital from an excess of provisions over expected losses for exposures modelled using the Internal Ratings-Based approach.

Description of the processes used to manage the risk of excessive leverage

The leverage ratio for the RFB group is monitored and reported to Capital Committee and other governance bodies, and is included in the RFB's Risk Appetite framework. The current level of the leverage ratio and also forecast levels of the leverage ratio under a range of macroeconomic scenario, including stress scenarios, are considered. Under the Risk Appetite framework, limits and alert levels for the leverage ratio have been set to ensure that leverage is maintained at acceptable levels and in excess of minimum regulatory requirements.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

The Leverage ratio for the RFB group has increased from Mar23 5.26% to Jun23 5.37%, as a result of Tier 1 Capital movements +£86m due to profits, and a reduction in Leverage Exposure -£3.3bn.

UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	30 June 2023 £m
1 Total assets as per published financial statements	276,958
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	1,736
3 (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4 (Adjustment for exemption of exposures to central banks) ¹	(41,785)
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7 Adjustment for eligible cash pooling transactions	-
8 Adjustment for derivative financial instruments	(1,509)
9 Adjustment for securities financing transactions (SFTs)	386
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	7,266
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (Leverage))	-
11 (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-
UK-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-
UK-11b Other adjustments	(1,828)
13 Total exposure measure	241,224

UK LR2 - LRCom: Leverage ratio common disclosure

¹ Adjustment for exemption of exposures to central banks - is inclusive of 100% guaranteed Bounce Back loans.

		Leverage ratio exposures	
		30 June 2023 £m	31 December 2022 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	223,197	230,922
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(3,844)	(4,225)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(2,695)	(2,690)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	216,658	224,007
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	4,051	4,484
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	840	854
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	4,891	5,339
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	14,730	8,826
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,707)	(1,478)
16	Counterparty credit risk exposure for SFT assets	386	371
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
17	Agent transaction exposures	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	Total securities financing transaction exposures	12,409	7,719
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	33,710	31,836
20	(Adjustments for conversion to credit equivalent amounts)	(26,444)	(24,869)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	7,266	6,967
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	-	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	-	-
UK-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital (leverage)	12,948	12,756
24	Total exposure measure including claims on central banks	283,008	290,785
UK-24a	(-) Claims on central banks excluded	(41,785)	(46,754)
UK-24b	Total exposure measure excluding claims on central banks	241,224	244,031
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.4%	5.2%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.4%	5.2%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.4%	5.2%
UK-25c	Leverage ratio including claims on central banks (%)	4.6%	4.4%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements - leverage ratio buffers			
		30 June 2023 £m	31 December 2022 £m
27	Leverage ratio buffer (%)	0.70%	0.70%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.35%	0.35%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.35%	0.35%

Additional leverage ratio disclosure requirements - disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	10,810	8,178
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	11,308	7,943
UK-31	Average total exposure measure including claims on central banks	284,851	295,271
UK-32	Average total exposure measure excluding claims on central banks	240,565	245,218
UK-33	Average leverage ratio including claims on central banks	4.5%	4.4%
UK-34	Average leverage ratio excluding claims on central banks	5.3%	5.3%

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

		Leverage ratio exposures 30 June 2023 £m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	223,197
UK-2	Trading book exposures	-
UK-3	Banking book exposures, of which:	223,197
UK-4	Covered bonds	1,700
UK-5	Exposures treated as sovereigns	4,681
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	844
UK-7	Institutions	768
UK-8	Secured by mortgages of immovable properties	173,503
UK-9	Retail exposures	10,970
UK-10	Corporates	19,989
UK-11	Exposures in default	3,421
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	7,321

Liquidity Coverage Ratio (LIQ1)

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

UK 1a	Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
		30 June 2023 £m	31 March 2023 £m	31 December 2022 £m	30 September 2022 £m	30 June 2023 £m	31 March 2023 £m	31 December 2022 £m	30 September 2022 £m
UK-1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					47,648	47,793	48,243	49,265
	CASH-OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	149,409	149,505	149,428	148,523	9,168	9,180	9,159	9,064
3	Stable deposits	124,205	124,482	124,849	124,761	6,210	6,224	6,243	6,238
4	Less stable deposits	25,204	25,023	24,579	23,762	2,958	2,956	2,916	2,826
5	Unsecured wholesale funding	25,915	25,884	25,617	25,705	13,903	13,603	13,171	13,300
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	2,035	2,110	2,099	1,955	382	399	397	370
7	Non-operational deposits (all counterparties)	22,157	22,131	21,999	22,152	11,798	11,561	11,255	11,332
8	Unsecured debt	1,723	1,643	1,519	1,598	1,723	1,643	1,519	1,598
9	Secured wholesale funding					150	116	100	111
10	Additional requirements	13,575	13,238	12,985	12,664	6,655	6,135	5,827	5,546
11	Outflows related to derivative exposures and other collateral requirements	5,240	4,850	4,706	4,606	5,240	4,850	4,706	4,606
12	Outflows related to loss of funding on debt products	200	200	185	103	200	200	185	103
13	Credit and liquidity facilities	8,135	8,188	8,094	7,955	1,215	1,085	936	837
14	Other contractual funding obligations	190	253	252	187	153	215	215	139
15	Other contingent funding obligations	24,449	25,278	28,063	29,387	1,585	1,897	2,280	2,569
16	TOTAL CASH OUTFLOWS					31,614	31,146	30,752	30,729
	CASH-INFLOWS								
17	Secured lending (e.g reverse repos)	4,787	3,897	3,357	3,112	6	6	3	7
18	Inflows from fully performing exposures	2,390	2,381	2,302	2,168	1,556	1,537	1,479	1,357
19	Other cash inflows	2,160	2,308	2,366	2,274	545	720	842	811
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								-
UK-19b	(Excess inflows from a related specialised credit institution)								-
20	TOTAL CASH INFLOWS	9,337	8,586	8,025	7,554	2,107	2,263	2,324	2,175
UK-20a	Fully exempt inflows								
UK-20b	Inflows Subject to 90% Cap								
UK-20c	Inflows Subject to 75% Cap	9,337	8,586	8,025	7,554	2,107	2,263	2,324	2,175
	TOTAL ADJUSTED VALUE								
UK-21	LIQUIDITY BUFFER					47,648	47,793	48,243	49,265
22	TOTAL NET CASH OUTFLOWS					29,507	28,883	28,428	28,554
23	LIQUIDITY COVERAGE RATIO					161.48	165.47	169.7	172.53

Qualitative information on LCR (LIQB)

Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

The LCR requirement (weighted) is broadly consistent over time, driven mainly by deposits. Corporate deposits contribute a greater requirement despite Retail deposits being significantly larger in number, as a result of the standardised LCR weightings. The 12 month average HQLA has reduced slightly in Q2

<p>as a result of lower customer deposits and the Q4 TFSME repayment. The LCR maintains a significant surplus to both internal and regulatory requirements.</p>
<p>Explanations on the changes in the LCR over time</p> <p>The 12 month average LCR of 158% reflects our strong liquidity position</p>
<p>Explanations on the actual concentration of funding sources</p> <p>Santander UK is largely funded through customer deposits (£184bn), with the significant proportion being Retail. We also have c£64bn of wholesale funding which includes secured, unsecured term funding as well as c£21bn of TFSME Funding.</p>
<p>High-level description of the composition of the institution's liquidity buffer.</p> <p>The liquidity buffer is largely comprised (>95%) of Level 1 assets, primarily cash held in our Bank of England Reserve Account.</p>
<p>Derivative exposures and potential collateral calls</p> <p>The main drivers of derivative exposures / potential collateral calls are the Historic Look Back Approach (HLBA) to calculating collateral requirements in the LCR and collateral outflows due to counterparties in the event of a deterioration of our own credit quality. As secured issuance volumes have been reduced as a result of our participation in the TFSME, this has in turn reduced these amounts.</p>
<p>Currency mismatch in the LCR</p> <p>We have no material mismatch in our currency LCRs, with most of the funding raised in currency swapped back to GBP and the remainder being used to fund structural currency assets.</p>
<p>Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile</p> <p>n/a</p>

Template UK LIQ2: Net Stable Funding Ratio

In accordance with Article 451a(3) CRR

The table below represents the breakdown of the key component for the June 2023 RFB Group's NSFR ratio

(in currency amount)		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	-	-	500	17,753	17,753
2	Own funds	-	-	500	17,753	17,753
3	Other capital instruments	-	-	-	-	-
4	Retail deposits	-	148,992	1,277	1,041	142,527
5	Stable deposits	-	124,028	837	687	119,309
6	Less stable deposits	-	24,964	440	354	23,218
7	Wholesale funding:	-	49,179	1,488	25,605	37,808
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	49,179	1,488	25,605	37,808
10	Interdependent liabilities	-	-	-	-	-
11	Other liabilities:	583	8,122	4,779	20,900	23,290
12	NSFR derivative liabilities	583	-	-	-	-
13	All other liabilities and capital instruments not included in the above categories	-	8,122	4,779	20,900	23,290
14	Total available stable funding (ASF)	-	-	-	-	221,378
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)	-	-	-	-	354
UK-15a	Assets encumbered for more than 12m in cover pool	-	-	-	-	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	23,551	4,916	196,784	154,422
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	-	11,460	1,387	-	694
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	-	-	-	-	-
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	-	6,408	2,473	193,506	149,265
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2,509	1,468	182,017	137,047
22	Performing residential mortgages, of which:	-	166	389	175,056	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	166	389	175,056	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	-	5,683	1,056	3,278	4,463
25	Interdependent assets	-	-	-	-	-
26	Other assets:	-	1,665	84	6,327	7,419
27	Physical traded commodities	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	312
29	NSFR derivative assets	-	-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted	-	549	-	-	27
31	All other assets not included in the above categories	-	1,116	84	6,327	7,080
32	Off-balance sheet items	-	26,841	101	5,128	1,604
33	Total RSF	-	-	-	-	163,799
34	Net Stable Funding Ratio (%)	-	-	-	-	135.15%

RWA and Capital Requirements**Overview of risk weighted exposure amounts (OV1)**

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

		Risk Weighted Exposure Amounts (RWEAs)		Total Own Funds Requirements
		30 June 2023 £bn	31 March 2023 £bn	30 June 2023 £bn1
1	Credit risk (excluding CCR) ¹	62.4	61.8	5.0
2	Of which the standardised approach	18.4	18	1.5
3	Of which the foundation IRB (FIRB) approach	2.8	1.7	0.2
4	Of which slotting approach	3.7	3.1	0.3
UK 4a	Of which equities under the simple risk weighted approach			
5	Of which the advanced IRB (AIRB) approach	37.5	39	3.0
6	Counterparty credit risk - CCR ¹	0.6	0.6	-
7	Of which the standardised approach	0.3	0.3	-
8	Of which internal model method (IMM)	0.2	0.2	-
UK 8a	Of which exposures to a CCP	-	-	-
UK 8b	Of which credit valuation adjustment - CVA	0.1	0.1	-
9	Of which other CCR			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap) ²	0.2	0.3	-
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	0.2	0.3	-
19	Of which SEC-SA approach		-	-
UK 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk) ¹	0.3	0.3	-
21	Of which the standardised approach	0.3	0.3	-
22	Of which IMA			
UK 22a	Large exposures			
23	Operational risk ¹	7.1	7.1	0.6
UK 23a	Of which basic indicator approach			
UK 23b	Of which standardised approach	7.1	7.1	0.6
UK 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)			
29	Total ¹	70.7	70.1	5.6

[1] Balances which are not visible due to rounding have been included in the total.

[2] Includes 4 Significant Risk Transfer transactions which are subject to re-characterisation risk.

RWEA flow statements of credit risk exposures under the IRB approach (CR8) and RWEA flow statements of credit risk exposures under the standardised approach ¹**RWEA flow statements of credit risk exposures under IRB approach (CR8)**

	RWEA £bn	Capital requirements
1 Risk weighted exposure amount as at 31 March	44.0	3.5
2 Asset size	(0.2)	-
3 Asset quality	0.2	-
4 Model updates	0.2	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	-	-
9 Risk weighted exposure amount as at 30 June	44.2	3.5

RWEA flow statements of credit risk exposures under standardised approach

	RWEA £bn	Capital requirements
1 Risk weighted exposure amount as at 31 March	18.6	1.5
2 Asset size	0.3	-
3 Asset quality	-	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	-	-
9 Risk weighted exposure amount as at 30 June	18.9	1.5

RWA decrease of £0.2bn in the asset size section of the IRB table is primarily driven by the decrease in retail mortgage portfolio. Model updates in the IRB approach table relate to reversion from A-IRB to F-IRB for some portfolios.

¹ Table excludes CVA.

Performing and non-performing exposures and related provisions (CR1)

The following table provides an overview of the credit quality of non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class at 30 June 2023:

	Gross carrying amount/nominal amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated Partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures				Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	£m	Of which stage 1	Of which stage 2	£m	Of which stage 2	Of which stage 3	£m	Of which stage 1	Of which stage 2	£m	Of which stage 2	Of which stage 3	£m		£m	£m
Cash balances at central banks and other demand deposits	39,243	39,243	-	-	-	-	-	-	-	-	-	-	-	-	-	-
005																
010 Loans and advances	221,276	203,381	17,895	3,421	621	2,800	(583)	(131)	(452)	(357)	(14)	(343)	-	210,241	2,146	
020 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
030 <i>General governments</i>	134	134	-	-	-	-	-	-	-	-	-	-	-	-	-	
040 <i>Credit institutions</i>	2,131	2,131	-	-	-	-	-	-	-	-	-	-	-	1,253	-	
050 <i>Other financial corporations</i>	16,491	16,238	253	51	-	51	(11)	7	(18)	-	-	-	-	11,942	40	
060 <i>Non-financial corporations</i>	17,520	14,304	3,216	688	-	688	(200)	(70)	(130)	(158)	-	(158)	-	16,861	252	
070 <i>Of which SMEs</i>	8,917	6,629	2,288	536	-	536	(143)	(50)	(93)	(104)	-	(104)	-	8,725	171	
080 <i>Households</i>	185,001	170,575	14,426	2,682	621	2,061	(371)	(67)	(304)	(199)	(14)	(185)	-	180,184	1,854	
090 Debt securities	7,442	7,442	-	-	-	-	-	-	-	-	-	-	-	-	-	
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
110 <i>General governments</i>	4,474	4,474	-	-	-	-	-	-	-	-	-	-	-	-	-	
120 <i>Credit institutions</i>	2,685	2,685	-	-	-	-	-	-	-	-	-	-	-	-	-	
130 <i>Other financial corporations</i>	278	278	-	-	-	-	-	-	-	-	-	-	-	-	-	
140 <i>Non-financial corporations</i>	6	6	-	-	-	-	-	-	-	-	-	-	-	-	-	
150 Off-balance-sheet exposures	33,612	32,630	982	98	-	98	(63)	(23)	(40)	(14)	-	(14)	-	-	-	
160 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
170 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
180 <i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
190 <i>Other financial corporations</i>	921	921	-	-	-	-	-	-	-	-	-	-	-	-	-	
200 <i>Non-financial corporations</i>	8,921	8,444	477	45	-	45	(26)	(13)	(13)	(12)	-	(12)	-	-	-	
210 <i>Households</i>	23,771	23,266	505	53	-	53	(37)	(11)	(26)	(1)	-	(1)	-	-	-	
220 Total	301,573	282,696	18,877	3,519	621	2,898	(646)	(154)	(492)	(371)	(14)	(357)	-	210,241	2,146	

Maturity of exposures (CR1-A)

At 30 June 2023	Net exposure value					No stated maturity	Total
	On demand	<= 1 year	>1 year <= 5 years	> 5 years			
1 Loans and advances to customers	5,520	7,473	25,440	172,622	-	211,055	
2 Debt securities	-	2,299	3,368	1,775	-	7,442	
3 Total	5,520	9,772	28,808	174,397	-	218,497	

Changes in the stock of non-performing loans and advances (CR2)

		Gross carrying amount	£m
010	Initial stock of non-performing loans and advances		3,134
020	Inflows to non-performing portfolios		966
030	Outflows from non-performing portfolios		(679)
040	Of which Outflows due to write-offs		(150)
050	Of which Outflows due to other situations		(529)
060	Final stock of non-performing loans and advances		3,421

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

For more details on the Company's approach to Credit Risk Mitigation refer to the Other Segments – Credit Risk Review section of the our 2023 Half Yearly Financial Report.

The following table provides analysis of secured and collateralised exposures at 30 June 2023:

	Unsecured carrying amount	Secured carrying amount	Of which		
			Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
	£m	£m	£m	£m	£m
1 Loans and advances	8,889	212,387	209,655	2,732	-
2 Debt securities	5,638	1,804	1,804	-	-
3 Total	14,527	214,191	211,458	2,732	-
4 <i>Of which non-performing exposures</i>	739	2,682	-	-	-
5 <i>Of which defaulted</i>	739	2,682	-	-	-

Standardised approach - Credit risk exposure and credit risk mitigation (CRM) effects (CR4)

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWAs and RWAs density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWAs density (%)
	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 %
1 Central governments or central banks	44.3	-	46.9	0.1	-	0%
2 Regional government or local authorities	-	-	-	-	-	0%
3 Public sector entities	-	0.1	0.0	0.0	0.0	20%
4 Multilateral Development Banks	0.8	-	0.8	-	-	0%
5 International Organisations	-	-	-	-	-	0%
6 Institutions	1.0	0.0	1.0	0.0	0.2	16%
7 Corporates	8.4	3.6	6.4	0.2	5.9	91%
8 Retail	10.6	10.6	10.2	0.0	7.6	74%
9 Secured by mortgages on immovable property	0.1	0.0	0.1	-	0.1	66%
10 Exposures in default	0.3	0.1	0.2	0.0	0.2	124%
11 Exposures associated with particularly high risk	-	0.0	-	0.0	0.0	150%
12 Covered bonds	1.7	-	1.7	-	0.3	16%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
14 Collective investment undertakings	-	-	-	-	-	0%
15 Equity	-	-	-	-	-	0%
16 Other items	6.8	-	6.8	-	4.4	65%
Securitisations	0.2	-	0.2	-	0.2	100%
Contributions to the default fund of a CCP	-	-	-	-	0.0	1250%
17 Total	74.2	14.4	74.3	0.3	18.9	25%

IRB approach - - Credit risk exposure and credit risk mitigation (CRM) effects

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWAs and RWAs density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWAs density (%)
	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 £bn	30 June 2023 %
Corporates – Specialised Lending	4.8	0.6	4.8	0.4	3.7	69%
Corporates – SME	0.6	0.2	0.5	0.0	0.5	85%
Corporates – Other	7.0	5.7	7.6	3.8	4.1	36%
Institutions	0.8	0.0	-	0.0	0.1	1750%
Retail Immovable Property	176.4	10.4	176.8	6.3	32.3	18%
Retail QRR	0.4	4.0	0.5	5.1	1.8	32%
Retail Other	2.0	-	2.0	-	1.7	87%
Equity	0.0	-	0.0	-	0.0	-
Securitisations	-	0.0	-	0.0	0.0	15%
Total	192.0	20.9	192.2	15.6	44.2	21%

Template UK CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

A-IRB		Total exposures	Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs		
			Funded credit Protection (FCP)							Unfunded credit Protection (UFCP)			RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects	
		£bn	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	£bn	£bn
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporates	7.9	-	99.78%	99.78%	-	-	-	-	-	-	-	-	1.7	1.7
3.1	Of which Corporates – SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	Of which Corporates – Other	7.9	-	99.78%	99.78%	-	-	-	-	-	-	-	-	1.7	1.7
4	Retail	190.7	-	96.02%	96.02%	-	-	-	-	-	-	-	-	35.8	35.8
4.1	Of which Retail – Immovable property SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Of which Retail – Immovable property non-SMEs	183.1	-	100.00%	100.00%	-	-	-	-	-	-	-	-	32.3	32.3
4.3	Of which Retail – Qualifying revolving	5.6	-	-	-	-	-	-	-	-	-	-	-	1.8	1.8
4.4	Of which Retail – Other SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	Of which Retail – Other non-SMEs	2.0	-	-	-	-	-	-	-	-	-	-	-	1.7	1.7
5	Total	198.6	-	96.17%	96.17%	-	-	-	-	-	-	-	-	37.5	37.5

F-IRB		Total exposures	Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs			
			Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)		RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	£bn	£bn	
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Institutions	1.0	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	
3	Corporates	8.5	-	4.89%	4.89%	-	-	0.01%	0.01%	-	-	2.55%	-	6.5	6.5	
3.1	Of which Corporates – SMEs	0.6	-	29.08%	29.08%	-	-	0.07%	0.07%	-	-	13.95%	-	0.5	0.5	
3.2	Of which Corporates – Specialised lending	5.3	-	-	-	-	-	-	-	-	-	0.14%	-	3.7	3.7	
3.3	Of which Corporates – Other	2.6	-	9.10%	9.10%	-	-	-	-	-	-	4.78%	-	2.4	2.4	
4	Total	9.5	-	4.38%	4.38%	-	-	-	-	-	-	2.29%	-	6.6	6.6	

Specialised lending and equity exposures under the simple risk weighted approach (CR10)

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

Template UK CR10.1

		Specialised lending : Project finance (Slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	67.1	99.5	50%	141.7	67.1	-
	Equal to or more than 2.5 years	120.0	19.3	70%	137.9	81.0	0.6
Category 2	Less than 2.5 years	118.0	113.6	70%	203.2	128.4	0.8
	Equal to or more than 2.5 years	250.2	201.5	90%	399.7	327.9	3.2
Category 3	Less than 2.5 years	18.5	16.6	115%	30.9	33.5	0.9
	Equal to or more than 2.5 years	42.2	1.0	115%	43.0	47.8	1.2
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	203.6	229.7		375.8	229.0	1.7
	Equal to or more than 2.5 years	412.4	221.8		580.6	456.7	5.0

Template UK CR10.2

		Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	568.1	32.1	50%	592.2	265.6	-
	Equal to or more than 2.5 years	769.6	48.4	70%	806.1	518.4	3.2
Category 2	Less than 2.5 years	1,256.7	8.3	70%	1,263.0	824.4	5.1
	Equal to or more than 2.5 years	1,505.4	53.1	90%	1,545.3	1,258.7	12.4
Category 3	Less than 2.5 years	38.0	-	115%	38.0	41.1	1.1
	Equal to or more than 2.5 years	22.3	-	115%	22.3	23.0	0.6
Category 4	Less than 2.5 years	12.1	-	250%	12.1	30.1	1.0
	Equal to or more than 2.5 years	7.5	-	250%	7.5	15.8	0.6
Category 5	Less than 2.5 years	11.7	-	-	11.7	-	5.8
	Equal to or more than 2.5 years	27.8	-	-	27.8	-	13.9
Total	Less than 2.5 years	1,886.6	40.4		1,917.0	1,161.2	13.0
	Equal to or more than 2.5 years	2,332.6	101.5		2,409.0	1,815.9	30.7

Template UK CR10.5

		Equity exposures under the simple risk-weighted approach					
Categories		On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Private equity exposures		-	-	190%	-	-	-
Exchange-traded equity exposures		-	-	290%	-	-	-
Other equity exposures		0.2		370%	0.2	0.8	
Total		0.2			0.2	0.8	0

Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (CCyB1)

The following table outlines the geographical distribution of credit risk exposures relevant for the calculation of the countercyclical capital buffer at 30 June 2023:

Country	General credit exposures		Relevant credit exposures – Market risk			Own funds requirement							
	Exposure value under the standardised approach £bn	Exposure value under the IRB approach £bn	Sum of long and short positions of trading book exposures for SA £bn	Value of trading book exposures for internal models £bn	Securitisation exposures for non-trading book £bn	Total exposure value £bn	Relevant credit risk exposure – Credit Risk £bn	Relevant credit exposures – Market risk £bn	Relevant credit exposures – Securitisation positions in the non-trading book £bn	Total £bn	Risk-weighted exposure amounts £bn	Own funds requirements weights (%)	Countercyclical buffer rate (%)
United Kingdom	24.0	206.1	-	-	1.1	231.2	4.9	-	-	4.9	61.6	98.46%	1.00%
Isle of Man	-	-	-	-	-	0.1	-	-	-	-	0.1	0.12%	0.00%
Jersey	0.1	0.2	-	-	-	0.3	-	-	-	-	0.2	0.31%	0.00%
Guernsey	0.1	0.2	-	-	-	0.2	-	-	-	-	0.2	0.28%	0.00%
United States	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%
Spain	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Australia	0.1	-	-	-	-	0.1	-	-	-	-	-	0.05%	1.00%
Luxembourg	-	0.1	-	-	-	0.1	-	-	-	-	0.1	0.12%	0.50%
Denmark	-	-	-	-	-	-	-	-	-	-	-	0.02%	2.50%
Canada	0.6	-	-	-	-	0.6	-	-	-	-	0.1	0.18%	-
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.01%	1.00%
Ireland	-	0.1	-	-	-	0.1	-	-	-	-	0.1	0.08%	0.50%
Norway	-	-	-	-	-	-	-	-	-	-	-	0.01%	2.50%
Sweden	-	-	-	-	-	-	-	-	-	-	-	-	2.00%
France	0.2	-	-	-	-	0.2	-	-	-	-	-	0.05%	0.50%
Belgium	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Finland	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Austria	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
British Virgin Islands	-	-	-	-	-	0.1	-	-	-	-	-	0.07%	-
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Germany	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.75%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Slovakia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Croatia	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Other	-	0.1	-	-	-	0.1	-	-	-	-	0.1	0.12%	0.00%
Total	25.1	206.8	-	-	1.1	233.1	4.9	-	-	4.9	62.5	100%	-

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

Amount of institution-specific countercyclical capital buffer (CCyB2)

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

	£bn
Total risk exposure amount	62.5
Institution specific countercyclical capital buffer rate	0.99%
Institution specific countercyclical capital buffer requirement	0.62

The level of the Countercyclical Capital Buffer for the Company at 30 June 2023 was 0.99%.

Credit quality of forborne exposures (CQ1)

The following table provides an overview of the quality of forborne exposures at 30 June 2023.

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures			Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which defaulted	Of which impaired					
	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balance at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	1,490	734	734	734	(44)	(163)	1,903	542
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit Institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-
060 Non-financial corporations	304	260	260	260	(28)	(108)	343	143
070 Households	1,186	474	474	474	(16)	(55)	1,560	399
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 Total	1,490	734	734	734	(44)	(163)	1,903	542

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

Breakdown of exposures by industry class and Credit Quality:

At 30 June 2023		Gross carrying amount	Of which non-performing	Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	121	20	20	121	(7)	-
020	Mining and quarrying	60	1	1	60	(2)	-
030	Manufacturing	680	69	69	680	(31)	-
	Electricity, gas, steam and air conditioning supply	372	-	-	372	-	-
040	Water supply	82	1	1	82	(1)	-
060	Construction	1,038	57	57	1,038	(16)	-
070	Wholesale and retail trade	1,776	122	122	1,776	(110)	-
080	Transport and storage	226	13	13	226	(4)	-
	Accommodation and food service activities	1,273	147	147	1,273	(65)	-
090	Information and communication	384	15	15	380	(3)	-
110	Financial and insurance activities	18,900	54	54	18,459	(13)	-
120	Real estate activities	8,933	42	42	9,170	(26)	-
	Professional, scientific and technical activities	1,165	63	63	1,165	(35)	-
130	Administrative and support service activities	741	43	43	741	(19)	-
140	Public administration and defence, compulsory social security	12	-	-	12	-	-
150	Education	265	7	7	256	(3)	-
	Human health services and social work activities	936	60	60	936	(21)	-
170	Arts, entertainment and recreation	134	4	4	134	(2)	-
180	Other services	312	23	23	312	(12)	-
190							
200	Total	37,410	741	741	37,193	(390)	-

Collateral obtained by taking possession and execution processes (CQ7)

The following table provides an overview of foreclosed assets obtained from non-performing exposures at 30 June 2023.

		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
		£m	£m
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	9	-
030	<i>Residential immovable property</i>	9	-
040	<i>Commercial immovable property</i>	-	-
050	<i>Movable property (auto, shipping, etc.)</i>	-	-
060	<i>Equity and debt instruments</i>	-	-
070	<i>Other collateral</i>	-	-
080	Total	9	-

Own Funds disclosure – balance sheet reconciliation

The scope of consolidation and method for consolidation of the Company's 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 Company is included in the table below at 30 June 2023. 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
Santander UK Balance Sheet elements			
Shareholder's equity and Non-controlling interests	12,617	1,956	-
Subordinated Liabilities	-	-	2,150
UK CRR Adjustments			
Additional value adjustments	(13)	-	-
Intangible Assets (net of related tax liability)	(1,481)	-	-
Fair value reserves related to gains or losses on cash flow hedges	1,182	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(560)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(21)	-	-
Deferred tax assets arising from temporary differences	-	-	-
Defined benefit pension fund assets	(719)	-	-
- Dividend accrual	(17)	-	-
- Deduction for minority interests	-	-	-
- NPE Backstop	(5)	-	-
- Capital Add-on	-	-	-
- IFRS 9 Transitional Adjustments	9	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(703)
Total	10,992	1,956	1,447

Composition of regulatory own funds (CC1)

The following table provides disclosure of the Company's own funds items. The UK CRR end point position can be derived as the sum of the 30 June 2023 results 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 2023 Amounts £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital Instruments and the related share premium accounts	8,725	Share Capital
	of which: Instrument type 1	-	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained Earnings	5,054	Retained Earnings
3	Accumulated other comprehensive income (and other reserves)	(1,179)	Other Reserves
UK-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	12,600	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(13)	
8	Intangible assets (net of related tax liability) (negative amount)	(1,481)	Intangible Assets
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)	-	Deferred Tax Assets
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	1,182	Other Reserves
12	Negative amounts resulting from the calculation of expected loss amounts	(560)	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(21)	
15	Defined-benefit pension fund assets (negative amount)	(719)	Retirement Benefit Assets
16	Direct, indirect and synthetic holdings by an institution of own CET1 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)	-	
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
UK-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
UK-20c	of which: securitisation positions (negative amount)	-	
UK-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)	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	
23	of which: 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	-	
25	of which: deferred tax assets arising from temporary differences	-	
UK-25a	Losses for the current financial year (negative amount)	-	
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	4	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(1,608)	
29	Common Equity Tier 1 (CET1) capital	10,992	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	1,956	Other Equity Instruments
31	of which: classified as equity under applicable accounting standards	1,956	Other Equity Instruments
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 AT 1	-	
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR 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	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	1,956	
Additional Tier 1 (AT1) capital: regulatory adjustments			

		30 June 2023 Amounts £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of 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 (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	1,956	
45	Tier 1 capital (T1 = CET1 + AT1)	12,948	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	655	Subordinated Liabilities
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	792	
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in row 5 or 34) issued by subsidiaries and held by third parties	-	Subordinated Liabilities
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	Tier 2 (T2) capital before regulatory adjustments	1,447	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans 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)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans 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)	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
UK-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
UK-56b	Other regulatory adjustments to T2 capital	-	
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	1,447	
59	Total Capital (TC = T1 + T2)	14,935	
60	Total Risk exposure amount	70,682	
Capital ratios and buffer			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.6%	-
62	Tier 1 (as a percentage of total risk exposure amount)	18.3%	-
63	Total capital (as a percentage of total risk exposure amount)	20.4%	-
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	4.49%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical buffer requirement	0.99%	-
67	of which: systemic risk buffer requirement	1.00%	-
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	15.6%	-
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustment in T2 under standardised approach	233	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustment in T2 under internal ratings-based approach	265	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

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

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 at 30 June 2023. This outlines the impact of the difference in scope of consolidation outlined above:

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end 30 June 2023	As at period end 30 June 2023	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances at central banks	39,612	39,612	
2	Financial assets at fair value through profit or loss:	-	-	
3	- Trading assets	-	-	
4	- Derivative financial instruments	2,562	2,562	
5	- Other financial assets at fair value through profit or loss	261	261	
6	Financial assets at amortised cost:	-	-	
7	- Loans and advances to customers	211,055	211,190	
8	- Loans and advances to banks	1,173	1,335	
9	- Reverse repurchase agreements – non trading	12,024	12,024	
10	- Other financial assets at amortised cost	152	152	
11	Macro hedge of interest rate risk	(3,516)	(3,516)	
12	Financial assets at fair value through other comprehensive income	7,072	7,072	
13	Financial investments	-	-	
14	Interests in other entities	222	-	
15	Intangible assets	1,549	1,549	
16	Property, plant and equipment	1,495	2,081	
17	Current tax assets	532	542	
18	Deferred tax assets	-	4	
19	Retirement benefit assets	998	998	
20	Other assets	1,724	1,796	
21	Assets held for sale	49	49	
22	Total assets	276,964	277,711	
Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements				
1	Financial liabilities at fair value through profit or loss:	-	-	
2	- Trading liabilities	-	-	
3	- Derivative financial instruments	1,549	1,576	
4	- Other financial liabilities at fair value through profit or loss	864	864	
5	Financial liabilities at amortised cost:	-	-	
6	- Deposits by customers	187,934	187,649	
7	- Deposits by banks	26,130	26,681	
8	- Repurchase agreements – non trading	9,853	9,853	
9	- Debt securities in issue	31,281	31,281	
10	- Subordinated liabilities	2,150	2,150	
11	Macro hedge of interest rate risk	(67)	(67)	
12	Other liabilities	2,243	2,468	
13	Provisions	395	395	
14	Current tax liabilities	-	7	
15	Deferred tax liabilities	34	53	
16	Retirement benefit obligations	25	25	
17	Liabilities held for sale	-	-	
18	Total liabilities	262,391	262,935	
Shareholders' Equity				
1	Equity	-	-	
2	Share capital	3,105	3,258	
3	Share premium	5,620	5,620	
4	Other equity instruments	1,956	1,956	
5	Retained earnings	5,071	5,121	
6	Other reserves	(1,179)	(1,179)	
7	Non-controlling interests	-	-	
	Total shareholders' equity	14,573	14,776	

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 UK CRR 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.
UK CRR	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.
EU Banking Group	Banco Santander group, a leading and commercial bank headquartered in Spain.
Expected Loss (EL)	The Santander UK Group Holdings plc 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 Holdings plc 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 Holdings plc 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 Holdings plc group's method, under the UK CRR framework, for calculating credit risk capital requirements using the Santander UK Group Holdings plc 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	UK CRR 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 UK CRR 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 Holdings plc group holds, determined in accordance with rules established by the UK PRA for the consolidated Santander UK Group Holdings plc group and by local regulators for individual Santander UK Group Holdings plc 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 Holdings plc group's internal method of calculating credit risk capital requirements for its key retail portfolios. The FSA approved the Santander UK Group Holdings plc group's application of the Retail IRB approach to the Santander UK Group Holdings plc 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 certain structured 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 UK CRR, 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 UK CRR, 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.