

**Santander UK Group Holdings plc and Santander UK plc
June 2024 Additional Capital and Risk Management Disclosures**

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Introduction

Santander UK Group Holdings plc's Additional Capital and Risk Management Disclosures for the six months ended 30 June 2024 should be read in conjunction with our 2024 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 2 to 31 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 32-55 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 2024 Half Yearly Financial Report. All disclosures cover the 30 June 2024 position or movement during 2024.

^[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 remained stable at 15.2% following accrued profits of £597m offset by £556m interim dividends paid in Jun-24.

TOTAL CAPITAL RATIO



Total capital ratio decreased to 21.3% (Dec-22: 21.4%) due to lower AT1 capital and following accrued profits of £597m offset by £556m interim dividends paid in Jun-24.

UK LEVERAGE RATIO



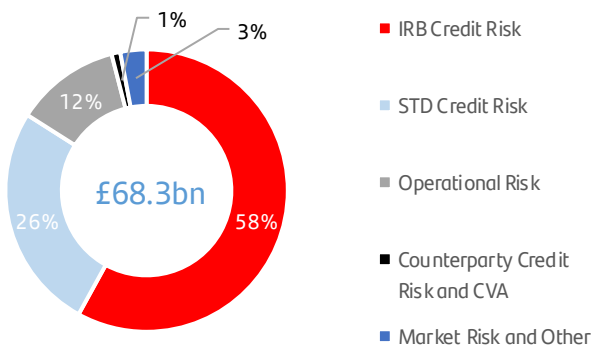
UK Leverage ratio decreased to 4.9% (Dec-23: 5.1%) due to the slight increase in UK Leverage exposure to £251.4bn (Dec-23: £247.2bn) as a result of the return to normalisation of liquidity levels.

RISK-WEIGHTED ASSETS (RWAs) £bn

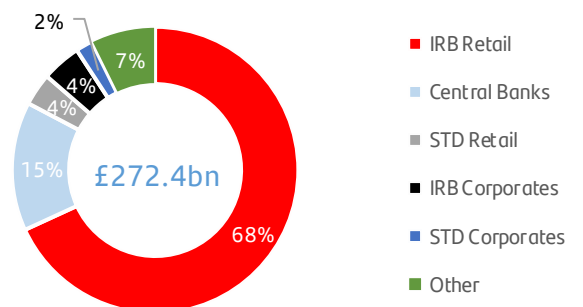


RWAs decreased slightly following securitisation activities.

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 2024 together with the previously disclosed quarter end information at 31 March 2024, 31 December 2023, 30 September 2023, and 30 June 2023. Further detail on Risk Weighted Assets are included in the subsequent sections of this document:

	30 June	31 March	31 December	30 September	30 June	
	2024	2024	2023	2023	2023	
	£m	£m	£m	£m	£m	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	10,375	10,580	10,524	11,243	11,070
2	Tier 1 capital	12,475	12,776	12,720	13,439	13,267
3	Total capital	14,510	14,840	14,775	15,545	14,634
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	68,270	69,529	69,065	70,137	71,975
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.2%	15.2%	15.2%	16.0%	15.4%
6	Tier 1 ratio (%)	18.3%	18.4%	18.4%	19.2%	18.4%
7	Total capital ratio (%)	21.3%	21.3%	21.4%	22.2%	20.3%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	2.3%	2.3%	2.3%	3.2%	3.2%
UK 7b	Additional AT1 SREP requirements (%)	0.8%	0.8%	0.8%	1.1%	1.1%
UK 7c	Additional T2 SREP requirements (%)	1.0%	1.0%	1.0%	1.4%	1.4%
UK 7d	Total SREP own funds requirements (%)	4.1%	4.1%	4.1%	5.7%	5.7%
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 (%)	1.96%	1.96%	1.96%	1.96%	0.98%
UK 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
UK 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	4.46%	4.46%	4.46%	4.46%	3.48%
UK 11a	Overall capital requirements (%)	16.6%	16.6%	16.6%	18.2%	17.2%
12	CET1 available after meeting the total SREP own funds requirements (%)	4.7%	4.8%	4.8%	4.0%	3.1%
Leverage ratio						
13	Total exposure measure excluding claims on central banks	251.4	247.4	247.2	249.2	245.7
14	Leverage ratio excluding claims on central banks (%)	4.9%	5.1%	5.1%	5.3%	5.3%
Additional leverage ratio disclosure requirements						
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.9%	5.1%	5.1%	5.3%	5.3%
14b	Leverage ratio including claims on central banks (%)	4.4%	4.4%	4.4%	4.6%	4.6%
14c	Average leverage ratio excluding claims on central banks (%)	5.1%	5.1%	5.3%	5.3%	5.3%
14d	Average leverage ratio including claims on central banks (%)	4.5%	4.4%	4.6%	4.6%	4.5%
14e	Countercyclical leverage ratio buffer (%)	0.7%	0.7%	0.7%	0.7%	0.3%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value-average) ¹	48,551	54,704	50,435	50,733	49,707
UK 16a	Cash outflows – Total weighted value ¹	35,090	34,710	32,887	34,402	33,059
UK 16b	Cash inflows – Total weighted value ¹	2,063	1,800	1,833	1,763	1,932
16	Total net cash outflows (adjusted value) ¹	33,027	32,910	31,054	32,639	31,127
17	Liquidity coverage ratio (%) ¹	147.00%	166.23%	162.41%	155.44%	159.69%
Net Stable Funding Ratio						
18	Total available stable funding ¹	216,315	223,870	223,051	225,701	225,598
19	Total required stable funding ¹	161,268	162,981	161,470	168,006	166,955
20	NSFR ratio (%) ¹	134%	137%	138%	134%	135%

Key Movements

CET1 capital ratio of 15.2% (Dec-23: 15.2%) and UK leverage ratio of 4.9% (Dec-23: 5.1%), are well above minimum requirements. The CET1 capital ratio remained stable at 15.2% following accrued profits of £597m offset by £556m interim dividends paid in Jun-24. UK Leverage ratio decreased to 4.9% (Dec-23: 5.1%) due to the slight increase in UK Leverage exposure to £251.4bn (Dec-23: £247.2bn) as a result of the return to normalisation of liquidity levels. RWAs decreased slightly following securitisation activities. We remain very strongly capitalised with significant headroom to minimum requirements and MDA.

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 2024 £m	31 March 2024 £m	31 December 2023 £m	30 September 2023 £m	30 June 2023 £m
1 Total Own Funds and Eligible Liabilities available	24,133	24,492	26,134	27,140	26,174
1a Fully loaded ECL accounting model Own Funds and Eligible Liabilities available	21,118	24,476	26,091	27,094	26,165
2 Total RWA at the level of the resolution group	68,270	69,529	69,065	70,137	71,975
3 Total Own Funds and Eligible Liabilities as a percentage of RWA	35.3%	35.2%	37.8%	38.7%	36.4%
3a Fully loaded ECL accounting model Own Funds and Eligible Liabilities as a percentage of fully loaded ECL accounting model RWA	35.3%	35.2%	37.8%	38.7%	36.4%
4 UK Leverage exposure measure at the level of the resolution group	251,350	247,384	247,215	249,197	245,725
5 Total Own Funds and Eligible Liabilities as a percentage of UK leverage exposure measure [1]	9.6%	9.9%	10.6%	10.9%	10.7%
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 [1]	9.6%	9.9%	10.6%	10.9%	10.6%
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	No	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] The MREL requirement for Santander UK Group Holdings plc, excluding capital buffers, is the higher of 2*(P1+P2A) of RWAs or 6.75% of Leverage Exposure.

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 2024 £bn	31 December 2023 £bn	30 June 2023 £bn
Regulatory capital elements of TLAC and adjustments			
1 Common Equity Tier 1 capital (CET1)	10.4	10.5	11.1
2 Additional Tier 1 capital (AT1) before TLAC adjustments	2.1	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	2.1	2.2	2.2
6 Tier 2 capital (T2) before TLAC adjustments	2.0	2.1	1.4
7 Amortised portion of T2 instruments where remaining maturity > 1 year	0.2	0.2	0.2
8 T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	0.6	0.6	0.7
9 Other adjustments	-	-	-
10 T2 instruments eligible under the TLAC framework	1.6	1.5	0.8
11 TLAC arising from regulatory capital	14.1	14.4	14.1
12 External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	10.0	11.8	12.1
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	10.0	11.8	12.1
Non-regulatory capital elements of TLAC: adjustments			
18 TLAC before deductions	24.1	26.1	26.2
19 Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)	-	-	-
20 Deduction of investments in own other TLAC liabilities	-	-	-
21 Other adjustments to TLAC	-	-	-
22 TLAC after deductions	24.1	26.1	26.2
Risk-weighted assets and leverage exposure measure for TLAC purposes			
23 Total risk-weighted assets adjusted as permitted under the TLAC regime	68.3	69.1	72.0
24 Leverage exposure measure	251.4	247.2	245.7
TLAC ratios and buffers			
25 TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	35.3%	37.8%	36.4%
26 TLAC (as a percentage of leverage exposure)	9.6%	10.6%	10.7%
27 CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum requirements	11.1%	13.6%	8.9%
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)	4.5%	4.5%	3.5%
29 Of which: capital conservation buffer requirement	2.5%	2.5%	2.5%
30 Of which: bank specific countercyclical buffer requirement	2.0%	2.0%	1.0%

The lower Pillar 2A requirements has led to a reduction in our regulatory MREL requirements driving an increased excess in Dec-23. In 2024, this excess has been managed through lower TLAC eligible instruments.

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	1.9	0.3	1.4	0.9	9.4	17.0
4	Subset of row 3 that are excluded liabilities							
5	Total capital and liabilities less excluded liabilities	3.1	1.9	0.3	1.4	0.9	9.4	17.0
6	Subset of row 5 that are eligible as TLAC	3.1	1.9	-	1.4	-	9.4	15.8
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	0.1	-	0.5	0.6
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	-	-	-	7.3	7.3
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	-	1.3	-	1.6	2.9
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities							
11	Subset of row 6 that is perpetual securities	3.1	1.9	-	-	-	-	5.0

TLAC3 – Resolution entity – creditor ranking at legal entity level

Creditor Hierarchy of the Company:

£bn	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	2.1	1.4	9.9	20.5
3	Subset of row 2 that are excluded liabilities					
4	Total capital and liabilities less excluded liabilities	7.1	2.1	1.4	9.9	20.5
5	Subset of row 4 that are potentially eligible as TLAC	7.1	2.1	1.4	9.9	20.5
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	-	-	0.1	1.0	1.1
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	-	-	-	7.3	7.3
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	1.3	1.6	2.9
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-
10	Subset of row 5 that is perpetual securities	7.1	2.1	-	-	9.2

IFRS 9 Transitional Arrangements (IFRS9-FL)

The following table summarises the impact of IFRS 9 transitional arrangements at 30 June 2024 over the full allowable period:

	2024
IFRS9 Transitional Factor for credit loss-based provision movements post 1/1/20	25%
Available Capital (amounts)	
1 Common Equity Tier 1 (CET1) capital	10,375
CET1 Capital as if IFRS 9 STATIC transitional arrangements had not been applied	10,375
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements had not been applied	10,360
2 CET1 Capital as if ALL IFRS 9 transitional arrangements had not been applied	10,360
3 Tier 1 Capital	12,475
4 Tier 1 Capital as if ALL IFRS 9 transitional arrangements had not been applied	12,460
5 Total Capital	14,510
6 Total Capital as if ALL IFRS 9 transitional arrangements had not been applied	14,495
Risk-weighted assets (amounts)	
7 Total risk-weighted assets (RWA)	68,270
Total RWA as if IFRS 9 STATIC transitional arrangements had not been applied	68,270
Total RWA as if IFRS 9 DYNAMIC transitional arrangements had not been applied	68,256
8 Total RWA as if ALL IFRS 9 transitional arrangements had not been applied	68,256
Capital Ratios	
9 Common Equity Tier 1 (as a percentage of risk exposure amount)	15.2%
10 Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.2%
11 Tier 1 (as a percentage of risk exposure amount)	18.3%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.3%
13 Total capital (as a percentage of risk exposure amount)	21.3%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.2%
Leverage ratio[1]	
15 Leverage ratio total exposure measure	282,866
16 Leverage ratio	4.4%
17 Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.4%

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.

[1] This is the UK Leverage ratio which includes claims on central banks.

UK LRA: Disclosure of LR qualitative information

<p>Description of the processes used to manage the risk of excessive leverage</p> <p>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 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.</p>
<p>Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers</p> <p>The Leverage ratio for the UK consolidated group remained broadly stable at 4.9% (Mar24: 5.1%). UK leverage exposure also broadly stable at £251.4bn (Mar-24: £247.4bn).</p>

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

		30 June 2024 £m
1	Total assets as per published financial statements	271,445
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	2,043
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	(31,516)
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	(134)
9	Adjustment for securities financing transactions (SFTs)	564
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	10,741
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	(1,793)
13	Total exposure measure	251,350

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 2024	31 December 2023
		£m	£m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	226,200	228,027
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)	(1,408)	(1,542)
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))	(2,517)	(2,554)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	222,275	223,931
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	1,684	1,889
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	767	873
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UfCR-3K-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	2,451	2,762
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	19,238	15,625
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,920)	(3,157)
16	Counterparty credit risk exposure for SFT assets	564	778
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	15,882	13,246
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	37,197	31,439
20	(Adjustments for conversion to credit equivalent amounts)	(26,456)	(24,164)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	10,741	7,275
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)	12,417	12,533
24	Total exposure measure including claims on central banks	282,866	289,564
UK-24a	(-) Claims on central banks excluded	(31,516)	(42,350)
UK-24b	Total exposure measure excluding claims on central banks	251,350	247,214
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	4.9%	5.1%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.9%	5.1%
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 (%)	4.9%	5.1%
UK-25c	Leverage ratio including claims on central banks (%)	4.4%	4.4%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements - Leverage ratio buffers			

		30 June 2024 £m	31 December 2023 £m
27	Leverage ratio buffer (%)	1.0%	1.0%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.4%	0.4%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.7%	0.7%
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	16,138	13,289
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	14,923	13,044
UK-31	Average total exposure measure including claims on central banks	286,201	292,466
UK-32	Average total exposure measure excluding claims on central banks	248,596	249,659
UK-33	Average leverage ratio including claims on central banks	4.4%	4.5%
UK-34	Average leverage ratio excluding claims on central banks	5.1%	5.3%

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

		Leverage ratio exposures 30 June 2024 £m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	226,200
UK-2	Trading book exposures	-
UK-3	Banking book exposures, of which:	226,200
UK-4	Covered bonds	2,244
UK-5	Exposures treated as sovereigns	7,592
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	739
UK-7	Institutions	907
UK-8	Secured by mortgages of immovable properties	169,519
UK-9	Retail exposures	11,346
UK-10	Corporates	15,874
UK-11	Exposures in default	3,790
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	14,189

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.

LIQUIDITY COVERAGE RATIO – AVERAGE



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.

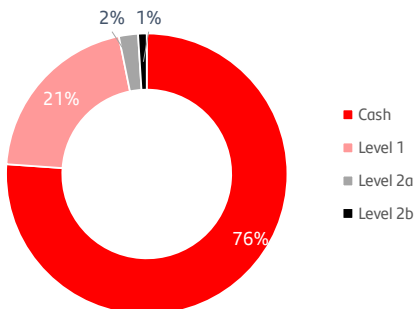
NET STABLE FUNDING RATIO



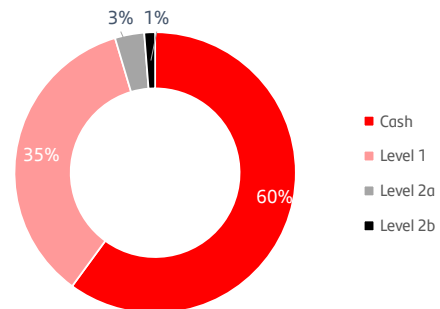
The composition of the balance sheet has remained consistent year on year resulting in the NSFR ratio remaining broadly in line with 2023.

SPLIT OF LIQUIDITY ASSET BUFFER

Dec 2023



June 2024



The liquidity buffer is largely comprised (>95%) of Level 1 assets, primarily cash held in our Bank of England Reserve Account.

Liquidity Coverage Ratio (LIQ1)

This table shows Holdco Group's 12-month average LCR. 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
		2024	2024	2023	2023	2024	2024	2023	2023
		£m	£m	£m	£m	£m	£m	£m	£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)					51,238	51,202	49,915	50,224
	CASH-OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	147,838	148,924	149,238	149,966	9,127	9,202	9,233	9,305
3	Stable deposits	121,738	122,573	122,893	123,469	6,087	6,129	6,145	6,173
4	Less stable deposits	26,099	26,351	26,345	26,497	3,040	3,073	3,088	3,132
5	Unsecured wholesale funding	27,594	27,169	26,652	26,506	15,856	15,472	14,938	14,564
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,753	1,799	1,862	1,962	313	326	341	365
7	Non-operational deposits (all counterparties)	23,728	23,374	22,979	22,797	13,429	13,150	12,786	12,452
8	Unsecured debt	2,113	1,996	1,811	1,747	2,114	1,996	1,811	1,747
9	Secured wholesale funding					300	271	229	204
10	Additional requirements	14,348	14,002	13,843	13,862	7,969	7,606	7,318	7,199
11	Outflows related to derivative exposures and other collateral requirements	6,325	6,143	5,982	5,924	6,325	6,143	5,982	5,925
12	Outflows related to loss of funding on debt products	252	180	194	269	252	180	194	269
13	Credit and liquidity facilities	7,771	7,679	7,667	7,669	1,392	1,283	1,142	1,005
14	Other contractual funding obligations	33	104	103	178	6	82	82	155
15	Other contingent funding obligations	24,118	23,725	23,110	23,833	1,552	1,480	1,368	1,499
16	TOTAL CASH OUTFLOWS					34,810	34,113	33,168	32,926
	CASH-INFLOWS								
17	Secured lending (e.g reverse repos)	8,349	7,502	6,666	5,845	10	-	3	3
18	Inflows from fully performing exposures	2,191	2,288	2,290	2,394	1,441	1,520	1,494	1,573
19	Other cash inflows	2,215	2,225	2,185	2,114	669	640	579	513
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	12,755	12,015	11,141	10,353	2,120	2,160	2,076	2,089
UK-20a	Fully exempt inflows								
UK-20b	Inflows Subject to 90% Cap								
UK-20c	Inflows Subject to 75% Cap	12,755	12,015	11,141	10,353	2,120	2,160	2,076	2,089
	TOTAL ADJUSTED VALUE								
UK-21	LIQUIDITY BUFFER					51,238	51,202	49,915	50,224
22	TOTAL NET CASH OUTFLOWS					32,690	31,953	31,092	30,837
23	LIQUIDITY COVERAGE RATIO					157%	160%	161%	163%

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 was broadly flat in the period. 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 157% reflects our continued strong liquidity position.</p>
<p>Explanations on the actual concentration of funding sources</p> <p>Santander UK is largely funded through customer deposits (£188bn), with the significant proportion being Retail, we leverage our large and diverse customer base to offer products that give us a long-term sustainable source of funding and c86% of our core retail liabilities are covered by the FSCS guarantee. We also have c£53bn of wholesale funding which includes secured, unsecured term funding as well as c£13bn 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 (c94%) 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 three-notch downgrade.</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 2024 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	16,587	16,837
2	Own funds	-		500	16,587	16,837
3	Other capital instruments			-	-	-
4	Retail deposits		147,577	1,901	941	141,533
5	Stable deposits		120,201	1,039	589	115,767
6	Less stable deposits		27,376	862	352	25,766
7	Wholesale funding:		49,875	1,885	18,140	31,863
8	Operational deposits		-	-	-	-
9	Other wholesale funding		49,875	1,885	18,140	31,863
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:		10,151	1,992	25,086	26,082
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		10,151	1,992	25,086	26,082
14	Total available stable funding (ASF)					216,315
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					678
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:		24,924	6,146	192,887	151,048
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		14,924	2,296	-	1,148
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:		6,748	2,240	189,066	144,964
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,552	1,407	180,947	135,548
22	Performing residential mortgages, of which:		184	376	171,518	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		184	376	171,518	-
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		3,252	1,610	3,821	4,936
25	Interdependent assets		-	-	-	-
26	Other assets:		6,474	73	6,115	7,907
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	138
29	NSFR derivative assets		117	-	-	117
30	NSFR derivative liabilities before deduction of variation margin posted		12	-	-	-
31	All other assets not included in the above categories		6345	73	6,115	7,652
32	Off-balance sheet items		27,977	132	4,597	1,635
33	Total RSF					161,268
34	Net Stable Funding Ratio (%)					134%

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 2024 £bn	31 March 2024 £bn	30 June 2024 £bn ¹
1	Credit risk (excluding CCR) ¹	57.5	59.5	4.6
2	Of which the standardised approach	17.9	19.1	1.4
3	Of which the foundation IRB (FIRB) approach	2.5	2.7	0.2
4	Of which slotting approach	2.6	2.8	0.2
UK 4a	Of which equities under the simple risk weighted approach	0.1	0.1	-
5	Of which the advanced IRB (AIRB) approach	34.4	34.8	2.8
6	Counterparty credit risk - CCR ¹	0.7	0.7	0.1
7	Of which the standardised approach	0.3	0.3	0.1
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	0.2	0.2	-
9	Of which other CCR			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap) ²	2.0	1.2	0.2
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	0.8	0.6	0.1
19	Of which SEC-SA approach	1.2	0.6	0.1
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	7.8	7.8	0.6
UK 23a	Of which basic indicator approach			
UK 23b	Of which standardised approach	7.8	7.8	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	68.3	69.5	5.5

[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 2024	40.6	3.1
2 Asset size	-	-
3 Asset quality	(0.3)	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.5)	-
9 Risk weighted exposure amount as at 30 June 2024	39.8	3.1

RWEA flow statements of credit risk exposures under standardised approach

	RWEA £bn	Capital requirements
1 Risk weighted exposure amount as at 31 March 2024	20.6	1.6
2 Asset size	(0.4)	-
3 Asset quality	0.6	0.1
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.6)	(0.1)
9 Risk weighted exposure amount as at 30 June 2024	20.2	1.6

Movements in other item for both standardised and IRB approaches are driven by the securitisation activities while asset size in standardised approach is due to the decrease in corporate lending.

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 as at 30 June 2024:

	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	£m	
Cash balances at central banks and other demand deposits	29,952	29,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-
005																
010 Loans and advances	220,345	198,777	21,568	3,790	728	3,062	(476)	(116)	(360)	(408)	2	(410)	-	207,176	3,059	
020 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 <i>General governments</i>	112	112	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	2,830	2,830	-	-	-	-	-	-	-	-	-	-	-	1,948	-	
050 <i>Other financial corporations</i>	19,991	19,698	293	47	-	47	(17)	(5)	(12)	(12)	-	(12)	-	14,690	33	
060 <i>Non-financial corporations</i>	17,025	14,894	2,131	809	-	809	(113)	(44)	(69)	(193)	-	(193)	-	15,623	352	
070 <i>Of which SMEs</i>	8,388	7,091	1,297	667	-	667	(72)	(25)	(47)	(143)	-	(143)	-	7,648	305	
080 <i>Households</i>	180,387	61,243	9,144	2,934	728	2,206	(346)	(67)	(279)	(203)	2	(205)	-	174,915	2,674	
090 Debt securities	10,566	10,566	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 <i>General governments</i>	6,706	6,706	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 <i>Credit institutions</i>	3,286	3,286	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 <i>Other financial corporations</i>	568	568	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 <i>Non-financial corporations</i>	6	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance-sheet exposures	37,059	35,817	1,242	138	-	138	(80)	(35)	(45)	(18)	-	(18)	-	-	-	-
160 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 <i>Credit institutions</i>	2,488	2,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 <i>Other financial corporations</i>	2,706	2,665	41	-	-	-	(5)	(4)	(1)	-	-	-	-	-	-	-
200 <i>Non-financial corporations</i>	7,546	7,127	419	77	-	77	(32)	(17)	(15)	(16)	-	(16)	-	-	-	-
210 <i>Households</i>	24,319	23,537	782	61	-	61	(43)	(14)	(29)	(2)	-	(2)	-	-	-	-
220 Total	297,922	275,112	22,810	3,928	728	3,200	(556)	(151)	(405)	(426)	2	(428)	-	207,176	3,059	

Maturity of exposures (CR1-A)

At 30 June 2024	Net exposure value					No stated maturity	Total
	On demand	<= 1 year	>1 year <= 5 years	> 5 years			
1 Loans and advances	1,677	9,762	28,352	166,888	-	206,679	
2 Debt securities	-	2,031	5,141	3,394	-	10,566	
3 Total	1,677	11,793	33,493	170,282	-	217,245	

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

	Gross carrying amount
	£m
010 Initial stock of non-performing loans and advances as at 31 Dec 2023	3,684
020 Inflows to non-performing portfolios	1,026
030 Outflows from non-performing portfolios	(921)
040 Of which Outflows due to write-offs	(142)
050 Of which Outflows due to other situations	(779)
060 Final stock of non-performing loans and advances as at 30 June 2024	3,790

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 2024 Half Yearly Financial Report.

The following table provides analysis of secured and collateralised exposures at 30 June 2024:

	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	10,110	210,235	208,393	1,842	-
2 Debt securities	7,997	2,569	2,569	-	-
3 Total	18,107	212,804	210,962	1,842	-
4 Of which non-performing exposures	1,030	2,760	-	-	-
5 Of which defaulted	1,030	2,760	-	-	-

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 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 %
1 Central governments or central banks	37.8	0.2	39.6	0.2	-	-
2 Regional government or local authorities	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	16%
4 Multilateral Development Banks	0.7	-	0.8	-	-	-
5 International Organisations	-	-	-	-	-	-
6 Institutions	0.8	-	0.8	-	0.2	24%
7 Corporates	8.9	2.5	5.0	0.1	4.3	93%
8 Retail	21.1	11.0	9.9	0.1	7.4	74%
9 Secured by mortgages on immovable property	1.3	-	1.3	-	0.5	36%
10 Exposures in default	0.8	0.1	0.5	-	0.7	131%
11 Exposures associated with particularly high risk	0.1	-	-	-	-	150%
12 Covered bonds	2.2	-	2.2	-	0.4	17%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	7.3	-	7.3	-	4.4	58%
17 Total	81.0	13.8	67.4	0.4	17.9	27%

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 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 %
Corporates – Specialised Lending	3.8	0.7	3.8	0.1	2.6	68%
Corporates – SME	0.2	0.4	0.2	0.3	0.1	19%
Corporates – Other	5.5	4.2	5.5	2.1	2.4	32%
Institutions	0.1	-	0.1	-	0.0	123%
Retail Immovable Property	171.3	10.5	171.6	6.4	30.7	17%
Retail QRR	0.5	4.0	0.5	5.0	1.8	33%
Retail Other	2.1	-	2.1	-	1.9	89%
Equity	-	-	-	-	0.1	370%
Total	183.5	19.8	183.8	13.9	39.6	20%

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 £bn	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																
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Retail	185.6	-	95.88%	95.88%	-	-	-	-	-	-	-	-	34.4	34.4	
4.1	<i>Of which Retail – Immovable property SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	177.9	-	100.00%	100.00%	-	-	-	-	-	-	-	-	30.7	30.7	
4.3	<i>Of which Retail – Qualifying revolving</i>	5.5	-	-	-	-	-	-	-	-	-	-	-	1.8	1.8	
4.4	<i>Of which Retail – Other SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.5	<i>Of which Retail – Other non-SMEs</i>	2.2	-	-	-	-	-	-	-	-	-	-	-	1.9	1.9	
5	Total	185.6	-	95.88%	95.88%	-	-	-	-	-	-	-	-	34.4	34.4	

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		
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Institutions	1.2	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	
3	Corporates	12.1	-	27.33%	27.33%	-	-	-	-	-	-	0.37%	-	5.1	5.1	
3.1	<i>Of which Corporates – SMEs</i>	0.5	-	14.79%	14.79%	-	-	-	-	-	-	-	-	0.1	0.1	
3.2	<i>Of which Corporates – Specialised lending</i>	3.9	-	-	-	-	-	-	-	-	-	0.05%	-	2.6	2.6	
3.3	<i>Of which Corporates – Other</i>	7.7	-	42.03%	42.03%	-	-	-	-	-	-	0.56%	-	2.4	2.4	
4	Total	13.3	-	24.86%	24.86%	-	-	-	-	-	-	0.34%	-	5.3	5.3	

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	25.9	101.5	50%	30.1	11.3	-
	Equal to or more than 2.5 years	99.5	57.3	70%	139.1	74.0	0.6
Category 2	Less than 2.5 years	248.5	214.4	70%	260.0	170.6	1.0
	Equal to or more than 2.5 years	307.8	186.0	90%	356.9	268.0	2.9
Category 3	Less than 2.5 years	25.1	-	115%	25.1	28.9	0.7
	Equal to or more than 2.5 years	35.7	-	115%	35.7	38.2	1.0
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	299.5	315.9	-	315.2	210.8	1.7
	Equal to or more than 2.5 years	443.0	243.3	-	531.7	380.2	4.5

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	297.5	17.9	50%	298.2	135.6	-
	Equal to or more than 2.5 years	753.5	52.6	70%	753.5	483.8	3.0
Category 2	Less than 2.5 years	1,044.4	41.7	70%	1,044.4	677.1	4.2
	Equal to or more than 2.5 years	776.5	11.2	90%	776.5	633.5	6.2
Category 3	Less than 2.5 years	51.0	0.7	115%	51.0	55.5	1.4
	Equal to or more than 2.5 years	32.6	10.2	115%	32.6	35.5	0.9
Category 4	Less than 2.5 years	3.3	-	250%	3.3	8.2	0.3
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	18.3	-	-	18.3	-	9.2
	Equal to or more than 2.5 years	73.2	-	-	73.2	-	36.6
Total	Less than 2.5 years	1,414.5	60.3	-	1,415.2	876.4	15.1
	Equal to or more than 2.5 years	1,635.8	74.0	-	1,635.8	1,152.8	46.7

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		32.6	-	370%	32.6	120.7	0.8
Total		32.6	-	-	32.6	120.7	0.8

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 2024:

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	23.2	197.1	-	-	5.3	-	4.5	-	0.2	4.6	57.9	97.55%	2.00%
Isle of Man	0.4	-	-	-	-	-	-	-	-	-	0.2	0.32%	0.00%
Jersey	1.0	0.1	-	-	-	-	-	-	-	-	0.5	0.86%	0.00%
Guernsey	-	0.1	-	-	-	-	-	-	-	-	0.1	0.16%	0.00%
United States	-	-	-	-	-	-	-	-	-	-	0.1	0.16%	0.00%
Spain	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Australia	0.3	-	-	-	-	-	-	-	-	-	0.1	0.11%	1.00%
Luxembourg	-	0.1	-	-	-	-	-	-	-	-	0.1	0.10%	0.50%
Denmark	-	-	-	-	-	-	-	-	-	-	-	0.02%	2.50%
Canada	0.8	-	-	-	-	-	-	-	-	-	0.2	0.26%	0.00%
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
Ireland	-	0.1	-	-	-	-	-	-	-	-	-	0.06%	1.50%
Norway	0.1	-	-	-	-	-	-	-	-	-	-	0.02%	2.50%
Sweden	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
France	0.2	-	-	-	-	-	-	-	-	-	-	0.06%	1.00%
Belgium	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.50%
Finland	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%
Austria	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
British Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	0.08%	0.00%
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.75%
Germany	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.75%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Slovakia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
Croatia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
Other	0.1	0.1	-	-	-	-	-	-	-	-	0.1	0.13%	0.00%
Total	26.1	197.6	-	-	5.3	-	4.5	-	0.2	4.6	59.3	99.93%	0.00%

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	59.3
Institution specific countercyclical capital buffer rate	1.96%
Institution specific countercyclical capital buffer requirement	1.16

The level of the Countercyclical Capital Buffer for the Company at 30 June 2024 was 1.96%.

Credit quality of forborne exposures (CQ1)

The following table provides an overview of the quality of forborne exposures at 30 June 2024.

		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					
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	1,696	588	588	588	(82)	(107)	1,969	432
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	44	7	7	7	(6)	(1)	39	-
060	Non-financial corporations	373	147	147	147	(58)	(48)	327	83
070	Households	1,279	434	434	434	(18)	(58)	1,604	349
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	1,696	588	588	588	(82)	(107)	1,969	432

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 2024		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	105	18	18	105	(4)	-
020	Mining and quarrying	78	-	-	78	(1)	-
030	Manufacturing	552	51	51	552	(15)	-
	Electricity, gas, steam and air conditioning supply	376	-	-	376	(1)	-
040	Water supply	87	9	9	87	(2)	-
060	Construction	960	34	34	960	(15)	-
070	Wholesale and retail trade	1,558	118	118	1,558	(61)	-
080	Transport and storage	218	13	13	218	(3)	-
	Accommodation and food service activities	1,237	172	172	1,236	(73)	-
090	Information and communication	372	33	33	368	(7)	-
110	Financial and insurance activities	23,093	47	47	22,560	(28)	-
120	Real estate activities	8,971	100	100	8,967	(31)	-
	Professional, scientific and technical activities	1,214	60	60	1,209	(34)	-
130	Administrative and support service activities	601	75	75	601	(28)	-
140	Public administration and defence, compulsory social security	40	-	-	40	-	-
160	Education	201	4	4	193	(3)	-
	Human health services and social work activities	813	105	105	813	(19)	-
170	Arts, entertainment and recreation	91	3	3	91	(1)	-
180	Other services	361	11	11	361	(7)	-
200	Total	40,928	853	853	40,373	(333)	-

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 2024.

		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	12	-
030	<i>Residential immovable property</i>	12	-
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	12	-

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 2024. 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	12,371	2,100	-
Subordinated Liabilities	-	-	2,397
UK CRR Adjustments			
Additional value adjustments	(17)	-	-
Intangible Assets (net of related tax liability)	(1,448)	-	-
Fair value reserves related to gains or losses on cash flow hedges	580	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(671)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(5)	-	-
Deferred tax assets arising from temporary differences	-	-	-
Defined benefit pension fund assets	(448)	-	-
- Dividend accrual	(2)	-	-
- Deduction for minority interests	-	-	-
- NPE Backstop	-	-	-
- Capital Add-on	-	-	-
- IFRS 9 Transitional Adjustments	15	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(362)
Total	10,375	2,100	2,035

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 2024 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 2024 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	5,887	Retained Earnings
3	Accumulated other comprehensive income (and other reserves)	(578)	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	12,369	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(17)	
8	Intangible assets (net of related tax liability) (negative amount)	(1,448)	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	580	Other Reserves
12	Negative amounts resulting from the calculation of expected loss amounts	(671)	
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	(5)	
15	Defined-benefit pension fund assets (negative amount)	(448)	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)	15	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(1,994)	
29	Common Equity Tier 1 (CET1) capital	10,375	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	2,100	Other Equity Instruments
31	of which: classified as equity under applicable accounting standards	2,100	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	2,100	
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 2024 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	2,100	
45	Tier 1 capital (T1 = CET1 + AT1)	12,475	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	1,402	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	633	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	2,035	
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	2,035	
59	Total Capital (TC = T1 + T2)	14,510	
60	Total Risk exposure amount	68,270	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.2%	-
62	Tier 1 (as a percentage of total risk exposure amount)	18.3%	-
63	Total capital (as a percentage of total risk exposure amount)	21.3%	-
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	4.5%	-
65	of which: capital conservation buffer requirement	2.5%	-
66	of which: countercyclical buffer requirement	2.0%	-
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)	15.2%	-
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	226	
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	239	
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 2024. 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 ¹
		As at period end 30 June 2024	As at period end 30 June 2024	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances at central banks	30,022	30,022	
2	Financial assets at fair value through profit or loss:	-	-	
3	- Trading assets	-	-	
4	- Derivative financial instruments	1,178	1,179	
5	- Other financial assets at fair value through profit or loss	569	569	
6	Financial assets at amortised cost:	-	-	
7	- Loans and advances to customers	206,679	206,858	
8	- Loans and advances to banks	1,105	1,227	
9	- Reverse repurchase agreements - non trading	15,319	15,319	
10	- Other financial assets at amortised cost	1,744	1,744	
11	Macro hedge of interest rate risk	(1,033)	(1,033)	
12	Financial assets at fair value through other comprehensive income	8,618	8,618	
13	Financial investments	-	-	
14	Interests in other entities	266	-	
15	Intangible assets	1,521	1,521	Table CC1 Row 8
16	Property, plant and equipment	1,475	1,983	
17	Current tax assets	582	597	
18	Deferred tax assets	-	8	Table CC1 Row 10
19	Retirement benefit assets	622	622	Table CC1 Row 15
20	Other assets	2,765	2,858	
21	Assets held for sale	13	13	
22	Total assets	271,445	272,105	
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	762	771	
4	- Other financial liabilities at fair value through profit or loss	973	973	
5	Financial liabilities at amortised cost:	-	-	
6	- Deposits by customers	189,847	189,724	
7	- Deposits by banks	16,541	16,541	
8	- Repurchase agreements - non trading	6,623	6,623	
9	- Debt securities in issue	35,914	36,264	
10	- Subordinated liabilities	2,397	2,397	Table CC1 Row 46/48
11	Macro hedge of interest rate risk	52	52	
12	Other liabilities	3,297	3,457	
13	Provisions	381	381	
14	Current tax liabilities	-	2	
15	Deferred tax liabilities	157	159	Table CC1 Row 10
16	Retirement benefit obligations	30	30	
17	Liabilities held for sale	-	-	
18	Total liabilities	256,974	257,374	
Shareholders' Equity				
1	Equity	-	-	
2	Share capital	7,060	7,213	Table CC1 Row 1
3	Share premium	-	-	Table CC1 Row 1
4	Other equity instruments	2,100	2,100	Table CC1 Row 30
5	Retained earnings	5,889	5,995	Table CC1 Row 2
6	Other reserves	(578)	(577)	Table CC1 Row 3
7	Non-controlling interests	-	-	
	Total shareholders' equity	14,471	14,731	

The main difference between the balance sheet published per the financial statements and the balance sheet under the regulatory scope of consolidation relates to the adjustments required to convert the joint ventures in Consumer Finance from the equity method consolidation to full consolidation in addition to eliminating the intragroup balances between the Company and these Joint ventures.

¹ The references describe regulatory balance sheet components that link initially to items disclosed in table CC1, prior to the application of regulatory definitions and adjustments per the rules for calculating own funds.

Own Funds disclosure – capital instruments main features

Own Funds disclosure – Capital Instruments Main Features table is available on our website as Half Year 2024 ACRMD tables, Appendix I. This includes the main features of the Company's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.

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

Own Funds disclosure – Capital Instruments Main Features table is available on our website as Half Year 2024 ACRMD tables. This includes the main features of the Company's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments. Further details on main features of other TLAC eligible instruments is available as Appendix II from the same location.

Part 2

June 2024 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 2024, together with the previously disclosed quarter end information at 31 March 2024, 31 December 2023, 30 September 2023 and 30 June 2023. Further detail on Risk Weighted Assets are included in the subsequent sections of this document:

		30 June	31 March	31 December	30 September	30 June
		2024	2024	2023	2023	2023
		£m	£m	£m	£m	£m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	10,305	10,500	10,443	11,164	10,992
2	Tier 1 capital	12,165	12,456	12,399	13,120	12,948
3	Total capital	14,312	14,638	14,571	15,312	14,395
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	67,105	68,363	67,839	69,041	70,682
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.4%	15.4%	15.4%	16.2%	15.6%
6	Tier 1 ratio (%)	18.1%	18.2%	18.3%	19.0%	18.3%
7	Total capital ratio (%)	21.3%	21.4%	21.5%	22.2%	20.4%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	2.3%	2.3%	2.3%	3.2%	3.2%
UK 7b	Additional AT1 SREP requirements (%)	0.8%	0.8%	0.8%	1.1%	1.1%
UK 7c	Additional T2 SREP requirements (%)	1.0%	1.0%	1.0%	1.4%	1.4%
UK 7d	Total SREP own funds requirements (%)	4.1%	4.1%	4.1%	5.7%	5.7%
	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 (%)	1.98%	1.97%	1.97%	1.97%	0.99%
UK 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
UK 10a	Other Systemically Important Institution buffer	1.00%	1.00%	1.37%	1.37%	1.00%
11	Combined buffer requirement (%)	5.48%	5.47%	5.84%	5.84%	4.49%
UK 11a	Overall capital requirements (%)	17.6%	17.6%	18.0%	19.5%	18.2%
12	CET1 available after meeting the total SREP own funds requirements (%)	3.7%	3.8%	3.5%	2.7%	2.2%
	Leverage ratio					
13	Total exposure measure excluding claims on central banks	247.3	243.2	242.9	244.9	241.2
14	Leverage ratio excluding claims on central banks (%)	4.9%	5.1%	5.1%	5.4%	5.4%
	Additional leverage ratio disclosure requirements					
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.9%	5.1%	5.1%	5.4%	5.4%
14b	Leverage ratio including claims on central banks (%)	4.4%	4.4%	4.4%	4.6%	4.6%
14c	Average leverage ratio excluding claims on central banks (%)	5.1%	5.2%	5.4%	5.4%	5.3%
14d	Average leverage ratio including claims on central banks (%)	4.5%	4.4%	4.6%	4.7%	4.5%
14e	Countercyclical leverage ratio buffer (%)	0.7%	0.7%	0.7%	0.7%	0.3%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	45,106	51,766	47,824	48,605	46,525
UK 16a	Cash outflows – Total weighted value	33,785	33,621	31,831	33,638	32,208
UK 16b	Cash inflows – Total weighted value	2,048	1,790	1,846	1,786	1,916
16	Total net cash outflows (adjusted value)	31,737	31,831	29,985	31,852	30,292
17	Liquidity coverage ratio (%)	142.12%	162.63%	159.49%	152.60%	153.59%
	Net Stable Funding Ratio					
18	Total available stable funding	211,932	219,517	218,975	221,866	221,377
19	Total required stable funding	158,565	160,193	158,693	165,205	163,799
20	NSFR ratio (%)	134%	137%	138%	134%	135%

Key Movements

CET1 capital ratio of 15.4% (Dec-23: 15.4%) and UK Leverage ratio of 4.9% (Dec-23: 5.1%), are well above minimum requirements. The CET1 capital ratio remained stable at 15.4% following accrued profits of £600m offset by £554m interim dividends paid in Jun-24. UK Leverage ratio decreased to 4.9% (Dec-23: 5.1%) due to the slight increase in UK Leverage exposure to £247.3bn (Dec-23: £242.9bn) as a result of the return to normalisation of liquidity levels. RWAs decreased slightly following securitisation activities. We remain very strongly capitalised with significant headroom to minimum requirements and MDA.

IFRS 9 Transitional Arrangements (IFRS9 – FL)

The following table summarises the impact of IFRS 9 transitional arrangements at 30 June 2024 over the full allowable period:

	2024
IFRS9 Transitional Factor for credit loss-based provision movements post 1/1/20	25%
Available Capital (amounts)	
1 Common Equity Tier 1 (CET1) capital	10,305
CET1 Capital as if IFRS 9 STATIC transitional arrangements had not been applied	10,305
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements had not been applied	10,290
2 CET1 Capital as if ALL IFRS 9 transitional arrangements had not been applied	10,290
3 Tier 1 Capital	12,165
4 Tier 1 Capital as if ALL IFRS 9 transitional arrangements had not been applied	12,150
5 Total Capital	14,312
6 Total Capital as if ALL IFRS 9 transitional arrangements had not been applied	14,297
Risk-weighted assets (amounts)	
7 Total risk-weighted assets (RWA)	67,105
Total RWA as if IFRS 9 STATIC transitional arrangements had not been applied	67,105
Total RWA as if IFRS 9 DYNAMIC transitional arrangements had not been applied	67,091
8 Total RWA as if ALL IFRS 9 transitional arrangements had not been applied	67,091
Capital Ratios	
9 Common Equity Tier 1 (as a percentage of risk exposure amount)	15.4%
10 Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.3%
11 Tier 1 (as a percentage of risk exposure amount)	18.1%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.1%
13 Total capital (as a percentage of risk exposure amount)	21.3%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.3%
Leverage ratio[1]	
15 Leverage ratio total exposure measure	275,634
16 Leverage ratio	4.4%
17 Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.4%

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.

[1] This is the UK Leverage ratio which includes claims on central banks.

UK LRA: Disclosure of LR qualitative information**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 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 remained broadly stable at 4.9% (Mar-24: 5.1%). UK Leverage exposure broadly stable at £247.3bn (Mar-24: £243.2bn).

UK LRT1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	30 June 2024 £m
1 Total assets as per published financial statements	264,188
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	2,043
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	(28,368)
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	(111)
9 Adjustment for securities financing transactions (SFTs)	564
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	10,737
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	(1,787)
13 Total exposure measure	247,266

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 2024 £m	31 December 2023 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	222,138	223,741
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)	(1,402)	(1,542)
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))	(2,511)	(2,549)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	218,225	219,650
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	1,676	1,838
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	746	845
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	2,422	2,683
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	19,238	15,625
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,920)	(3,157)
16	Counterparty credit risk exposure for SFT assets	564	778
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	15,882	13,246
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	37,177	31,428
20	(Adjustments for conversion to credit equivalent amounts)	(26,440)	(24,155)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	10,737	7,273
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)	12,166	12,400
24	Total exposure measure including claims on central banks	275,634	282,893
UK-24a	(-) Claims on central banks excluded	(28,368)	(40,042)
UK-24b	Total exposure measure excluding claims on central banks	247,266	242,851
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	4.9%	5.1%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.9%	5.1%
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 (%)	4.9%	5.1%
UK-25c	Leverage ratio including claims on central banks (%)	4.4%	4.4%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements - leverage ratio buffers			
		30 June 2024 £m	31 December 2023 £m
27	Leverage ratio buffer (%)	1.0%	1.0%

UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.4%	0.4%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.7%	0.7%
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	16,138	13,289
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	14,923	13,044
UK-31	Average total exposure measure including claims on central banks	279,227	287,172
UK-32	Average total exposure measure excluding claims on central banks	241,506	244,302
UK-33	Average leverage ratio including claims on central banks	4.4%	4.6%
UK-34	Average leverage ratio excluding claims on central banks	5.1%	5.4%

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

		Leverage ratio exposures 30 June 2024 £m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	222,138
UK-2	Trading book exposures	-
UK-3	Banking book exposures, of which:	222,138
UK-4	Covered bonds	2,244
UK-5	Exposures treated as sovereigns	7,547
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	739
UK-7	Institutions	874
UK-8	Secured by mortgages of immovable properties	166,097
UK-9	Retail exposures	11,311
UK-10	Corporates	15,584
UK-11	Exposures in default	3,754
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	13,988

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	31 March	31 December	30 September	30 June	31 March	31 December	30 September
		2024	2024	2023	2023	2024	2024	2023	2023
		£m	£m	£m	£m	£m	£m	£m	£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)					48,521	48,500	47,189	47,252
	CASH-OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	146,604	147,630	147,881	149,020	8,951	9,016	9,037	9,131
3	Stable deposits	121,738	122,573	122,893	123,741	6,087	6,129	6,145	6,187
4	Less stable deposits	24,866	25,057	24,988	25,279	2,864	2,887	2,892	2,944
5	Unsecured wholesale funding	26,565	26,405	26,011	25,974	15,352	15,080	14,574	14,262
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,753	1,799	1,862	1,968	313	326	341	366
7	Non-operational deposits (all counterparties)	22,854	22,765	22,545	22,322	13,081	12,912	12,628	12,212
8	Unsecured debt	1,958	1,841	1,604	1,684	1,958	1,842	1,605	1,684
9	Secured wholesale funding					300	271	229	200
10	Additional requirements	13,983	13,736	13,710	13,762	7,615	7,352	7,197	7,085
11	Outflows related to derivative exposures and other collateral requirements	5,978	5,796	5,618	5,465	5,978	5,796	5,618	5,465
12	Outflows related to loss of funding on debt products	252	180	194	269	252	180	194	269
13	Credit and liquidity facilities	7,753	7,760	7,898	8,028	1,385	1,376	1,385	1,351
14	Other contractual funding obligations	33	104	103	183	6	82	82	156
15	Other contingent funding obligations	24,118	23,725	23,110	23,321	1,552	1,480	1,368	1,405
16	TOTAL CASH OUTFLOWS					33,776	33,281	32,487	32,239
	CASH-INFLOWS								
17	Secured lending (e.g reverse repos)	8,349	7,502	6,666	5,823	10	-	3	3
18	Inflows from fully performing exposures	2,178	2,274	2,274	2,376	1,441	1,519	1,490	1,563
19	Other cash inflows	2,212	2,220	2,177	2,113	667	639	577	510
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	12,739	11,996	11,117	10,312	2,118	2,158	2,070	2,076
UK-20a	Fully exempt inflows								
UK-20b	Inflows Subject to 90% Cap								
UK-20c	Inflows Subject to 75% Cap	12,739	11,996	11,117	10,312	2,118	2,158	2,070	2,076
	TOTAL ADJUSTED VALUE								
UK-21	LIQUIDITY BUFFER					48,521	48,501	47,189	47,252
22	TOTAL NET CASH OUTFLOWS					31,658	31,123	30,417	30,163
23	LIQUIDITY COVERAGE RATIO					153%	156%	155%	157%

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 was broadly flat in the period. 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 153% reflects our continued strong liquidity position.</p>
<p>Explanations on the actual concentration of funding sources</p> <p>Santander UK is largely funded through customer deposits (£188bn), with the significant proportion being Retail, we leverage our large and diverse customer base to offer products that give us a long-term sustainable source of funding and c86% of our core retail liabilities are covered by the FSCS guarantee. We also have c£53bn of wholesale funding which includes secured, unsecured term funding as well as c£13bn 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 (c94%) 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 three-notch downgrade.</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 2024 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	16,219	16,469
2	Own funds	-	-	500	16,219	16,469
3	Other capital instruments	-	-	-	-	-
4	Retail deposits	-	144,962	1,622	909	138,896
5	Stable deposits	-	120,165	1,039	589	115,733
6	Less stable deposits	-	24,797	583	320	23,163
7	Wholesale funding:	-	46,140	2,321	19,488	32,131
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	46,140	2,321	19,488	32,131
10	Interdependent liabilities	-	-	-	-	-
11	Other liabilities:	-	10,143	1,462	23,705	24,436
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and capital instruments not included in the above categories	-	10,143	1,462	23,705	24,436
14	Total available stable funding (ASF)					211,932
15	Total high-quality liquid assets (HQLA)					677
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:		24,804	6,106	189,235	148,445
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		14,917	2,296	-	1,148
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:		6,656	2,200	185,869	142,819
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,462	1,367	177,753	133,407
22	Performing residential mortgages, of which:		94	335	168,324	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		94	335	168,324	-
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		3,231	1,610	3,366	4,478
25	Interdependent assets		-	-	-	-
26	Other assets:	-	6,385	73	6,007	7,810
27	Physical traded commodities		-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	138
29	NSFR derivative assets		107	-	-	107
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories		6,278	73	6,007	7,565
32	Off-balance sheet items		27,934	132	4,597	1,633
33	Total RSF					158,565
34	Net Stable Funding Ratio (%)					134%

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 2024	31 March 2024	30 June 2024
		£bn	£bn	£bn ¹
1	Credit risk (excluding CCR) ¹	56.5	58.6	4.6
2	Of which the standardised approach	17.4	18.7	1.5
3	Of which the foundation IRB (FIRB) approach	2.5	2.7	0.2
4	Of which slotting approach	2.6	2.8	0.2
UK 4a	Of which equities under the simple risk weighted approach			
5	Of which the advanced IRB (AIRB) approach	34.0	34.4	2.7
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	2.0	1.2	0.2
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	0.8	0.6	0.1
19	Of which SEC-SA approach	1.2	0.6	0.1
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	7.7	7.7	0.6
UK 23a	Of which basic indicator approach			
UK 23b	Of which standardised approach	7.7	7.7	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	67.1	68.4	5.4

[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 2024	40.1	3.1
2 Asset size	-	-
3 Asset quality	(0.3)	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.5)	-
9 Risk weighted exposure amount as at 30 June 2024	39.3	3.1

RWEA flow statements of credit risk exposures under standardised approach

	RWEA £bn	Capital requirements
1 Risk weighted exposure amount as at 31 March 2024	20.1	1.5
2 Asset size	(0.4)	-
3 Asset quality	0.6	0.1
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.6)	(0.1)
9 Risk weighted exposure amount as at 30 June 2024	19.7	1.5

Movements in other item for both standardised and IRB approaches are driven by the securitisation activities while asset size in standardised approach is due to the decrease in corporate lending.

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 2024:

	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	
		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	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
005	Cash balances at central banks and other demand deposits	26,754	26,754	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	216,438	195,142	21,296	3,754	724	3,030	(475)	(115)	(360)	(384)	-	(384)	-	203,496	3,048
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	112	112	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	2,814	2,814	-	-	-	-	-	-	-	-	-	-	-	1,948	-
050	Other financial corporations	19,568	19,275	293	47	-	47	(17)	(4)	(13)	12	-	12	-	14,509	33
060	Non-financial corporations	17,019	14,888	2,131	809	-	809	(113)	(44)	(69)	(193)	-	(193)	-	15,616	352
070	Of which SMEs	8,381	7,084	1,297	667	-	667	(72)	(26)	(46)	(143)	-	(143)	-	7,641	305
080	Households	176,925	158,053	18,872	2,898	724	2,174	(345)	(67)	(278)	(203)	-	(203)	-	171,423	2,663
090	Debt securities	10,566	10,566	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	6,706	6,706	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,286	3,286	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	568	568	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	6	6	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	37,039	35,797	1,242	138	-	138	(80)	(35)	(45)	(18)	-	(18)	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	2,488	2,488	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	2,706	2,665	41	-	-	-	(5)	(4)	(1)	-	-	-	-	-	-
200	Non-financial corporations	7,546	7,127	419	77	-	77	(32)	(17)	(15)	(16)	-	(16)	-	-	-
210	Households	24,299	23,517	782	61	-	61	(43)	(14)	(29)	(2)	-	(2)	-	-	-
220	Total	290,797	268,259	22,538	3,892	724	3,168	(555)	(150)	(405)	(402)	-	(402)	-	203,496	3,048

Maturity of exposures (CR1-A)

At 30 June 2024	Net exposure value					No stated maturity	Total
	On demand	<= 1 year	>1 year <= 5 years	> 5 years			
1 Loans and advances	1,676	9,754	28,240	163,373	-	203,043	
2 Debt securities	-	2,031	5,141	3,394	-	10,566	
3 Total	1,676	11,785	33,381	166,767	-	213,609	

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

		Gross carrying amount	£m
010	Initial stock of non-performing loans and advances as at 31 Dec 2023		3,650
020	Inflows to non-performing portfolios		1,022
030	Outflows from non-performing portfolios		(918)
040	Of which Outflows due to write-offs		(142)
050	Of which Outflows due to other situations		(776)
060	Final stock of non-performing loans and advances as at 30 June 2024		3,754

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 2024 Half Yearly Financial Report.

The following table provides analysis of secured and collateralised exposures at 30 June 2024.

	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	9,893	206,545	204,703	1,842	-
2 Debt securities	7,997	2,569	2,569	-	-
3 Total	17,890	209,114	207,272	1,842	-
4 Of which non-performing exposures	1,029	2,725	-	-	-
5 Of which defaulted	1,029	2,725	-	-	-

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 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 %
1 Central governments or central banks	34.6	0.2	36.4	0.2	-	-
2 Regional government or local authorities	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	16%
4 Multilateral Development Banks	0.7	-	0.7	-	-	-
5 International Organisations	-	-	-	-	-	-
6 Institutions	0.7	-	0.7	-	0.2	24%
7 Corporates	8.6	2.5	5.0	0.1	4.4	93%
8 Retail	21.1	10.9	10.0	0.1	7.4	74%
9 Secured by mortgages on immovable property	0.1	-	0.1	-	-	65%
10 Exposures in default	0.8	0.1	0.5	-	0.7	131%
11 Exposures associated with particularly high risk	0.1	-	-	-	-	150%
12 Covered bonds	2.2	-	2.2	-	0.4	17%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	7.3	-	7.3	-	4.3	58%
17 Total	76.2	13.7	62.9	0.4	17.4	28%

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 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 £bn	30 June 2024 %
Corporates – Specialised Lending	3.8	0.7	3.8	0.1	2.6	68%
Corporates – SME	0.2	0.4	0.2	0.3	0.1	19%
Corporates – Other	5.5	4.2	5.5	2.1	2.3	30%
Institutions	0.1	-	0.1	-	0.0	111%
Retail Immovable Property	169.0	10.5	169.3	6.4	30.3	17%
Retail QRR	0.5	4.0	0.5	5.0	1.8	33%
Retail Other	2.2	-	2.2	-	1.9	89%
Equity	-	-	-	-	0.1	370%
Total	181.3	19.8	181.6	13.9	39.1	20%

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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Of which Corporates – SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	Of which Corporates – Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail	183.3	-	95.83%	95.83%	-	-	-	-	-	-	-	-	34.0	34.0
4.1	Of which Retail – Immovable property SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Of which Retail – Immovable property non-SMEs	175.7	-	100.00%	100.00%	-	-	-	-	-	-	-	-	30.3	30.3
4.3	Of which Retail – Qualifying revolving	5.5	-	-	-	-	-	-	-	-	-	-	-	1.8	1.8
4.4	Of which Retail – Other SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	Of which Retail – Other non-SMEs	2.1	-	-	-	-	-	-	-	-	-	-	-	1.9	1.9
5	Total	183.3	-	95.83%	95.83%	-	-	-	-	-	-	-	-	34.0	34.0

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	
£bn																
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Institutions	1.2	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	
3	Corporates	12.1	-	27.33%	27.33%	-	-	-	-	-	-	0.37%	-	5.1	5.1	
3.1	<i>Of which Corporates – SMEs</i>	0.5	-	14.79%	14.79%	-	-	-	-	-	-	-	-	0.1	0.1	
3.2	<i>Of which Corporates – Specialised lending</i>	3.9	-	-	-	-	-	-	-	-	-	0.05%	-	2.6	2.6	
3.3	<i>Of which Corporates – Other</i>	7.7	-	42.03%	42.03%	-	-	-	-	-	-	0.56%	-	2.4	2.4	
4	Total	13.3	-	24.93%	24.93%	-	-	-	-	-	-	0.34%	-	5.3	5.3	

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	25.9	101.5	50%	30.1	11.3	-
	Equal to or more than 2.5 years	99.5	57.3	70%	139.1	74.0	0.6
Category 2	Less than 2.5 years	248.5	214.4	70%	260.0	170.6	1.0
	Equal to or more than 2.5 years	307.8	186.0	90%	356.9	268.0	2.9
Category 3	Less than 2.5 years	25.1	-	115%	25.1	28.9	0.7
	Equal to or more than 2.5 years	35.7	-	115%	35.7	38.2	1.0
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	299.5	315.9	-	315.2	210.8	1.7
	Equal to or more than 2.5 years	443.0	243.3	-	531.7	380.2	4.5

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	297.5	17.9	50%	298.2	135.6	-
	Equal to or more than 2.5 years	753.5	52.6	70%	753.5	483.8	3.0
Category 2	Less than 2.5 years	1,044.4	41.7	70%	1,044.4	677.1	4.2
	Equal to or more than 2.5 years	776.5	11.2	90%	776.5	633.5	6.2
Category 3	Less than 2.5 years	51.0	0.7	115%	51.0	55.5	1.4
	Equal to or more than 2.5 years	32.6	10.2	115%	32.6	35.5	0.9
Category 4	Less than 2.5 years	3.3	-	250%	3.3	8.2	0.3
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	18.3	-	-	18.3	-	9.2
	Equal to or more than 2.5 years	73.2	-	-	73.2	-	36.6
Total	Less than 2.5 years	1,414.5	60.3	-	1,415.2	876.4	15.1
	Equal to or more than 2.5 years	1,635.8	74.0	-	1,635.8	1,152.8	46.7

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	-

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 2024:

Country	General credit exposures		Relevant credit exposures – Market risk			Own funds requirement					Risk-weighted exposure amounts £bn	Own funds requirements weights (%)	Countercyclical 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 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			
United Kingdom	23.2	194.9	-	-	5.3	-	4.4	-	0.2	4.6	57.4	98.45%	2.00%
Isle of Man	-	-	-	-	-	-	-	-	-	-	0.1	0.14%	0.00%
Jersey	0.1	0.1	-	-	-	-	-	-	-	-	0.2	0.26%	0.00%
Guernsey	-	0.1	-	-	-	-	-	-	-	-	0.1	0.17%	0.00%
United States	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Spain	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Australia	0.3	-	-	-	-	-	-	-	-	-	0.1	0.11%	1.00%
Luxembourg	-	0.1	-	-	-	-	-	-	-	-	0.1	0.10%	0.50%
Denmark	-	-	-	-	-	-	-	-	-	-	-	0.02%	2.50%
Canada	0.8	-	-	-	-	-	-	-	-	-	0.2	0.27%	0.00%
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
Ireland	-	0.1	-	-	-	-	-	-	-	-	-	0.06%	1.50%
Norway	0.1	-	-	-	-	-	-	-	-	-	-	0.02%	2.50%
Sweden	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
France	0.2	-	-	-	-	-	-	-	-	-	-	0.07%	1.00%
Belgium	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.50%
Finland	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%
Austria	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
British Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	0.08%	0.00%
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.75%
Germany	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.75%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Slovakia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
Croatia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
Other	0.1	0.1	-	-	-	-	-	-	-	-	0.1	0.13%	0.00%
Total	24.8	195.4	-	-	5.3	-	4.4	-	0.2	4.6	58.3	99.91%	-

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	58.3
Institution specific countercyclical capital buffer rate	1.98%
Institution specific countercyclical capital buffer requirement	1.15

The level of the Countercyclical Capital Buffer for the Company at 30 June 2024 was 1.98%.

Credit quality of forborne exposures (CQ1)

The following table provides an overview of the quality of forborne exposures at 30 June 2024.

		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					
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	1,689	586	586	586	(82)	(107)	1,961	431
020	Central banks								
030	General governments								
040	Credit institutions								
050	Other financial corporations	44	7	7	7	(6)	(1)	39	-
060	Non-financial corporations	373	147	147	147	(58)	(48)	327	83
070	Households	1,272	433	433	433	(18)	(58)	1,596	348
080	Debt Securities								
090	Loan commitments given								
100	Total	1,689	586	586	586	(82)	(107)	1,961	431

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 2024		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	105	18	18	105	(4)	-
020	Mining and quarrying	78	-	-	78	(1)	-
030	Manufacturing	552	51	51	552	(15)	-
	Electricity, gas, steam and air conditioning supply	376	-	-	376	(1)	-
040	Water supply	87	9	9	87	(2)	-
050	Construction	960	34	34	960	(15)	-
060	Wholesale and retail trade	1,558	118	118	1,558	(61)	-
070	Transport and storage	218	13	13	218	(3)	-
080	Accommodation and food service activities	1,237	172	172	1,236	(73)	-
090	Information and communication	372	33	33	368	(7)	-
100	Financial and insurance activities	22,603	47	47	22,407	(28)	-
110	Real estate activities	8,971	100	100	8,967	(32)	-
120	Professional, scientific and technical activities	1,214	60	60	1,209	(34)	-
130	Administrative and support service activities	601	75	75	601	(28)	-
140	Public administration and defence, compulsory social security	40	-	-	40	-	-
150	Education	201	4	4	193	(3)	-
160	Human health services and social work activities	813	105	105	813	(19)	-
170	Arts, entertainment and recreation	91	3	3	91	(1)	-
180	Other services	354	11	11	354	(6)	-
190	Total	40,431	853	853	40,213	(333)	-

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 2024.

		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	12	-
030	<i>Residential immovable property</i>	12	-
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	12	-

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 2024. 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	12,282	1,860	-
Subordinated Liabilities	-	-	2,397
UK CRR Adjustments			
Additional value adjustments	(16)	-	-
Intangible Assets (net of related tax liability)	(1,447)	-	-
Fair value reserves related to gains or losses on cash flow hedges	591	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(665)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(5)	-	-
Deferred tax assets arising from temporary differences	-	-	-
Defined benefit pension fund assets	(448)	-	-
- Dividend accrual	(2)	-	-
- Deduction for minority interests	-	-	-
- NPE Backstop	-	-	-
- Capital Add-on	-	-	-
- IFRS 9 Transitional Adjustments	15	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(250)
Total	10,305	1,860	2,147

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 2024 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 2024 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 of which: Instrument type 1 of which: Instrument type 2 of which: Instrument type 3	8,725 - - -	Share Capital
2	Retained Earnings	4,147	Retained Earnings
3	Accumulated other comprehensive income (and other reserves)	(592)	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	12,280	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(16)	
8	Intangible assets (net of related tax liability) (negative amount)	(1,447)	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	591	Other Reserves
12	Negative amounts resulting from the calculation of expected loss amounts	(665)	
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	(5)	
15	Defined-benefit pension fund assets (negative amount)	(448)	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)	15	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(1,975)	
29	Common Equity Tier 1 (CET1) capital	10,305	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	1,860	Other Equity Instruments
31	of which: classified as equity under applicable accounting standards	1,860	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	1,860	
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)	-	
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)	-	

		30 June 2024 Amounts £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
42a	Other regulatory adjustments to AT1 capital	-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	1,860	
45	Tier 1 capital (T1 = CET1 + AT1)	12,165	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	1,402	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	745	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	2,147	
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	2,147	
59	Total Capital (TC = T1 + T2)	14,312	
60	Total Risk exposure amount	67,105	
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)	18.1%	-
63	Total capital (as a percentage of total risk exposure amount)	21.3%	-
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)	5.5%	-
65	of which: capital conservation buffer requirement	2.5%	-
66	of which: countercyclical buffer requirement	2.0%	-
67	of which: systemic risk buffer requirement	1.0%	-
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	220	
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	236	
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 2024. 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 ¹
		As at period end 30 June 2024	As at period end 30 June 2024	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances at central banks	26,875	26,875	
2	Financial assets at fair value through profit or loss:	-	-	
3	– Trading assets	-	-	
4	– Derivative financial instruments	1,131	1,132	
5	– Other financial assets at fair value through profit or loss	249	249	
6	Financial assets at amortised cost:	-	-	
7	– Loans and advances to customers	203,043	203,222	
8	– Loans and advances to banks	1,040	1,162	
9	– Reverse repurchase agreements – non trading	15,319	15,319	
10	– Other financial assets at amortised cost	1,744	1,744	
11	Macro hedge of interest rate risk	(1,034)	(1,034)	
12	Financial assets at fair value through other comprehensive income	8,618	8,618	
13	Financial investments	-	-	
14	Interests in other entities	266	0	
15	Intangible assets	1,521	1,521	Table CC1 Row 8
16	Property, plant and equipment	1,455	1,963	
17	Current tax assets	557	572	
18	Deferred tax assets	-	8	Table CC1 Row 10
19	Retirement benefit assets	622	622	Table CC1 Row 15
20	Other assets	2,769	2,862	
21	Assets held for sale	13	13	
22	Total assets	264,188	264,848	
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	741	750	
4	– Other financial liabilities at fair value through profit or loss	973	973	
5	Financial liabilities at amortised cost:	-	-	
6	– Deposits by customers	184,874	184,751	
7	– Deposits by banks	16,499	16,499	
8	– Repurchase agreements – non trading	6,623	6,623	
9	– Debt securities in issue	34,053	34,403	
10	– Subordinated liabilities	2,397	2,397	Table CC1 Row 46/48
11	Macro hedge of interest rate risk	52	52	
12	Other liabilities	3,269	3,429	
13	Provisions	380	380	
14	Current tax liabilities	-	2	
15	Deferred tax liabilities	154	156	Table CC1 Row 10
16	Retirement benefit obligations	30	30	
17	Liabilities held for sale	-	-	
18	Total liabilities	250,045	250,445	
Shareholders' Equity				
1	Equity	-	-	
2	Share capital	3,105	3,258	Table CC1 Row 1
3	Share premium	5,620	5,620	Table CC1 Row 1
4	Other equity instruments	1,860	1,860	Table CC1 Row 30
5	Retained earnings	4,149	4,255	Table CC1 Row 2
6	Other reserves	(591)	(590)	Table CC1 Row 3
7	Non-controlling interests	-	-	
	Total shareholders' equity	14,143	14,403	

The main difference between the balance sheet published per the financial statements and the balance sheet under the regulatory scope of consolidation relates to the adjustments required to convert the joint ventures in Consumer Finance from the equity method consolidation to full consolidation in addition to eliminating the intragroup balances between the Company and these Joint ventures.

¹ The references describe regulatory balance sheet components that link initially to items disclosed in table CC1, prior to the application of regulatory definitions and adjustments per the rules for calculating own funds.

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 must 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 banks 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 borrowing 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.