



Santander UK Group Holdings plc

Additional Capital and Risk Management Disclosures

December 2025

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Introduction

Santander UK Group Holdings plc's Additional Capital and Risk Management Disclosures for the year ended 31 December 2025 should be read in conjunction with our 2025 Annual 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 4 to 46 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 47-77 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 2025 Annual Report. All disclosures cover the 31 December 2025 position or movement during 2025.

^[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

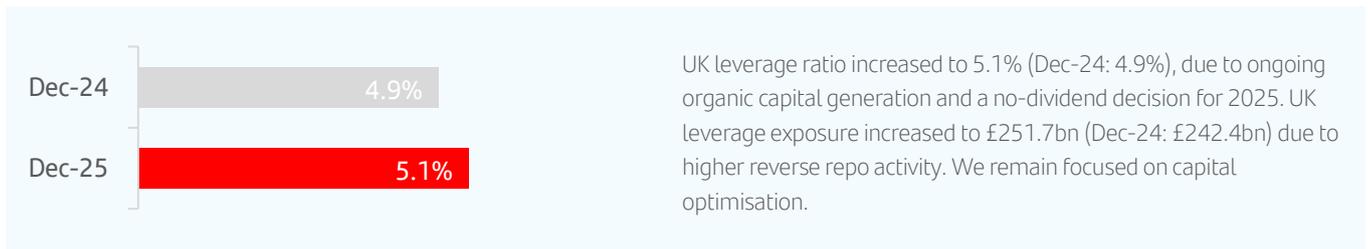
COMMON EQUITY TIER 1 (CET1) RATIO



TOTAL CAPITAL RATIO



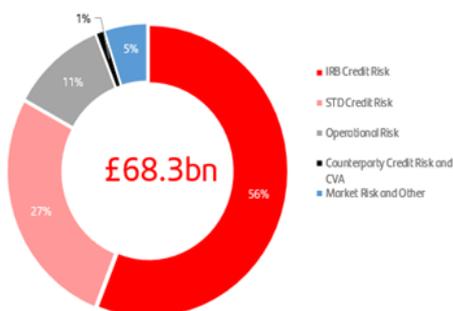
UK LEVERAGE RATIO



RISK-WEIGHTED ASSETS (RWAs) £bn



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 31 December 2025 together with the previously disclosed quarter end information at 30 September 2025, 30 June 2025, 31 March 2025 and 31 December 2024. Further details on Risk Weighted Assets are included in the subsequent sections of this document.

		31 December	30 September	30 June	31 March	31 December
		2025	2025	2025	2025	2024
		£m	£m	£m	£m	£m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	10,711	9,923	9,994	9,915	9,857
2	Tier 1 capital	12,811	12,023	12,094	12,015	11,957
3	Total capital	14,584	13,816	13,900	13,976	13,941
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	68,335	69,298	67,119	67,367	66,563
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.7%	14.3%	14.9%	14.7%	14.8%
6	Tier 1 ratio (%)	18.7%	17.3%	18.0%	17.8%	18.0%
7	Total capital ratio (%)	21.3%	19.9%	20.7%	20.7%	20.9%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	2.43%	2.43%	2.27%	2.27%	2.27%
UK 7b	Additional AT1 SREP requirements (%)	0.81%	0.81%	0.76%	0.76%	0.76%
UK 7c	Additional T2 SREP requirements (%)	1.08%	1.08%	1.01%	1.01%	1.01%
UK 7d	Total SREP own funds requirements (%)	4.33%	4.32%	4.04%	4.04%	4.04%
	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%	1.95%	1.96%
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%	4.45%	4.46%
UK 11a	Overall capital requirements (%)	16.79%	16.78%	16.50%	16.49%	16.50%
12	CET1 available after meeting the total SREP own funds requirements (%)	4.55%	3.15%	4.21%	4.25%	4.44%
	Leverage ratio					
13	Total exposure measure excluding claims on central banks	251,659	254,871	245,522	247,388	242,403
14	Leverage ratio excluding claims on central banks (%)	5.1%	4.7%	4.9%	4.8%	4.9%
	Additional leverage ratio disclosure requirements					
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.1%	4.7%	4.9%	4.8%	4.9%
14b	Leverage ratio including claims on central banks (%)	4.5%	4.2%	4.3%	4.3%	4.3%
14c	Average leverage ratio excluding claims on central banks (%)	4.7%	4.8%	4.8%	4.8%	4.9%
14d	Average leverage ratio including claims on central banks (%)	4.1%	4.3%	4.3%	4.3%	4.4%
14e	Countercyclical leverage ratio buffer (%)	0.7%	0.7%	0.7%	0.7%	0.7%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	50,394	54,631	51,754	49,723	47,152
UK 16a	Cash outflows – Total weighted value	32,105	33,945	33,747	34,426	32,205
UK 16b	Cash inflows – Total weighted value	1,806	1,673	1,806	1,837	2,017
16	Total net cash outflows (adjusted value)	30,299	32,272	31,941	32,589	30,188
17	Liquidity coverage ratio (%)	166%	169%	162%	153%	156%
	Net Stable Funding Ratio					
18	Total available stable funding	215,317	211,367	211,005	213,317	211,975
19	Total required stable funding	159,497	157,774	155,264	154,521	155,549
20	NSFR ratio (%)	135%	134%	136%	138%	136%

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:

	31 December 2025 £m	30 September 2025 £m	30 June 2025 £m	31 March 2025 £m	31 December 2024 £m
1 Total Own Funds and Eligible Liabilities available	24,664	24,981	23,678	24,492	24,134
1a Fully loaded ECL accounting model Own Funds and Eligible Liabilities available	24,664	24,981	23,678	24,492	24,122
2 Total RWA at the level of the resolution group	68,335	69,298	67,119	67,367	66,563
3 Total Own Funds and Eligible Liabilities as a percentage of RWA	36.1%	36.0%	35.3%	36.4%	36.3%
3a Fully loaded ECL accounting model Own Funds and Eligible Liabilities as a percentage of fully loaded ECL accounting model RWA	36.1%	36.0%	35.3%	36.4%	36.2%
4 UK Leverage exposure measure at the level of the resolution group	251,659	254,871	245,522	247,388	242,403
5 Total Own Funds and Eligible Liabilities as a percentage of UK leverage exposure measure [1]	9.8%	9.8%	9.6%	9.9%	10.0%
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]	9.8%	9.8%	9.6%	9.9%	10.0%
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 $2 \times (P1 + P2A)$ 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):

	31 December 2025 £bn	30 June 2025 £bn	31 December 2024 £bn
Regulatory capital elements of TLAC and adjustments			
1 Common Equity Tier 1 capital (CET1)	10.7	9.9	9.9
2 Additional Tier 1 capital (AT1) before TLAC adjustments	2.1	2.1	2.1
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	2.1	2.1
6 Tier 2 capital (T2) before TLAC adjustments	1.8	1.8	1.9
7 Amortised portion of T2 instruments where remaining maturity > 1 year	-	-	-
8 T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	0.5	0.5	0.6
9 Other adjustments	-	-	-
10 T2 instruments eligible under the TLAC framework	1.3	1.3	1.3
11 TLAC arising from regulatory capital	14.1	13.4	13.3
12 External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	10.6	10.3	10.8
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	10.6	10.3	10.8
Non-regulatory capital elements of TLAC: adjustments			
18 TLAC before deductions	24.7	23.7	24.1
19 Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)	-	-	-
20 Deduction of investments in own other TLAC liabilities	-	-	-
21 Other adjustments to TLAC	-	-	-
22 TLAC after deductions	24.7	23.7	24.1
Risk-weighted assets and leverage exposure measure for TLAC purposes			
23 Total risk-weighted assets adjusted as permitted under the TLAC regime	68.3	67.1	66.6
24 Leverage exposure measure	251.7	245.5	242.4
TLAC ratios and buffers			
25 TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	36.1%	35.3%	36.6%
26 TLAC (as a percentage of leverage exposure)	9.8%	9.6%	10.0%
27 CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum requirements	11.4%	11.2%	12.0%
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%	4.5%
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%	2.0%
31 Of which: D-SIB / G-SIB buffer	-	-	-

Santander UK MREL position is in excess of internal and regulatory requirements.

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 (most senior)		
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	1.3	0.7	10.8	18.1
4	Subset of row 3 that are excluded liabilities	-	-	-	-	-	-	-
5	Total capital and liabilities less excluded liabilities	3.1	1.9	0.3	1.3	0.7	10.8	18.1
6	Subset of row 5 that are eligible as TLAC	3.1	1.9	-	1.3	-	10.3	16.6
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	-	-	1.4	1.4
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	-	-	-	6.8	6.8
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	-	1.3	-	2.1	3.4
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	Additional Tier 1 Instruments	Subordinated Debt	Bail-in Debt	Total
		Book value	Stated value	Par value	Par value	
2	Total capital and liabilities net of credit risk mitigation	7.1	2.1	1.3	11.0	21.5
3	Subset of row 2 that are excluded liabilities	-	-	-	-	-
4	Total capital and liabilities less excluded liabilities	7.1	2.1	1.3	11.0	21.5
5	Subset of row 4 that are potentially eligible as TLAC	7.1	2.1	1.3	10.4	20.9
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	-	-	-	1.6	1.6
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	-	-	-	6.8	6.8
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	1.3	2.1	3.4
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

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

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

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

UK leverage ratio decreased to 5.1% (Dec-24: 4.9%), due to increase in leverage exposure. UK leverage exposure increased to £251.7bn (Dec-24: £242.4bn) due to balance sheet growth.

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

		31-Dec-25
		£m
1	Total assets as per published financial statements	273,948
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	2,715
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]	(33,271)
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	285
9	Adjustment for securities financing transactions (SFTs)	541
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	9,288
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	(1,847)
13	Total exposure measure	251,659

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		31-Dec 2025 £m	30-Jun 2025 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	225,320	225,300
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)	(1,635)	(1,656)
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))	(2,435)	(2,454)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	221,250	221,190
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	1,963	2,052
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	939	901
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	2,902	2,953
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	20,967	18,042
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,289)	(6,637)
16	Counterparty credit risk exposure for SFT assets	541	659
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	18,219	12,064
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	38,874	38,866
20	(Adjustments for conversion to credit equivalent amounts)	(29,586)	(29,550)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	9,288	9,316
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)	12,756	11,989
24	Total exposure measure including claims on central banks	284,930	283,687
UK-24a	(-) Claims on central banks excluded	(33,271)	(38,164)
UK-24b	Total exposure measure excluding claims on central banks	251,659	245,522
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.1%	4.9%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.1%	4.9%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.1%	4.9%
UK-25c	Leverage ratio including claims on central banks (%)	4.5%	4.3%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	0.7%	0.7%
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	18,004	13,370
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	16,255	13,322
UK-31	Average total exposure measure including claims on central banks	289,745	281,104
UK-32	Average total exposure measure excluding claims on central banks	256,492	246,186
UK-33	Average leverage ratio including claims on central banks	4.1%	4.2%
UK-34	Average leverage ratio excluding claims on central banks	4.7%	4.8%

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

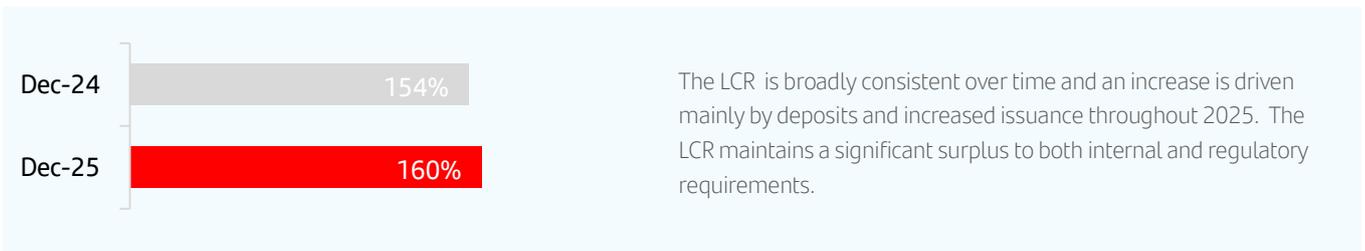
Leverage ratio exposures		31 December 2025
		£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	225,320
UK-2	Trading book exposures	0
UK-3	Banking book exposures, of which:	225,320
UK-4	Covered bonds	629
UK-5	Exposures treated as sovereigns	5,907
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1,364
UK-7	Institutions	2,334
UK-8	Secured by mortgages of immovable properties	168,665
UK-9	Retail exposures	10,876
UK-10	Corporates	15,709
UK-11	Exposures in default	2,873
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	16,963

LIQUIDITY METRICS EXECUTIVE SUMMARY

LIQUIDITY COVERAGE RATIO - SPOT



LIQUIDITY COVERAGE RATIO - AVERAGE



NET STABLE FUNDING RATIO



SPLIT OF LIQUIDITY ASSET BUFFER



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

Table UK LIQA – Liquidity risk management

In accordance with Article 451a(4) CRR

Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding,

As a financial services provider, managing risk is a core part of our day-to-day activities. To be able to manage our business effectively, it is critical that we understand and control risk in everything we do. We aim to use a prudent approach and advanced risk management techniques to help us deliver robust financial performance, withstand stresses and build sustainable value for our stakeholders. We aim to keep a predictable medium-low risk profile, consistent with our business model. Through our LRA framework, market liquidity risks, funding or structural liquidity risk and contingent liquidity risk, wherever they arise. This can be in retail and corporate deposit outflows, wholesale secured and unsecured liquidity outflows and off-balance sheet activities. Other risks our framework covers include funding concentrations, intra-day cash flows, intra-group commitments and support, franchise retention and cross currency risk. Our LRA statement is based on the principles of liquidity management we use to manage our balance sheet. It also supports our need to meet or exceed the rules of our regulators. In line with our liquidity management principles, we avoid an over-reliance on funding from a single product, customer or counterparty. We also maintain enough unencumbered customer assets to support current and future funding and collateral requirements and maintain enough capacity to monetise liquid assets and other counterbalancing capacity within an appropriate timeframe.

Funds transfer pricing is used to allocate liquidity costs and benefits to business units, ensuring that the pricing of products appropriately reflects their liquidity characteristics and contribution to the Group's funding profile. Transfer pricing rates are applied for the expected behavioural life of the product and remain in place unless a customer changes to a different product or service offered by the Group or by a competitor.

Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).

We are committed to the highest standards of corporate governance in every part of our business, including risk management. For details of our governance, including the Board and its Committees, see the 'Governance' section of the Annual Report. The Board delegates certain responsibilities to Board Level Committees as needed and where appropriate. Our risk governance structure strengthens our ability to identify, assess, manage and report risks, as follows:

- Committees: A number of Board and Executive committees are responsible for specific parts of our Risk Framework
- Key senior management roles: A number of senior roles have specific responsibilities for risk management
- Risk organisational structure: We have the 'three lines of defence' model built into the way we run our business

The Board approves the Group's Risk Appetite, including the LRA, ensuring that strategic objectives are achievable within defined liquidity risk limits. Liquidity risk is managed on a day-to-day basis through executive committees, including Asset and Liability Committee (ALCO), with independent oversight and challenge provided by the Risk function.

A description of the degree of centralisation of liquidity management and interaction between the group's units

We manage liquidity risk on a consolidated basis in our CFO division, which is our centralised function for managing funding, liquidity and capital. We created our governance, oversight and control frameworks, and our LRA, on the same consolidated basis. We monitor and manage liquidity risk for the Santander UK plc group and SFS separately. Under this model, and the PRA's liquidity rules, Santander UK plc and its subsidiary Cater Allen Limited form the RFB Domestic Liquidity Sub-group (the RFB DoLSub), which allows the entities to collectively meet regulatory requirements for the purpose of managing liquidity risk. Each member of the RFB DoLSub will support the other by transferring surplus liquidity in times of stress. We continue to transfer liquidity risks from the securities Santander UK Group Holdings plc issues, or the contracts it executes, into our subsidiaries largely through back-to-back transactions. We fund any mismatches, if needed, by ordinary share dividends from subsidiaries.

Scope and nature of liquidity risk reporting and measurement systems.

Liquidity risk is monitored using a comprehensive suite of regulatory and internal metrics. These include measures of contractual and behavioural cash flow mismatches across multiple time horizons, liquidity stress survival metrics, asset encumbrance measures, funding concentration indicators and intraday liquidity metrics.

Regulatory metrics, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), are monitored alongside internal liquidity stress tests and early warning indicators. Liquidity risk exposures are reported and reviewed daily, weekly and monthly at appropriate levels of management, including ALCO and the Board Risk Committee

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.

The Board aims to make our balance sheet resilient at all times and for it to be perceived as such by stakeholders. This preserves our short and long-term viability. The Board recognises that as we are involved in maturity transformation, we cannot hold enough liquidity to cover all possible stress scenarios. The Board requires us to hold enough liquidity to make sure we will survive three plausible but severe stress

scenarios (our LRA stress) in addition to regulatory requirement. The effectiveness of is monitored through regular testing of asset monetisation, secured funding capacity and operational readiness, including repurchase and market access tests.

An outline of the bank's contingency funding plans.

The Liquidity Contingency Plan (LCP) is encompassed within the Recovery Plan, this includes early warning indicators which are used to identify an emerging liquidity or funding stress as well as a range of actions that could be taken immediately in response to the stress. We review and refresh our recovery plan each year. It sets out the risks, the indicators we use to monitor these risks, and the actions that are available to mitigate a capital, liquidity or combined stress event. We are confident that we have sufficient credible and executable options to respond to a wide variety of stresses, be they market-wide or idiosyncratic, in a timely and effective manner. Recovery indicators are both qualitative and quantitative and are embedded into risk frameworks. We monitor recovery capacity, headroom to recovery triggers and recovery indicators regularly. If necessary, we would invoke recovery early to mitigate the effects of a stress and restore our financial position and balance sheet strength.

An explanation of how stress testing is used.

We have a liquidity stress testing framework in place which is central to our LRA measurement and monitoring. It includes three severe but plausible stress test scenarios. To fit with our risk appetite, the liquidity outflows that come from these stress tests must be fully covered with high-quality liquid assets, other liquid assets and management actions sanctioned at the right level of governance. A funding plan disruption stress scenario also forms part of our LRA monitoring. Our Risk division runs a range of stress tests. Our LRA stress test is a combination of three tests that cover idiosyncratic, market-wide and combined scenarios.

Our other tests consider scenarios such as a global economic slowdown that results in reduced confidence in banks, a slowdown in a major economy or a decline in access to liquidity. We consider the scenarios on both an acute and protracted basis. We also run severe combined stress tests which look at both a deep and prolonged UK recession that results in a reduction in wholesale funding availability and an idiosyncratic shock that would lead to retail and commercial outflows. We also run climate change stresses. These include severe physical risks which result in a reduction in retail deposits, increased use of corporate lending facilities and an increase in mortgage defaults, and a scenario where there is disorderly transition to net zero, resulting in supply shocks and data transparency concerns. We also run a technological stress, in which disruptions to the traditional banking system due to digital innovations and adverse social media coverage could lead to a banking crisis and outflows of retail and corporate deposits.

We also conduct sensitivity analysis and reverse stress testing for instant liquidity shocks by each key liquidity risk. We do this to understand the impacts they would have on our LRA and our regulatory liquidity metrics.

A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

Our LRA statement is based on the principles of liquidity management we use to manage our balance sheet. It also supports our need to meet or exceed the rules of our regulators. In line with our liquidity management principles, we avoid an over-reliance on funding from a single product, customer or counterparty. We also maintain enough unencumbered customer assets to support current and future funding and collateral requirements and maintain enough capacity to monetise liquid assets and other counterbalancing capacity within an appropriate timeframe. Our LRA is proposed to the Risk division and the Board, which is then approved under advice from the Board Risk Committee. Our LRA, in the context of our overall Risk Appetite, is reviewed and approved by the Board each year, or more often if needed.

A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the UK LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.

Our short-term activities focus on intra-day collateral; management and maintaining liquid assets to cover unexpected demands on cash in a stress scenario, such as large and unexpected deposit withdrawals by customers and loss of wholesale funding. Our strategic activities focus on ensuring we are not over reliant on any one source for funding and that we avoid excessive concentrations in the maturity of our funding. We regularly test the liquidity of our eligible liquidity pool, in line with PRA and Basel rules. We do this by realising some of the assets through repurchase or outright sale to the market. We make sure that over any 12-month period we realise a significant part of our eligible liquidity pool. As well as our eligible liquidity pool, we always hold a portfolio of unencumbered liquid assets. Our LRA and PRA requirements determine the size and composition of this portfolio. These assets give us a source of contingent liquidity, as we can realise some of them in a time of stress to create liquidity through repurchase or outright sale to the market.

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)			
		31 December	30 September	30 June	31 March	31 December	30 September	30 June	31 March
		2025	2025	2025	2025	2025	2025	2025	2025
		£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)					50,942	50,617	49,542	49,603
	CASH-OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	153,368	152,224	151,148	144,247	9,008	8,974	8,901	8,911
3	Stable deposits	119,453	118,710	118,406	118,909	5,973	5,935	5,920	5,945
4	Less stable deposits	25,780	25,927	25,452	25,338	3,035	3,039	2,981	2,966
5	Unsecured wholesale funding	24,579	24,885	25,613	26,363	16,100	16,159	16,077	16,004
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,605	1,631	1,675	1,689	381	379	368	344
7	Non-operational deposits (all counterparties)	20,654	20,868	21,649	22,405	13,399	13,394	13,420	13,391
8	Unsecured debt	2,320	2,386	2,289	2,269	2,320	2,386	2,289	2,269
9	Secured wholesale funding					72	122	165	229
10	Additional requirements	12,439	12,774	13,436	14,038	6,101	6,386	6,966	7,529
11	Outflows related to derivative exposures and other collateral requirements	4,938	5,110	5,578	6,007	4,938	5,110	5,578	6,007
12	Outflows related to loss of funding on debt products	-	86	130	209	-	86	130	209
13	Credit and liquidity facilities	7,501	7,578	7,728	7,822	1,163	1,190	1,258	1,313
14	Other contractual funding obligations	72	61	54	44	22	18	11	6
15	Other contingent funding obligations	28,086	27,284	25,866	24,981	2,515	2,355	2,031	1,812
16	TOTAL CASH OUTFLOWS					33,818	34,014	34,151	34,491
	CASH-INFLOWS								
17	Secured lending (e.g reverse repos)	12,135	11,646	11,272	10,749	15	3	3	13
18	Inflows from fully performing exposures	2,323	2,312	2,326	2,294	1,557	1,540	1,547	1,523
19	Other cash inflows	906	1,042	1,308	1,601	333	381	423	495
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	15,364	15,000	14,906	14,644	1,905	1,924	1,973	2,031
UK-20a	Fully exempt inflows								
UK-20b	Inflows Subject to 90% Cap								
UK-20c	Inflows Subject to 75% Cap	15,364	15,000	14,906	14,644	1,905	1,924	1,973	2,031
	TOTAL ADJUSTED VALUE								
UK-21	LIQUIDITY BUFFER					50,942	50,617	49,542	49,603
22	TOTAL NET CASH OUTFLOWS					31,913	32,090	32,178	32,460
23	LIQUIDITY COVERAGE RATIO					160%	158%	154%	153%

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, because of the standardised LCR weightings. The 12 month average HQLA increased in Q4 as a result of higher customer deposits and Wholesale Funding volumes offsetting TFSME repayments. The LCR maintains a significant surplus to both internal and regulatory requirements.</p>
<p>Explanations on the changes in the LCR over time</p> <p>The 12 month average LCR of 160% 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 (£190bn), of which 82% is Retail. We also have c£52.6bn of wholesale funding which includes secured, unsecured term funding as well as c£3.9bn of TFSME Funding.</p>
<p>High-level description of the composition of the institution's liquidity buffer.</p> <p>The liquidity buffer is predominantly made up of Level 1 assets. Approximately 95% of the weighted liquidity buffer consists of Level 1 assets, primarily cash held in our Bank of England Reserve Account.</p>
<p>Derivative exposures and potential collateral calls</p> <p>The main drivers of derivative exposures / potential collateral calls are the Historic Look Back Approach (HLBA) to calculating collateral requirements in the LCR and collateral outflows due to counterparties in the event of a deterioration of our own credit quality.</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 December 2025 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		210	-	17,080	17,080
2	Own funds		-	-	17,080	17,080
3	Other capital instruments		-	-	-	-
4	Retail deposits		152,528	2,631	1,151	147,386
5	Stable deposits		130,389	1,431	615	125,845
6	Less stable deposits		22,139	1,200	536	21,541
7	Wholesale funding:		51,682	2,278	6,866	17,563
8	Operational deposits		281	-	-	54
9	Other wholesale funding		51,401	2,278	6,866	17,509
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:		7,306	1,519	32,528	33,288
12	NSFR derivative liabilities		-	-	-	-
13	All other liabilities and capital instruments not included in the above categories		7,306	1,519	32,528	33,288
14	Total available stable funding (ASF)					215,317
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					394
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:		30,949	8,868	185,008	146,585
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		18,015	780	-	390
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,144	-	400	457
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		8,829	6,682	181,664	141,799
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,359	3,000	162,031	120,522
22	Performing residential mortgages, of which:		3,367	3,006	162,751	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,359	3,000	162,031	-
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		2,961	1,406	2,944	3,939
25	Interdependent assets		-	-	-	-
26	Other assets:		2,222	116	8,691	10,624
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
29	NSFR derivative assets		1,222	-	-	1,223
30	NSFR derivative liabilities before deduction of variation margin posted		374	-	-	19
31	All other assets not included in the above categories		626	116	8,691	9,382
32	Off-balance sheet items		29,120	214	7,100	1,894
33	Total RSF					159,497
34	Net Stable Funding Ratio (%)					135%

Use of internal model-based approaches for determination of capital requirements

In accordance with UK CRR rules, the Company uses regulator approved internal models to calculate local regulatory capital requirements for credit risk. Further details on the internal models used are included under credit risk and market risk in the risk types section of this document. For credit risk three model-based approaches are used, which are collectively termed the Internal Ratings-Based (IRB) approach. The first of these approaches is the foundation IRB (FIRB) approach, under which a bank can calculate capital requirements using an internal assessment of the probability of default (PD) of a counterparty, combined with supervisory formula to estimate the exposure at default (EAD) and loss given default (LGD). The second approach is the advanced IRB (AIRB) approach (this includes the Retail IRB approach) under which a bank can calculate capital requirements using internal assessments for PD, EAD and LGD. The third approach is 'slotting', used for specialised lending exposures. For these types of exposures, a set of supervisory risk weights are used, which are assigned on the basis of a classification in five categories, depending on the underlying credit risk, as well as the remaining maturity.

Where these model-based approaches are not used, the standardised approach is used, under which a bank will apply a risk weighting to exposures depending on the category of exposure and, where applicable, an external credit rating.

The Company scope of the use of IRB credit risk approaches and standardised approach is detailed in the table below:

	AIRB	FIRB	Slotting	Standardised
Retail	Residential mortgages Unsecured Personal Loans Bank Accounts	-	-	Credit Cards Consumer Finance Other
Non Retail	-	Banks Insurers Large Corporates Social Housing	Global Project Finance IPRE (Income Producing Real Estate)	Sovereigns Other Non-IRB Corporates

By the introduction of Post Banking Reform restructuring, which was applicable as at 1st January 2019, there has been no VAR Internal Market Risk models.

Risk-weighted assets by business division

31-Dec-25	Regulatory exposure			Risk-weighting			RWAs		
	Standardised approach	IRB approach	Total	Standardised approach	IRB approach	Total	Standardised approach	IRB approach	Total
	£bn	£bn	£bn	%	%	%	£bn	£bn	£bn
Retail Banking									
- Secured lending	0.8	177.9	178.7	42.6%	17.7%	17.8%	0.3	31.5	31.8
- Unsecured lending	15	7.3	22.3	68.0%	42.5%	59.6%	10.2	3.1	13.3
- Operational risk	-	-	-	-	-	-	6.1	-	6.1
Corporate & Commercial Banking									
- Customer assets	8.1	11.0	19.1	72.0%	42.4%	55.0%	5.9	4.7	10.6
- Counterparty risk	0.2	0.2	0.4	62.0%	32.3%	48.0%	0.1	0.1	0.2
- Operational risk	-	-	-	-	-	-	1.6	-	1.6
Corporate Centre									
- Customer assets ²	3.6	0.1	3.7	26.6%	27.9%	26.7%	1.0	-	1.0
- Counterparty Risk	0.6	0.6	1.2	57.1%	20.5%	38.1%	0.3	0.1	0.4
- Eligible liquid assets ³	39.5	-	39.5	-	-	-	-	-	-
- Market Risk ¹	-	-	-	-	-	-	0.2	-	0.2
- Operational Risk	-	-	-	-	-	-	-	-	-
Other assets⁴	5.4	0.1	5.5	57.4%	-	56.4%	3.1	-	3.1
Total	73.2	197.2	270.4	39.3%	20.0%	25.3%	28.8	39.5	68.3

(1) Market Risk RWAs are determined using standardised approaches.

(2) Customer assets in the Corporate Centre largely comprise Institutions.

(3) Eligible liquid assets include reverse repurchase agreements collateralised by eligible sovereign securities.

(4) The RWAs for other assets have been allocated to Corporate Centre. The RWAs cover Credit risk, Market risk and Operational risk.

RWA and Capital Requirements

Table UK OVC - ICAAP information

Article 438(a) CRR

Approach to assessing the adequacy of the internal capital

Each year we complete our Internal Capital Adequacy Assessment Process (ICAAP), which is fully documented and shared with the PRA. The purpose of the ICAAP is to:

1. Identify the major sources of risk to which we are exposed which could affect our ability to meet our liabilities as they fall due.
2. Assess the amounts, types, and distribution of our capital resources.
3. Perform stressed scenario tests and sensitivity analysis to confirm that our capital is adequate even in a severe adverse economic environment.
4. Ensure that the processes, strategies, and systems used are comprehensive and fit-for-purpose.

This ICAAP demonstrates that the minimum levels of all capital and leverage ratios, as articulated in the Board's Risk Appetite Statement, were exceeded at the reporting date and are forecast to be exceeded over the forecasting horizon under all scenarios, except (by design) under the Reverse Stress Test (RST). The PRA then tells us how much capital (Pillar 2A), and of what quality, it thinks we should hold in addition to the Pillar 1 requirements and buffer levels. We augment our regulatory minimum capital with internal buffers. We hold buffers to ensure we have enough time to take action against unexpected movements.

Article 438(c) CRR

Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process

Santander UK's latest TCR was received in August 2025. The Pillar 2A amount at 31 December 2025 for San UK Group was £3.0bn or 4.3% of RWA, of which at least £1.7bn or 2.4% of RWA must be met by CET1 capital.

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
		31 December	30 September	31 December
		2025	2025	2025
		£bn	£bn	£bn ¹
1	Credit risk (excluding CCR) ¹	56.6	58.0	4.6
2	Of which the standardised approach	18.4	19.0	1.5
3	Of which the foundation IRB (FIRB) approach	2.3	2.2	0.2
4	Of which slotting approach	2.1	1.9	0.2
UK 4a	Of which equities under the simple risk weighted approach			
5	Of which the advanced IRB (AIRB) approach	33.8	34.9	2.7
6	Counterparty credit risk - CCR ¹	0.6	0.6	-
7	Of which the standardised approach	0.2	0.2	-
8	Of which internal model method (IMM)			
UK 8a	Of which exposures to a CCP	0.1	0.1	-
UK 8b	Of which credit valuation adjustment - CVA	0.2	0.2	-
9	Of which other CCR	0.1	0.1	-
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap) ²	3.1	2.6	0.2
17	Of which SEC-IRBA approach	1.1	0.6	0.1
18	Of which SEC-ERBA (including IAA)	0.9	0.9	0
19	Of which SEC-SA approach	1.1	1.1	0.1
UK 9a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk) ¹	0.2	0.2	-
21	Of which the standardised approach	0.2	0.2	-
22	Of which IMA			
UK 22a	Large exposures			
23	Operational risk ¹	7.8	7.9	0.6
UK 3a	Of which basic indicator approach			
UK 3b	Of which standardised approach	7.8	7.9	0.6
UK 3c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)			
29	Total ¹	68.3	69.3	5.4

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

[2] Includes 7 Significant Risk Transfer transactions which are subject to re-characterisation risk.

UK CRR Pillar 1 risk types

The following sections of this document cover credit risk (which includes counterparty risk), market risk and operational risk, which are the risk types included in UK CRR Pillar 1 that contribute to the level of RWAs.

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
9 Risk weighted exposure amount as at 30 September 2025	39.8	3.3
2 Asset size	-	-
3 Asset quality	-	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.3)	-
9 Risk weighted exposure amount as at 31 December 2025	39.5	3.3

RWEA flow statements of credit risk exposures under standardised approach

	RWEA £bn	Capital requirements
9 Risk weighted exposure amount as at 30 September 2025	21.2	1.7
2 Asset size	(0.3)	-
3 Asset quality	-	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.3)	-
9 Risk weighted exposure amount as at 31 December 2025	20.6	1.7

The reduction in asset size under the standardised approach relates to reductions across Consumer & Corporate portfolios. Other items in both the Standardised and IRB approaches reflect portfolio optimisation through securitisation activities.

¹ Table excludes CVA

Table UK CRC – Qualitative disclosure requirements related to CRM techniques

Article 453 (a) CRR	<p>A description of the core policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting;</p> <p>Offsetting financial assets and liabilities Financial assets and liabilities including derivatives are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Santander UK group is party to a number of arrangements, including master netting arrangements under industry standard agreements which facilitate netting of transactions in jurisdictions where netting agreements are recognised and have legal force. These netting arrangements do not generally result in an offset of balance sheet assets and liabilities for accounting purposes, as transactions are usually settled on a gross basis.</p>
Article 453 (b) CRR	<p>The core features of policies and processes for eligible collateral evaluation and management eligible collateral evaluation and management;</p> <p>Retail Banking Credit risk mitigation The types of credit risk mitigation, including collateral, across each of our portfolios are:</p> <p>Residential mortgages Collateral is in the form of a first legal charge over the property. Before we grant a mortgage, the property is valued either by a surveyor or using automated valuation methodologies where our confidence in the accuracy of this method is high.</p> <p>Unsecured lending to individuals There is no collateral or security tied to the loan that can be used to mitigate any potential loss if the customer does not pay us back.</p> <p>Unsecured lending to businesses Business banking lending is unsecured. When lending to incorporated businesses, we typically obtain personal guarantees from each director, but we do not treat these as collateral. We consider the UK Government guarantee under its Coronavirus Loan Schemes as collateral, covering 100% of losses for the Bounce Back Loan Scheme (BBLs) and 80% for Coronavirus Business Interruption Loan Scheme (CBILs).</p> <p>Consumer Finance Credit risk mitigation The type of credit risk mitigation, including collateral, is:</p> <p>Consumer (auto) finance Collateral is in the form of legal ownership of the vehicle for most loans, with the customer being the registered keeper. Only a very small proportion of business is underwritten as a personal loan. In these cases, there is no collateral or security tied to the loan. We use a leading vehicle valuation company to assess the LTV at the proposal stage to ensure the value of the vehicle is appropriate.</p> <p>Corporate & Commercial Banking Credit risk mitigation The types of credit risk mitigation, including collateral, across each of our portfolios are as follows. In addition, from time to time, we may take credit insurance over individual transactions, and at a portfolio level we execute significant risk transfer (SRT) transactions, which typically reduce RWAs.</p> <p>SME and mid corporate Includes secured and unsecured lending. We can take mortgage debentures or a first charge on commercial property as collateral. Before agreeing the loan, we obtain an independent professional valuation of the property. Loan agreements typically allow us to obtain revaluations during the term of the loan. We can also take guarantees, but we do not treat them as collateral unless they are supported by a tangible asset charged to us. We also lend against assets (like vehicles and equipment) and invoices for some customers. We value assets before we lend. For invoices, we review the customers' ledgers regularly and lend against debtors who meet agreed criteria.</p> <p>Commercial Real Estate (CRE) We take a first charge on commercial property as collateral. The loan is subject to criteria such as the property condition, age and location, tenant quality, lease terms and length, and the sponsor's experience and creditworthiness. Before advancing the loan, and where appropriate, a bank representative visits the property. We also obtain an independent professional valuation which typically includes a site visit. Loan agreements typically allow us to obtain revaluations during the term of the loan.</p>

	<p>Social Housing We take a first charge on portfolios of residential real estate owned and let by UK Housing Associations as collateral, in most cases. We revalue this every three to five years (in line with industry practice), using the standard methods for property used for Social Housing.</p> <p>Corporate Centre Credit risk mitigation The types of credit risk mitigation, including collateral, across each of our portfolios are as follows. In addition, from time to time, we may take credit insurance over individual transactions, and at a portfolio level we execute significant risk transfer transactions, which typically reduce RWAs.</p> <p>Sovereign and Supranational In line with market practice, there is no collateral against these assets.</p> <p>Structured Products These are our High Quality Liquid Assets (HQLA) in our Eligible Liquidity Pool. They are mainly Asset Backed Securities (ABS) and covered bonds, which hold senior positions in the creditor hierarchy. Their credit rating reflects over-collateralisation in the structure and the assets that underpin their cash flows.</p> <p>Financial Institutions We use standard legal agreements to reduce credit risk via netting and collateralisation on derivatives, repos and reverse repos, and stock borrowing/lending. We also reduce risk by clearing trades through central counterparties (CCPs) where possible.</p> <p>Crown Dependencies We manage the risk on this portfolio in a similar way as for mortgages in Retail & Business Banking.</p>
Article 453 (c) CRR	<p>A description of the main types of collateral taken by the institution to mitigate credit risk;</p> <p>Covered by Article 453 (b) CRR section above.</p>
Article 453 (d) CRR	<p>For guarantees and credit derivatives used as credit protection, the main types of guarantors and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures;</p> <p>Credit protection entities Santander UK has established four (2024: five) unconsolidated credit protection entities, which are Designated Activity Companies limited by shares, incorporated in Ireland. Each entity has issued a series of credit linked notes varying in seniority which reference portfolios of Santander UK group loans. Concurrently, these entities sell credit protection to Santander UK in respect of the referenced loans and, in return for a fee, are liable to make protection payments to Santander UK upon the occurrence of a credit event in relation to any of the referenced loans.</p> <p>Credit linked notes, which amounted to £175m (2024: £226m), are all held by third party investors. Funds raised by the sale of the credit linked notes are deposited with Santander UK as collateral for the credit protection. Deposits and associated guarantees in respect of the credit linked notes are included in 'Deposits by customers' (see Note 22).</p> <p>The entities are not consolidated by Santander UK because the third-party investors have the exposure, or rights, to all of the variability of returns from the performance of the entities. No assets are transferred to, or income received from, these entities. Since the credit linked notes are fully cash collateralised, Santander UK's maximum exposure to loss is equal to any unamortised fees paid to the entities in connection with the credit protection outlined above.</p>
Article 453 (e) CRR	<p>Information about market or credit risk concentrations within the credit mitigation taken;</p> <p>Monitoring We measure and monitor changes in our credit risk profile on a regular and systematic basis against our budgets, limits and benchmarks.</p> <p>Credit concentrations A core part of our monitoring and management is a focus on credit concentrations, such as the proportion of our lending that goes to specific borrowers, groups or industries. We set and monitor concentration limits in line with our Risk Appetite and review them on a regular basis.</p> <ul style="list-style-type: none"> – Geographical concentrations: We set exposure limits to countries and geographies, with reference to the country limits set by Banco Santander and our own Risk Appetite. For more geographical information, see 'Country risk exposures'. – Industry concentrations: We also set exposure limits by industry sector. We set these limits based on the industry outlook, our strategic aims and desired level of concentration, and relevant limits set by Banco Santander. We analyse committed exposures in the 'Credit risk review' section that follows.

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 31 December 2025:

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated Partial write-off	Collateral and financial guarantees received		
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
	£m	Of which stage 1	Of which stage 2	£m	Of which stage 2	Of which stage 3	£m	Of which stage 1	Of which stage 2	£m	Of which stage 2	Of which stage 3				
Cash balances at central banks and other demand deposits	32,617	32,617	-	-	-	-	-	-	-	-	-	-	-	-	18	-
005																
010 Loans and advances¹	222,748	205,410	17,016	2,874	593	2,281	(366)	(123)	(243)	(392)	(20)	(372)	-	209,048	2,255	
020 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
030 <i>General governments</i>	203	203	-	-	-	-	-	-	-	-	-	-	-	-	-	
040 <i>Credit institutions</i>	4,869	4,869	-	-	-	-	-	-	-	-	-	-	-	3,973	-	
050 <i>Other financial corporations</i>	20,133	19,831	-	6	-	6	(1)	(1)	-	(3)	-	(3)	-	14,292	-	
060 <i>Non-financial corporations</i>	18,313	16,985	1,308	875	224	651	(99)	(58)	(41)	(201)	(5)	(196)	-	16,644	484	
070 <i>Of which SMEs</i>	8,577	7,769	788	502	106	396	(56)	(27)	(29)	(119)	(4)	(115)	-	7,949	244	
080 <i>Households</i>	179,230	163,522	15,708	1,993	369	1,624	(266)	(64)	(202)	(188)	(15)	(173)	-	174,139	1,771	
090 Debt securities	9,236	9,212	-	-	-	-	-	-	-	-	-	-	-	448	-	
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
110 <i>General governments</i>	5,219	5,219	-	-	-	-	-	-	-	-	-	-	-	-	-	
120 <i>Credit institutions</i>	3,544	3,544	-	-	-	-	-	-	-	-	-	-	-	-	-	
130 <i>Other financial corporations</i>	466	442	-	-	-	-	-	-	-	-	-	-	-	442	-	
140 <i>Non-financial corporations</i>	7	7	-	-	-	-	-	-	-	-	-	-	-	6	-	
150 Off-balance-sheet exposures	38,798	37,712	1,085	77	-	77	(75)	(37)	(38)	(9)	-	(9)	-	2,580	-	
160 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
170 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
180 <i>Credit institutions</i>	1,931	1,931	-	-	-	-	-	-	-	-	-	-	-	1,931	-	
190 <i>Other financial corporations</i>	805	795	10	4	-	4	(2)	(1)	(1)	(2)	-	(2)	-	596	-	
200 <i>Non-financial corporations</i>	8,382	8,070	311	23	-	23	(32)	(24)	(8)	(6)	-	(6)	-	-	-	
210 <i>Households</i>	27,680	26,916	764	50	-	50	(41)	(12)	(29)	(1)	-	(1)	-	53	-	
220 Total	303,399	284,951	18,101	2,951	593	2,358	(441)	(160)	(281)	(401)	(20)	(381)	-	212,094	2,255	

¹ When comparing CR1 to CR1-A, CR1 is all Loans and Advances, whereas CR1A is only loans and advances to customers and so excludes Repos and interbank exposures

Maturity of exposures (CR1-A)

At 31 December 2025	Net exposure value					Total
	On demand	<= 1 year	>1 year <= 5 years	> 5 years	No stated maturity	
1 Loans and advances to customers	1,045	26,337	52,461	126,123	-	205,966
2 Debt securities	-	520	2,735	6,296	-	9,551
3 Total	1,045	26,857	55,195	132,419	-	215,517

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 2024	3,237
020 Inflows to non-performing portfolios	1,388
030 Outflows from non-performing portfolios	(1,751)
040 Outflows due to write-offs	(181)
050 Outflows due to other situations	(1,570)
060 Final stock of non-performing loans and advances as at 31 Dec 2025	2,874

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

For more details on the Company's approach to Credit Risk Mitigation refer to the Other Segments – Credit Risk Review section of the Company's 2025 Annual Report.

The following table provides analysis of secured and collateralised exposures at 31 December 2025:

	Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees	
				Of which secured by credit derivatives	
	31-Dec 2025 £m	31-Dec 2025 £m	31-Dec 2025 £m	31-Dec 2025 £m	31-Dec 2025 £m
1 Loans and advances	11,444	211,304	210,206	1,097	-
2 Debt securities	7,013	2,222	2,222	-	-
3 Total	18,457	213,526	212,428	1,097	-
4 <i>Of which non-performing exposures</i>	1,052	1,822	-	-	-
5 <i>Of which defaulted</i>	1,052	1,822	-	-	-

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 (%)
	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 %
1 Central governments or central banks	38.5	-	39.4	-	0.1	-
2 Regional government or local authorities	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	20%
4 Multilateral Development Banks	1.3	-	1.3	-	-	-
5 International Organisations	0.1	-	0.1	-	-	-
6 Institutions	2.2	-	2.2	-	0.5	22%
7 Corporates	6.3	2.6	5.5	0.2	5.1	90%
8 Retail	10.6	11.8	10.5	-	7.8	74%
9 Secured by mortgages on immovable property	1.4	-	1.4	-	0.5	36%
10 Exposures in default	0.5	0.1	0.4	-	0.6	133%
11 Exposures associated with particularly high risk	0.1	-	0.1	-	0.1	150%
12 Covered bonds	0.6	-	0.6	-	0.1	10%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	5.6	-	5.6	-	3.9	69%
17 Total	67.2	14.5	67.1	0.2	18.7	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 (%)
	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 %
Corporates – Specialised Lending	3.2	0.8	3.1	0.1	2.1	66%
Corporates – SME	0.7	0.4	0.7	-	0.1	20%
Corporates – Other	5.7	4.1	5.6	0.3	2.2	37%
Institutions	0.1	-	0.1	-	-	28%
Retail Immovable Property	169.4	13.1	169.8	8.0	31.5	18%
Retail QRR	0.4	3.9	0.4	5.0	1.7	31%
Retail Other	0.5	-	0.5	-	0.6	113%
Equity	-	-	-	-	-	370%
Total	180.0	22.3	180.2	13.4	38.2	20%

Probability of Default disclosures (CR6)

The following tables show the distribution by credit quality of exposure, risk parameters and capital for the Holdco Group's IRB portfolios, segmented by exposure class. They exclude specialised lending and securitisation portfolios where PD is not estimated for (RWA) calculations. The tables also exclude Counterparty Credit Risk exposure in order maintain consistency with the COREP C08.03 Template. The initial table below details the relationship between the IRB model portfolio and exposure class.

IRB Model Portfolio	Exposure class
Residential Mortgages	Retail Mortgages
Unsecured Personal Loans	Other Retail
Bank Accounts	Qualifying Revolving Retail Exposures
Social Housing	Corporates
Global Models – Banks	Institutions
Global Models – Insurers	Corporates
Global Models – Large Corporates	Corporates

In the tables below the PD bands and associated PD ranges reflect those used for PRA reporting purposes. All models listed are banded according to the PD used in their Regulatory Capital calculation. For all exposure classes, the average PD, LGD and maturity reflect exposure at default (EAD) weighted values.

At 31 December 2025

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB Retail mortgages	£m	£m	%	£m	%		%		£m	%	£m	£m
0.00 to <0.15	818	494	95.02%	1,289	0.10%	17,702	11.59%	-	40	3.09%	-	-
0.00 to <0.10	352	320	101.05%	676	0.06%	10,738	9.09%	-	11	1.61%	-	-
0.10 to <0.15	466	174	83.92%	613	0.14%	6,964	14.35%	-	29	4.71%	-	-
0.15 to <0.25	2,723	1,462	71.35%	3,768	0.22%	13,909	17.61%	-	304	8.07%	1	(2)
0.25 to <0.50	35,222	6,001	66.09%	39,255	0.40%	222,446	9.17%	-	2,535	6.46%	14	(7)
0.50 to <0.75	28,694	3,405	49.71%	30,415	0.56%	231,292	8.92%	-	2,411	7.93%	15	(3)
0.75 to <2.50	63,506	1,554	51.35%	64,495	1.47%	361,057	9.68%	-	10,454	16.21%	91	(18)
0.75 to <1.75	46,251	1,414	52.20%	47,126	1.23%	264,129	9.69%	-	6,887	14.62%	56	(12)
1.75 to <2.5	17,255	140	42.81%	17,369	2.11%	96,928	9.65%	-	3,567	20.54%	35	(6)
2.50 to <10.00	28,424	122	49.84%	28,564	4.41%	158,723	11.13%	-	10,257	35.91%	143	(19)
2.5 to <5	19,027	104	50.39%	19,134	3.45%	104,829	10.59%	-	5,745	30.03%	70	(12)
5 to <10	9,397	18	46.77%	9,430	6.35%	53,894	12.22%	-	4,512	47.85%	73	(7)
10.00 to <100.00	8,774	40	31.43%	8,809	24.96%	61,448	11.88%	-	5,491	62.33%	247	(32)
10 to <20	5,525	29	33.82%	5,549	13.52%	37,804	12.47%	-	3,669	66.13%	92	(10)
20 to <30	1,500	3	46.02%	1,505	25.50%	10,225	11.58%	-	1,073	71.24%	45	(6)
30.00 to <100.00	1,749	8	18.07%	1,755	60.66%	13,419	10.25%	-	749	42.66%	110	(16)
100.00 (Default)	1,281	13	0.00%	1,281	100.00%	9,839	15.11%	-	-	-	194	(58)
Subtotal - Retail Mortgages	169,442	13,091	61.43%	177,876	3.39%	1,076,416	10.00%	-	31,492	17.70%	705	(139)

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB Qualifying revolving retail exposures	£m	£m	%	£m	%		%		£m	%	£m	£m
0.00 to <0.15	-	-	504793.56%	204	0.03%	819,501	65.80%	-	3	1.68%	-	-
0.00 to <0.10	-	-	504793.56%	204	0.03%	819,501	65.80%	-	3	1.68%	-	-
0.10 to <0.15	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.15 to <0.25	18	2,896	105.49%	3,074	0.17%	5,173,339	70.06%	-	212	6.91%	4	(1)
0.25 to <0.50	-	-	488343.05%	116	0.32%	488,969	73.44%	-	14	12.00%	-	-
0.50 to <0.75	14	215	136.55%	308	0.68%	665,418	69.64%	-	65	21.01%	1	(1)
0.75 to <2.50	58	433	151.88%	715	1.39%	1,575,789	69.73%	-	256	35.85%	7	(5)
0.75 to <1.75	33	342	151.70%	552	1.18%	1,221,117	69.75%	-	176	31.88%	5	(3)
1.75 to <2.5	25	91	152.53%	163	2.11%	354,672	69.65%	-	80	49.28%	2	(2)
2.50 to <10.00	133	309	151.07%	604	5.22%	1,183,441	68.71%	-	535	88.56%	22	(14)
2.5 to <5	52	163	149.22%	296	3.41%	603,253	69.40%	-	204	68.82%	7	(5)
5 to <10	81	146	153.13%	308	6.95%	580,188	68.05%	-	331	107.49%	15	(9)
10.00 to <100.00	154	76	230.66%	352	23.80%	613,817	64.68%	-	602	170.85%	53	(27)
10 to <20	62	55	180.28%	166	13.78%	294,449	66.22%	-	254	152.84%	15	(9)
20 to <30	56	17	304.40%	118	23.74%	205,328	64.30%	-	222	188.15%	18	(10)
30.00 to <100.00	36	4	594.75%	68	48.44%	114,040	61.55%	-	126	184.88%	20	(8)
100.00 (Default)	20	1	0.00%	20	100.00%	25,725	74.30%	-	-	-	15	(13)
Subtotal - Qualifying revolving retail exposures	397	3,930	126.40%	5,393	2.85%	10,545,999	69.42%	-	1,687	31.28%	102	(61)

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB Other Retail	£m	£m	%	£m	%		%		£m	%	£m	£m
0.00 to <0.15	1	-	0.00%	1	0.10%	3,274	88.03%	-	-	0.00%	-	-
0.00 to <0.10	-	-	0.00%	-	0.08%	159	88.00%	-	-	-	-	-
0.10 to <0.15	1	-	0.00%	1	0.10%	3,115	88.04%	-	-	0.00%	-	-
0.15 to <0.25	40	-	0.00%	40	0.20%	84,975	88.01%	-	15	38.15%	-	(1)
0.25 to <0.50	92	-	0.00%	92	0.50%	91,822	88.00%	-	62	66.86%	-	(3)
0.50 to <0.75	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.75 to <2.50	85	-	0.00%	85	1.16%	60,663	88.00%	-	87	100.95%	1	(3)
0.75 to <1.75	85	-	0.00%	85	1.16%	60,663	88.00%	-	87	100.95%	1	(3)
1.75 to <2.5	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
2.50 to <10.00	211	-	0.00%	211	4.57%	71,902	88.00%	-	285	135.35%	8	(9)
2.5 to <5	92	-	0.00%	92	2.86%	42,685	88.00%	-	119	129.23%	2	(4)
5 to <10	119	-	0.00%	119	5.89%	29,217	88.00%	-	166	140.10%	6	(5)
10.00 to <100.00	81	-	0.00%	81	22.71%	18,560	88.00%	-	150	184.12%	16	(11)
10 to <20	61	-	0.00%	61	13.13%	13,863	88.00%	-	105	173.04%	7	(5)
20 to <30	8	-	0.00%	8	29.54%	1,993	88.00%	-	19	237.44%	2	(2)
30.00 to <100.00	12	-	0.00%	12	64.91%	2,704	88.00%	-	26	204.38%	7	(4)
100.00 (Default)	20	-	0.00%	20	100.00%	3,535	88.00%	-	-	-	18	(16)
Subtotal - Other Retail	530	-	0.00%	530	9.31%	334,731	88.00%	-	599	112.89%	43	(43)
Total A-IRB	170,369	17,021	76.44%	183,799	3.39%	11,957,146	11.97%	-	33,778	18.38%	850	(243)

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB FIRB Corp excl.SME	£m	£m	%	£m	%		%		£m	%	£m	£m
0.00 to <0.15	4,744	2,839	6.06%	4,916	0.06%	73	40.87%	3.70	1,399	28.45%	1	(1)
0.00 to <0.10	4,277	2,034	4.58%	4,370	0.05%	56	40.74%	4.00	1,165	26.65%	1	- 1
0.10 to <0.15	467	805	9.80%	546	0.13%	17	41.95%	4.00	234	42.88%	-	-
0.15 to <0.25	126	283	0.00%	126	0.22%	10	43.10%	4.47	84	66.28%	-	-
0.25 to <0.50	391	426	2.47%	377	0.36%	16	45.00%	3.24	269	71.43%	1	(2)
0.50 to <0.75	37	232	34.64%	117	0.59%	11	45.00%	2.19	88	75.47%	-	(1)
0.75 to <2.50	240	250	1.49%	228	1.15%	18	45.00%	2.41	229	100.41%	1	(3)
0.75 to <1.75	240	250	1.49%	228	1.15%	18	45.00%	2.00	229	100.41%	1	(3)
1.75 to <2.5	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
2.50 to <10.00	85	88	9.21%	51	6.82%	10	45.00%	1.19	81	160.65%	2	(2)
2.5 to <5	-	74	3.00%	2	2.64%	9	45.00%	2.00	3	118.78%	-	-
5 to <10	85	14	41.17%	49	7.01%	1	45.00%	1.00	78	-	2	- 2
10.00 to <100.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
10 to <20	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
20 to <30	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
30.00 to <100.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
100.00 (Default)	37	5	14.73%	37	100.00%	4	44.86%	1.00	-	-	17	- 8
Subtotal - FIRB Corp excl.SME	5,660	4,123	6.68%	5,852	0.83%	142	41.49%	3.57	2,150	36.75%	22	(17)

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB FIRB Corp SME	£m	£m	%	£m	%		%		£m	%	£m	£m
0.00 to <0.15	664	443	0.00%	664	0.07%	40	37.19%	3.65	134	20.22%	-	-
0.00 to <0.10	556	381	0.00%	556	0.05%	35	37.44%	4.00	101	18.16%	-	-
0.10 to <0.15	108	62	0.00%	108	0.13%	5	35.93%	4.00	33	30.83%	-	-
0.15 to <0.25	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.25 to <0.50	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.50 to <0.75	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.75 to <2.50	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.75 to <1.75	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
1.75 to <2.5	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
2.50 to <10.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
2.5 to <5	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
5 to <10	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
10.00 to <100.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
10 to <20	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
20 to <30	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
30.00 to <100.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
100.00 (Default)	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
Subtotal - FIRB Corp SME	664	443	0.00%	664	0.07%	40	37.19%	3.65	134	20.22%	-	-

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB FIRB Institutions	£m	£m	%	£m	%		%		£m	%	£m	£m
0.00 to <0.15	106	10	81.93%	114	0.04%	8	45.00%	2.15	32	27.94%	-	-
0.00 to <0.10	106	10	81.93%	114	0.04%	8	45.00%	2.15	32	27.94%	-	-
0.10 to <0.15	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.15 to <0.25	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.25 to <0.50	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.50 to <0.75	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.75 to <2.50	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
0.75 to <1.75	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
1.75 to <2.5	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
2.50 to <10.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
2.5 to <5	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
5 to <10	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
10.00 to <100.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
10 to <20	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
20 to <30	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
30.00 to <100.00	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
100.00 (Default)	-	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-
Subtotal - Institutions	106	10	81.93%	114	0.04%	8	45.00%	2.15	32	27.94%	-	-
Total F-IRB Exposures	6,430	4,576	6.20%	6,630	0.74%	190	41.12%	3.55	2,316	34.94%	22	(17)

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

A-IRB		Total exposures £bn	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 (%)
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	183.8	96.8%	96.8%										33.8	33.8
4.1	<i>Of which Retail – Immovable property SMEs</i>														
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	177.9	100%	100%										31.5	31.5
4.3	<i>Of which Retail – Qualifying revolving</i>	5.4												1.7	1.7
4.4	<i>Of which Retail – Other SMEs</i>														
4.5	<i>Of which Retail – Other non-SMEs</i>	0.5												0.6	0.6
5	Total	183.8	96.8%	96.8%										33.8	33.8

F-IRB		Total exposures £bn	Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs		
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	£bn	£bn
1	Central governments and central banks														
2	Institutions	0.8											0.2	0.2	
3	Corporates	10.0	24.9%	24.9%			1.3%	1.3%			1.8%		4.4	4.4	
3.1	<i>Of which Corporates – SMEs</i>	0.7	77.7%	77.7%			19.1%	19.1%					0.1	0.1	
3.2	<i>Of which Corporates – Specialised lending</i>	3.3									2.8%		2.1	2.1	
3.3	<i>Of which Corporates – Other</i>	6.0	33.0%	33.0%							1.4%		2.2	2.2	
4	Total	10.8	23.0%	23.0%			1.2%	1.2%			1.6%		4.6	4.6	

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

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

Template UK CR10.1

		Specialised lending : Project finance (Slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	119.5	145.7	50%	134.1	56.0	-
	Equal to or more than 2.5 years	179.1	192.4	70%	191.3	113.8	0.8
Category 2	Less than 2.5 years	102.6	62.5	70%	120.5	70.7	0.5
	Equal to or more than 2.5 years	294.0	214.0	90%	322.1	250.4	2.6
Category 3	Less than 2.5 years	4.6	4.5	112%	9.2	9.2	0.3
	Equal to or more than 2.5 years	26.2	8.3	112%	33.7	36.6	0.9
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	226.7	212.7	-	263.8	135.9	0.8
	Equal to or more than 2.5 years	499.3	414.7	-	547.1	400.8	4.3

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	387.2	71.9	50%	387.2	184.3	-
	Equal to or more than 2.5 years	785.2	40.9	70%	785.2	524.3	3.1
Category 2	Less than 2.5 years	592.3	23.1	70%	592.3	360.6	2.4
	Equal to or more than 2.5 years	582.3	28.3	90%	582.3	471.4	4.7
Category 3	Less than 2.5 years	18.5	-	120%	18.5	17.3	0.5
	Equal to or more than 2.5 years	11.2	-	120%	11.2	10.3	0.3
Category 4	Less than 2.5 years	5.3	-	250%	5.3	13.1	0.4
	Equal to or more than 2.5 years	0.3	-	250%	0.3	0.6	-
Category 5	Less than 2.5 years	52.6	-	-	52.6	-	26.3
	Equal to or more than 2.5 years	18.1	-	-	18.1	-	9.0
Total	Less than 2.5 years	1055.9	95.0	-	1055.9	575.3	29.6
	Equal to or more than 2.5 years	1397.1	69.2	-	1397.1	1006.6	17.1

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	3.0	-	370%	3	11	0.1
Total	3.0	-	-	3	11	0.1

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 31 December 2025:

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-positions in the non-trading book £bn	Total £bn	Risk-weighted exposure amounts £bn	Own funds requirements weights (%)	
United Kingdom	22.6	193.0	-	-	7.9	223.5	4.4	-	0.2	4.6	58.0	97.95%	2.0%
Isle of Man	0.4	-	-	-	-	0.4	-	-	-	-	0.2	0.32%	0.0%
Jersey	1.2	0.4	-	-	-	1.6	0.1	-	-	0.1	0.8	1.29%	0.0%
Guernsey	0.1	-	-	-	-	0.1	-	-	-	-	0.1	0.14%	0.0%
United States	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.5%
Spain	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.0%
Australia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.0%
Luxembourg	-	-	-	-	-	0.1	-	-	-	-	-	0.07%	0.5%
Denmark	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.5%
Canada	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.0%
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.0%
Ireland	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.5%
Norway	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.5%
Sweden	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.0%
France	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.0%
Belgium	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.0%
Finland	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.0%
Austria	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.0%
British Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	0.06%	0.0%
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.3%
Germany	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.8%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.5%
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.5%
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.0%
Slovakia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.5%
Croatia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.5%
Chile	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.5%
Cyprus	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.0%
Korea, Republic of	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.0%
Poland	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.0%
Portugal	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.8%
Other	-	0.1	-	-	-	0.1	-	-	-	-	-	0.08%	0.0%
Total	24.3	193.5	-	-	7.9	225.8	4.5	-	0.2	4.7	59.1	100%	

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

Amount of institution-specific countercyclical capital buffer (CCyB2)

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

	£bn
Total risk exposure amount	59.2
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 31 December 2025 was 1.96%.

Key features of credit risk models

The following table shows the key features of the HoldCo Group's IRB models, outlining the model methodology or approach, the number of years of loss data used, the exposure class covered and applicable regulatory thresholds for each of the PD, LGD and EAD components¹. The RWAs at 31 December 2025 are also shown. This table does not include portfolios covered by the IRB approach for equity exposures (£0.0bn RWAs).

Component Modelled	Portfolio	Number of significant models and size of associated portfolio (RWAs)	Model Description and Methodology	Number of Years Loss Data	Exposure Classes Measured	Applicable Industry-wide regulatory thresholds
PD	Residential Mortgages	One Model (£31.5bn)	Statistical scorecard produces a PD that is scaled to a long-run cycle average	>10 years	Retail Mortgages	PD floor of 0.03%
	Unsecured Personal Loans	One Model (£0.6bn)	Statistical scorecard produces a PD that is scaled to a long-run average	c.3 years	Other Retail	PD floor of 0.03%
	Bank Accounts	One Model (£1.7bn)	Observed default rates segmented into statistical score bands, scaled to a long-run average	6-10 years	Qualifying Revolving Retail Exposures	PD floor of 0.03%
	Social Housing	One Model (£1.3bn)	Expert judgement rating model	Low default portfolio	Corporates	PD floor of 0.03%
	Global Models	Three Models (£1.1bn)	Combination of statistical and expert judgement models for Banks, Insurers and Large Corporates	Low default portfolios	Corporates & Institutions	PD floor of 0.03%
LGD	Residential Mortgages	One Model (£31.5bn)	Data driven estimates of loss and propensity to write-off, stressed to a downturn position	>10 years	Retail Mortgages	LGD floor of 10% at a portfolio level
	Unsecured Personal Loans	One Model (£0.6bn)	Regression based estimates of loss and propensity to write-off, with expert judgement where appropriate	c.3 years	Other Retail	NA
	Bank Accounts	One Model (£1.7bn)	Data driven estimates of loss and propensity to write-off, using a long run average	6-10 years	Qualifying Revolving Retail Exposures	NA
EAD	Residential Mortgages	One Model (£31.5bn)	Long-run credit conversion factors applied to on and off balance	>10 years	Retail Mortgages	EAD must be at least equivalent to current balance utilisation at account level
	Unsecured Personal Loans	One Model (£0.6bn)	Regression based model	c.3 years	Other Retail	EAD must be at least equivalent to current balance utilisation at account level
	Bank Accounts	One Model (£1.7bn)	Long-run credit conversion factors applied to on and off balance	6-10 years	Qualifying Revolving Retail Exposures	EAD must be at least equivalent to current balance utilisation at account level

¹ Slotting models do not estimate a PD or LGD but do generate an Expected Loss.

Significant IRB models and model performance

The residential mortgage portfolio comprised £177.9bn of EAD at 31 December 2025 and represented 91% of all IRB EAD, therefore the IRB models employed to calculate RWAs for this portfolio are considered the most significant. PD is determined by the new business application score and a bespoke default-risk scorecard for the back-book. These models produce account level, point-in-time PD estimates which are adjusted to a long-run average default rate using a variable scalar methodology employing observed and inferred default rate data back to 1989. Within each of the legacy portfolios (the former Abbey and Alliance & Leicester businesses) the scaling of the PD (grouped into 15 non-default risk grades) is performed separately across 13 risk segments determined by balance-to-value and buyer type.

LGD for residential mortgages is calculated as the proportion of the EAD expected to be written-off multiplied by the probability of a write-off occurring after a default event. The loss proportion uses a 'workout' approach, that is one minus the expected recovery proportion, plus direct and indirect recovery costs associated with the recovery process. The probability of write-off given default is measured from observed loss rates from quarterly tranches of accounts entering default since 2007. Downturn LGD is determined by stressing the model inputs to values observed during the worst points of the last recession. For example, the forced sale discount is increased from 19% in normal times to a downturn value of 27%. The downturn probability of write-off given default uses the highest observed values, typically seen from in-defaults occurring during 2008. Other parameters such as time from default to sale, balance owing at sale and property value are also adjusted to be applicable for downturn conditions.

The performance of the Company's IRB models is monitored each quarter in accordance with its model monitoring policies. The monitoring assesses the performance of the rating system with respect to the accuracy of the calibration, discrimination and stability of the component models. The retail models produce both point-in-time and regulatory values of PD, LGD and EAD. Actual values for these parameters are compared with:

The point-in-time estimates to ensure the models remain accurate; and
The regulatory values to ensure the margin of conservatism in regulatory capital.

The model monitoring analyses the causes of significant variance between actual and predicted parameters and identifies actions required to remediate. The monitoring and actions taken to correct under-performance are reviewed in accordance with the Company's internal model governance. Should the monitoring indicate that a model is underestimating risk, a temporary capital charge is raised by management until the cause is resolved.

The table below compares the IRB model expected loss with the amount of impairment allowances calculated under the IFRS rules and the impairment charge. The amount of expected loss not covered by impairment allowances contributes to deductions from regulatory capital.

	Expected Loss		Impairment		Net Charge for 2025 £bn
	31 December 2024	31 December 2025	Allowances at		
	£bn	£bn	31 December 2025	£bn	
Residential Mortgages	0.7	0.7	0.1	-	-
Unsecured Personal Loans	0.1	-	0.1	(0.1)	(0.1)
Bank Accounts	0.1	0.1	0.1	-	-
Social Housing	-	-	-	-	-
IPRE (Income Producing Real Estate)	0.1	0.1	-	-	-
Global Models	-	-	-	-	-
Total	1.0	0.9	0.3	(0.1)	(0.1)

Differences in the value of Expected Loss (EL) and provisions arise from differences in the way the two measures are calculated under the regulatory capital and accounting rules. These include, but are not limited to:

- Differences in the definition of default and impairment used for EL and provisions, respectively;
- Regulatory floors and economic cycle adjustments applied to PD and LGD values used in EL;
- Provisions recognise forward-looking losses for 12-months and lifetime period while EL is a forward-looking measure of loss arising from defaults in the 12 months; and
- Differences in the cost of recovery and discount rates applied to EL and provisions.
- Old definition of defaults still in use on certain models, pending regulatory approval. Where appropriate, capital add-ons are held to compensate for any additional own fund requirements necessary under the New Definition of Default.
- The IRB model expected loss is not regarded as an indicator of expected losses in accordance with accounting standards due to the level of regulatory floors and prudence built into the IRB models.

Market risk

Movements in RWAs during 2025 were as follows:

Market risk	2025
	£bn
RWAs at 1 January	0.2
Movement in risk levels	-
Model updates	-
Methodology and policy	-
RWAs at 31 December	0.2

The 31 December 2025 RWAs of £0.2 bn were calculated under standardised approach.

Key features of market risk models

Following the introduction of Banking Reform, applicable as at 1st January 2019, the Company no longer has approval for a VAR Internal Market Risk model. All Market Risk is calculated using the Standardised approach.

Operational risk

The Company calculates its operational risk capital requirement under the standardised approach in accordance with PRA rules. The standardised approach uses the average of three years' income of each business line. The average three year income is adjusted to take into account historical income of any businesses acquired during that period. The decrease of RWAs in 2025 of £0.1bn was a result of lower average three year income.

CRB: Additional disclosure related to the credit quality of assets

The following tables outlines the credit risk exposure, the associated level of impaired and past due exposures levels and impairment levels (credit risk adjustments) at 31 December 2025 by class of exposure. Further information on impairment losses and provisions is outlined in Note 8 to the financial statements in the Company's 2025 Annual Report.

Definitions of past due and impaired and the approaches and methods adopted for specific credit risk are included in Note 1 to the financial statements in the Company's 2025 Annual Report.

Credit quality of forborne exposures (CQ1)

The following table provides an overview of the quality of forborne exposures at 31 December 2025.

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
			Of which defaulted	Of which impaired					
	£m	£m	£m	£m	£m	£m	£m	£m	
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	
010	Loans and advances	859	1,464	1,464	1,212	(10)	(214)	1,914	1,113
020	<i>Central banks</i>	-	-	-	-	-	-	-	-
030	<i>General governments</i>	-	-	-	-	-	-	-	-
040	<i>Credit institutions</i>	-	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	-	5	5	5	-	(3)	-	-
060	<i>Non-financial corporations</i>	130	530	530	443	(5)	(135)	404	311
070	<i>Households</i>	729	929	929	764	(5)	(76)	1,510	802
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	859	1,464	1,464	1,212	(10)	(214)	1,914	1,113

Credit quality of performing and non-performing exposures by past due days (CQ3)

The following table provides an overview of credit quality of non-performing exposures at 31 December 2025:

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005 Cash balances at central banks and other demand deposits	32,617	32,617	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	222,748	222,384	364	2,874	1,498	454	455	268	192	5	2	2,872
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	203	203	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	4,869	4,869	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	20,133	20,133	-	6	3	2	1	-	-	-	-	6
060 Non-financial corporations	18,313	18,294	19	875	671	71	64	44	19	5	1	875
070 Of which SMEs	8,577	8,558	19	502	360	53	51	15	19	3	1	502
080 Households	179,230	178,885	345	1,993	824	381	390	224	173	-	1	1,991
090 Debt securities	9236	9236	-	-	-	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	5,219	5,219	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	3,544	3,544	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	466	466	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	7	7	-	-	-	-	-	-	-	-	-	-
150 Off-balance-sheet exposures	38,798			77								77
160 Central banks	-			-								-
170 General governments	-			-								-
180 Credit institutions	1,931			-								-
190 Other financial corporations	805			4								4
200 Non-financial corporations	8,382			23								23
210 Households	27,680			50								50
220 Total	303,399	264,237	364	2,951	1,498	454	455	268	192	5	2	2,949

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

Breakdown of exposures by industry class and Credit Quality:

		At 31 December 2025					
		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	61	17	17	61	(6)	-
020	Mining and quarrying	41	-	-	41	-	-
030	Manufacturing	802	39	39	802	(19)	-
	Electricity, gas, steam and air conditioning supply	619	31	31	619	(2)	-
040	Water supply	78	21	21	78	(6)	-
060	Construction	1,131	72	72	1,131	(21)	-
070	Wholesale and retail trade	1,669	133	133	1,669	(66)	-
080	Transport and storage	263	9	9	263	(5)	-
	Accommodation and food service activities	1,151	60	60	1,149 (35)		-
100	Information and communication	631	26	26	626	(19)	-
110	Financial and insurance activities	25,008	6	6	24,706	(4)	-
120	Real estate activities	9,080	82	82	9,082	(34)	-
	Professional, scientific and technical activities	1,555	157	157	1,548	(30)	-
	Administrative and support service activities	535	104	104	535	(22)	-
	Public administration and defence, compulsory social security	53	-	-	53	-	-
150	Education	146	1	1	139	(2)	-
	Human health services and social work activities	807	103	103	807	(26)	-
170	Arts, entertainment and recreation	219	1	1	219	(3)	-
180	Other services	346	18	18	346	(3)	-
200	Total	44,195	880	880	43,874	(303)	-

Collateral obtained by taking possession and execution processes (CQ7)

Excluded as no collateral taken into possession is recognised on the balance sheet.

Prudential valuation adjustments (PVA)

PVA for all assets measured at fair value (mark to market or marked to model) and for which PVA are required. Assets can be non-derivative or derivative instruments.

Category level AVA	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA			
Market price uncertainty	0.05	1.70	-	0.14	-	0.20	0.17	2.26	0.12	2.14
Close-out cost	-	3.63	-	0.70	-	0.37	-	4.70	0.21	4.49
Concentrated positions	0.04	-	-	0.89	-	-	-	0.93	-	0.93
Early termination	-	-	-	-	-	-	-	-	-	-
Model risk	0.01	1.73	-	0.24	-	0.14	0.63	2.75	0.64	2.11
Operational risk	-	0.61	-	0.08	-	-	-	0.69	0.03	0.66
Future administrative costs	-	1.35	-	0.03	-	-	-	1.38	-	1.38
Total Additional Valuation Adjustments (AVAs)								12.71	1.00	11.71

Key Movements

The year-on-year reduction in PVA for Holdco was primarily driven by a reduction in Future Administrative Costs AVA, reflecting enhancements to the FAC AVA model, including the removal Structured Notes Programme from the scope of the FAC AVA model. This was supplemented by a reduction Market Price Uncertainty AVA, largely attributable to tightening of MPU spreads for Structural Risk Derivatives. These reductions were partially offset by an increase in Model Risk, mainly driven by Property Derivatives following updates to the HPI forward curve.

Remuneration

All remuneration requirements outlined in the UK REMA as presented in Annex XXXIII of PRA Rulebook, Article 450 (1) (a), (b), (c), (d), (e), (f), (j) and (k) and 450 (2) in accordance with Articles 433a, 433b and 433c are disclosed in the Santander UK Group Holdings Regulatory Remuneration Disclosures, which are available as a separate document on the Santander UK website.

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 31 December 2025. 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	13,425	2,100	-
Subordinated Liabilities	-	-	2,032
UK CRR Adjustments			
Additional value adjustments	(13)	-	-
Intangible Assets (net of related tax liability)	(1,430)	-	-
Fair value reserves related to gains or losses on cash flow hedges	(211)	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(681)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	2	-	-
Deferred tax assets arising from temporary differences	-	-	-
Defined benefit pension fund assets	(378)	-	-
- Dividend accrual	(3)	-	-
- Deduction for minority interests	-	-	-
- NPE Backstop	-	-	-
- Capital Add-on	-	-	-
- IFRS 9 Transitional Adjustments	-	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(259)
Total	10,711	2,100	1,773

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 31 December 2025 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:

		31 December 2025 Amounts £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital Instruments and the related share premium accounts	7,060	Share Capital
	of which: Instrument type 1	-	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained Earnings	6,156	Retained Earnings
3	Accumulated other comprehensive income (and other reserves)	208	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	13,424	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(13)	
8	Intangible assets (net of related tax liability) (negative amount)	(1,432)	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	(211)	Other Reserves
12	Negative amounts resulting from the calculation of expected loss amounts	(681)	
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	2	
15	Defined-benefit pension fund assets (negative amount)	(378)	Retirement Benefit Assets
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
UK-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
UK-20c	of which: securitisation positions (negative amount)	-	
UK-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
25	of which: deferred tax assets arising from temporary differences	-	
UK-25a	Losses for the current financial year (negative amount)	-	
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	-	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(2,713)	
29	Common Equity Tier 1 (CET1) capital	10,711	
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)	-	

		31 December 2025 Amounts £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	2,100	
45	Tier 1 capital (T1 = CET1 + AT1)	12,811	
Tier 2 (T2) capital: regulatory adjustments			
46	Capital instruments and the related share premium accounts	1,298	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	475	Subordinated Liabilities
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	Tier 2 (T2) capital before regulatory adjustments	1,773	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
UK-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
UK-56b	Other regulatory adjustments to T2 capital	-	
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	1,773	
59	Total Capital (TC = T1 + T2)	14,584	
60	Total Risk exposure amount	68,335	
Capital ratios and buffer			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.7%	-
62	Tier 1 (as a percentage of total risk exposure amount)	18.7%	-
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)	15.7%	-
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	232	
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	230	
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 31 December 2025. 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 31 December 2025	As at period end 31 December 2025	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances at central banks	32,599	32,599	
2	Financial assets at fair value through profit or loss:	-	-	
3	– Trading assets	-	-	
4	– Derivative financial instruments	982	987	
5	– Other financial assets at fair value through profit or loss	349	349	
6	Financial assets at amortised cost:	-	-	
7	– Loans and advances to customers	205,966	205,983	
8	– Loans and advances to banks	1,154	1,164	
9	– Reverse repurchase agreements – non trading	17,678	17,678	
10	– Other financial assets at amortised cost	3,987	3,987	
11	Macro hedge of interest rate risk	-79	-79	
12	Financial assets at fair value through other comprehensive income	5,216	5,216	
13	Financial investments	-	-	
14	Interests in other entities	293	-	
15	Intangible assets	1,511	1,511	Table CC1 Row 8
16	Property, plant and equipment	1,532	2,188	
17	Current tax assets	370	389	
18	Deferred tax assets	-	14	Table CC1 Row 10
19	Retirement benefit assets	524	524	
20	Other assets	1,848	1,974	
21	Assets held for sale	18	18	
22	Total assets	273,948	274,502	
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	711	716	
4	– Other financial liabilities at fair value through profit or loss	1,250	1,250	
5	Financial liabilities at amortised cost:	-	-	
6	– Deposits by customers	192,331	190,991	
7	– Deposits by banks	6,737	6,913	
8	– Repurchase agreements – non trading	9,029	9,029	
9	– Debt securities in issue	42,873	44,073	
10	– Subordinated liabilities	2,032	2,032	Table CC1 Row 46/48
11	Macro hedge of interest rate risk	60	60	
12	Other liabilities	2,244	2,349	
13	Provisions	688	720	
14	Current tax liabilities	-	7	
15	Deferred tax liabilities	446	454	Table CC1 Row 10
16	Retirement benefit obligations	22	22	
17	Liabilities held for sale	-	-	
18	Total liabilities	258,423	258,616	
Shareholders' Equity				
1	Equity	-	-	
2	Share capital	7,060	7,213	Table CC1 Row 1
3	Share premium	-	-	
4	Other equity instruments	2,100	2,100	Table CC1 Row 30
5	Retained earnings	6,159	6,370	Table CC1 Row 2
6	Other reserves	206	203	Table CC1 Row 3
7	Non-controlling interests	-	-	
	Total shareholders' equity	15,525	15,886	

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 Full Year 2025 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 Full Year 2025 ACRMD tables, Appendix I. 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

December 2025 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 31 December 2025, together with the previously disclosed quarter end information at 30 September 2025, 30 June 2025, 31 March 2025 and 31 December 2024. Further details on Risk Weighted Assets are included in the subsequent sections of this document:

	31 December	30 September	30 June	31 March	31 December	
	2025	2025	2025	2025	2024	
	£m	£m	£m	£m	£m	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	10,601	9,848	9,916	9,847	9,791
2	Tier 1 capital	12,461	11,708	11,776	11,707	11,651
3	Total capital	14,315	13,549	13,658	13,771	13,744
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	67,231	68,216	66,041	66,304	65,528
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.8%	14.4%	15.0%	14.9%	14.9%
6	Tier 1 ratio (%)	18.5%	17.2%	17.8%	17.7%	17.8%
7	Total capital ratio (%)	21.3%	19.9%	20.7%	20.8%	21.0%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	2.44%	2.44%	2.28%	2.28%	2.28%
UK 7b	Additional AT1 SREP requirements (%)	0.81%	0.81%	0.76%	0.76%	0.76%
UK 7c	Additional T2 SREP requirements (%)	1.09%	1.08%	1.01%	1.01%	1.01%
UK 7d	Total SREP own funds requirements (%)	4.34%	4.34%	4.05%	4.05%	4.05%
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%	1.98%	1.98%	1.97%	1.97%
UK 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
UK 10a	Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	5.48%	5.48%	5.48%	5.47%	5.47%
UK 11a	Overall capital requirements (%)	17.82%	17.82%	17.53%	17.50%	17.52%
12	CET1 available after meeting the total SREP own funds requirements (%)	3.47%	2.04%	3.15%	3.24%	3.45%
Leverage ratio						
13	Total exposure measure excluding claims on central banks	247,722	250,880	241,538	243,511	238,445
14	Leverage ratio excluding claims on central banks (%)	5.0%	4.7%	4.9%	4.8%	4.9%
Additional leverage ratio disclosure requirements						
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.0%	4.7%	4.9%	4.8%	4.9%
14b	Leverage ratio including claims on central banks (%)	4.5%	4.2%	4.3%	4.3%	4.3%
14c	Average leverage ratio excluding claims on central banks (%)	4.6%	4.8%	4.8%	4.9%	5.0%
14d	Average leverage ratio including claims on central banks (%)	4.1%	4.3%	4.3%	4.3%	4.5%
14e	Countercyclical leverage ratio buffer (%)	0.7%	0.7%	0.7%	0.7%	0.7%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	46,888	51,094	48,425	46,125	43,681
UK 16a	Cash outflows – Total weighted value	30,740	32,667	32,308	32,347	30,324
UK 16b	Cash inflows – Total weighted value	1,789	1,653	1,811	1,824	2,001
16	Total net cash outflows (adjusted value)	28,951	31,014	30,497	30,523	28,323
17	Liquidity coverage ratio (%)	162%	165%	159%	151%	154%
Net Stable Funding Ratio						
18	Total available stable funding	211,913	208,440	207,231	209,430	208,000
19	Total required stable funding	156,768	155,356	152,870	151,822	151,457
20	NSFR ratio (%)	135%	134%	136%	138%	137%

Key Movements

The CET1 capital ratio and Total capital ratio increased to 15.8% and 21.3% respectively due to ongoing organic capital generation and a no-dividend decision for 2025, in anticipation of the acquisition of TSB, partially offset by higher RWAs. UK leverage ratio increased to 5.0% (Dec-24: 4.9%) as a result of active balance sheet management. RWAs increased due to active balance sheet management.

UK LRA: Disclosure of LR qualitative information

Description of the processes used to manage the risk of excessive leverage
Processes used to manage the risk of excessive leverage are same as those in Company.
Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers
UK Leverage ratio increased to 5.0% (Dec-24: 4.9%), due to ongoing organic capital generation and a no-dividend decision for 2025. UK leverage exposure increased to £247.7bn (Dec-24: £238.4bn) from active balance sheet management.

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

		31-Dec-25
		£m
1	Total assets as per published financial statements	266,837
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	2,715
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]	(30,048)
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	241
9	Adjustment for securities financing transactions (SFTs)	541
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	9,277
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	(1,841)
13	Total exposure measure	247,722

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		31-Dec 2025 £m	30-Jun 2025 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	221,543	221,459
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)	(1,630)	(1,621)
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))	(2,429)	(2,449)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	217,484	217,389
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	1,834	1,903
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	907	872
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	2,741	2,775
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	20,967	18,042
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,288)	(6,636)
16	Counterparty credit risk exposure for SFT assets	541	659
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	18,220	12,065
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	38,821	38,828
20	(Adjustments for conversion to credit equivalent amounts)	(29,544)	(29,519)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	9,277	9,309
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)	12,461	11,776
24	Total exposure measure including claims on central banks	277,770	276,659
UK-24a	(-) Claims on central banks excluded	(30,048)	(35,120)

UK-24b	Total exposure measure excluding claims on central banks	247,722	241,538
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.0%	4.9%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.0%	4.9%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.0%	4.9%
UK-25c	Leverage ratio including claims on central banks (%)	4.5%	4.3%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements - leverage ratio buffers			
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	18,004	13,370
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	16,255	13,322
UK-31	Average total exposure measure including claims on central banks	282,592	273,943
UK-32	Average total exposure measure excluding claims on central banks	252,619	242,311
UK-33	Average leverage ratio including claims on central banks	4.1%	4.3%
UK-34	Average leverage ratio excluding claims on central banks	4.6%	4.8%

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

		Leverage ratio exposures
		31-Dec-25
		£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	221,543
UK-2	Trading book exposures	
UK-3	Banking book exposures, of which:	221,543
UK-4	Covered bonds	629
UK-5	Exposures treated as sovereigns	5,820
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1,364
UK-7	Institutions	2,310
UK-8	Secured by mortgages of immovable properties	165,549
UK-9	Retail exposures	10,842
UK-10	Corporates	15,404
UK-11	Exposures in default	2,853
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	16,772

Table UK LIQA – Liquidity risk management

In accordance with Article 451a(4)

Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding,

As a financial services provider, managing risk is a core part of our day-to-day activities. To be able to manage our business effectively, it is critical that we understand and control risk in everything we do. We aim to use a prudent approach and advanced risk management techniques to help us deliver robust financial performance, withstand stresses and build sustainable value for our stakeholders. We aim to keep a predictable medium-low risk profile, consistent with our business model. Through our LRA framework, market liquidity risks, funding or structural liquidity risk and contingent liquidity risk, wherever they arise. This can be in retail and corporate deposit outflows, wholesale secured and unsecured liquidity outflows and off-balance sheet activities. Other risks our framework covers include funding concentrations, intra-day cash flows, intra-group commitments and support, franchise retention and cross currency risk. Our LRA statement is based on the principles of liquidity management we use to manage our balance sheet. It also supports our need to meet or exceed the rules of our regulators. In line with our liquidity management principles, we avoid an over-reliance on funding from a single product, customer or counterparty. We also maintain enough unencumbered customer assets to support current and future funding and collateral requirements and maintain enough capacity to monetise liquid assets and other counterbalancing capacity within an appropriate timeframe.

Funds transfer pricing is used to allocate liquidity costs and benefits to business units, ensuring that the pricing of products appropriately reflects their liquidity characteristics and contribution to the Group's funding profile. Transfer pricing rates are applied for the expected behavioural life of the product and remain in place unless a customer changes to a different product or service offered by the Group or by a competitor.

Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).

We are committed to the highest standards of corporate governance in every part of our business, including risk management. For details of our governance, including the Board and its Committees, see the 'Governance' section of the Annual Report. The Board delegates certain responsibilities to Board Level Committees as needed and where appropriate. Our risk governance structure strengthens our ability to identify, assess, manage and report risks, as follows:

- Committees: A number of Board and Executive committees are responsible for specific parts of our Risk Framework
- Key senior management roles: A number of senior roles have specific responsibilities for risk management
- Risk organisational structure: We have the 'three lines of defence' model built into the way we run our business

The Board approves the Group's Risk Appetite, including the LRA, ensuring that strategic objectives are achievable within defined liquidity risk limits. Liquidity risk is managed on a day-to-day basis through executive committees, including Asset and Liability Committee (ALCO), with independent oversight and challenge provided by the Risk function.

A description of the degree of centralisation of liquidity management and interaction between the group's units

We manage liquidity risk on a consolidated basis in our CFO division, which is our centralised function for managing funding, liquidity and capital. We created our governance, oversight and control frameworks, and our LRA, on the same consolidated basis. We monitor and manage liquidity risk for the Santander UK plc group and SFS separately. Under this model, and the PRA's liquidity rules, Santander UK plc and its subsidiary Cater Allen Limited form the RFB Domestic Liquidity Sub-group (the RFB DoLSub), which allows the entities to collectively meet regulatory requirements for the purpose of managing liquidity risk. Each member of the RFB DoLSub will support the other by transferring surplus liquidity in times of stress. We continue to transfer liquidity risks from the securities Santander UK Group Holdings plc issues, or the contracts it executes, into our subsidiaries largely through back-to-back transactions. We fund any mismatches, if needed, by ordinary share dividends from subsidiaries.

Scope and nature of liquidity risk reporting and measurement systems.

Liquidity risk is monitored using a comprehensive suite of regulatory and internal metrics. These include measures of contractual and behavioural cash flow mismatches across multiple time horizons, liquidity stress survival metrics, asset encumbrance measures, funding concentration indicators and intraday liquidity metrics.

Regulatory metrics, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), are monitored alongside internal liquidity stress tests and early warning indicators. Liquidity risk exposures are reported and reviewed daily, weekly and monthly at appropriate levels of management, including ALCO and the Board Risk Committee

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.

The Board aims to make our balance sheet resilient at all times and for it to be perceived as such by stakeholders. This preserves our short and long-term viability. The Board recognises that as we are involved in maturity transformation, we cannot hold enough liquidity to cover all possible stress scenarios. The Board requires us to hold enough liquidity to make sure we will survive three plausible but severe stress

scenarios (our LRA stress) in addition to regulatory requirement. The effectiveness of is monitored through regular testing of asset monetisation, secured funding capacity and operational readiness, including repurchase and market access tests.

An outline of the bank's contingency funding plans.

The Liquidity Contingency Plan (LCP) is encompassed within the Recovery Plan, this includes early warning indicators which are used to identify an emerging liquidity or funding stress as well as a range of actions that could be taken immediately in response to the stress. We review and refresh our recovery plan each year. It sets out the risks, the indicators we use to monitor these risks, and the actions that are available to mitigate a capital, liquidity or combined stress event. We are confident that we have sufficient credible and executable options to respond to a wide variety of stresses, be they market-wide or idiosyncratic, in a timely and effective manner. Recovery indicators are both qualitative and quantitative and are embedded into risk frameworks. We monitor recovery capacity, headroom to recovery triggers and recovery indicators regularly. If necessary, we would invoke recovery early to mitigate the effects of a stress and restore our financial position and balance sheet strength.

An explanation of how stress testing is used.

We have a liquidity stress testing framework in place which is central to our LRA measurement and monitoring. It includes three severe but plausible stress test scenarios. To fit with our risk appetite, the liquidity outflows that come from these stress tests must be fully covered with high-quality liquid assets, other liquid assets and management actions sanctioned at the right level of governance. A funding plan disruption stress scenario also forms part of our LRA monitoring. Our Risk division runs a range of stress tests. Our LRA stress test is a combination of three tests that cover idiosyncratic, market-wide and combined scenarios.

Our other tests consider scenarios such as a global economic slowdown that results in reduced confidence in banks, a slowdown in a major economy or a decline in access to liquidity. We consider the scenarios on both an acute and protracted basis. We also run severe combined stress tests which look at both a deep and prolonged UK recession that results in a reduction in wholesale funding availability and an idiosyncratic shock that would lead to retail and commercial outflows. We also run climate change stresses. These include severe physical risks which result in a reduction in retail deposits, increased use of corporate lending facilities and an increase in mortgage defaults, and a scenario where there is disorderly transition to net zero, resulting in supply shocks and data transparency concerns. We also run a technological stress, in which disruptions to the traditional banking system due to digital innovations and adverse social media coverage could lead to a banking crisis and outflows of retail and corporate deposits.

We also conduct sensitivity analysis and reverse stress testing for instant liquidity shocks by each key liquidity risk. We do this to understand the impacts they would have on our LRA and our regulatory liquidity metrics.

A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

Our LRA statement is based on the principles of liquidity management we use to manage our balance sheet. It also supports our need to meet or exceed the rules of our regulators. In line with our liquidity management principles, we avoid an over-reliance on funding from a single product, customer or counterparty. We also maintain enough unencumbered customer assets to support current and future funding and collateral requirements and maintain enough capacity to monetise liquid assets and other counterbalancing capacity within an appropriate timeframe. Our LRA is proposed to the Risk division and the Board, which is then approved under advice from the Board Risk Committee. Our LRA, in the context of our overall Risk Appetite, is reviewed and approved by the Board each year, or more often if needed.

A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the UK LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.

Our short-term activities focus on intra-day collateral; management and maintaining liquid assets to cover unexpected demands on cash in a stress scenario, such as large and unexpected deposit withdrawals by customers and loss of wholesale funding. Our strategic activities focus on ensuring we are not over reliant on any one source for funding and that we avoid excessive concentrations in the maturity of our funding. We regularly test the liquidity of our eligible liquidity pool, in line with PRA and Basel rules. We do this by realising some of the assets through repurchase or outright sale to the market. We make sure that over any 12-month period we realise a significant part of our eligible liquidity pool. As well as our eligible liquidity pool, we always hold a portfolio of unencumbered liquid assets. Our LRA and PRA requirements determine the size and composition of this portfolio. These assets give us a source of contingent liquidity, as we can realise some of them in a time of stress to create liquidity through repurchase or outright sale to the market.

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)			
		31 December 2025 £m	30 September 2025 £m	30 June 2025 £m	31 March 2025 £m	31 December 2025 £m	30 September 2025 £m	30 June 2025 £m	31 March 2025 £m
UK-1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					47,445	47,160	46,142	46,233
	CASH-OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	150,626	149,466	148,376	143,025	8,814	8,783	8,717	8,734
3	Stable deposits	119,453	118,710	118,406	118,909	5,973	5,936	5,920	5,945
4	Less stable deposits	24,508	24,658	24,200	24,116	2,841	2,847	2,797	2,789
5	Unsecured wholesale funding	23,147	23,302	23,862	24,592	15,077	15,013	14,808	14,809
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,605	1,631	1,676	1,689	381	379	368	344
7	Non-operational deposits (all counterparties)	19,278	19,299	19,930	20,637	12,432	12,262	12,184	12,198
8	Unsecured debt	2,264	2,372	2,256	2,266	2,264	2,372	2,256	2,267
9	Secured wholesale funding					72	122	165	229
10	Additional requirements	12,098	12,433	13,080	13,679	5,771	6,055	6,621	7,180
11	Outflows related to derivative exposures and other collateral requirements	4,615	4,787	5,240	5,666	4,615	4,787	5,240	5,666
12	Outflows related to loss of funding on debt products	-	86	130	209	-	86	130	209
13	Credit and liquidity facilities	7,483	7,560	7,710	7,804	1,156	1,182	1,251	1,305
14	Other contractual funding obligations	71	61	54	44	21	17	11	5
15	Other contingent funding obligations	28,085	27,284	25,866	24,981	2,515	2,355	2,031	1,812
16	TOTAL CASH OUTFLOWS					32,270	32,345	32,353	32,769
	CASH-INFLOWS								
17	Secured lending (e.g reverse repos)	12,135	11,647	11,272	10,749	15	3	3	13
18	Inflows from fully performing exposures	2,301	2,291	2,307	2,271	1,544	1,528	1,537	1,510
19	Other cash inflows	905	1,040	1,306	1,599	332	379	421	493
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	15,341	14,978	14,885	14,619	1,891	1,910	1,961	2,016
UK-20a	Fully exempt inflows								
UK-20b	Inflows Subject to 90% Cap								
UK-20c	Inflows Subject to 75% Cap	15,341	14,978	14,885	14,619	1,891	1,910	1,961	2,016
	TOTAL ADJUSTED VALUE								
UK-21	LIQUIDITY BUFFER					47,445	47,160	46,142	46,233
22	TOTAL NET CASH OUTFLOWS					30,379	30,435	30,392	30,753
23	LIQUIDITY COVERAGE RATIO					156%	155%	152%	150%

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, because of the standardised LCR weightings. The 12 month average HQLA increased slightly in Q4 as a result of higher customer deposits Wholesale Funding volumes offset TFSME repayments. The LCR maintains a significant surplus to both internal and regulatory requirements.</p>
<p>Explanations on the changes in the LCR over time</p> <p>The 12 month average LCR of 156% 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 (£183bn), of which 85% is Retail. We also have c£52.3bn of wholesale funding which includes secured, unsecured term funding as well as c£3.1bn 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 deterioration of our own credit quality.</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 December 2025 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		210	-	16,792	16,792
2	Own funds		-	-	16,792	16,792
3	Other capital instruments		-	-	-	-
4	Retail deposits		150,268	2,305	1,038	144,944
5	Stable deposits		130,389	1,431	620	125,848
6	Less stable deposits		19,879	874	418	19,096
7	Wholesale funding:		48,543	2,124	17,475	27,262
8	Operational deposits		282	-	-	54
9	Other wholesale funding		48,261	2,124	17,475	27,208
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:		6,665	765	22,533	22,915
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		6,665	765	22,533	22,915
14	Total available stable funding (ASF)					211,913
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					399
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:		30,887	8,807	181,788	144,360
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		18,014	780	-	390
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,144	-	400	457
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		8,761	6,621	178,444	139,574
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,291	2,939	158,988	118,448
22	Performing residential mortgages, of which:		3,299	2,944	159,988	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,291	2,939	158,988	-
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		2,968	1,406	2,944	3,939
25	Interdependent assets		-	-	-	-
26	Other assets:		1,903	116	8,454	10,114
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
29	NSFR derivative assets		931	-	-	931
30	NSFR derivative liabilities before deduction of variation margin posted		354	-	-	18
31	All other assets not included in the above categories		618	116	8,454	9,165
32	Off-balance sheet items		29,120	214	7,082	1,894
33	Total RSF					156,767
34	Net Stable Funding Ratio (%)					135%

RWA and Capital Requirements

Table UK OVC - ICAAP information

Article 438(a) CRR

Approach to assessing the adequacy of the internal capital

Each year we complete our Internal Capital Adequacy Assessment Process (ICAAP), which is fully documented and shared with the PRA. The purpose of the ICAAP is to:

1. Identify the major sources of risk to which we are exposed which could affect our ability to meet our liabilities as they fall due.
2. Assess the amounts, types, and distribution of our capital resources.
3. Perform stressed scenario tests and sensitivity analysis to confirm that our capital is adequate even in a severe adverse economic environment.
4. Ensure that the processes, strategies, and systems used are comprehensive and fit-for-purpose.

This ICAAP demonstrates that the minimum levels of all capital and leverage ratios, as articulated in the Board's Risk Appetite Statement, were exceeded at the reporting date and are forecast to be exceeded over the forecasting horizon under all scenarios, except (by design) under the Reverse Stress Test (RST). The PRA then tells us how much capital (Pillar 2A), and of what quality, it thinks we should hold in addition to the Pillar 1 requirements and buffer levels. We augment our regulatory minimum capital with internal buffers. We hold buffers to ensure we have enough time to take action against unexpected movements.

Article 438(c) CRR

Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process

Santander UK's latest TCR was received in August 2025. The Pillar 2A amount at 31 December 2025 for San UK RFB Group was £2.9bn or 4.3% of RWA, of which at least £1.6bn or 2.4% of RWA must be met by CET1 capital.

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
	31 December 2025	30 September 2025	31 December 2025
	£bn	£bn	£bn ¹
Credit risk (excluding CCR) ¹	55.7	57.0	4.5
Of which the standardised approach	17.8	18.4	1.4
Of which the foundation IRB (FIRB) approach	2.3	2.2	0.2
Of which slotting approach	2.1	1.9	0.2
Of which equities under the simple risk weighted approach			
Of which the advanced IRB (AIRB) approach	33.5	34.5	2.7
Counterparty credit risk - CCR ¹	0.6	0.6	-
Of which the standardised approach	0.2	0.2	-
Of which internal model method (IMM)			
Of which exposures to a CCP	0.1	0.1	-
Of which credit valuation adjustment - CVA	0.2	0.2	-
Of which other CCR	0.1	0.1	-
Settlement risk			
Securitisation exposures in the non-trading book (after the cap) ²	3.1	2.6	0.2
Of which SEC-IRBA approach	1.1	0.6	0.1
Of which SEC-ERBA (including IAA)	0.9	0.9	-
Of which SEC-SA approach	1.1	1.1	0.1
Of which 1250% / deduction			
Position, foreign exchange and commodities risks (Market risk) ¹	0.2	0.2	-
Of which the standardised approach	0.2	0.2	-
Of which IMA			
Large exposures			
Operational risk ¹	7.7	7.8	0.6
Of which basic indicator approach			
Of which standardised approach	7.7	7.8	0.6
Of which advanced measurement approach			
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)			
Total ¹	67.3	68.2	5.3

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

[2] Includes 7 Significant Risk Transfer transactions which are subject to re-characterisation risk.

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

RWEA flow statements of credit risk exposures under IRB approach (CR8)

	RWEA £bn	Capital requirements
9 Risk weighted exposure amount as at 30 September 2025	39.4	3.2
2 Asset size	0.1	-
3 Asset quality	-	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.3)	-
9 Risk weighted exposure amount as at 31 December 2025	39.2	3.2

RWEA flow statements of credit risk exposures under standardised approach

	RWEA £bn	Capital requirements
9 Risk weighted exposure amount as at 30 September 2025	20.6	1.8
2 Asset size	(0.3)	-
3 Asset quality	-	-
4 Model updates	-	-
5 Methodology and policy	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	(0.3)	-
9 Risk weighted exposure amount as at 31 December 2025	20.0	1.8

The increase in asset size in the IRB approach is driven by mortgage growth while the reduction in asset size under the standardised approach relates to reductions across Consumer & Corporate portfolios. Other items in both the Standardised and IRB approaches reflect portfolio optimisation through securitisation activities.

¹ Table excludes CVA.

Table UK CRC – Qualitative disclosure requirements related to CRM techniques

Article 453 (a) CRR	<p>A description of the core the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting;</p> <p>Offsetting financial assets and liabilities Financial assets and liabilities including derivatives are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Santander UK group is party to a number of arrangements, including master netting arrangements under industry standard agreements which facilitate netting of transactions in jurisdictions where netting agreements are recognised and have legal force. These netting arrangements do not generally result in an offset of balance sheet assets and liabilities for accounting purposes, as transactions are usually settled on a gross basis.</p>
Article 453 (b) CRR	<p>The core features of policies and processes for eligible collateral evaluation and management eligible collateral evaluation and management;</p> <p>Retail Banking</p> <p>Credit risk mitigation The types of credit risk mitigation, including collateral, across each of our portfolios are:</p> <p>Residential mortgages Collateral is in the form of a first legal charge over the property. Before we grant a mortgage, the property is valued either by a surveyor or using automated valuation methodologies where our confidence in the accuracy of this method is high.</p> <p>Unsecured lending to individuals There is no collateral or security tied to the loan that can be used to mitigate any potential loss if the customer does not pay us back.</p> <p>Unsecured lending to businesses Business banking lending is unsecured. When lending to incorporated businesses, we typically obtain personal guarantees from each director, but we do not treat these as collateral. We consider the UK Government guarantee under its Coronavirus Loan Schemes as collateral, covering 100% of losses for the Bounce Back Loan Scheme (BBLs) and 80% for Coronavirus Business Interruption Loan Scheme (CBILs).</p> <p>Consumer Finance</p> <p>Credit risk mitigation The type of credit risk mitigation, including collateral, is:</p> <p>Consumer (auto) finance Collateral is in the form of legal ownership of the vehicle for most loans, with the customer being the registered keeper. Only a very small proportion of business is underwritten as a personal loan. In these cases, there is no collateral or security tied to the loan. We use a leading vehicle valuation company to assess the LTV at the proposal stage to ensure the value of the vehicle is appropriate.</p> <p>Corporate & Commercial Banking</p> <p>Credit risk mitigation The types of credit risk mitigation, including collateral, across each of our portfolios are as follows. In addition, from time to time, we may take credit insurance over individual transactions, and at a portfolio level we execute significant risk transfer (SRT) transactions, which typically reduce RWAs.</p> <p>SME and mid corporate Includes secured and unsecured lending. We can take mortgage debentures or a first charge on commercial property as collateral. Before agreeing the loan, we obtain an independent professional valuation of the property. Loan agreements typically allow us to obtain revaluations during the term of the loan. We can also take guarantees, but we do not treat them as collateral unless they are supported by a tangible asset charged to us. We also lend against assets (like vehicles and equipment) and invoices for some customers. We value assets before we lend. For invoices, we review the customers' ledgers regularly and lend against debtors who meet agreed criteria.</p> <p>Commercial Real Estate (CRE) We take a first charge on commercial property as collateral. The loan is subject to criteria such as the property condition, age and location, tenant quality, lease terms and length, and the sponsor's experience and creditworthiness. Before advancing the loan, and where appropriate, a bank representative visits the</p>

	<p>property. We also obtain an independent professional valuation which typically includes a site visit. Loan agreements typically allow us to obtain revaluations during the term of the loan.</p> <p>Social Housing We take a first charge on portfolios of residential real estate owned and let by UK Housing Associations as collateral, in most cases. We revalue this every three to five years (in line with industry practice), using the standard methods for property used for Social Housing.</p> <p>Corporate Centre</p> <p>Credit risk mitigation</p> <p>The types of credit risk mitigation, including collateral, across each of our portfolios are as follows. In addition, from time to time, we may take credit insurance over individual transactions, and at a portfolio level we execute significant risk transfer transactions, which typically reduce RWAs.</p> <p>Sovereign and Supranational In line with market practice, there is no collateral against these assets.</p> <p>Structured Products These are our High Quality Liquid Assets (HQLA) in our Eligible Liquidity Pool. They are mainly Asset Backed Securities (ABS) and covered bonds, which hold senior positions in the creditor hierarchy. Their credit rating reflects over-collateralisation in the structure and the assets that underpin their cash flows.</p> <p>Financial Institutions We use standard legal agreements to reduce credit risk via netting and collateralisation on derivatives, repos and reverse repos, and stock borrowing/lending. We also reduce risk by clearing trades through central counterparties (CCPs) where possible.</p> <p>Crown Dependencies We manage the risk on this portfolio in a similar way as for mortgages in Retail & Business Banking.</p>
<p>Article 453 (c) CRR</p>	<p>A description of the main types of collateral taken by the institution to mitigate credit risk;</p> <p>Covered by Article 453 (b) CRR section above.</p>
<p>Article 453 (d) CRR</p>	<p>For guarantees and credit derivatives used as credit protection, the main types of guarantors and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures;</p> <p>Credit protection entities</p> <p>Santander UK has established four (2024: five) unconsolidated credit protection entities, which are Designated Activity Companies limited by shares, incorporated in Ireland. Each entity has issued a series of credit linked notes varying in seniority which reference portfolios of Santander UK group loans. Concurrently, these entities sell credit protection to Santander UK in respect of the referenced loans and, in return for a fee, are liable to make protection payments to Santander UK upon the occurrence of a credit event in relation to any of the referenced loans.</p> <p>Credit linked notes, which amounted to £175m (2024: £226m), are all held by third party investors. Funds raised by the sale of the credit linked notes are deposited with Santander UK as collateral for the credit protection. Deposits and associated guarantees in respect of the credit linked notes are included in 'Deposits by customers' (see Note 22).</p> <p>The entities are not consolidated by Santander UK because the third-party investors have the exposure, or rights, to all of the variability of returns from the performance of the entities. No assets are transferred to, or income received from, these entities. Since the credit linked notes are fully cash collateralised, Santander UK's maximum exposure to loss is equal to any unamortised fees paid to the entities in connection with the credit protection outlined above.</p>
<p>Article 453 (e) CRR</p>	<p>Information about market or credit risk concentrations within the credit mitigation taken;</p> <p>Monitoring</p> <p>We measure and monitor changes in our credit risk profile on a regular and systematic basis against our budgets, limits and benchmarks.</p> <p>Credit concentrations</p> <p>A core part of our monitoring and management is a focus on credit concentrations, such as the proportion of our lending that goes to specific borrowers, groups or industries. We set and monitor concentration limits in line with our Risk Appetite and review them on a regular basis.</p>

- Geographical concentrations: We set exposure limits to countries and geographies, with reference to the country limits set by Banco Santander and our own Risk Appetite. For more geographical information, see 'Country risk exposures'.
- Industry concentrations: We also set exposure limits by industry sector. We set these limits based on the industry outlook, our strategic aims and desired level of concentration, and relevant limits set by Banco Santander. We analyse committed exposures in the 'Credit risk review' section that follows.

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 31 December 2025:

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated Partial write-off	Collateral and financial guarantees received		
	Performing Exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
	£m	Of which stage 1	Of which stage 2	£m	Of which stage 2	Of which stage 3	£m	Of which stage 1	Of which stage 2	£m	Of which stage 2	Of which stage 3				£m
005	Cash balances at central banks and other demand deposits	29,298	29,298	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances ¹	219,118	202,230	16,848	2,853	590	2,263	(365)	(122)	(243)	(391)	(20)	(371)	-	205,414	2,235
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	203	203	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	4,859	4,859	-	-	-	-	-	-	-	-	-	-	-	3,973	-
050	Other financial corporations	19,692	19,672	-	6	-	6	(1)	(1)	-	(3)	-	(3)	-	13,841	-
060	Non-financial corporations	18,287	16,959	1,308	875	224	651	(99)	(58)	(41)	(201)	(5)	(196)	-	16,618	484
070	Of which SMEs	8,551	7,743	788	502	106	396	(56)	(27)	(29)	(119)	(4)	(115)	-	7,923	244
080	Households	176,077	160,537	15,540	1,972	366	1,606	(265)	(63)	(202)	(187)	(15)	(172)	-	170,982	1,751
090	Debt securities	9,236	9,212	-	-	-	-	-	-	-	-	-	-	-	448	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	5,219	5,219	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,544	3,544	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	466	442	-	-	-	-	-	-	-	-	-	-	-	442	-
140	Non-financial corporations	7	7	-	-	-	-	-	-	-	-	-	-	-	6	-
150	Off-balance-sheet exposures	38,745	37,659	1,085	77	-	77	(75)	(37)	(38)	(9)	-	(9)	-	2,527	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	1,931	1,931	-	-	-	-	-	-	-	-	-	-	-	1,931	-
190	Other financial corporations	805	795	10	4	-	4	(2)	(1)	(1)	(2)	-	(2)	-	596	-
200	Non-financial corporations	8,382	8,070	311	23	-	23	(32)	(24)	(8)	(6)	-	(6)	-	-	-
210	Households	27,627	26,863	764	50	-	50	(41)	(12)	(29)	(1)	-	(1)	-	-	-
220	Total	296,397	278,399	17,933	2,930	590	2,340	(440)	(159)	(281)	(400)	(20)	(380)	-	208,389	2,235

¹ When comparing CR1 to CR1-A CR1 is all Loans and Advances, whereas CR1A is only loans and advances to customers and so excludes Repos and interbank exposures

Maturity of exposures (CR1-A)

At 31 December 2025	Net exposure value					No stated maturity	Total
	On demand	<= 1 year	>1 year <= 5 years	> 5 years			
1 Loans and advances to customers	1,056	26,311	52,266	122,976	-	202,609	
2 Debt securities	-	533	2,735	5,999	-	9,267	
3 Total	1,056	26,844	55,001	128,975	0	211,876	

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 2024	3,223
020 Inflows to non-performing portfolios	1,375
030 Outflows from non-performing portfolios	(1,745)
040 Outflows due to write-offs	(181)
050 Outflows due to other situations	(1,564)
060 Final stock of non-performing loans and advances as at 31 Dec 2025	2,853

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

For more details on the Company's approach to Credit Risk Mitigation refer to the Other Segments – Credit Risk Review section of the Company's 2025 Annual Report.

The following table provides analysis of secured and collateralised exposures at 31 December 2025:

	Unsecured carrying amount	Secured carrying amount				
		31-Dec 2025 £m	31-Dec 2025 £m	Of which secured by collateral 31-Dec 2025 £m	Of which secured by financial guarantees 31-Dec 2025 £m	Of which secured by credit derivatives 31-Dec 2025 £m
1 Loans and advances	11,468	207,649	206,552	1,097	-	
2 Debt securities	7,013	2,222	2,222	-	-	
3 Total	18,481	209,871	208,774	1,097	-	
4 <i>Of which non-performing exposures</i>	1,052	1,801	-	-	-	
5 <i>Of which defaulted</i>	1,052	1,801	-	-	-	

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 (%)
	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 %
1 Central governments or central banks	35.2	-	36.1	-	0.1	-
2 Regional government or local authorities	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	20%
4 Multilateral Development Banks	1.3	-	1.3	-	-	-
5 International Organisations	0.1	-	0.1	-	-	-
6 Institutions	2.2	-	2.2	-	0.5	22%
7 Corporates	6.0	2.6	5.4	0.2	4.8	87%
8 Retail	10.6	11.8	10.4	-	7.8	74%
9 Secured by mortgages on immovable property	-	-	-	-	-	61%
10 Exposures in default	0.5	0.1	0.4	-	0.6	133%
11 Exposures associated with particularly high risk	0.1	-	0.1	-	0.1	150%
12 Covered bonds	0.6	-	0.6	-	0.1	10%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	5.6	-	5.6	-	3.9	69%
17 Total	62.2	14.5	62.2	0.2	17.9	29%

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 (%)
	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 £bn	31 December 2025 %
Corporates – Specialised Lending	3.2	0.8	3.1	0.1	2.1	66%
Corporates – SME	0.7	0.4	0.7	-	0.1	20%
Corporates – Other	5.7	4.1	5.6	0.3	2.2	37%
Institutions	0.1	-	0.1	-	-	28%
Retail Immovable Property	167.7	13.1	168.1	8.0	31.2	18%
Retail QRR	0.4	3.9	0.4	5.0	1.7	31%
Retail Other	0.5	-	0.5	-	0.6	113%
Equity	-	-	-	-	-	370%
Total	178.3	22.3	178.5	13.4	37.9	20%

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

A-IRB		Total exposures £bn	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 (%)
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	182.1	96.7%	96.7%									33.5	33.5	
4.1	<i>Of which Retail – Immovable property SMEs</i>														
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	176.2	100%	100%									31.2	31.2	
4.3	<i>Of which Retail – Qualifying revolving</i>	5.4											1.7	1.7	
4.4	<i>Of which Retail – Other SMEs</i>														
4.5	<i>Of which Retail – Other non-SMEs</i>	0.5											0.6	0.6	
5	Total	182.1	96.7%	96.7%									33.5	33.5	

F-IRB		Total exposures £bn	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 (%)		
1	Central governments and central banks														
2	Institutions	0.8												0.2	0.2
3	Corporates	10.0	24.9%	24.9%			1.3%	1.3%				1.8%		4.4	4.4
3.1	<i>Of which Corporates – SMEs</i>	0.7	77.7%	77.7%			19.1%	19.1%						0.1	0.1
3.2	<i>Of which Corporates – Specialised lending</i>	3.3										2.8%		2.1	2.1
3.3	<i>Of which Corporates – Other</i>	6.0	33.0%	33.0%								1.3%		2.2	2.2
4	Total	10.8	23.1%	23.1%			1.2%	1.2%				1.6%		4.6	4.6

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

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

Template UK CR10.1

		Specialised lending : Project finance (Slotting approach)					
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Category 1	Less than 2.5 years	119.5	145.7	50%	134.1	56.0	-
	Equal to or more than 2.5 years	179.1	192.4	70%	191.3	113.8	0.8
Category 2	Less than 2.5 years	102.6	62.5	70%	120.5	70.7	0.5
	Equal to or more than 2.5 years	294.0	214.0	90%	322.1	250.4	2.6
Category 3	Less than 2.5 years	4.6	4.5	120%	9.2	9.2	0.3
	Equal to or more than 2.5 years	26.2	8.3	120%	33.7	36.6	0.9
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	226.7	212.7	-	263.8	135.9	0.8
	Equal to or more than 2.5 years	499.3	414.7	-	547.1	400.8	4.3

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	387.2	71.9	50%	387.2	184.3	-
	Equal to or more than 2.5 years	785.2	40.9	70%	785.2	524.3	3.1
Category 2	Less than 2.5 years	592.3	23.1	70%	592.3	360.6	2.4
	Equal to or more than 2.5 years	582.3	28.3	90%	582.3	471.4	4.7
Category 3	Less than 2.5 years	18.5	-	120%	18.5	17.3	0.5
	Equal to or more than 2.5 years	11.2	-	120%	11.2	10.3	0.3
Category 4	Less than 2.5 years	5.3	-	250%	5.3	13.1	0.4
	Equal to or more than 2.5 years	0.3	-	250%	0.3	0.6	-
Category 5	Less than 2.5 years	52.6	-	-	52.6	-	26.3
	Equal to or more than 2.5 years	18.1	-	-	18.1	-	9.0
Total	Less than 2.5 years	1055.9	95.0	-	1055.9	575.3	29.6
	Equal to or more than 2.5 years	1397.1	69.2	-	1397.1	1006.6	17.1

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		0.1	-	370%	0.1	0.3	-
Total		0.1	-	-	0.1	0.3	-

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 31 December 2025:

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 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			
United Kingdom	22.6	191.3	-	-	7.9	221.8	4.4	-	0.2	4.6	57.6	98.86%	2.00%
Isle of Man	-	-	-	-	-	-	-	-	-	-	-	0.07%	0.00%
Jersey	0.1	0.4	-	-	-	0.5	-	-	-	-	0.4	0.63%	0.00%
Guernsey	0.1	-	-	-	-	0.1	-	-	-	-	0.1	0.14%	0.00%
United States	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Spain	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Australia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Luxembourg	-	-	-	-	-	0.1	-	-	-	-	-	0.07%	0.50%
Denmark	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Canada	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
Ireland	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
Norway	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Sweden	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
France	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Belgium	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Finland	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Austria	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
British Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	0.06%	0.00%
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.25%
Germany	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.75%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Slovakia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
Croatia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
Chile	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Cyprus	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Korea, Republic of	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Poland	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Portugal	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.75%
Other	-	0.1	-	-	-	-	-	-	-	-	-	0.08%	0.00%
Total	22.8	191.8	-	-	7.9	-	4.4	-	0.2	4.6	58.1	100%	

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

Amount of institution-specific countercyclical capital buffer (CCyB2)

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

	£bn
Total risk exposure amount	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 31 December 2025 was 1.98%.

CRB: Additional disclosure related to the credit quality of assets

The following tables outlines the credit risk exposure, the associated level of impaired and past due exposures levels and impairment levels (credit risk adjustments) at 31 December 2025 by class of exposure. Further information on impairment losses and provisions is outlined in Note 8 to the financial statements in the Company's 2025 Annual Report.

Definitions of past due and impaired and the approaches and methods adopted for specific credit risk are included in Note 1 to the financial statements in the Company's 2025 Annual Report.

Credit quality of forborne exposures (CQ1)

The following table provides an overview of the quality of forborne exposures at 31 December 2025.

	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
£m	£m	Of which defaulted	Of which impaired	£m				
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	853	1,452	1,452	1,202	(10)	(214)	1,914	1,113
020 <i>Central banks</i>	-	-	-	-	-	-	-	-
030 <i>General governments</i>	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	-	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	-	5	5	5	-	(3)	-	-
060 <i>Non-financial corporations</i>	130	530	530	443	(5)	(135)	404	311
070 <i>Households</i>	723	917	917	754	(5)	(76)	1510	802
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 Total	853	1,452	1,452	1,202	(10)	(214)	1,914	1,113

Credit quality of performing and non-performing exposures by past due days (CQ3)

The following table provides an overview of credit quality of non-performing exposures at 31 December 2025:

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
005	Cash balances at central banks and other demand deposits	29,298	29,298	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	219,118	218,762	356	2,853	1,491	448	450	266	191	5	2	2,853
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	203	203	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	4,859	4,859	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	19,692	19,692	-	6	3	2	1	-	-	-	-	6
060	Non-financial corporations	18,287	18,268	19	875	671	71	64	44	19	5	1	875
070	Of which SMEs	8,551	8,532	19	502	360	53	51	15	19	3	1	502
080	Households	176,077	175,740	337	1,972	817	375	385	222	172	-	1	1,972
090	Debt securities	9236	9236	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	5,219	5,219	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,544	3,544	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	466	466	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	7	7	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	38,745			77								77
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	1,931			-								-
190	Other financial corporations	805			4								4
200	Non-financial corporations	8,382			23								23
210	Households	27,627			50								50
220	Total	296,397	257,296	356	2,930	1,491	448	450	266	191	5	2	2,930

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

Breakdown of exposures by industry class and Credit Quality:

At 31 December 2025							
		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	61	17	17	61	(6)	-
020	Mining and quarrying	41	-	-	41	-	-
030	Manufacturing	802	39	39	802	(19)	-
	Electricity, gas, steam and air conditioning supply	619	31	31	619	(2)	-
040	Water supply	78	21	21	78	(6)	-
050	Construction	1,131	72	72	1,131	(21)	-
060	Wholesale and retail trade	1,669	133	133	1,669	(66)	-
070	Transport and storage	263	9	9	263	(5)	-
080	Accommodation and food service activities	1,151	60	60		(35)	-
090	Information and communication	631	26	26	1,149	(19)	-
100	Financial and insurance activities	24,557	6	6	24,537	(4)	-
110	Real estate activities	9,080	82	82	9,082	(34)	-
120	Professional, scientific and technical activities	1,555	157	157	1,548	(30)	-
130	Administrative and support service activities	535	104	104	535	(22)	-
140	Public administration and defence, compulsory social security	53	-	-	53	-	-
150	Education	146	1	1	139	(2)	-
160	Human health services and social work activities	807	103	103	807	(26)	-
170	Arts, entertainment and recreation	219	1	1	219	(3)	-
180	Other services	320	18	18	320	(3)	-
190							
200	Total	43,718	880	880	43,679	(303)	-

Collateral obtained by taking possession and execution processes (CQ7)

Excluded as no collateral taken into possession is recognised on the balance sheet.

Prudential valuation adjustments (PVA)

PVA for all assets measured at fair value (mark to market or marked to model) and for which PVA are required. Assets can be non-derivative or derivative instruments.

Category level AVA	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA			
Market price uncertainty	-	1.69	-	0.14	-	0.20	0.17	2.20	0.12	2.08
Close-out cost	-	3.62	-	0.70	-	0.37	-	4.69	0.21	4.48
Concentrated positions	-	-	-	0.89	-	-	-	0.89	-	0.89
Early termination	-	-	-	-	-	-	-	-	-	-
Model risk	0.01	1.68	-	0.24	-	0.14	0.62	2.69	0.64	2.05
Operational risk	-	0.61	-	0.08	-	-	-	0.69	0.03	0.66
Future administrative costs	-	1.24	-	0.03	-	-	-	1.27	-	1.27
Total Additional Valuation Adjustments (AVAs)	-	-	-	-	-	-	-	12.43	1.00	11.43

Key Movements

The year-on-year reduction in PVA for RFB was mainly driven by lower Future Administrative Costs AVA, following enhancements to the FAC AVA model, including the removal Structured Notes Programme from the scope of the FAC AVA model. Additional reductions arose from lower Market Price Uncertainty AVA, reflecting tightening of MPU spreads for Structural Risk Derivatives. These were partially offset by an increase in Model Risk, mainly driven by Property Derivatives following updates to the HPI forward curve.

Remuneration

All remuneration requirements outlined in the UK REMA as presented in Annex XXXIII of PRA Rulebook, Article 450 (1) (a), (b), (c), (d), (e), (f), (j) and (k) and Article 450 (2) in accordance with Articles 433a, 433b and 433c are disclosed in the Santander UK Group Holdings Regulatory Remuneration Disclosures, which are available as a separate document on the Santander UK website.

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 31 December 2025. 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	13,288	1,860	-
Subordinated Liabilities	-	-	2,033
UK CRR Adjustments			
Additional value adjustments	(12)	-	-
Intangible Assets (net of related tax liability)	(1,429)	-	-
Fair value reserves related to gains or losses on cash flow hedges	(192)	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(675)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	2	-	-
Deferred tax assets arising from temporary differences	-	-	-
Defined benefit pension fund assets	(378)	-	-
- Dividend accrual	(3)	-	-
- Deduction for minority interests	-	-	-
- NPE Backstop	-	-	-
- Capital Add-on	-	-	-
- IFRS 9 Transitional Adjustments	-	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(179)
Total	10,601	1,860	1,854

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 31 December 2025 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:

		31 December 2025 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	4,225	Share Capital
	of which: Instrument type 1	-	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained Earnings	8,875	Retained Earnings
3	Accumulated other comprehensive income (and other reserves)	185	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	13,285	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(12)	
8	Intangible assets (net of related tax liability) (negative amount)	(1,429)	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	(192)	Other Reserves
12	Negative amounts resulting from the calculation of expected loss amounts	(675)	
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	2	
15	Defined-benefit pension fund assets (negative amount)	(378)	Retirement Benefit Assets
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
UK-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
UK-20c	of which: securitisation positions (negative amount)	-	
UK-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
25	of which: deferred tax assets arising from temporary differences	-	
UK-25a	Losses for the current financial year (negative amount)	-	
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	-	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(2,684)	
29	Common Equity Tier 1 (CET1) capital	10,601	
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)	-	

		31 December 2025 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	1,860	
45	Tier 1 capital (T1 = CET1 + AT1)	12,461	
-			
46	Capital instruments and the related share premium accounts	1,854	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	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	Tier 2 (T2) capital before regulatory adjustments	1,854	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
UK-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
UK-56b	Other regulatory adjustments to T2 capital	-	
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	1,854	
59	Total Capital (TC = T1 + T2)	14,315	
60	Total Risk exposure amount	67,231	
Capital ratios and buffer			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.8%	-
62	Tier 1 (as a percentage of total risk exposure amount)	18.5%	-
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)	15.8%	-
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	225	
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	228	
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 31 December 2025. 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 31 December 2025	As at period end 31 December 2025		
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances at central banks	29,376	29,376	
2	Financial assets at fair value through profit or loss:	-	-	
3	– Trading assets	-	-	
4	– Derivative financial instruments	870	875	
5	– Other financial assets at fair value through profit or loss	64	64	
6	Financial assets at amortised cost:	-	-	
7	– Loans and advances to customers	202,609	202,626	
8	– Loans and advances to banks	1,048	1,058	
9	– Reverse repurchase agreements – non trading	17,678	17,678	
10	– Other financial assets at amortised cost	3,987	3,987	
11	Macro hedge of interest rate risk	-80	-80	
12	Financial assets at fair value through other comprehensive income	5,216	5,216	
13	Financial investments	-	-	
14	Interests in other entities	293	-	
15	Intangible assets	1,511	1,511	Table CC1 Row 8
16	Property, plant and equipment	1,511	2,167	
17	Current tax assets	355	374	
18	Deferred tax assets	-	14	Table CC1 Row 10
19	Retirement benefit assets	524	524	
20	Other assets	1,857	1,983	
21	Assets held for sale	18	18	
22	Total assets	266,837	267,391	
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	687	692	
4	– Other financial liabilities at fair value through profit or loss	1,250	1,250	
5	Financial liabilities at amortised cost:	-	-	
6	– Deposits by customers	187,300	185,960	
7	– Deposits by banks	6,628	6,804	
8	– Repurchase agreements – non trading	9,029	9,029	
9	– Debt securities in issue	41,388	42,588	
10	– Subordinated liabilities	2,032	2,032	Table CC1 Row 46/48
11	Macro hedge of interest rate risk	60	60	
12	Other liabilities	2,173	2,278	
13	Provisions	683	715	
14	Current tax liabilities	-	7	
15	Deferred tax liabilities	437	445	
16	Retirement benefit obligations	22	22	
17	Liabilities held for sale	-	-	
18	Total liabilities	251,689	251,882	
Shareholders' Equity				
1	Equity	-	-	
2	Share capital	3,105	3,258	Table CC1 Row 1
3	Share premium	1,119	1,119	Table CC1 Row 1
4	Other equity instruments	1,860	1,860	Table CC1 Row 30
5	Retained earnings	8,878	9,089	Table CC1 Row 2
6	Other reserves	186	183	Table CC1 Row 3
7	Non-controlling interests	-	-	
	Total shareholders' equity	15,148	15,509	

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 Full Year 2025 ACRMD tables, Appendix III. This includes the main features of the Santander UK plc Group's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.

Glossary

Advanced Internal Ratings Based Approach (AIRB)	A method of calculation using internal estimates for all risk components.
Basel III	In December 2010, the Basel Committee on Banking Supervision issued the Basel III rules text, which presents the details of strengthened global regulatory standards on bank capital adequacy and liquidity. The standards were implemented in the EU in January 2014.
Capital Conservation Buffer	A capital buffer required under Basel III to ensure banks build up capital buffers outside of periods of stress.
Common Equity Tier 1 (CET1) capital	The called-up share capital and eligible reserves less deductions calculated in accordance with the UK CRR implementation rules as per the PRA Policy Statement PS7/13. CET1 capital ratio is CET1 capital as a percentage of risk-weighted assets.
Common Equity Tier 1 ratio	CET1 capital as a percentage of risk weighted assets.
Countercyclical capital buffer (CCyB)	A capital buffer required under Basel III to ensure that capital requirements take account of the macro-financial environment in which banks operate.
Counterparty credit risk	A subset of credit risk and is the risk that a counterparty defaults.
UK CRR	An EU legislative package covering prudential rules for banks, building societies and investment firms.
Credit Conversion Factor (CCF)	An estimate of the amount Santander expects a customer to have drawn further on a facility limit at the point of default.
Credit Risk	The risk that a counterparty will default and will be unable to fulfil the obligations of their contract.
Credit Valuation Adjustment (CVA)	Adjustments to the fair values of derivative assets to reflect the creditworthiness of the counterparty.
EU Banking Group	Banco Santander group, a leading and commercial bank headquartered in Spain.
Expected Loss (EL)	The Santander UK Group Holdings plc group measure of anticipated loss for exposures captured under an internal ratings-based credit risk approach for capital adequacy calculations. It is measured as the Santander UK Group Holdings plc group-modelled view of anticipated loss based on Probability of Default, Loss Given Default and Exposure at Default, with a one-year time horizon.
Exposure	The maximum loss that a financial institution might suffer if a borrower, counterparty or group fails to meet their obligations or assets and off-balance sheet positions have to be realised.
Exposure at Default (EAD)	The estimation of the extent to which the Santander UK Group Holdings plc group may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.
Fair Value	The value of an asset or liability when the transaction is on an arm's length basis.
Financial Policy Committee	An independent committee at the Bank of England with the objective of overseeing and taking action to remove or reduce systemic risks to protect and enhance the resilience of the UK financial system.
Foundation Internal Ratings Based Approach (FIRB)	A method of calculation for credit risk capital requirements using internal estimate of PD with supervisory estimates for LGD and supervisory calculations for EAD.
Global Systemically Important Bank (G-SIB)	G-SIBs are subject to higher capital buffer requirements, total loss-absorbing capacity requirements, resolvability requirements and higher supervisory expectations and have been phased in from 1 January 2016.
Institution	An investment firm or credit institution.
Internal Models Approach (IMA)	Approved by the PRA this model is used to calculate market risk capital and RWA.
Internal Ratings-Based Approach (IRB)	The Santander UK Group Holdings plc group's method, under the UK CRR framework, for calculating credit risk capital requirements using the Santander UK Group Holdings plc group's internal Probability of Default models but with supervisory estimates of Loss Given Default and conversion factors for the calculation of Exposure at Default.
Leverage Ratio	UK CRR end-point Tier 1 capital divided by exposures as defined by the European Commission Delegated Regulation 2015/62 of October 2014. In July 2016, the definition was amended to exclude from the calculation for total exposure those assets held against central banks that are matched by deposits in the same currency and of equal or longer maturity.
Loss Given Default (LGD)	The fraction of Exposure at Default that will not be recovered following default. LGD comprises the actual loss (the part that is not recovered), together with the economic costs associated with the recovery process.
Mark-to-Market Approach	An approach available to banks to calculate the exposure value associated with derivative transactions.
Market Risk	The risk of loss of earnings or economic value due to adverse changes in the financial market.
Maturity or Residual Maturity (for RWAs)	Remaining time until a transaction expires.
Minimum Capital Requirement	Minimum capital required for credit, market and operational risk.
Multilateral Development Banks	An institution created by a group of countries to provide financing for the purpose of development.
Operational Risk	The risk of loss due to the failure of people, process or technology.
Pillar 1	The first pillar of the Basel III approach which provides the approach to the calculation of the minimum capital requirements. This is 8% of the banks risk-weighted assets.
Pillar 3	The part of the UK CRR Accord which sets out the disclosure requirements for firms to publish details of their risks, capital and risk management. The aims are greater transparency and strengthening market discipline.
Probability of Default (PD)	The degree of likelihood that the counterparty fails to meet their financial obligation, within a period of one year.
Prudential Regulation Authority (PRA)	The UK financial services regulator formed as one of the successors to the FSA. The PRA is part of the Bank of England and is responsible for the prudential regulation and supervision of banks, building societies, credit

unions, insurers and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm.

Prudential Valuation Adjustment (PVA)	These are adjustments to the tier 1 capital where the prudent value of the position in the trading book is seen by the bank as being below the fair value recognised in the financial statements.
Regulatory Capital	The amount of capital that the Santander UK Group Holdings plc group holds, determined in accordance with rules established by the UK PRA for the consolidated Santander UK Group Holdings plc group and by local regulators for individual Santander UK Group Holdings plc group companies.
Repurchase Agreement (repo)/Reverse Repurchase Agreement (reverse repo)	In a sale and repurchase agreement one party, the seller, sells a financial asset to another party, the buyer, under commitments to reacquire the asset at a later date. The buyer at the same time agrees to resell the asset at the same later date. From the seller's perspective such agreements are securities sold under repurchase agreements (repos) and from the buyer's securities purchased under commitments to resell (reverse repos).
Retail Internal Ratings Based Approach (Retail IRB)	The Santander UK Group Holdings plc group's internal method of calculating credit risk capital requirements for its key retail portfolios. The FSA approved the Santander UK Group Holdings plc group's application of the Retail IRB approach to the Santander UK Group Holdings plc group's credit portfolios with effect from 1 January 2008.
Risk-Weighted Assets (RWAs)	A measure of a bank's assets adjusted for their associated risks. Risk weightings are established in accordance with the Basel Capital Accord as implemented by the PRA.
RWA Density	The risk-weighted asset divided by exposure at default.
Securities Financing Transactions (SFT)	Transactions involving repurchase agreements and reverse repurchase agreements, stock borrow lending and other securities.
Securitisation Positions	The position assumed by the bank following the purchase of certain structured securities.
Specialised Lending	An exposure to an entity which was created specifically to finance and/or operate physical assets, where the contractual arrangements given the lender a substantial degree of control over the assets and the income that they generate and the primary source of repayment of the obligation is the income generated by the assets being financed.
Standardised Approach	In relation to credit risk, a method for calculating credit risk capital requirements under UK CRR, using External Credit Assessment Institutions ratings and supervisory risk weights. The Standardised approach is less risk-sensitive than IRB (see 'IRB' above). In relation to operational risk, a method of calculating the operational capital requirement under UK CRR, by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.
Tier 1 Capital	A measure of a bank's financial strength defined by the PRA. It captures Core Tier 1 capital plus other Tier 1 securities in issue but is subject to a deduction in respect of material holdings in financial companies.
Tier 1 Capital ratio	The ratio expresses Tier 1 capital as a percentage of risk weighted assets.
Tier 2 Capital	Defined by the PRA. Broadly, it includes qualifying subordinated debt and other Tier 2 securities in issue, eligible collective impairment allowances, unrealised available for sale equity gains and revaluation reserves. It is subject to deductions relating to the excess of expected loss over regulatory impairment allowance, securitisation positions and material holdings in financial companies.
Trading Book	Positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book, which must be free of restrictive covenants on their tradability or ability to be hedged.
Value at Risk (VaR)	An estimate of the potential loss which might arise from market movements under normal market conditions, if the current positions were to be held unchanged for one business day, measured to a confidence level.