

Santander UK Group Holdings PLC

December 23, 2025

This report does not constitute a rating action.

Ratings Score Snapshot

SACP: bbb+		Support: +2		Additional factors: 0	
Anchor	bbb+				
Business position	Adequate	0	ALAC support	2	Issuer credit rating
Capital and earnings	Adequate	0	GRE support	0	A/Stable/A-1
Risk position	Adequate	0	Group support	0	Resolution counterparty rating
Funding	Adequate	0	Sovereign support	0	A+/-/A-1
Liquidity	Adequate				Holding company ICR
CRA adjustment		0			BBB/Stable/A-2

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Solid position in U.K. retail banking.	Lower revenue and business diversification than larger peers.
Strong capitalization driven by solid earnings generation.	Sluggish economic conditions in the U.K..
Conservative loan book profile.	

Our ratings on Santander UK Group Holdings PLC (SanUK) balance its deep, but relatively narrow, U.K. banking franchise against its solid capital base and well-diversified funding and liquidity profile. Although the bank has developed a deep U.K. prime mortgage business, SanUK's overall scope remains narrower than U.K.-focused peers Lloyds and NatWest, both of which run materially larger commercial lending franchises; or Barclays, which has built an internationally diversified investment banking and credit card franchise. Despite this, SanUK's

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narrower scope, well-managed balance sheet (in which corporate exposure has steadily decreased), and focus on operating efficiency have enabled it to deliver resilient risk-adjusted earnings over the past 24 months. That said, the ability to sustain this performance, as well as our view of SanUK's solid capitalization, will depend on the bank's execution of the TSB Banking Group PLC integration and its ability to adapt to evolving market and operating conditions.

Higher net interest income and good cost discipline underpin a strong earnings outlook.

Elevated (albeit falling) interest rates in the U.K. will continue to support SanUK's revenue into 2026, underpinned by rising income from the structural hedge and continued cost discipline. Despite persistent competition in the mortgage and deposit markets, net interest income rose 5% in first-half 2025 compared with the same period a year earlier, driven by lower cost of deposits and a structural hedge tailwind that more than offset pressure on lending margins. Our measure of the net interest margin (NIM) for SanUK increased 7 basis points (bps) in first-half 2025 compared with year-end 2024. We expect the increasing yield from the bank's structural hedge to remain a boon to earnings and, together with the bank's strong focus on efficiency and a disciplined lending strategy, to continue to generate solid earnings over our outlook horizon.

The TSB acquisition strengthens SanUK's franchise in the U.K., but near-term uncertainty

related to integration remains an important rating constraint. The acquisition is expected to be completed in 2026 following regulatory approvals. The parent expects the transaction to increase SanUK's return on tangible equity to about 16% by 2028 from 11% in 2024, aligning the unit with leading U.K. peers, though achieving these ambitious targets will depend on timely and effective integration and the realization of anticipated efficiency gains. We view the £400 million of cost synergies being targeted by management (equivalent to 13% of the combined entity's cost base) as ambitious and subject to execution risk, particularly given the scale and pace required. We expect SanUK's risk-adjusted capital (RAC) ratio to move above 11% at year-end 2025, before declining to 9.5%-10.5% following TSB's the transfer to SanUK.

Outlook

The stable outlook reflects our view that SanUK will maintain robust credit quality that supports earnings. It also reflects our expectation that the bank will maintain a good position in U.K. retail banking and a conservative risk profile. We assume Banco Santander will provide ongoing group support, despite our view of uncertain extraordinary group support in a severe stress scenario given its multiple-point-of-entry approach to resolution. This means we think the U.K. subgroup is more likely to support itself by a bail-in of its subordinated debt instruments for loss absorption and recapitalization than by relying on group support.

Downside scenario

We could lower the ratings over our two-year horizon if the uncertain U.K. economy compromises SanUK's performance significantly beyond our base-case scenario.

Upside scenario

We could take a positive rating action over our two-year outlook horizon if SanUK maintains a RAC ratio materially above 10%. This would rest on the firm's ability to deliver strong earnings and capital from its robust U.K. mortgage business, while retaining enough excess capital following the integration of TSB to support the sustainability of its RAC ratio at this elevated level.

Key Metrics

Santander UK Group Holdings PLC--Key ratios and forecasts

(%)	--Fiscal year ended Dec. 31--				
	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	3.3	-9.5	1.6-2.0	12.2-14.9	6.2-7.5
Growth in customer loans	-5.6	-4.0	0.9-1.1	16.2-19.8	0.9-1.1
Growth in total assets	-3.5	-5.3	1.0-1.2	14.6-17.8	0.8-1.0
Net interest income/average earning assets (NIM)	2.0	1.9	1.8-2.0	1.9-2.1	1.9-2.1
Cost-to-income ratio	48.0	55.0	52.7-55.4	55.7-58.5	54.7-57.5
Return on average common equity	11.6	6.6	6.2-6.8	N/A	6.9-7.6
Return on assets	0.6	0.3	0.3-0.4	0.1-0.2	0.3-0.4
New loan loss provisions/average customer loans	0.1	0.0	0.1-0.1	0.2-0.2	0.1-0.2
Gross nonperforming assets/customer loans	1.4	1.3	1.3-1.4	1.1-1.3	1.2-1.3
Net charge-offs/average customer loans	0.2	0.2	0.2-0.2	0.2-0.2	0.2-0.2
Risk-adjusted capital ratio	10.1	9.5	11.5-12.1	9.6-10.1	9.8-10.3

All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' For Banks Operating Only In The U.K.

We use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine the anchor. The 'bbb+' anchor reflects the geographic mix of SanUK's total credit exposure. Given the bank's concentration to the U.K., this leads to a weighted average economic risk score of '3'.

The U.K. economy remains subdued, characterized by sluggish growth and productivity. We expect inflation will continue to ease into 2026 as the tight labor market loosens and the Bank of England (BoE) continues to cut rates. Low unemployment, solid credit demand, and stable corporate asset quality are creating additional breathing room for banks against the muted macroeconomic backdrop, underpinning our stable economic risk trend.

The industry risk trend is also stable. The U.K. banking system benefits from a well-developed regulatory framework. Elevated net interest margins, controlled costs, and subdued impairments in the past 24 months mean that banks' earnings have been strong in 2024 and 2025. Even as global economic uncertainty persists, elevated rates and significant balance-sheet hedging will support earnings in 2026 amid a controlled rise in operating costs and an affordable uptick in credit losses. Taken alongside stable funding and liquidity positions, with manageable wholesale funding needs, U.K. banks have material financial flexibility.

Business Position: A Strong Franchise In U.K. Retail Banking

Our assessment of SanUK's business position as adequate reflects the strength of its strong retail banking franchise, offset by its lower business and revenue diversification compared with its closest domestic peers.

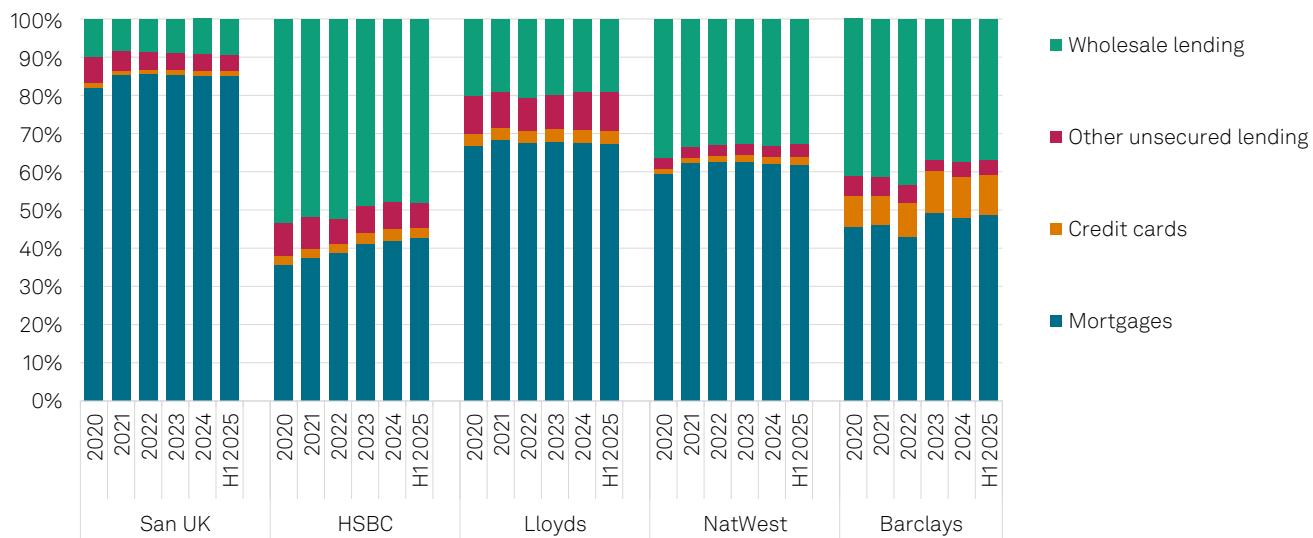
SanUK is one of the U.K.'s leading banks by deposits and mortgage loan balances (see chart 1). Indicative of its scale, the bank has about 14 million active customers as of June 30, 2025. This large customer base is a product of the group's consistent focus on adding U.K. retail current accounts, although its market share and retail deposit base appears to have plateaued in the past 2 years, as the bank focused on disciplined pricing actions as opposed to growth. At the same time, SanUK has increasingly positioned its balance sheet toward the prime residential mortgage market over the past five years and held a market share of about 10% of U.K. mortgages outstanding as of first-half 2025.

Over the past five years, SanUK has strategically reshaped its commercial lending book through transfers to Banco Santander (London Branch) and the managed wind-down of unprofitable exposures. While reducing its broader commercial exposures, SanUK is actively leveraging the parent's international franchise, steadily growing profitability and sustainability by targeting internationally focused U.K. companies within its corporate and commercial banking segment. We expect this strategic shift will continue, although related income expansion will lag the initial investment. Taken together, SanUK's strong mortgage franchise and increasingly focused commercial book provide the group with a solid footing in the U.K. banking market. Nevertheless, relative to larger U.K. bank peers, we think SanUK's balance sheet and earnings are more concentrated within the resilient, but highly leveraged, U.K. household sector.

Chart 1

SanUK's deep mortgage franchise underpins its balance sheet

Loan book split by percentage



H1--First half. Source: S&P Global Ratings.

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SanUK lacks the material commercial franchises of its closest domestic peers, Lloyds Banking Group PLC ('a' group stand-alone credit profile [SACP]) and NatWest Group PLC ('a' group SACP). While SanUK's business banking offers some diversification, it lacks the scale versus stronger peers like Lloyds or NatWest. When compared with U.K. ring-fenced banks like Barclays Bank UK PLC (parent SACP of 'a-') and HSBC UK Bank PLC (parent SACP of 'a') SanUK's franchise is clearly narrower--even if its depth and expertise in the U.K. mortgage and commercial lending market

give it a solid foundation of competitive advantage and earnings stability. Still, SanUK has greater breadth from its commercial and consumer unsecured businesses than a narrowly-focused mortgage specialist like Nationwide ('a-'). Outside of the U.K., other retail-focused peers are ABN AMRO Bank N.V. ('bbb+'), Credit Mutuel Group ('a'), Danske Bank A/S ('a'), and Nykredit Realkredit A/S ('a-').

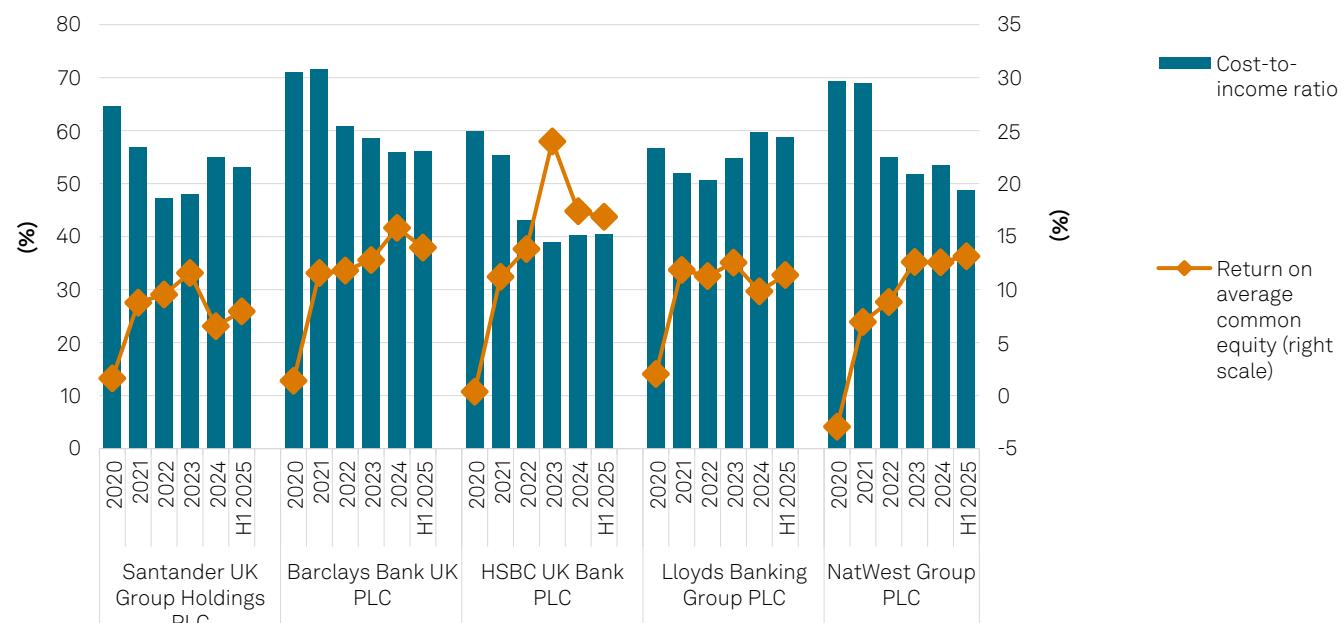
Although, in our view, the TSB acquisition will strengthen SanUK's business position, uncertainty related to the integration remains and a stronger overall assessment of business position is constrained by peer comparison. Both TSB and SanUK have a strong residential mortgage focus, and the combined entity would hold approximately 13% of the U.K. mortgage market, further concentrating exposure to this sector.

Although its scope is narrower than larger U.K. banking groups, SanUK has performed well through recent economic challenges (see chart 2). The firm has been proactive in its cost control initiatives, with its multiyear transformation program continuing to reap benefits. These initiatives have translated into an S&P Global Ratings-adjusted cost-to income ratio of 53% at half-year 2025, which is in line with that of peers. We expect this to remain near 53%-58% over the next 12 months as the challenging environment for operating expense persists.

Chart 2

SanUK's operating performance versus select U.K. peers

Return on average common equity and cost-to-income ratio



H1--First half. Source: S&P Global Ratings. For comparability purposes, HSBC and Barclays data are presented at the UK ring-fenced entity level.

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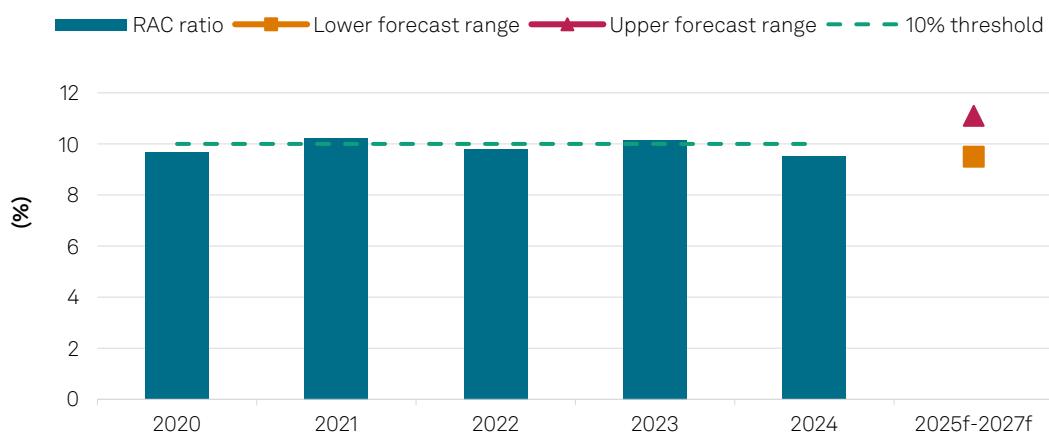
Capital And Earnings: Solid Capitalization Despite Forecast Uncertainty From The TSB Acquisition

Our RAC and regulatory capitalization ratios for SanUK have remained strong in recent years. We calculate a RAC ratio of 9.51% at Dec. 31, 2024, and project that it will remain around 9.5%-11% over our forecast horizon (see chart 3). The bank reported a regulatory common equity Tier 1 (CET1) ratio of 14.9% at half-year 2025, which remains elevated ahead of the planned integration of TSB. U.K. leverage ratio at half-year 2025 was 4.9%, which is broadly in line with those of domestic peers.

We expect continued solid capital generation and limited organic balance-sheet growth to support a RAC ratio near 10% over our outlook horizon. The potential for a higher capital and earnings assessment, based on a RAC ratio substantially above the 10% threshold, is constrained by our view that the combination of the TSB acquisition and, over time, capital distributions to the parent will moderate the ratio back toward 10%. The TSB acquisition introduces uncertainty to our forecast as details of the transfer to SanUK are still to emerge, and we do not expect the bank to materially exceed our 10% RAC threshold. As a result, we maintain our capital and earnings assessment as neutral to the ratings.

Chart 3

RAC ratio forecast for SanUK



f--Forecast. Source: S&P Global Ratings.

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Risk Position: Asset Quality Remains Solid

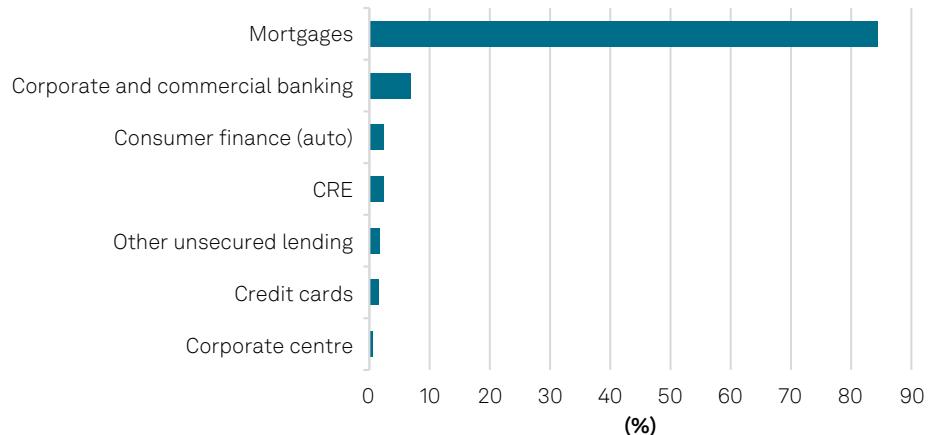
The assessment of SanUK's risk position reflects our view that the bank's capital and earnings adequately capture its exposure to, and capacity to absorb, unexpected losses. Risk is primarily of a credit nature, with minimal market risk, reflecting the small scale of SanUK's financial market operations. Overall, we consider that the profile and credit quality of the bank's loan book is broadly in line with that of peers.

SanUK's asset quality has remained solid over the last few years and year-to-date 2025. This resilience is underpinned by a mortgage-centric loan book (85% of the gross customer loan book), complemented by a narrow focus on high-quality consumer unsecured and corporate businesses (see chart 4). These segments have demonstrated consistent performance throughout the period, reflecting the strength of SanUK's underlying portfolio composition.

Chart 4

Santander UK's gross customer loans by segment

On-balance-sheet exposure as of first-half 2025



CRE--Commercial real estate. Source: S&P Global Ratings.

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We think SanUK's mortgage underwriting record compares adequately with its U.K. peers'. We also note that buy-to-let mortgages comprise only 9% of the mortgage stock, well below the industry average. Only 5.5% of the total mortgage portfolio stock had an indexed loan-to-value (LTV) ratio of above 80% at half-year 2025, and the bank's reported average balance weighted LTV for the portfolio was 51%. We consider these figures fairly typical for U.K. mortgage lenders. Furthermore, the proportion of interest only mortgages continues to decrease.

The stock of nonperforming and problematic loans remains low. SanUK reported that Stage 3 loans were £2.7 billion, or 1.14% of gross loans at half-year 2025 (compared with year-end 2024's 1.20%). Looking more broadly, total Stage 2 loans remain relatively low, partly owing to the bank's heavy mortgage book bias, with a slight decrease in Stage 2 and Stage 3 balances coming from improved economic assumptions and a smaller mortgage book. Stage 3 balances in the corporate and commercial banking segment are being driven by some single-name cases, as well as changes to the bank's significant increase in credit risk (SICR) criteria. Stage 2 and Stage 3 loans to total loans was about 9.5% at half-year 2025, which compares well with U.K. peers (see charts 5 and 6).

Chart 5

SanUK's asset quality remains robust

Stage 2 and 3 loans as a share of the total portfolio



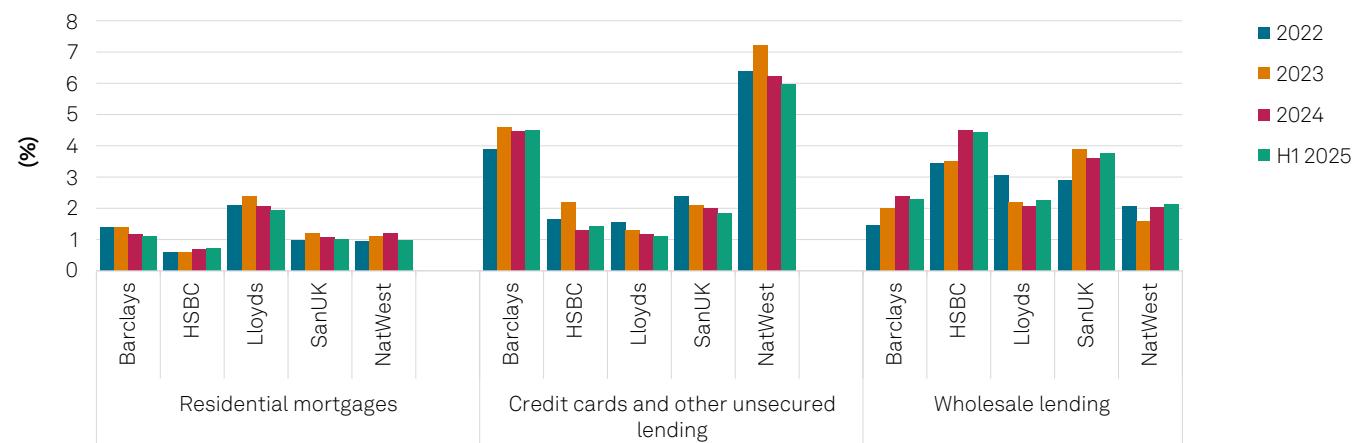
H1--First half. Source: S&P Global Ratings.

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Chart 6

Stage 3 loans remain broadly in line with peers

Big five banks' gross Stage 3 loans ratios by portfolio



H1--First-half. Source: S&P Global Ratings.

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As with other rated U.K. bank peers, SanUK's core businesses remain exposed to evolving challenges, including those related to fraud and climate-related risk. For example, in the first half of 2025, San UK took £54 million of provisions related to fraud losses, a similar figure compared to the same period in 2024. As the digital transformation of the banking industry accelerates, so do risks relating to cyber security, operational resilience, and financial crime.

Funding And Liquidity: Solid Profiles

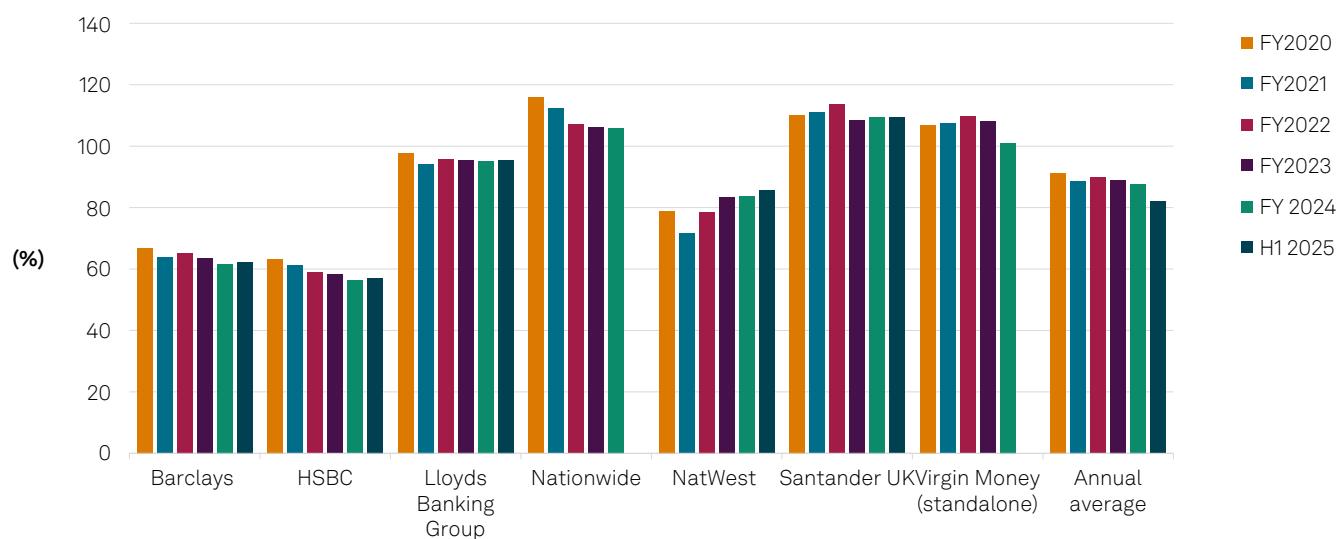
SanUK benefits from a sizeable and predominantly retail deposit base, supported by diversified and well-managed wholesale funding operations. The bank remains largely retail funded, with customer deposits accounting for about 80% of total funding, and has continued to strengthen its current account and instant-access savings franchises over the past five years. In our view, SanUK's liquidity position is adequate, and the bank could withstand a prolonged period of market-wide or idiosyncratic stress. SanUK has no structural reliance on group funding, with our key funding metrics broadly in line with those of rated U.K. banks.

As of half-year 2025, SanUK's loan-to-deposit ratio was 109%, down modestly from 112% at year-end 2022 but remaining higher than peers (see chart 7). Still, our measure of the stable funding ratio of 108% as at half-year 2025 remains solid and we continue to believe that the bank has a high-quality and stable deposit franchise.

Chart 7

SanUK's loan-to-deposit ratio is at the higher end of peer group range

Loan-to-deposit ratio of major UK banks



FY--Fiscal year. H1--First half. Source: S&P Global Ratings.

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Our measure of the bank's liquidity is robust, led by its restrained use of short-term wholesale funding (11% of the funding base at half-year 2025), its stock of liquid assets, and its ability to further monetize its mortgage book. Our measure of broad liquid assets to short-term wholesale funding was a comfortable 1.92x at half-year 2025. On top of this robust start point, we believe that the material unencumbered mortgage book could generate additional liquidity. At first-half 2025, SanUK's regulatory reported liquidity coverage ratio (LCR) was 162%, comfortably above regulatory requirements, and with the LCR eligible liquidity pool including about £36 billion of cash and central bank reserves.

SanUK operates with a loan-to-deposit ratio above 100%, and so has some reliance on wholesale funding. The bank had £8.6 billion of term funding from the Bank of England with additional incentives for small and midsize entities (TFSME) outstanding at half-year 2025 (compared with 2023's £17.0 billion). Most of this will mature over the next 6-12 months and we think the bank's

flexible balance sheet, with relatively limited asset encumbrance, a well-diversified wholesale funding franchise, and significant excess liquidity will be sufficient to manage maturing liabilities.

Overall, we see SanUK's funding and liquidity profile as being broadly comparable with other U.K. and European peers, with its customer deposit base having risen 7% since 2018 despite conscious repricing actions in recent years to prioritize margins over growth. We expect the integration of TSB to be broadly neutral to SanUK's funding and liquidity profile.

Support: Two Notches Of Uplift For ALAC Support

Our additional loss-absorption capacity (ALAC) ratio for SanUK was 10.8% at year-end 2024. We expect our ALAC measure will remain above our 6% threshold as we think it contains a well-defined bail-in process under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns following a bail in of eligible liabilities.

Therefore, we factor in two notches of uplift to the long-term rating on the bank.

In our view, SanUK has high systemic importance in the U.K., primarily due to its very strong position in the U.K. retail banking market. We regard the prospect of extraordinary government support for U.K. banks as uncertain in view of the country's well-advanced and effective resolution regime. As a result, systemic banks are not eligible for notching uplift for possible future U.K. government support.

We include the consolidated Santander UK group's junior instruments in our ALAC assessment, because we think they have the capacity to absorb losses without triggering a default on Santander UK PLC's senior obligations. We also include senior unsecured issuance by the nonoperating holding company (NOHC).

Group Status: Highly Strategic Subsidiary Of Banco Santander

We consider SanUK a highly strategic subsidiary of Banco Santander. We continue to incorporate ALAC support into the ratings on the U.K. subgroup where applicable, rather than group support. This is because of the broader group's multiple point-of-entry approach to bank resolution, which means that we view the U.K. subgroup as more likely to self-support through bailing in its subordinated debt instruments for loss absorption and recapitalization, rather than relying on group support. While we understand that Banco Santander could provide support to SanUK in certain circumstances, we do not envisage this to be the case in all scenarios—it is especially uncertain in the extreme scenario whereby the U.K. subgroup needs to be resolved, given the severity of the associated stress.

Group Structure, Rated Subsidiaries, And Hybrids

Holding company rating

We regard Santander UK Group Holdings as an intermediate NOHC. The ratings on Santander UK Group Holdings PLC are based on our view of the group SACP. We do not include notches of uplift for ALAC support in the ratings on NOHCs, because we do not think that their senior obligations would continue to receive full and timely payment in a resolution scenario.

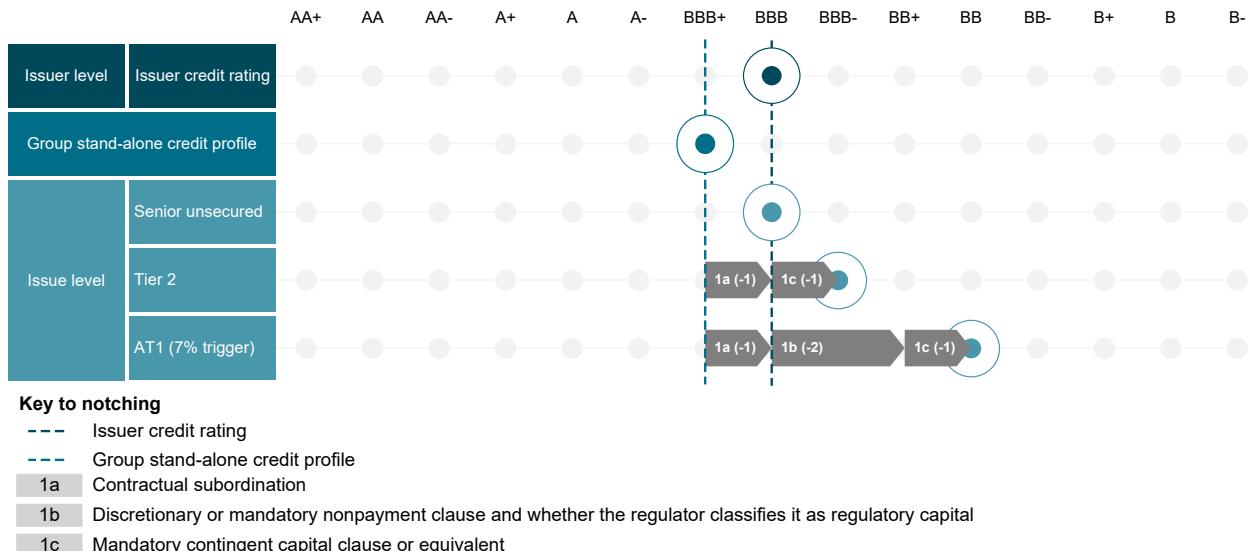
We rate the NOHC one notch below the group SACP to reflect our view that NOHC creditors are structurally subordinated to those of operating company creditors.

The group structure is relatively straightforward, mainly comprising the ring-fenced bank. We rate the non-ring-fenced bank, Santander Financial Services PLC (SFS), one notch below the group credit profile because we view it as a highly strategic subsidiary and consider it tactically important rather than integral to the group. SFS principally conducts the business of the Jersey and Isle of Man branches, holds a small number of legacy business positions, and a mortgage portfolio.

Hybrid issue ratings

We rate hybrid instruments according to their respective features. We do not apply Step 2a notch for additional tier-1 instruments with 7% CET1 principal conversion or write-down triggers as our base-case scenario for SanUK now assumes that the bank will not be a going concern by the time these triggers are hit. These instruments are therefore not in scope for notching under step 2a (see ["Ratings On Multiple European Bank Hybrids Raised On Revised Analytical Expectations,"](#) Nov. 21, 2025).

Santander UK Group Holdings plc: NOHC notching



Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on Oct. 13, 2025.

The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.

AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt. NVCC--nonviability contingent capital.

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Resolution Counterparty Ratings

We have 'A+/A-1' resolution counterparty ratings (RCR) on Santander UK PLC, one notch above the long-term issuer credit rating. The RCRs also reflect our jurisdiction assessment for the U.K.

An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institutions. RCRs apply to issuers in jurisdictions where we assess the resolution regime to be effective and we consider the issuer likely to be subject to a resolution that entails a bail-in if it reaches nonviability.

Environmental, Social, And Governance (ESG)

We see ESG credit factors for SanUK as broadly consistent with those of domestic peers-- balancing the firm's strong governance arrangements and contained climate risk exposures from a heavily concentrated residential lending book. Governance is aligned with standards set by Banco Santander S.A., with clear board-level oversight and risk appetites.

Beyond its governance, SanUK has outlined a sustainability strategy that covers social and environmental aspects. High concentration in residential mortgage lending means that SanUK remains exposed to transition and physical climate related risks across the lending book, which are typical for U.K. banks of its size and business mix. Within this, for example, environmental risk could materialize from the potential for reduced collateral liquidity or value impairment as U.K. policy and market expectations on energy efficiency tighten. In the group's focused commercial lending book its risks will tend to reflect the risk to the creditworthiness of its borrowers from the climate transition. Still, in our view, these risks are manageable and well-mitigated within the bank's existing risk management framework.

Since 2021, SanUK has originated more than £17.2 billion of green finance, including for projects to enhance energy efficiency, renewable energy projects, and electric vehicle financing. The bank has committed to a £20 billion green finance target by 2025 across its business.

Key Statistics

Santander UK Group Holdings PLC Key Figures

MIL. GBP	2025*	2024	2023	2022	2021
Adjusted assets	271,120	265,537	280,535	290,693	292,131
Customer loans (gross)	204,763	204,036	212,493	225,112	214,885
Adjusted common equity	10,606	10,175	10,782	11,066	10,993
Operating revenues	2,387	4,683	5,176	5,013	4,471
Noninterest expenses	1,269	2,577	2,485	2,370	2,540
Core earnings	681	1,315	1,713	1,585	1,449

*2025 data is for the six months to June 30. GBP--Pound sterling.

Santander UK Group Holdings PLC Business Position

(%)	2025*	2024	2023	2022	2021
Total revenues from business line (currency in millions)	2,387	4,683	5,176	5,013	4,576
Commercial & retail banking/total revenues from business line	100.6	100.4	101.3	99.5	98.3
Other revenues/total revenues from business line	(0.6)	(0.4)	(1.3)	0.5	1.8
Return on average common equity	8.0	6.6	11.6	9.5	8.8

*2025 data is for the six months to June 30.

Santander UK Group Holdings PLC Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	18.0	18.0	18.4	18.3	19.3
S&P Global Ratings' RAC ratio before diversification	N/A	9.5	10.2	9.8	10.2
S&P Global Ratings' RAC ratio after diversification	N/A	9.1	9.7	9.2	9.3
Adjusted common equity/total adjusted capital	83.5	82.9	83.1	83.4	83.4

Santander UK Group Holdings PLC

Santander UK Group Holdings PLC Capital And Earnings

Net interest income/operating revenues	92.8	92.4	90.2	89.2	89.4
Fee income/operating revenues	5.9	5.3	5.7	6.5	6.3
Market-sensitive income/operating revenues	--	(0.2)	0.5	0.8	(0.1)
Cost to income ratio	53.2	55.0	48.0	47.3	56.8
Preprovision operating income/average assets	0.8	0.8	0.9	0.9	0.7
Core earnings/average managed assets	0.5	0.5	0.6	0.5	0.5

*2025 data is for the six months to June 30. N.M.--Not meaningful.

Santander UK Group Holdings PLC--Risk-Adjusted Capital Framework Data

(Mil. £)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Credit risk					
Government & central banks	44,777	0	0	382	1
Of which regional governments and local authorities	0	0	0	0	0
Institutions and CCPs	4,613	727	16	793	17
Corporate	15,899	9,962	63	14,029	88
Retail	192,033	40,794	21	81,333	42
Of which mortgage	175,805	30,782	18	64,222	37
Securitization§	6,144	2,440	40	15,665	255
Other assets†	6,362	4,401	69	8,316	131
Total credit risk	269,828	58,324	22	120,518	45
Credit valuation adjustment					
Total credit valuation adjustment	--	158	--	0	--
Market Risk					
Equity in the banking book	0	0	0	0	0
Trading book market risk	--	195	--	293	--
Total market risk	--	195	--	293	--
Operational risk					
Total operational risk	--	7,871	--	8,303	--
(Mil. £)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	66,548	--	129,114	100
Total Diversification/ Concentration Adjustments	--	--	--	5,821	5
RWA after diversification	--	66,548	--	134,935	105

Santander UK Group Holdings PLC--Risk-Adjusted Capital Framework Data

(Mil. £)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
(Mil. £)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)	
Capital ratio before adjustments	11,957	18.0	12,275		9.5
Capital ratio after adjustments‡	11,957	18.0	12,275		9.1

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework.

†Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons).

RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Dec. 31 2024', S&P Global Ratings.

Santander UK Group Holdings PLC Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	0.7	(4.0)	(5.6)	4.8	0.4
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	4.5	4.9	7.1	9.7
Total managed assets/adjusted common equity (x)	25.7	26.3	26.2	26.4	26.7
New loan loss provisions/average customer loans	0.1	0.0	0.1	0.2	(0.1)
Net charge-offs/average customer loans	0.3	0.2	0.2	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.3	1.3	1.4	1.2	1.4
Loan loss reserves/gross nonperforming assets	31.1	29.6	30.8	35.3	28.2

*2025 data is for the six months to June 30.

Santander UK Group Holdings PLC Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	73.7	74.5	74.17	72.1	70.5
Customer loans (net)/customer deposits	109.4	109.4	108.4	113.6	111.0
Long-term funding ratio	90.0	89.4	91.4	92.6	92.5
Stable funding ratio	108.6	106.3	111.1	112.8	116.0
Short-term wholesale funding/funding base	10.5	11.2	9.0	7.8	7.9
Regulatory net stable funding ratio	136.0	136.0	138.1	136.8	--
Broad liquid assets/short-term wholesale funding (x)	1.9	1.7	2.3	2.6	2.9
Broad liquid assets/total assets	18.8	17.4	19.0	18.6	21.3
Broad liquid assets/customer deposits	27.4	25.0	27.5	27.6	32.5
Net broad liquid assets/short-term customer deposits	13.4	10.2	15.6	17.1	21.5
Regulatory liquidity coverage ratio (LCR) (x)	162.0	156.0	162.4	162.8	--
Short-term wholesale funding/total wholesale funding	38.6	42.3	33.8	27.0	26.1
Narrow liquid assets/3-month wholesale funding (x)	N/A	N/A	N/A	N/A	N/A

*2025 data is for the six months to June 30.

Rating Component Scores

Santander UK Group Holdings PLC – Rating component scores for operating company

Issuer Credit Rating	A/Stable/A-1
SACP	bbb+
Anchor	bbb+
Business position	Adequate (0)
Capital and earnings	Adequate (0)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	2
ALAC support	2
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Ratings On Multiple European Bank Hybrids Raised On Revised Analytical Expectations](#), Nov. 21, 2025
- [Bulletin: Estimated GBP11 Billion Motor Finance Compensation Bill Is Manageable For Rated U.K. Banks And Auto ABS](#), Oct. 8, 2025
- [Positive Actions Taken On Lloyds And NatWest On Strong Foundations Of U.K. Financial System](#), Sept. 10, 2025

Santander UK Group Holdings PLC

- [Bulletin: U.K. Reforms Dial Down Bank Regulatory Requirements Without Materially Diluting Standards](#), July 16, 2025
- [Tear Sheet: Santander UK Group Holdings PLC](#), May 1, 2025

Ratings Detail (as of December 23, 2025)*

Santander UK Group Holdings PLC

Issuer Credit Rating	BBB/Stable/A-2
Junior Subordinated	BB
Senior Unsecured	BBB
Short-Term Debt	A-2
Subordinated	BBB-

Issuer Credit Ratings History

24-Jun-2021	BBB/Stable/A-2
23-Apr-2020	BBB/Negative/A-2
10-Apr-2015	BBB/Stable/A-2

Sovereign Rating

United Kingdom	AA/Stable/A-1+
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Related Entities

[Banco Santander \(Brasil\) S.A.](#)

Issuer Credit Rating	BB/Stable/B
Brazil National Scale	brAAA/Stable/brA-1+

[Banco Santander-Chile S.A.](#)

Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Foreign Currency	A-2

[Senior Unsecured](#)

A-

[Banco Santander S.A.](#)

Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/~/A-1+
Commercial Paper	
Foreign Currency	A-1
Junior Subordinated	BBB-

[Preference Stock](#)

BBB-

[Senior Subordinated](#)

A-

[Banco Santander SA \(London Branch\)](#)

Certificate Of Deposit	
Local Currency	A-1

[Banco Santander S.A. \(New York Branch\)](#)

Issuer Credit Rating	A+/Stable/A-1
Commercial Paper	
Local Currency	A-1

[Banco Santander Totta S.A.](#)

Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+~/A-1

Santander UK Group Holdings PLC

Ratings Detail (as of December 23, 2025)*

Senior Unsecured	A
<u>Banque Stellantis France</u>	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	A-2
Senior Unsecured	BBB+
<u>Santander Bank N.A.</u>	
Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-
Short-Term Debt	A-2
Subordinated	BBB+
<u>Santander Consumer Bank AG</u>	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	A-1
Senior Unsecured	A
<u>Santander Consumer Finance S.A.</u>	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
<i>Local Currency</i>	A-1
Senior Subordinated	BBB+
Senior Unsecured	A
Short-Term Debt	A-1
Subordinated	BBB
<u>Santander Financial Services PLC</u>	
Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
<u>Santander Holdings U.S.A Inc.</u>	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
<u>Santander International Products PLC</u>	
Issuer Credit Rating	A+/Stable/A-1
<u>Santander UK PLC</u>	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Junior Subordinated	BB+
Preference Stock	BB
Senior Secured	AAA/Stable
Senior Unsecured	A-1
<u>Santander US Capital Markets LLC</u>	
Issuer Credit Rating	A-/Stable/A-2

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or

Ratings Detail (as of December 23, 2025)*

obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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