

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

**June 2020 Additional Capital and Risk Management Disclosures**

## Introduction

Santander UK Group Holdings plc's Additional Capital and Risk Management Disclosures for the six months ended 30 June 2020 should be read in conjunction with our 2020 Half Yearly Financial Report.

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

The Company was incorporated on 23 September 2013 and on 10 January 2014 became the immediate parent company of Santander UK plc, a Ring Fenced Bank (RFB), and its controlled entities. From this date, the Company became the head of the Santander UK group for regulatory capital and leverage purposes. This document also includes a specified number of Pillar 3 disclosures in accordance with the EBA guidelines on disclosure frequency for the Santander UK plc Group in Part 2 of this document, which are similar to those for Santander UK Group Holdings plc.

Part 1 of this document on pages 2-26 covers the Santander UK Group Holdings plc group. Part 2 on pages 27-43 covers Santander UK plc group.

The regulatory and supervisory measures to alleviate the financial stability impact of Coronavirus pandemic (Covid-19) and maintain the safety and soundness of authorised firms have been reflected in the Santander UK Group Holdings plc and Santander UK plc Group capital results. These measures are aimed to ensure the Santander UK Group Holdings plc group and the Santander UK plc Group are able to continue to lend to households and businesses, support the real economy, and provide robust and consistent market disclosures. While activity is disrupted, substantial and substantive Government and Central Bank measures have been put in place in the UK and internationally to support businesses and households.

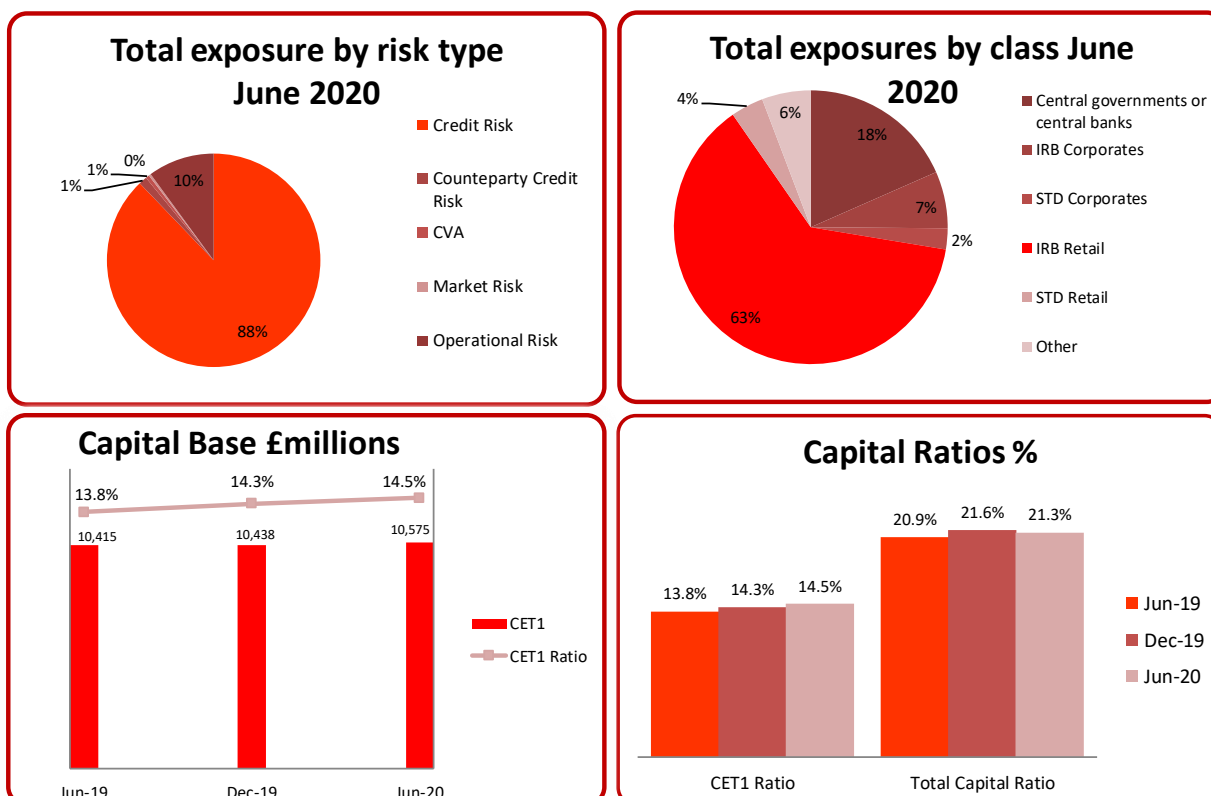
## CRD IV disclosures

This document contains disclosures required under CRD IV and by the EBA for The Company as a large subsidiary of an EU Banking Group, some of which are not disclosed in the 2020 Half Yearly Financial Report. All disclosures cover the 30 June 2020 position or movement during 2020 year to date until 30 June 2020.

## Part 1

### 30 June 2020 Additional Capital and Risk Management Disclosures for Santander UK Group Holdings plc

## Summary



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

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

## Key metrics

The following table summarises the Company's Own Funds and key risk-based capital ratios at 30 June 2020 together with the previously disclosed quarter end information at 31 March 2020, 31 December 2019, 30 September 2019 and 30 June 2019. Further detail on Risk Weighted Assets is included in the subsequent sections of this document.

	30 June 2020 £m	31 March 2020 £m	31 December 2019 £m	30 September 2019 £m	30 June 2019 £m
<b>Available Capital (amounts)</b>					
Common Equity Tier 1 (CET1) capital	10,575	10,659	10,438	10,327	10,415
Fully loaded <sup>1</sup> Expected Credit Loss (ECL) accounting model CET1	10,512	10,612	10,422	10,311	10,395
Tier 1 capital	13,056	13,143	13,083	12,981	12,849
Fully loaded ECL accounting model Tier 1	12,993	13,096	13,066	12,966	12,829
Total capital	15,514	15,632	15,778	15,943	15,713
Fully loaded ECL accounting model total capital	15,451	15,585	15,761	15,927	15,693
<b>Risk-weighted assets (amounts)</b>					
Total risk-weighted assets (RWA)	72,718	74,014	73,202	74,516	75,293
Fully loaded ECL accounting model total RWA	72,616	73,979	73,232	74,547	75,333
<b>Risk-based capital ratios as a percentage of RWA</b>					
Common Equity Tier 1 ratio	14.5%	14.4%	14.3%	13.9%	13.8%
Fully loaded ECL accounting model Common Equity Tier 1 (%)	14.5%	14.3%	14.2%	13.8%	13.8%
Tier 1 ratio	18.0%	17.8%	17.9%	17.4%	17.1%
Fully loaded ECL accounting model Tier 1 ratio (%)	17.9%	17.7%	17.8%	17.4%	17.0%
Total capital ratio	21.3%	21.1%	21.6%	21.4%	20.9%
Fully loaded ECL accounting model total capital ratio (%)	21.3%	21.1%	21.5%	21.4%	20.8%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical buffer requirement (%)	-	0.02%	0.98%	0.98%	0.95%
Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
Total of bank CET1 specific buffer requirements (%)	2.5%	2.52%	3.48%	3.48%	3.45%
CET1 available after meeting the banks minimum capital	7.54%	7.38%	6.28%	5.88%	5.88%
<b>CRD IV leverage ratio</b>					
Total CRD IV leverage ratio exposure measure (£bn)	308.1	298.0	295.6	293.6	301.8
CRD IV leverage ratio	4.2%	4.3%	4.3%	4.3%	4.1%
Fully loaded ECL accounting model leverage Ratio	4.1%	4.3%	4.3%	4.3%	4.1%
<b>Liquidity Coverage Ratio</b>					
Total high-quality liquid assets (HQLA)	47,425	42,900	41,604	44,363	47,707
Total net cash outflow	32,274	31,186	29,266	29,927	30,702
Liquidity coverage ratio (LCR)	146.9%	137.6%	142.2%	148.2%	155.4%

## Key Movements

CET1 capital increased to £10.6bn, with ongoing capital accretion through retained profits and a lower deduction from the excess of regulatory expected loss amounts over credit provisions. These improvements were partially offset by adverse market driven movements in the defined benefit pension schemes. Amendments to Capital Requirements Regulation (CRR), which were published in the Official Journal on 26 June 2020, contributed 17bps to CET1 ratio. The majority of the benefit came through the implementation of the RWA reduction factors for certain SME and infrastructure exposures. CET1 capital ratio increased 20bps to 14.5%.

The LCR of 146.9% reflects our prudent approach in an uncertain operating environment.

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

**Key metrics – TLAC requirements**

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

	30 June 2020 £m	31 March 2020 £m	31 December 2019 £m	30 September 2019 £m	30 June 2019 £m
Total Own Funds and Eligible Liabilities available	23,860	23,829	23,787	25,427	25,022
Fully loaded ECL accounting model Own Funds and Eligible Liabilities available	23,796	23,782	23,771	25,411	25,002
Total RWA at the level of the resolution group	72,718	74,014	73,202	74,516	75,293
Total Own Funds and Eligible Liabilities as a percentage of RWA	32.8%	32.2%	32.5%	34.1%	33.2%
Fully loaded ECL accounting model Own Funds and Eligible Liabilities as a percentage of fully loaded ECL accounting model RWA	32.8%	32.3%	32.5%	34.1%	33.2%
CRD IV Leverage exposure measure at the level of the resolution group	308,063	298,015	295,562	293,591	301,834
Total Own Funds and Eligible Liabilities as a percentage of CRD IV leverage exposure measure	7.7%	8.0%	8.0%	8.7%	8.3%
Fully loaded ECL accounting model Own Funds and Eligible Liabilities as a percentage of fully loaded ECL accounting model Basel III leverage ratio exposure measure	7.7%	8.0%	8.0%	8.7%	8.3%
Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)	n/a	n/a	n/a	n/a	n/a

The TLAC requirement for Santander UK Group Holdings plc excluding capital buffers is the higher of:

- 16% of the Group's consolidated RWAs or 6% of the CRR Leverage exposure

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

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

	30 June 2020 £bn	31 December 2019 £bn	30 June 2019 £bn
<b>Regulatory capital elements of TLAC and adjustments</b>			
1 Common Equity Tier 1 capital (CET1)	10.6	10.4	10.4
2 Additional Tier 1 capital (AT1) before TLAC adjustments	2.5	2.7	2.4
3 AT1 ineligible as TLAC as issued out of subsidiaries to third parties	-	-	-
4 Other adjustments	-	-	-
5 AT1 instruments eligible under the TLAC framework	2.5	2.7	2.4
6 Tier 2 capital (T2) before TLAC adjustments	2.4	2.7	2.9
7 Amortised portion of T2 instruments where remaining maturity > 1 year	-	-	0.2
8 T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	-	-	-
9 Other adjustments	-	-	-
10 T2 instruments eligible under the TLAC framework	2.4	2.7	2.9
11 TLAC arising from regulatory capital	15.5	15.8	15.7
12 External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	8.4	8.0	9.3
13 External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements.	-	-	-
14 Of which: amount eligible as TLAC after application of the caps	-	-	-
15 External TLAC instruments issued by funding vehicles prior to 1 January 2022	-	-	-
16 Eligible ex ante commitments to recapitalise a G-SIB in resolution	-	-	-
17 TLAC arising from non-regulatory capital instruments before adjustments	8.4	8.0	9.3
<b>Non-regulatory capital elements of TLAC: adjustments</b>			
18 TLAC before deductions	23.9	23.8	25.0
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	23.9	23.8	25.0
<b>Risk-weighted assets and leverage exposure measure for TLAC purposes</b>			
23 Total risk-weighted assets adjusted as permitted under the TLAC regime	72.7	73.2	75.3
24 Leverage exposure measure	308.0	295.6	301.8
<b>TLAC ratios and buffers</b>			
25 TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	32.8%	32.5%	33.2%
26 TLAC (as a percentage of leverage exposure)	7.7%	8.0%	8.3%
27 CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	-	-	-
28 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%	3.48%	3.45%
29 Of which: capital conservation buffer requirement	2.50%	2.50%	2.50%
30 Of which: bank specific countercyclical buffer requirement	-	0.98%	0.95%
31 Of which: D-SIB / G-SIB buffer	-	-	-

In March 2020, UK countercyclical capital buffer has been reduced to nil.

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

Creditor Hierarchy of Material subsidiaries, Santander UK plc

£bn		Creditor ranking						Sum of 1 to 6
		1 (most junior)	2	3	4	5	6	
1	Is the resolution entity the creditor/investor?	Yes	Yes	No	Yes	No	Yes	-
2	Description of creditor ranking	Share Capital	Additional Tier 1 Instruments	Additional Tier 1 Instruments	Subordinated Debt	Subordinated Debt	Bail-in Debt	-
3	Total capital and liabilities net of credit risk mitigation	3.1	2.0	0.6	1.2	1.4	10.0	18.3
4	Subset of row 3 that are excluded liabilities	-	-	-	-	-	-	-
5	Total capital and liabilities less excluded liabilities	3.1	2.0	0.6	1.2	1.4	10.0	18.3
6	Subset of row 5 that are eligible as TLAC	3.1	2.0	0.6	1.2	1.4	7.8	16.1
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	-	-	1.2	1.2
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	-	-	0.7	5.2	5.9
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	-	0.8	0.2	1.4	2.4
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	0.4	-	-	0.4
11	Subset of row 6 that is perpetual securities	3.1	2.0	0.6	-	0.5	-	6.2

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

Creditor Hierarchy of the Company

£bn		Creditor ranking				Sum of 1 to 4
		1 (most junior)	2	3	4 (most senior)	
1	Description of creditor ranking	Share Capital Book value	Additional Tier 1 Instruments Stated value	Subordinated Debt Par value	Bail-in Debt Par value	Total
2	Total capital and liabilities net of credit risk mitigation	7.1	2.8	2.7	10.1	22.7
3	Subset of row 2 that are excluded liabilities	-	-	-	-	-
4	Total capital and liabilities less excluded liabilities	7.1	2.8	2.7	10.1	22.7
5	Subset of row 4 that are potentially eligible as TLAC	7.1	2.8	2.7	8.3	20.9
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	-	-	-	1.2	1.2
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	-	-	0.7	5.2	5.9
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	1.1	1.9	3.0
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	0.4	-	0.4
10	Subset of row 5 that is perpetual securities	7.1	2.8	0.5	-	10.4

**IFRS 9 Transitional Arrangements**

The following table summarises the impact of IFRS 9 transitional arrangements at 30 June 2020 over the full allowable period.

	2020	2021	2022	2023	2024
IFRS9 Transitional Factor	70%	50%	25%		
IFRS9 Transitional Factor for credit loss-based provision movements post 1/1/20	100%	100%	75%	50%	25%
<b>Available Capital (amounts)</b>					
Common Equity Tier 1 (CET1) capital	10,575	10,572	10,554	10,537	10,524
CET1 Capital as if IFRS 9 STATIC transitional arrangements were not applied	10,562	10,562	10,549	10,537	10,524
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements were not applied	10,525	10,522	10,517	10,512	10,512
CET1 Capital as if ALL IFRS 9 transitional arrangements were not applied	10,512	10,512	10,512	10,512	10,512
Tier 1 Capital	13,056	13,053	13,035	13,018	13,005
Tier 1 Capital as if ALL IFRS 9 transitional arrangements were not applied	12,993	12,993	12,993	12,993	12,993
Total Capital	15,514	15,511	15,493	15,476	15,463
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	15,451	15,451	15,451	15,451	15,451
<b>Risk-weighted assets (amounts)</b>					
Total risk-weighted assets (RWA)	72,718	72,722	72,698	72,675	72,645
Total RWA as if IFRS 9 STATIC transitional arrangements were not applied	72,795	72,777	72,726	72,675	72,645
Total RWA as if IFRS 9 DYNAMIC transitional arrangements were not applied	72,539	72,561	72,588	72,616	72,616
Total RWA as if ALL IFRS 9 transitional arrangements were not applied	72,616	72,616	72,616	72,616	72,616
<b>Capital Ratios</b>					
Common Equity Tier 1 ratio	14.5%	14.5%	14.5%	14.5%	14.5%
Common Equity Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	14.5%	14.5%	14.5%	14.5%	14.5%
Tier 1 ratio	18.0%	18.0%	17.9%	17.9%	17.9%
Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	17.9%	17.9%	17.9%	17.9%	17.9%
Total capital ratio	21.3%	21.3%	21.3%	21.3%	21.3%
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	21.3%	21.3%	21.3%	21.3%	21.3%
<b>CRD IV Leverage ratio</b>					
Leverage Ratio Total Exposure Measure	308,063	308,063	308,063	308,063	308,063
Leverage Ratio	4.2%	4.2%	4.2%	4.2%	4.2%
Leverage ratio as if ALL IFRS 9 transitional arrangements were not applied	4.1%	4.1%	4.2%	4.2%	4.2%

The Company is applying the IFRS 9 capital transitional arrangements set out in EU Regulation 2017/2395 and EU Regulation 2020/873 that amend the Capital Requirements Regulation. Under the transitional arrangements, the Company is entitled to mitigate the effect to capital of excepted credit loss-based provisioning following the implementation of IFRS 9. The transitional arrangements last for a five-year period beginning on the 1st of January 2018 with the amount capital relief available reduced each year by the transitional factor, with an extended transitional period used for capital relief against provision movements from 1 January 2020. The transitional factor is 70 percent in 2020, declining to 50 percent in 2021 and 25 percent in 2022, and for post 1 January 2020 provision movements is 100 percent in 2020 and 2021, 75 percent in 2022, 50 percent in 2023 and 25 percent in 2024.

The capital relief affects both the capital base and RWAs reported by the Company. The adjustment to CET1 capital is comprised of a static element and a dynamic element. The static element is based on the CET1 capital impact of the change in provision levels upon implementation of IFRS 9 (on 1st January 2018). The capital adjustments from this static element will only change over the five-year transition period due to the phased reduction of the transitional factor. The dynamic element is based on the capital impact of the change in provision levels for non-credit impaired exposures from the first day of the implementation of IFRS 9. The dynamic element will change over the transition period and is also subject to progressive reduction over the 5-year transitional period and the extended period for provision movements post 1 January 2020 due to the transitional factor. In addition to this adjustment, the transitional arrangements also reduce associated capital position impacts for exposures modelled under the Standardised Approach for Credit Risk, Deferred Tax assets created upon adoption of IFRS 9 ECL-based provisioning and Tier 2 capital from an excess of provisions over expected losses for exposures modelled using the Internal Rating Based approach.

**Leverage ratio**

The following table summarises the Company's end point CRD IV and UK Leverage ratio at 30 June 2020 together with the previously disclosed quarter end information at 31 March 2020, 31 December 2019, 30 September 2019 and June 2019. The UK Leverage ratio is consistent with the Leverage ratio applied to large UK banks under the framework defined by the Financial Policy Committee's review of the Leverage ratio.

	30 June 2020	31 March 2020	31 December 2019	30 September 2019	30 June 2019
Common Equity Tier 1 (CET1) capital (£m)	10,575	10,659	10,438	10,327	10,415
End point Additional Tier 1 (AT1) capital (£m)	2,186	2,209	2,187	2,222	2,041
End point Tier 1 capital (£m)	12,761	12,868	12,625	12,549	12,456
Leverage Exposure CRD IV (£bn)	308.1	298.0	295.6	293.6	301.8
Leverage Exposure UK <sup>1</sup> (£bn)	269.0	271.9	269.2	273.5	275.7
End point Tier 1 Leverage Ratio CRD IV	4.2%	4.3%	4.3%	4.3%	4.1%
End point Tier 1 Leverage Ratio UK <sup>1</sup>	4.7%	4.7%	4.7%	4.6%	4.5%
Average Tier 1 Leverage Ratio UK <sup>1</sup>	4.7%	4.7%	4.6%	4.5%	4.5%

The UK Leverage ratio at 4.7%, was 1.1p.p. above the regulatory requirement including buffers.

<sup>1</sup> Includes the impact of AT1 cap on end point AT1 capital and deductions permitted under the recommendation from the Financial Policy Committee on 25th July 2016.

**Liquidity Coverage Ratio**

Additional liquidity disclosures are published in the Liquidity Risk section of the Company's 2020 Half Yearly Financial Report.

	Average unweighted value		Average weighted value	
	30 June 2020 £m	31 March 2020 £m	30 June 2020 £m	31 March 2020 £m
Total high-quality liquid assets (HQLA)	45,677	45,764	45,136	45,027
<b>CASH-OUTFLOWS</b>				
Retail deposits and deposits from small business customers, of which:				
Stable deposits	135,340	134,186	7,931	7,865
Less stable deposits	118,326	117,314	5,917	5,866
	17,014	16,872	2,014	1,999
<b>Unsecured wholesale funding</b>	<b>25,036</b>	<b>24,514</b>	<b>14,092</b>	<b>14,036</b>
Operational deposits (all counterparties) and deposits in networks of cooperative banks				
Non-operational deposits (all counterparties)	23,360	22,702	12,416	12,224
Unsecured debt	1,676	1,812	1,676	1,812
<b>Secured wholesale funding</b>	<b>13,064</b>	<b>12,479</b>	<b>327</b>	<b>412</b>
<b>Additional requirements</b>	<b>19,854</b>	<b>19,950</b>	<b>8,279</b>	<b>7,938</b>
Outflows related to derivative exposures and other collateral requirements	6,194	5,828	6,194	5,828
Outflows related to loss of funding on debt products	266	168	266	168
Credit and liquidity facilities	13,394	13,954	1,819	1,942
<b>Other contractual funding obligations</b>	<b>60</b>	<b>60</b>	<b>3</b>	<b>6</b>
<b>Other contingent funding obligations</b>	<b>26,110</b>	<b>26,480</b>	<b>2,034</b>	<b>2,073</b>
<b>TOTAL CASH OUTFLOWS</b>	<b>219,464</b>	<b>217,669</b>	<b>32,666</b>	<b>32,330</b>
<b>CASH-INFLOWS</b>				
Secured lending (eg reverse repos)	8,983	10,221	38	216
Inflows from fully performing exposures	1,841	1,879	1,102	1,113
Other cash inflows	1,709	1,710	451	464
(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)				
(Excess inflows from a related specialised credit institution)				
<b>TOTAL CASH INFLOWS</b>	<b>12,533</b>	<b>13,810</b>	<b>1,591</b>	<b>1,793</b>
Fully exempt inflows				
Inflows Subject to 90% Cap				
Inflows Subject to 75% Cap	9,352	9,705	1,705	1,793
<b>LIQUIDITY BUFFER</b>	<b>-</b>	<b>-</b>	<b>45,136</b>	<b>45,027</b>
<b>TOTAL NET CASH OUTFLOWS</b>	<b>-</b>	<b>-</b>	<b>30,963</b>	<b>30,537</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>	<b>-</b>	<b>-</b>	<b>145.78</b>	<b>147.45</b>
Number of data points used in calculation of averages	12	12	12	12

**Key Movements**

The average LCR of 145.78% reflects our prudent approach in the uncertain operating environment and is significantly above the regulatory requirements..



**Overview of RWA**

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

	RWA		Minimum capital requirements
	30 June 2020 £bn	31 March 2020 £bn	30 June 2020 £bn <sup>1</sup>
Credit risk (excluding counterparty credit risk) <sup>1</sup>	62.3	63.3	5.0
- Of which: standardised approach (SA)	18.1	18.6	1.4
- Of which: foundation internal rating-based approach (FIRB) approach	5.1	5.6	0.4
- Of which: advanced internal rating-based approach (AIRB) approach	39.1	39.1	3.1
Counterparty credit risk (CCR) <sup>1</sup>	0.9	1.1	0.1
- Of which: standardised approach for counterparty credit risk	0.9	1.1	0.1
- Of which: IMM	-	-	-
- Of which: other CCR	-	-	-
Credit Valuation Adjustment (CVA)	0.4	0.4	-
Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	0.5	0.5	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	-	-	-
Equity investments in funds – fall-back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in banking book (after cap) <sup>2</sup>	1.1	1.1	0.1
- Of which: securitisation IRB approach (SEC-IRBA)	0.2	0.2	-
- Of which: securitisation external ratings-based approach (SEC-ERBA), including external assessment approach (IAA)	0.6	0.4	-
- Of which: securitisation standardised approach (SEC-SA)	0.3	0.5	-
Market risk <sup>1</sup>	0.2	0.3	-
- Of which: standardised approach	0.2	0.3	-
- Of which: internal model approach (IM)	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational risk <sup>1</sup>	7.3	7.3	0.6
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Aggregate capital floor applied	-	-	-
Floor adjustment (before application of transitional cap)	-	-	-
Floor adjustment (after application of transitional cap)	-	-	-
Total <sup>1</sup>	72.7	74.0	5.8

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

	RWA £bn	Capital requirements
RWAs at 1 April	46.2	3.7
Asset size	(1.0)	(0.1)
Asset quality	1.0	0.1
Model updates	-	-
Methodology and policy	(0.6)	(0.1)
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	45.6	3.6

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

	RWA £bn	Capital requirements
RWAs at 1 April	19.8	1.6
Asset size	(0.6)	(0.1)
Asset quality	0.2	-
Model updates	-	-
Methodology and policy	(0.2)	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	19.2	1.5

£0.6bn and £0.2bn RWA reductions in Methodology and policy in IRB and standardised approach are driven by EU 'Quick Fix' amendments to Capital Requirements Regulation (CRR) in relation to the Covid-19 crisis published in the Official Journal on 26 June 2020.

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

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

<sup>3</sup>Table excludes CVA

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

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020
Central government or central banks	49.8	0.6	49.8	0.6	-	-
Regional government or local authorities	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	20%
Multilateral Development Banks	1.8	-	1.8	-	-	-
International Organisations	-	-	-	-	-	-
Institutions	1.2	-	1.2	-	0.2	15%
Corporates	9.6	2.0	6.9	0.1	6.7	96%
Retail	10.5	10.0	10.0	-	7.3	73%
Secured by mortgages on immovable property	0.4	-	0.4	-	0.2	45%
Exposures in default	0.1	-	0.1	-	0.1	107%
Higher-risk categories	0.1	-	0.1	-	0.2	150%
Covered bonds	1.5	-	1.5	-	0.1	10%
Institutions and corporations with a short-term credit assessment	-	-	-	-	-	-
Collective investment undertakings	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Other items	6.0	-	6.0	-	3.5	59%
Securitisations	3.1	-	3.1	-	0.9	29%
Contributions to the default fund of a CCP	-	-	-	-	-	1250%
<b>Total</b>	<b>84.1</b>	<b>12.6</b>	<b>80.9</b>	<b>0.7</b>	<b>19.2</b>	<b>24%</b>

**IRB approach**

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020
Corporates – Specialised Lending	4.8	0.8	4.8	0.3	3.8	75%
Corporates – SME	1.2	0.3	1.2	-	1.0	87%
Corporates – Other	12.1	11.1	12.2	5.0	7.2	41%
Institutions	1.7	0.2	1.7	0.1	0.4	22%
Retail Immovable Property	167.6	10.1	167.9	6.2	29.1	17%
Retail QRR	0.4	4.1	0.4	5.1	1.6	29%
Retail Other	2.1	-	2.1	-	1.7	83%
Equity	0.1	-	0.1	-	0.5	370%
Securitisations	1.1	0.3	1.1	0.3	0.2	17%
<b>Total</b>	<b>191.1</b>	<b>26.9</b>	<b>191.5</b>	<b>17.0</b>	<b>45.5</b>	<b>22%</b>

**IRB (specialised lending and equities)**

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

		Specialised Lending				
Regulatory categories	Remaining maturity	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	Expected losses £m
1	Less than 2.5 years	49.3	55.3	50%	26.8	-
	Equal to or more than 2.5 years	206.4	22.5	70%	116.2	1.0
2	Less than 2.5 years	1,932.3	304.5	70%	1,361.2	8.3
	Equal to or more than 2.5 years	2,085.9	388.3	90%	1,743.6	17.7
3	Less than 2.5 years	70.8	-	115%	71.7	2.0
	Equal to or more than 2.5 years	250.4	8.8	115%	273.5	7.1
4	Less than 2.5 years	51.9	-	250%	117.8	4.1
	Equal to or more than 2.5 years	43.1	3.4	250%	89.5	3.5
5	Less than 2.5 years	42.2	1.0	-	-	21.3
	Equal to or more than 2.5 years	23.1	-	-	-	11.5
<b>Total</b>	Less than 2.5 years	2,146.5	360.8	-	1,577.5	35.7
	Equal to or more than 2.5 years	2,608.9	423.0	-	2,222.8	40.8

Equities under the simple risk-weight approach						
	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	Capital requirements £m	
Exchange –traded equity exposures	-	-	190%	-	-	
Private equity exposures	-	-	250%	-	-	
Other equity exposures	136.1	-	370%	503.5	40.3	
<b>Total</b>						

**Countercyclical Capital Buffer**

The following table outlines the geographical distribution of credit risk exposures relevant for the calculation of the countercyclical capital buffer at 30 June 2020.

Country	General credit exposure		Trading book exposure		Securitisation exposure		Own funds requirement				Total £bn	Own funds requirement weight	Counter-cyclical capital buffer rate
	Exposure value for SA £bn	Exposure value IRB £bn	Sum of long and short position of trading book £bn	Value of trading book exposure for internal models £bn	Exposure value for SA £bn	Exposure value IRB £bn	Of which: general credit exposures £bn	Of which: trading book exposures £bn	Of which: securitisation exposures £bn				
UK	28.1	213.0	-	-	0.8	0.1	5.1	-	-	5.1	-	0%	
Crown Dependencies	0.7	0.4	-	-	-	-	-	-	-	-	-	0%	
United States	0.1	0.2	-	-	-	-	-	-	-	-	-	0%	
Spain	-	-	-	-	-	-	-	-	-	-	-	0%	
Australia	-	-	-	-	-	-	-	-	-	-	-	0%	
Luxembourg	-	0.2	-	-	-	-	-	-	-	-	-	0.25%	
Canada	-	-	-	-	-	-	-	-	-	-	-	0%	
Netherlands	0.1	0.1	-	-	-	-	-	-	-	-	-	0%	
Ireland	-	0.1	-	-	1.5	2.2	-	-	0.1	0.1	-	0%	
Norway	0.1	0.3	-	-	-	-	-	-	-	-	-	1%	
Sweden	-	0.1	-	-	-	-	-	-	-	-	-	0%	
France	0.3	-	-	-	-	-	-	-	-	-	-	0%	
Belgium	0.1	-	-	-	-	-	-	-	-	-	-	0%	
Finland	-	-	-	-	-	-	-	-	-	-	-	0%	
Switzerland	-	-	-	-	-	-	-	-	-	-	-	0%	
British Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	0%	
Denmark	-	0.1	-	-	-	-	-	-	-	-	-	0%	
Italy	-	-	-	-	-	-	-	-	-	-	-	0%	
Bermuda	-	0.1	-	-	-	-	-	-	-	-	-	0%	
New Zealand	-	-	-	-	-	-	-	-	-	-	-	0%	
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0%	
Other	-	-	-	-	-	-	-	-	-	-	-	0% or not set	

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

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

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

	£bn
Total risk exposure	72.7
Institution specific countercyclical capital buffer rate	0%
Institution specific countercyclical capital buffer requirement	-

The level of the Countercyclical Capital Buffer for the Company at 30 June 2020 was 0%.

## Credit risk adjustments

The following table outlines the credit risk exposure, the associated level of impaired and past due exposures levels and impairment levels (credit risk adjustments) at 30 June 2020 by class of exposure. Further information on impairment losses and provisions is outlined in Notes 5 to the financial statements in the Company's 2020 Half Yearly Financial 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 2020 Half Yearly Financial Report.

## Credit quality of exposures by industry

Breakdown of exposures by industry class and Credit Quality.

As at 30 June 2020	Gross carrying values of		Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net value
	Defaulted Exposure	Non-Defaulted Exposure				
Central Banks and Central Governments	-	35,085	-	-	-	35,085
Agriculture, forestry and fishing	15	297	(3)	-	(1)	309
Mining and quarrying	35	198	(2)	-	(1)	231
Manufacturing	38	1,845	(18)	(1)	(7)	1,865
Electricity, gas, steam and air conditioning supply	-	693	(7)	-	(1)	686
Water supply	-	311	(3)	-	(1)	308
Construction	17	2,457	(25)	(1)	(14)	2,449
Wholesale and retail trade	49	6,169	(62)	(3)	(25)	6,156
Transport and storage	7	888	(9)	-	(3)	886
Accommodation and food service activities	112	2,906	(29)	(2)	(13)	2,989
Information and communication	9	1,227	(12)	(1)	(8)	1,224
Real estate activities	127	17,717	(177)	(9)	(62)	17,667
Professional, scientific and technical activities	18	1,995	(20)	(1)	(10)	1,993
Administrative and support service activities	14	1,957	(20)	(1)	(8)	1,951
Public administration and defence, compulsory social security	-	16	-	-	-	16
Education	10	416	(4)	-	(1)	422
Human health services and social work activities	74	1,982	(20)	(1)	(7)	2,036
Arts, entertainment and recreation	5	575	(6)	-	(3)	574
Other services	4	237	(1)	-	(2)	240
Retail	1,927	201,090	(762)	(103)	(272)	202,255
Financial Institutions and Other Financial Corporates	-	32,025	(1)	-	(1)	32,024
<b>Total</b>	<b>2,461</b>	<b>310,086</b>	<b>(1,181)</b>	<b>(123)</b>	<b>(440)</b>	<b>311,366</b>

## Credit risk exposure by country

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

As at 30 June 2020	Gross carrying values of		Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net value
	Defaulted Exposure	Non-Defaulted Exposure				
UK	2,402	289,675	(1,129)	(123)	(405)	290,948
US	-	486	-	-	-	486
Japan	-	1,612	-	-	-	1,612
Ireland	-	9,358	(5)	-	(5)	9,353
Luxembourg	-	4,553	(1)	-	(1)	4,552
Jersey	-	500	(4)	-	(4)	496
Germany	-	474	-	-	-	474
Canada	-	16	-	-	-	16
France	-	779	-	-	-	779
Isle of Man	6	541	(5)	-	(3)	542
Netherlands	-	113	-	-	-	113
Italy	-	27	-	-	-	27
Norway	-	276	-	-	-	276
Denmark	-	73	(2)	-	(2)	71
Australia	-	79	-	-	-	79
Other	53	1,524	(35)	-	(20)	1,542
<b>Total</b>	<b>2,461</b>	<b>310,086</b>	<b>(1,181)</b>	<b>(123)</b>	<b>(440)</b>	<b>311,366</b>

For geographical areas of past due and impaired exposures, nearly 98% are to the UK.

### Credit Risk Mitigation Techniques

For more detail on the Company's approach to Credit Risk Mitigation refer to the Other Segments – Credit Risk Review section of the Company's 2020 Half Yearly Financial Report.

The following table provides analysis of secured and collateralised exposures at 30 June 2020.

	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn
Total loans	110,592	188,864	8,691	3,219	-
Total debt securities <sup>1</sup>	12,854	-	2,363	-	-
Total exposures	123,446	188,864	11,054	3,219	-
Of which defaulted	663	1,798	-	-	-

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

Movement over the period 1 January 2020 to 30 June 2020 of specific credit risk adjustments.<sup>2</sup>

	Accumulated specific credit risk adjustment £m
<b>Opening balance (IFRS9)</b>	<b>863</b>
Increases due to origination and acquisition during the period	62
Decreases due to derecognition during the period	(65)
Changes due to change in credit risk (net)	378
Changes due to modifications without derecognition (net)	32
Changes due to update in the institution's methodology for estimation (net)	-
Other adjustments	34
Decrease in allowance account due to write-offs	(123)
<b>Closing balance</b>	<b>1,181</b>
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	32
Specific credit risk adjustments directly recorded to the statement of profit or loss	-

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

Movement over the period 1 January 2020 to 30 June 2020 of carrying value of defaulted exposures.

	Gross carrying value of defaulted exposures £m
Opening balance (IFRS9)	2,369
Loans and debt securities that have defaulted or impaired since the last reporting period	761
Returned to non-defaulted status	(471)
Amounts written off	(191)
Other changes <sup>3</sup>	105
Closing balance	2,573

### Credit risk exposure

Breakdown of loans and advances to banks and customers and central bank exposures by credit quality, including total and average net amount of exposures (excludes securitisations and other debt instruments).

	Gross carrying values of							
As at 30 June 2020	Defaulted Exposure	Non-Defaulted Exposure	Net value of exposures at the end of the period	Average net exposures over the period	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net Value £m
Central Banks and Central Governments	-	35,085	35,085	30,280	-	-	-	35,085
Financial Institutions and Other Financial Corporates	-	32,025	32,025	31,897	(1)	-	(1)	32,024
Corporate Exposures	534	41,886	42,420	41,407	(418)	(22)	(167)	42,002
Of which: Specialised lending	66	5,473	5,539	5,581	(91)	(7)	(49)	5,448
Retail	1,927	201,090	203,017	203,477	(762)	(101)	(272)	202,255
Of which: IRB residential immovable property	1,771	175,891	177,662	178,373	(289)	(6)	(69)	177,373
<b>Total</b>	<b>2,461</b>	<b>310,086</b>	<b>312,547</b>	<b>307,061</b>	<b>(1,181)</b>	<b>(123)</b>	<b>(440)</b>	<b>311,366</b>

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

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

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

**Ageing of past-due exposures**

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

As at 30 June 2020	Gross carrying values					
	≤30 days £m	>30 days ≤ 60 days £m	>60 days ≤90 days £m	>90 days ≤ 180 days £m	>180 days ≤ 1 year £m	> 1 year £m
Loans	4,418	1,145	599	612	559	441
Debt Securities	-	-	-	-	-	-
<b>Total Exposures</b>	<b>4,418</b>	<b>1,145</b>	<b>599</b>	<b>612</b>	<b>559</b>	<b>441</b>

**Non-performing and forborne exposures**

This table provides an overview of non-performing and forborne exposures at 30 June 2020.

	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
	Of which performing but past due >30 days and ≤ 90 days			Of which performing >90 days and forborne				On performing exposures		On non-performing exposures		On non-performing exposures	Of which forborne exposures
	£m	£m	£m	Of Which non-performing £m	Of which defaulted £m	Of which impaired £m	Of which forborne £m	£m	Of which forborne £m	£m	Of which forborne £m	£m	£m
<b>Debt Securities</b>	15,314	-	-	0	0	0	0	-	-	-	-	-	-
<b>Loans and Advances</b>	274,711	1,565	1,456	2,461	2,461	2,461	760	(685)	(33)	(465)	(190)	1,866	1,565
<b>Off-balance-sheet exposures</b>	38,646	-	-	99	0	0	0	(58)	-	(15)	-	-	-

The following three tables relate to new disclosure requirements in response to Covid-19 in accordance with EBA guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis, EBA/GL/2020/07 published on 02 June 2020.

**Information on loans and advances subject to legislative and non-legislative moratoria**

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		As at 30 June 2020 £m	Performing			Non-performing				Performing			Non-performing			Inflows to non-performing exposures
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	
1	Loans and advances subject to moratorium	24,851	24,593	423	3,892	257	77	1	151	126	10	97	25	8	1	23
2	of which: Households	22,886	22,638	280	2,888	247	71	1	105	85	4	65	20	6	1	22
3	of which: Collateralised by residential immovable property	22,319	22,086	273	2,799	233	65	-	61	49	3	44	13	3	-	16
4	of which: Non-financial corporations	1,965	1,955	143	1,004	10	6	-	46	41	6	31	5	3	-	1
5	of which: Small and Medium-sized Enterprises	359	355	64	100	5	4	-	11	9	4	6	1	1	-	1
6	of which: Collateralised by commercial immovable property	545	544	13	262	1	-	-	14	13	1	11	1	-	-	-

The table shows the carry amount of support through the range of legislative and non-legislative moratoria for individuals and businesses through these uncertain times.

### Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

	Number of obligors	Gross carrying amount	Residual maturity of moratoria						
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
As at 30 June 2020									
Loans and advances for which moratorium was offered	328,432	40,158							
Loans and advances subject to moratorium (granted)	327,547	40,063	37,403	15,212	18,261	6,590	-	-	-
of which: Households		37,830	37,403	14,944	16,845	6,041	-	-	-
of which: Collateralised by residential immovable property		37,091	37,091	14,772	16,279	6,041	-	-	-
of which: Non-financial corporations		2,233	-	268	1,415	550	-	-	-
of which: Small and Medium-sized Enterprises		380	-	21	324	36	-	-	-
of which: Collateralised by commercial immovable property		578	-	33	331	214	-	-	-

The table shows the total value of loans and advances subject to moratoria throughout the pandemic and the remaining balances that are still receiving some form of relief.

### Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

As at 30 June 2020	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne		
			Public guarantees received	Inflows to non-performing exposures
<b>Newly originated loans and advances subject to public guarantee schemes</b>	3,178	-	3,123	-
of which: Households	-			-
of which: Collateralised by residential immovable property	-			-
of which: Non-financial corporations	3,178	-	3,123	-
of which: Small and Medium-sized Enterprises	2,993			-
of which: Collateralised by commercial immovable property	8			-



**CRR Leverage ratio – disclosure template**

The table below provides a reconciliation of accounting assets to the CRD IV Leverage ratio exposure, and information on the composition of the principal exposure elements at 30 June 2020. A CRD IV end point Tier 1 capital measure is used for this disclosure and Leverage Ratio calculation, consistent with the UK framework for large banks.

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

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

**Leverage Ratio common disclosure**

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

**Own Funds disclosure – balance sheet reconciliation**

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

A reconciliation of regulatory own funds to the relevant balance sheet items for the Company is included in the table below at 30 June 2020. This outlines the impact of the difference in scope of consolidation outlined above.

	Own Funds Type		
	CET1 £m	Additional Tier 1 £m	Tier 2 £m
<b>Santander UK Balance Sheet elements</b>			
Shareholder's equity and Non-controlling interests	14,009	2,476	-
Subordinated Liabilities	-	90	3,167
<b>CRD IV Adjustments</b>			
Additional value adjustments	(24)	-	-
Intangible Assets (net of related tax liability)	(1,671)	-	-
Fair value reserves related to gains or losses on cash flow hedges	(774)	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(435)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(20)	-	-
Deferred tax assets arising from temporary differences	(7)	-	-
Defined benefit pension fund assets	(386)	-	-
- Dividend accrual	(9)	-	-
- Deduction for minority interests	(171)	-	-
- IFRS 9 Transitional Adjustments	63	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	(85)	(709)
<b>Total</b>	<b>10,575</b>	<b>2,481</b>	<b>2,458</b>

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

The following table provides disclosure of the Company's own funds items. The CRD IV end point position can be derived as the sum of the 30 June 2020 results and the associated end point adjustment. The Common Equity Tier 1 (CET1) Capital before regulatory adjustments below differs from other disclosures in this document as this template requires an alternative treatment of CET1 Minority Interests and foreseeable dividends.

	30 June 2020 £m	CRD IV end point adjustments £m
Common Equity Tier 1 (CET1) Capital: instruments and reserves		
1 Capital Instruments and the related share premium accounts	7,060	-
2 Retained Earnings	5,988	-
3 Accumulated other comprehensive income (and other reserves)	781	-
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium account subject to phase out from CET1	-	-
5 Minority interests (amount allowed in consolidated CET1)	-	-
5a Independently reviewed interim profits net of any foreseeable charge or dividend	-	-
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	13,829	
7 Additional value adjustments (negative amount)	(24)	-
8 Intangible assets (net of related tax liability) (negative amount)	(1,671)	-
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-
11 Fair value reserves related to gains or losses on cash flow hedges	(774)	-
12 Negative amounts resulting from the calculation of expected loss amounts	(435)	-
13 Any increase in equity that results from securitised assets (negative amount)	-	-
14 Gains of losses on liabilities valued at fair value resulting from changes in own credit standing	(20)	-
15 Defined-benefit pension fund assets (negative amount)	(386)	-
16 Direct and indirect 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)	-	-
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
20b of which: qualifying holdings outside the financial sector (negative amount)	-	-
20c of which: securitisation positions (negative amount)	-	-
20d of which: free deliveries (negative amount)	-	-
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(7)	-
22 Amount exceeding the 15% threshold (negative amount)	-	-
23 of which: 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	-	-
25 of which: deferred tax assets arising from temporary differences	-	-
25a Losses for the current financial year (negative amount)	-	-
25b Foreseeable tax charges relating to CET1 items (negative amount)	-	-
26 Regulatory adjustment applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment and IFRS 9 Transitional	63	-
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	-
26b Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	(3,254)	-
29 Common Equity Tier 1 (CET1) capital	10,575	-
30 Capital instruments and the related share premium accounts	2,241	-
31 of which: classified as equity under applicable accounting standards	2,241	-
32 of which: classified as liabilities under applicable accounting standards	-	-
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	-
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	240	(240)
35 of which: instruments issued by subsidiaries subject to phase out	240	(240)
36 Additional Tier 1 (AT1) capital before regulatory adjustments	2,481	(240)
Additional Tier 1 (AT1) capital: regulatory adjustments		
37 Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	-
38 Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40 Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	-	-
41 Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-

		30 June 2020 £m	CRD IV end point adjustments £m
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transition period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article of Regulation (EU) No 575/2013	-	-
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
44	Additional Tier 1 (AT1) capital	2,481	(240)
45	Tier 1 capital (T1 = CET1 + AT1)	13,056	(240)
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	1,221	-
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts 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	1,237	(103)
49	of which: instruments issued by subsidiaries subject to phase out	236	(236)
50	Credit risk adjustments	-	-
51	Tier 2 (T2) capital before regulatory adjustments	2,458	(103)
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	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 and indirect 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)	-	-
54a	Of which new holdings not subject to transitional arrangements	-	-
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-	-
55	Direct and indirect 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)	-	-
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) 575/2013 (i.e. CRR residual amounts)	-	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	-	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-	-
58	Tier 2 (T2) capital	2,458	-
59	Total Capital (TC = T1 + T2)	15,514	-
59a	Risk weighted assets in respect of amounts subject to pre CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) 575/2013 (i.e. CRR residual amounts)	-	-
60	Total risk weighted assets	72,718	-
Capital ratio and buffers			
61	Common Equity Tier (as a percentage of total risk exposure amount)	14.5%	-
62	Tier 1 (as a percentage of total risk exposure amount)	18.0%	-
63	Total capital (as a percentage of total risk exposure amount)	21.3%	-
64	Institution specific buffer requirement (CET 1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	2.50%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical buffer requirement	-	-
67	of which: systemic risk buffer requirement	-	-
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)	14.5%	-
Amounts below the threshold for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital 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 institutions of the CET1 instruments of financial sector entities where the institution has a significant in those entities (amount below 10% threshold and net of eligible short positions)	-	-
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) 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 if credit risk adjustment in T2 under standardised approach	229	-
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	272	-
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)	-	-

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

The following table outlines the main features of Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.

1	Issuer	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK plc	Santander UK plc
2	ISIN	XS1244538523	n/a	n/a	XS1592884123	US802811AA35 XS1291333760	US802811AB18 XS12913352711	GB0000064393	GB0000044221
3	Governing law(s) of the instrument	English	English	English	English	English	English	English	English
Regulatory treatment									
4	Transitional Basel III rules	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Additional Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/group&solo	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Subordinated	Subordinated	Preferred	Preferred
8	Amount recognised in regulatory capital (£m)	745	500	500	500	813	408	212	132
9	Par value of instrument (£m)	750	500	500	500	808	404	200	125
9a	Issue Price of Instrument	100%	100%	100%	100%	99.724%	99.412%	100m @ 101.52% 100m @ 108.935%	101.55%
9b	Redemption Price of Instrument	100% (call)	100% (call)	100% (call)	100% (call)	100%	100%	n/a	n/a
10	Accounting classification	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost
11	Original date of issuance	10/06/2015	24/06/2014	09/08/2019	10/04/2017	15/09/2015	15/09/2015	23/10/1995	09/06/1997
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Perpetual	Perpetual
13	Original maturity date	n/a	n/a	n/a	n/a	15/09/2025	15/09/2045	n/a	n/a
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	24/06/2022	24/09/2020	24/03/2025	24/06/2024	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	5 years	Quarterly	Quarterly	5 years	n/a	n/a	n/a	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	7.375%	5.33%	6.3%	6.75%	4.75%	5.625%	10.375%	8.625%
19	Existence of a dividend stopper	No	No	No	No	No	No	Yes	Yes
20a & b	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Mandatory	Mandatory	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Cumulative	Cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	n/a	n/a	n/a	n/a
32	If write-down, full or partial	Full	Full	Full	Full	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2	Tier 2	Senior	Senior	Tier 2	Tier 2
36	Non-compliant transitioned features	No	No	No	No	No	No	Yes	Yes
37	If yes, specify non-compliant features							No CET1 conversion or write down trigger Dividend Stopper	No CET1 conversion or write down trigger Dividend Stopper

## Own Funds disclosure – capital instruments main features

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK Group Holdings plc
2	ISIN	XS0124569566	XS0103012893	XS0060837068	XS0117973262	US002920AC09	XS0133956168	XS0989359756 US80283LAA17	XS0117973429	n/a
3	Governing law(s) of the instrument	English	English	English	English	New York	English	English	English	English
Regulatory treatment										
4	Transitional Basel III rules	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Common Equity Tier 1
5	Post-transitional Basel III rules	Ineligible	Tier 2	Tier 2	Ineligible	Tier 2	Tier 2	Tier 2	Ineligible	Common Equity Tier 1
6	Eligible at solo/group/group&solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Preferred	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Equity
8	Amount recognised in regulatory capital (£m)	235	43	205	15	326	11	488	366	7,060
9	Par value of instrument (£m)	235	29	200	14	211	11	727	252	7,060
9a	Issue Price of Instrument	100%	99.561%	100.432%	99.277%	99.626%	98.878%	99.681%	175m @ 97.712% 100m @ 109.744%	100%
9b	Redemption Price of Instrument	100% (call)	100%	n/a	100% (call)	100%	100%	100%	100% (call)	n/a
10	Accounting classification	Shareholders' Equity	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Shareholders' Equity
11	Original date of issuance	14/02/2001	21/10/1999	23/10/1995	28/09/2000	26/10/1999	14/08/2001	07/11/2013	28/09/2000	10/01/2014
12	Perpetual or dated	Perpetual	Dated	Perpetual	Perpetual	Dated	Dated	Dated	Perpetual	Perpetual
13	Original maturity date	n/a	21/10/2030	n/a	n/a	26/10/2029	14/08/2031	07/11/2023	n/a	n/a
14	Issuer call subject to prior supervisory approval	Yes	No	No	Yes	No	n/a	No	Yes	No
15	Optional call date, contingent call dates and redemption amount	14/02/2026	n/a	n/a	28/09/2020	n/a	n/a	n/a	28/09/2030	n/a
16	Subsequent call dates, if applicable	Annually	n/a	n/a	5 years	n/a	n/a	n/a	5 years	n/a
Coupons / dividends										
17	Fixed or floating dividend/coupon	Fixed to Floating	Fixed	Fixed	Fixed to Floating	Fixed	Fixed	Fixed	Fixed to Floating	Variable
18	Coupon rate and any related index	7.037%	6.5%	10.0625%	7.375%	7.95%	5.875%	5%	7.125%	n/a
19	Existence of a dividend stopper	Yes	No	No	No	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory	Mandatory	Partially discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	Yes	No	No	Yes	No	No	No	Yes	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Noncumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	n/a	n/a	No	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	Fully or Partially	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	100%	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	at the option of the issuer	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	Additional Tier 1	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	Santander UK	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Senior	Tier 2	Tier 2	Senior	Senior	Senior	Tier 2	Additional Tier 1
36	Non-compliant transitioned features	Yes	No	No	Yes	No	No	No	Yes	No
37	If yes, specify non-compliant features	No CET1 conversion or write down trigger Dividend Stopper Incentive to Redeem: Step Up			Incentive to Redeem: Step Up	Governing law: New York Grandfather to June 2025			Incentive to Redeem: Step Up	

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

Own Funds disclosure – capital instruments main features table on page 21-22 outlines the main features of the Company's Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments. Other TLAC eligible instruments are detailed in the following table.

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

1	Issuer	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc
2	ISIN	US80281LAE56	XS1487315860	US80281LAF22	XS1615065320	US80281LAG05	US80281LAH87	XS1799039976	XS1816338914	US80281LAJ44
3	Governing law(s) of the instrument	New York	English	New York	English	New York	New York	English	English	New York
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	Contractual	n/a	Contractual	n/a	Contractual	Contractual	n/a	n/a	Contractual
4	Transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5	Post-transitional CRR rules	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Eligible at solo/group/group & solo	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond
8	Amount recognised in regulatory capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9	Par value of instrument (£m)	1212	909	808	455	808	808	682	500	808
10	Accounting classification	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost
11	Original date of issuance	05/08/2016	08/09/2016	10/01/2017	18/05/2017	03/11/2017	05/01/2018	27/03/2018	08/05/2018	15/11/2018
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	05/08/2021	08/09/2023	10/01/2023	18/05/2023	03/11/2028	05/01/2024	27/03/2024	08/05/2026	15/11/2024
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Tax event at any time/par	Tax event at any time/par	10/01/2022/Tax event at any time/par	18/05/2022/Tax event at any time, Loss absorption disqualification event call option/par	03/11/2027/Tax event at any time, Loss absorption disqualification event call option/par	05/01/2023/Tax event at any time, Loss absorption disqualification event call option/par	27/03/2023/Tax event at any time, Loss absorption disqualification event call option/par	08/05/2025/Tax event at any time, Loss absorption disqualification event call option/par	15/11/2023/Tax event at any time, Loss absorption disqualification event call option/par
16	Subsequent call dates, if applicable <sup>1</sup>	n/a	n/a	None	None	None	None	None	None	None
Coupons / dividends										
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Floating	Fixed to Floating	Fixed to Floating	Floating	Fixed	Fixed to Floating
18	Coupon rate and any related index	2.88%	1.13%	3.58%	3m EURIBOR + 78bps	3.38%	4.80%	3m EURIBOR + 85bps	2.92%	3.82%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA - Contractual recognition
25	If convertible, fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially

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

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

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

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



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

1	Issuer	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc	Santander UK Group Holdings plc
2	ISIN	XS1345415472	XS1435163859	XS1569879304	XS1573245864	XS2126058168
3	Governing law(s) of the instrument	English	English	English	English	English
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	n/a	n/a	n/a	n/a	n/a
4	Transitional CRR rules	n/a	n/a	n/a	n/a	n/a
5	Post-transitional CRR rules	n/a	n/a	n/a	n/a	n/a
6	Eligible at solo/group/group & solo	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond	Bond	Bond
8	Amount recognised in regulatory capital (£m)	n/a	n/a	n/a	n/a	n/a
9	Par value of instrument (£m)	500	46	17	75	682
10	Accounting classification	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost	Liability – Amortised Cost
11	Original date of issuance	14/01/2016	22/06/2016	22/02/2017	10/03/2017	28/02/2020
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	14/01/2026	22/06/2026	22/02/2027	10/03/2027	28/02/2025
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	n/a / Tax event at any time / par	n/a / Tax event at any time / par	n/a / Tax event at any time / par	n/a / Tax event at any time, Loss absorption disqualification event call option / par	28/02/2024 / Tax event at any time, Loss absorption disqualification event call option / par
16	Subsequent call dates, if applicable <sup>1</sup>	n/a	n/a	n/a	n/a	None
Coupons / dividends						
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	3.63%	0.79%	3.45%	0.90%	0.39%
19	Existence of a dividend stopper	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA	Triggers to statutory bail-in power under UK Banking Act 2009 - UK BoE/PRA- Contractual recognition
25	If convertible, fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions

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

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

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

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

## Part 2

## June 2020 Additional Capital and Risk Management Disclosures for Santander UK plc Group

## Introduction

As a large wholly-owned subsidiary under CRD IV<sup>1</sup>, 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 frequency<sup>2</sup>, the RFB has assessed the need to publish capital-related disclosures more frequently than annually, and the disclosures deemed appropriate for more frequent publication have been included in the additional capital disclosures set out in this document. All disclosures cover the consolidated RFB Group position.

## Key metrics

The following table summarises the RFB Group's Own Funds and key risk-based capital ratios at 30 June 2020, together with the previously disclosed quarter end information at 31 March 2020, 31 December 2019, 30 September 2019 and 30 June 2019. Further detail on Risk Weighted Assets is included in the subsequent sections of this document.

	30 June 2020 £m	31 March 2020 £m	31 December 2019 £m	30 September 2019 £m	30 June 2019 £m
<b>Available Capital (amounts)</b>					
Common Equity Tier 1 (CET1) capital	10,591	10,657	10,419	10,316	10,394
Fully loaded <sup>3</sup> Expected Credit Loss (ECL) accounting model CET1	10,528	10,610	10,403	10,300	10,374
Tier 1 capital	12,872	12,937	12,862	12,759	12,637
Fully loaded ECL accounting model Tier 1	12,809	12,890	12,845	12,743	12,617
Total capital	15,478	15,566	15,787	15,947	15,788
Fully loaded ECL accounting model total capital	15,415	15,518	15,771	15,931	15,768
<b>Risk-weighted assets (amounts)</b>					
Total risk-weighted assets (RWA)	72,176	73,458	72,614	73,927	74,742
Fully loaded ECL accounting model total RWA	72,074	73,423	72,645	73,959	74,782
<b>Risk-based capital ratios as a percentage of RWA</b>					
Common Equity Tier 1 ratio	14.7%	14.5%	14.3%	14.0%	13.9%
Fully loaded ECL accounting model Common Equity Tier 1 (%)	14.6%	14.5%	14.3%	13.9%	13.9%
Tier 1 ratio	17.8%	17.6%	17.7%	17.3%	16.9%
Fully loaded ECL accounting model Tier 1 ratio (%)	17.8%	17.6%	17.7%	17.2%	16.9%
Total capital ratio	21.4%	21.2%	21.7%	21.6%	21.1%
Fully loaded ECL accounting model total capital ratio (%)	21.4%	21.1%	21.7%	21.5%	21.1%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical buffer requirement (%)	-	0.02%	0.99%	0.99%	0.96%
Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
Systemic Risk Buffer requirement (%)	1.00%	1.00%	1.00%	1.00%	-
Total of bank CET1 specific buffer requirements (%)	3.50%	3.52%	4.49%	4.49%	3.46%
CET1 available after meeting the banks minimum capital requirements	6.67%	6.49%	5.36%	4.97%	5.94%
<b>Basel III leverage ratio</b>					
Total Basel III leverage ratio exposure measure (£bn)	300.9	290.3	288.7	287.2	295.9
Basel III leverage ratio	4.2%	4.3%	4.3%	4.3%	4.1%
Fully loaded ECL accounting model leverage Ratio	4.1%	4.3%	4.3%	4.3%	4.1%
<b>Liquidity Coverage Ratio</b>					
Total high-quality liquid assets (HQLA)	47,425	42,900	41,604	44,363	47,707
Total net cash outflow	31,934	30,315	28,601	29,560	30,258
Liquidity coverage ratio (LCR))	148.5%	141.5%	145.5%	150.1%	157.7%

## Key Movements

CET1 capital increased to £10.6bn, with ongoing capital accretion through retained profits and a lower deduction from the excess of regulatory expected loss amounts over credit provisions. These improvements were partially offset by adverse market driven movements in the defined benefit pension schemes. Amendments to Capital Requirements Regulation (CRR), which were published in the Official Journal on 26 June 2020, increased CET1 ratio. The majority of the benefit came through the implementation of the RWA reduction factors for certain SME and infrastructure exposures. CET1 capital ratio increased 40bps to 14.7%.

The LCR of 148.5% reflects our prudent approach in an uncertain operating environment.

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

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

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

**IFRS 9 Transitional Arrangements**

The following table summarises the impact of IFRS 9 transitional arrangements at 30 June 2020 over the full allowable period.

	2020	2021	2022	2023	2024
IFRS9 Transitional Factor	70%	50%	25%		
IFRS9 Transitional Factor for credit loss-based provision movements post 1/1/20	100%	100%	75%	50%	25%
<b>Available Capital (amounts)</b>					
Common Equity Tier 1 (CET1) capital	10,591	10,588	10,570	10,553	10,540
CET1 Capital as if IFRS 9 STATIC transitional arrangements were not applied	10,578	10,578	10,565	10,553	10,540
CET1 Capital as if IFRS 9 DYNAMIC transitional arrangements were not applied	10,541	10,538	10,533	10,528	10,528
CET1 Capital as if ALL IFRS 9 transitional arrangements were not applied	10,528	10,528	10,528	10,528	10,528
Tier 1 Capital	12,872	12,869	12,851	12,834	12,821
Tier 1 Capital as if ALL IFRS 9 transitional arrangements were not applied	12,809	12,809	12,809	12,809	12,809
Total Capital	15,478	15,475	15,457	15,440	15,427
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	15,415	15,415	15,415	15,415	15,415
<b>Risk-weighted assets (amounts)</b>					
Total risk-weighted assets (RWA)	72,176	72,180	72,156	72,133	72,103
Total RWA as if IFRS 9 STATIC transitional arrangements were not applied	72,253	72,235	72,184	72,133	72,103
Total RWA as if IFRS 9 DYNAMIC transitional arrangements were not applied	71,997	72,019	72,046	72,074	72,074
Total RWA as if ALL IFRS 9 transitional arrangements were not applied	72,074	72,074	72,074	72,074	72,074
<b>Capital Ratios</b>					
Common Equity Tier 1 ratio	14.7%	14.7%	14.7%	14.6%	14.6%
Common Equity Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	14.6%	14.6%	14.6%	14.6%	14.6%
Tier 1 ratio	17.8%	17.8%	17.8%	17.8%	17.8%
Tier 1 as if ALL IFRS 9 transitional arrangements were not applied	17.8%	17.8%	17.8%	17.8%	17.8%
Total capital ratio	21.4%	21.4%	21.4%	21.4%	21.4%
Total Capital as if ALL IFRS 9 transitional arrangements were not applied	21.4%	21.4%	21.4%	21.4%	21.4%
<b>CRD IV leverage ratio</b>					
Leverage Ratio Total Exposure Measure	300,895	300,895	300,895	300,895	300,895
Leverage Ratio	4.2%	4.2%	4.2%	4.2%	4.2%
Leverage ratio as if ALL IFRS 9 transitional arrangements were not applied	4.1%	4.2%	4.2%	4.2%	4.2%

The RFB Group is applying the IFRS 9 capital transitional arrangements set out in EU Regulation 2017/2395 and EU Regulation 2020/873 that amend the Capital Requirements Regulation. Under the transitional arrangements, the RFB Group is entitled to mitigate the effect to capital of ECL -based provisioning following the implementation of IFRS 9. The transitional arrangements last for a five-year period beginning on the 1st of January 2018 with the amount of capital relief available reduced each year by the transitional factor, with an extended transitional period used for capital relief against provision movements from 1 January 2020. The transitional factor is 70 percent in 2020, declining to 50 percent in 2021 and 25 percent in 2022, and for post 1 January 2020 provision movements is 100 percent in 2020 and 2021, 75 percent in 2022, 50 percent in 2023 and 25 percent in 2024.

The capital relief affects both the capital base and RWAs reported by RFB Group. The adjustment to CET1 capital is comprised of a static element and a dynamic element. The static element is based on the CET1 capital impact of the change in provision levels upon implementation of IFRS 9 (on 1st January 2018). The capital adjustments from this static element will only change over the five-year transition period due to the phased reduction of the transitional factor. The dynamic element is based on the capital impact of the change in provision levels for non-credit impaired exposures from the first day of the implementation of IFRS 9. The dynamic element will change over the transition period and is also subject to progressive reduction over the five-year transitional period and the extended period for provision movements post 1 January 2020 due to the transitional factor. In addition to this adjustment, the transitional arrangements also reduce associated capital position impacts for exposures modelled under the Standardised Approach for Credit Risk, Deferred Tax assets created upon adoption of IFRS 9 ECL-based provisioning and Tier 2 capital from an excess of provisions over expected losses for exposures modelled using the Internal Rating Based approach.

**Leverage Ratio**

The following table summarises the RFB Group's end point CRD IV and UK PRA Tier 1 Leverage ratio at 30 June 2020 together with the previously disclosed quarter end information at 31 March 2020, 31 December 2019, 30 September 2019 and 30 June 2019. This is consistent with the Leverage ratio applied to large UK banks under the framework defined by the Financial Policy Committee's review of the Leverage ratio.

	30 June 2020	31 March 2020	30 December 2019	30 September 2019	30 June 2019
Common Equity Tier 1 (CET1) capital (£m)	10,591	10,657	10,419	10,316	10,394
End point Additional Tier 1 (AT1) capital (£m)	1,957	1,956	1,956	1,956	1,756
End point Tier 1 capital (£m)	12,548	12,613	12,375	12,272	12,150
Leverage Exposure CRD IV (£bn)	300.9	290.3	288.7	287.2	295.9
Leverage Exposure UK <sup>1</sup> (£bn)	267.5	269.8	267.5	271.8	274.0
End point Tier 1 Leverage Ratio CRD IV	4.2%	4.3%	4.3%	4.3%	4.1%
End point Tier 1 Leverage Ratio UK <sup>1</sup>	4.7%	4.7%	4.6%	4.5%	4.4%
Average Tier 1 Leverage Ratio UK <sup>1</sup>	4.6%	4.6%	4.6%	4.4%	4.4%

UK Leverage ratio at 4.7%, was 1.1p.p. above the regulatory requirement including buffers.

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

## Liquidity Coverage Ratio

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

	Average unweighted value		Average weighted value	
	30 June 2020 £m	31 March 2020 £m	30 June 2020 £m	31 March 2020 £m
Total high-quality liquid assets (HQLA)	46,163	46,250	45,613	45,504
<b>CASH-OUTFLOWS</b>				
<b>Retail deposits and deposits from small business customers, of which:</b>	<b>136,782</b>	<b>135,628</b>	<b>8,015</b>	<b>7,949</b>
Stable deposits	119,587	118,575	5,979	5,929
Less stable deposits	17,195	17,053	2,036	2,020
<b>Unsecured wholesale funding</b>	<b>25,149</b>	<b>24,634</b>	<b>14,096</b>	<b>14,055</b>
Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
Non-operational deposits (all counterparties)	23,454	22,803	12,401	12,224
Unsecured debt	1,695	1,831	1,695	1,831
<b>Secured wholesale funding</b>	<b>13,171</b>	<b>12,586</b>	<b>335</b>	<b>420</b>
<b>Additional requirements</b>	<b>19,639</b>	<b>19,673</b>	<b>8,176</b>	<b>7,811</b>
Outflows related to derivative exposures and other collateral requirements	6,262	5,899	6,262	5,899
Outflows related to loss of funding on debt products	292	194	292	194
Credit and liquidity facilities	13,085	13,580	1,622	1,718
<b>Other contractual funding obligations</b>	<b>60</b>	<b>60</b>	<b>3</b>	<b>6</b>
<b>Other contingent funding obligations</b>	<b>26,426</b>	<b>26,796</b>	<b>2,063</b>	<b>2,101</b>
<b>TOTAL CASH OUTFLOWS</b>	<b>221,227</b>	<b>219,377</b>	<b>32,688</b>	<b>32,342</b>
<b>CASH-INFLOWS</b>				
Secured lending (e.g. reverse repos)	9,109	10,347	39	221
Inflows from fully performing exposures	2,173	2,308	1,282	1,354
Other cash inflows	1,793	1,793	469	481
(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)	-	-	-	-
(Excess inflows from a related specialised credit institution)	-	-	-	-
<b>TOTAL CASH INFLOWS</b>	<b>13,075</b>	<b>14,448</b>	<b>1,790</b>	<b>2,056</b>
Fully exempt inflows	-	-	-	-
Inflows Subject to 90% Cap	-	-	-	-
Inflows Subject to 75% Cap	9,829	10,277	1,908	2,056
<b>LIQUIDITY BUFFER</b>	<b>-</b>	<b>-</b>	<b>45,613</b>	<b>45,504</b>
<b>TOTAL NET CASH OUTFLOWS</b>	<b>-</b>	<b>-</b>	<b>30,783</b>	<b>30,286</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>	<b>-</b>	<b>-</b>	<b>148.18</b>	<b>150.25</b>
Number of data points used in calculation of averages	12	12	12	12

The average LCR of 148.18% reflects our prudent approach in the uncertain operating environment and is significantly above regulatory requirements.

## RWA and Capital Requirements

### Overview of RWA

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

	RWA		Minimum capital requirements
	30 June 2020 £bn	31 March 2020 £bn	30 June 2020 £bn <sup>1</sup>
Credit risk (excluding counterparty credit risk) <sup>1</sup>	62.2	63.3	5.0
- Of which: standardised approach (SA)	18.0	18.6	1.4
- Of which: foundation internal rating-based (FIRB) approach	5.1	5.6	0.4
- Of which: advanced internal rating-based (AIRB) approach	39.1	39.1	3.1
Counterparty credit risk (CCR) <sup>1</sup>	0.9	1.0	0.1
- Of which: standardised approach for counterparty credit risk	0.9	1.0	0.1
- Of which: IMM	-	-	-
- Of which: other CCR	-	-	-
Credit Valuation Adjustment (CVA)	0.3	0.4	-
Equity positions under the simple risk-weight approach and the internal model method during the five-year linear phase-in period	0.1	0.1	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	-	-	-
Equity investments in funds – fall-back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in banking book (after cap) <sup>2</sup>	1.1	1.1	0.1
- Of which: securitisation IRB approach (SEC-IRBA)	0.2	0.2	-
- Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	0.6	0.4	-
- Of which: securitisation standardised approach (SEC-SA)	0.3	0.5	-
Market risk <sup>1</sup>	0.3	0.3	-
- Of which: standardised approach (SA)	0.3	0.3	-
- Of which: internal model approach (IMA)	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational risk <sup>1</sup>	7.3	7.3	0.6
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Aggregate capital floor applied	-	-	-
Floor adjustment (before application of transitional cap)	-	-	-
Floor adjustment (after application of transitional cap)	-	-	-
Total <sup>1</sup>	72.2	73.5	5.8

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

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

	RWA £bn	Capital requirements
RWAs at 1 April	45.7	3.7
Asset size	(1.0)	(0.1)
Asset quality	1.0	0.1
Model updates	-	-
Methodology and policy	(0.6)	(0.1)
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	45.1	3.6

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

	RWA £bn	Capital requirements
RWAs at 1 April	19.8	1.6
Asset size	(0.6)	(0.1)
Asset quality	0.2	-
Model updates	-	-
Methodology and policy	(0.2)	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
RWAs at 30 June	19.2	1.5

£0.6bn and £0.2bn RWA reductions in Methodology and policy in IRB and standardised approach are driven by EU 'Quick Fix' amendments to Capital Requirements Regulation (CRR) in relation to the Covid-19 crisis published in the Official Journal on 26 June 2020.

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

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

<sup>3</sup> Table excludes CVA

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

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020
Central government or central banks	44.1	0.6	44.1	0.6	-	-
Regional government or local authorities	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	20%
Multilateral Development Banks	1.8	-	1.8	-	-	-
International Organisations	-	-	-	-	-	-
Institutions	1.1	-	1.1	-	0.2	15%
Corporates	9.3	2.0	7.0	0.1	6.8	96%
Retail	10.5	10.0	10.0	-	7.3	73%
Secured by mortgages on immovable property	0.1	-	0.1	-	0.1	68%
Exposures in default	0.1	-	0.1	-	0.1	107%
Higher-risk categories	0.1	-	0.1	-	0.2	150%
Covered bonds	1.5	-	1.5	-	0.1	10%
Institutions and corporations with a short-term credit assessment	-	-	-	-	-	-
Collective investment undertakings	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Other items	6.0	-	6.0	-	3.5	58%
Securitisations	3.1	-	3.1	-	0.9	29%
Contributions to the default fund of a CCP	-	-	-	-	-	1250%
<b>Total</b>	<b>77.7</b>	<b>12.6</b>	<b>74.9</b>	<b>0.7</b>	<b>19.2</b>	<b>25%</b>

**IRB approach**

	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020
Corporates – Specialised Lending	4.8	0.8	4.8	0.3	3.8	75%
Corporates – SME	1.2	0.3	1.2	-	1.0	87%
Corporates – Other	12.2	11.1	12.3	5.0	7.2	41%
Institutions	1.6	0.2	1.6	0.1	0.4	21%
Retail Immovable Property	167.6	10.1	167.9	6.2	29.1	17%
Retail QRR	0.4	4.1	0.4	5.1	1.6	29%
Retail Other	2.1	-	2.1	-	1.7	83%
Equity	-	-	-	-	0.1	370%
Securitisations	1.1	0.3	1.1	0.3	0.2	17%
<b>Total</b>	<b>191.0</b>	<b>26.9</b>	<b>191.4</b>	<b>17.0</b>	<b>45.1</b>	<b>22%</b>

**IRB (specialised lending and equities)**

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

		Specialised Lending				
Regulatory categories	Remaining maturity	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	Expected losses £m
1	Less than 2.5 years	49.3	55.3	50%	26.8	-
	Equal to or more than 2.5 years	206.4	22.5	70%	116.2	1.0
2	Less than 2.5 years	1,932.3	304.5	70%	1,361.2	8.3
	Equal to or more than 2.5 years	2,085.9	388.3	90%	1,743.6	17.7
3	Less than 2.5 years	70.8	-	115%	71.7	2.0
	Equal to or more than 2.5 years	250.4	8.8	115%	273.5	7.1
4	Less than 2.5 years	51.9	-	250%	117.8	4.1
	Equal to or more than 2.5 years	43.1	3.4	250%	89.5	3.5
5	Less than 2.5 years	42.2	1.0	-	-	21.3
	Equal to or more than 2.5 years	23.1	-	-	-	11.5
<b>Total</b>	Less than 2.5 years	2,146.5	360.8	-	1,577.5	35.7
	Equal to or more than 2.5 years	2,608.9	423.0	-	2,222.8	40.8

Equities under the simple risk-weight approach						
	On-balance sheet amount £m	Off-balance sheet amount £m	Risk weight %	RWA £m	Capital requirements £m	
Exchange –traded equity exposures	-	-	190%	-	-	-
Private equity exposures	-	-	250%	-	-	-
Other equity exposures	17.6	-	370%	65.2	5.2	
<b>Total</b>		-	-			

**Countercyclical Capital Buffer**

The following table outlines the geographical distribution of credit risk exposures relevant for the calculation of the countercyclical capital buffer at 30 June 2020.



Country	General credit exposure		Trading book exposure		Securitisation exposure		Own funds requirement					
	Exposure value for SA £bn	Exposure value IRB £bn	Sum of long and short position of trading book £bn	Value of trading book exposure for internal models £bn	Exposure value for SA £bn	Exposure value IRB £bn	Of which: general credit exposures £bn	Of which: trading book exposures £bn	Of which: securitisation exposures £bn	Total £bn	Own funds requirement weight	Counter-cyclical capital buffer rate
UK	28.0	212.5	-	-	0.8	0.1	5.1	-	-	5.1	-	0%
Crown Dependencies	0.1	0.4	-	-	-	-	-	-	-	-	-	0%
United States	-	0.2	-	-	-	-	-	-	-	-	-	0%
Spain	-	-	-	-	-	-	-	-	-	-	-	0%
Australia	-	-	-	-	-	-	-	-	-	-	-	0%
Luxembourg	-	0.2	-	-	-	-	-	-	-	-	-	0.25%
Canada	-	-	-	-	-	-	-	-	-	-	-	0%
Netherlands	0.1	0.1	-	-	-	-	-	-	-	-	-	0%
Ireland	-	0.1	-	-	1.5	2.2	-	-	0.1	0.1	-	0%
Norway	0.1	0.3	-	-	-	-	-	-	-	-	-	1%
Sweden	-	0.1	-	-	-	-	-	-	-	-	-	0%
France	0.3	-	-	-	-	-	-	-	-	-	-	0%
Belgium	0.1	-	-	-	-	-	-	-	-	-	-	0%
Finland	-	-	-	-	-	-	-	-	-	-	-	0%
British Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	0%
Denmark	-	0.1	-	-	-	-	-	-	-	-	-	0%
New Zealand	-	-	-	-	-	-	-	-	-	-	-	0%
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	0%
Other	-	-	-	-	-	-	-	-	-	-	-	0% or not set

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

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

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

	£bn
Total risk exposure	72.2
Institution specific countercyclical capital buffer rate	0%
Institution specific countercyclical capital buffer requirement	-

The level of the Countercyclical Capital Buffer for the RFB Group at 30 June 2020 was 0%.

**Credit risk adjustments**

The following table outlines the credit risk exposure, the associated level of impaired and past due exposures levels and impairment levels (credit risk adjustments) for 30 June 2020 by class of exposure. Further information on impairment losses and provisions is outlined in Notes 5 to the financial statements in the in the RFB 2020 Half Yearly Financial Report.

**Credit quality of exposures by industry**

Breakdown of exposures by industry class and Credit Quality.

As at 30 June 2020	Gross carrying values of					Net value
	Defaulted Exposure	Non-Defaulted Exposure	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	
Central Banks and Central Governments	-	29,475	-	-	-	29,475
Agriculture, forestry and fishing	15	297	(3)	-	(1)	309
Mining and quarrying	35	198	(2)	-	(1)	231
Manufacturing	38	1,844	(18)	(1)	(7)	1,864
Electricity, gas, steam and air conditioning supply	-	693	(7)	-	(1)	686
Water supply	-	311	(3)	-	(1)	308
Construction	17	2,459	(25)	(1)	(14)	2,451
Wholesale and retail trade	49	6,172	(62)	(3)	(25)	6,159
Transport and storage	7	888	(9)	-	(3)	886
Accommodation and food service activities	112	2,907	(29)	(2)	(13)	2,990
Information and communication	9	1,200	(12)	(1)	(8)	1,197
Real estate activities	127	17,805	(178)	(9)	(62)	17,754
Professional, scientific and technical activities	18	1,996	(20)	(1)	(10)	1,994
Administrative and support service activities	14	1,958	(20)	(1)	(8)	1,953
Public administration and defence, compulsory social security	-	16	-	-	-	16
Education	10	399	(4)	-	(1)	405
Human health services and social work activities	74	1,983	(20)	(1)	(7)	2,037
Arts, entertainment and recreation	5	575	(5)	-	(3)	575
Other services	4	238	(2)	-	(1)	238
Retail	1,925	200,793	(762)	(103)	(272)	201,956
Financial Institutions and Other Financial Corporates	-	31,457	-	-	(1)	31,457
<b>Total</b>	<b>2,459</b>	<b>303,664</b>	<b>(1,181)</b>	<b>(123)</b>	<b>(439)</b>	<b>304,942</b>

**Credit risk exposure by country**

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

As at 30 June 2020	Gross carrying values of					Net value
	Defaulted Exposure	Non-Defaulted Exposure	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	
UK	2,402	283,659	(1,131)	(123)	(407)	284,930
US	-	471	-	-	-	471
Japan	-	1,612	-	-	-	1,612
Ireland	-	9,356	(5)	-	(5)	9,351
Luxembourg	-	4,553	(1)	-	(1)	4,552
Jersey	-	499	(4)	-	(4)	495
Germany	-	469	-	-	-	469
Canada	-	16	-	-	-	16
France	-	779	-	-	-	779
Isle of Man	4	254	(5)	-	(5)	253
Netherlands	-	113	-	-	-	113
Italy	-	27	-	-	-	27
Norway	-	276	-	-	-	276
Denmark	-	73	(2)	-	(2)	71
Australia	-	79	-	-	-	79
Other	53	1,428	(33)	-	(15)	1,448
<b>Total</b>	<b>2,459</b>	<b>303,664</b>	<b>(1,181)</b>	<b>(123)</b>	<b>(439)</b>	<b>304,942</b>

For geographical areas of past due and impaired exposures, nearly 98% are to the UK.

### Credit Risk Mitigation Techniques

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

The following table provides analysis of secured and collateralised exposures at 30 June 2020.

	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn	30 June 2020 £bn
Total loans	104,167	188,864	8,691	3,219	-
Total debt securities <sup>1</sup>	14,440	-	2,363	-	-
Total exposures	118,607	188,864	11,054	3,219	-
Of which defaulted	661	1,798	-	-	-

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

Movement over the period 1 January 2020 to 30 June 2020 of specific credit risk adjustments.<sup>2</sup>

	Accumulated specific credit risk adjustment £m
<b>Opening balance (IFRS9)</b>	863
Increases due to origination and acquisition during the period	62
Decreases due to derecognition during the period	(65)
Changes due to change in credit risk (net)	378
Changes due to modifications without derecognition (net)	32
Changes due to update in the institution's methodology for estimation (net)	-
Other adjustments	34
Decrease in allowance account due to write-offs	(123)
<b>Closing balance</b>	<b>1,181</b>
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	(32)
Specific credit risk adjustments directly recorded to the statement of profit or loss	-

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

Movement over the period 1 January 2020 to 30 June 2020 of carrying value of defaulted exposures.

	Gross carrying value of defaulted exposures £m
Opening balance (IFRS9)	2,367
Loans and debt securities that have defaulted or impaired since the last reporting period	761
Returned to non-defaulted status	(471)
Amounts written off	(191)
Other changes <sup>3</sup>	105
Closing balance	2,571

### Credit risk exposure

Breakdown of loans and advances to banks and customers and central bank exposures by credit quality, including total and average net amount of exposures (excludes securitisations and other debt instruments).

	Gross carrying values of							
As at 30 June 2020	Defaulted Exposure	Non-Defaulted Exposure	Net value of exposures at the end of the period	Average net exposures over the period	Specific Credit Risk Adjustments	Accumulated write-offs	Credit risk adjustment charges during the period	Net value
Central Banks and Central Governments	-	29,475	29,475	24,868	-	-	-	29,475
Financial Institutions and Other Financial Corporates	-	31,457	31,457	31,233	-	-	(1)	31,457
Corporate Exposures	534	41,939	42,473	41,506	(419)	(22)	(167)	42,054
Of which Specialised lending	66	5,473	5,539	5,581	(91)	(7)	(49)	5,448
Retail	1,925	200,793	202,718	203,160	(762)	(101)	(271)	201,956
Of which: IRB residential immovable property	1,771	175,891	177,662	178,373	(289)	(6)	(69)	177,373
<b>Total</b>	<b>2,459</b>	<b>303,664</b>	<b>306,123</b>	<b>300,767</b>	<b>(1,181)</b>	<b>(123)</b>	<b>(439)</b>	<b>304,942</b>

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

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

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

**Ageing of past-due exposures**

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

As at 30 June 2020	Gross carrying values					
	≤30 days £m	>30 days ≤ 60 days £m	>60 days ≤90 days £m	>90 days ≤ 180 days £m	>180 days ≤ 1 year £m	> 1 year £m
Loans	4,416	1,145	599	612	559	440
Debt Securities	-	-	-	-	-	-
<b>Total Exposures</b>	<b>4,416</b>	<b>1,145</b>	<b>599</b>	<b>612</b>	<b>559</b>	<b>440</b>

**Non-performing and forborne exposures**

This table provides an overview of non-performing and forborne exposures as at 30 June 2020.

	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
	Of which performing but past due > 30 days and ≤ 90 days		Of which performing forborne					On performing exposures		On non-performing exposures		On non-performing exposures	Of which forborne exposures
					Of Which non-performing	Of which defaulted	Of which impaired	Of which forborne	Of which forborne		Of which forborne		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Debt Securities	15,310	-	-	-	-	-	0	-	-	-	-	-	-
Loans and Advances	267,594	1,564	1,456	2,459	2,459	2,459	760	(685)	(33)	(464)	(190)	1,864	1,565
Off-balance-sheet exposures	38,640	-	-	99	-	-	0	(58)	-	(15)	-	-	-

**CRR Leverage ratio – disclosure template**

The table below provides a reconciliation of accounting assets to the CRD IV Leverage ratio exposure, and information on the composition of the principal exposure elements at 30 June 2020. A CRD IV end point Tier 1 capital measure is used for this disclosure and Leverage Ratio calculation, consistent with the UK framework for large banks.

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

	£bn
1 Total assets as per published financial statements	295,708
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	1,015
3 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the Leverage Ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 CRR)	(2,497)
4 Adjustments for derivative financial instruments	(3,156)
5 Adjustments for securities financing transactions (SFTs)	926
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	7,789
EU-6a (Adjustment for intragroup exposures excluded from the Leverage Ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	-
EU-6b (Adjustment for exposures excluded from the Leverage Ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	-
7 Other adjustments	1,110
8 Total Leverage Ratio exposure	300,895

**Leverage Ratio common disclosure**

	Exposure £bn
On-balance sheet exposures (excluding derivatives and SFTs)	
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	266,551
2 (Asset amounts deducted in determining Tier 1 capital)	(2,497)
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	264,054
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	4,362
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	943
EU-5a Exposure determined under Original Exposure Method	-
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(3,216)
8 (Exempted CCP leg of client-cleared trade exposures)	-
9 Adjusted effective notional amount of written credit derivatives	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11 Total derivative exposures (sum of lines 4 to 10)	2,089
Securities financing transaction exposures	
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	24,805
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	(893)
14 Counterparty credit risk exposure for SFT assets	926
EU-14a Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
15 Agent transaction exposures	-
EU-15a (Exempted CCP leg of client-cleared SFT exposure)	-
16 Total securities financing transaction exposures (sum of lines 12 to 15a)	24,838
Other off-balance sheet exposures	
17 Off-balance sheet exposures at gross notional amount	38,646
18 (Adjustments for conversion to credit equivalent amounts)	(30,857)
19 Other off-balance sheet exposures (sum of lines 17 to 18)	7,789
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)	
(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	1,015
EU-19a (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposures	1,110
20 Tier 1 capital (CRD IV end point)	12,548
21 Total Leverage Ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	300,895
Leverage Ratio	
22 Leverage Ratio	4.2%
Choice on transitional arrangements and amount of derecognised fiduciary items	
EU-23 Choice on transitional arrangements for the definition of the capital measure	-
EU-24 Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-

**Own Funds disclosure – balance sheet reconciliation**

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

A reconciliation of regulatory own funds to the relevant balance sheet items for the RFB Group is included in the table below at 30 June 2020. This outlines the impact of the difference in scope of consolidation outlined above.

	Own Funds Type		
	CET1 £m	Additional Tier 1 £m	Tier 2 £m
<b>Santander UK Balance Sheet elements</b>			
Shareholder's equity and Non-controlling interests	14,011	2,191	-
Subordinated Liabilities	-	90	3,167
<b>CRD IV Adjustments</b>			
Additional value adjustments	(20)	-	-
Intangible Assets (net of related tax liability)	(1,664)	-	-
Fair value reserves related to gains or losses on cash flow hedges	(776)	-	-
Negative amounts resulting from the calculation of regulatory expected loss amounts	(432)	-	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(20)	-	-
Deferred tax assets arising from temporary differences	(7)	-	-
Defined benefit pension fund assets	(385)	-	-
- Dividend accrual	(8)	-	-
- Deduction for minority interests	(171)	-	-
- IFRS 9 Transitional Adjustments	63	-	-
Amount excluded from Tier 2 due to transitional recognition cap	-	-	(561)
<b>Total</b>	<b>10,591</b>	<b>2,281</b>	<b>2,606</b>

## Own Funds disclosure – Transitional Own Funds disclosure template

The following table provides disclosure of the RFB Group's own funds items. The CRD IV end point position can be derived as the sum of the 30 June 2020 results and the associated end point adjustment. The Common Equity Tier 1 (CET1) Capital before regulatory adjustments below differs from other disclosures in this document as this template requires an alternative treatment of CET1 Minority Interests and foreseeable dividends.

	30 June 2020 £m	CRD IV end point adjustments £m
Common Equity Tier 1 (CET1) Capital: instruments and reserves		
1 Capital Instruments and the related share premium accounts	8,725	-
2 Retained Earnings	4,321	-
3 Accumulated other comprehensive income (and other reserves)	786	-
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium account subject to phase out from CET1	-	-
5 Minority interests (amount allowed in consolidated CET1)	-	-
5a Independently reviewed interim profits net of any foreseeable charge or dividend	-	-
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	13,832	
Common Equity Tier 1 (CET1) Capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	(20)	-
8 Intangible assets (net of related tax liability) (negative amount)	(1,664)	-
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-
11 Fair value reserves related to gains or losses on cash flow hedges	(776)	-
12 Negative amounts resulting from the calculation of expected loss amounts	(432)	-
13 Any increase in equity that results from securitised assets (negative amount)	-	-
14 Gains of losses on liabilities valued at fair value resulting from changes in own credit standing	(20)	-
15 Defined-benefit pension fund assets (negative amount)	(385)	-
16 Direct and indirect 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)	-	-
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
20b of which: qualifying holdings outside the financial sector (negative amount)	-	-
20c of which: securitisation positions (negative amount)	-	-
20d of which: free deliveries (negative amount)	-	-
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(7)	-
22 Amount exceeding the 15% threshold (negative amount)	-	-
23 of which: 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	-	-
25 of which: deferred tax assets arising from temporary differences	-	-
25a Losses for the current financial year (negative amount)	-	-
25b Foreseeable tax charges relating to CET1 items (negative amount)	-	-
26 Regulatory adjustment applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment and IFRS 9 Transitional	63	-
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	-
26b Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	(3,241)	-
29 Common Equity Tier 1 (CET1) capital	10,591	
30 Capital instruments and the related share premium accounts	1,956	-
31 of which: classified as equity under applicable accounting standards	1,956	-
32 of which: classified as liabilities under applicable accounting standards	-	-
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	-
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	325	(325)
35 of which: instruments issued by subsidiaries subject to phase out	325	(325)
36 Additional Tier 1 (AT1) capital before regulatory adjustments	2,281	(325)
Additional Tier 1 (AT1) capital: regulatory adjustments		
37 Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	-
38 Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40 Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	-	-
41 Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-
41a Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transition period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
41b Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article of Regulation (EU) No 575/2013	-	-

		30 June 2020 £m	CRD IV end point adjustments £m
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
44	Additional Tier 1 (AT1) capital	2,281	(325)
45	Tier 1 capital (T1 = CET1 + AT1)	12,872	(325)
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	1,221	-
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts 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	1,385	(313)
49	of which: instruments issued by subsidiaries subject to phase out	313	(313)
50	Credit risk adjustments	-	-
51	Tier 2 (T2) capital before regulatory adjustments	2,606	(313)
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	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 and indirect 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)	-	-
54a	Of which new holdings not subject to transitional arrangements	-	-
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-	-
55	Direct and indirect 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)	-	-
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) 575/2013 (i.e. CRR residual amounts)	-	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	-	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-	-
58	Tier 2 (T2) capital	2,606	-
59	Total Capital (TC = T1 + T2)	15,478	-
59a	Risk weighted assets in respect of amounts subject to pre CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) 575/2013 (i.e. CRR residual amounts)	-	-
60	Total risk weighted assets	72,176	-
Capital ratio and buffers			
61	Common Equity Tier (as a percentage of total risk exposure amount)	14.7%	-
62	Tier 1 (as a percentage of total risk exposure amount)	17.8%	-
63	Total capital (as a percentage of total risk exposure amount)	21.4%	-
64	Institution specific buffer requirement (CET 1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	3.50%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical buffer requirement	-	-
67	of which: systemic risk buffer requirement	1.00%	-
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)	-	-
Amounts below the threshold for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital 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 institutions of the CET1 instruments of financial sector entities where the institution has a significant in those entities (amount below 10% threshold and net of eligible short positions)	-	-
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) 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 if credit risk adjustment in T2 under standardised approach	228	-
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	269	-
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)	-	-



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

The following table outlines the main features of Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander plc	Santander UK plc	Santander UK plc
2	ISIN	GB0000064393	GB0000044221	XS0124569566					XS0060837068
3	Governing law(s) of the instrument	English	English	English	English	English	English	English	English
Regulatory treatment									
4	Transitional CRR rules	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2
5	Post-transitional Basel CRR rules	Ineligible	Ineligible	Ineligible	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2
6	Eligible at solo/ group/ group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Preferred	Preferred	Preferred	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Subordinated
8	Amount recognised in regulatory capital (£m)	212	132	235	210	745	500	500	205
9	Par value of instrument (£m)	200	125	235	210	750	500	500	200
9a	Issue Price of Instrument	100m @ 101.52% 100m @ 108.935%	101.55%	100%	100%	100%	100%	100%	100.432%
9b	Redemption Price of Instrument	n/a	n/a	100% (call)	100% (call)	100% (call)	100% (call)	100% (call)	n/a
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	Liability-amortised cost
11	Original date of issuance	23/10/1995	09/06/1997	14/02/2001	24/06/2014	10/06/2015	09/08/2019	10/04/2017	23/10/1995
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14	Issuer call subject to prior supervisory approval	No	No	Yes	Yes	Yes	Yes	Yes	No
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	14/02/2026	24/09/2020	24/06/2022	24/03/2025	24/06/2024	n/a
16	Subsequent call dates, if applicable	n/a	n/a	Annually	Quarterly	5 years	Quarterly	5 years	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed to Floating	Fixed
18	Coupon rate and any related index	10.375%	8.625%	7.037%	5.180%	7.375%	6.3%	6.75%	10.0625%
19	Existence of a dividend stopper	Yes	Yes	Yes	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Fully Discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	Yes	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Fully or Partially
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100%
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	at the option of the issuer
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Additional Tier 1
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Santander UK
30	Write-down feature	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	CET1 Capital Ratio of the Group < 7%	n/a
32	If write-down, full or partial	n/a	n/a	n/a	Full	Full	Full	Full	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	Permanent	Permanent	Permanent	Permanent	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
36	Non-compliant transitioned features	Yes	Yes	Yes	No	No	No	No	No
37	If yes, specify non-compliant features	No CET1 conversion or write down trigger Dividend Stopper Grandfathered to December 2021	No CET1 conversion or write down trigger Dividend Stopper Grandfathered to December 2021	No CET1 conversion or write down trigger Dividend Stopper Incentive to Redeem: Step Up Grandfathered to December 2021 as Tier 1					

## Own Funds disclosure – capital instruments main features

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc
2	ISIN	XS0117973262	XS0117973429	XS0103012893	US002920AC09	XS0989359756 US80283LAA17	US80281LAA35 XS1291333760	XS0133956168	US80281LAA35 XS1291333760
3	Governing law(s) of the instrument	English	English	English	New York	English	English	English	English
Regulatory treatment									
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel CRR rules	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2	Ineligible	Tier 2
6	Eligible at solo/group/group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated
8	Amount recognised in regulatory capital (€m)	15	366	43	326	488	407	11	203
9	Par value of instrument (€m)	14	252	29	211	727	404	11	202
9a	Issue Price of Instruments	99.277%	175m @ 97.712% 100m @ 109.744%	99.561%	99.626%	99.681%	99.724%	98.878%	99.724%
9b	Redemption Price of Instrument	100% (call)	100% (call)	100%	100%	100%	100%	100%	100%
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost
11	Original date of issuance	28/09/2000	28/09/2000	21/10/1999	26/10/1999	07/11/2013	15/09/2015	14/08/2001	15/09/2015
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	n/a	n/a	21/10/2030	26/10/2029	07/11/2023	15/09/2025	14/08/2031	15/09/2025
14	Issuer call subject to prior supervisory approval	Yes	Yes	No	No	No	No	n/a	No
15	Optional call date, contingent call dates and redemption amount	28/09/2020	28/09/2030	n/a	n/a	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	5 years	5 years	n/a	n/a	n/a	n/a	n/a	n/a
Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed to Floating	Fixed to Floating	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	7.375%	7.125%	6.5%	7.95%	5%	4.75%	5.875%	4.75%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Mandatory	Partially discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Yes	Yes	No	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Senior	Senior	Senior	Senior	Senior	Senior
36	Non-compliant transitioned features	Yes	Yes	No	No	No	No	Yes	No
37	If yes, specify non-compliant features	Incentive to Redeem: Step Up Grandfathered to December 2021	Incentive to Redeem: Step Up Grandfathered to December 2021					No express waiver of set-off Grandfathered to June 2025	

## Own Funds disclosure – capital instruments main features

1	Issuer	Santander UK plc	Santander UK plc	Santander UK plc	Santander UK plc
2	ISIN	US80281LAA35 XS1291333760	US80281LAB18 XS1291352711	US80281LAB18 XS1291352711	n/a
3	Governing law(s) of the instrument	English	English	English	English
Regulatory treatment					
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Common Equity Tier 1
5	Post-transitional Basel CRR rules	Tier 2	Tier 2	Tier 2	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated	Subordinated	Subordinated	Equity
8	Amount recognised in regulatory capital (£m)	203	204	204	7,060
9	Par value of instrument (£m)	202	202	202	7,060
9a	Issue Price of Instrument	99.724%	99.412%	99.412%	100%
9b	Redemption Price of Instrument	100%	100%	100%	n/a
10	Accounting classification	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Shareholders' Equity
11	Original date of issuance	15/09/2015	15/09/2015	15/09/2015	10/01/2014
12	Perpetual or dated	Dated	Dated	Dated	Perpetual
13	Original maturity date	15/09/2025	15/09/2045	15/09/2045	n/a
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	n/a	n/a	n/a
Coupons / dividends					
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Variable
18	Coupon rate and any related index	4.75%	5.625%	5.625%	n/a
19	Existence of a dividend stopper	No	No	No	No
20a & b	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Noncumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger (s)	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a
30	Write-down feature	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior	Senior	Senior	Additional Tier 1
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features				

## Glossary

Advanced Internal Ratings Based Approach (AIRB)	A method of calculation using internal estimates for all risk components.
Basel III	In December 2010, the Basel Committee on Banking Supervision issued the Basel III rules text, which presents the details of strengthened global regulatory standards on bank capital adequacy and liquidity. The standards were implemented in the EU in January 2014.
Capital Conservation Buffer	A capital buffer required under Basel III to ensure banks build up capital buffers outside of periods of stress.
Common Equity Tier 1 (CET1) capital	The called-up share capital and eligible reserves less deductions calculated in accordance with the CRD IV implementation rules as per the PRA Policy Statement PS7/13. CET1 capital ratio is CET1 capital as a percentage of risk-weighted assets.
Common Equity Tier 1 ratio	CET1 capital as a percentage of risk weighted assets.
Countercyclical capital buffer (CCyB)	A capital buffer required under Basel III to ensure that capital requirements take account of the macro-financial environment in which banks operate.
Counterparty credit risk	A subset of credit risk and is the risk that a counterparty defaults.
CRD IV	An EU legislative package covering prudential rules for banks, building societies and investment firms.
Credit Conversion Factor (CCF)	An estimate of the amount Santander expects a customer to have drawn further on a facility limit at the point of default.
Credit Risk	The risk that a counterparty will default and will be unable to fulfil the obligations of their contract.
Credit Valuation Adjustment (CVA)	Adjustments to the fair values of derivative assets to reflect the creditworthiness of the counterparty.
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 CRD IV 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	CRD IV end-point Tier 1 capital divided by exposures as defined by the European Commission Delegated Regulation 2015/62 of October 2014. In July 2016, the definition was amended to exclude from the calculation for total exposure those assets held against central banks that are matched by deposits in the same currency and of equal or longer maturity.
Loss Given Default (LGD)	The fraction of Exposure at Default that will not be recovered following default. LGD comprises the actual loss (the part that is not recovered), together with the economic costs associated with the recovery process.
Mark-to-Market Approach	An approach available to banks to calculate the exposure value associated with derivative transactions.
Market Risk	The risk of loss of earnings or economic value due to adverse changes in the financial market.
Maturity or Residual Maturity (for RWAs)	Remaining time until a transaction expires.
Minimum Capital Requirement	Minimum capital required for credit, market and operational risk.
Multilateral Development Banks	An institution created by a group of countries to provide financing for the purpose of development.
Operational Risk	The risk of loss due to the failure of people, process or technology.
Pillar 1	The first pillar of the Basel III approach which provides the approach to the calculation of the minimum capital requirements. This is 8% of the banks risk-weighted assets.
Pillar 3	The part of the CRD IV Accord which sets out the disclosure requirements for firms to publish details of their risks, capital and risk management. The aims are greater transparency and strengthening market discipline.
Probability of Default (PD)	The degree of likelihood that the counterparty fails to meet their financial obligation, within a period of one year.
Prudential Regulation Authority (PRA)	The UK financial services regulator formed as one of the successors to the FSA. The PRA is part of the Bank of England and is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm.
Prudential Valuation Adjustment (PVA)	These are adjustments to the tier 1 capital where the prudent value of the position in the trading book is seen by the bank as being below the fair value recognised in the financial statements.
Regulatory Capital	The amount of capital that the Santander UK Group 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 CRD IV, using External Credit Assessment Institutions ratings and supervisory risk weights. The Standardised approach is less risk-sensitive than IRB (see 'IRB' above). In relation to operational risk, a method of calculating the operational capital requirement under CRD IV, by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.
Tier 1 Capital	A measure of a bank's financial strength defined by the PRA. It captures Core Tier 1 capital plus other Tier 1 securities in issue but is subject to a deduction in respect of material holdings in financial companies.
Tier 1 Capital ratio	The ratio expresses Tier 1 capital as a percentage of risk weighted assets.
Tier 2 Capital	Defined by the PRA. Broadly, it includes qualifying subordinated debt and other Tier 2 securities in issue, eligible collective impairment allowances, unrealised available for sale equity gains and revaluation reserves. It is subject to deductions relating to the excess of expected loss over regulatory impairment allowance, securitisation positions and material holdings in financial companies.
Trading Book	Positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book, which must be free of restrictive covenants on their tradability or ability to be hedged.
Value at Risk (VaR)	An estimate of the potential loss which might arise from market movements under normal market conditions, if the current positions were to be held unchanged for one business day, measured to a confidence level.