Santander UK Group Holdings plc

Full Rating Report

Ratings

Santander UK Group Holdings plc

Foreign Currency

Long-Term IDR	A
Short-Term IDR	F1
Viability Rating	a
Support Rating	2

Santander UK plc

Foreign Currency

Long-Term IDR	A+
Short-Term IDR	F1
Derivative Counterparty Rating	A+(dcr)
Viability Rating	a
Support Rating	2

Abbey National Treasury Services plc

Foreign Currency

Long-Term IDR	A
Short-Term IDR	F1
Support Rating	1

Sovereign Risk

Long-Term Foreign-Currency IDR	AA
Long-Term Local-Currency IDR	AA

Watches

Foreign-Currency Long-Term IDR	Negative
Sovereign Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

Financial Data

Santander UK Group Holdings

	31 Dec 18	31 Dec 17
Total assets (USDbn)	367.4	425.3
Total assets (GBPbn)	289.4	314.8
Total equity (GBPbn)	14.2	13.9
Operating profit (GBPm)	1,567	1,814
Published net income (GBPm)	1,121	1,254
Operating RoRWA (%)	2.0	2.1
Operating ROAE (%)	10.5	12.5
Common equity Tier 1 ratio (%)	13.2	12.2
FCC/ RWAs (%)	15.7	14.0
Basel leverage ratio (%)	4.1	4.0
Impaired loans/gross loans (%)	1.2	0.7
Loans/customer deposits (%)	116.6	112.9

Source: Fitch Ratings, Fitch Solutions

Related Research

Fitch Affirms Santander UK Group at 'A'; Outlook Stable (December 2018)

Fitch Places Long-Term IDRs of 19 UK Banking Groups on RWN (March 2019)

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Key Rating Drivers

Standalone Strength Drives IDRs: Santander UK Group Holdings plc's (SGH) ratings reflect its conservative risk appetite, sound asset-quality performance, resilient profitability, adequate capitalisation and a stable funding and liquidity profile. It also considers a less diversified business model than similarly-rated peers and above average leverage.

Santander UK plc's IDR Above VR: The Long-Term Issuer Default Rating (IDR) of SGH's main operating bank, Santander UK plc (San UK), is notched up once from its Viability Rating (VR). This is due to a buffer of qualifying junior debt and eligible holding company senior debt buffer, which could be made available to protect San UK senior debt from default in case of failure.

Sound Asset Quality: Fitch Ratings considers SGH's underwriting standards to be more stringent than broad industry practice. Asset quality is sound, supported by a large share of low loan/value (LTV) prime owner-occupier mortgages and a lower appetite than that of peers for higher-risk sectors such as buy-to-let and unsecured consumer credit.

Profitability Remains Resilient: Profitability continues to be resilient although it is under pressure from low interest rates, IT and regulatory-related expenditure as well as a competitive mortgage market. These factors have been partially offset by low impairment charges, good cost discipline and the absence of material legacy customer redress costs.

Adequate Capitalisation: Capitalisation is adequate and commensurate with the bank's risk profile. The group's common equity Tier 1 ratio improved by 100bp in 2018 to 13.2%, compared with a management target of above 12%. SGH's reported end-2018 Basel leverage ratio was 4.1% and above regulatory requirements, although lower than that of peers.

Stable Funding and Liquidity: SGH's funding profile is stable with the majority of funding sourced from customer deposits, complemented by a well-diversified wholesale funding franchise. Liquidity is strong and is supported by a large pool of high-quality liquid assets.

High Probability of Parental Support: Fitch believes that SGH's parent, Banco Santander (A-/Stable), has a strong propensity to support its UK subsidiaries, driven by their strategic importance and high reputational risk in case of default. However, its ability to provide support is constrained by the subsidiaries' large size.

Rating Sensitivities

Brexit a Key Sensitivity: The ratings are primarily sensitive to the outcome of the Brexit negotiations. The Rating Watch Negative (RWN) on the Long-Term IDRs reflects the heightened probability that Fitch will revise the Outlook on the banks' Long-Term IDRs to Negative in the event of a disruptive no-deal Brexit.

Limited Medium-Term Upside: Upside for SGH's VR is limited in the medium term unless the group shows a sustainable improvement in earnings, combined with further diversification of its business model, while maintaining a modest risk appetite. This could take some time.

Downgrade of Parent: Fitch believes that SGH's reputation and business flows are correlated with the overall creditworthiness of Banco Santander, effectively capping SGH and San UK's VRs at two notches above Banco Santander's Long-Term IDR. SGH and San UK's ratings are, therefore, also sensitive to a downgrade of the parent's IDR by more than one notch.

UK –Economic Forecasts (March 2019)

(%)	2018	2019f	2020f
UK: Real GDP growth	1.4	1.2	1.7
UK: Unemployment rate	4.1	4.4	4.4

Source: Fitch Ratings' March 2019 Global Economic Outlook

Operating Environment

Strong Regulatory Environment but Brexit-Driven Uncertainty

SGH focuses on the UK (AA/RWN) and our assessment of SGH's operating environment incorporates the high UK private-sector indebtedness, worsening household finances, affordability pressures, weaker consumer confidence, partially mitigated by rising wage growth. It also considers a well-developed, highly concentrated banking sector, with high barriers to entry, particularly for current accounts.

Fitch placed the UK's 'AA' Long-Term IDRs on RWN on 20 February 2019 to reflect the heightened uncertainty over the outcome of the Brexit process and an increased risk of a no-deal Brexit. In Fitch's view, a no-deal Brexit would lead to substantial disruption to UK economic and trade prospects. We believe that the increased risk of such economic disruption gives rise to downside risks for banks. This is mostly because it would put pressure on their ability to execute their strategies and on their earnings, asset quality and funding profiles in a more difficult operating environment.

Fitch views the UK regulatory framework as strong, developed, transparent and proactive. The Santander UK group is regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority, and its deposits are protected by the UK's deposit insurance scheme. We view UK financial sector regulation as highly developed and transparent, with a focus on strengthening capital and, within the retail sector, on controlling household indebtedness and mortgage affordability. Macro-prudential policy tools are being tested to ensure control over the risk of an increase in base rates and the larger portion of UK households' wealth invested in property. The regulatory environment has an effective bail-in regime enacted in domestic legislation, which will continue to apply despite the UK's exit from the EU.

Company Profile

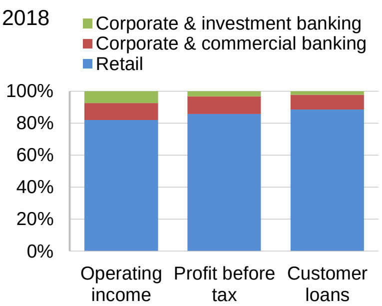
Strong Retail Franchise

SGH is the UK business of Banco Santander and the fifth largest retail and commercial bank in the UK based on total assets. The bank has a strong retail banking franchise, particularly in mortgages and current accounts, enabling it to compete effectively with other major high street lenders.

SGH's deposit franchise is supported by its flagship 123 current account, which has helped increase the bank's share of the UK retail current account market and has provided a stable and lower cost funding base. SGH is expanding its SME and corporate businesses although they lack the scale and diversification benefitting larger UK competitors.

Contribution by Business Line[a]

2018



[a] Excluding Corporate Centre
Source: Fitch Ratings, SGH

Retail-Driven Business Model

SGH's business model is concentrated on UK residential lending via its retail banking division. This dominates earnings, although there is some diversification from the bank's corporate and commercial banking as well as corporate and investment banking activities. The retail segment is focused on residential owner-occupied and buy-to-let mortgages as well as small business banking, motor finance and unsecured personal lending.

The corporate and commercial banking division serves the group's SME (annual turnover of between GBP6.5-GBP50 million) and mid-cap corporate (GBP50-GBP500 million) customers. This division is supported by a team of regional relationship managers across corporate business centres and telephone and digital channels. Global clients include corporates and financial institutions (annual turnover in excess of GBP500 million) and these are served by the Corporate & Investment Banking Division (CIB). The product offering includes general banking services, cash management, foreign exchange and advisory services.

Related Criteria

Bank Rating Criteria (October 2018)

SPE Resolution Group; Limited Impact from Ring-Fencing Legislation

Banco Santander is a multiple-point-of-entry resolution group with SGH being a single-point-of-entry resolution group. SGH is effectively ring-fenced from its parent, Banco Santander, with funding largely comprised of UK and corporate deposits and regulatory restrictions on liquidity and capital flows between SGH and the rest of the Santander group. SGH is the holding company of San UK and acts as the group's issuing entity for loss-absorbing capital and the holding company for resolution purposes, in line with the PRA's preference.

Restructuring in advance of the UK's ring-fencing regime (effective 1 January 2019) has not added material complexity to the organisational structure. The bank adopted a wide ring-fenced model resulting in the transfer of a small proportion of risk-weighted assets (RWA) outside of the ring-fenced group, contributing to a fall in RWAs of 9% in 2018. Activities outside of the scope of ring-fencing have been transferred to Abbey National Treasury Services, plc (ANTS), Banco Santander, and Banco Santander's London branch. These activities include the derivatives business with financial institutions and branches in Jersey, the Isle of Man and the US.

Management and Strategy

Experienced Management Team

SGH's management team has a high degree of depth and experience supported by the regular transfer of management from the wider Santander group. Strategic objectives are well-articulated and have shifted modestly through the years, resulting in good through-the-cycle performance. The current strategic plan is focused on the diversification of the group's business and revenue mix. This is being driven by development of the group's SME and corporate franchises supported by the international footprint of Banco Santander group. This enables SGH to better target and serve SME and corporate clients with their expansion globally. Growth has been slower than planned reflecting competitive pressures, a conservative risk appetite and the impact of UK ring-fencing rules, although we view the bank's overall execution record as good.

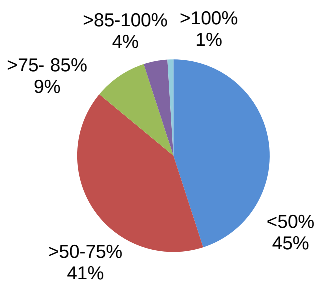
The bank launched Santander Private (private banking services to high-net-worth individuals) as part of an increased emphasis on capital-light activities. It also launched an online investment platform and face-to-face advice for customers seeking investment advice.

Risk Appetite

Conservative Underwriting Standards

Fitch considers SGH's risk appetite to be moderate, underpinned by conservative underwriting. Risk controls and risk reporting tools are sound. Credit risk is frequently monitored across portfolios, segments, geography and customer. Risk limits are conservative. They are set at SGH level and remain within the ultimate parent's risk appetite framework.

Stock Mortgage LTVs
End-2018



Source: Fitch Ratings, SGH

The bank focuses on low-risk, low-LTV prime owner-occupied mortgages and has limited appetite for specialist mortgage lending, while a small amount of higher LTV (90%-95%) mortgages are written each year. Buy-to-let lending has been growing in line with SGH's strategy, although the overall buy-to-let exposure (5% of the mortgage book) is low compared with major UK peers.

For auto finance and unsecured personal lending, SGH uses a combination of internal and external credit reference agency data to assess borrower creditworthiness. Portfolios are regularly monitored using macroeconomic indicators and customer data.

Auto finance loans are provided through Santander Consumer (UK) plc, which is part of SGH's retail banking segment. The main risk to SGH is residual value (RV) risk with just under half of the auto finance portfolio made up of personal contract purchase. RV values are monitored on a monthly basis with the guaranteed minimum future value of the underlying asset conservatively set. SGH also takes an upfront RV provision of the guaranteed minimum future value, based on a potential fall in car prices and an estimated percentage of hand-backs.

SME/mid-corporate new lending assessments are based on financial and non-financial covenants with lending decisions based on a borrower's trading cash flow rather than the underlying collateral. The majority of SGH's lending to large corporates is unsecured with the bank monitoring borrowers to make sure they remain in line with pre-agreed financial covenants. At end-2018, the CIB book was GBP4.6 billion (2% of gross loans) and soundly underwritten with no reported non-performing loans.

Loan growth has been low in recent years and was flat in 2018, reflecting a combination of ring-fencing transfers, a low risk-appetite and competitive pressures. We expect loan growth to remain weak in 2019 given the current low-growth operating environment.

Litigation costs have represented a burden for the group although legacy customer redress costs have weighed significantly less heavily on SGH than some of its peers, particularly in relation to conduct costs from payment protection insurance (PPI) claims. The bank did not set aside further provisions for PPI in 2018 while outstanding provisions for PPI redress and related costs amounted to GBP246 million (end-2017: GBP403 million). Provisions for other conduct issues (GBP30 million; 2017: GBP47 million) principally relate to the historical sale of interest-rate derivatives. The group was also subject to a regulatory fine of GBP33 million in 2018 from the FCA related to a probe into the group's historical probate and bereavement practices.

Modest Market Risk

SGH's exposure to market risk is modest and mainly arises through interest-rate risk in the banking book. Structural interest-rate risk arises from the bank's large stock of long-term, fixed-rate mortgage loans and largely short-dated retail deposit base. This risk is managed through the repricing of variable rate mortgages and deposits, separately, subject to market pressures. Derivatives are used, where appropriate, to hedge fixed-rate mortgages and savings.

Foreign-exchange risk is limited with the majority of SGH's balance sheet sterling-denominated. The bank issues non-sterling denominated wholesale funding (mainly euro, US dollars and Japanese yen) although this is swapped back into sterling via cross-currency derivatives.

Financial Profile

Asset Quality

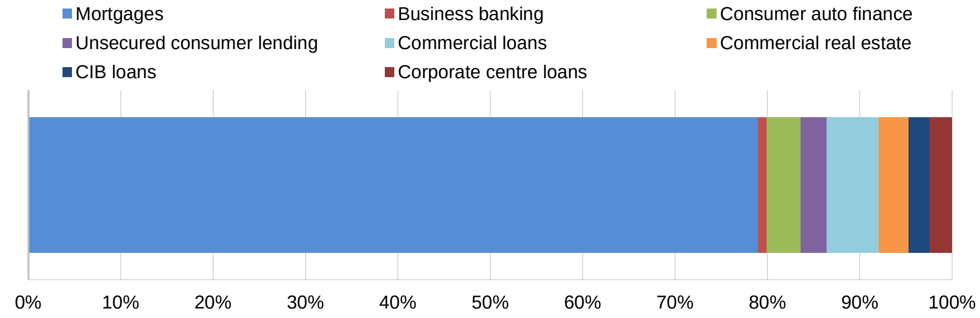
Asset quality is sound with IFRS 9 Stage 3 loans amounting to 1.2% of gross loans at end-2018, comparing well with that of peers.

The mortgage book accounted for over three-quarters of gross loans at end-2018, a large proportion of which are low-LTV, prime owner-occupied mortgages. This means the bank is well-positioned to withstand a possible drop in property prices. Stage 3 mortgage loans were a low 1% of total mortgage loans, reflecting tight underwriting standards and a supportive operating environment (low interest rates, low unemployment).

Stage 3 loans in consumer finance (including auto finance) are also low (1.5% of consumer finance loans at end-2018), partly reflecting the good credit quality of customers attracted through the bank's 123 product range and a supportive operating environment. The group's share of retail unsecured credit (3% of gross loans) is lower than the peer median, and is split between credit cards (GBP2.9 billion) and personal loans and overdrafts (GBP2.8 billion combined). Auto finance loans amounted to GBP7.3 billion at end-2018, equivalent to 4% of gross loans.

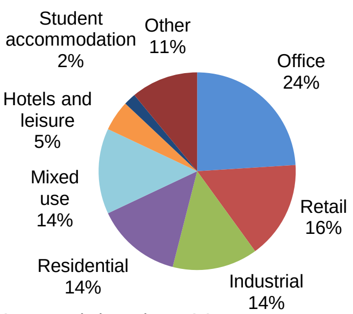
SGH's commercial banking loan book (11% of gross lending) is split between commercial real estate (CRE) and non-property backed trading businesses including SMEs, mid-corporates and housing association lending. Asset quality within the commercial banking segment, which accounts for 11% of gross lending, is sound with Stage 3 loans of 0.6% of total commercial loans at end-2018 (1 January 2018: 2.3%). The improvement over 2018 is largely due to the write-off of the group's Carillon exposure in 1H18.

Customer Loans Breakdown
End-2018



Source: Fitch Ratings, SGH

CRE Sector Breakdown
End-December 2018



Source: Fitch Ratings, SGH

CRE lending (end-2018: 3% of gross loans) is diversified across a number of sectors including real estate, healthcare, education and hotels and leisure. The portfolio is granular with an average loan size of just over GBP3 million, and well collateralised with an end-2018 weighted average LTV of 47%. SGH has been managing down its exposure to the CRE sector (end-2018: GBP6.4 billion; end-2017: GBP8.1 billion) given the more challenging operating environment and a greater focus on risk adjusted returns.

Loans in the corporate centre (2% of gross loans) predominately consist of low-risk housing association loans (GBP3.8 billion). Loans in the crown dependencies (GBP0.3 billion) and non-core loans (GBP0.7 billion) make up the remainder.

Earnings and Profitability

SGH's profitability has been stable and resilient over a number of years, supported by the group's low-risk business model, and we consider profitability to be acceptable for the rating level. This is despite pressures on profitability, in line with peers, including the low interest-rate environment and a highly competitive mortgage market. This is in addition to high IT and regulatory-related costs. These pressures drove a 14% yoy drop in SGH's 2018 pre-tax profit, to GBP1.6 billion.

Net interest income, which forms the majority of operating revenue, was GBP3.6 billion for 2018, down 5% yoy, mainly due to net interest margin (NIM) pressure. This reflects market conditions: SGH's Fitch-calculated NIM dropped 4bp in 2018 to 150bp. The NIM is supported by the large proportion of non-interest bearing current accounts and sound retail franchise, although it is not as strong as some of the bank's larger and more diversified peers.

Other income of GBP0.9 billion (2017: GBP1.1 billion) mainly consists of net fees and commission from retail and commercial banking activities, particularly current account and debit card fees.

Loan impairment charges remain at cyclical lows, reflecting the benign operating environment and a large proportion of low-risk secured lending, and absorbed a modest 9% of pre-impairment operating profits in 2018 (2017: 10%). We expect loan impairment charges to increase from current levels, although SGH's conservative underwriting means any rise is likely to be manageable.

Cost efficiency has weakened recently due to pressure on revenue and increasing IT and regulatory spend. SGH's Fitch-calculated cost/income ratio rose to 62% in 2018 (2017: 59%) and we do not expect it to fall materially in the near term as pressure on revenue and cost is likely to persist for some time.

Regulatory Capital

(GBPm)	2018	2017
Retail banking RWAs	46.2	44.1
C&C RWAs	17.0	19.4
CIB RWAs	7.2	16.5
Corporate Centre RWAs	8.4	7.0
Total RWAs	78.78	87.0
CET1 capital	10.4	10.62
CET1 ratio (%)	**13.2**	**12.2**
Tier 1 capital	12.77	13.07
Tier 1 ratio (%)	**16.2**	**15.0**
Total capital	15.04	15.49
Total capital ratio (%)	**19.1**	**17.8**
FCC ratio (%)	**15.7**	**14.0**

Source: Fitch Ratings, SGH

Capitalisation and Leverage

Capitalisation is sound and commensurate with the bank's risk profile. SGH's common equity Tier 1 ratio improved in 2018 to 13.2% (end-2017: 12.2%), compared with management's medium-term target of above 12%. This was helped by lower RWAs following ring-fencing transfers, sound internal capital generation and slow loan growth. SGH's end-2018 regulatory total capital ratio of 19.1% is supported by a large amount of additional Tier 1 and Tier 2 debt.

We believe the bank is adequately placed to meet its capital targets, supported by resilient profitability, generally modest balance-sheet growth and an increased focus on less capital intensive business lines (such as wealth management and advisory services). We also expect that further capital support, if needed, would be provided by Banco Santander.

SGH's end-2018 Basel leverage ratio was 4.1% (end-2017: 4.0%), supported by GBP1.2 billion of additional Tier 1 instruments, and is above regulatory requirements, although at the low end of its peer group.

MREL Requirements

The Bank of England has set SGH's indicative minimum requirement for own funds and eligible liabilities (MREL) requirement at 27.2% of RWAs by 2022. The group was also required by the regulator to meet interim MREL requirements from 1 January 2019 as it is a subsidiary of a global systemically important bank. This was achieved by the amendment on 1 January 2019 of the ranking of around GBP8.5 billion of senior loans extended by SGH to San UK. This means that the debt now ranks as secondary non-preferential debt, therefore, qualifying for internal MREL in line with the guidelines of the Bank of England.

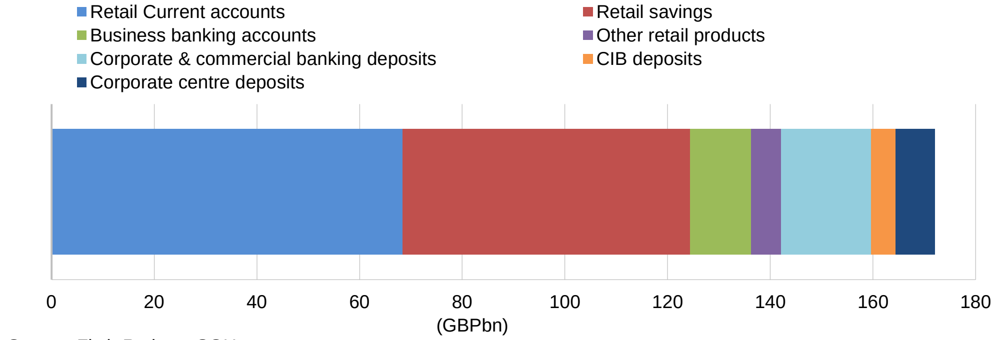
SGH plans to meet its 1 January 2022 MREL recapitalisation requirement (of around GBP10.7 billion) largely by issuing senior unsecured debt from the holding company. It has made good progress so far, issuing GBP9.2 billion of senior holding company debt (12% of end-2018 RWAs).

Funding and Liquidity

SGH's funding profile is sound, supported by a granular and stable base of retail customer deposits (around 70% of the bank's customer deposits are insured). It is complemented by a well-diversified wholesale funding mix and a modest amount of short-term wholesale funding.

SGH's GBP142 billion end-2018 retail deposit book (83% of total customer deposits) is split between current accounts (GBP68 billion); savings (GBP56 billion), business banking accounts (GBP12 billion) and other retail products (GBP6 billion). The remainder of deposits is held within SGH's corporate and commercial banking, corporate and investment banking and corporate centre. The group's Fitch-calculated loan/deposit ratio was 117% at end-2018, towards the top end of its peer group, reflecting the bank's greater use of secured funding.

Customer Deposit Funding
End-2018

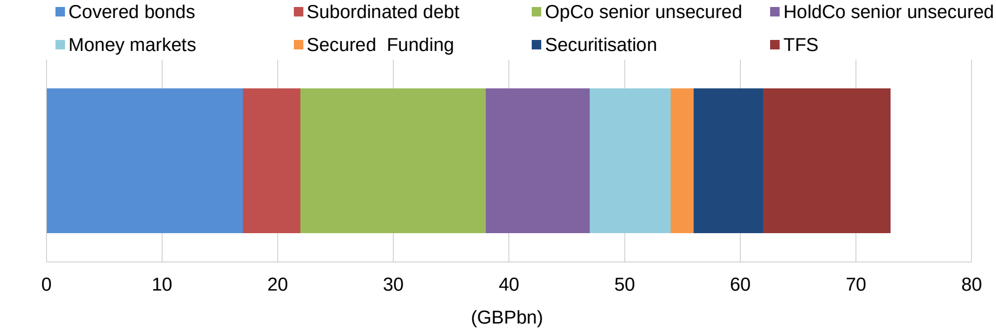


Source: Fitch Ratings, SGH

SGH benefits from low funding costs, as do peers, owing to the interest-rate environment. This is also due to the availability of the Bank of England's Term Funding and Funding for Lending Schemes, with GBP10.8 billion and GBP1.0 billion outstanding from each scheme at end-2018, respectively. We expect SGH to gradually replace maturing balances with a mixture of deposit and wholesale funding. We believe replacing these funding sources to be within the group's capacity given its record in raising long-term wholesale funding.

SGH regularly accesses the wholesale funding markets for diversification purposes and to build up its MREL buffers. It is an active issuer of secured debt, supported by a large pool of well-performing mortgages. At end-2018, total wholesale funding totalled GBP73 billion (27% of total funding excluding derivatives), of which GBP16.8 billion had a residual maturity of less than one year and which was more than three times covered by high-quality liquid assets.

Wholesale Funding
End-2018



Source: Fitch Ratings, SGH

Liquidity is strong with the bank's reported liquidity coverage ratio (end-2018: 164%; end-2017: 120%) supported by a pool of eligible liquid assets of GBP54.1 billion. These largely comprised cash and balances at central banks and highly rated government bonds. The increase in the liquidity coverage ratio was driven by the bank's decision to accelerate some of its 2019 wholesale funding requirement. This was because the bank sought to pre-fund maturing balances and insulate itself from potential Brexit-related volatility in the wholesale markets.

Support

Strong Propensity from Banco Santander to Support UK Subsidiaries

SGH and San UK's Support Rating of '2' reflects Fitch's view that their ultimate parent, Banco Santander, has a strong propensity to support both entities. However, Banco Santander's ability to provide support is constrained by the subsidiaries' large size relative to its own equity and by possible regulatory restrictions. The Support Rating indicates a 'BBB+' long-term rating floor based on institutional support. Our view of the parent's strong propensity to support is primarily based on the strategic importance of the UK business to Banco Santander. It is also based on the high reputational risk the parent would face in the case of a default by its UK subsidiaries.

Subsidiary Company – Abbey National Treasury Services

ANTS' IDRs are based on support and are equalised with SGH's VR. We believe that SGH would have a strong ability and propensity to support ANTS. This is based on the entity's role within the group and our expectation that support would be manageable for SGH, given ANTS' small relative size. ANTS became a direct subsidiary of SGH on 31 October 2018 as part of ring-fencing restructuring. Under the revised structure, San UK is SGH's ring-fenced group while ANTS is outside the group's ring-fence perimeter and houses the group's branches in the Crown Dependencies (Isle of Man and Jersey). It also houses a small portfolio of residual assets that will be held until their maturity.

Holding Companies

SGH acts as the holding company for the group and its VR is equalised with the VR of its main operating bank, San UK. The group is regulated on a consolidated basis and there is modest holding company double leverage. Fitch believes that SGH's failure risk is broadly in line with that of San UK.

Debt Ratings

The ratings of all subordinated debt and hybrid securities issued by SGH and San UK are notched down from the respective VRs. This reflects our assessment of their incremental non-performance risk relative to the VR (up to three notches) and assumptions around loss severity (up to two notches). These features vary considerably by instrument.

Santander UK Group Holdings plc
Income Statement

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm Audited - Unqualified	Year End GBPm Audited - Unqualified	As % of Earning Assets	Year End GBPm Audited - Unqualified	As % of Earning Assets	Year End GBPm Audited - Unqualified	As % of Earning Assets	Year End GBPm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	6,930.5	5,459.0	2.11	5,494.0	1.99	6,198.0	2.21	6,491.0	2.50
2. Other Interest Income	778.2	613.0	0.24	411.0	0.15	269.0	0.10	204.0	0.08
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**7,708.7**	**6,072.0**	**2.35**	**5,905.0**	**2.14**	**6,467.0**	**2.31**	**6,695.0**	**2.58**
5. Interest Expense on Customer Deposits	1,553.9	1,224.0	0.47	1,183.0	0.43	1,809.0	0.65	1,974.0	0.76
6. Other Interest Expense	1,576.8	1,242.0	0.48	919.0	0.33	1,076.0	0.38	1,146.0	0.44
7. Total Interest Expense	**3,130.7**	**2,466.0**	**0.95**	**2,102.0**	**0.76**	**2,885.0**	**1.03**	**3,120.0**	**1.20**
8. Net Interest Income	**4,578.0**	**3,606.0**	**1.40**	**3,803.0**	**1.38**	**3,582.0**	**1.28**	**3,575.0**	**1.38**
9. Net Fees and Commissions	950.9	749.0	0.29	807.0	0.29	770.0	0.27	715.0	0.28
10. Net Gains (Losses) on Trading and Derivatives	214.6	169.0	0.07	193.0	0.07	(32.0)	(0.01)	235.0	0.09
11. Net Gains (Losses) on Assets and Liabilities at FV	(78.7)	(62.0)	(0.02)	(17.0)	(0.01)	281.0	0.10	(6.0)	(0.00)
12. Net Gains (Losses) on Other Securities	24.1	19.0	0.01	54.0	0.02	(4.0)	(0.00)	2.0	0.00
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	78.7	62.0	0.02	72.0	0.03	79.0	0.03	46.0	0.02
15. Total Non-Interest Operating Income	**1,189.6**	**937.0**	**0.36**	**1,109.0**	**0.40**	**1,094.0**	**0.39**	**992.0**	**0.38**
16. Total Operating Income	**5,767.6**	**4,543.0**	**1.76**	**4,912.0**	**1.78**	**4,676.0**	**1.67**	**4,567.0**	**1.76**
17. Personnel Expenses	1,746.9	1,376.0	0.53	1,137.0	0.41	1,125.0	0.40	1,118.0	0.43
18. Other Operating Expenses	1,837.0	1,447.0	0.56	1,758.0	0.64	1,575.0	0.56	1,597.0	0.62
19. Total Non-Interest Expenses	**3,583.9**	**2,823.0**	**1.09**	**2,895.0**	**1.05**	**2,700.0**	**0.96**	**2,715.0**	**1.05**
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	10.0	0.00
21. Pre-Impairment Operating Profit	**2,183.6**	**1,720.0**	**0.67**	**2,017.0**	**0.73**	**1,976.0**	**0.70**	**1,862.0**	**0.72**
22. Loan Impairment Charge	186.6	147.0	0.06	203.0	0.07	67.0	0.02	66.0	0.03
23. Securities and Other Credit Impairment Charges	7.6	6.0	0.00	n.a.	-	n.a.	-	n.a.	-
24. Operating Profit	**1,989.4**	**1,567.0**	**0.61**	**1,814.0**	**0.66**	**1,909.0**	**0.68**	**1,796.0**	**0.69**
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	n.a.	n.a.	-	n.a.	-	119.0	0.04	n.a.	-
28. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	4.0	0.00
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	(114.0)	(0.04)	(450.0)	(0.17)
31. Pre-tax Profit	**1,989.4**	**1,567.0**	**0.61**	**1,814.0**	**0.66**	**1,914.0**	**0.68**	**1,342.0**	**0.52**
32. Tax expense	566.2	446.0	0.17	560.0	0.20	597.0	0.21	380.0	0.15
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	**1,423.2**	**1,121.0**	**0.43**	**1,254.0**	**0.45**	**1,317.0**	**0.47**	**962.0**	**0.37**
35. Change in Value of AFS Investments	(49.5)	(39.0)	(0.02)	20.0	0.01	(4.0)	(0.00)	54.0	0.02
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	(3.0)	(0.00)	(5.0)	(0.00)
38. Remaining OCI Gains/(losses)	556.1	438.0	0.17	(342.0)	(0.12)	(178.0)	(0.06)	222.0	0.09
39. Fitch Comprehensive Income	**1,929.7**	**1,520.0**	**0.59**	**932.0**	**0.34**	**1,132.0**	**0.40**	**1,233.0**	**0.47**
40. Memo: Profit Allocation to Non-controlling Interests	49.5	39.0	0.02	39.0	0.01	45.0	0.02	48.0	0.02
41. Memo: Net Income after Allocation to Non-controlling Interests	1,373.7	1,082.0	0.42	1,215.0	0.44	1,272.0	0.45	914.0	0.35
42. Memo: Common Dividends Relating to the Period	1,476.5	1,163.0	0.45	590.0	0.21	704.0	0.25	520.0	0.20
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	184.1	145.0	0.06	135.0	0.05	30.0	0.01	23.0	0.01
Exchange rate		USD1 = GBP0.78768		USD1 = GBP0.74011		USD1 = GBP0.8129		USD1 = GBP0.6748	

Santander UK Group Holdings plc
Balance Sheet

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	200,903.9	158,248.0	54.69	155,355.0	49.36	154,727.0	51.04	153,261.0	54.46
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	35,317.6	27,819.0	9.61	30,856.0	9.80	31,978.0	10.55	31,910.0	11.34
5. Other Loans	20,785.1	16,372.0	5.66	14,139.0	4.49	14,017.0	4.62	14,029.0	4.99
6. Less: Loan Loss Allowances	1,041.0	820.0	0.28	1,018.0	0.32	989.0	0.33	1,157.0	0.41
7. Net Loans	**255,965.6**	**201,619.0**	**69.67**	**199,332.0**	**63.33**	**199,733.0**	**65.89**	**198,043.0**	**70.38**
8. Gross Loans	**257,006.7**	**202,439.0**	**69.96**	**200,350.0**	**63.65**	**200,722.0**	**66.21**	**199,200.0**	**70.79**
9. Memo: Impaired Loans included above	3,162.5	2,491.0	0.86	1,300.0	0.41	1,400.0	0.46	1,500.0	0.53
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	4,462.5	3,515.0	1.21	3,466.0	1.10	2,890.0	0.95	2,304.0	0.82
2. Reverse Repos and Securities Borrowing	29,706.2	23,399.0	8.09	11,484.0	3.65	12,174.0	4.02	6,591.0	2.34
3. Derivatives	6,755.3	5,321.0	1.84	19,942.0	6.34	26,569.0	8.76	21,692.0	7.71
4. Trading Securities and at FV through Income	4,906.8	3,865.0	1.34	23,781.0	7.56	21,463.0	7.08	21,015.0	7.47
5. Securities at FV through OCI / Available for Sale	16,887.6	13,302.0	4.60	8,853.0	2.81	10,561.0	3.48	9,012.0	3.20
6. Securities at Amortised Cost / Held to Maturity	9,176.3	7,228.0	2.50	8,758.0	2.78	6,648.0	2.19	n.a.	-
7. Other Securities	n.a.	n.a.	-	n.a.	-	257.0	0.08	52.0	0.02
8. Total Securities	**30,970.7**	**24,395.0**	**8.43**	**41,392.0**	**13.15**	**38,929.0**	**12.84**	**30,079.0**	**10.69**
9. Memo: Government Securities included Above	0.0	0.0	0.00	5,156.0	1.64	6,248.0	2.06	5,462.0	1.94
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	111.7	88.0	0.03	73.0	0.02	61.0	0.02	48.0	0.02
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	874.0	0.31
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**327,972.0**	**258,337.0**	**89.27**	**275,689.0**	**87.59**	**280,356.0**	**92.48**	**259,631.0**	**92.26**
C. Non-Earning Assets									
1. Cash and Due From Banks	30,697.7	24,180.0	8.36	32,771.0	10.41	17,107.0	5.64	16,842.0	5.98
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	2,329.6	1,835.0	0.63	1,598.0	0.51	1,491.0	0.49	723.0	0.26
5. Goodwill	1,527.3	1,203.0	0.42	1,203.0	0.38	1,834.0	0.60	1,834.0	0.65
6. Other Intangibles	775.7	611.0	0.21	539.0	0.17	482.0	0.16	397.0	0.14
7. Current Tax Assets	134.6	106.0	0.04	0.0	0.00	0.0	0.00	51.0	0.02
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	3,947.0	3,109.0	1.07	2,960.0	0.94	1,871.0	0.62	1,931.0	0.69
11. Total Assets	**367,384.0**	**289,381.0**	**100.00**	**314,760.0**	**100.00**	**303,141.0**	**100.00**	**281,409.0**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	220,510.9	173,692.0	60.02	177,421.0	56.37	172,224.0	56.81	162,730.0	57.83
2. Deposits from Banks	22,628.5	17,824.0	6.16	12,708.0	4.04	6,630.0	2.19	3,631.0	1.29
3. Repos and Securities Lending	16,529.6	13,020.0	4.50	28,491.0	9.05	15,974.0	5.27	14,366.0	5.11
4. Commercial Paper and Short-term Borrowings	3,975.0	3,131.0	1.08	2,906.0	0.92	15,623.0	5.15	11,481.0	4.08
5. Customer Deposits and Short-term Funding	**263,643.9**	**207,667.0**	**71.76**	**221,526.0**	**70.38**	**210,451.0**	**69.42**	**192,208.0**	**68.30**
6. Senior Unsecured Debt	37,235.9	29,330.0	10.14	26,047.0	8.28	39,169.0	12.92	38,976.0	13.85
7. Subordinated Borrowing	4,134.9	3,257.0	1.13	3,447.0	1.10	3,957.0	1.31	3,539.0	1.26
8. Covered Bonds	22,996.6	18,114.0	6.26	15,799.0	5.02	n.a.	-	n.a.	-
9. Other Long-term Funding	6,768.0	5,331.0	1.84	4,108.0	1.31	n.a.	-	n.a.	-
10. Total LT Funding	**71,135.5**	**56,032.0**	**19.36**	**49,401.0**	**15.69**	**43,126.0**	**14.23**	**42,515.0**	**15.11**
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	5,301.6	4,176.0	1.44	6,009.0	1.91	5,667.0	1.87	5,521.0	1.96
13. Total Funding	**340,081.0**	**267,875.0**	**92.57**	**276,936.0**	**87.98**	**259,244.0**	**85.52**	**240,244.0**	**85.37**
14. Derivatives	2,023.7	1,594.0	0.55	17,613.0	5.60	23,453.0	7.74	21,618.0	7.68
15. Total Funding and Derivatives	**342,104.7**	**269,469.0**	**93.12**	**294,549.0**	**93.58**	**282,697.0**	**93.26**	**261,862.0**	**93.05**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	799.8	630.0	0.22	844.0	0.27	962.0	0.32	980.0	0.35
4. Current Tax Liabilities	0.0	0.0	0.00	3.0	0.00	53.0	0.02	1.0	0.00
5. Deferred Tax Liabilities	267.9	211.0	0.07	88.0	0.03	128.0	0.04	223.0	0.08
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	3,182.8	2,507.0	0.87	2,728.0	0.87	2,871.0	0.95	2,335.0	0.83
10. Total Liabilities	**346,355.1**	**272,817.0**	**94.28**	**298,212.0**	**94.74**	**286,711.0**	**94.58**	**265,401.0**	**94.31**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	436.7	344.0	0.12	346.0	0.11	346.0	0.11	346.0	0.12
2. Pref. Shares and Hybrid Capital accounted for as Equity	2,591.2	2,041.0	0.71	2,290.0	0.73	1,794.0	0.59	1,801.0	0.64
G. Equity									
1. Common Equity	17,137.7	13,499.0	4.66	13,459.0	4.28	13,616.0	4.49	13,412.0	4.77
2. Non-controlling Interest	507.8	400.0	0.14	152.0	0.05	150.0	0.05	135.0	0.05
3. Securities Revaluation Reserves	30.5	24.0	0.01	68.0	0.02	48.0	0.02	52.0	0.02
4. Foreign Exchange Revaluation Reserves	6.3	5.0	0.00	5.0	0.00	5.0	0.00	8.0	0.00
5. Fixed Asset Revaluations and Other Accumulated OCI	318.7	251.0	0.09	228.0	0.07	471.0	0.16	254.0	0.09
6. Total Equity	**18,001.0**	**14,179.0**	**4.90**	**13,912.0**	**4.42**	**14,290.0**	**4.71**	**13,861.0**	**4.93**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	20,592.1	16,220.0	5.61	16,202.0	5.15	16,084.0	5.31	15,662.0	5.57
8. Total Liabilities and Equity	**367,384.0**	**289,381.0**	**100.00**	**314,760.0**	**100.00**	**303,141.0**	**100.00**	**281,409.0**	**100.00**
9. Memo: Fitch Core Capital	15,672.6	12,345.0	4.27	12,145.0	3.86	11,969.0	3.95	11,622.0	4.13
Exchange rate		USD1 = GBP0.78768		USD1 = GBP0.74011		USD1 = GBP0.8129		USD1 = GBP0.6748	

Santander UK Group Holdings plc
Summary Analytics

	31 Dec 2018 Year End	31 Dec 2017 Year End	31 Dec 2016 Year End	31 Dec 2015 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	2.53	2.39	2.65	2.89
2. Interest Income on Loans/ Average Gross Loans	2.71	2.74	3.08	3.32
3. Interest Expense on Customer Deposits/ Average Customer Deposits	0.70	0.68	1.08	1.25
4. Interest Expense/ Average Interest-bearing Liabilities	0.97	0.81	1.15	1.30
5. Net Interest Income/ Average Earning Assets	1.50	1.54	1.47	1.54
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.44	1.45	1.44	1.52
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.44	1.48	1.46	1.53
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	1.99	2.08	2.18	2.09
2. Non-Interest Expense/ Gross Revenues	62.14	58.94	57.74	59.45
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	8.90	10.06	3.39	3.54
4. Operating Profit/ Average Total Assets	0.51	0.59	0.65	0.64
5. Non-Interest Income/ Gross Revenues	20.63	22.58	23.40	21.72
6. Non-Interest Expense/ Average Total Assets	0.92	0.94	0.91	0.97
7. Pre-impairment Op. Profit/ Average Equity	11.50	13.95	13.86	13.36
8. Pre-impairment Op. Profit/ Average Total Assets	0.56	0.66	0.67	0.66
9. Operating Profit/ Average Equity	10.48	12.54	13.39	12.89
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	7.50	8.67	9.23	6.90
2. Net Income/ Average Total Assets	0.37	0.41	0.45	0.34
3. Fitch Comprehensive Income/ Average Total Equity	10.17	6.44	7.94	8.85
4. Fitch Comprehensive Income/ Average Total Assets	0.50	0.30	0.38	0.44
5. Taxes/ Pre-tax Profit	28.46	30.87	31.19	28.32
6. Net Income/ Risk Weighted Assets	1.42	1.44	1.50	1.12
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	15.67	13.96	13.66	13.54
2. Tangible Common Equity/ Tangible Assets	4.29	3.88	3.98	4.16
3. Equity/ Total Assets	4.90	4.42	4.71	4.93
4. Basel Leverage Ratio	4.10	4.00	3.80	4.00
5. Common Equity Tier 1 Capital Ratio	13.20	12.20	11.60	11.60
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	16.20	15.00	13.90	14.10
8. Total Capital Ratio	19.10	17.80	17.30	17.40
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	13.54	2.32	3.43	2.95
10. Impaired Loans less Loan Loss Allowances/ Equity	11.79	2.03	2.88	2.47
11. Cash Dividends Paid & Declared/ Net Income	116.68	57.81	55.73	56.44
12. Risk Weighted Assets/ Total Assets	27.22	27.64	28.91	30.50
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
E. Loan Quality				
1. Impaired Loans/ Gross Loans	1.23	0.65	0.70	0.75
2. Growth of Gross Loans	1.04	(0.19)	0.76	4.85
3. Loan Loss Allowances/ Impaired Loans	32.92	78.31	70.64	77.13
4. Loan Impairment Charges/ Average Gross Loans	0.07	0.10	0.03	0.03
5. Growth of Total Assets	(8.06)	3.83	7.72	1.97
6. Loan Loss Allowances/ Gross Loans	0.41	0.51	0.49	0.58
7. Net Charge-offs/ Average Gross Loans	0.27	0.13	0.15	n.a.
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	1.23	0.65	0.70	0.75
F. Funding and Liquidity				
1. Loans/ Customer Deposits	116.55	112.92	116.55	122.41
2. Liquidity Coverage Ratio	164.00	120.00	139.00	120.00
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	64.27	63.46	65.89	67.14
4. Interbank Assets/ Interbank Liabilities	19.72	27.27	43.59	63.45
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	(2.10)	3.02	5.83	6.29

Santander UK Group Holdings plc
Reference Data

		31 Dec 2018		31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	2,045.2	1,611.0	0.56	1,557.0	0.49	1,859.0	0.61	1,568.0	0.56
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	50,942.0	40,126.0	13.87	41,942.0	13.33	41,616.0	13.73	35,753.0	12.70
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Off-Balance Sheet items	313.6	247.0	0.09	303.0	0.10	468.0	0.15	495.0	0.18
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
1. Average Loans	255,669.1	201,385.4	69.59	200,766.4	63.78	201,178.4	66.36	195,549.2	69.49
2. Average Earning Assets	304,541.9	239,881.6	82.89	247,446.0	78.61	244,068.0	80.51	231,552.0	82.28
3. Average Total Assets	387,458.4	305,193.2	105.46	307,683.6	97.75	295,319.4	97.42	280,663.2	99.73
4. Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	323,595.1	254,889.4	88.08	258,465.6	82.12	251,514.0	82.97	240,404.8	85.43
6. Average Common equity	18,402.7	14,495.4	5.01	13,826.2	4.39	13,659.4	4.51	13,556.6	4.82
7. Average Equity	18,983.3	14,952.8	5.17	14,461.4	4.59	14,261.4	4.70	13,935.0	4.95
8. Average Customer Deposits	220,650.0	173,801.6	60.06	174,697.8	55.50	166,951.2	55.07	157,556.4	55.99
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	8,261.0	2.73	5,925.0	2.11
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	6,205.0	2.05	5,687.0	2.02
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	28,485.0	9.40	28,783.0	10.23
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	157,771.0	52.05	158,805.0	56.43
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	814.0	0.27	488.0	0.17
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	265.0	0.09	33.0	0.01
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	1,523.0	0.50	1,284.0	0.46
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	288.0	0.10	499.0	0.18
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	150,252.0	49.57	135,848.0	48.27
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	13,272.0	4.38	16,392.0	5.82
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	7,806.0	2.58	9,968.0	3.54
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	894.0	0.29	522.0	0.19
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	136.0	0.04	689.0	0.24
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	650.0	0.21	1,202.0	0.43
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	5,751.0	1.90	1,632.0	0.58
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	93.0	0.03	108.0	0.04
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	9,070.0	2.99	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	6,553.0	2.16	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	23,866.0	7.87	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	15,303.0	5.05	n.a.	-
Total Senior Debt on Balance Sheet	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**54,792.0**	**18.07**	**n.a.**	**-**
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	**4,134.9**	**3,257.0**	**1.13**	**3,447.0**	**1.10**	**3,957.0**	**1.31**	**3,539.0**	**1.26**
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	100,015.2	78,780.0	27.22	87,005.0	27.64	87,632.0	28.91	85,826.0	30.50
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Asse	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	**100,015.2**	**78,780.0**	**27.22**	**87,005.0**	**27.64**	**87,632.0**	**28.91**	**85,826.0**	**30.50**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**100,015.2**	**78,780.0**	**27.22**	**87,005.0**	**27.64**	**87,632.0**	**28.91**	**85,826.0**	**30.50**
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	18,001.0	14,179.0	4.90	13,912.0	4.42	14,290.0	4.71	13,861.0	4.93
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	1,527.3	1,203.0	0.42	1,203.0	0.38	1,834.0	0.60	1,834.0	0.65
5. Other intangibles	775.7	611.0	0.21	539.0	0.17	482.0	0.16	397.0	0.14
6. Deferred tax assets deduction	25.4	20.0	0.01	25.0	0.01	5.0	0.00	8.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible into equi	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**15,672.6**	**12,345.0**	**4.27**	**12,145.0**	**3.86**	**11,969.0**	**3.95**	**11,622.0**	**4.13**
Exchange Rate		USD1 = GBP0.78768		USD1 = GBP0.74011		USD1 = GBP0.8129		USD1 = GBP0.6748	

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.