

SANTANDER UK GROUP HOLDINGS PLC ('HoldCo')

REGULATORY REMUNERATION DISCLOSURES FOR THE FINANCIAL YEAR 2023

The following disclosures for Santander UK Group Holdings plc (the 'Company', 'HoldCo' or 'Santander UK') are prepared in accordance with PRA Policy Statement PS22/21 Implementation of Basel Standards.

This report provides details of the remuneration of the Company's Material Risk Takers and for all staff where required for the financial year ending 31 December 2023, together with an explanation of the Company's remuneration policies, practices and governance arrangements. Additional information is contained in the 2023 Santander UK Group Holdings plc Annual Report & Accounts.

PART 1 - QUALITATIVE REMUNERATION DISCLOSURE

Table EU REMA – Remuneration Policy

a) Information relating to the bodies that oversee remuneration

Our governance framework comprises a Board Remuneration Committee ('RemCo') for HoldCo and another for Santander UK plc (the ring-fenced bank, 'RFB'). RFB and HoldCo RemCo meetings may be held concurrently where it is considered appropriate to do so. During the year, the RFB RemCo considered separately from the HoldCo RemCo matters specific to the RFB alone. Holding meetings concurrently ensures that information is appropriately shared between the two RemCos.

The remit of the HoldCo RemCo covers remuneration in employing entities across HoldCo and its subsidiaries and undertakings. The remit of the RFB RemCo covers the RFB and its employing entities, subsidiaries and undertakings only. Broadly:

The RFB RemCo:

- Maintains oversight of, considers and adopts remuneration policies and frameworks for employees of the RFB and its subsidiaries (together the 'RFB Sub-Group'); and
- Has overarching responsibility to oversee, make recommendations to and implement HoldCo Group policies and frameworks and to approve remuneration arrangements for executives and senior employees across the RFB Sub-Group.

The HoldCo RemCo:

- Maintains oversight of, considers and approves the over-arching remuneration policies and frameworks to be adopted and embedded throughout the HoldCo Group.

Santander Financial Services ('SFS') does not require its own remuneration committee given it is not deemed 'significant' under the Remuneration Part of the PRA Rulebook. Consequently, the HoldCo RemCo continues to oversee remuneration arrangements in SFS.

The membership of the HoldCo and RFB RemCos, including the changes during the year, is set out in the Chair's report on corporate governance in the HoldCo Annual Report 2023.

In addition to the Chief Executive Officer and Board Chair, the Chief People Officer, the Performance & Reward Director and the Company Secretary are standing attendees at RemCo meetings, and the Chief Risk Officer and Chief Compliance Officer regularly attend RemCo meetings to provide input on relevant matters. The Chief Internal Auditor provides input into relevant matters as appropriate and can attend meetings by invitation. No individual is involved in decisions about their own remuneration.

During 2023, the HoldCo RemCo met eight times and the RFB RemCo met nine times. The RemCos' terms of reference were last updated in January 2024 and are kept under regular review. The terms of reference for the RFB RemCo are available at www.santander.co.uk/about-santander/policy-framework.

During 2023, the RemCos engaged the advice and support of Deloitte LLP ('Deloitte') as independent remuneration consultants. Deloitte are typically invited to attend all RemCo meetings, offering a perspective on market practice and the implications of our approach to remuneration taking into account the broader shareholder and regulatory environment and the communities in which we operate. Deloitte offered advice in respect of proposed changes to our Remuneration Policy and variable pay plans and the impact and appropriateness of remuneration policies and frameworks in the context of regulatory developments. The RemCos annually review Deloitte's independence and effectiveness and remain satisfied that the Deloitte engagement partner and team that provide remuneration advice to the RemCos do not have connections with Santander UK that may impair their independence.

Our Regulated Remuneration Governance Framework ('RRGF') outlines our remuneration policies, practices and governance structure and sets out the overarching controls system in place to manage and control risks. The RRGF is applicable to and adopted across the HoldCo Group entities (including the RFB Sub-Group).

MRTs are identified in accordance with our Material Risk Taker Identification Framework. For 2023, our MRT Identification Framework was applied at a HoldCo (consolidated) and RFB (consolidated) level. Identification by qualitative and quantitative criteria followed the requirements set out in the Remuneration Part of the PRA Rulebook. Solo- and dual-regulated entities (sub-consolidated) within the RFB Sub-Group are identified and the regulatory requirements applied to those entities separately, notwithstanding that they may not themselves be subject to CRD.

In addition to the qualitative and quantitative criteria, Santander UK conducts a localised risk and compliance assessment of all roles to ensure that all material risk types that could impact the business are considered, not limited to those specified by the regulation and, if appropriate, identifies additional MRTs as a result.

Broadly, the following types of individuals have been identified as MRTs of Santander UK:

- The Executive and Non-Executive Directors of the Company's Board and the members of the Company's Executive Committee;
- Senior managers of significant divisions and control functions such as audit, compliance and risk;
- Other senior managers reporting to the Board and heads of major corporate functions, such as Finance and HR;
- Employees whose total remuneration takes them into the same bracket as senior managers; and
- Other risk takers, whose professional activities may have a material impact on the firm's risk profile, including all senior level management across the Company.

b) Information relating to the design and structure of the remuneration system for identified staff

Santander UK has adopted remuneration policies which are designed to:

- a) encourage a high-performance culture, where people are rewarded and recognised for their performance in both what they do and how they do it;
- b) encourage responsible business conduct and customer-centricity, and seek to deliver good outcomes for all customers and clients; and
- c) promote an effective risk culture and effective risk management with the maintenance of a solid capital base.

We apply a consistent approach to the reward of all our employees, aligned to our values of Simple, Personal and Fair. The design of our remuneration framework ensures continued alignment with our strategic priorities as well as our values and behaviours. It also reflects the views and experience of our various stakeholders, including our workforce, customers and the wider Banco Santander Group. The RemCos undertake an annual review of the remuneration policies and practices for the wider workforce and receive updates throughout the year on wider workforce matters to align remuneration policies across the Company.

RemCo is responsible for setting the overarching principles and parameters of the remuneration policy across the Company. This extends to MRTs as well as oversight of the implementation of remuneration policies for other employees across Santander UK.

Remuneration at Santander UK is comprised of fixed pay (typically base salary, retirement and other benefits) and performance related variable pay (including deferred awards), except for non-executive directors who receive fixed fees and in exceptional cases benefits. This is aligned to the Banco Santander remuneration framework.

A significant proportion of the performance related pay for Material Risk Takers is deferred over the long-term and remains 'at risk' and subject to potential risk adjustment over the long-term. The purpose of deferred awards is to support a culture where employees recognise the importance of long-term sustainable performance of both Santander UK and the Banco Santander, S.A. group (the 'Group') generally. The structure of variable pay awards ensures that incumbents acquire a meaningful shareholding in Banco Santander SA which may extend for a significant period post-employment.

Details of the key aspects of the remuneration components are set out below:

a) Fixed pay

Base salaries are reviewed annually, appropriately benchmarked and set at market competitive levels, with reference to the specific market for the business in which an individual works, the approach to employee pay throughout the organisation, the skills and competencies that the individual brings to the business the complexity of the role. Post-retirement and other benefits are offered as part of a competitive remuneration package, including relocation and expatriate allowances where relevant. The level of fixed pay is sufficient to discourage inappropriate risk-taking.

b) Variable pay

The purpose of the annual variable pay plans is to align participants' reward with the financial and non-financial performance of Santander UK as measured over the financial year, considering the Company's risk appetite and an individual's personal contribution. Multi-year deferral, and delivery in Banco Santander SA shares or share options ensure that interests of Material Risk Takers are aligned to the long-term interest of the Company and the Group. Payments may be adjusted subject to performance and risk. For the Chief Executive Officer, a portion of the deferred awards is subject to further performance conditions, which can reduce or increase the level of deferred payout.

We apply a consistent approach to reward for all employees and therefore all employees are eligible to participate in an annual variable pay plan.

During 2023, the Company operated the following annual variable pay plans in which Material Risk Takers could participate, these were:

- The Santander UK Variable Pay Plan;
- The Santander Consumer (UK) ('SCUK') Variable Pay Plan; and
- The Santander Financial Services ('SFS') Variable Pay Plan.

In addition to the above, nominated colleagues are eligible to participate in the following long term incentive plans:

- Transformation Incentive Plan, awards under which were granted to a small number of nominated colleagues in the year. This one-off incentive plan recognises the collective achievement of key financial and non-financial targets associated with the bank's ongoing transformation over three years to 31 December 2023.
- PagoNxt Incentive Scheme. This variable pay plan was developed by Banco Santander S.A. with amendments for operation in the RFB to ensure compliance with relevant regulations. Awards under this Scheme were granted to a small number of nominated colleagues in respect of the 2023 performance year. This plan is designed to reward those colleagues across Banco Santander Group whose contributions are considered crucial in the success of PagoNxt, reflecting one of Banco Santander's key strategic priorities.

Further details on the performance parameters and rationale for each of the above plans can be found at section (g).

Information on deferral/ payment in instruments can be found in section (e). Details of our approach to ex-ante and ex-post risk adjustment can be found in section (c) and in section (f) respectively.

The RemCo annually reviews the RRGF and associated policies. For 2023, changes made to the RRGF under the annual review included the optional delivery of 25% of awards to Material Risk Takers in share options, and the ability to make payments in lieu of interest on awards of deferred cash to MRTs. In addition, updates were made to performance metrics across variable pay schemes to ensure measures continue to align with strategy.

Aside from the RemCo, the Board Chair, Chief Executive Officer, Chief People Officer, Chief Risk Officer, and our independent remuneration consultants' input into any proposed changes to remuneration policy as relevant.

In respect of remuneration for MRTs in control functions (Risk, Internal Audit and Compliance), variable pay is funded from the overall bonus pool with awards allocated based on individual performance, as measured through the performance review process. Individual performance for control function colleagues is assessed by reference to specific objectives set at the start of the year. Such objectives are aligned to the successful operation of their function and other than in exceptional circumstances, contain no financial metrics and are independent from the business units that they control and oversee.

Guaranteed variable remuneration is only awarded in exceptional circumstances. It will always be limited to new hires and limited to an employee's first year of service and only when sustainable according to the capital position of the Company.

Severance payments are non-contractual and non-statutory payments made on termination of employment. Such payments will only be made in exceptional circumstances on a case-by-case basis but generally only in circumstances where not making the payment would put the Company at greater or unnecessary risk. Payments will not be made where there is an issue of conduct or performance which allows for the immediate dismissal of the individual and will not reward failure or misconduct.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes

All variable remuneration is subject to adjustment for current and future risks as well as malus and clawback provisions.

Ex-ante risk adjustment

All variable remuneration is subject to adjustment for current and future risks through our Additional Risk Adjustment Standard. Our Additional Risk Adjustment Standard provides:

- An assessment of alignment to Board Risk Appetite, either via a formulaic approach, a qualitative assessment or situational considerations, where a risk type requires distinct focus;
- An additional qualitative event-based overlay for other exceptional events; and
- A view on the control environment from Internal Audit.

The outcome of these considerations can result in a downward risk adjustment of up to 100% of the bonus pool or individual awards at the discretion of the RemCo. The Remuneration Committee seeks input from the Chief Risk Officer, after discussion with the Board Risk Committee, when determining whether any performance or risk adjustments are required. Furthermore, the Chair of the Company's Board Risk Committee and members of the Board Audit Committee sit on the Remuneration Committee.

Details of our approach to ex-post risk adjustment are included in section (f).

d) The ratios between fixed and variable remuneration

The performance-related elements of the package make up an appropriate proportion of the total remuneration of the Company's senior executives and senior employees, up to a maximum of 2:1 variable to fixed pay, in line with the regulatory limit and as approved by shareholders of Banco Santander, S.A. (most recently approved by shareholders on 31 March 2023). Save for in exceptional circumstances, for control function staff a lower operational ratio of 1:1 is applied.

| MRT | Maximum ratio |
|--|---------------|
| Control function roles (save for in exceptional circumstances) | 1:1 |
| All other MRT roles | 2:1 |

Variable pay opportunities are reviewed regularly to ensure that the fixed and variable components are appropriately balanced and that the fixed portion represents a sufficiently high proportion of total remuneration to allow the operation of a fully flexible policy on variable remuneration components including the possibility to pay no variable remuneration. The level of fixed pay is set at a level deemed sufficiently high to discourage inappropriate risk-taking.

Santander UK recognises that the competitive market for Executive and Senior Leadership talent within financial services is constantly evolving and flexibility in remuneration may be required. The RFB and HoldCo RemCos therefore keep the actual balance of fixed and variable remuneration under review considering regulatory requirements, market practice and our own appetite for risk. During 2023, the RemCos approved the retention of the existing variable/fixed remuneration ratios as above, following the outcome of the joint PRA/FCA consultations on the 'bonus cap' and the subsequent publication of PRA policy statement 9/23 and FCA policy statement 23/15. This will be kept under review.

e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration

The Company's performance management framework forms the basis of measuring individual performance, which in turn determines the level of variable remuneration awards to individuals. Individuals' objectives (and the assessment thereof) are a combination of financial, non-financial, qualitative and quantitative measures. The assessment of performance considers the behaviours and delivery of objectives through 'what', 'how' and risk measures.

Our annual Variable Pay pools are determined based on a combination of financial and non-financial criteria using a balanced scorecard approach. The measures are linked to the Company's strategy. The Santander UK bonus pool is linked to, and varies in line with, RFB overall performance. The SCUK and SFS bonus pools are determined based on the quantitative and qualitative performance of SCUK/SFS respectively against a range of financial and non-financial criteria. The performance of other business units on a standalone basis is captured by the ex-ante risk adjustment process, as well as through the individual performance assessments which determine the allocation of the pool.

This approach ensures that performance is assessed at a firm, business unit and individual level.

Long-term metrics apply to the first three deferred tranches made under the Santander UK Variable Pay Plan (36% of the total award) to the Chief Executive Officer alone. Prior to 2022, this applied to all Executive Directors, and any outstanding deferred awards granted to other executives prior to 2022 will remain subject to performance testing. The performance measures, assessed over a three-year period, applicable to the 2023 bonus awards are relative Total Shareholder Return ('TSR'), Return on Tangible Equity ('ROTE'), and ESG metrics. Following performance assessment, the level of awards will be adjusted accordingly. The measures can reduce or increase the value of the deferred awards.

Information on the performance metrics used in the formulaic determination of variable pay is provided in section (g).

Adjusting variable remuneration

As detailed in section (g), variable pay plans are assessed against a range of financial and non-financial performance measures. Performance for our annual variable pay plans (the Santander UK Variable Pay Plan, the SCUK Variable Pay Plan and the SFS Variable Pay Plan) and the Transformation Incentive Plan are all measured against balanced scorecards and all incentive plans are subject to a discretionary overlay to ensure that the payment of variable remuneration is fully reflective of performance at Company, business line and individual level.

Where performance does not meet the targets set in the balanced scorecard or is otherwise considered to be unsatisfactory, then awards may be scaled back, including to zero. In addition, under the Santander UK Variable Pay and Santander Consumer UK Variable Pay Plans, a net profit underpin applies to Senior Leaders, whereby the bonus pool is reduced where certain profit metrics are not met.

As outlined in sections (c) and (f), all variable pay is subject to a thorough risk assessment in advance of the payment or vesting of any awards. Awards can be scaled back at the RemCo's discretion by way of ex ante adjustments, in-year adjustments and, for previously granted awards, by way of malus and/ or clawback.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance

Information on the long-term performance metrics assessed under the Santander UK Variable Pay plan and applicable to the Chief Executive Officer is provided in section (g), alongside details of the one-off Transformation Incentive Plan and the PagoNxt Incentive plan.

Deferral / payment in instruments

The deferral and payment in instrument arrangements for MRTs are determined by the requirements of the PRA Rulebook and the FCA Remuneration Code. At least 50% of variable remuneration for MRTs is delivered in Banco Santander shares or share linked instruments. This applies to both the upfront and deferred elements of awards. A 12-month retention policy applies to each portion of the award which is delivered in shares or share linked instruments.

Other than those considered Senior Managers in defined roles under the Senior Manager & Certification Regime, awards are deferred for four or five years depending on MRT status, vesting on a pro-rata basis and delivered in line with the requirements of the PRA Rulebook and the Remuneration Code. Individuals designated by the PRA as Senior Managers in defined roles under the Senior Manager & Certification Regime are subject to seven-year deferral. For all MRTs either 40% or 60% of variable pay is deferred based on the application of the Remuneration Code.

The vesting of deferred awards is subject to continued employment (other than in the case of employment being terminated in circumstances where the employee is a good leaver) and is subject to the Company's rules on performance adjustment, malus and clawback.

Ex-post risk adjustment

Our Individual Remuneration Adjustment Standard provides a framework for the process, governance and standards relevant for making decisions in relation to individual performance adjustments, including malus and clawback.

Performance adjustments may include, but are not limited to:

- Reducing a bonus outcome for the current year;
- Reducing the amount of any unvested deferred variable remuneration;
- Requiring a bonus which has been awarded (but not yet paid) to be forfeited; or
- Requiring repayment on demand (on a net basis) of any cash and share awards received.

The Remuneration Committee will have full discretion to prevent vesting of all or part of an amount of deferred remuneration and/or to freeze an award during an ongoing investigation in several circumstances, including where:

- (a) there is reasonable evidence of the Participant's misbehaviour, misconduct, material error or omission (including a failure to follow internal controls, meet Participating Company standards of behaviour or ethical conduct, and/or where the individual failed to follow risk management processes and standards);
- (b) a Participating Company or a relevant business unit suffers a material downturn in its financial performance;
- (c) there has been a material failure of risk management in a Participating Company or a relevant business unit;
- (d) one or more incidents or circumstances that result in a material adverse impact on the customers, counterparties and wider markets of a Participating Company or on a Participating Company's relationship with other stakeholders;

- (e) one or more incidents or circumstances that result in fines or other regulatory action material to a Participating Company or there have been direct or indirect financial losses attributable to a failure, or where the incident or circumstances resulted in reputational damage to a Participating Company;
- (f) the Participant fails to meet appropriate standards of fitness and propriety;
- (g) significant changes in a Participating Company's economic or regulatory capital base and the qualitative assessment of risks;
- (h) a material misstatement or reformulation of a Participating Company's financial statements (except when required due to modification of the accounting rules);
- (i) an error in assessing the number of Shares and/or amount of cash in respect of which the Award was granted or in any other information or assumptions on which the Award was granted or Vests; or
- (j) any other circumstances that RemCo in its discretion considers to be similar in their nature or effect to those above.

In addition to the above circumstances, from 2023, variable remuneration awards made to those individuals identified as 'Executive Officers' of the Company are subject to potential recovery or adjustment in the event of a restatement of financial metrics used for the purpose of calculating such awards.

The Remuneration Committee will have full discretion to clawback an award from an MRT for up to seven years. This clawback period may be extended for a period of up to ten years for PRA- and FCA-designated Senior Managers if either Santander UK or a regulator has begun an inquiry that could result in the application of clawback.

Shareholding requirements

The CEO is subject to a Shareholding Policy, which ensures alignment with the long-term interests of Banco Santander shareholders. The requirement under the policy is set at two times the incumbent's net salary upon appointment. The structure of variable pay awards for other MRTs means they acquire a meaningful shareholding in Banco Santander SA which may extend for a significant period post-employment.

g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR

Santander UK Variable Pay Plan (RFB)

This plan rewards financial and non-financial performance over the year against a range of metrics using a balanced scorecard approach. The Plan assessed 2023 performance against the RFB's KPIs in the following categories:

- Customers (Customer Net Promoter Score ('NPS'), Active Customer growth, Total Customer growth and Cost per Active Customer)
- Sustainability & Responsible Banking (Employee Engagement, Diversity and Inclusion and Climate Transition Strategy)
- Shareholders (Return on Tangible Equity ('ROTE') and Capital Generation)

Variable pay is linked to, and varies in line with, RFB overall performance. Performance is measured on a quantitative and qualitative basis to ensure a balanced assessment of performance is made. An additional profit underpin applied for senior roles in 2023.

The bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.

Santander Consumer (UK) Variable Pay Plan (RFB)

This plan rewards MRTs in the Santander Consumer (SCUK) plc business, assessing financial and non-financial performance over the year against a range of metrics using a balanced scorecard approach. The measures are based on Santander Consumer UK's strategy and for 2023 were:

- Customers (Net Promoter Score (Dealers'), Customer satisfaction (Borrowers'), Total customer growth, Cost per Customer and Number of Manufacturer Agreements)
- Shareholders (Return on Tangible Equity ('ROTE') and Capital Generation)
- People, Culture and Sustainability (Employee Engagement, Diversity and Inclusion, and Green Finance).

A net profit underpin also applied for 2023.

Variable pay is linked to, and varies in line with, SCUK and RFB overall performance. The bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.

Santander Financial Services (UK) Variable Pay Plan

This plan rewards employees in the Santander Financial Services ('SFS') plc business, assessing financial and non-financial performance over the year against a range of metrics using a balanced scorecard approach. For 2023 the metrics related to:

- Customers (Net Promoter Score, Total Customer growth, Active Customer growth and Cost per [Active] Customer)
- Shareholders (Capital Generation and ROTE)
- Sustainability & Responsible Banking (Employee Engagement and Inclusion, and People Financially Empowered).

Variable pay is linked to, and varies in line with, SFS overall performance. The bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.

The Variable Pay Plans above are structured so that half of the award is made in cash and half in shares or share-linked instruments. For 2023, participants may elect to receive 25% of their award as share options. Any options awarded must be exercised within seven years of the date of grant (or nine in the case of Senior Managers), following which unvested options will lapse. Awards are subject to ex-ante and ex-post (malus) risk adjustment.

Transformation Incentive Plan (RFB participants)

This is a one-off long term incentive plan designed to recognise the achievement of financial targets and an enhanced customer experience, whilst maintaining appropriate conduct controls and risk management, over the course of the Company's transformation period. The first awards under the plan were granted in respect of performance during 2020 with long-term performance assessed over the period 1 January 2021 to 31 December 2023. Further tranches of awards were granted in 2022 and 2023.

The plan assessed financial and non-financial performance over the Transformation period, including:

- A cost gateway.
- A range of non-financial modifiers which have the ability to enhance the overall award (by up to 20%) or reduce it to zero:

- People: employee engagement;
- Customers: delivering an enhanced customer experience;
- Conduct: appropriate conduct controls; and
- Risk: sound risk management.

Awards for MRTs were granted half in cash and half in share linked instruments (linked to the Banco Santander S.A. share price) and will vest in accordance with regulatory requirements.

The grant of the awards considered individual performance and conduct and RFB financial performance (Capital and Leverage ratios exceeding regulatory minima). Awards were also subject to the achievement of individual performance and RFB performance underpins (profit and capital) over the performance period as well as risk adjustment.

PagoNxt Incentive (RFB participants)

PagoNxt is a one-off long-term incentive plan designed to reward those colleagues across the Banco Santander Group, including selected individuals in the UK, whose contributions are considered crucial to the success of PagoNxt. PagoNxt is one of the three key strategic priorities for Group. The first awards under the plan were granted in respect of 2022 and will vest in equal tranches over a four or a five-year period. A small number of awards were granted in respect of 2023.

The plan assesses financial and non-financial performance and for UK participants metrics include:

- Success of PagoNxt.
- Individual metrics (including non-financial elements); and
- RFB financial performance underpins.

Awards to MRTs will be granted fully in PagoNxt capital instruments, and will vest in accordance with regulatory requirements.

i) Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR

Santander UK is a proportionality Level 1 firm in the UK and therefore applies the requirements of the UK's Remuneration Code in full on a consolidated basis.

Santander UK applies the derogation laid down in Article 94(3)(b) of CRD where an individual's annual variable remuneration (a) does not exceed £44,000 and (b) does not represent more than one third of the individual's total annual remuneration.

Details of the staff in relation to which this derogation was applied in respect of performance year 2023 are set out below¹:

| Number of staff | Total fixed remuneration | Total variable remuneration |
|------------------------|---------------------------------|------------------------------------|
| 5 | £640,293 | £142,248 |

¹ Does not include any individuals identified as a Material Risk Taker under the MIFIDPru regulatory regime only.

PART 2 – QUANTITATIVE REMUNERATION DISCLOSURE

The following disclosure provides quantitative remuneration information for the Company's MRT population for the financial year ending 31 December 2023.

For the purposes of the following tables, the Executive Directors of HoldCo and/or RFB are considered as Management Body, Management Function, and the Non-Executive Directors of HoldCo and/or RFB are considered as Management Body, Supervisory Function. Members of the RFB Executive Committee are considered as Senior Management.

UK REM1 - Remuneration awarded for the financial year

| | | MB Supervisory function | MB Management function | Other senior management | Other identified staff | |
|--------|-----------------------------|---|------------------------|-------------------------|------------------------|-------------|
| 1 | Fixed remuneration | Number of identified staff | 30 | 2 | 15 | 162.7 |
| 2 | | Total fixed remuneration | £2,590,536 | £2,742,628 | £6,839,019 | £37,494,392 |
| 3 | | Of which: cash-based | £2,590,536 | £2,742,628 | £6,839,019 | £37,494,392 |
| 4 | | (Not applicable in the UK) | | | | |
| UK-4a | | Of which: shares or equivalent ownership interests | £0 | £0 | £0 | £0 |
| 5 | | Of which: share-linked instruments or equivalent non-cash instruments | £0 | £0 | £0 | £0 |
| UK-5x | | Of which: other instruments | £0 | £0 | £0 | £0 |
| 6 | | (Not applicable in the UK) | | | | |
| 7 | | Of which: other forms | £0 | £0 | £0 | £0 |
| 8 | (Not applicable in the UK) | | | | | |
| 9 | Variable remuneration | Number of identified staff | 0 | 1 | 12 | 151.7 |
| 10 | | Total variable remuneration | £0 | £2,729,316 | £6,975,700 | £23,653,301 |
| 11 | | Of which: cash-based | £0 | £1,144,408 | £3,311,650 | £13,076,640 |
| 12 | | Of which: deferred | £0 | £802,895 | £1,772,010 | £4,564,751 |
| UK-13a | | Of which: shares or equivalent ownership interests | £0 | £1,294,283 | £3,551,550 | £10,406,963 |
| UK-14a | | Of which: deferred | £0 | £952,770 | £2,011,910 | £4,496,875 |
| UK-13b | | Of which: share-linked instruments or equivalent non-cash instruments | £0 | £290,625 | £112,500 | £169,699 |
| UK-14b | | Of which: deferred | £0 | £290,625 | £112,500 | £169,699 |
| UK-14x | | Of which: other instruments | £0 | £0 | £0 | £0 |
| UK-14y | | Of which: deferred | £0 | £0 | £0 | £0 |
| 15 | Of which: other forms | £0 | £0 | £0 | £0 | |
| 16 | Of which: deferred | £0 | £0 | £0 | £0 | |
| 17 | Total remuneration (2 + 10) | | £2,590,536 | £5,471,944 | £13,814,719 | £61,147,693 |

UK REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

| | MB Supervisory function | MB Management function | Other senior management | Other identified staff |
|---|-------------------------|------------------------|-------------------------|------------------------|
| Guaranteed variable remuneration awards | | | | |
| Guaranteed variable remuneration awards - Number of identified staff | 0 | 0 | 0 | 4 |
| Guaranteed variable remuneration awards -Total amount | £0 | £0 | £0 | £672,110 |
| Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap | £0 | £0 | £0 | £0 |
| Severance payments awarded in previous periods, that have been paid out during the financial year | | | | |
| Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff | 0 | 0 | 0 | 0 |
| Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount | £0 | £0 | £0 | £0 |
| Severance payments awarded during the financial year | | | | |
| Severance payments awarded during the financial year - Number of identified staff | 0 | 0 | 0 | 8 |
| Severance payments awarded during the financial year - Total amount ² | £0 | £0 | £0 | £2,104,973 |
| Of which paid during the financial year | £0 | £0 | £0 | £2,104,973 |
| Of which deferred | £0 | £0 | £0 | £0 |
| Of which severance payments paid during the financial year, that are not taken into account in the bonus cap | £0 | £0 | £0 | £2,104,973 |
| Of which highest payment that has been awarded to a single person | £0 | £0 | £0 | £840,000 |

² Includes one-off termination payments including redundancy payments. Excludes any Pay in Lieu of Notice or contributions to legal fees.

UK REM3 - Deferred remuneration

| | Deferred and retained remuneration | Total amount of deferred remuneration awarded for previous performance periods | Of which due to vest in the financial year | Of which vesting in subsequent financial years | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years ³ | Total amount of adjustment during the financial year due to ex post implicit adjustments | Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year | Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods |
|----|---|--|--|--|---|--|--|---|---|
| 1 | MB Supervisory function | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 2 | Cash-based | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 3 | Shares or equivalent ownership interests | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 4 | Share-linked instruments or equivalent non-cash instruments | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 5 | Other instruments | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 6 | Other forms | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 7 | MB Management function | £4,553,280 | £11,798 | £4,541,482 | £0 | £0 | £0 | £11,798 | £5,899 |
| 8 | Cash-based | £2,052,093 | £5,899 | £2,046,194 | £0 | £0 | £0 | £5,899 | £0 |
| 9 | Shares or equivalent ownership interests | £2,351,187 | £5,899 | £2,345,288 | £0 | £0 | £0 | £5,899 | £5,899 |
| 10 | Share-linked instruments or equivalent non-cash instruments | £150,000 | £0 | £150,000 | £0 | £0 | £0 | £0 | £0 |
| 11 | Other instruments | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 12 | Other forms | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 13 | Other senior management | £10,565,300 | £443,461 | £10,121,839 | £0 | £67,742 | £0 | £443,461 | £221,730 |
| 14 | Cash-based | £5,282,649 | £221,731 | £5,060,918 | £0 | £33,871 | £0 | £221,731 | £0 |
| 15 | Shares or equivalent ownership interests | £3,944,144 | £221,730 | £3,722,414 | £0 | £33,871 | £0 | £221,730 | £221,730 |
| 16 | Share-linked instruments or equivalent non-cash instruments | £1,338,507 | £0 | £1,338,507 | £0 | £0 | £0 | £0 | £0 |

³ Reductions either due to ex-post adjustments where performance conditions have not been fully met, or due to the outcome of individual accountability reviews

| | | | | | | | | | |
|----|---|--------------------|-------------------|--------------------|-----------|-----------------|-----------|-------------------|-------------------|
| 17 | Other instruments | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 18 | Other forms | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 19 | Other identified staff | £30,689,980 | £3,888,953 | £26,801,027 | £0 | £32,658 | £0 | £3,888,953 | £1,910,728 |
| 20 | Cash-based | £16,048,750 | £1,934,225 | £14,114,525 | £0 | £16,329 | £0 | £1,934,225 | £0 |
| 21 | Shares or equivalent ownership interests | £10,625,807 | £1,910,728 | £8,715,079 | £0 | £16,329 | £0 | £1,910,728 | £1,910,728 |
| 22 | Share-linked instruments or equivalent non-cash instruments | £4,015,423 | £44,000 | £3,971,423 | £0 | £0 | £0 | £44,000 | £0 |
| 23 | Other instruments | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 24 | Other forms | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| 25 | Total amount | £45,808,560 | £4,344,212 | £41,464,348 | £0 | £100,400 | £0 | £4,344,212 | £2,138,357 |

| UK REM4 - Remuneration of 1 million EUR or more per year | | |
|---|------------------------------|---|
| | EUR ⁴ | Identified staff that are high earners as set out in Article 450(i) CRR |
| 1 | 1 000 000 to below 1 500 000 | 6 |
| 2 | 1 500 000 to below 2 000 000 | 0 |
| 3 | 2 000 000 to below 2 500 000 | 4 |
| 4 | 2 500 000 to below 3 000 000 | 0 |
| 5 | 3 000 000 to below 3 500 000 | 0 |
| 6 | 3 500 000 to below 4 000 000 | 0 |
| 7 | 4 000 000 to below 4 500 000 | 0 |
| 8 | 4 500 000 to below 5 000 000 | 0 |
| 9 | 5 000 000 to below 6 000 000 | 1 |

⁴ Table prepared in Euros, converted using the exchange rate: £1 = €1.15574 EUR, using the European Commission rates for December 2023.

**UK REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile
(identified staff)**

| | | Management body remuneration | | | Business areas | | | | | | |
|---|---|-------------------------------|------------------------------|------------|-----------------------|-------------------|---------------------|------------------------|---|-------------|-------|
| | | MB Supervisory function | MB Management function | Total MB | Investment banking | Retail banking | Asset management | Corporate functions | Independent internal control functions | All other | Total |
| 1 | Total number of identified staff | 30.0 | 2.0 | 32.0 | 0.0 | 26.0 | 0.0 | 55.9 | 27.8 | 68.0 | 177.7 |
| 2 | Of which: members of the MB | 30.0 | 2.0 | 32.0 | | | | | | | |
| 3 | Of which: other senior management | | | | 0.0 | 3.0 | 0.0 | 8.0 | 3.0 | 1.0 | |
| 4 | Of which: other identified staff | | | | 0.0 | 23.0 | 0.0 | 47.9 | 24.8 | 67.0 | |
| 5 | Total remuneration of identified staff | £2,590,536 | £5,471,944 | £8,062,480 | £0 | £12,451,461 | £0 | £26,493,981 | £12,347,953 | £23,669,018 | |
| 6 | Of which: variable remuneration | £0 | £2,729,316 | £2,729,316 | £0 | £5,625,038 | £0 | £10,536,078 | £4,731,154 | £9,736,731 | |
| 7 | Of which: fixed remuneration | £2,590,536 | £2,742,628 | £5,333,164 | £0 | £6,826,423 | £0 | £15,957,903 | £7,616,799 | £13,932,287 | |