

SANTANDER UK GROUP HOLDINGS PLC

REGULATORY REMUNERATION DISCLOSURES FOR THE FINANCIAL YEAR 2020

The following disclosures for Santander UK Group Holdings plc (the "Company", "HoldCo" or "Santander UK") are prepared in accordance with Article 450 of the Capital Requirements Regulation ("CRR"). We have adopted the European Banking Authorities reporting guidance (Final Report: Final draft implementing technical standards on public disclosures by institutions on the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013') early with respect to Table EU REMA below.

This report provides details of the remuneration of the Company's Material Risk Takers for the 2020 performance year together with an explanation of the Company's remuneration policies, practices and governance. Additional information is contained in the 2020 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.

Since January 2019, following structural changes to the business and in order to ensure compliance with the Ring-fenced Bodies part of the PRA Rulebook, our governance framework comprises a Remuneration Committee ("RemCo") for HoldCo and another for Santander UK plc (the ring-fenced bank, "RFB"). RFB and HoldCo RemCos may be held concurrently where it is considered appropriate to do so, but at least twice each year, the RFB RemCo considers separately from the HoldCo Remco matters specific to the RFB alone.

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 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.

The members of the RFB RemCo during 2020 were Annemarie Durbin (Chair) Chris Jones, Scott Wheway (until 30 September 2020), Genevieve Shore, Mark Lewis (from 16 December 2020), and Ed Giera (from 1 November 2020). The members of the HoldCo RemCo during 2020 were Chris Jones (Chair), Scott Wheway (until 30 September 2020) and Ed Giera (from 1 November). All members are independent non-executive directors (and at least one member of the RFB RemCo is an RFB Double Independent Non-Executive Director). The RFB RemCo currently includes members of the Board Audit Committee, Responsible Banking and Risk Committees, to ensure information is appropriately shared with those

Committees. Holding meetings with the RFB RemCo concurrently ensures that information is appropriately shared with the HoldCo RemCo.

The Chief Risk Officer (CRO), the Chief HR Officer and the Chief Legal & Regulatory Officer are standing attendees at 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.

During 2020, the HoldCo RemCo met nine times and the RFB RemCo met fifteen times (including ad hoc, unscheduled meetings), reflecting the level of activity in the year responding to challenges brought about by the Covid-19 pandemic. The RemCos' terms of reference were updated in 2020 and are kept under regular review. Full terms of reference are available at www.santander.co.uk.

During 2020, the RemCos engaged the advice and support of Deloitte LLP ('Deloitte') as independent remuneration consultants. Deloitte attend RemCo as a standing invitee, 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 change. The RemCo is satisfied that the Deloitte engagement partner and team that provide remuneration advice to the Committee 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 and adopted across the HoldCo Group entities (including the RFB Sub-Group). The Board Chair, Chief Executive Officer, Chief HR Officer, Chair of the Board Audit, Chief Internal Auditor, Chief Risk Officer, Chief Legal and Regulatory Officer and our independent remuneration consultants input into any proposed changes to remuneration policy. No individual is involved in decisions about their own remuneration.

MRTs are identified in accordance with our Material Risk Taker Identification Framework. In addition to the qualitative and quantitative criteria set out in the EBA Regulatory Technical Standards ((EU) No 604/2014), 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.

Broadly, the following types of individuals have been identified as Material Risk Takers 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 and risk;
- Other senior managers reporting to the Board and heads of major divisions, 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.

The categories above include all senior level management across the Company as well as those responsible for the management of the main businesses and control function heads.

The Quantitative Disclosures section below provides a breakdown of the number of individuals identified as MRTs by business area and function. The number of MRTs identified as at 31 December 2020 has decreased from 31 December 2019 by 3 individuals.

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:

- encourage a high-performance culture, where people are rewarded and recognised for their performance (including individual impact on risk culture and customer outcomes) and their contribution to the Company's success;
- encourage responsible business conduct and fair treatment of customers/clients; and
- 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.

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 a fixed fee. 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'. 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 and to ensure that a significant proportion of remuneration remains at risk and capable of risk adjustment over the long-term. 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 their business area and 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 aims to be sufficient so that inappropriate risk-taking is not encouraged.

b) Variable pay

The purpose of the annual variable pay plans are to align participants' reward with the financial and non-financial performance of Santander UK as measured over the financial year, taking into account the Company's risk appetite and an individual's personal contribution. Multi-year deferral, and delivery in Banco Santander SA shares ensures 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, and for the most senior participants deferred awards are subject to further performance conditions, which can reduce, but not 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 plans, subject to their role and reward band.

During 2020, 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 Corporate and Investment Bank ("SCIB") 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 Digital Transformation Award. 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 a one-off long-term incentive, the Transformation Incentive, will be granted to nominated colleagues in 2021. The incentive plan seeks to incentivise and recognise the collective achievement of key financial and non-financial targets associated with the bank's ongoing transformation. Awards are granted based on performance in respect of 2020 and future long-term performance will be measured over three years to 31 December 2023. 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).

The RemCo annually reviews the RRGF and associated policies. The RRGF underwent a wholesale review in 2019 to ensure compliance with relevant ring-fencing regulations. Subsequently, no substantive amendments were made in 2020. Minor amendments ensured that policy updates, such as the introduction of the long-term Incentive Schemes (Digital Transformation Award and Transformation Incentive) were reflected in our remuneration policy.

We apply a consistent approach to reward for all employees. Employees, including those MRTs in control functions, are entitled to a base salary and benefits and have the opportunity to receive an element of performance-related compensation, subject to their role and reward band. Risk, Internal Audit, Compliance, Accounting and Financial Control variable pay is funded from the overall bonus pool with awards allocated based on function and 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 where no other suitable candidate is available due to particular market conditions. It will always be limited to new hires and in their 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 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 risks.

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 all current and future risks through our Additional Risk Adjustment Standard which is linked to Santander UK's Risk Appetite. The risks covered include credit risk, market risk, (traded and non-traded), operational risk, conduct risk, financial crime and regulatory risk.

Our Additional Risk Adjustment Standard provides both a formula-based assessment against Santander UK's Risk Appetite and an additional qualitative event-based overlay, for other exceptional events or factors which may also need to be taken into consideration that can result in a downward risk adjustment of up to 100% of the bonus pool or individual awards at the discretion of the RemCo. For example, this includes Risk Appetite Limit breaches not captured by the formula-based approach (such as reputational risk, pension risk and financial crime risk), the view of Internal Audit (audit report ratings, the control environment, past due recommendations), evolution of complaints, evolution of Material Escalation Events (MEEs) and Significant Escalation Events (SEEs), progress on remediation projects and ring-fencing regulation compliance.

The Standard is adopted and reviewed annually by the RemCo.

The Remuneration Committee seeks input from the Board Risk Committee, the Chief Risk Officer, Chief Internal Auditor and the Chief Legal and Regulatory Officer when determining whether any performance or risk adjustments are required particularly in relation to the application of risk adjustment to the bonus pool. Furthermore, members of the Company's Board Risk Committee (along with the Audit Committee Chair and Whistleblowing Champion, and another member of the Audit Committee) sit on the Remuneration Committee. The Committee Chair also engages with the Chair of the Board Risk Committee to seek his input on remuneration related matters where appropriate.

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

d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.

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 3 April 2020). 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 component. The level of fixed pay aims to be sufficient so that inappropriate risk-taking is not encouraged.

Santander recognises the competitive market for Executive and Senior Leadership talent within financial services is constantly evolving and flexibility in the area of 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.

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 the performance of individuals, which in turn determines the allocation of the bonus pool (and therefore the level of awards to individuals). Individuals' objectives (and the assessment thereof) are a combination of financial, non-financial, qualitative and quantitative measures and are based on a combination of performance of the individual, the business unit concerned and the overall Company. The assessment of performance considers the behaviours and delivery of objectives through "what," and "how" measures. For MRTs, there are mandatory specific risk objectives.

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 Compass). The Santander UK bonus pool is linked to, and varies in line with, RFB overall performance. The assessment of the SCIB pool also takes into account the performance of the business area. The SCUUK bonus pool is determined based on the quantitative and qualitative performance of SCUUK within the RFB against a range of financial and non-financial criteria. For the SFS Variable Pay Framework, the performance of SFS plc is taken into account when determining this bonus pool. The performance of other business units on a standalone basis are captured by the ex-ante risk adjustment process as well as in through the individual performance assessments which determine the allocation of the pool.

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

For the most senior participants in the Santander UK Variable Pay plan (broadly Executive Committee Members), the payment of the first three deferred tranches of awards (36% of the total award) is conditional on the achievement of long-term objectives measured over a three-year period. The performance measures applicable to the 2020 bonus awards are Earnings Per Share, relative Total Shareholder Return and fully-loaded Common Equity Tier (CET1) capital ratio. Following performance assessment, the level of awards will be adjusted accordingly. The measures can reduce but not 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).

Deferral / payment in instruments

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 three 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 considered as Senior Managers in defined roles under the Senior Manager & Certification Regime are subject to seven-year deferral with no vesting for the first three years, and with either 40% or 60% of the variable pay 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.

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, applicable to senior participants is provided in section (e).

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 a number of circumstances, including:

- Evidence of employee misbehaviour or material error;
- Material downturn in the performance of Santander UK or a relevant business unit's performance;
- Santander UK or a relevant business unit suffering a material failure of risk management;
- Significant changes in the Santander UK's economic or regulatory capital base and the qualitative assessment of risk; and
- A material restatement of Banco Santander's or Santander UK's financial statements (except when required due to modification of the accounting rules).

The Remuneration Committee will have full discretion to clawback an award from an MRT for up to seven years in the following circumstances:

- There is reasonable evidence of either the Participant's misbehaviour or material error (including a failure to follow internal controls concerning risk management); or
- Either the Company or the Participant's relevant business unit suffers a material failure of risk management.

This clawback period may be extended for a period of up to ten years for PRA designated Senior Managers if either Santander or a regulator has begun an inquiry that could lead to the application of clawback.

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 assesses performance against the RFB's KPIs in the following categories:

- Customers (Customer Net Promoter Score ('NPS') and loyal customers)
- People (Employee Engagement)
- Sustainability (Emissions Reduction, Dementia-friendly bank and Financial Empowerment)
- Shareholders
 - Risk (Cost of Credit Ratio and Stage 3 Ratio)
 - Capital (Contribution to Group Capital)
 - Profitability (Net Profit and Return on Tangible Equity)

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. A profit underpin was introduced for 2020 which requires Profit after Tax to remain positive in order to pay any award. The bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.

Santander Corporate and Investment Bank (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. Performance is measured on a quantitative and qualitative basis to ensure a balanced assessment of performance is made. The Plan assesses performance against the Santander UK Variable Pay Plan scorecard and takes into account the performance of the business area on a standalone basis.

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. For 2020 the metrics related to:

- Customers (Dealers' satisfaction, Borrowers' Satisfaction and Dealers' Net Promoter Score)
- Shareholders
 - Risk (Cost of Credit Ratio, Non-performing Loans Ratio)
 - Capital (Contribution to Group Capital)
 - Profitability (Net Profit, Return on Tangible Equity)

In addition, a discretionary adjustment (downward only) may be made for People, Culture and Communities through the Additional Risk Adjustment Standard (which also takes into account an assessment of current and future risks and other factors not considered in the scorecard).

Variable pay is linked to, and varies in line with, SCUUK 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 MRTs in the Santander Financial Services (SFS UK) plc business, assessing financial and non-financial performance over the year against a range of metrics using a balanced scorecard approach. For 2020 the metrics related to:

- Customers (Number of loyal customers)
- Shareholders
 - Risk (Non-performing Loans Ratio)
 - Liquidity (Grow deposits, Improve NSFR (Net Stable Funding Ratio) and ASF (Available Stable Funding), Maintain LCR performance (Liquidity Coverage Ratio))
 - Profitability (Net Profit Income, Net Profit Operating Expenses, Cost of funds)
- Employees (Employee Engagement Score)
- Sustainability (Dementia friendly bank)

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.

Digital Transformation Awards (RFB participants)

The purpose of the Digital Transformation Award (“DTA”) is to attract and retain talent that will advance, accelerate and deepen the digital transformation of Santander. The Scheme was developed by Banco Santander S.A. and approved by its shareholders at its Annual General Meeting (“AGM”) in April 2019. The RemCo approves RFB nominations in the Scheme and has oversight of its implementation for RFB participants, in line with UK regulatory requirements.

Pre-grant performance conditions in relation to 2019 include;

- The launch a global trade services platform;
- The launch of a global merchant services platform;
- The migration of our fully digital bank, Openbank, to a “next generation” platform and launch in three countries;
- The extension of SuperDigital in Brazil to at least one other country; and
- The launch of our blockchain-based international payments application to non-Santander customers.

Individual performance (including non-financial elements) and RFB financial performance underpins apply to this Scheme in the pre-grant performance period and over the vesting period.

Awards under this Scheme were granted in 2020. The Scheme is structured so that half of the award is made in free shares and half in market-value options, vesting in one tranche three years after the date of grant. Any options awarded must be exercised within ten years of the date of grant, following which unvested options will lapse. Awards are subject to ex-ante and ex-post (malus and clawback) risk adjustment.

No DTA awards were made to MRTs in respect of the 2020 performance year.

Transformation Incentive (RFB participants)

This is a one-off long term incentive plan which is 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 will be granted in 2021 in respect of performance during 2020 with long-term performance then assessed over the period 1 January 2021 to 31 December 2023.

The plan assesses 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
 - Risk: sound risk management.

Awards for MRTs will be 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 takes into account individual performance and conduct and RFB financial performance (Capital and Leverage ratios exceeding regulatory minima) over 2020 . Awards are also subject to the achievement of individual performance and RFB performance underpins (profit and capital) over the performance period.

PART 2 - QUANTITATIVE REMUNERATION DISCLOSURE

The following disclosure provides quantitative remuneration information for the Company's MRT population, and for all staff where required for the financial year ending 31 December 2020.

The number of MRTs identified as at 31 December 2020 was 228, of which 26 were classified as Management Body, 24 as Senior Management and 178 as other MRTs. 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 and any other individuals at Santander UK job band S7 are considered as Senior Management.

2020 MRT total remuneration

Business Area	Number of beneficiaries	Fixed remuneration (£000s) ¹	Variable remuneration				Total Variable ² (£000s)	Total remuneration (£000s)
			Upfront cash (£000s)	Upfront shares (£000s)	Deferred cash (£000s)	Deferred shares (£000s)		
Management Body								
- Management Function	4	£4,802	£0	£791	£1,853	£3,040	£5,684	£10,486
- Supervisory Function	22	£2,008	£0	£0	£0	£0	£0	£2,008
Retail								
- Other Senior Management	5	£1,333	£154	£70	£457	£457	£1,138	£2,471
- Other identified staff	24	£4,726	£882	£204	£1,349	£1,191	£3,626	£8,352
Global Corporate and Commercial Banking								
- Other Senior Management	2	£990	£192	£192	£613	£613	£1,610	£2,600
- Other identified staff	63	£13,049	£2,868	£1,597	£1,714	£1,714	£7,893	£20,942
All Other Business Areas								
- Other Senior Management	4	£2,888	£312	£312	£904	£904	£2,432	£5,320
- Other identified staff	36	£8,058	£1,068	£455	£1,933	£1,933	£5,389	£13,447
Internal Control Functions								
- Other Senior Management	7	£3,755	£344	£344	£997	£997	£2,682	£6,437
- Other identified staff	29	£6,220	£994	£274	£1,153	£1,153	£3,574	£9,794
Corporate Functions								
- Other Senior Management	6	£3,031	£330	£254	£839	£839	£2,262	£5,293
- Other identified staff	26	£5,289	£749	£432	£1,434	£1,434	£4,049	£9,338
Total	228	£56,149	£7,893	£4,925	£13,246	£14,275	£40,339	£96,488

¹Fixed remuneration comprises salary and all benefits and allowances, including employer pension contributions, pension cash allowances, car allowances and miscellaneous benefits.

² Variable remuneration includes awards under the Transformation Incentive Plan, granted in March 2021.

2020 outstanding deferred remuneration

	Awarded during 2020 (value at award) (£000s) ²	Paid out during 2020 (£000s) ³	Reduced from prior years (£000s) ⁴	Outstanding unvested (as at 31 December 2020) (£000s) ⁵	Outstanding vested during financial year (as at 31 December 2020) (£000s)
Management Body					
- Management Function	£1,887	£591	£612	£6,049	£0
Other					
- Senior Management					
o Of which shares	£1,840	£349	£181	£4,043	£0
o Of which cash	£1,840	£349	£181	£4,043	£0
- Other MRTs					
o Of which shares	£3,539	£1,794	£0	£7,849	£0
o Of which cash	£3,539	£1,777	£0	£7,622	£0
Total	£12,645	£4,860	£974	£29,606	£0

²Deferred remuneration awarded in respect of the 2019 performance year.

³Deferred awards paid in the 2020 performance year.

⁴Reduced amounts are due to ex-post adjustments, where performance conditions have not been fully met.

⁵All unvested remuneration as at 31 December 2020.

2020 buy-out payments and guaranteed bonuses⁶

	Number of identified staff	Buy-out payments Amount awarded 2020 (value at award) (£000s)	Number of identified staff	Guaranteed bonus payments Amount awarded 2020 (value at award) (£000s)
Management Function	1	£1,294	0	£0
Other Senior Management	1	£924	0	£0
Other identified staff	1	£204	0	£0
Total	3	£2,422	0	£0

⁶ No Guaranteed bonus payments were made in 2020

2020 severance payments^{7,8}

	Number of identified staff	Amount awarded 2020 (value at award) (£000s)	Paid out during 2020 (value as at 31 December 2019) (£000s)	Amount deferred 2020 (value as at 31 December 2020) (£000s)	Highest award to single person (£000s)
Senior Management	1	£76	£76	£0	£76
Other identified staff	9	£1,681	£1,681	£0	£400
Total	10	£1,757	£1,757	£0	£400

⁷ Severance payments include redundancy and other contractual payments.

⁸ No Severance payments were made to members of the Management Body.

2020 all staff total remuneration

Total number of staff	Total fixed remuneration ⁹	Total variable remuneration ¹⁰	Total remuneration
26,568	£1,040m	£158m	£1,198m

⁹ Total fixed remuneration comprises salary and all benefits and allowances, including employer pension contributions, pension cash allowances, car allowances and miscellaneous benefits.

¹⁰ Total variable remuneration includes upfront cash bonuses, upfront share awards, deferred cash and deferred share awards.

Total remuneration by band for all employees earning more than €1m¹¹ as at 31 December 2020

Total Remuneration Band	No.
€1,000,000 - €1,500,000	7
€1,500,001 - €2,000,000	1
€2,000,001 - €2,500,000	2
€2,500,001 - €3,000,000	4
€3,000,001 - €3,500,000	0
€3,500,001 - €4,000,000	1
€4,000,001 - €4,500,000	0
€4,500,001 - €5,000,000	1
➤ €5,000,001	0
Total	16

¹¹ Total remuneration includes fixed pay (salary, pension and benefits) and variable pay received (including actual value of any bonus / LTIP vesting in respect of the performance period ending 2020) after any application of malus/ clawback.

Includes non-executive directors.

Table prepared in Euros in accordance with Article 450 of the Regulation under CRD IV, Converted to Euros using the exchange rate £1 GBP = €1.17398 EUR using the rates published by the European Commission for financial programming and budget for December 2020 as published on their website.