VIRGIN MONEY UK

Quarterly **Pillar 3 Disclosures**

December 2024

December 2024 Pillar 3 report

For the 3 months ended 31 December 2024

Introduction

FORWARD-LOOKING STATEMENTS

This report and any other written or oral material discussed or distributed in connection with the Pillar 3 disclosures (the "Information") has been produced to meet the regulatory requirements of Virgin Money UK PLC ('Virgin Money', 'VMUK', or 'the Company'), together with its subsidiary undertakings (which comprise 'the Sub-group') and is for information only, and should not be regarded as an investment or research recommendation, or any form of investment or business advice. You should not place reliance on the Information when taking any business, legal or other types of decisions/actions.

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BASIS OF PRESENTATION

This report presents the consolidated quarterly Pillar 3 disclosures of VMUK as at 31 December 2024.

The Sub-group is regulated under UK Capital Requirements Regulation (CRR) and the associated binding technical standards that were created by the European Union (Withdrawal) Act 2018. The CRR has subsequently been amended by a number of statutory instruments and is split across the Prudential Regulatory Authority (PRA) rulebook and primary legislation.

These disclosures are prepared and presented in accordance with the Disclosure (CRR) part of the PRA Rulebook, which includes revised disclosure requirements applicable from 1 January 2022, following the UK implementation of the remaining provisions of CRR II. Any references to the EU regulations and directives should, as applicable, be read as references to the UK's version of the respective regulation, as onshored into UK law under the European Union (Withdrawal) Act 2018.

VMUK has assessed itself as a 'Large' institution and in accordance with the criteria set out within Article 433a of the PRA rulebook, reports a subset of Pillar 3 disclosures on a quarter and interim period-end basis with full disclosure on an annual basis.

The numbers presented within this report are on a consolidated basis, with VMUK numbers shown in the body of the report. Appendix 1 contains the individual disclosures required for CB PLC (the Bank), which aligns with the Disclosure (CRR) part of the PRA Rulebook on subsidiary reporting. For the Bank's capital disclosures in appendix 1 this is presented on an individual (or solo) consolidated basis reflecting the CRR article 9 individual consolidation permission the Bank holds.

The disclosures made in this report are required to be disclosed on a quarterly basis. The information presented in this Pillar 3 report is not required to be, and has not been, subject to external audit.

Certain figures contained in this report may have been subject to rounding adjustments and foreign exchange conversions. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this report may not conform exactly to the total figure given.

Comparative figures are as at 30 September 2024 unless otherwise stated and are reported to give insight into movements during the period. Where disclosures are new, or have been significantly changed, we do not generally restate or provide prior period comparatives.

Where specific rows and columns in the tables prescribed by the PRA are not applicable or are immaterial to our activities, we omit them and follow the same approach for comparative disclosure.

TEMPLATES NOT DISCLOSED

Specific Pillar 3 templates are required to be disclosed on a quarterly basis and these are included within this report. Certain PRA templates prescribed on a quarterly basis are not applicable to VMUK and this includes UK MR2-A and UK CCR7 on the basis VMUK applies the standardised approach to market risk and counterparty credit risk. UK CR8 is the same for both VMUK and CB Solo-Consolidated Group levels so the template has not been duplicated in the CB Solo-Consolidated disclosures.

Article 432 of the PRA Rulebook on non-material, proprietary or confidential information permits institutions to omit one or more disclosures if the information provided by such a disclosure is not regarded as material. No disclosures have been omitted on the basis of them being regarded as proprietary, confidential or not material.

Annex I: Disclosure of key metric and overview of risk weighted exposure amounts

Table 1: UK KM1 - Key metrics

The table below provides a summary of the main prudential regulation ratios and measures.

		A	B	C	D	E
		31 Dec 2024 £m	30 Sept 2024 £m	30 June 2024 £m	31 Mar 2024 £m	31 Dec 2023 £m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	**3,885**	3,629	3,639	3,731	3,522
2	Tier 1 capital	**4,578**	4,322	4,332	4,566	4,357
3	Total capital	**5,352**	5,095	5,105	5,339	5,130
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**27,242**	26,594	26,218	25,581	25,458
	Capital ratios (as a percentage of risk-weighted exposure amount) (%)					
5	Common Equity Tier 1 ratio	**14.3%**	13.6%	13.9%	14.6%	13.8%
6	Tier 1 ratio	**16.8%**	16.3%	16.5%	17.8%	17.1%
7	Total capital ratio	**19.6%**	19.2%	19.5%	20.9%	20.2%
	Additional own funds requirements based on Supervisory Review and Evaluation Process (SREP) (as a percentage of risk-weighted exposure amount) (%)					
UK-7a	Additional CET1 SREP requirements	**2.1%**	1.9%	1.9%	1.9%	1.9%
UK-7b	Additional AT1 SREP requirements	**0.7%**	0.6%	0.6%	0.6%	0.6%
UK-7c	Additional T2 SREP requirements	**0.9%**	0.9%	0.9%	0.9%	0.9%
UK-7d	Total SREP own funds requirements	**11.7%**	11.4%	11.4%	11.4%	11.4%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount) (%)					
8	Capital conservation buffer	**2.5%**	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer	**2.0%**	2.0%	2.0%	2.0%	2.0%
UK-10a	Other Systemically Important Institution buffer(1)	**0.0%**	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement	**4.5%**	4.5%	4.5%	4.5%	4.5%
UK-11a	Overall capital requirements	**16.2%**	15.9%	15.9%	15.9%	15.9%
12	CET1 available after meeting the total SREP own funds requirements	**7.7%**	7.2%	7.5%	8.2%	7.4%
	Leverage ratio(2)					
13	Total exposure measure excluding claims on central banks	**83,238**	84,084	85,134	85,720	86,624
14	Leverage ratio excluding claims on central banks (%)	**5.5%**	5.1%	5.1%	5.3%	5.0%
	Additional leverage ratio disclosure requirements (%)					
UK-14a	Fully loaded Expected Credit Loss (ECL) accounting model leverage ratio excluding claims on central banks	**5.5%**	5.1%	5.0%	5.3%	4.9%
UK-14b	Leverage ratio including claims on central banks	**5.0%**	4.7%	4.5%	4.7%	4.6%
UK-14c	Average leverage ratio excluding claims on central banks	**5.4%**	5.1%	4.9%	5.1%	4.9%
UK-14d	Average leverage ratio including claims on central banks	**4.9%**	4.6%	4.4%	4.6%	4.4%
UK-14e	Countercyclical leverage ratio buffer	**0.7%**	0.7%	0.7%	0.7%	0.7%

Annex I: Disclosure of key metric and overview of risk weighted exposure amounts

Table 1: UK KM1 - Key metrics (continued)

		A	B	C	D	E
		31 Dec 2024 £m	30 Sept 2024 £m	30 June 2024 £m	31 Mar 2024 £m	31 Dec 2023 £m
	Liquidity Coverage Ratio[3]					
15	Total high-quality liquid assets (HQLA) (Weighted value average)	**14,790**	14,676	14,583	14,135	13,988
UK-16a	Cash outflows - Total weighted value	**9,841**	9,861	9,924	9,957	9,887
UK-16b	Cash inflows - Total weighted value	**436**	494	531	570	540
16	Total net cash outflows (adjusted value)	**9,406**	9,368	9,392	9,387	9,347
17	Liquidity coverage ratio (%)	**157%**	157%	155%	151%	150%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	**78,181**	78,658	79,040	79,175	78,895
19	Total required stable funding	**55,840**	57,071	57,842	58,385	58,317
20	NSFR ratio (%)	**140%**	138%	137%	136%	135%

(1) On 29 November 2022 VMUK was formally designated as an O-SII but is not currently required to hold a related capital buffer.

(2) The average leverage exposure measure (excluding claims on central banks) for the period from 1 October 2024 to 31 December 2024 amounted to £83,754m (1 July 2024 to 30 September 2024: £84,863m).

(3) Liquidity balances are calculated as the simple averages of month-end observations over the 12 months preceding the reporting date.

Annex I: Disclosure of key metric and overview of risk weighted exposure amounts

Table 2: IFRS 9/Article 468 – Impact of IFRS 9 transitional arrangements and temporary treatment in accordance with CRR Article 468
The following table shows the capital, RWA and leverage positions with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

		A	B	C	D	E
		31 Dec 2024 £m	30 Sept 2024 £m	30 June 2024 £m	31 Mar 2024 £m	31 Dec 2023 £m
	Available capital (£m)					
1	Common Equity Tier 1 (CET1) capital	**3,885**	3,629	3,639	3,731	3,522
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**3,848**	3,593	3,602	3,693	3,439
3	Tier 1 capital	**4,578**	4,322	4,332	4,566	4,357
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**4,541**	4,286	4,295	4,528	4,274
5	Total capital	**5,352**	5,095	5,105	5,339	5,130
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**5,315**	5,059	5,068	5,301	5,047
	Risk-weighted assets (£m)					
7	Total risk-weighted assets	**27,242**	26,594	26,218	25,581	25,458
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**27,212**	26,565	26,189	25,551	25,393
	Capital ratios (%)					
9	CET1 (as a percentage of risk exposure amount)	**14.3%**	13.6%	13.9%	14.6%	13.8%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**14.1%**	13.5%	13.8%	14.5%	13.5%
11	Tier 1 (as a percentage of risk exposure amount)	**16.8%**	16.3%	16.5%	17.8%	17.1%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**16.7%**	16.1%	16.4%	17.7%	16.8%
13	Total capital (as a percentage of risk exposure amount)	**19.6%**	19.2%	19.5%	20.9%	20.2%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**19.5%**	19.0%	19.4%	20.7%	19.9%
	Leverage ratio					
15	Leverage ratio total exposure measure (£m)	**83,238**	84,084	85,134	85,720	86,624
16	Leverage ratio (%)	**5.5%**	5.1%	5.1%	5.3%	5.0%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	**5.5%**	5.1%	5.0%	5.3%	4.9%

Transitional arrangements in CRR mean the regulatory capital impact of ECL has been phased in over time. Following the CRR Quick Fix amendments package, which applied from 27 June 2020, relevant provisions raised from 1 January 2020 through to 2024 had a CET1 add-back percentage of 50% in 2023, reducing to 25% in 2024. From 1 January 2025, VMUK will no longer apply transitional relief in respect of IFRS 9. At 31 December 2024, £37m of IFRS 9 transitional adjustments (30 September 2024: £36m) have been applied to VMUK's capital position in accordance with CRR, which is entirely comprised of dynamic relief (30 September 2024: £36m dynamic).

Annex I: Disclosure of key metric and overview of risk weighted exposure amounts

Table 3: UK OV1 - Overview of risk weighted assets

The table below shows RWAs and minimum capital requirement by risk type and approach(1). Total own funds requirements are calculated as 8% of RWAs.

		A	B	C
		Risk-weighted assets		Total own funds requirements
		31 Dec 2024 £m	30 Sept 2024 £m	**31 Dec 2024 £m**
1	Credit risk (excluding CCR)	**24,181**	23,512	**1,934**
2	*of which: the standardised approach*	**6,824**	6,842	**545**
3	*of which: the foundation IRB (FIRB) approach*	**7,720**	7,468	**618**
4	*of which: slotting approach*	**511**	518	**41**
5	*of which: the advanced IRB (AIRB) approach*	**9,126**	8,684	**730**
6	Counterparty credit risk - CCR	**228**	249	**18**
7	*of which: the standardised approach*	**110**	134	**9**
UK-8a	*of which: exposures to a Central Counterparty (CCP)*	**4**	5	**-**
UK-8b	*of which: credit valuation adjustment – CVA*	**114**	110	**9**
23	Operational risk	**2,833**	2,833	**227**
UK-23b	*of which: standardised approach*	**2,833**	2,833	**227**
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	**533**	266	**43**
29	**Total**	**27,242**	26,594	**2,179**

(1) VMUK's Pillar 1 capital requirement for market risk is set to zero, therefore no figures are disclosed.

RWAs increased by £0.6bn (2%) to £27.2bn, primarily due to the impact of increased lending in the Business portfolio, refreshed management adjustments in relation to the Hybrid Models and higher LTV lending within the Retail Secured portfolio.

Common Equity Tier 1

VMUK maintained a robust capital position with a CET1 ratio (IFRS 9 transitional basis) of 14.3% (30 September 2024: 13.6%). The acquisition of Virgin Money by Nationwide completed on 1 October 2024, following the sanction of the Scheme of Arrangement by the Court. As a result, the Company was delisted from the London and Australian Stock Exchanges. The completion of the transaction gave rise to several balance sheet impacts for VMUK. In order to mitigate the effect of these updates, on 1 October 2024 the Company issued 298m ordinary shares to Nationwide for cash consideration of £650m, recognising share capital of £30m and share premium of £620m. This ordinary share issue ensured the company's CET1 ratio remained greater than 13.5%. On the same date, the Company subscribed for 298m ordinary shares issued by Clydesdale Bank PLC for cash consideration of £650m thereby increasing the investment in its subsidiary. Further information is provided in the VMUK Interim Financial Report for the period ended 30 September 2024, available at https://www.virginmoneyukplc.com.

Leverage

VMUK is required to maintain a leverage ratio that exceeds the total of the UK minimum leverage ratio of 3.25% and a countercyclical leverage ratio buffer (CCLB) rate of 35% of its institution-specific countercyclical capital buffer (CCyB) rate.

VMUK's leverage ratio of 5.5% (30 September 2024: 5.1%) exceeds these minimum requirements. VMUK's average leverage ratio is 5.4% (30 September 2024: 5.1%). VMUK's leverage ratio buffer is automatically linked to the CCyB as noted above, and currently stands at 0.7% following the Financial Policy Committee's (FPC) announced increase in the CCyB to 2.0% from July 2023.

Annex XIII: Liquidity requirements

UK LIQB - Qualitative information on Liquidity Coverage Ratio (LCR)

(a) The main drivers of LCR results and the contribution of inputs to the LCR's calculation

The LCR is driven by the size and composition of the liquid asset buffer and net stressed outflows. VMUK's liquid asset buffer is high quality with minimal haircuts applied. The primary source of outflows is the customer deposit book (items 2 and 5 in LIQ1, with item 5 primarily being business deposits with any wholesale term funding maturities also captured) for which outflows are calculated based on LCR rules according to liquidity requirements. Additional outflows include committed lending to customers and other lending facilities, credit rating downgrade requirements and wholesale funding maturities. Outflows are offset by inflows such as attrition from the lending book.

(b) Changes in the LCR over time

The primary driver of the LCR requirement is a severe, unexpected withdrawal of customer deposits. The ratio continues to comfortably exceed both regulatory requirements and VMUK's prudent internal risk appetite metrics, ensuring a substantial buffer in the event of outflows. VMUK's Pillar 3 LCR disclosure (calculated as the simple average of month-end observations over the 12 months preceding the end of the reporting period) was 157% up to 31 December 2024, unchanged from 157% up to 30 September 2024.

(c) Concentration of funding sources

VMUK is primarily funded through retail deposits, in addition to equity and a diversified wholesale funding book. A series of metrics is used by the VMUK to measure risk exposures, including funding ratios, limits on concentration and funding tenors/maturity risk. These include both risk appetite (Tier 1) and ALCO limits (Tier 2). As at the reporting date, these metrics include the regulatory NSFR, Loan-to-Deposit Ratio, quarterly wholesale, retail and combined refinancing, single name concentration and large business deposit concentration. The Loan-to-Deposit ratio risk appetite measure ensures VMUK's balance sheet is funded by an appropriate level of customer deposits, while the additional measures further segregate the appetite for concentration of customer deposits according to tenor and single name. In addition, VMUK's Board approved Funding Policy states that all funding must be diversified by source, maturity profile, type of instruments and currency to minimise dependence on specific sources, customers or markets, and that access to wholesale markets must be maintained, tested and accessed regularly.

(d) Composition of VMUK's liquidity buffer

VMUK's liquidity buffer is largely comprised of Level 1 assets, which includes cash at the Bank of England (BoE), UK Government securities (Gilts) and listed securities (e.g. bonds issued by supranationals and AAA-rated covered bonds). VMUK also holds a smaller portion of Level 2 assets. The quantity and quality of VMUK's liquid asset portfolio remains at a prudent level above regulatory requirements, with precise levels informed by the Board's view of liquidity risk appetite and calibrated through a series of internal stress tests across a range of time horizons and stress conditions.

(e) Derivative exposures and potential collateral calls

VMUK actively manages its derivative exposures and potential collateral calls with derivative outflows under stress captured within the Historical Look Back Approach, which considers the impact of market movements on derivative exposures. Potential collateral calls under a 3-notch credit rating downgrade, including the impacts on derivative initial margin requirements, are also captured. These exposures are captured under item 11 of LIQ1.

(f) Currency mismatch in the LCR

The LCR is calculated and reported in GBP as no other currencies are significant in accordance with the PRA Rulebook. Foreign currency risk is managed to approved limits and policy requirements, and VMUK's policy is for all currency liabilities to be swapped to GBP on a matched tenor basis, thereby removing Cross Currency Liquidity Risk. Non-GBP liabilities principally relate to wholesale funding issuance in Euros and US Dollars for which there are deep and liquid cross currency and foreign exchange swap markets. The swaps are matched to the issuance by volume, tenor and repricing rate, thereby ensuring that the net funding cost is linked to GBP rates. A similar approach is used to manage operational currency flows and to fund currency bank account positions. The use of derivative financial instruments manages foreign currency risk within approved limits.

(g) Other items in the LCR calculation that are not captured in the LCR disclosure template but that are relevant for the liquidity profile

No other items identified.

Annex XIII: Liquidity requirements

Table 4: UK LIQ1 - Quantitative information on LCR

The table below shows the breakdown of VMUK's high-quality liquid assets, cash outflows and cash inflows, calculated as the simple averages of month-end observations over the 12 months preceding the reporting date, on an unweighted and weighted basis.

		A	B	C	D	E	F	G	H
		Total unweighted value (average)				Total weighted value (average)			
UK-1a	Quarter ending on	**31 Dec 2024**	30 Sept 2024	30 June 2024	31 Mar 2024	**31 Dec 2024**	30 Sept 2024	30 June 2024	31 Mar 2024
UK-1b	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
	High-quality liquid assets								
1	**Total HQLA**					**14,790**	14,676	14,583	14,135
	Cash - Outflows								
2	Retail deposits and deposits from small business customers, *of which:*	**59,094**	58,507	57,855	57,299	**3,688**	3,665	3,645	3,617
3	*Stable deposits*	**41,240**	40,183	39,005	38,075	**2,062**	2,009	1,950	1,904
4	*Less stable deposits*	**12,278**	12,759	13,090	13,272	**1,598**	1,629	1,670	1,689
5	Unsecured wholesale funding, *of which:*	**7,053**	7,178	7,240	7,271	**3,484**	3,574	3,631	3,640
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	**671**	771	858	970	**166**	191	213	240
7	*Non-operational deposits (all counterparties)*[(1)]	**6,270**	6,295	6,270	6,250	**3,206**	3,271	3,306	3,349
8	*Unsecured debt*	**112**	112	112	51	**112**	112	112	51
9	*Secured wholesale funding*					**88**	88	46	46
10	Additional requirements, *of which:*	**4,558**	4,564	4,624	4,723	**1,713**	1,701	1,720	1,721
11	*Outflows related to derivative exposures and other collateral requirements*	**1,324**	1,298	1,319	1,324	**1,324**	1,298	1,319	1,324
13	*Credit and liquidity facilities*	**3,234**	3,266	3,305	3,399	**389**	403	401	397
14	Other contractual funding obligations	**89**	82	80	76	**5**	5	4	2
15	Other contingent funding obligations	**14,895**	14,781	14,919	15,033	**863**	828	878	931
16	**Total cash outflows**					**9,841**	9,861	9,924	9,957
	Cash - Inflows								
17	**Secured lending (e.g. reverse repos)**	-	25	25	25	-	25	25	25
18	Inflows from fully performing exposures	**587**	627	670	853	**435**	468	506	506
19	Other cash inflows	-	-	-	39	-	-	-	39
20	**Total cash inflows**	**587**	653	695	917	**436**	494	531	570
UK-20c	Inflows subject to 75% cap	**587**	653	695	917	**436**	494	531	570
	Total adjusted value								
UK-21	Liquidity buffer					**14,790**	14,676	14,583	14,135
22	Total net cash outflows					**9,406**	9,368	9,392	9,387
23	Liquidity coverage ratio (%)					**157%**	157%	155%	151%

Annex XXI: IRB approach to credit risk

Table 5: UK CR8 - RWA flow statements of credit risk exposures under the IRB approach

The table below summarises movements of risk-weighted assets for credit risk exposures under the IRB approach.

		A
		Risk weighted assets £m
1	**Risk weighted exposure amount as at 30 Sept 2024**	**16,670**
2	Asset size (+/-)	**149**
3	Asset quality (+/-)	**442**
4	Model updates[(1)] (+/-)	**132**
5	Methodology and policy (+/-)	**(36)**
9	**Risk weighted exposure amount as at 31 Dec 2024**	**17,357**

(1) Model updates include the mortgage quarterly PD calibrations.

RWAs increased £0.7bn to £17.4bn, primarily due to the impact of increased lending within the Business portfolio shown across both asset size and asset quality, the impacts of refreshed management adjustments in relation to Hybrid models shown in model updates, and increased lending to higher LTV brackets shown within asset quality. Methodology and policy reflects a refreshed view on changes in the identification of SME Lending and the associated removal of the SME support factor.

Appendix 1: Disclosures for CB Solo-Consolidated Group

Table 6: UK KM1 - Key metrics

The table below provides a summary of the main prudential regulation ratios and measures.

		A	B	C	D	E
		31 Dec 2024 £m	30 Sept 2024 £m	30 Jun 2024 £m	31 Mar 2024 £m	31 Dec 2023 £m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	**3,817**	3,581	3,538	3,639	3,474
2	Tier 1 capital	**4,510**	4,274	4,231	4,475	4,309
3	Total capital	**5,284**	5,047	5,004	5,248	5,082
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**27,092**	26,422	25,959	25,350	25,233
	Capital ratios (as a percentage of risk-weighted exposure amount) (%)					
5	Common Equity Tier 1 ratio	**14.1%**	13.6%	13.6%	14.4%	13.8%
6	Tier 1 ratio	**16.6%**	16.2%	16.3%	17.7%	17.1%
7	Total capital ratio	**19.5%**	19.1%	19.3%	20.7%	20.1%
	Additional own funds requirements based on Supervisory Review and Evaluation Process (SREP) (as a percentage of risk-weighted exposure amount) (%)					
UK-7a	Additional CET1 SREP requirements	**2.1%**	1.9%	1.9%	1.9%	1.9%
UK-7b	Additional AT1 SREP requirements	**0.7%**	0.6%	0.6%	0.6%	0.6%
UK-7c	Additional T2 SREP requirements	**1.0%**	0.9%	0.9%	0.9%	0.9%
UK-7d	Total SREP own funds requirements	**11.8%**	11.4%	11.4%	11.4%	11.4%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount) (%)					
8	Capital conservation buffer	**2.5%**	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer	**2.0%**	2.0%	2.0%	2.0%	2.0%
UK-10a	Other Systemically Important Institution buffer	**0.0%**	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement	**4.5%**	4.5%	4.5%	4.5%	4.5%
UK-11a	Overall capital requirements	**16.3%**	15.9%	15.9%	15.9%	15.9%
12	CET1 available after meeting the total SREP own funds requirements	**7.5%**	7.1%	7.2%	8.0%	7.3%
	Leverage ratio[(1)]					
13	Total exposure measure excluding claims on central banks	**82,918**	83,772	84,673	85,295	86,215
14	Leverage ratio excluding claims on central banks (%)	**5.4%**	5.1%	5.0%	5.2%	5.0%
	Additional leverage ratio disclosure requirements (%)					
UK-14a	Fully loaded Expected Credit Loss (ECL) accounting model leverage ratio excluding claims on central banks	**5.4%**	5.1%	5.0%	5.2%	4.9%
UK-14b	Leverage ratio including claims on central banks	**4.9%**	4.6%	4.4%	4.6%	4.6%
UK-14c	Average leverage ratio excluding claims on central banks	**5.4%**	5.0%	4.8%	5.1%	4.9%
UK-14d	Average leverage ratio including claims on central banks	**4.9%**	4.5%	4.3%	4.6%	4.4%
UK-14e	Countercyclical leverage ratio buffer	**0.7%**	0.7%	0.7%	0.7%	0.7%

Appendix 1: Disclosures for CB Solo-Consolidated Group

Table 6: UK KM1 - Key metrics (continued)

		A	B	C	D	E
		31 Dec 2024 **£m**	30 Sept 2024 £m	30 Jun 2024 £m	31 Mar 2024 £m	31 Dec 2023 £m
	Liquidity Coverage Ratio[2]					
15	Total high-quality liquid assets (HQLA) (Weighted value average)	**14,790**	14,676	14,583	14,135	13,988
UK-16a	Cash outflows - Total weighted value	**9,905**	9,934	9,997	10,026	9,943
UK-16b	Cash inflows - Total weighted value	**425**	479	511	543	512
16	Total net cash outflows (adjusted value)	**9,480**	9,456	9,486	9,483	9,430
17	Liquidity coverage ratio (%)	**156%**	155%	154%	149%	148%
	Net Stable Funding Ratio					
18	Total available stable funding	**78,289**	78,784	79,146	79,276	79,009
19	Total required stable funding	**55,500**	56,684	57,437	57,987	57,912
20	NSFR ratio (%)	**141%**	139%	138%	137%	136%

(1) The average leverage exposure measure (excluding claims on central banks) for the period from 1 October 2024 to 31 December 2024 amounted to £83,635m (1 July 2024 to 30 September 2024: £84,639m).

(2) Liquidity balances are calculated as the simple averages of month-end observations over the 12 months preceding the reporting date.

Appendix 1: Disclosures for CB Solo-Consolidated Group

Table 7: IFRS 9/Article 468 – Impact of IFRS 9 transitional arrangements and temporary treatment in accordance with CRR Article 468

The following table shows the capital, RWA and leverage positions with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

		A	B	C	D	E
		31 Dec 2024 £m	30 Sept 2024 £m	30 Jun 2024 £m	31 Mar 2024 £m	31 Dec 2023 £m
	Available capital (£m)					
1	Common Equity Tier 1 (CET1) capital	**3,817**	3,581	3,538	3,639	3,474
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**3,779**	3,544	3,501	3,600	3,389
3	Tier 1 capital	**4,510**	4,274	4,231	4,475	4,309
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**4,472**	4,237	4,194	4,436	4,224
5	Total capital	**5,284**	5,047	5,004	5,248	5,082
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**5,246**	5,010	4,967	5,209	4,997
	Risk-weighted assets (£m)					
7	Total risk-weighted assets	**27,092**	26,422	25,959	25,350	25,233
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**27,062**	26,393	25,930	25,320	25,168
	Capital ratios (%)					
9	CET1 (as a percentage of risk exposure amount)	**14.1%**	13.6%	13.6%	14.4%	13.8%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**14.0%**	13.4%	13.5%	14.2%	13.5%
11	Tier 1 (as a percentage of risk exposure amount)	**16.6%**	16.2%	16.3%	17.7%	17.1%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**16.5%**	16.1%	16.2%	17.5%	16.8%
13	Total capital (as a percentage of risk exposure amount)	**19.5%**	19.1%	19.3%	20.7%	20.1%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**19.4%**	19.0%	19.2%	20.6%	19.9%
	Leverage ratio					
15	Leverage ratio total exposure measure (£m)	**82,918**	83,772	84,673	85,295	86,215
16	Leverage ratio (%)	**5.4%**	5.1%	5.0%	5.2%	5.0%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	**5.4%**	5.1%	5.0%	5.2%	4.9%

Appendix 1: Disclosures for CB Solo-Consolidated Group

Table 8: UK OV1 - Overview of risk-weighted assets

The table below shows RWAs and minimum capital requirement by risk type and approach[1].

		A	B	C
		Risk-weighted assets		Total own funds requirements
		31 Dec 2024 £m	30 Sept 2024 £m	**31 Dec 2024 £m**
1	Credit risk (excluding CCR)	**24,149**	23,446	**1,932**
2	*of which: the standardised approach*	**6,792**	6,776	**543**
3	*of which: the foundation IRB (FIRB) approach*	**7,720**	7,468	**618**
4	*of which: slotting approach*	**511**	518	**41**
5	*of which: the advanced IRB (AIRB) approach*	**9,126**	8,684	**730**
6	Counterparty credit risk (CCR)	**125**	158	**10**
7	*of which: the standardised approach*	**100**	130	**8**
UK-8a	*of which: exposures to a CCP*	**4**	5	**-**
UK-8b	*of which: credit valuation adjustment (CVA)*	**21**	23	**2**
23	Operational risk	**2,818**	2,818	**225**
UK-23b	*of which: standardised approach*	**2,818**	2,818	**225**
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	**533**	267	**43**
29	**Total**	**27,092**	26,422	**2,167**

(1) CB Solo-Consolidated Group's Pillar 1 capital requirement for market risk is set to zero, therefore no figures are disclosed.

Officers and professional advisers

Non-Executive Directors	
Board Chair	David Bennett[(1)]
Senior Independent Non-Executive Director	Tim Wade[(2)]
Independent Non-Executive Directors	Lucinda Charles-Jones[(2)] Elena Novokreshchenova[(2)] Petra van Hoeken[(2)(3)]
Non-Executive Director	Tracey Graham[(4)]
Executive Directors	Chris Rhodes[(5)]
Group Company Secretary	Lorna McMillan

(1) Member of the Remuneration Committee and Chair of the Governance and Nomination Committee.

(2) All Independent Non-Executive Directors are members of the Remuneration Committee, Audit Committee, Risk Committee and Governance and Nomination Committee.

(3) Petra van Hoeken was appointed to the Board on 1 July 2024.

(4) Tracey Graham was appointed as a Non-Executive Director on 23 January 2025. Appointed as a member of the Governance and Nomination Committee on 1 February.

(5) Chris Rhodes was appointed as an Executive Director on 1 October 2024.

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