



VIRGIN MONEY UK

Pillar 3 Disclosures - Q1 2023



## Q1 2023 Pillar 3 report

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## 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, together with its subsidiary undertakings (which comprise "the 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 the Group as at 31 December 2022 and should be read in conjunction with the Virgin Money UK PLC 2023 Q1 Trading Update, available from: [www.virginmoneyukplc.com/investor-relations/results-and-reporting/financial-results](http://www.virginmoneyukplc.com/investor-relations/results-and-reporting/financial-results).

The 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.

Under the PRA's policy statement (PS) 22/21, published in October 2021, the Group has assessed itself as a 'Large' institution and in accordance with the criteria set out within Article 433a of the PRA rulebook, the Group reports a subset of Pillar 3 disclosures on a quarterly basis with full disclosure on an annual basis.

The numbers presented within this report are on a consolidated basis, with Virgin Money UK PLC numbers shown in the body of the report. Clydesdale Bank (CB) Group consolidated numbers are shown in Appendix 1 which aligns with the Disclosure (CRR) part of the PRA rulebook to report ring-fenced bodies at a sub-consolidated level.

The disclosures made in this report are required to be disclosed on a quarterly basis. These disclosures have been subject to internal verification and are reviewed by the Board and Disclosure Committee. The disclosures have not been, and are not required to be, subject to independent external audit. To ensure consistency with other banks and building societies' Pillar 3 disclosures, the document has been structured in line with the regulatory requirements as provided.

Certain figures contained in this report may have been subject to rounding adjustments. 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 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 the Group and this includes UK CCR7 and UK MR2-B on the basis the Group applies the standardised approach to market risk and counterparty credit risk.

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 2022 <sup>(1)</sup>	30 Sept 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
		£m	£m	£m	£m	£m
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	3,558	3,633	3,562	3,565	3,653
2	Tier 1 capital	4,151	4,299	4,228	4,262	4,350
3	Total capital	5,172	5,319	5,248	5,282	5,368
<b>Risk-weighted exposure amounts</b>						
4	Total risk-weighted exposure amount	24,029	24,148	24,008	24,184	24,087
<b>Capital ratios (as a percentage of risk-weighted exposure amount) (%)</b>						
5	Common Equity Tier 1 ratio	14.8%	15.0%	14.8%	14.7%	15.2%
6	Tier 1 ratio	17.3%	17.8%	17.6%	17.6%	18.1%
7	Total capital ratio	21.5%	22.0%	21.9%	21.8%	22.3%
<b>Additional own funds requirements based on Supervisory Review and Evaluation Process (SREP) (as a percentage of risk-weighted exposure amount) (%)</b>						
UK-7a	Additional CET1 SREP requirements	1.7%	1.7%	1.7%	1.7%	1.7%
UK-7b	Additional AT1 SREP requirements	0.6%	0.6%	0.6%	0.6%	0.6%
UK-7c	Additional T2 SREP requirements	0.7%	0.8%	0.8%	0.8%	0.8%
UK-7d	Total SREP own funds requirements	11.0%	11.1%	11.1%	11.1%	11.1%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount) (%)</b>						
8	Capital conservation buffer	2.5%	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer	1.0%	0.0%	0.0%	0.0%	0.0%
UK-10a	Other Systemically Important Institution buffer	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement	3.5%	2.5%	2.5%	2.5%	2.5%
UK-11a	Overall capital requirements	14.5%	13.6%	13.6%	13.6%	13.6%
12	CET1 available after meeting the total SREP own funds requirements	8.6%	8.8%	8.6%	8.5%	9.0%
<b>Leverage ratio<sup>(2)</sup></b>						
13	Total exposure measure excluding claims on central banks	84,654	83,771	83,901	83,509	82,597
14	Leverage ratio excluding claims on central banks (%)	4.9%	5.1%	5.0%	5.1%	5.3%
<b>Additional leverage ratio disclosure requirements (%)</b>						
UK-14a	Fully loaded Expected Credit Loss (ECL) accounting model leverage ratio excluding claims on central banks	4.8%	5.0%	4.9%	5.0%	5.2%
UK-14b	Leverage ratio including claims on central banks	4.3%	4.5%	4.5%	4.6%	4.7%
UK-14c	Average leverage ratio excluding claims on central banks	4.8%	5.0%	5.1%	5.0%	5.0%
UK-14d	Average leverage ratio including claims on central banks	4.3%	4.4%	4.5%	4.5%	4.5%
UK-14e	Countercyclical leverage ratio buffer	0.4%	0.0%	0.0%	0.0%	0.0%

## 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 2022 <sup>(1)</sup>	30 Sept 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
		£m	£m	£m	£m	£m
	<b><i>Liquidity Coverage Ratio<sup>(3)</sup></i></b>					
15	Total high-quality liquid assets (HQLA) (Weighted value average)	<b>11,793</b>	11,503	11,087	11,281	11,525
UK-16a	Cash outflows - Total weighted value	<b>9,197</b>	8,764	8,317	8,135	8,219
UK-16b	Cash inflows - Total weighted value	<b>562</b>	543	496	444	488
16	Total net cash outflows (adjusted value)	<b>8,635</b>	8,222	7,821	7,691	7,731
17	Liquidity coverage ratio (%)	<b>137%</b>	140%	142%	147%	149%

(1) 31 December 2022 profits have not been formally verified and are therefore excluded from the relevant figures disclosed in the table, in accordance with capital regulations.

(2) Following the implementation of PS22/21 effective from 1 January 2022, the comparative figures have been restated to reflect the exclusion of the Bounce Back Loans Scheme (BBLs) from the exposure value.

(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, RWEA and leverage positions with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

	A	B	C	D	E	
	31 Dec 2022 <sup>(1)</sup> £m	30 Sept 2022 £m	30 Jun 2022 £m	31 Mar 2022 £m	31 Dec 2021 £m	
<b>Available capital (£m)</b>						
1	Common Equity Tier 1 (CET1) capital	3,558	3,633	3,562	3,565	3,653
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	3,458	3,519	3,470	3,481	3,561
3	Tier 1 capital	4,151	4,299	4,228	4,262	4,350
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,051	4,185	4,136	4,178	4,258
5	Total capital	5,172	5,319	5,248	5,282	5,368
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,072	5,205	5,156	5,198	5,288
<b>Risk-weighted assets (£m)</b>						
7	Total risk-weighted assets	24,029	24,148	24,008	24,184	24,087
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	23,950	24,056	23,933	24,111	24,029
<b>Capital ratios (%)</b>						
9	CET1 (as a percentage of risk exposure amount)	14.8%	15.0%	14.8%	14.7%	15.2%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.4%	14.6%	14.5%	14.4%	14.8%
11	Tier 1 (as a percentage of risk exposure amount)	17.3%	17.8%	17.6%	17.6%	18.1%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.9%	17.4%	17.3%	17.3%	17.7%
13	Total capital (as a percentage of risk exposure amount)	21.5%	22.0%	21.9%	21.8%	22.3%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.2%	21.6%	21.5%	21.6%	22.0%
<b>Leverage ratio</b>						
15	Leverage ratio total exposure measure (£m)	84,654	83,771	83,901	83,509	82,597
16	Leverage ratio (%)	4.9%	5.1%	5.0%	5.1%	5.3%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	4.8%	5.0%	4.9%	5.0%	5.2%

(1) 31 December 2022 profits have not been formally verified and are therefore excluded from the relevant figures disclosed in the table, in accordance with capital regulations.

Transitional arrangements in CRR mean the regulatory capital impact of ECL is being 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 have a CET1 add-back percentage of 75% in 2022, reducing to 50% in 2023 and 25% in 2024. At 31 December 2022, £100m of IFRS 9 transitional adjustments (30 September 2022: £114m) have been applied to the Group's capital position in accordance with CRR: £3m of static and £97m of dynamic adjustments (30 September 2022: £7m static and £107m dynamic).

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

**Table 3: UK OV1 - Overview of risk weighted exposure amounts**

The table below shows RWEA and minimum capital requirement by risk type and approach<sup>(1)</sup>.

		A		B	C
		Risk weighted exposure amounts (RWEA)		Total own funds requirements	Total own funds requirements
		31 Dec 2022 £m	30 Sept 2022 £m		
1	Credit risk (excluding CCR)	20,977	21,082		1,678
2	<i>of which: the standardised approach</i>	6,155	6,139		492
3	<i>of which: the foundation IRB (FIRB) approach</i>	5,649	5,424		452
4	<i>of which: slotting approach</i>	348	364		28
5	<i>of which: the advanced IRB (AIRB) approach</i>	8,825	9,155		706
6	Counterparty credit risk - CCR	429	443		34
7	<i>of which: the standardised approach</i>	187	180		14
UK-8a	<i>of which: exposures to a Central Counterparty (CCP)</i>	7	5		1
UK-8b	<i>of which: credit valuation adjustment - CVA</i>	235	258		19
23	Operational risk	2,623	2,623		210
UK-23b	<i>of which: standardised approach</i>	2,623	2,623		210
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	293	265		23
<b>29</b>	<b>Total</b>	<b>24,029</b>	<b>24,148</b>		<b>1,922</b>

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

## Annex XIII: Disclosure of 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. The Group's liquid asset buffer is very high quality with minimal haircuts applied. The primary source of outflows is the retail deposit book 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 Group'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 137% as at 31 December 2022, from 140% as at 30 September 2022. The ratio continues to comfortably exceed both regulatory requirements and our more prudent internal risk appetite metrics, ensuring a substantial buffer in the event of any outflows.

#### *(c) Concentration of funding sources*

The Group is primarily funded through retail deposits, in addition to a diversified wholesale funding book. A series of metrics are used by the Group to measure risk exposures, including funding ratios, limits on concentration and funding tenors/maturity risk. These include both Risk Appetite (Tier 1) and Asset Liability Committee limits (Tier 2). As at the reporting date, these metrics include the regulatory Net Stable Funding Ratio, Loan-to-Deposit Ratio, 90 day wholesale refinancing, single name concentration, large business deposit concentration and maturity concentration of notice balances outside of the stress testing horizon. These metrics ensure that concentration of funding sources and maturity concentration remain within risk appetite.

#### *(d) Composition of the Group's liquidity buffer*

The Group's liquidity buffer is largely comprised of Level 1 assets, which includes cash at the Bank of England, UK Government securities (Gilts) and listed securities (e.g. bonds issued by supra-nationals and AAA-rated covered bonds). The quantity and quality of the Group'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*

The Group 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.

#### *(f) Currency mismatch in the LCR*

The LCR is calculated and reported in Great British Pounds (GBP) as no other currencies are significant in accordance with the PRA Rulebook. The Group's policy is for all currency liabilities to be swapped to GBP on a matched tenor basis, thereby removing Cross Currency Liquidity Risk. This balance principally relates to 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: Disclosure of liquidity requirements

**Table 4: UK LIQ1 - Quantitative information on LCR**

The table below shows the breakdown of the Group'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)			
		31 Dec 2022	30 Sept 2022	30 Jun 2022	31 Mar 2022	31 Dec 2022	30 Sept 2022	30 Jun 2022	31 Mar 2022
UK-1a	Quarter ending on								
UK-1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>High-quality liquid assets</b>									
<b>1</b>	<b>Total HQLA</b>					<b>11,793</b>	11,503	11,087	11,281
<b>Cash - Outflows</b>									
2	Retail deposits and deposits from small business customers, of which:	55,351	55,668	56,510	57,842	3,326	3,305	3,309	3,353
3	Stable deposits	41,497	42,844	44,090	45,342	2,068	2,134	2,197	2,262
4	Less stable deposits	10,062	9,269	8,776	8,635	1,219	1,138	1,081	1,061
5	Unsecured wholesale funding, of which:	7,283	7,042	6,757	6,534	3,459	3,258	3,028	2,857
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,229	1,185	1,169	1,162	305	294	289	288
7	Non-operational deposits (all counterparties) <sup>(1)</sup>	6,047	5,838	5,570	5,352	3,148	2,946	2,719	2,550
8	Unsecured debt	6	19	19	19	6	19	19	19
10	Additional requirements, of which:	3,814	3,657	3,598	3,696	1,220	1,032	934	918
11	Outflows related to derivative exposures and other collateral requirements	887	688	583	551	887	688	583	551
13	Credit and liquidity facilities	2,927	2,970	3,015	3,145	332	345	351	367
14	Other contractual funding obligations	76	75	73	72	–	–	–	–
15	Other contingent funding obligations	15,684	15,564	15,204	14,978	1,192	1,168	1,047	1,006
<b>16</b>	<b>Total cash outflows</b>					<b>9,197</b>	8,764	8,317	8,135
<b>Cash - Inflows</b>									
18	Inflows from fully performing exposures	1,556	1,457	1,396	1,324	562	543	496	444
<b>20</b>	<b>Total cash inflows</b>	<b>1,557</b>	1,457	1,396	1,324	<b>562</b>	543	496	444
UK-20c	Inflows subject to 75% cap	1,463	1,457	1,396	1,324	562	543	496	444
<b>Total adjusted value</b>									
UK-21	Liquidity buffer					<b>11,793</b>	11,503	11,087	11,281
22	Total net cash outflows					<b>8,635</b>	8,222	7,821	7,691
23	Liquidity coverage ratio (%)					<b>137%</b>	140%	142%	147%

(1) The Total unweighted value (average) for 30 September 2022 has been corrected following a misstatement in the Q4 2022 Pillar 3 disclosures.

## Annex XXI: Disclosure of the use of the IRB approach to credit risk

**Table 5: UK CR8 - RWEA 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.

	Risk-weighted exposure amount £m
<b>1 Risk-weighted exposure amount as at 30 September 2022</b>	<b>14,943</b>
2 Asset size (+/-)	23
3 Asset quality (+/-)	(144)
<b>9 Risk-weighted exposure amount as at 31 December 2022</b>	<b>14,822</b>

RWEA reduced c.£0.1bn to £14.8bn, due to the impact of improvements to the House Price Index and reduced pipeline commitments within the Mortgage portfolio, offset by increased lending in the Business portfolio.

## Appendix 1: Disclosures for CB Group consolidated

**Table 6: UK KM1 - Key metrics**

	A	B	C	D	E	
	31 Dec 2022 <sup>(1)</sup>	30 Sept 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	
	£m	£m	£m	£m	£m	
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	3,574	3,606	3,537	3,561	3,654
2	Tier 1 capital	4,168	4,268	4,199	4,233	4,326
3	Total capital	5,189	5,288	5,219	5,253	5,345
<b>Risk-weighted exposure amounts</b>						
4	Total risk-weighted exposure amount	24,013	24,128	23,973	24,148	24,050
<b>Capital ratios (as a percentage of risk-weighted exposure amount) (%)</b>						
5	Common Equity Tier 1 ratio	14.9%	14.9%	14.8%	14.7%	15.2%
6	Tier 1 ratio	17.4%	17.7%	17.5%	17.5%	18.0%
7	Total capital ratio	21.6%	21.9%	21.8%	21.8%	22.2%
<b>Additional own funds requirements based on Supervisory Review and Evaluation Process (SREP) (as a percentage of risk-weighted exposure amount) (%)</b>						
UK-7a	Additional CET1 SREP requirements	1.7%	1.7%	1.7%	1.7%	1.7%
UK-7b	Additional AT1 SREP requirements	0.6%	0.6%	0.6%	0.6%	0.6%
UK-7c	Additional T2 SREP requirements	0.7%	0.8%	0.8%	0.8%	0.8%
UK-7d	Total SREP own funds requirements	11.0%	11.1%	11.1%	11.1%	11.1%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount) (%)</b>						
8	Capital conservation buffer	2.5%	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer	1.0%	0.0%	0.0%	0.0%	0.0%
UK-10a	Other Systemically Important Institution buffer	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement	3.5%	2.5%	2.5%	2.5%	2.5%
UK-11a	Overall capital requirements	14.5%	13.6%	13.6%	13.6%	13.6%
12	CET1 available after meeting the total SREP own funds requirements	8.7%	8.7%	8.6%	8.5%	9.0%
<b>Leverage ratio<sup>(2)</sup></b>						
13	Total exposure measure excluding claims on central banks	84,643	83,758	83,891	83,500	82,586
14	Leverage ratio excluding claims on central banks (%)	4.9%	5.1%	5.0%	5.1%	5.2%
<b>Additional leverage ratio disclosure requirements (%)</b>						
UK-14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks	4.8%	5.0%	4.9%	5.0%	5.1%
UK-14b	Leverage ratio including claims on central banks	4.3%	4.5%	4.5%	4.6%	4.7%
UK-14c	Average leverage ratio excluding claims on central banks	4.8%	5.0%	5.1%	5.0%	5.0%
UK-14d	Average leverage ratio including claims on central banks	4.3%	4.4%	4.5%	4.5%	4.5%
UK-14e	Countercyclical leverage ratio buffer	0.4%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity Coverage Ratio<sup>(3)</sup></b>						
15	Total high-quality liquid assets (HQLA) (Weighted value average)	11,793	11,503	11,087	11,281	11,525
UK-16a	Cash outflows - Total weighted value	9,197	8,764	8,317	8,135	8,219
UK-16b	Cash inflows - Total weighted value	562	543	496	444	488
16	Total net cash outflows (adjusted value)	8,635	8,222	7,821	7,691	7,731
17	Liquidity coverage ratio (%)	137%	140%	142%	147%	149%

(1) 31 December 2022 profits have not been formally verified and are therefore excluded from the relevant figures disclosed in the table, in accordance with capital regulations.

(2) Following the implementation of PS22/21 effective from 1 January 2022, the comparative figures have been restated to reflect the exclusion of the (BBLs) from the exposure value.

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

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**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, RWEA and leverage positions with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

	A	B	C	D	E	
	31 Dec 2022 <sup>(1)</sup> £m	30 Sept 2022 £m	30 Jun 2022 £m	31 Mar 2022 £m	31 Dec 2021 £m	
<b>Available capital (£m)</b>						
1	Common Equity Tier 1 (CET1) capital	3,574	3,606	3,537	3,561	3,654
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	3,474	3,492	3,445	3,477	3,562
3	Tier 1 capital	4,168	4,268	4,199	4,233	4,326
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,068	4,154	4,107	4,149	4,232
5	Total capital	5,189	5,288	5,219	5,253	5,345
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,089	5,174	5,127	5,169	5,265
<b>Risk-weighted assets (£m)</b>						
7	Total risk-weighted assets	24,013	24,128	23,973	24,148	24,050
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	23,934	24,036	23,898	24,076	23,992
<b>Capital ratios (%)</b>						
9	CET1 (as a percentage of risk exposure amount)	14.9%	14.9%	14.8%	14.7%	15.2%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.5%	14.5%	14.4%	14.4%	14.8%
11	Tier 1 (as a percentage of risk exposure amount)	17.4%	17.7%	17.5%	17.5%	18.0%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.0%	17.3%	17.2%	17.2%	17.6%
13	Total capital (as a percentage of risk exposure amount)	21.6%	21.9%	21.8%	21.8%	22.2%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.3%	21.5%	21.5%	21.5%	21.9%
<b>Leverage ratio</b>						
15	Leverage ratio total exposure measure (£m)	84,643	83,758	83,891	83,500	82,586
16	Leverage ratio (%)	4.9%	5.1%	5.0%	5.1%	5.2%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	4.8%	5.0%	4.9%	5.0%	5.1%

(1) 31 December 2022 profits have not been formally verified and are therefore excluded from the relevant figures disclosed in the table, in accordance with capital regulations.

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**Table 8: UK OV1 - Overview of risk weighted exposure amounts**

The table below shows RWEA and minimum capital requirement by risk type and approach<sup>(1)</sup>.

		A	B	C
		Risk weighted exposure amounts (RWEA)		Total own funds requirements
		31 Dec 2022 £m	30 Sept 2022 £m	31 Dec 2022 £m
1	Credit risk (excluding CCR)	20,960	21,061	1,677
2	<i>of which: the standardised approach</i>	6,140	6,120	491
3	<i>of which: the foundation IRB (FIRB) approach</i>	5,649	5,424	452
4	<i>of which: slotting approach</i>	346	362	28
5	<i>of which: the advanced IRB (AIRB) approach</i>	8,825	9,155	706
6	Counterparty credit risk (CCR)	429	443	34
7	<i>of which: the standardised approach</i>	187	180	14
UK-8a	<i>of which: exposures to a CCP</i>	7	5	1
UK-8b	<i>of which: credit valuation adjustment (CVA)</i>	235	258	19
23	Operational risk	2,624	2,624	210
UK-23b	<i>of which: standardised approach</i>	2,624	2,624	210
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	281	251	22
<b>29</b>	<b>Total</b>	<b>24,013</b>	<b>24,128</b>	<b>1,921</b>

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

## Additional information

# Officers and professional advisers

### **Non-Executive Directors**

#### **Board Chair**

David Bennett<sup>(1)</sup>

#### **Senior Independent Non-Executive Director**

Tim Wade<sup>(2)</sup>

#### **Independent Non-Executive Directors**

Geeta Gopalan<sup>(2)</sup>  
Elena Novokreshchenova<sup>(2)</sup>  
Darren Pope<sup>(2)</sup>

#### **Non-Executive Director**

Sara Weller<sup>(3)</sup>

### **Executive Directors**

David Duffy  
Clifford Abrahams

#### **Company Secretary**

Lorna McMillan

#### **General Counsel and Purpose Officer**

James Peirson

#### **Independent auditors**

Ernst & Young LLP  
25 Churchill Place  
Canary Wharf  
London  
E14 5EY

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

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

(3) Member of the Governance and Nomination Committee.



**Head Office:**

30 St. Vincent Place, Glasgow, G1 2HL

**London Office:**

Floor 15, The Leadenhall Building,  
122 Leadenhall Street, London, EC3V 4AB

**Registered Office:**

Jubilee House, Gosforth,  
Newcastle upon Tyne, NE3 4PL

[virginmoneyukplc.com](http://virginmoneyukplc.com)

**Virgin Money UK PLC**

**Registered number 09595911 (England and Wales)**

**ARBN 609 948 281 (Australia)**