

VIRGIN  MONEY UK

Interim Pillar 3 Disclosures

2024



Q2 2024 Pillar 3 report

Introduction	1		
Annex I: Key metrics and overview of risk weighted exposure amounts			
Table 1: UK KM1 - Key metrics	2		
Table 2: UK KM2 - Key metrics – MREL	3		
Table 3: IFRS 9/Article 468 - Impact of IFRS 9 transitional arrangements and temporary treatment in accordance with CRR Article 468	4		
Table 4: UK OV1 - Overview of Risk weighted exposure amounts	5		
Annex VII: Own funds			
Table 5: UK CC1 - Composition of regulatory own funds	6		
Table 6: UK CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements	8		
Annex IX: Countercyclical capital buffers			
Table 7: UK CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	9		
Table 8: UK CCyB2 - Amount of institution-specific countercyclical capital buffer	9		
Annex XI: Leverage Ratio			
Table 9: UK LR1 – LRSum - Summary reconciliation of accounting assets and leverage ratio exposures	10		
Table 10: UK LR2 – LRCom - Leverage ratio common disclosure	11		
Table 11: UK LR3 – LRSpl - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	12		
Annex XIII: Liquidity requirements			
Table 12: UK LIQ1 - Quantitative information on LCR	13		
UK LIQB - Qualitative information on LCR	14		
Table 13: UK LIQ2 - Net Stable Funding Ratio	15		
Annex XV: Credit risk quality			
Table 14: UK CR1 - Performing and non-performing exposures and related provisions	19		
Table 15: UK CR1-A - Maturity of exposures	21		
Table 16: UK CR2 - Changes in the stock of non-performing loans and advances	21		
Table 17: UK CQ1 - Credit quality of forborne exposures	22		
Table 18: UK CQ5 - Credit quality of loans and advances to non-financial corporations by industry	23		
Annex XVII: Credit risk mitigation (CRM) techniques			
Table 19: UK CR3 - Disclosure of the use of credit risk mitigation techniques	25		
Annex XIX: Standardised approach			
Table 20: UK CR4 - Standardised approach: Credit risk exposure and CRM effects	26		
Table 21: UK CR5 - Standardised approach	27		
Annex XXI: IRB approach to credit risk			
UK CR6 - IRB approach – Credit risk exposures by exposure class and PD range	28		
Table 22: Clydesdale Bank PLC Retail Mortgages – (AIRB) Retail Secured by Immovable Property non-SME	28		
Table 23: Virgin Money Retail Mortgages – (AIRB) Retail Secured by Immovable Property non-SME	30		
Table 24: Clydesdale Bank PLC Business Lending – (FIRB) Corporates: Business	32		
Table 25: Clydesdale Bank PLC Corporates – Other – (FIRB) Corporates: Other	34		
Table 26: UK CR7-A - IRB approach: Disclosure of the extent of the use of CRM techniques – AIRB	36		
Table 27: UK CR7-A - IRB approach: Disclosure of the extent of the use of CRM techniques – FIRB	37		
Table 28: UK CR8 - RWA flow statements of credit risk exposures under the IRB approach	38		
Annex XXIII: Specialised lending			
Table 29: UK CR10.2 - Specialised lending and equity exposures under the simple risk weighted approach – Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)	39		
Annex XXV: Counterparty credit risk			
Table 30: UK CCR1 - Analysis of CCR exposure by approach	40		
Table 31: UK CCR2 - Transactions subject to own funds requirements for CVA risk	40		
Table 32: UK CCR3 - Standardised approach: CCR exposures by regulatory exposure class and risk weights	41		
Table 33: UK CCR8 - Exposures to CCPs	41		
Annex XXVII: Securitisation positions			
Table 34: UK SEC1 - Securitisation exposures in the non-trading book	42		
Table 35: UK SEC5 - Exposures securitised by the institution: Exposures in default and specific credit risk adjustments	42		
Annex XXXVII: Interest rate risk in the banking book (IRRBB)			
Table 36: UK IRRBB1 - Quantitative information on IRRBB	43		
Appendix 1: Disclosures for CB Group consolidated			
Table 37: UK KM1 - Key metrics	44		
Table 38: UK KM2 - Key metrics – MREL	45		
Table 39: IFRS 9/Article 468 - Impact of IFRS 9 transitional arrangements and temporary treatment in accordance with CRR Article 468	46		
Table 40: UK OV1 - Overview of Risk weighted exposure amounts	47		
Table 41: UK CC1 - Composition of regulatory own funds	48		
Table 42: UK CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements	50		
Table 43: UK LR1 – LRSum - Summary reconciliation of accounting assets and leverage ratio exposures	52		
Table 44: UK LR2 – LRCom - Leverage ratio common disclosure	53		
Table 45: UK LR3 – LRSpl - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	54		
Appendix 2: Glossary	55		
Appendix 3: Abbreviations	59		

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' or 'the Company'), 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.

The Information may include forward looking statements, which are based on assumptions, expectations, valuations, targets and estimates about future events. These can be identified by the use of words such as 'expects', 'aims', 'targets', 'seeks', 'anticipates', 'plans', 'intends', 'prospects' 'outlooks', 'projects', 'forecasts', 'believes', 'estimates', 'potential', 'possible', and similar words or phrases. These forward looking statements are subject to risks, uncertainties and assumptions about the Group and its securities, investments and the environment in which it operates, including, among other things, the development of its business and strategy, any acquisitions, combinations, disposals or other corporate activity undertaken by the Group, trends in its operating industry, changes to customer behaviours and covenant, macroeconomic and/or geopolitical factors, the repercussions of the outbreak of coronaviruses (including but not limited to the COVID-19 pandemic), changes to its board and/ or employee composition, exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities, risks relating to environmental matters such as climate change including the Group's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, changes to law and/or the policies and practices of the Bank of England, the Financial Conduct Authority and/or other regulatory and governmental bodies, inflation, deflation, interest rates, exchange rates, tax and national insurance rates, changes in the liquidity, capital, funding and/ or asset position and/or credit ratings of the Group, future capital expenditures and acquisitions, the repercussions of the UK's exit from the European Union (EU) (including any change to the UK's currency and the terms of any trade agreements (or lack thereof) between the UK and the EU), Eurozone instability, Russia's invasion of Ukraine, the conflict in the Middle East, any referendum on Scottish independence, and any UK or global cost of living crisis or recession.

These forward-looking statements involve inherent risks and uncertainties and should be viewed as hypothetical. The events they refer to may not occur as expected and other events not taken into account may occur which could significantly affect the analysis of the statements. No member of the Group or their respective directors, officers, employees, agents, advisers, or affiliates (each a "VMUK Party") gives any representation, warranty or assurance that any such events, projections or estimates will occur or be realised, or that actual returns or other results will not be materially lower than those expected.

Whilst every effort has been made to ensure the accuracy of the Information, no VMUK Party takes any responsibility for the Information or to update or revise it. They will not be liable for any loss or damages incurred through the reliance on or use of it. The Information is subject to change. No representation or warranty, express or implied, as to the truth, fullness, fairness, merchantability, accuracy, sufficiency, or completeness of the Information is given.

The Information does not constitute or form part of, and should not be construed as, any public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. The distribution of the Information in certain jurisdictions may be restricted by law. Recipients are required to inform themselves about and to observe any such restrictions. No liability is accepted in relation to the distribution or possession of the Information in any jurisdiction.

No statement in the Information is intended as a profit forecast, profit estimate or quantified benefit statement for any period and no statement in the Information should be interpreted to mean that earnings per share for the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for the Company or the Group.

BASIS OF PRESENTATION

This report presents the consolidated half-year Pillar 3 disclosures of the Group as at 31 March 2024 and should be read in conjunction with the Virgin Money UK PLC 2024 Interim Financial Report, available from: 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.

The Group 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 Virgin Money UK PLC numbers shown in the body of the report. Consolidated numbers specifically relating to Clydesdale Bank PLC and its subsidiaries 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.

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.

Capital and leverage ratios reported include profits for the period that have been externally verified, less foreseeable dividends.

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 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 semi-annual basis and these are included within this report. A subset of the Pillar 3 templates that are required to be disclosed on a semi-annual basis were not applicable to the Group at 31 March 2024 and therefore have not been included in this report, please refer to the 2023 Pillar 3 Disclosures for further details.

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 Mar 2024	31 Dec 2023	30 Sept 2023	30 June 2023	31 Mar 2023	
	£m	£m	£m	£m	£m	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	3,731	3,522	3,711	3,637	3,627
2	Tier 1 capital	4,566	4,357	4,305	4,231	4,221
3	Total capital	5,339	5,130	5,327	5,253	5,242
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	25,581	25,458	25,176	24,898	24,703
Capital ratios (as a percentage of risk-weighted exposure amount) (%)						
5	Common Equity Tier 1 ratio	14.6%	13.8%	14.7%	14.6%	14.7%
6	Tier 1 ratio	17.8%	17.1%	17.1%	17.0%	17.1%
7	Total capital ratio	20.9%	20.2%	21.2%	21.1%	21.2%
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	1.9%	1.9%	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	0.9%	0.9%	0.7%	0.7%	0.7%
UK-7d	Total SREP own funds requirements	11.4%	11.4%	11.0%	11.0%	11.0%
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%	1.0%	1.0%
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%	3.5%	3.5%
UK-11a	Overall capital requirements	15.9%	15.9%	15.5%	14.5%	14.5%
12	CET1 available after meeting the total SREP own funds requirements	8.2%	7.4%	8.5%	8.4%	8.5%
Leverage ratio⁽²⁾⁽⁴⁾						
13	Total exposure measure excluding claims on central banks	85,720	86,624	86,554	86,052	86,464
14	Leverage ratio excluding claims on central banks (%)	5.3%	5.0%	5.0%	4.9%	4.9%
Additional leverage ratio disclosure requirements (%)						
UK-14a	Fully loaded Expected Credit Loss (ECL) accounting model leverage ratio excluding claims on central banks	5.3%	4.9%	4.9%	4.8%	4.8%
UK-14b	Leverage ratio including claims on central banks	4.7%	4.6%	4.5%	4.4%	4.4%
UK-14c	Average leverage ratio excluding claims on central banks	5.1%	4.9%	4.9%	4.8%	4.7%
UK-14d	Average leverage ratio including claims on central banks	4.6%	4.4%	4.4%	4.3%	4.3%
UK-14e	Countercyclical leverage ratio buffer	0.7%	0.7%	0.7%	0.4%	0.4%

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 Mar 2024	31 Dec 2023	30 Sept 2023	30 June 2023	31 Mar 2023	
	£m	£m	£m	£m	£m	
Liquidity Coverage Ratio⁽³⁾						
15	Total high-quality liquid assets (HQLA) (Weighted value average)	14,135	13,988	13,798	13,381	12,542
UK-16a	Cash outflows - Total weighted value	9,957	9,887	9,933	9,875	9,573
UK-16b	Cash inflows - Total weighted value	570	540	509	528	553
16	Total net cash outflows (adjusted value)	9,387	9,347	9,424	9,347	9,020
17	Liquidity coverage ratio (%)	151%	150%	146%	143%	139%
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	79,175	78,895	79,218	79,096	78,035
19	Total required stable funding	58,385	58,317	58,346	58,247	57,943
20	NSFR ratio (%)	136%	135%	136%	136%	135%

(1) On 29 November 2022 the Group 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 January 2024 to 31 March 2024 amounted to £86,214m.

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

(4) The comparative figures include a restatement to qualifying central bank claims which have been adjusted to exclude unencumbered note cover and payment system collateral balances.

Table 2: UK KM2 – Key metrics – MREL

Under the Bank Recovery and Resolution Directive the Group is required to hold additional loss-absorbing instruments to support an effective resolution. The minimum requirements for own funds and eligible liabilities (MREL) establishes a minimum amount of equity and eligible debt to recapitalise the Group. An analysis of the Group's current MREL position is provided below:

	A	B	C	D	E	
	31 Mar 2024	31 Dec 2023	30 Sept 2023	30 June 2023	31 Mar 2023	
	£m	£m	£m	£m	£m	
1	Total capital resources ⁽¹⁾	5,339	5,130	5,327	5,253	5,242
2	Eligible senior unsecured securities issued by Virgin Money UK PLC	3,333	2,708	2,707	2,401	2,420
3	Total MREL resources	8,672	7,838	8,034	7,654	7,662
4	Total risk weighted assets	25,581	25,458	25,176	24,898	24,703
5	Total MREL resources available as a percentage of total risk weighted assets (%)	33.9%	30.8%	31.9%	30.7%	31.0%
6	UK leverage exposure measure ⁽²⁾	85,720	86,624	86,554	86,052	86,464
7	Total MREL resources available as a percentage of UK leverage exposure measure (%) ⁽²⁾	10.1%	9.0%	9.3%	8.9%	8.9%

(1) The capital position reflects the application of the transitional arrangements for IFRS 9.

(2) The comparative figures include a restatement to qualifying central bank claims which have been adjusted to exclude unencumbered note cover and payments system collateral balances.

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

Table 3: 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 Mar 2024 £m	31 Dec 2023 £m	30 Sept 2023 £m	30 June 2023 £m	31 Mar 2023 £m	
Available capital (£m)						
1	Common Equity Tier 1 (CET1) capital	3,731	3,522	3,711	3,637	3,627
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	3,693	3,439	3,599	3,541	3,537
3	Tier 1 capital	4,566	4,357	4,305	4,231	4,221
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,528	4,274	4,193	4,135	4,131
5	Total capital	5,339	5,130	5,327	5,253	5,242
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,301	5,047	5,215	5,157	5,152
Risk-weighted assets (£m)						
7	Total risk-weighted assets	25,581	25,458	25,176	24,898	24,703
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	25,551	25,393	25,087	24,822	24,632
Capital ratios (%)						
9	CET1 (as a percentage of risk exposure amount)	14.6%	13.8%	14.7%	14.6%	14.7%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.5%	13.5%	14.3%	14.3%	14.4%
11	Tier 1 (as a percentage of risk exposure amount)	17.8%	17.1%	17.1%	17.0%	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	17.7%	16.8%	16.7%	16.7%	16.8%
13	Total capital (as a percentage of risk exposure amount)	20.9%	20.2%	21.2%	21.1%	21.2%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.7%	19.9%	20.8%	20.8%	20.9%
Leverage ratio						
15	Leverage ratio total exposure measure (£m)	85,720	86,624	86,554	86,052	86,464
16	Leverage ratio (%)	5.3%	5.0%	5.0%	4.9%	4.9%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	5.3%	4.9%	4.9%	4.8%	4.8%

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 50% in 2023, reducing to 25% in 2024. From 1 January 2025, the Group will no longer apply transitional relief in respect of IFRS 9. At 31 March 2024, £38m of IFRS 9 transitional adjustments (FY23: £112m) have been applied to the Group's capital position in accordance with CRR, which is entirely comprised of dynamic relief (FY23: £3m static and £109m dynamic).

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

Table 4: UK OV1 - Overview of Risk weighted exposure amounts

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 exposure amounts (RWAs)		31 Dec 2023 £m	Total own funds requirements
		31 Mar 2024 £m	31 Mar 2024 £m		
1	Credit risk (excluding CCR)	22,391	22,301		1,790
2	<i>of which: the standardised approach</i>	6,692	6,657		534
3	<i>of which: the foundation IRB (FIRB) approach</i>	6,774	6,494		542
4	<i>of which: slotting approach</i>	479	399		38
5	<i>of which: the advanced IRB (AIRB) approach</i>	8,446	8,751		676
6	Counterparty credit risk - CCR	357	324		29
7	<i>of which: the standardised approach</i>	154	159		13
UK-8a	<i>of which: exposures to a Central Counterparty (CCP)</i>	5	6		-
UK-8b	<i>of which: credit valuation adjustment - CVA</i>	198	159		16
23	Operational risk	2,833	2,833		227
UK-23b	<i>of which: standardised approach</i>	2,833	2,833		227
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	289	300		23
29	Total	25,581	25,458		2,046

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

RWAs stayed relatively stable in the period, increasing by £123m (0.5%) to £25,581m.

Annex VII: Own Funds

Table 5: UK CC1 - Composition of regulatory own funds

	31 Mar 2024 £m	30 Sept 2023 £m	Ref ⁽¹⁾ :
CET1 capital: instruments and reserves			
1	140	143	f
	130	134	g
	10	9	h
2	3,011	3,342	o+q+s
3	1,452	1,370	j+k+l+n+u+v
UK-5a	178	117	p+r+t
6	4,781	4,972	
CET1 capital: regulatory adjustments			
7	(6)	(5)	
8	(150)	(173)	a
10	(245)	(261)	b
11	(250)	(496)	l
12	(101)	(103)	
15	(331)	(333)	c – e
16	(5)	(2)	m
UK-27a	38	112	
28	(1,050)	(1,261)	
29	3,731	3,711	
Additional Tier 1 (AT1) capital: instruments			
30	835	594	
31	835	594	i
44	835	594	
45	4,566	4,305	
Tier 2 (T2) capital: instruments			
46	773	1,022	d
58	773	1,022	
59	5,339	5,327	
60	25,581	25,176	
Capital ratios and buffers			
61	14.6%	14.7%	
62	17.8%	17.1%	
63	20.9%	21.2%	
64	10.9%	10.7%	

Annex VII: Own Funds

Table 5: UK CC1 - Composition of regulatory own funds (continued)

		31 Mar 2024	30 Sept 2023	
		£m	£m	Ref ⁽¹⁾ :
65	<i>of which: capital conservation buffer requirement</i>	2.5%	2.5%	
66	<i>of which: countercyclical buffer requirement</i>	2.0%	2.0%	
67	<i>of which: systemic risk buffer requirement</i>	0.0%	0.0%	
UK-67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	0.0%	0.0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)⁽²⁾	8.2%	8.5%	
	<i>Amounts below the thresholds for deduction (before risk weighting)</i>			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	116	118	
	<i>Applicable caps on the inclusion of provisions in Tier 2</i>			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	86	82	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	94	93	

(1) Shows cross reference to the balance sheet under regulatory scope of consolidation in Table UK CC2.

(2) Represents the CET1 ratio after deducting Pillar 1 and 2A requirements.

Common Equity Tier 1

The Group's CET1 capital showed an increase of £20m during the period, with the CET1 ratio (IFRS 9 transitional basis) remaining stable at 14.6% (FY23: 14.7%).

The Group reported a profit after tax of £236m. The capital benefits of this increase were utilised to fund AT1 distributions of £26m, a foreseeable dividend of £26m and share buyback. In November 2023, a £150m share buyback programme was announced with £63m returned to shareholders before the programme was formally cancelled on 2 April due to the potential cash acquisition of the Group by Nationwide. The reduction in standardised IFRS 9 provisions recognised in the period, together with a tapering of relief, reduced the IFRS 9 transitional adjustments by £74m. Other main movements included reductions in the intangible assets balance of £23m and in the deferred tax recognised on tax losses carried forward of £16m, offset by £12m market driven movements in the reserves balance for assets held at fair value.

Total capital and minimum requirements for own funds and eligible liabilities (MREL)

The total capital ratio remained broadly stable at 20.9% (FY23: 21.2%) and the MREL ratio (IFRS 9 transitional basis) when expressed as a percentage of RWAs increased to 33.9% (FY23 31.9%) or 10.1% when expressed as a percentage of Leverage exposures (FY23: 9.3%).

The Group's MREL position represents prudent headroom of £1.7bn or 6.6% above the binding loss-absorbing capacity (LAC) requirement of 27.3% of RWAs, or 2.0% above the binding LAC requirement of 8.2% when expressed as a percentage of Leverage exposures. Given the surplus to LAC requirements and having refinanced its redemptions in FY24, the Group is not planning any MREL or capital issuance over the remainder of the year, subject to the acquisition process.

Annex VII: Own Funds

Table 6: UK CC2 - Reconciliation of regulatory own funds to balance sheet in the financial statements

The following table shows the Group's consolidated accounting and regulatory balance sheets as at 31 March 2024, with references to show linkages to UK CC1.

As at 31 March 2024		A	B	Ref:
		Balance sheet as in published financial statements £m	Under regulatory scope of consolidation ⁽¹⁾ £m	
Assets				
1	<i>Financial instruments at amortised cost</i>			
2	Loans and advances to customers	72,344	72,339	
3	Cash and balances with central banks	12,930	12,930	
4	Due from other banks	592	595	
5	<i>At FVOCI</i>	5,764	5,764	
6	<i>At FVTPL</i>			
7	Loans and advances to customers	57	57	
8	Derivatives	44	44	
9	Other	2	2	
10	Intangible assets and goodwill	150	150	a
11	Deferred tax	266	266	
12	<i>of which: tax losses carried forward</i>	247	245	b
13	Defined benefit pensions assets	442	442	c
14	Other assets	442	438	
15	Total assets	93,033	93,027	
Liabilities				
16	<i>Financial instruments at amortised cost</i>			
17	Customer deposits	68,663	68,658	
18	Debt securities in issue	9,968	9,968	
19	<i>of which: Tier 2 instruments</i>	773	773	d
20	Due to other banks	6,255	6,255	
21	<i>At FVTPL</i>			
22	Derivatives	210	210	
23	Deferred tax	111	111	
24	<i>of which: defined pension benefit scheme surplus</i>	111	111	e
25	Provision for liabilities and charges	61	61	
26	Other liabilities	2,106	2,153	
27	Total liabilities	87,374	87,416	

		A	B	Ref:
		Balance sheet as in published financial statements £m	Under regulatory scope of consolidation ⁽¹⁾ £m	
Shareholders' Equity				
28	Share capital and share premium	140	140	f
29	<i>of which: ordinary share capital</i>	130	130	g
30	<i>of which: share premium</i>	10	10	h
31	Other equity instruments	835	835	i
32	Capital reorganisation reserve	(839)	(839)	j
33	Merger reserve	2,128	2,128	k
34	Other reserves	269	269	
35	<i>of which: cash flow hedge reserve</i>	250	250	l
36	<i>of which: own shares held</i>	(5)	(5)	m
37	<i>of which: other</i>	24	24	n
38	Retained earnings	3,126	3,078	
39	<i>of which: prior period retained earnings</i>	3,053	3,049	o
40	<i>of which: profits accrued in the year to date</i>	236	236	p
41	<i>of which: FY23 dividends paid</i>	(26)	(26)	q
42	<i>of which: FY24 dividends paid/acrued in the period</i>	-	(26)	r
43	<i>of which: AT1 coupons accrued for regulatory purposes in FY23</i>	(12)	(12)	s
44	<i>of which: FY24 AT1 coupons</i>	(14)	(32)	t
45	<i>of which: share buyback recognised for regulatory purposes in FY24</i>	(63)	(63)	u
46	<i>of which: other movements in retained earnings</i>	(48)	(48)	v
47	Total shareholders' equity	5,659	5,611	

(1) Balance sheet after accruing for foreseeable AT1 coupons and ordinary dividends.

Annex IX: Countercyclical capital buffers

Table 7: UK CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	A	B	F	G	J	K	L	M
	General credit exposures		Total exposure value	Own fund requirements		Risk-weighted exposure amounts	Own fund requirements weights	Counter-cyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach		Relevant credit risk exposures – Credit risk	Total			
As at 31 Mar 2024	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country:								
UK	9,486	70,667	80,153	1,776	1,776	22,195	100%	2%
Total	9,486	70,667	80,153	1,776	1,776	22,195	100%	2%
As at 30 Sept 2023								
UK	9,223	71,196	80,419	1,738	1,738	21,725	100%	2%
Total	9,223	71,196	80,419	1,738	1,738	21,725	100%	2%

Table 8: UK CCyB2 - Amount of institution-specific countercyclical capital buffer

	31 Mar 2024	30 Sept 2023
1 Total risk exposure amount (£m)	25,581	25,176
2 Institution specific countercyclical capital buffer rate (%)	2%	2%
3 Institution specific countercyclical capital buffer requirement	512	504

Annex XI: Leverage ratio

Table 9: UK LR1 – LRSum - Summary reconciliation of accounting assets and leverage ratio exposures

The table below shows a reconciliation between the total assets under IFRS standards and the leverage ratio exposure measure of Virgin Money UK PLC. The leverage metrics are calculated in line with the Leverage ratio (CRR) part of the PRA Rulebook.

	A	B	
	31 Mar 2024	30 Sept 2023	
	£m	£m	
1	Total assets as per published financial statements	93,033	91,786
4	(Adjustment for exemption of exposures to central banks)	(10,968)	(9,052)
8	Adjustment for derivative financial instruments	676	706
9	Adjustment for securities financing transactions (SFTs)	1,870	2,261
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,962	2,999
UK-11-a	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(6)	(5)
12	Other adjustments	(1,847)	(2,141)
13	Total exposure measure	85,720	86,554

Annex XI: Leverage ratio

Table 10: UK LR2 – LRCom - Leverage ratio common disclosure

		Leverage ratio exposures	
		A	B
		31 Mar 2024	30 Sept 2023
		£m	£m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	92,443	91,047
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(257)	(281)
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(1,050)	(1,261)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	91,136	89,505
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	314	370
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	406	471
13	Total derivatives exposures	720	841
SFT exposures			
16	Counterparty credit risk exposure for SFT assets	1,870	2,261
18	Total securities financing transaction exposures	1,870	2,261
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	17,786	17,980
20	(Adjustments for conversion to credit equivalent amounts)	(14,824)	(14,981)
22	Off-balance sheet exposures	2,962	2,999
Capital and total exposure measure			
23	Tier 1 capital (leverage)	4,566	4,305
24	Total exposure measure including claims on central banks	96,688	95,606
UK-24a	(-) Claims on central banks excluded	(10,968)	(9,052)
UK-24b	Total exposure measure excluding claims on central banks	85,720	86,554
Leverage ratio (%)			
25	Leverage ratio excluding claims on central banks	5.3%	5.0%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks	5.3%	4.9%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied	5.3%	4.9%
UK-25c	Leverage ratio including claims on central banks	4.7%	4.5%
26	Regulatory minimum leverage ratio requirement	3.25%	3.25%
Additional leverage ratio disclosure requirements - leverage ratio buffers (%)			
27	Leverage ratio buffer	0.7%	0.7%
UK-27a	of which: G-SII or O-SII additional leverage ratio buffer	0.0%	0.0%
UK-27b	of which: countercyclical leverage ratio buffer	0.7%	0.7%
Additional leverage ratio disclosure requirements – disclosure of mean values			
UK-31	Average total exposure measure including claims on central banks	95,386	95,885
UK-32	Average total exposure measure excluding claims on central banks	86,214	85,910
UK-33	Average leverage ratio including claims on central banks (%)	4.6%	4.4%
UK-34	Average leverage ratio excluding claims on central banks (%)	5.1%	4.9%

Annex XI: Leverage ratio

Table 11: UK LR3 – LRSpl - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		Leverage ratio exposures	
		A	B
		31 Mar 2023	30 Sept 2023
		£m	£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	81,218	81,714
UK-2	Trading book exposures	-	-
UK-3	Banking book exposures, of which:	81,218	81,714
UK-4	<i>Covered bonds</i>	1,315	1,335
UK-5	<i>Exposures treated as sovereigns</i>	5,540	6,596
UK-6	<i>Exposures to regional governments, Multilateral Development Bank, international organisations and public sector entities not treated as sovereigns</i>	352	109
UK-7	<i>Institutions</i>	1,028	933
UK-8	<i>Secured by mortgages of immovable properties</i>	59,861	60,546
UK-9	<i>Retail exposures</i>	6,471	6,268
UK-10	<i>Corporates</i>	5,510	4,918
UK-11	<i>Exposures in default</i>	586	704
UK-12	<i>Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)</i>	555	305

Leverage

The Group is subject to a single UK leverage ratio exposure measure and 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.

The Group's leverage ratio of 5.3% (FY23: 5.0%) exceeds these minimum requirements. The Group's average leverage ratio is 5.1% (FY23: 4.9%).

The Group's leverage ratio buffer is automatically linked to the CCyB as noted above and currently stands at 0.7% following the FPC's announced increase in the CCyB to 2.0% from July 2023.

Annex XIII: Liquidity requirements

Table 12: 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)			
UK-1a	Quarter ending on	31 Mar 2024	31 Dec 2023	30 Sept 2023	30 Jun 2023	31 Mar 2024	31 Dec 2023	30 Sept 2023	30 Jun 2023
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					14,135	13,988	13,798	13,381
Cash - Outflows									
2	Retail deposits and deposits from small business customers, of which:	57,299	56,983	56,721	56,279	3,617	3,592	3,554	3,468
3	<i>Stable deposits</i>	38,075	37,691	38,010	39,068	1,904	1,885	1,901	1,952
4	<i>Less stable deposits</i>	13,272	13,426	12,795	12,073	1,689	1,679	1,618	1,480
5	Unsecured wholesale funding, of which:	7,271	7,409	7,535	7,628	3,640	3,659	3,712	3,752
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	970	1,064	1,139	1,211	240	264	282	300
7	<i>Non-operational deposits (all counterparties)</i>	6,250	6,345	6,390	6,411	3,349	3,395	3,423	3,445
8	<i>Unsecured debt</i>	51	-	6	6	51	-	6	6
9	<i>Secured wholesale funding</i>					46	-	-	-
10	Additional requirements, of which:	4,723	4,777	4,643	4,409	1,721	1,712	1,690	1,582
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,324	1,323	1,325	1,234	1,324	1,323	1,325	1,234
13	<i>Credit and liquidity facilities</i>	3,399	3,454	3,319	3,175	397	389	366	348
14	Other contractual funding obligations	76	83	83	83	2	9	9	9
15	Other contingent funding obligations	15,033	15,006	15,115	15,385	931	915	968	1,065
16	Total cash outflows					9,957	9,887	9,933	9,875
Cash - Inflows									
17	Secured lending (e.g. reverse repos)	25	25	-	-	25	25	-	-
18	Inflows from fully performing exposures	853	1,026	1,252	1,474	506	476	470	489
19	Other cash inflows	39	39	39	39	39	39	39	39
20	Total cash inflows	917	1,090	1,291	1,513	570	540	509	528
UK-20c	<i>Inflows subject to 75% cap</i>	917	1,090	1,291	1,513	570	540	509	528
Total adjusted value									
UK-21	Liquidity buffer					14,135	13,988	13,798	13,381
22	Total net cash outflows					9,387	9,347	9,424	9,347
23	Liquidity coverage ratio (%)					151%	150%	146%	143%

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. The Group'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 our prudent internal risk appetite metrics, ensuring a substantial buffer in the event of outflows. 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 151% up to 31 March 2024, from 150% up to 31 December 2023.

(c) Concentration of funding sources

The Group is primarily funded through retail deposits, in addition to equity and a diversified wholesale funding book. A series of metrics is 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 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 the Group'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, the Group'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 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 (BoE), UK Government securities (Gilts) and listed securities (e.g. bonds issued by supranationals and AAA-rated covered bonds). The Group also holds a smaller portion of Level 2 assets. 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. 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. 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. 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 13: UK LIQ2 - Net Stable Funding Ratio

		A	B	C	D	E
		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
As at 31 Mar 2024						
Available stable funding (ASF) Items						
1	Capital items and instruments	5,323	71	124	897	6,221
2	Own funds	5,323	71	124	897	6,221
3	Other capital instruments		-	-	-	-
4	Retail deposits		55,096	1,609	755	53,923
5	Stable deposits		41,587	1,089	447	40,989
6	Less stable deposits		13,509	520	308	12,934
7	Wholesale funding:		11,553	892	14,031	17,794
8	Operational deposits		1,071	-	-	536
9	Other wholesale funding		10,482	892	14,031	17,258
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	9	1,444	-	1,239	1,239
12	NSFR derivative liabilities	9				
13	All other liabilities and capital instruments not included in the above categories		1,444	-	1,239	1,239
14	Total available stable funding (ASF)					79,175
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					1,437
UK-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		7,377	1,488	64,055	53,949
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		99	6	870	883
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		6,546	743	7,014	9,584
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		32	40	359	315
22	Performing residential mortgages, of which:		732	739	56,171	43,482
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		676	665	55,151	42,550
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	-	-
25	Interdependent assets		-	-	-	-

Annex XIII: Liquidity requirements

Table 13: UK LIQ2 - Net Stable Funding Ratio (continued)

		A	B	C	D	E
		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
As at 31 Mar 2024						
26	Other assets:					
27	<i>Physical traded commodities</i>		3,354	47	1,748	2,060
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		8	-	-	7
29	<i>NSFR derivative assets</i>		38	-	-	38
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		415	-	-	21
31	<i>All other assets not included in the above categories</i>		2,893	47	1,748	1,994
32	Off-balance sheet items		18,403	-	-	939
33	Total RSF					58,385
34	Net Stable Funding Ratio (%)					136%

Annex XIII: Liquidity requirements

Table 13: UK LIQ2 - Net Stable Funding Ratio (continued)

		Unweighted value by residual maturity (average)				Weighted value (average)
		A No maturity	B < 6 months	C 6 months to < 1yr	D ≥ 1yr	
As at 30 Sept 2023						
Available stable funding (ASF) Items						
1	Capital items and instruments	5,492	-	124	1,021	6,513
2	Own funds	5,492	-	124	1,021	6,513
3	Other capital instruments		-	-	-	-
4	Retail deposits		54,288	1,673	847	53,305
5	Stable deposits		40,807	1,051	508	40,273
6	Less stable deposits		13,481	622	339	13,031
7	Wholesale funding:		11,270	1,274	14,524	18,560
8	Operational deposits		1,349	-	-	674
9	Other wholesale funding		9,922	1,274	14,524	17,885
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	139	1,303	-	840	840
12	NSFR derivative liabilities	139				
13	All other liabilities and capital instruments not included in the above categories		1,303	-	840	840
14	Total available stable funding (ASF)					79,218
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					1,368
UK-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		7,224	1,471	64,173	54,045
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		256	6	677	706
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		6,229	748	6,633	9,102
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		46	38	388	343
22	Performing residential mortgages, of which:		739	717	56,863	44,238
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		681	664	55,713	43,204
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	-	-
25	Interdependent assets		-	-	-	-

Annex XIII: Liquidity requirements

Table 13: UK LIQ2 - Net Stable Funding Ratio (continued)

		A	B	C	D	E
		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
26	Other assets:		3,336	20	1,648	1,992
27	<i>Physical traded commodities</i>		-	-	-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		8	-	-	7
29	<i>NSFR derivative assets</i>		124	-	-	124
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		261	-	-	13
31	<i>All other assets not included in the above categories</i>		2,944	20	1,648	1,848
32	Off-balance sheet items		18,436	-	-	940
33	Total RSF					58,346
34	Net Stable Funding Ratio (%)					136%

Annex XV: Credit risk quality

Table 14: UK CR1 - Performing and non-performing exposures and related provisions

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received		
		Performing exposures			Non-performing exposures		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
		£m	Of which: Stage 1 £m	Of which: Stage 2 £m	£m	Of which: Stage 2 £m	Of which: Stage 3 £m	£m	Of which: Stage 1 £m	Of which: Stage 2 £m	£m	Of which: Stage 2 £m				Of which: Stage 3 £m
As at 31 March 2024		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	10,728	10,728	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	74,883	69,655	5,171	1,302	113	1,123	(435)	(104)	(330)	(174)	(10)	(166)	(22)	60,719	763
020	Central banks	2,509	2,509	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	266	266	-	-	-	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	319	184	135	-	-	-	(13)	(1)	(12)	-	-	-	-	34	-
060	Non-financial corporations	8,197	6,756	1,420	459	2	436	(62)	(28)	(34)	(64)	-	(64)	(20)	4,273	117
070	of which: SMEs	5,648	4,443	1,186	170	-	168	(28)	(9)	(19)	(39)	-	(39)	-	3,524	77
080	Households	63,581	59,940	3,616	843	111	687	(360)	(75)	(284)	(110)	(10)	(102)	(2)	56,412	646
090	Debt securities	5,764	5,764	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	2,635	2,635	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,128	3,128	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	17,709	16,907	802	58	-	56	4	1	3	-	-	-		-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	397	396	1	-	-	-	-	-	-	-	-	-		-	-
180	Credit institutions	9	8	1	-	-	-	-	-	-	-	-	-		-	-
190	Other financial corporations	45	-	45	-	-	-	-	-	-	-	-	-		-	-
200	Non-financial corporations	3,224	2,757	467	26	-	26	4	1	3	-	-	-		-	-
210	Households	14,034	13,746	288	32	-	30	-	-	-	-	-	-		-	-
220	Total	109,084	103,054	5,973	1,360	113	1,179	(431)	(103)	(327)	(174)	(10)	(166)	(22)	60,719	763

Annex XV: Credit risk quality

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	£m	Of which: Stage 1	Of which: Stage 2	£m	Of which: Stage 2	Of which: Stage 3	£m	Of which: Stage 1	Of which: Stage 2	£m	Of which: Stage 2	Of which: Stage 3 ⁽¹⁾			
As at 30 September 2023															
005 Cash balances at central banks and other demand deposits	9,099	9,099	-	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	74,988	68,863	6,067	1,221	117	1,036	(471)	(91)	(380)	(139)	(7)	(134)	(22)	61,545	760
020 <i>Central banks</i>	2,523	2,523	-	-	-	-	-	-	-	-	-	-	-	-	-
030 <i>General governments</i>	11	1	1	-	-	-	-	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	271	271	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	321	171	150	-	-	-	(12)	(1)	(11)	-	-	-	-	35	-
060 <i>Non-financial corporations</i>	7,619	5,799	1,798	410	3	388	(72)	(26)	(46)	(48)	-	(48)	(20)	4,211	118
070 <i>of which: SMEs</i>	5,617	4,048	1,547	155	-	145	(32)	(8)	(24)	(28)	-	(28)	-	3,749	73
080 <i>Households</i>	64,243	60,098	4,118	811	114	648	(386)	(63)	(323)	(91)	(7)	(86)	(2)	57,299	642
090 Debt securities	6,185	6,184	-	-	-	-	-	-	-	-	-	-	-	-	-
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 <i>General governments</i>	3,059	3,059	-	-	-	-	-	-	-	-	-	-	-	-	-
120 <i>Credit institutions</i>	3,125	3,125	-	-	-	-	-	-	-	-	-	-	-	-	-
130 <i>Other financial corporations</i>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 <i>Non-financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance-sheet exposures	17,926	16,798	1,128	56	-	54	5	1	4	-	-	-		-	-
160 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170 <i>General governments</i>	387	381	6	-	-	-	-	-	-	-	-	-		-	-
180 <i>Credit institutions</i>	10	9	1	-	-	-	-	-	-	-	-	-		-	-
190 <i>Other financial corporations</i>	30	-	30	-	-	-	-	-	-	-	-	-		-	-
200 <i>Non-financial corporations</i>	3,152	2,555	597	23	-	23	5	1	4	-	-	-		-	-
210 <i>Households</i>	14,347	13,853	494	33	-	31	-	-	-	-	-	-		-	-
220 Total	108,198	100,944	7,195	1,277	117	1,090	(466)	(90)	(376)	(139)	(7)	(134)	(22)	61,545	760

(1) The accumulated impairment on Stage 3 balances has been restated to exclude amounts relating to purchased or originated credit-impaired (POCI) loans and advances.

Annex XV: Credit risk quality

Table 15: UK CR1-A - Maturity of exposures

The maturity of exposures is shown on a contractual basis rather than the actual redemptions experienced by the Group. Undrawn values have been allocated to the contractual maturity of the underlying exposure.

		A	B	C	D	E	F
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
As at 31 March 2024		£m	£m	£m	£m	£m	£m
1	Loans and advances	-	25,834	9,627	57,870	110	93,441
2	Debt securities	-	343	1,694	3,742	1	5,780
3	Total	-	26,177	11,321	61,612	111	99,221

		A	B	C	D	E	F
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
As at 30 Sept 2023		£m	£m	£m	£m	£m	£m
1	Loans and advances	-	25,701	9,152	58,753	86	93,692
2	Debt securities	-	915	1,725	3,545	1	6,186
3	Total	-	26,616	10,877	62,298	87	99,878

Table 16: UK CR2 - Changes in the stock of non-performing loans and advances⁽¹⁾⁽²⁾

This table illustrates the changes in the stock of non-performing loans and advances.

		A
		Gross carrying amount
10	Initial stock of non-performing loans and advances as at 30 Sept 2023	1,080
20	Inflows to non-performing portfolios	394
30	Outflows from non-performing portfolios	(114)
40	Outflows due to write-offs	(118)
50	Outflows due to other situations	78
60	Final stock of non-performing loans and advances as at 31 Mar 2024	1,164

(1) Excludes accrued interest and deferred and unamortised fee income.

(2) As the Group's non-performing loan ratio is <5%, we are not required to complete FINREP template 24. Therefore, the table shows the changes in the stock non-performing loans and advances, defined as movements into and out of IFRS Stage 3.

Annex XV: Credit risk quality

Table 17: UK CQ1 - Credit quality of forborne exposures

		A	B	C	D	E		F	G	H
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
	Performing forborne	Non-performing forborne			Of which: impaired	On performing forborne exposures	On non-performing forborne exposures			Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which: defaulted								
As at 31 March 2024		£m	£m	£m	£m	£m	£m	£m	£m	£m
010	Loans and advances	539	608	555	535	(20)	(110)	756	339	
060	Non-financial corporations	282	224	224	212	(11)	(49)	240	75	
070	Households	257	384	331	323	(9)	(61)	516	264	
090	Loan commitments given	40	12	12	12	-	-	-	-	
100	Total	579	620	567	547	(20)	(110)	756	339	

		A	B	C	D	E		F	G	H
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
	Performing forborne	Non-performing forborne			Of which: impaired	On performing forborne exposures	On non-performing forborne exposures			Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which: defaulted								
As at 30 September 2023		£m	£m	£m	£m	£m	£m	£m	£m	£m
010	Loans and advances	520	564	519	498	(15)	(85)	746	336	
060	Non-financial corporations	280	204	204	191	(9)	(35)	249	69	
070	Households	240	360	315	307	(6)	(50)	497	267	
090	Loan commitments given	29	10	10	10	-	-	-	-	
100	Total	549	574	529	508	(15)	(85)	746	336	

Annex XV: Credit risk quality

Table 18: UK CQ5 - Credit quality of loans and advances to non-financial corporations by industry

		A	B	C	D	E	F
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: non-performing		Of which: Loans and advances subject to impairment			
			Of which: defaulted				
As at 31 March 2024							
010	Agriculture, forestry and fishing	1,206	26	26	1,195	(5)	-
020	Mining and quarrying	93	1	1	93	(1)	-
030	Manufacturing	776	49	49	776	(18)	-
040	Electricity, gas, steam and air conditioning supply	274	1	1	274	(1)	-
050	Water supply	49	13	13	49	(4)	-
060	Construction	389	40	40	388	(6)	-
070	Wholesale and retail trade	753	82	82	752	(26)	-
080	Transport and storage	378	42	42	378	(4)	-
090	Accommodation and food service activities	834	47	47	834	(3)	-
100	Information and communication	374	23	23	374	(11)	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	524	9	9	524	(2)	-
130	Professional, scientific and technical activities	480	47	47	480	(29)	-
140	Administrative and support service activities	870	31	31	870	(8)	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	75	2	2	71	(1)	-
170	Human health services and social work activities	1,355	35	35	1,351	(6)	-
180	Arts, entertainment and recreation	91	3	3	91	(1)	-
190	Other services	135	8	8	135	-	-
200	Total	8,656	459	459	8,635	(126)	-

Annex XV: Credit risk quality

	A	B	C	D	E	F
	Gross carrying amount					Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: non-performing	Of which: Loans and advances subject to impairment		Accumulated impairment	
		Of which: defaulted				
As at 30 September 2023						
010 Agriculture, forestry and fishing	1,221	31	31	1,207	(5)	-
020 Mining and quarrying	91	6	6	91	(2)	-
030 Manufacturing	767	52	52	767	(18)	-
040 Electricity, gas, steam and air conditioning supply	212	1	1	212	(1)	-
050 Water supply	48	-	-	48	(1)	-
060 Construction	357	28	28	357	(5)	-
070 Wholesale and retail trade	736	72	72	736	(21)	-
080 Transport and storage	332	38	38	332	(5)	-
090 Accommodation and food service activities	779	35	35	779	(4)	-
100 Information and communication	376	19	19	376	(10)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	394	8	8	394	(2)	-
130 Professional, scientific and technical activities	443	46	46	443	(23)	-
140 Administrative and support service activities	838	30	30	837	(12)	-
150 Public administration and defence, compulsory social security	-	-	-	-	-	-
160 Education	60	2	2	56	(1)	-
170 Human health services and social work activities	1,184	32	32	1,180	(8)	-
180 Arts, entertainment and recreation	80	3	3	80	(1)	-
190 Other services	111	7	7	111	(1)	-
200 Total	8,029	410	410	8,006	(120)	-

Annex XVII: Credit risk mitigation (CRM) techniques

Table 19: UK CR3 - Disclosure of the use of credit risk mitigation techniques

	A	B	C	D	E
	Unsecured carrying amount £m	Secured carrying amount			
			Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives
As at 31 March 2024		£m	£m	£m	£m
Loans and advances	24,822	61,482	60,890	592	-
Debt securities	5,764	-	-	-	-
Total	30,586	61,482	60,890	592	-
<i>of which: non-performing exposures</i>	365	763	733	30	-
<i>of which: defaulted</i>	267	763			

	A	B	C	D	E
	Unsecured carrying amount £m	Secured carrying amount			
			Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives
As at 30 Sept 2023		£m	£m	£m	£m
Loans and advances	22,393	62,305	61,625	680	-
Debt securities	6,185	-	-	-	-
Total	28,578	62,305	61,625	680	-
<i>of which: non-performing exposures</i>	322	760	724	36	-
<i>of which: defaulted</i>	229	760			

Annex XIX: Standardised approach

Table 20: UK CR4 - Standardised approach: Credit risk exposure and CRM effects

The table below shows a breakdown of exposures under the standardised approach pre- and post-application of credit conversion factors (CCF) and CRM. For retail exposures secured by mortgages, the protection effect of mortgage collateral is intrinsically part of the definition of the original exposure class.

		A	B	C	D	E	F
		Exposures before CCF and before CRM		Exposures post-CCF and post-CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density ⁽¹⁾
As at 31 March 2024		£m	£m	£m	£m	£m	%
1	Central governments or central banks	15,603	3	16,523	4	1	0.0%
2	Regional government or local authorities	105	278	11	57	14	20.6%
3	Public sector entities	247	116	-	52	10	19.2%
4	Multilateral development banks	905	-	905	-	-	0.0%
6	Institutions	1,028	8	1,028	1	220	21.5%
7	Corporates	801	220	506	68	531	92.5%
8	Retail	6,471	11,347	6,472	19	4,867	75.0%
9	Secured by mortgages on immovable property	234	294	234	147	120	31.5%
10	Exposures in default	278	22	87	-	102	117.2%
12	Covered bonds	1,315	-	1,315	-	132	10.0%
15	Equity	1	-	1	-	1	100.0%
16	Other items	587	-	587	-	694	118.2%
17	Total	27,575	12,288	27,669	348	6,692	23.9%

		A	B	C	D	E	F
		Exposures before CCF and before CRM		Exposures post-CCF and post-CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density ⁽¹⁾
As at 30 September 2023		£m	£m	£m	£m	£m	%
1	Central governments or central banks	14,378	3	15,133	3	-	0.0%
2	Regional government or local authorities	108	267	12	55	13	19.4%
3	Public sector entities	212	117	212	23	5	2.1%
4	Multilateral development banks	993	-	993	-	-	0.0%
6	Institutions	933	10	933	2	212	22.6%
7	Corporates	820	200	459	64	457	87.4%
8	Retail	6,268	11,207	6,268	20	4,716	75.0%
9	Secured by mortgages on immovable property	176	423	176	211	128	33.2%
10	Exposures in default	260	22	91	-	104	114.3%
12	Covered bonds	1,335	-	1,335	-	133	10.0%
15	Equity	1	-	1	-	1	100.0%
16	Other items	562	-	562	-	674	119.9%
17	Total	26,046	12,249	26,175	378	6,443	24.3%

(1) RWA density calculation has been performed on unrounded figures.

Annex XIX: Standardised approach

Table 21: UK CR5 - Standardised approach

The table below shows a breakdown of exposures post-CCF and post-CRM. Risk weight categories do not reflect where the SME supporting factor has been applied. Exposures are classed as 'rated' only where an External Credit Assessment Institution rating has been used to derive the risk weight. Where a rating is unavailable, or where the risk weight has been determined by application of specific CRR provisions, exposures have been classed as unrated.

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
		Risk weight (£m)															Total £m	Of which: Unrated £m
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Others		
As at 31 March 2024																		
1	Central governments or central banks	16,526	-	-	-	-	-	-	-	-	1	-	-	-	-	-	16,527	-
2	Regional government or local authorities	-	-	-	-	68	-	-	-	-	-	-	-	-	-	-	68	68
3	Public sector entities	-	-	-	-	52	-	-	-	-	-	-	-	-	-	-	52	-
4	Multilateral development banks	905	-	-	-	-	-	-	-	-	-	-	-	-	-	-	905	905
6	Institutions	-	42	-	-	913	-	73	-	-	1	-	-	-	-	-	1,029	67
7	Corporates	-	-	-	-	-	-	-	-	-	574	-	-	-	-	-	574	574
8	Retail exposures	-	-	-	-	-	-	-	-	6,491	-	-	-	-	-	-	6,491	6,491
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	373	-	-	-	8	-	-	-	-	-	381	381
10	Exposures in default	-	-	-	-	-	-	-	-	-	59	28	-	-	-	-	87	87
12	Covered bonds	-	-	-	1,315	-	-	-	-	-	-	-	-	-	-	-	1,315	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	1
16	Other items	64	-	-	-	3	-	-	-	-	404	-	116	-	-	-	587	587
17	Total	17,495	42	-	1,315	1,036	373	73	-	6,491	1,048	28	116	-	-	-	28,017	9,161

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
		Risk weight (£m)															Total £m	Of which: Unrated £m
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Others		
As at 30 September 2023																		
1	Central governments or central banks	15,136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,136	-
2	Regional government or local authorities	-	-	-	-	67	-	-	-	-	-	-	-	-	-	-	67	67
3	Public sector entities	211	-	-	-	24	-	-	-	-	-	-	-	-	-	-	235	-
4	Multilateral development banks	993	-	-	-	-	-	-	-	-	-	-	-	-	-	-	993	993
6	Institutions	-	15	-	-	841	-	79	-	-	-	-	-	-	-	-	935	27
7	Corporates	-	-	-	-	-	-	1	-	-	522	-	-	-	-	-	523	522
8	Retail exposures	-	-	-	-	-	-	-	-	6,288	-	-	-	-	-	-	6,288	6,288
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	374	-	-	-	13	-	-	-	-	-	387	387
10	Exposures in default	-	-	-	-	-	-	-	-	-	66	25	-	-	-	-	91	91
12	Covered bonds	-	-	-	1,335	-	-	-	-	-	-	-	-	-	-	-	1,335	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	1
16	Other items	63	-	-	-	3	-	-	-	-	378	-	118	-	-	-	562	562
17	Total	16,403	15	-	1,335	935	374	80	-	6,288	980	25	118	-	-	-	26,553	8,938

Annex XXI: IRB approach to credit risk

UK CR6 - IRB approach – Credit risk exposures by exposure class and PD range

The Group operates with two sets of internal ratings-based (IRB) models for Retail Mortgages reflecting the portfolios and their heritage from the merger of Clydesdale & Yorkshire Banking Group (CYBG) plc with Virgin Money plc. by way of the acquisition of Virgin Money Holdings (UK) PLC by CYBG. The models have differing modelling methodologies and the associated portfolios have different risk profiles. Combining these into a single table does not provide a valid representation of risk, therefore the position of each heritage portfolio as at 31 March 2024 is presented separately below.

Table 22: Clydesdale Bank PLC Retail Mortgages – (AIRB) Retail Secured by Immovable Property non-SME

31 March 2024												
A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount ⁽¹⁾	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%	years	£m		£m	£m
0.00 to <0.15	507	220	103.2%	747	0.1%	5,408	12.9%	-	29	3.9%	-	-
<i>0.00 to <0.10</i>	306	199	103.2%	519	0.1%	3,329	13.2%	-	19	3.6%	-	-
<i>0.10 to <0.15</i>	200	21	103.3%	228	0.1%	2,079	12.3%	-	10	4.6%	-	-
0.15 to <0.25	5,742	212	103.0%	6,106	0.2%	42,108	10.5%	-	397	6.5%	2	(1)
0.25 to <0.50	8,581	99	102.8%	8,896	0.3%	35,341	14.6%	-	1,233	13.9%	7	(1)
0.50 to <0.75	948	12	102.5%	985	0.6%	3,718	15.5%	-	220	22.3%	1	-
0.75 to <2.50	2,522	398	102.1%	2,988	1.3%	12,453	15.3%	-	1,004	33.6%	7	(4)
<i>0.75 to <1.75</i>	1,791	381	102.1%	2,224	1.0%	8,723	16.3%	-	711	32.0%	5	(1)
<i>1.75 to <2.50</i>	731	18	102.4%	764	2.0%	3,730	12.3%	-	293	38.3%	3	(2)
2.50 to <10.00	600	7	102.7%	622	4.8%	3,540	13.0%	-	405	65.1%	5	(7)
<i>2.50 to <5.00</i>	379	4	102.8%	393	3.7%	2,400	12.3%	-	211	53.8%	2	(2)
<i>5.00 to <10.00</i>	221	3	102.6%	230	6.7%	1,140	14.1%	-	194	84.4%	3	(5)
10.00 to <100.00	248	4	102.6%	258	36.3%	1,410	12.8%	-	256	99.4%	17	(15)
<i>10.00 to <20.00</i>	51	1	103.1%	54	13.4%	300	12.5%	-	54	100.1%	1	(2)
<i>20.00 to <30.00</i>	91	1	102.7%	94	23.4%	510	12.2%	-	105	111.8%	4	(2)
<i>30.00 to <100.00</i>	106	2	102.3%	111	58.4%	600	13.4%	-	98	88.5%	12	(10)
100.00 (Default)	356	10	100.0%	366	100.0%	2,088	19.9%	-	511	139.7%	18	(18)
Subtotal	19,504	962	102.7%	20,968		106,066		-	4,055	19.3%	57	(46)

Annex XXI: IRB approach to credit risk

30 September 2023

A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures £m	Off-balance sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount ⁽¹⁾ %	Expected loss amount £m	Value adjustments and provisions £m
0.00 to <0.15	512	242	103.2%	775	0.1%	5,639	12.7%	-	30	3.9%	-	-
<i>0.00 to <0.10</i>	306	223	103.2%	543	0.1%	3,424	13.0%	-	20	3.6%	-	-
<i>0.10 to <0.15</i>	207	19	103.3%	232	0.1%	2,215	12.1%	-	11	4.7%	-	-
0.15 to <0.25	6,356	226	103.0%	6,750	0.2%	45,834	10.5%	-	452	6.7%	2	(2)
0.25 to <0.50	8,467	94	102.8%	8,773	0.3%	35,245	14.4%	-	1,228	14.0%	7	(2)
0.50 to <0.75	924	40	102.2%	988	0.6%	4,020	15.2%	-	222	22.5%	2	(1)
0.75 to <2.50	2,900	546	102.0%	3,525	1.2%	14,255	15.7%	-	1,233	35.0%	11	(7)
<i>0.75 to <1.75</i>	2,114	524	102.0%	2,701	1.0%	10,266	16.9%	-	919	34.0%	7	(3)
<i>1.75 to <2.50</i>	786	21	102.0%	824	2.0%	3,989	11.9%	-	314	38.1%	3	(4)
2.50 to <10.00	569	7	102.9%	591	4.8%	3,531	12.8%	-	388	65.7%	6	(9)
<i>2.50 to <5.00</i>	375	4	103.0%	388	3.7%	2,375	12.3%	-	217	55.9%	3	(3)
<i>5.00 to <10.00</i>	194	3	102.7%	202	6.8%	1,156	13.7%	-	171	84.4%	3	(6)
10.00 to <100.00	245	5	102.5%	255	37.0%	1,470	12.5%	-	257	100.6%	19	(12)
<i>10.00 to <20.00</i>	51	2	102.5%	54	13.4%	328	12.5%	-	56	102.9%	1	(4)
<i>20.00 to <30.00</i>	88	1	102.6%	91	23.4%	526	12.4%	-	106	116.6%	4	(4)
<i>30.00 to <100.00</i>	106	2	102.5%	110	59.8%	616	12.7%	-	95	86.4%	14	(4)
100.00 (Default)	361	9	100.0%	370	100.0%	2,224	19.7%	-	434	117.4%	22	(15)
Subtotal	20,334	1,169	102.7%	22,027		112,218		-	4,244	19.3%	69	(48)

(1) RWA density calculation has been performed on unrounded figures.

Annex XXI: IRB approach to credit risk

Table 23: Virgin Money Retail Mortgages – (AIRB) Retail Secured by Immovable Property non-SME

31 March 2024												
A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount ⁽¹⁾	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%	years	£m		£m	£m
0.00 to <0.15	6,146	44	100.0%	6,289	0.1%	39,940	9.1%	-	195	3.1%	1	-
<i>0.00 to <0.10</i>	-	-	100.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
<i>0.10 to <0.15</i>	6,146	44	100.0%	6,289	0.1%	39,940	9.1%	-	195	3.1%	1	-
0.15 to <0.25	4,447	189	100.0%	4,710	0.2%	29,955	17.3%	-	393	8.3%	1	(1)
0.25 to <0.50	16,717	603	100.0%	17,577	0.4%	98,691	9.7%	-	1,274	7.2%	5	(1)
0.50 to <0.75	6,830	418	100.0%	7,376	0.6%	42,251	16.3%	-	1,329	18.0%	7	(1)
0.75 to <2.50	1,853	134	100.0%	2,024	1.3%	15,635	11.5%	-	402	19.9%	3	-
<i>0.75 to <1.75</i>	1,380	96	100.0%	1,503	1.0%	11,808	11.5%	-	256	17.1%	1	-
<i>1.75 to <2.50</i>	473	38	100.0%	521	2.1%	3,827	11.5%	-	146	27.9%	1	-
2.50 to <10.00	568	30	100.0%	609	5.7%	4,824	10.6%	-	270	44.3%	3	(1)
<i>2.50 to <5.00</i>	209	17	100.0%	231	3.4%	2,065	10.5%	-	78	33.8%	1	-
<i>5.00 to <10.00</i>	358	13	100.0%	378	7.1%	2,759	10.6%	-	192	50.8%	3	(1)
10.00 to <100.00	680	12	100.0%	706	36.5%	5,267	10.3%	-	428	60.6%	22	(4)
<i>10.00 to <20.00</i>	253	5	100.0%	263	15.1%	2,114	10.6%	-	175	66.6%	4	(1)
<i>20.00 to <30.00</i>	101	2	100.0%	105	24.7%	821	10.3%	-	76	72.1%	2	(1)
<i>30.00 to <100.00</i>	326	6	100.0%	338	56.8%	2,332	10.0%	-	177	52.3%	16	(2)
100.00 (Default)	108	1	100.0%	109	100.0%	682	6.5%	-	100	91.7%	6	(1)
Subtotal	37,349	1,431	100.0%	39,400		237,245		-	4,391	11.1%	48	(9)

(1) RWA density calculation has been performed on unrounded figures.

Annex XXI: IRB approach to credit risk

30 September 2023

A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures £m	Off-balance sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount ⁽¹⁾	Expected loss amount £m	Value adjustments and provisions £m
0.00 to <0.15	5,905	69	100.0%	6,059	0.1%	39,259	8.7%	-	195	3.2%	1	-
<i>0.00 to <0.10</i>	-	-	100.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
<i>0.10 to <0.15</i>	5,905	69	100.0%	6,059	0.1%	39,259	8.7%	-	195	3.2%	1	-
0.15 to <0.25	3,878	121	100.0%	4,054	0.2%	25,002	16.4%	-	357	8.8%	1	-
0.25 to <0.50	17,260	955	100.0%	18,474	0.4%	104,162	10.2%	-	1,584	8.6%	7	(1)
0.50 to <0.75	4,097	132	100.0%	4,296	0.6%	26,741	14.1%	-	688	16.0%	3	(1)
0.75 to <2.50	4,892	203	100.0%	5,178	1.0%	32,702	15.0%	-	1,166	22.5%	7	(1)
<i>0.75 to <1.75</i>	4,473	167	100.0%	4,715	0.9%	29,251	15.3%	-	1,022	21.7%	6	-
<i>1.75 to <2.50</i>	419	36	100.0%	463	2.1%	3,451	11.6%	-	144	31.1%	1	-
2.50 to <10.00	534	32	100.0%	576	5.1%	4,457	10.6%	-	262	45.5%	3	(1)
<i>2.50 to <5.00</i>	265	24	100.0%	295	3.4%	2,529	10.8%	-	110	37.2%	1	-
<i>5.00 to <10.00</i>	268	8	100.0%	281	6.8%	1,928	10.5%	-	152	54.1%	2	(1)
10.00 to <100.00	726	10	100.0%	751	33.0%	5,835	9.9%	-	478	63.7%	21	(5)
<i>10.00 to <20.00</i>	321	4	100.0%	332	14.6%	2,782	10.5%	-	232	70.0%	5	(1)
<i>20.00 to <30.00</i>	125	3	100.0%	131	25.6%	1,029	9.2%	-	90	69.2%	3	(3)
<i>30.00 to <100.00</i>	279	3	100.0%	288	57.7%	2,024	9.5%	-	156	54.0%	13	(2)
100.00 (Default)	92	1	100.0%	93	100.0%	659	7.0%	-	98	106.2%	5	-
Subtotal	37,384	1,523	100.0%	39,481		238,817		-	4,828	12.2%	48	(9)

(1) RWA density calculation has been performed on unrounded figures.

Annex XXI: IRB approach to credit risk

Table 24: Clydesdale Bank PLC Business Lending – (FIRB) Corporates: Business

31 March 2024												
A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount ⁽¹⁾	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%	years	£m		£m	£m
0.00 to <0.15	56	57	66.3%	92	0.1%	153	41.1%	1	15	15.8%	-	-
0.00 to <0.10	9	10	69.1%	16	0.1%	34	39.5%	2	2	13.5%	-	-
0.10 to <0.15	47	47	65.7%	76	0.1%	119	41.4%	1	12	16.3%	-	-
0.15 to <0.25	280	198	68.2%	406	0.2%	687	40.1%	2	94	23.2%	-	-
0.25 to <0.50	849	411	66.3%	1,093	0.4%	1,486	38.6%	2	372	34.0%	2	(1)
0.50 to <0.75	321	129	68.2%	399	0.6%	494	38.9%	3	183	45.8%	1	-
0.75 to <2.50	3,101	729	66.3%	3,487	1.5%	4,214	39.2%	2	2,242	64.3%	21	(18)
0.75 to <1.75	1,751	437	66.6%	1,987	1.1%	2,962	39.2%	2	1,138	57.3%	9	(4)
1.75 to <2.50	1,350	292	65.8%	1,499	2.0%	1,252	39.2%	3	1,104	73.7%	12	(14)
2.50 to <10.00	689	199	64.9%	797	4.5%	969	40.7%	2	685	86.0%	15	(17)
2.50 to <5.00	491	144	64.1%	568	3.6%	593	40.5%	2	460	81.0%	8	(8)
5.00 to <10.00	198	55	67.1%	229	6.8%	376	41.1%	2	225	98.4%	7	(9)
10.00 to <100.00	61	7	63.1%	63	19.9%	115	38.4%	1	80	127.2%	5	(3)
10.00 to <20.00	20	4	57.7%	22	13.4%	52	39.6%	1	26	118.5%	1	(1)
20.00 to <30.00	40	3	71.4%	41	23.4%	63	37.8%	1	54	131.9%	4	(2)
30.00 to <100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	137	17	74.4%	146	100.0%	107	42.0%	1	-	0.0%	61	43
Subtotal	5,494	1,747	66.5%	6,483		8,225		2	3,671	56.6%	105	(82)

(1) RWA density calculation has been performed on unrounded figures.

Annex XXI: IRB approach to credit risk

30 September 2023

A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity £m	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount ⁽¹⁾ %	Expected loss amount £m	Value adjustments and provisions £m
0.00 to <0.15	40	47	66.4%	70	0.1%	137	40.8%	2	11	15.8%	-	-
<i>0.00 to <0.10</i>	19	14	67.5%	27	0.1%	40	41.7%	2	4	15.6%	-	-
<i>0.10 to <0.15</i>	21	33	66.0%	43	0.1%	97	40.2%	2	7	15.9%	-	-
0.15 to <0.25	298	228	69.0%	443	0.2%	705	39.9%	2	99	22.4%	-	-
0.25 to <0.50	899	414	67.4%	1,143	0.4%	1,578	38.4%	2	383	33.6%	2	(1)
0.50 to <0.75	300	132	66.6%	376	0.6%	514	38.3%	2	157	41.7%	1	-
0.75 to <2.50	3,119	807	64.7%	3,520	1.5%	4,351	38.8%	2	2,207	62.7%	21	(26)
<i>0.75 to <1.75</i>	1,713	468	65.6%	1,953	1.1%	2,950	38.5%	2	1,081	55.4%	9	(5)
<i>1.75 to <2.50</i>	1,407	339	63.4%	1,567	1.9%	1,401	39.2%	3	1,125	71.8%	12	(21)
2.50 to <10.00	684	170	66.4%	770	4.3%	1,025	40.8%	2	636	82.6%	14	(18)
<i>2.50 to <5.00</i>	528	130	66.0%	594	3.6%	621	40.8%	2	472	79.5%	9	(10)
<i>5.00 to <10.00</i>	155	40	68.0%	176	6.8%	404	40.8%	2	164	93.1%	5	(8)
10.00 to <100.00	62	8	68.9%	65	18.5%	102	39.7%	1	86	131.4%	5	(3)
<i>10.00 to <20.00</i>	30	4	66.1%	32	13.4%	51	37.6%	1	37	114.8%	2	(1)
<i>20.00 to <30.00</i>	32	4	72.0%	33	23.4%	51	41.8%	1	49	147.3%	3	(2)
<i>30.00 to <100.00</i>	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	126	15	73.6%	131	100.0%	116	41.6%	2	-	0.0%	57	(32)
Subtotal	5,528	1,821	66.0%	6,518		8,528		2	3,579	54.9%	100	(80)

(1) RWA density calculation has been performed on unrounded figures.

Annex XXI: IRB approach to credit risk

Table 25: Clydesdale Bank PLC Corporates – Other – (FIRB) Corporates: Other

31 March 2024												
A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount ⁽¹⁾ %	Expected loss amount £m	Value adjustments and provisions £m
0.00 to <0.15	25	53	74.6%	65	0.1%	17	34.2%	2	17	26.3%	-	-
0.00 to <0.10	23	47	74.7%	58	0.1%	13	33.1%	3	15	26.7%	-	-
0.10 to <0.15	2	6	73.7%	7	0.1%	4	43.1%	1	2	22.8%	-	-
0.15 to <0.25	44	148	68.8%	145	0.2%	35	40.7%	2	56	38.8%	-	-
0.25 to <0.50	413	323	49.2%	568	0.4%	79	44.0%	2	341	60.0%	2	(1)
0.50 to <0.75	88	74	71.8%	140	0.6%	22	43.9%	2	113	80.3%	-	-
0.75 to <2.50	1,428	561	64.0%	1,777	1.6%	291	42.4%	3	1,991	112.1%	15	(10)
0.75 to <1.75	651	278	63.0%	821	1.2%	130	42.4%	3	814	99.1%	5	(3)
1.75 to <2.50	777	283	65.1%	955	2.1%	161	42.4%	3	1,177	123.2%	10	(7)
2.50 to <10.00	233	104	67.4%	301	4.0%	77	44.5%	2	440	145.9%	7	(8)
2.50 to <5.00	186	80	65.4%	236	3.4%	63	44.9%	2	338	143.0%	4	(5)
5.00 to <10.00	47	25	73.8%	65	6.3%	14	43.1%	1	102	156.6%	2	(3)
10.00 to <100.00	49	23	67.1%	64	19.1%	153	41.8%	2	144	226.0%	6	(4)
10.00 to <20.00	21	10	64.5%	27	13.4%	8	43.0%	1	57	207.8%	2	(2)
20.00 to <30.00	27	14	69.0%	37	23.4%	145	40.9%	2	88	239.7%	4	(2)
30.00 to <100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	70	5	70.2%	73	100.0%	64	43.3%	1	-	0.0%	32	(18)
Subtotal	2,350	1,291	62.7%	3,133		738		2	3,102	99.0%	62	(41)

(1) RWA density calculation has been performed on unrounded figures.

Annex XXI: IRB approach to credit risk

30 September 2023

A	B	C	D	E	F	G	H	I	J	K	L	M
PD range	On-balance sheet exposures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount ⁽¹⁾	Expected loss amount £m	Value adjustments and provisions £m
0.00 to <0.15	25	48	74.3%	61	0.1%	17	37.9%	3	19	30.8%	-	-
<i>0.00 to <0.10</i>	22	44	74.3%	54	0.1%	14	37.2%	3	17	31.6%	-	-
<i>0.10 to <0.15</i>	3	4	75.0%	7	0.1%	3	43.5%	1	2	24.2%	-	-
0.15 to <0.25	48	145	67.2%	146	0.2%	29	43.7%	2	64	43.9%	-	-
0.25 to <0.50	388	298	51.2%	537	0.4%	84	43.0%	2	309	57.7%	1	-
0.50 to <0.75	78	124	74.4%	170	0.6%	24	44.3%	2	120	70.5%	-	-
0.75 to <2.50	995	467	63.8%	1,287	1.6%	266	43.4%	3	1,424	110.7%	9	(13)
<i>0.75 to <1.75</i>	546	293	64.3%	731	1.2%	123	43.4%	2	732	100.1%	4	(4)
<i>1.75 to <2.50</i>	449	174	62.8%	556	2.1%	143	43.5%	3	692	124.5%	5	(8)
2.50 to <10.00	225	82	72.9%	283	4.0%	73	44.1%	2	401	141.4%	5	(8)
<i>2.50 to <5.00</i>	172	54	72.9%	210	3.4%	52	44.4%	2	291	138.2%	3	(5)
<i>5.00 to <10.00</i>	53	28	72.7%	73	5.8%	21	43.3%	2	110	150.7%	2	(3)
10.00 to <100.00	29	10	64.6%	36	18.1%	124	42.7%	1	78	217.9%	3	(3)
<i>10.00 to <20.00</i>	15	6	73.1%	19	13.4%	8	42.2%	1	37	199.2%	1	(2)
<i>20.00 to <30.00</i>	15	4	53.4%	17	23.4%	116	43.3%	1	40	238.6%	2	-
<i>30.00 to <100.00</i>	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	86	7	72.8%	90	100.0%	67	42.1%	1	-	0.0%	38	(14)
Subtotal	1,874	1,181	63.6%	2,610		684		2	2,415	92.5%	56	(38)

(1) RWA density calculation has been performed on unrounded figures.

Annex XXI: IRB approach to credit risk

Table 26: UK CR7-A - IRB approach: Disclosure of the extent of the use of CRM techniques – AIRB

		A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWAs		
		Funded credit Protection (FCP) (%)									Unfunded credit Protection (UFCP) (%)				
		Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWA post all CRM assigned to the obligor exposure class (£m)	RWA with substitution effects (£m)	
As at 31 March 2024		Total exposures (£m)													
4	Retail, of which:	60,367	-	99.80%	99.80%	-	-	-	-	-	-	-	-	8,446	8,446
4.2	Immovable property non-SMEs	60,367	-	99.80%	99.80%	-	-	-	-	-	-	-	-	8,446	8,446
5	Total	60,367	-	99.80%	99.80%	-	-	-	-	-	-	-	-	8,446	8,446

		A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWAs		
		Funded credit Protection (FCP) (%)									Unfunded credit Protection (UFCP) (%)				
		Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWA post all CRM assigned to the obligor exposure class (£m)	RWA with substitution effects (£m)	
As at 30 September 2023		Total exposures (£m)													
4	Retail, of which:	61,508	-	99.80%	99.80%	-	-	-	-	-	-	-	-	9,072	9,072
4.2	Immovable property non-SMEs	61,508	-	99.80%	99.80%	-	-	-	-	-	-	-	-	9,072	9,072
5	Total	61,508	-	99.80%	99.80%	-	-	-	-	-	-	-	-	9,072	9,072

Annex XXI: IRB approach to credit risk

Table 27: UK CR7-A - IRB approach: Disclosure of the extent of the use of CRM techniques – FIRB

		A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWAs		
		Funded credit Protection (FCP) (%)							Unfunded credit Protection (UFCP) (%)						
		Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWA post all CRM assigned to the obligor exposure class (£m)	RWA with substitution effects (£m)	
As at 31 March 2024		Total exposures (£m)													
3	Corporates, of which:	9,616	0.80%	44.3%	34.9%	3.1%	6.4%	-	-	-	-	-	-	6,773	6,773
3.1	SMEs	6,483	0.60%	54.5%	46.4%	3.6%	4.5%	-	-	-	-	-	-	3,671	3,671
3.3	Corporates – Other	3,133	1.10%	23.3%	11.0%	2.0%	10.3%	-	-	-	-	-	-	3,102	3,102
5	Total	9,616	0.80%	44.3%	34.9%	3.1%	6.4%	-	-	-	-	-	-	6,773	6,773

		A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWAs		
		Funded credit Protection (FCP) (%)							Unfunded credit Protection (UFCP) (%)						
		Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWA post all CRM assigned to the obligor exposure class (£m)	RWA with substitution effects (£m)	
As at 30 September 2023		Total exposures (£m)													
3	Corporates, of which:	9,128	0.90%	46.0%	36.4%	3.4%	6.2%	-	-	-	-	-	-	5,995	5,995
3.1	SMEs	6,518	0.80%	58.1%	49.6%	3.8%	4.7%	-	-	-	-	-	-	3,580	3,580
3.3	Corporates – Other	2,610	1.20%	15.9%	3.5%	2.4%	10.0%	-	-	-	-	-	-	2,415	2,415
5	Total	9,128	0.90%	46.0%	36.4%	3.4%	6.2%	-	-	-	-	-	-	5,995	5,995

Annex XXI: IRB approach to credit risk

Table 28: UK CR8 - RWA flow statements of credit risk exposures under the IRB approach

The table below summarises movements of RWAs for credit risk exposures under the IRB approach.

	A
	RWAs £m
1 Risk weighted exposure amount as at 31 Dec 2023	15,644
2 Asset size (+/-)	113
3 Asset quality (+/-)	132
4 Model updates ⁽¹⁾ (+/-)	(190)
9 Risk weighted exposure amount as at 31 Mar 2024	15,699

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

RWAs increased £0.1bn to £15.7bn, primarily due to the impacts of increased lending within the Business portfolio and a decrease in House Price Index leading to higher Loss Given Defaults (LGDs) in the Mortgage portfolio. This was offset by the impacts of refreshed Management Adjustments (MA) in relation to Hybrid models and Business Models, shown within Model Updates.

Annex XXIII: Specialised lending

Table 29: UK CR10.2 - Specialised lending and equity exposures under the simple risk weighted approach – Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)

As at 31 March 2024		A	B	C	D	E	F
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
1 – Strong	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	3	-	70%	3	2	-
2 – Good	Less than 2.5 years	263	1	70%	264	155	1
	Equal to or more than 2.5 years	309	45	90%	343	264	2
3 – Satisfactory	Less than 2.5 years	38	2	115%	39	37	1
	Equal to or more than 2.5 years	22	-	115%	22	20	1
4 – Weak	Less than 2.5 years	-	-	250%	-	1	-
	Equal to or more than 2.5 years	1	-	250%	1	1	-
5 – Default	Less than 2.5 years	10	-	-	10	-	5
	Equal to or more than 2.5 years	1	-	-	1	-	1
Total	Less than 2.5 years	311	3		313	193	7
	Equal to or more than 2.5 years	336	45		370	287	4

As at 30 September 2023		A	B	C	D	E	F
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
1 – Strong	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	4	-	70%	4	2	-
2 – Good	Less than 2.5 years	200	1	70%	201	117	1
	Equal to or more than 2.5 years	212	13	90%	221	166	2
3 – Satisfactory	Less than 2.5 years	64	2	115%	65	62	2
	Equal to or more than 2.5 years	58	-	115%	58	54	2
4 – Weak	Less than 2.5 years	2	-	250%	2	5	-
	Equal to or more than 2.5 years	2	-	250%	2	4	-
5 – Default	Less than 2.5 years	4	-	-	4	-	2
	Equal to or more than 2.5 years	3	-	-	3	-	1
Total	Less than 2.5 years	270	3		272	184	5
	Equal to or more than 2.5 years	279	13		288	226	5

Annex XXV: Counterparty credit risk

Table 30: UK CCR1 - Analysis of CCR exposure by approach

		A	B	C	D	E	F	G	H
		Replacement cost (RC)	Potential future exposure	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWA
As at 31 March 2024		£m	£m	£m	α	£m	£m	£m	£m
UK-1	Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
UK-2	Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	226	94		1.4	373	382	382	130
4	Financial collateral comprehensive method (for SFTs)					11,081	4,405	4,405	24
5	Value at Risk (VaR) for SFTs					-	-	-	-
6	Total					11,454	4,787	4,787	154

		A	B	C	D	E	F	G	H
		Replacement cost (RC)	Potential future exposure	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWA
As at 30 Sept 2023		£m	£m	£m	α	£m	£m	£m	£m
UK-1	Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
UK-2	Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	272	77		1.4	448	425	425	128
4	Financial collateral comprehensive method (for SFTs)					12,633	5,295	5,295	13
5	Value at Risk (VaR) for SFTs					-	-	-	-
6	Total					13,081	5,720	5,720	141

Table 31: UK CCR2 - Transactions subject to own funds requirements for CVA risk

		A	B	A	B
		31 March 2024		30 September 2023	
		Exposure value £m	RWA £m	Exposure value £m	RWA £m
1	Total transactions subject to the Advanced method	-	-	-	-
2	(i) VaR component (including the 3× multiplier)		-		-
3	(ii) stressed VaR component (including the 3× multiplier)		-		-
4	Transactions subject to the Standardised method	332	198	388	278
UK-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	Total transactions subject to own funds requirements for CVA risk	332	198	388	278

Annex XXV: Counterparty credit risk

Table 32: UK CCR3 - Standardised approach: CCR exposures by regulatory exposure class and risk weights

The table below presents a breakdown of counterparty credit risk exposures by exposure class and by risk weight.

		A	B	C	D	E	F	G	H	I	J	K	L
		Risk weight (£m)											Total exposure value (£m)
As at 31 March 2024		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	4,296	-	-	-	-	-	-	-	-	-	-	4,296
6	Institutions	-	237	-	-	387	55	-	-	-	-	-	679
7	Corporates	-	-	-	-	-	-	-	-	49	-	-	49
11	Total exposure value	4,296	237	-	-	387	55	-	-	49	-	-	5,024

		A	B	C	D	E	F	G	H	I	J	K	L
		Risk weight (£m)											Total exposure value (£m)
As at 30 September 2023		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	5,241	-	-	-	-	-	-	-	-	-	-	5,241
6	Institutions	-	273	-	-	396	43	-	-	4	-	-	716
7	Corporates	-	-	-	-	-	-	-	-	36	-	-	36
11	Total exposure value	5,241	273	-	-	396	43	-	-	40	-	-	5,993

Table 33: UK CCR8 - Exposures to CCPs

		31 Mar 2024		30 Sept 2023	
		Exposure value £m	RWA £m	Exposure value £m	RWA £m
1	Exposures to Qualifying Central Counterparty (QCCPs) (total)		5		5
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which:	237	5	273	5
3	<i>Over-the-counter derivatives</i>	237	5	273	5
7	Segregated initial margin	659		599	
11	Exposures to non-QCCPs (total)		-		-

Annex XXVII: Securitisation positions

Table 34: UK SEC1 - Securitisation exposures in the non-trading book⁽¹⁾

The table below shows the securitisation exposures retained by the Group, by type of underlying asset (residential mortgages) and by type of securitisation.

	A	B	C	D	E	F	G
	Institution acts as originator						
	Traditional ⁽²⁾				Synthetic		Sub-total
	STS		Non-STS		of which: SRT		
As at 31 March 2024	£m	£m	£m	£m	£m	£m	£m
1 Total exposures	600	-	1,718	-	-	-	2,318
2 Retail, of which:	600	-	1,718	-	-	-	2,318
3 Residential mortgage	600	-	1,718	-	-	-	2,318

As at 30 September 2023

1 Total exposures	626	-	1,702	-	-	-	2,328
2 Retail, of which:	626	-	1,702	-	-	-	2,328
3 Residential mortgage	626	-	1,702	-	-	-	2,328

(1) All information is as at 31 March 2024, please note the Group interprets "institution acts as originator" under Securitisation exposure in the non trading book as bonds which are issued by either Lanark or Lannraig and are retained by the bank.

(2) All retained AAA-rated Lanark bonds are STS all other bonds are Non-STS.

Table 35: UK SEC5 - Exposures securitised by the institution: Exposures in default and specific credit risk adjustments

	A	B	C
	Exposures securitised by the institution – Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
		Of which: exposures in default	
As at 31 March 2024			
1 Total exposures	5,362	49	-
2 Retail (total)	5,362	49	-
3 Residential mortgage	5,362	49	-
As at 30 September 2023			
1 Total exposures	5,363	45	-
2 Retail (total)	5,363	45	-
3 Residential mortgage	5,363	45	-

Annex XXXVII: Interest rate risk in the banking book (IRRBB)

Table 36: UK IRRBB1 - Quantitative information on IRRBB

		A		B		C		D		E		F	
		Δ EVE				Δ NII				Tier 1 capital			
		31 Mar 2024		30 Sept 2023		31 Mar 2024		30 Sept 2023		31 Mar 2024		30 Sep 2023	
10	Parallel shock up	(371)	(359)	108	105								
20	Parallel shock down	266	268	(139)	(114)								
30	Steeper shock	(22)	(14)										
40	Flattener shock	(63)	(74)										
50	Short rates shock up	(185)	(189)										
60	Short rates shock down	121	118										
70	Maximum	(371)	(359)										
80	Tier 1 capital									4,566		4,305	

Δ Economic Value of Equity (EVE): Represents the change in economic value of equity under the six prescribed rate scenarios as defined under rule (Internal Capital Adequacy Assessment) 9.4A of the PRA rulebook for CRR firms and aligns to the quarterly Outlier Test results. The large negative results in the up stresses are as a result of the requirement to remove the equity profile from the cashflows. With equity invested over a Board approved tenor profile this creates an unhedged asset position which has negative value as rates rise but positive if rates fall. The EVE measures are calculated on a behavioural run off profile, including prepayment and early redemption risk where appropriate.

Δ Net Interest Income (NII): Represents the change in net interest income resulting from an instantaneous +/- 250bps parallel shock in interest rates. The NII sensitivity is based on a constant balance sheet modelling approach with no change in front book margins or basis spreads. Administered rate products receive a rate pass on in line with internal scenario specific pass on and rate floor assumptions. The negative result in the downward rate scenario is driven by a combination of spread compression on administered rate products relative to hedge calibration and the lags on repricing administered rate deposits.

Appendix 1: Disclosures for CB Group consolidated

Table 37: UK KM1 - Key metrics

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

	A	B	C	D	E	
	31 Mar 2024	31 Dec 2023	30 Sept 2023	30 June 2023	31 Mar 2023	
	£m	£m	£m	£m	£m	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	3,661	3,502	3,685	3,608	3,599
2	Tier 1 capital	4,496	4,337	4,279	4,202	4,193
3	Total capital	5,269	5,110	5,301	5,224	5,214
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	25,579	25,454	25,172	24,903	24,687
Capital ratios (as a percentage of risk-weighted exposure amount) (%)						
5	Common Equity Tier 1 ratio	14.3%	13.8%	14.6%	14.5%	14.6%
6	Tier 1 ratio	17.6%	17.0%	17.0%	16.9%	17.0%
7	Total capital ratio	20.6%	20.1%	21.1%	21.0%	21.1%
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	1.9%	1.9%	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	0.9%	0.9%	0.7%	0.7%	0.7%
UK-7d	Total SREP own funds requirements	11.4%	11.4%	11.0%	11.0%	11.0%
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%	1.0%	1.0%
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%	3.5%	3.5%
UK-11a	Overall capital requirements	15.9%	15.9%	15.5%	14.5%	14.5%
12	CET1 available after meeting the total SREP own funds requirements	7.9%	7.4%	8.4%	8.3%	8.4%
Leverage ratio^{(1) (2)}						
13	Total exposure measure excluding claims on central banks	85,723	86,624	86,545	86,067	86,458
14	Leverage ratio excluding claims on central banks (%)	5.2%	5.0%	4.9%	4.9%	4.8%
Additional leverage ratio disclosure requirements (%)						
UK-14a	Fully loaded Expected Credit Loss (ECL) accounting model leverage ratio excluding claims on central banks	5.2%	4.9%	4.8%	4.8%	4.8%
UK-14b	Leverage ratio including claims on central banks	4.6%	4.6%	4.5%	4.4%	4.3%
UK-14c	Average leverage ratio excluding claims on central banks	5.1%	4.9%	4.9%	4.8%	4.7%
UK-14d	Average leverage ratio including claims on central banks	4.6%	4.5%	4.4%	4.3%	4.3%
UK-14e	Countercyclical leverage ratio buffer	0.7%	0.7%	0.7%	0.4%	0.4%

Appendix 1: Disclosures for CB Group consolidated

Table 37: UK KM1 - Key metrics (continued)

		A	B	C	D	E
		31 Mar 2024	31 Dec 2023	30 Sept 2023	30 June 2023	31 Mar 2023
		£m	£m	£m	£m	£m
Liquidity Coverage Ratio⁽³⁾						
15	Total high-quality liquid assets (HQLA) (Weighted value average)	14,135	13,988	13,798	13,381	12,542
UK-16a	Cash outflows - Total weighted value	9,957	9,887	9,933	9,875	9,573
UK-16b	Cash inflows - Total weighted value	570	540	509	528	553
16	Total net cash outflows (adjusted value)	9,387	9,347	9,424	9,347	9,020
17	Liquidity coverage ratio (%)	151%	150%	146%	143%	139%
Net Stable Funding Ratio						
18	Total available stable funding	79,222	78,963	79,295	79,171	78,119
19	Total required stable funding	58,483	58,420	58,450	58,352	58,097
20	NSFR ratio (%)	135%	135%	136%	136%	134%

(1) The average leverage exposure measure (excluding claims on central banks) for the period 1 January 2024 to 31 March 2024 amounted to £86,216m.

(2) The comparative figures include a restatement to qualifying central bank claims which have been adjusted to exclude encumbered note cover and payments system collateral balances.

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

Table 38: UK KM2 – Key metrics – MREL

The MREL establishes a minimum amount of equity and eligible debt to recapitalise the bank. An analysis of the current MREL position of Clydesdale Bank PLC is provided below:

		A	B	C	D	E
		31 Mar 2024	31 Dec 2023	30 Sept 2023	30 June 2023	31 Mar 2023
		£m	£m	£m	£m	£m
1	Total capital resources ⁽¹⁾	5,269	5,110	5,301	5,224	5,214
2	Eligible senior unsecured securities issued by Clydesdale Bank PLC	3,333	2,708	2,707	2,401	2,420
3	Total MREL resources	8,602	7,818	8,008	7,625	7,634
4	Total risk weighted assets	25,579	25,454	25,172	24,903	24,687
5	Total MREL resources available as a percentage of total risk weighted assets (%)	33.6%	30.7%	31.8%	30.6%	30.9%
6	UK leverage exposure measure ⁽²⁾	85,723	86,624	86,545	86,067	86,458
7	Total MREL resources available as a percentage of UK leverage exposure measure (%) ⁽²⁾	10.0%	9.0%	9.3%	8.9%	8.8%

(1) The capital position reflects the application of the transitional arrangements for IFRS 9.

(2) The comparative figures include a restatement to qualifying central bank claims which have been adjusted to exclude encumbered note cover and payments system collateral balances.

Appendix 1: Disclosures for CB Group consolidated

Table 39: 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 Mar 2024 £m	31 Dec 2023 £m	30 Sept 2023 £m	30 June 2023 £m	31 Mar 2023 £m
Available capital (£m)					
1 Common Equity Tier 1 (CET1) capital	3,661	3,502	3,685	3,608	3,599
2 CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	3,623	3,419	3,573	3,512	3,509
3 Tier 1 capital	4,496	4,337	4,279	4,202	4,193
4 Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,458	4,254	4,167	4,106	4,103
5 Total capital	5,269	5,110	5,301	5,224	5,214
6 Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,231	5,027	5,189	5,128	5,124
Risk-weighted assets (£m)					
7 Total risk-weighted assets	25,579	25,454	25,172	24,903	24,687
8 Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	25,549	25,389	25,083	24,827	24,616
Capital ratios (%)					
9 CET1 (as a percentage of risk exposure amount)	14.3%	13.8%	14.6%	14.5%	14.6%
10 CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.2%	13.5%	14.2%	14.1%	14.3%
11 Tier 1 (as a percentage of risk exposure amount)	17.6%	17.0%	17.0%	16.9%	17.0%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.4%	16.8%	16.6%	16.5%	16.7%
13 Total capital (as a percentage of risk exposure amount)	20.6%	20.1%	21.1%	21.0%	21.1%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.5%	19.8%	20.7%	20.7%	20.8%
Leverage ratio					
15 Leverage ratio total exposure measure (£m)	85,723	86,624	86,545	86,067	86,458
16 Leverage ratio (%)	5.2%	5.0%	4.9%	4.9%	4.8%
17 Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	5.2%	4.9%	4.8%	4.8%	4.8%

Appendix 1: Disclosures for CB Group consolidated

Table 40: UK OV1 - Overview of risk weighted exposure amounts

The table below shows RWAs and minimum capital requirement by risk type and approach⁽¹⁾.

		A	B	C
		Risk weighted exposure amounts (RWAs)		Total own funds requirements
		31 Mar 2024 £m	31 Dec 2023 £m	31 Mar 2024 £m
1	Credit risk (excluding CCR)	22,381	22,289	1,790
2	<i>of which: the standardised approach</i>	6,682	6,645	534
3	<i>of which: the foundation IRB (FIRB) approach</i>	6,774	6,494	542
4	<i>of which: slotting approach</i>	479	399	38
5	<i>of which: the advanced IRB (AIRB) approach</i>	8,446	8,751	676
6	Counterparty credit risk (CCR)	357	324	29
7	<i>of which: the standardised approach</i>	154	159	13
UK-8a	<i>of which: exposures to a CCP</i>	5	6	-
UK-8b	<i>of which: credit valuation adjustment (CVA)</i>	198	159	16
23	Operational risk	2,841	2,841	227
UK-23b	<i>of which: standardised approach</i>	2,841	2,841	227
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	279	288	22
29	Total	25,579	25,454	2,046

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

Appendix 1: Disclosures for CB Group consolidated

Table 41: UK CC1 - Composition of regulatory own funds

	31 Mar 2024 £m	30 Sept 2023 £m	Ref ⁽¹⁾ :
CET1 capital: instruments and reserves			
1	2,792	2,792	f
	1,243	1,243	g
	1,549	1,549	h
2	1,607	2,098	l + n + o + p
3	196	142	j + r
UK-5a	203	20	m + q
6	4,798	5,052	
CET1 capital: regulatory adjustments			
7	(6)	(5)	
8	(150)	(173)	a
10	(337)	(369)	b
11	(250)	(496)	k
12	(101)	(103)	
15	(331)	(333)	c - e
UK-27a	38	112	
28	(1,137)	(1,367)	
29	3,661	3,685	
AT1 capital: instruments			
30	835	594	
31	835	594	i
44	835	594	
45	4,496	4,279	
Tier 2 (T2) capital: instruments			
46	773	1,022	d
58	773	1,022	
59	5,269	5,301	
60	25,579	25,172	
Capital ratios and buffers			
61	14.3%	14.6%	
62	17.6%	17.0%	
63	20.6%	21.1%	

Appendix 1: Disclosures for CB Group consolidated

Table 41: UK CC1 - Composition of regulatory own funds (continued)

		31 Mar 2024 £m	30 Sept 2023 £m	Ref ⁽¹⁾ :
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	10.9%	10.7%	
65	<i>of which: capital conservation buffer requirement</i>	2.5%	2.5%	
66	<i>of which: countercyclical buffer requirement</i>	2.0%	2.0%	
67	<i>of which: systemic risk buffer requirement</i>	0.0%	0.0%	
UK-67a	<i>of which: G-SII or O-SII buffer</i>	0.0%	0.0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)⁽²⁾	7.9%	8.4%	
	Amounts below the thresholds for deduction (before risk weighting)			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	112	114	
	Applicable caps on the inclusion of provisions in Tier 2			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	86	82	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	94	93	

(1) Shows cross reference to the balance sheet under regulatory scope of consolidation in Table UK CC2.

(2) Represents the CET1 ratio after deducting Pillar 1 and 2A requirements.

Appendix 1: Disclosures for CB Group consolidated

Table 42: UK CC2 - Reconciliation of regulatory own funds to balance sheet in the financial statements

As at 31 March 2024		A	B	Ref:
		Balance sheet as in published financial statements £m	Under regulatory scope of consolidation ⁽¹⁾ £m	
Assets				
1	<i>Financial instruments at amortised cost</i>			
2	Loans and advances to customers	72,344	72,339	
3	Cash and balances with central banks	12,930	12,930	
4	Due from other banks	592	595	
5	<i>At FVOCI</i>	5,764	5,764	
6	<i>At FVTPL</i>			
7	Loans and advances to customers	57	57	
8	Derivatives	44	44	
9	Other	1	1	
10	Due from related entities	1	1	
11	Intangible assets and goodwill	150	150	a
12	Deferred tax	354	354	
13	<i>of which: tax losses carried forward</i>	339	337	b
14	Defined benefit pensions assets	442	442	c
15	Other assets	443	439	
16	Total assets	93,122	93,116	
Liabilities				
17	<i>Financial instruments at amortised cost</i>			
18	Customer deposits	68,663	68,658	
19	Debt securities in issue	5,943	5,943	
20	<i>of which: Tier 2 instruments</i>	773	773	d
21	Due to other banks	6,234	6,234	
22	<i>At FVTPL</i>			
23	Derivatives	210	210	
24	Due to related entities	4,145	4,145	
25	Deferred tax	111	111	
26	<i>of which: defined pension benefit scheme surplus</i>	111	111	e
27	Provision for liabilities and charges	61	61	
28	Other liabilities	2,100	2,121	
29	Total liabilities	87,467	87,483	

Appendix 1: Disclosures for CB Group consolidated

Table 42: UK CC2 - Reconciliation of regulatory own funds to balance sheet in the financial statements (continued)

	A	B	
	Balance sheet as in published financial statements	Under regulatory scope of consolidation ⁽¹⁾	Ref:
	£m	£m	
Shareholders' Equity			
30 Share capital and share premium	2,792	2,792	f
31 <i>of which: ordinary share capital</i>	1,243	1,243	g
32 <i>of which: share premium</i>	1,549	1,549	h
33 Other equity instruments	835	835	i
34 Other reserves	245	245	j
35 <i>of which: cash flow hedge reserve</i>	250	250	k
36 <i>of which: other</i>	(5)	(5)	
37 Retained earnings	1,783	1,761	
38 <i>of which: prior period retained earnings</i>	1,800	1,796	l
39 <i>of which: profits accrued in the year to date</i>	235	235	m
40 <i>of which: dividends paid</i>	(26)	(26)	n
41 <i>of which: intercompany dividend</i>	(151)	(151)	o
43 <i>of which: AT1 coupons accrued for regulatory purposes in FY23</i>	(12)	(12)	p
44 <i>of which: FY24 AT1 coupons</i>	(14)	(32)	q
45 <i>of which: other movements in retained earnings</i>	(49)	(49)	r
46 Total shareholders' equity	5,655	5,633	

(1) Balance sheet after accruing for foreseeable AT1 coupons.

Appendix 1: Disclosures for CB Group consolidated

Table 43: UK LR1 - LRSum – Summary reconciliation of accounting assets and leverage ratio exposures

	31 Mar 2024	30 Sept 2023
	£m	£m
1 Total assets as per published financial statements	93,122	91,884
4 (Adjustment for exemption of exposures to central banks)	(10,968)	(9,052)
8 Adjustment for derivative financial instruments	676	706
9 Adjustment for SFTs	1,870	2,261
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,962	2,999
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(6)	(5)
12 Other adjustments	(1,933)	(2,248)
13 Total exposure measure	85,723	86,545

Appendix 1: Disclosures for CB Group consolidated

Table 44: UK LR2 - LRCom – Leverage ratio common disclosure

	31 Mar 2024 £m	30 Sept 2023 £m
<i>On-balance sheet exposures (excluding derivatives and SFTs)</i>		
1	92,533	91,144
3	(257)	(281)
6	(1,137)	(1,367)
7	91,139	89,496
<i>Derivative exposures</i>		
8	314	370
9	406	471
13	720	841
<i>SFT exposures</i>		
16	1,870	2,261
18	1,870	2,261
<i>Other off-balance sheet exposures</i>		
19	17,786	17,980
20	(14,824)	(14,981)
22	2,962	2,999
<i>Capital and total exposure measure</i>		
23	4,496	4,279
24	96,691	95,597
UK-24a	(10,968)	(9,052)
UK-24b	85,723	86,545
<i>Leverage ratio</i>		
25	5.2%	4.9%
UK-25a	5.2%	4.9%
UK-25b	5.2%	4.9%
UK-25c	4.6%	4.5%
26	3.25%	3.25%
<i>Additional leverage ratio disclosure requirements - leverage ratio buffers</i>		
27	0.7%	0.7%
UK-27a	0.0%	0.0%
UK-27b	0.7%	0.7%
<i>Additional leverage ratio disclosure requirements – disclosure of mean values</i>		
UK-31	95,388	96,178
UK-32	86,216	86,202
UK-33	4.6%	4.4%
UK-34	5.1%	4.9%

Appendix 1: Disclosures for CB Group consolidated

Table 45: UK LR3 - LRSpl – Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		Leverage ratio exposures	
		31 Mar 2024	30 Sept 2023
		£m	£m
	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	81,307	81,811
UK-1	Banking book exposures, of which:	81,307	81,811
UK-3	Banking book exposures, of which:	81,307	81,811
UK-4	<i>Covered bonds</i>	1,315	1,335
UK-5	<i>Exposures treated as sovereigns</i>	5,539	6,596
UK-6	<i>Exposures to regional governments, Multilateral Development Bank, international organisations and public sector entities not treated as sovereigns</i>	352	109
UK-7	<i>Institutions</i>	1,028	927
UK-8	<i>Secured by mortgages of immovable properties</i>	59,861	60,546
UK-9	<i>Retail exposures</i>	6,471	6,268
UK-10	<i>Corporates</i>	5,510	4,918
UK-11	<i>Exposures in default</i>	586	704
UK-12	<i>Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)</i>	645	408

Appendix 2: Glossary

Term	Definition
Advanced Internal-Ratings Based (AIRB) approach	CRD IV approach for measuring exposure to retail credit risks. The method of calculating credit risk capital requirements uses internal PD, LGD and Exposures at Default models. AIRB approaches may only be used with PRA permission.
Additional Tier 1 capital (AT1)	AT1 capital instruments are non-cumulative perpetual securities that contain a specific provision to write down the security or convert it to equity, should the CET1 ratio fall below a specified trigger limit.
Basel II	The capital adequacy framework issued by the BCBS in June 2004.
Basel III	Reforms issued by the BCBS in December 2017 with subsequent revisions.
Capital buffers	<p><u>Capital conservation buffer</u> – A buffer set for all banks that can be used to absorb losses while avoiding breaching minimum requirements. It is designed to ensure that banks build up capital outside periods of stress which can be drawn down as losses are incurred.</p> <p><u>Systemic risk buffer</u> – A buffer set for ring-fenced banks and large building societies to reduce their probability of failure or distress. It is commensurate with the greater cost that their failure or distress would have for the UK economy. Firms with total assets less than £175bn are subject to a 0% SRB.</p> <p><u>Countercyclical capital buffer</u> – A capital buffer to ensure eligible firms have a sufficient capital base to absorb losses in stressed periods. The CCyB aims to ensure that banking sector capital requirements take account of the macroeconomic financial environment in which banks operate. It enables the Bank of England's Financial Policy Committee to adjust the resilience of the banking system to the changing scale of risk the system faces over time.</p> <p><u>PRA buffer</u> – A buffer set using supervisory judgement informed by the impact of stress scenarios on a firm's capital requirements and resources and taking account, where appropriate, of other factors including leverage, systemic importance and weaknesses in firms' risk management and governance. This is set on a firm-specific basis. Firms are not permitted to disclose if a PRA buffer has been applied.</p>
Capital conservation buffer (CCB)	Refer to 'Capital buffers'.
Central Counterparties (CCP)	CCPs place themselves between the buyer and seller of an original trade, leading to a less complex web of exposures. CCPs effectively guarantee the obligations under the contract agreed between the two counterparties, both of which would be participants of the CCP.
CB Group Consolidated (CB Group)	Prudential sub-consolidation group of Clydesdale Bank PLC.
Collateral	The assets of a borrower that are used as security against a loan facility.
Common Equity Tier 1 (CET1) capital	The highest quality form of regulatory capital that comprises total shareholders' equity and related non-controlling interests, less goodwill and intangible assets and certain other regulatory adjustments.
Common Equity Tier 1 (CET1) ratio	CET1 capital divided by RWA at a given date.
Countercyclical capital buffer (CCyB)	Refer to 'Capital buffers'.
Counterparty credit risk (CCR)	Counterparty credit risk is the risk that a counterparty to a transaction may default before the final settlement of the transaction's cash flows. This risk concerns financial instruments, including derivatives and repurchase agreements.
Covered bonds	A corporate bond with primary recourse to the institution and secondary recourse to a pool of assets that act as security for the bonds on issuer default. Covered bonds remain on the issuer's balance sheet and are a source of term funding for the Group.
Credit conversion factor (CCF)	Credit conversion factors are used in determining the exposure at default in relation to a credit risk exposure. The CCF is an estimate of the proportion of undrawn and off-balance sheet commitments expected to be drawn down at the point of default.
Credit risk adjustment/credit valuation adjustment	An adjustment to the valuation of financial instruments held at fair value to reflect the creditworthiness of the counterparty.
Credit risk mitigation (CRM)	Techniques to reduce the potential loss in the event that a customer (borrower or counterparty) becomes unable to meet its obligations. This may include the taking of financial or physical security, the assignment of receivables or the use of credit derivatives, guarantees, credit insurance, set-off or netting.

Appendix 2: Glossary

Term	Definition
Credit Valuation Adjustment (CVA)	These are adjustments to the valuation of financial instruments held at fair value to reflect the credit worthiness of the counterparty
Default	A customer is in default when either they are more than 90 days past due on a credit obligation to the Group or are considered unlikely to pay their credit obligations in full without recourse to actions such as realisation of security (if held).
Derivative	A financial instrument that is a contract or agreement whose value is related to the value of an underlying instrument, reference rate or index.
Expected Loss (EL)	Regulatory expected loss represents the anticipated loss, in the event of default, on a credit risk exposure modelled under the AIRB approach. Expected loss is determined by multiplying the associated PD, LGD and Exposures at Default.
Exposure	A claim, contingent claim or position which carries a risk of financial loss.
External Credit Assessment Institutions	Includes external credit rating agencies such as Moody's, Fitch, and S&P.
Economic Value of Equity (EVE)	A long-term economic measure/indicator of net cash flow, which is calculated by subtracting the present value of liabilities from the present value of assets.
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.
Foundation Internal-Ratings Based (FIRB)	A method of calculating credit risk capital requirements using internal PD models but with regulators' supervisory estimates of LGD and conversion factors for the calculation of EAD.
Financial Policy Committee (FPC)	A committee established by the Bank of England to identify, monitor and take action to remove or reduce systemic risks and protect or enhance the resilience of the UK financial system.
Forbearance	The term generally applied to the facilities provided or changes to facilities provided to assist borrowers, who are experiencing, or are about to experience, a period of financial stress.
Group	Virgin Money UK PLC and its controlled entities.
Global-Systemically Important Banks (G-SII)	Global financial institutions whose size, complexity and systemic interconnectedness, mean that their distress or failure would cause significant disruption to the wider financial system and economic activity.
High-Quality Liquid Assets (HQLA)	Assets are considered to be HQLA if they can be easily and immediately converted into cash at little or no loss of value.
IFRS 9	The financial instrument accounting standard which was adopted by the Group with effect from 1 October 2018.
IFRS 9 Stage 1	A loan that is not credit-impaired on initial recognition and has not experienced a significant increase in credit risk.
IFRS 9 Stage 2	If a significant increase in credit risk has occurred since initial recognition, the loan is moved to stage 2, but is not yet deemed to be credit-impaired.
IFRS 9 Stage 3	If the loan is credit-impaired it is moved to stage 3. All loans are classified as credit-impaired where they have expired terms or where fraud or some other operational risk loss or event has occurred.
Internal ratings-based approach (IRB)	A method of calculating credit risk capital requirements using internal, rather than supervisory, estimates of risk parameters.
Liquidity Coverage Ratio (LCR)	The proportion of highly liquid assets held by financial institutions, to ensure their ongoing ability to meet short-term obligations. Calculated by dividing HQLA's by total net cash flows.
Leverage ratio	This is a regulatory standard ratio proposed by Basel III as a supplementary measure to the risk-based capital requirements. It is intended to constrain the build-up of excess leverage in the banking sector and is calculated by dividing Tier 1 capital resources by a defined measure of on and off-balance sheet items plus derivatives.
Liquidity risk	Liquidity risk is the risk that the Group is unable to meet its current and future financial obligations as they fall due at acceptable cost.

Appendix 2: Glossary

Term	Definition
Long-run average Probability of Default (PD)	An estimate of the likelihood of a borrower defaulting on their credit obligations over a forward-looking 12-month period, with the estimates based on default experience across a full economic cycle rather than current economic conditions.
Loss given default (LGD)	The estimate of the loss that the Group will suffer if the customer defaults (incorporating the effect of any collateral held).
Minimum requirement for own funds and eligible liabilities (MREL)	MREL is a minimum requirement for institutions to maintain equity and eligible debt liabilities, to help ensure that when an institution fails, the resolution authority can use these financial resources to absorb losses and recapitalise the continuing business. The BoE set out its approach to setting banks' MREL in November 2016.
Net interest income (NI)	The amount of interest received or receivable on assets, net of interest paid or payable on liabilities.
Net Stable Funding Ratio (NSFR)	A liquidity standard requiring banks to hold enough stable funding to cover the duration of their long-term assets.
Other systemically important institutions (O-SII)	Other systemically important institutions are institutions that are deemed to create risk to financial stability due to their systemic importance.
Pillar 1	The quantitative elements of the Basel III framework including the minimum regulatory capital requirements for credit, operational and market risks.
Pillar 2	The qualitative expectations of the Basel III framework to be met through the supervisory review process. This includes the ICAAP, governance process and the supervisory review and evaluation process.
Pillar 3	The final pillar of the Basel III framework which aims to encourage market discipline by improving the information made available to the market. This pillar sets out disclosure requirements for banks on their capital, risk exposures and risk assessment processes.
Probability of default (PD)	The probability that a customer will default over either the next 12 months or lifetime of the account.
Prudential Regulation Authority (PRA)	Entity of the BoE responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms.
PRA buffer	Refer to 'Capital buffers'.
Qualifying Central Counterparties (QCCP's)	An entity which is licensed to operate as a CCP.
Regulatory capital	The capital which banks hold, determined in accordance with rules established by the relevant regulatory bodies.
Required Stable Funding (RSF)	An input to the calculation of NSFR. It is the amount of available stable funding required to match with assets that would have to be funded, either because they will be rolled over, or because they could not be monetised rapidly without a significant change in value.
Risk-weighted exposure amount (RWA)	On and off-balance sheet assets of the Group are allocated a risk-weighting based on the amount of capital required to support the asset.
Securities financing transaction (SFT)	Repurchase transactions, securities or commodities lending or borrowing transactions or other capital market-driven transactions.
Securitisation	The practice of pooling similar types of contractual debt and packaging the cash flows from the financial asset into securities that can be sold to institutional investors in debt capital markets. It provides the Group with a source of secured funding that can achieve a reduction in funding costs by offering typically 'AAA' rated securities secured by the underlying financial asset.
Standardised approach (SA)	In relation to credit risk, a method for calculating credit risk capital requirements using ECAI ratings and supervisory risk weights. In relation to operational risk, a method of calculating the operational capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.
Systemic risk buffer (SRB)	Refer to 'Capital buffers'.

Appendix 2: Glossary

Term	Definition
Supervisory Review and Evaluation Process (SREP)	Supervisors assess the risks banks face and check that banks are equipped to manage those risks properly. It allows banks' risk profiles to be assessed consistently and decisions about necessary supervisory measures to be taken.
Tier 1 capital	A measure of a bank's financial strength defined by CRD IV. It captures Common Equity Tier 1 capital plus other Tier 1 securities in issue, subject to deductions.
Tier 1 capital ratio	Tier 1 capital as a percentage of risk-weighted assets.
Tier 2 capital	A component of regulatory capital, including qualifying subordinated debt, eligible collective impairment provisions and other Tier 2 securities as defined by CRD IV.
Value at Risk (VaR)	A measure of the loss that could occur on risk positions as a result of adverse movements in market risk factors (e.g. rates, prices, volatilities) over a specified time horizon and to a given level of confidence.

Appendix 3: Abbreviations

AIRB	Advanced Internal-Ratings Based	IRB	Internal ratings-based
AT1	Additional Tier 1	LCR	Liquidity Coverage Ratio
BoE	Bank of England	LGD	Loss Given Default
CCF	Credit Conversion Factor	MREL	Minimum Requirements for own funds and Eligible Liabilities
CCR	Counterparty Credit Risk	NII	Net interest income
CCLB	Countercyclical Leverage Ratio Buffer	NSFR	Net Stable Funding Ratio
CCP	Central Counterparty	O-SII	Other Systemically Important Institutions
CCyB	Countercyclical Capital Buffer	PD	Probability of Default
CET1	Common Equity Tier 1	PRA	Prudential Regulation Authority
CRD	Capital Requirements Directive	QCCPs	Qualifying Central Counterparties
CRM	Credit risk mitigation	RSF	Required Stable Funding
CRR	Capital Requirements Regulation	RWA	Risk-Weighted Assets
CVA	Credit Valuation Adjustment	RWEA	Risk-Weighted Exposure Amount
ECL	Expected Credit Losses	SA	Standardised Approach
EU	European Union	SFT	Securities Financing Transaction
EVE	Economic Value of Equity	SME	Small and Medium-Sized Enterprises
FIRB	Foundation Internal-Ratings Based	SREP	Supervisory Review and Evaluation Process
FPC	Financial Policy Committee	T1	Tier 1
G-SII	Global Systemically Important Institutions	T2	Tier 2
HQLA	High-Quality Liquid Assets	VaR	Value at Risk
IFRS	International Financial Reporting Standards		

Additional information

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⁾

Geeta Gopalan^{(2) (3)}

Elena Novokreshchenova⁽²⁾

Darren Pope⁽²⁾

Non-Executive Director

Sara Weller⁽⁴⁾

Executive Directors

David Duffy

Clifford Abrahams

Group Company Secretary

Lorna McMillan

(1) Member of the Remuneration Committee and 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) Geeta Gopalan will step down from the Board on 30 June 2024.

(4) Member of the Governance and Nomination Committee.

Head Office:

177 Bothwell Street,
Glasgow, G2 7ER

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](https://www.virginmoneyukplc.com)

Virgin Money UK PLC

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

**ARBN 609 948 281
(Australia)**