

VIRGIN MONEY UK

Interim Pillar 3 Disclosures

September 2024



Q4 2024 Pillar 3 report

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Introduction

FORWARD-LOOKING STATEMENTS

This report and any other written or oral material discussed or distributed in connection with the Pillar 3 disclosures (the "Information") has been produced to meet the regulatory requirements of Virgin Money UK PLC ('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, 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, 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.

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Certain figures contained in this document, including financial information, 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 document may not conform exactly to the total figure given.

BASIS OF PRESENTATION

Virgin Money UK PLC ('Virgin Money', 'VMUK' or 'the Company'), together with its subsidiary undertakings (which together comprise the 'Group'), operate under the Clydesdale Bank, Yorkshire Bank and Virgin Money brands. Following the acquisition of the Group by Nationwide Building Society (Nationwide), the financial year end of the Company was changed from 30 September to 31 March in order to align financial year ends. On 11 November 2024, the PRA granted a modification of Rule 433a(1) which provides that the next annual Pillar 3 disclosures shall be for the 18-month period ending 31 March 2025.

This report presents the consolidated interim Pillar 3 disclosures of the Group as at 30 September 2024 and should be read in conjunction with the Virgin Money UK PLC September 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.

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 30 September 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	
	30 Sept 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023	
	£m	£m	£m	£m	£m	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	3,629	3,639	3,731	3,522	3,711
2	Tier 1 capital	4,322	4,332	4,566	4,357	4,305
3	Total capital	5,095	5,105	5,339	5,130	5,327
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	26,594	26,218	25,581	25,458	25,176
Capital ratios (as a percentage of risk-weighted exposure amount) (%)						
5	Common Equity Tier 1 ratio	13.6%	13.9%	14.6%	13.8%	14.7%
6	Tier 1 ratio	16.3%	16.5%	17.8%	17.1%	17.1%
7	Total capital ratio	19.2%	19.5%	20.9%	20.2%	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%	1.9%	1.9%	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%	0.9%	0.9%	0.7%
UK-7d	Total SREP own funds requirements	11.4%	11.4%	11.4%	11.4%	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%	2.0%	2.0%
UK-10a	Other Systemically Important Institution buffer ⁽¹⁾	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement	4.5%	4.5%	4.5%	4.5%	4.5%
UK-11a	Overall capital requirements	15.9%	15.9%	15.9%	15.9%	15.5%
12	CET1 available after meeting the total SREP own funds requirements	7.2%	7.5%	8.2%	7.4%	8.5%
Leverage ratio⁽²⁾						
13	Total exposure measure excluding claims on central banks	84,084	85,134	85,720	86,624	86,554
14	Leverage ratio excluding claims on central banks (%)	5.1%	5.1%	5.3%	5.0%	5.0%
Additional leverage ratio disclosure requirements (%)						
UK-14a	Fully loaded Expected Credit Loss (ECL) accounting model leverage ratio excluding claims on central banks	5.1%	5.0%	5.3%	4.9%	4.9%
UK-14b	Leverage ratio including claims on central banks	4.7%	4.5%	4.7%	4.6%	4.5%
UK-14c	Average leverage ratio excluding claims on central banks	5.1%	4.9%	5.1%	4.9%	4.9%
UK-14d	Average leverage ratio including claims on central banks	4.6%	4.4%	4.6%	4.4%	4.4%
UK-14e	Countercyclical leverage ratio buffer	0.7%	0.7%	0.7%	0.7%	0.7%

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

Table 1: UK KM1 - Key metrics (continued)

	A	B	C	D	E	
	30 Sept 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023	
	£m	£m	£m	£m	£m	
Liquidity Coverage Ratio⁽³⁾						
15	Total high-quality liquid assets (HQLA) (Weighted value average)	14,676	14,583	14,135	13,988	13,798
UK-16a	Cash outflows - Total weighted value	9,861	9,924	9,957	9,887	9,933
UK-16b	Cash inflows - Total weighted value	494	531	570	540	509
16	Total net cash outflows (adjusted value)	9,368	9,392	9,387	9,347	9,424
17	Liquidity coverage ratio (%)	157%	155%	151%	150%	146%
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	78,658	79,040	79,175	78,895	79,218
19	Total required stable funding	57,071	57,842	58,385	58,317	58,346
20	NSFR ratio (%)	138%	137%	136%	135%	136%

(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 July 2024 to 30 September 2024 amounted to £84,863m.

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

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	
	30 Sept 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023	
	£m	£m	£m	£m	£m	
1	Total capital resources ⁽¹⁾	5,095	5,105	5,339	5,130	5,327
2	Eligible senior unsecured securities issued by Virgin Money UK PLC	2,579	2,598	3,333	2,708	2,707
3	Total MREL resources	7,674	7,703	8,672	7,838	8,034
4	Total risk weighted assets	26,594	26,218	25,581	25,458	25,176
5	Total MREL resources available as a percentage of total risk weighted assets (%)	28.9%	29.4%	33.9%	30.8%	31.9%
6	UK leverage exposure measure	84,084	85,134	85,720	86,624	86,554
7	Total MREL resources available as a percentage of UK leverage exposure measure (%)	9.1%	9.0%	10.1%	9.0%	9.3%

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

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	
	30 Sept 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023	
	£m	£m	£m	£m	£m	
Available capital (£m)						
1	Common Equity Tier 1 (CET1) capital	3,629	3,639	3,731	3,522	3,711
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	3,593	3,602	3,693	3,439	3,599
3	Tier 1 capital	4,322	4,332	4,566	4,357	4,305
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,286	4,295	4,528	4,274	4,193
5	Total capital	5,095	5,105	5,339	5,130	5,327
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,059	5,068	5,301	5,047	5,215
Risk-weighted assets (£m)						
7	Total risk-weighted assets	26,594	26,218	25,581	25,458	25,176
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	26,565	26,189	25,551	25,393	25,087
Capital ratios (%)						
9	CET1 (as a percentage of risk exposure amount)	13.6%	13.9%	14.6%	13.8%	14.7%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.5%	13.8%	14.5%	13.5%	14.3%
11	Tier 1 (as a percentage of risk exposure amount)	16.3%	16.5%	17.8%	17.1%	17.1%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.1%	16.4%	17.7%	16.8%	16.7%
13	Total capital (as a percentage of risk exposure amount)	19.2%	19.5%	20.9%	20.2%	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	19.0%	19.4%	20.7%	19.9%	20.8%
Leverage ratio						
15	Leverage ratio total exposure measure (£m)	84,084	85,134	85,720	86,624	86,554
16	Leverage ratio (%)	5.1%	5.1%	5.3%	5.0%	5.0%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	5.1%	5.0%	5.3%	4.9%	4.9%

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 30 September 2024, £36m 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)		30 Sept 2023 £m	Total own funds requirements 30 Sept 2024 £m
		30 Sept 2024 £m			
1	Credit risk (excluding CCR)	23,512	21,919		1,881
2	<i>of which: the standardised approach</i>	6,842	6,443		548
3	<i>of which: the foundation IRB (FIRB) approach</i>	7,468	5,994		597
4	<i>of which: slotting approach</i>	518	410		41
5	<i>of which: the advanced IRB (AIRB) approach</i>	8,684	9,072		695
6	Counterparty credit risk - CCR	249	424		20
7	<i>of which: the standardised approach</i>	134	141		11
UK-8a	<i>of which: exposures to a Central Counterparty (CCP)</i>	5	5		0
UK-8b	<i>of which: credit valuation adjustment - CVA</i>	110	278		9
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)	266	296		21
29	Total	26,594	25,176		2,128

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

RWAs increased by £1.4bn (6%) to £26.6bn, primarily due to increased lending in the retail unsecured and business portfolios offset by reduced lending within the mortgage portfolio. The increase also reflects a management adjustment in relation to business lending updates and associated changes to the SME support factor being applied.

Annex VII: Own Funds

Table 5: UK CC1 - Composition of regulatory own funds

	30 Sept 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	1,340	1,370	j+k+l+n+u+v
UK-5a	64	117	p+r+t+w
6	4,555	4,972	
CET1 capital: regulatory adjustments			
7	(5)	(5)	
8	(152)	(173)	a
10	(178)	(261)	b
11	(175)	(496)	l
12	(125)	(103)	
15	(322)	(333)	c – e
16	(5)	(2)	m
UK-27a	36	112	
28	(926)	(1,261)	
29	3,629	3,711	
Additional Tier 1 (AT1) capital: instruments			
30	693	594	
31	693	594	i
44	693	594	
45	4,322	4,305	
Tier 2 (T2) capital: instruments			
46	773	1,022	d
58	773	1,022	
59	5,095	5,327	
60	26,594	25,176	
Capital ratios and buffers			
61	13.6%	14.7%	
62	16.3%	17.1%	
63	19.2%	21.2%	
64	10.9%	10.7%	

Annex VII: Own Funds

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

		30 Sept 2024 £m	30 Sept 2023 £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⁾	7.2%	8.5%	
	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)	106	118	
	Applicable caps on the inclusion of provisions in Tier 2			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	87	82	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	100	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 reduced by £82m during the period, with the CET1 ratio (IFRS 9 transitional basis) falling 1.1% to 13.6% (FY23: 14.7%), of which 0.77% of the reduction was driven by the increase in RWAs.

The Group reported a profit after tax of £378m, which together with reductions in intangibles (including goodwill), pension, and deferred tax asset deductions of £115m, and after absorbing other movements in reserves, along with an increase in excess expected losses and tapering of IFRS9 transitional relief, led to a net increase in CET1 of £291m. Capital generated was utilised to fund AT1 distributions of £66m, dividends of £26m and £63m share buyback, before the programme was formally cancelled on 2 April due to the acquisition of the Group by Nationwide. The TMLA fee, payable following completion of the Nationwide acquisition, has been recognised within capital as a foreseeable charge on an after-tax basis, absorbing a further £218m.

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

The total capital ratio reduced to 19.2% (FY23: 21.2%) and the Group's transitional MREL ratio at 30 September 2024 was 28.9% of RWAs (FY23: 31.9%) or 9.1% when expressed as a percentage of Leverage exposures (FY23: 9.3%).

The Group's MREL position as at 30 September 2024 represents prudent headroom of £0.4bn or 1.6% above the binding loss-absorbing capacity (LAC) requirement of 27.3% of RWAs as at 30 September 2024, or 0.5% above the binding LAC requirement of 8.6% as at 30 September 2024 when expressed as a percentage of Leverage exposures.

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 30 September 2024, with references to show linkages to UK CC1.

As at 30 September 2024		A	B	Ref:
		Balance sheet as in published financial statements £m	Under regulatory scope of consolidation ⁽¹⁾ £m	
Assets				
1	Financial instruments at amortised cost			
2	Loans and advances to customers	71,226	71,218	
3	Cash and balances with central banks	10,695	10,695	
4	Due from other banks	518	518	
5	At FVOCI	6,087	6,087	
6	At FVTPL			
7	Loans and advances to customers	52	52	
8	Derivatives	44	44	
9	Other	2	2	
10	Intangible assets and goodwill	152	152	a
11	Deferred tax	218	218	
12	of which: tax losses carried forward	179	178	b
13	Defined benefit pensions assets	429	429	c
14	Other assets	360	360	
15	Total assets	89,783	89,775	
Liabilities				
16	Financial instruments at amortised cost			
17	Customer deposits	69,816	69,810	
18	Debt securities in issue	9,155	9,155	
19	of which: Tier 2 instruments	774	773	d
20	Due to other banks	3,002	3,002	
21	At FVTPL			
22	Derivatives	191	191	
23	Deferred tax	107	107	
24	of which: defined pension benefit scheme surplus	107	107	e
25	Provision for liabilities and charges	38	38	
26	Other liabilities	1,993	2,229	
27	Total liabilities	84,302	84,532	

		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	of which: ordinary share capital	130	130	g
30	of which: share premium	10	10	h
31	Other equity instruments	693	693	i
32	Capital reorganisation reserve	(839)	(839)	j
33	Merger reserve	2,128	2,128	k
34	Other reserves	176	176	
35	of which: cash flow hedge reserve	175	175	l
36	of which: own shares held	(5)	(5)	m
37	of which: other	6	6	n
38	Retained earnings	3,183	2,945	
39	of which: prior period retained earnings	3,053	3,049	o
40	of which: profits accrued in the year to date	378	377	p
41	of which: dividends accrued for regulatory purposes in prior year	(26)	(26)	q
42	of which: current year dividends paid	(26)	(26)	r
43	of which: AT1 coupons accrued for regulatory purposes in prior year	(12)	(12)	s
44	of which: current year AT1 coupons	(54)	(69)	t
45	of which: share buyback recognised for regulatory purposes in current year	(63)	(63)	u
46	of which: other movements in retained earnings	(67)	(67)	v
47	of which: TMLA fee ⁽²⁾	-	(218)	w
48	Total shareholders' equity	5,481	5,243	

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

(2) Details on the TMLA fee can be found in note 5.6 of the interim financial statements within the Virgin Money UK PLC September 2024 Interim Financial Report and is treated as a 'foreseeable charge' for capital purposes.

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 30 Sept 2024	£m	£m	£m	£m	£m	£m	%	%
Breakdown by country:								
UK	9,481	69,379	78,860	1,867	1,867	23,332	100%	2%
Total	9,481	69,379	78,860	1,867	1,867	23,332	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

	30 Sept 2024	30 Sept 2023
1 Total risk exposure amount (£m)	26,594	25,176
2 Institution specific countercyclical capital buffer rate (%)	2%	2%
3 Institution specific countercyclical capital buffer requirement	532	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	
	30 Sept 2024	30 Sept 2023	
	£m	£m	
1	Total assets as per published financial statements	89,783	91,786
4	(Adjustment for exemption of exposures to central banks)	(8,818)	(9,052)
8	Adjustment for derivative financial instruments	585	706
9	Adjustment for securities financing transactions (SFTs)	974	2,261
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,978	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	(1,412)	(2,141)
13	Total exposure measure	84,084	86,554

Annex XI: Leverage ratio

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

		Leverage ratio exposures	
		A	B
		30 Sept 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)	89,445	91,047
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(197)	(281)
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(927)	(1,261)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	88,321	89,505
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	245	370
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	384	471
13	Total derivatives exposures	629	841
SFT exposures			
16	Counterparty credit risk exposure for SFT assets	974	2,261
18	Total securities financing transaction exposures	974	2,261
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	17,680	17,980
20	(Adjustments for conversion to credit equivalent amounts)	(14,702)	(14,981)
22	Off-balance sheet exposures	2,978	2,999
Capital and total exposure measure			
23	Tier 1 capital (leverage)	4,322	4,305
24	Total exposure measure including claims on central banks	92,902	95,606
UK-24a	(-) Claims on central banks excluded	(8,818)	(9,052)
UK-24b	Total exposure measure excluding claims on central banks	84,084	86,554
Leverage ratio (%)			
25	Leverage ratio excluding claims on central banks	5.1%	5.0%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks	5.1%	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	5.1%	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	94,556	95,885
UK-32	Average total exposure measure excluding claims on central banks	84,863	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
		30 Sept 2023 £m	30 Sept 2023 £m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	80,430	81,714
UK-2	Trading book exposures		-
UK-3	Banking book exposures, of which:	80,430	81,714
UK-4	<i>Covered bonds</i>	1,035	1,335
UK-5	<i>Exposures treated as sovereigns</i>	5,899	6,596
UK-6	<i>Exposures to regional governments, Multilateral Development Bank, international organisations and public sector entities not treated as sovereigns</i>	416	109
UK-7	<i>Institutions</i>	1,049	933
UK-8	<i>Secured by mortgages of immovable properties</i>	58,548	60,546
UK-9	<i>Retail exposures</i>	6,700	6,268
UK-10	<i>Corporates</i>	5,452	4,918
UK-11	<i>Exposures in default</i>	714	704
UK-12	<i>Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)</i>	617	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 5.1% (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	30 Sept 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sept 2024	30 Jun 2024	31 Mar 2024	31 Dec 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					14,676	14,583	14,135	13,988
Cash - Outflows									
2	Retail deposits and deposits from small business customers, of which:	58,507	57,855	57,299	56,983	3,665	3,645	3,617	3,592
3	<i>Stable deposits</i>	40,183	39,005	38,075	37,691	2,009	1,950	1,904	1,885
4	<i>Less stable deposits</i>	12,759	13,090	13,272	13,426	1,629	1,670	1,689	1,679
5	Unsecured wholesale funding, of which:	7,178	7,240	7,271	7,409	3,574	3,631	3,640	3,659
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	771	858	970	1,064	191	213	240	264
7	<i>Non-operational deposits (all counterparties)</i>	6,295	6,270	6,250	6,345	3,271	3,306	3,349	3,395
8	<i>Unsecured debt</i>	112	112	51	-	112	112	51	-
9	<i>Secured wholesale funding</i>					88	46	46	-
10	Additional requirements, of which:	4,564	4,624	4,723	4,777	1,701	1,720	1,721	1,712
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,298	1,319	1,324	1,323	1,298	1,319	1,324	1,323
13	<i>Credit and liquidity facilities</i>	3,266	3,305	3,399	3,454	403	401	397	389
14	Other contractual funding obligations	82	80	76	83	5	4	2	9
15	Other contingent funding obligations	14,781	14,919	15,033	15,006	828	878	931	915
16	Total cash outflows					9,861	9,924	9,957	9,887
Cash - Inflows									
17	Secured lending (e.g. reverse repos)	25	25	25	25	25	25	25	25
18	Inflows from fully performing exposures	627	670	853	1,026	468	506	506	476
19	Other cash inflows	-	-	39	39	-	-	39	39
20	Total cash inflows	653	695	917	1,090	494	531	570	540
UK-20c	<i>Inflows subject to 75% cap</i>	653	695	917	1,090	494	531	570	540
Total adjusted value									
UK-21	Liquidity buffer					14,676	14,583	14,135	13,988
22	Total net cash outflows					9,368	9,392	9,387	9,347
23	Liquidity coverage ratio (%)					157%	155%	151%	150%

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 157% up to 30 September 2024, increased from 155% up to 30 June 2024.

(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 supnationals 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. Foreign currency risk is managed to approved limits and policy requirements, and 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 30 Sept 2024						
Available stable funding (ASF) Items						
1	Capital items and instruments	5,262	71	-	773	6,035
2	Own funds	5,262	71	-	773	6,035
3	Other capital instruments		-	-	-	-
4	Retail deposits		56,579	1,577	566	55,112
5	Stable deposits		43,054	1,049	357	42,255
6	Less stable deposits		13,525	528	209	12,857
7	Wholesale funding:		11,351	681	12,600	16,319
8	Operational deposits		758	-	-	379
9	Other wholesale funding		10,593	681	12,600	15,940
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	1,757	-	1,191	1,191
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and capital instruments not included in the above categories		1,758	-	1,191	1,191
14	Total available stable funding (ASF)					78,658
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					1,457
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:		7,531	1,458	63,328	52,734
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		27	4	860	865
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		6,758	719	7,398	9,997
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		34	43	390	336
22	Performing residential mortgages, of which:		745	736	55,070	41,872
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		672	661	54,167	41,029
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 30 Sept 2024						
26	Other assets:					
27	Physical traded commodities		3,080	55	1,644	1,963
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
29	NSFR derivative assets		34	-	-	34
30	NSFR derivative liabilities before deduction of variation margin posted		309	-	-	15
31	All other assets not included in the above categories		2,737	55	1,644	1,913
32	Off-balance sheet items		17,996	-	-	918
33	Total RSF					57,071
34	Net Stable Funding Ratio (%)					138%

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 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	
		Of which: Stage 1	Of which: Stage 2		Of which: Stage 2	Of which: Stage 3	Of which: Stage 1	Of which: Stage 2		Of which: Stage 2	Of which: Stage 3					
As at 30 September 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	10,033	10,033	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	70,922	65,817	5,053	1,290	110	1,118	(414)	(110)	(304)	(184)	(8)	(178)	(20)	59,528	734
020	<i>Central banks</i>	10	10	-	-	-	-	-	-	-	-	-	-	-	-	-
030	<i>General governments</i>	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	<i>Credit institutions</i>	157	157	-	-	-	-	-	-	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	301	180	121	8	-	6	(11)	(1)	(10)	(3)	-	(3)	-	20	-
060	<i>Non-financial corporations</i>	8,261	6,798	1,446	453	2	432	(56)	(22)	(34)	(76)	-	(76)	(18)	4,648	97
070	<i>of which: SMEs</i>	4,181	3,280	884	177	-	164	(16)	(5)	(11)	(42)	-	(42)	-	2,937	74
080	<i>Households</i>	62,183	58,672	3,486	829	108	680	(347)	(87)	(260)	(105)	(8)	(99)	(2)	54,860	637
090	Debt securities	6,088	6,087	-	-	-	-	-	-	-	-	-	-	-	309	-
100	<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	<i>General governments</i>	2,933	2,933	-	-	-	-	-	-	-	-	-	-	-	-	-
120	<i>Credit institutions</i>	3,154	3,154	-	-	-	-	-	-	-	-	-	-	-	309	-
130	<i>Other financial corporations</i>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	<i>Non-financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	17,602	16,790	812	54	-	52	(4)	(1)	(3)	-	-	-	-	-	-
160	<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	<i>General governments</i>	446	445	1	-	-	-	-	-	-	-	-	-	-	-	-
180	<i>Credit institutions</i>	9	8	1	-	-	-	-	-	-	-	-	-	-	-	-
190	<i>Other financial corporations</i>	8	-	8	-	-	-	-	-	-	-	-	-	-	-	-
200	<i>Non-financial corporations</i>	3,368	2,798	570	35	-	35	(4)	(1)	(3)	-	-	-	-	-	-
210	<i>Households</i>	13,771	13,539	232	19	-	17	-	-	-	-	-	-	-	-	-
220	Total	104,645	98,727	5,865	1,344	110	1,170	(418)	(111)	(307)	(184)	(8)	(178)	(20)	59,837	734

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 ⁽³⁾	
	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 ⁽²⁾			
As at 30 September 2023	£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 ⁽¹⁾	10,595	10,595	-	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances ⁽¹⁾	72,466	66,341	6,067	1,221	117	1,036	(471)	(91)	(380)	(139)	(7)	(134)	(22)	61,545	760
020 <i>Central banks⁽¹⁾</i>	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	211	-
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 <i>General governments</i>	3,059	3,059	-	-	-	-	-	-	-	-	-	-	-	-	-
120 <i>Credit institutions</i>	3,125	3,125	-	-	-	-	-	-	-	-	-	-	-	211	-
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⁽¹⁾	107,172	99,918	7,195	1,277	117	1,090	(476)	(92)	(384)	(139)	(7)	(134)	(22)	61,756	760

(1) The comparative figures include a restatement to reclassify reserves held as note cover and payments system collateral balances from Loans and advances with central banks (stage 1) to Cash balances at central banks and other demand deposits (stage 1). Cash assets held as note cover are now classified as Cash on hand and therefore these balances are no longer in scope of CR1. Previously these balances were classified as Loans and advances with central banks (stage 1).

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

(3) The Financial guarantees received on performing debt securities with credit institutions at 30 September 2023 have been included following an update to regulatory guidance.

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 30 Sept 2024	£m	£m	£m	£m	£m	£m
1 Loans and advances	-	23,314	9,517	56,597	111	89,539
2 Debt securities	-	361	1,746	3,980	1	6,088
3 Total	-	23,675	11,263	60,577	112	95,627

	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 ⁽¹⁾	-	23,179	9,152	58,753	86	91,170
2 Debt securities	-	915	1,725	3,545	1	6,186
3 Total⁽¹⁾	-	24,094	10,877	62,298	87	97,356

(1) The comparative figures include a restatement to exclude reserves held as note cover and payments system collateral. These balances have been reclassified as cash balances at central banks and other demand and are therefore no longer in scope for CR1-A. Cash assets held as note cover are now classified as Cash on hand and therefore these balances are no longer in scope of CR1-A. Previously these balances were classified as Loans and advances with central banks.

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	769
30 Outflows from non-performing portfolios	(249)
40 Outflows due to write-offs	(240)
50 Outflows due to other situations	(205)
60 Final stock of non-performing loans and advances as at 30 Sept 2024	1,155

(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 forbore 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 forbore exposures		
	Performing forbore	Non-performing forbore			On performing forbore exposures	On non-performing forbore exposures			Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which: defaulted	Of which: impaired							
As at 30 September 2024		£m	£m	£m	£m	£m	£m	£m	£m	£m
010	Loans and advances	541	620	567	548	(13)	(134)	770	351	
050	Other financial corporations	1	-	-	-	-	-	-	-	-
060	Non-financial corporations	283	224	224	211	(7)	(67)	254	82	
070	Households	257	396	343	337	(6)	(67)	516	269	
090	Loan commitments given	36	18	18	17	-	-	-	-	-
100	Total	577	638	585	565	(13)	(134)	770	351	

		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 forbore exposures		
	Performing forbore	Non-performing forbore			On performing forbore exposures	On non-performing forbore exposures			Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which: defaulted	Of which: impaired							
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	
050	Other financial corporations	-	-	-	-	-	-	-	-	-
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			Of which: Loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which: non-performing					
			Of which: defaulted			
As at 30 September 2024						
010 Agriculture, forestry and fishing	1,266	27	27	1,256	(5)	-
020 Mining and quarrying	87	1	1	87	(1)	-
030 Manufacturing	702	47	47	702	(22)	-
040 Electricity, gas, steam and air conditioning supply	299	1	1	299	(4)	-
050 Water supply	47	12	12	47	(4)	-
060 Construction	311	45	45	310	(6)	-
070 Wholesale and retail trade	758	75	75	758	(20)	-
080 Transport and storage	390	43	43	390	(5)	-
090 Accommodation and food service activities	867	47	47	867	(3)	-
100 Information and communication	308	23	23	308	(12)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	589	9	9	589	(5)	-
130 Professional, scientific and technical activities	444	45	45	444	(22)	-
140 Administrative and support service activities	916	34	34	916	(12)	-
150 Public administration and defence, compulsory social security	-	-	-	-	-	-
160 Education	62	2	2	59	(1)	-
170 Human health services and social work activities	1,454	29	29	1,450	(9)	-
180 Arts, entertainment and recreation	93	4	4	93	(1)	-
190 Other services	121	9	9	121	-	-
200 Total	8,714	453	453	8,696	(132)	

Annex XV: Credit risk quality

	A	B	C	D	E	F
	Gross carrying amount					
		Of which: non-performing		Of which: Loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			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			
		£m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives
As at 30 Sept 2024					
Loans and advances	21,385	60,262	59,815	447	-
Debt securities	5,779	309	-	309	-
Total	27,164	60,571	59,815	756	-
<i>of which: non-performing exposures</i>	372	734	711	23	-
<i>of which: defaulted</i>	285	734			

	A	B	C	D	E
	Unsecured carrying amount £m	Secured carrying amount			
		£m	Of which: secured by collateral £m	Of which: secured by financial guarantees £m	Of which: secured by credit derivatives
As at 30 Sept 2023					
Loans and advances ⁽¹⁾	21,367	62,305	61,625	680	-
Debt securities ⁽²⁾	5,974	211	-	211	-
Total	27,341	62,516	61,625	891	-
<i>of which: non-performing exposures</i>	322	760	724	36	-
<i>of which: defaulted</i>	229	760			

(1) Cash assets held as note cover are now classified as Cash on hand and therefore these balances are no longer in scope of CR3. Previously these balances were classified as Loans and advances.

(2) The Financial guarantees received on performing debt securities at 30 September 2023 have been included following an update to regulatory guidance.

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 30 September 2024		£m	£m	£m	£m	£m	%
1	Central governments or central banks	13,673	1	14,568	8	-	0.0%
2	Regional government or local authorities	104	324	10	65	15	20.0%
3	Public sector entities	312	120	3	52	11	20.0%
4	Multilateral development banks	1,045	-	1,045	-	-	0.0%
6	Institutions	1,049	9	1,049	2	231	22.0%
7	Corporates	739	183	505	50	531	95.7%
8	Retail	6,700	10,925	6,700	19	5,039	75.0%
9	Secured by mortgages on immovable property	284	322	284	161	143	32.1%
10	Exposures in default	300	16	91	-	105	115.4%
12	Covered bonds	1,035	-	1,035	-	104	10.0%
15	Equity	1	-	1	-	1	100.0%
16	Other items	558	-	558	-	662	118.6%
17	Total	25,800	11,900	25,849	357	6,842	26.1%

		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 30 September 2024																		
1	Central governments or central banks	14,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,576	-
2	Regional government or local authorities	-	-	-	-	75	-	-	-	-	-	-	-	-	-	-	75	75
3	Public sector entities	-	-	-	-	55	-	-	-	-	-	-	-	-	-	-	55	-
4	Multilateral development banks	1,045	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,045	1,045
6	Institutions	-	-	-	-	983	-	68	-	-	-	-	-	-	-	-	1,051	24
7	Corporates	-	-	-	-	-	-	-	-	-	555	-	-	-	-	-	555	555
8	Retail exposures	-	-	-	-	-	-	-	-	6,719	-	-	-	-	-	-	6,719	6,719
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	438	-	-	-	7	-	-	-	-	-	445	445
10	Exposures in default	-	-	-	-	-	-	-	-	-	61	30	-	-	-	-	91	91
12	Covered bonds	-	-	-	1,035	-	-	-	-	-	-	-	-	-	-	-	1,035	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	1
16	Other items	54	-	-	-	3	-	-	-	-	395	-	106	-	-	-	558	558
17	Total	15,675	-	-	1,035	1,116	438	68	-	6,719	1,019	30	106	-	-	-	26,206	9,513

		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 30 September 2024 is presented separately below.

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

30 September 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	271	199	103.1%	483	0.1%	3,280	13.0%	-	18	3.7%	-	-
<i>0.00 to <0.10</i>	36	182	103.1%	224	0.0%	2,302	11.3%	-	4	1.8%	-	-
<i>0.10 to <0.15</i>	234	17	103.0%	258	0.1%	978	14.5%	-	14	5.4%	-	-
0.15 to <0.25	3,550	170	102.9%	3,815	0.2%	32,272	10.4%	-	220	5.8%	1	-
0.25 to <0.50	8,700	112	102.8%	9,030	0.4%	36,986	13.9%	-	1,065	11.8%	5	(2)
0.50 to <0.75	1,243	25	102.5%	1,300	0.6%	4,756	14.3%	-	230	17.7%	1	-
0.75 to <2.50	2,935	376	102.1%	3,388	1.2%	13,063	16.1%	-	1,026	30.3%	6	(2)
<i>0.75 to <1.75</i>	2,152	354	102.0%	2,567	1.0%	9,230	17.1%	-	740	28.8%	4	(1)
<i>1.75 to <2.50</i>	783	22	102.4%	821	2.1%	3,833	12.9%	-	286	34.8%	2	(1)
2.50 to <10.00	914	13	102.8%	951	5.0%	5,188	12.8%	-	541	56.9%	6	(4)
<i>2.50 to <5.00</i>	532	10	102.8%	556	3.7%	3,119	12.3%	-	260	46.8%	3	(1)
<i>5.00 to <10.00</i>	382	3	102.9%	395	6.8%	2,069	13.6%	-	281	71.2%	4	(2)
10.00 to <100.00	311	7	102.7%	326	41.6%	1,706	12.8%	-	267	82.1%	18	(14)
<i>10.00 to <20.00</i>	47	1	103.1%	49	13.4%	282	11.8%	-	40	81.4%	1	(1)
<i>20.00 to <30.00</i>	109	2	103.0%	114	23.4%	651	12.7%	-	114	100.5%	3	(3)
<i>30.00 to <100.00</i>	155	4	102.5%	162	62.9%	773	13.2%	-	113	69.3%	14	(11)
100.00 (Default)	362	9	100.0%	371	100.0%	2,029	20.9%	-	531	142.9%	28	(20)
Subtotal	18,286	911	102.7%	19,664		99,280		-	3,898	19.8%	65	(42)

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

30 September 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	947	194	0.0%	1,162	0.1%	8,517	9.7%	-	38	3.3%	-	-
<i>0.00 to <0.10</i>	21	21	0.0%	43	0.1%	304	5.2%	-	1	1.4%	-	-
<i>0.10 to <0.15</i>	925	173	0.0%	1,119	0.1%	8,213	9.9%	-	38	3.4%	-	-
0.15 to <0.25	8,867	410	0.0%	9,262	0.2%	54,074	11.7%	-	489	5.3%	2	-
0.25 to <0.50	16,968	614	0.0%	17,859	0.4%	101,038	11.7%	-	1,625	9.1%	6	(1)
0.50 to <0.75	7,196	192	0.0%	7,528	0.6%	43,988	15.6%	-	1,291	17.1%	6	-
0.75 to <2.50	1,848	92	0.0%	1,976	1.3%	15,471	12.3%	-	425	21.5%	3	-
<i>0.75 to <1.75</i>	1,509	71	0.0%	1,608	1.1%	13,113	11.7%	-	288	17.9%	2	-
<i>1.75 to <2.50</i>	339	21	0.0%	368	2.2%	2,358	14.9%	-	137	37.4%	1	-
2.50 to <10.00	527	56	0.0%	595	4.9%	4,873	11.9%	-	260	43.7%	2	(1)
<i>2.50 to <5.00</i>	317	45	0.0%	370	3.6%	3,034	13.2%	-	163	44.1%	1	-
<i>5.00 to <10.00</i>	210	11	0.0%	225	7.1%	1,839	9.6%	-	97	43.1%	1	-
10.00 to <100.00	756	11	0.0%	783	32.5%	5,880	10.3%	-	478	61.0%	20	(4)
<i>10.00 to <20.00</i>	349	6	0.0%	362	14.3%	2,870	10.0%	-	225	62.2%	4	(1)
<i>20.00 to <30.00</i>	133	2	0.0%	138	26.3%	1,010	10.7%	-	103	74.9%	3	(1)
<i>30.00 to <100.00</i>	275	3	0.0%	283	58.6%	2,000	10.5%	-	149	52.7%	13	(2)
100.00 (Default)	105	1	0.0%	106	100.0%	669	6.9%	-	180	169.8%	13	(1)
Subtotal	37,034	1,570	0.0%	39,271		234,510		-	4,786	12.2%	52	(7)

(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

30 September 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	31	51	64.1%	62	0.1%	145	40.7%	2	11	17.7%	-	-
<i>0.00 to <0.10</i>	10	14	67.3%	19	0.1%	36	39.6%	2	3	14.3%	-	-
<i>0.10 to <0.15</i>	21	36	62.9%	43	0.1%	109	41.3%	2	8	19.2%	-	-
0.15 to <0.25	239	142	67.5%	328	0.2%	651	39.6%	2	85	26.0%	-	-
0.25 to <0.50	787	372	67.2%	1,014	0.4%	1,483	39.2%	2	370	36.5%	2	-
0.50 to <0.75	215	143	68.6%	306	0.6%	447	39.4%	3	159	51.9%	1	-
0.75 to <2.50	2,365	745	64.8%	2,775	1.4%	3,945	38.5%	2	1,785	64.3%	17	(12)
<i>0.75 to <1.75</i>	1,371	536	65.1%	1,677	1.1%	2,761	38.7%	2	994	59.3%	8	(3)
<i>1.75 to <2.50</i>	994	210	63.9%	1,098	1.9%	1,184	38.3%	2	792	72.1%	9	(8)
2.50 to <10.00	501	138	62.1%	571	4.4%	863	40.0%	2	497	87.0%	11	(9)
<i>2.50 to <5.00</i>	346	99	59.6%	395	3.5%	499	39.8%	2	323	81.8%	6	(4)
<i>5.00 to <10.00</i>	154	39	68.4%	176	6.5%	364	40.6%	2	174	98.5%	5	(5)
10.00 to <100.00	47	5	69.0%	49	19.2%	103	39.2%	1	67	136.5%	4	(2)
<i>10.00 to <20.00</i>	20	2	67.7%	21	13.4%	52	41.0%	2	27	128.3%	1	(1)
<i>20.00 to <30.00</i>	27	3	70.2%	28	23.4%	51	37.9%	1	41	142.5%	3	(1)
<i>30.00 to <100.00</i>	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	172	20	74.1%	182	100.0%	117	42.7%	1	-	0.0%	78	(45)
Subtotal	4,357	1,616	65.7%	5,287		7,754		2	2,974	56.3%	113	(68)

(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

30 September 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	18	68	73.4%	67	0.1%	22	36.3%	3	19	27.7%	-	-
0.00 to <0.10	13	54	74.7%	53	0.1%	15	35.0%	3	16	29.3%	-	-
0.10 to <0.15	4	14	68.4%	14	0.1%	7	41.6%	1	3	21.6%	-	-
0.15 to <0.25	53	135	67.9%	144	0.2%	34	40.9%	2	52	36.2%	-	-
0.25 to <0.50	449	306	43.2%	578	0.4%	85	43.4%	2	333	57.7%	1	(1)
0.50 to <0.75	74	54	69.0%	111	0.6%	18	42.0%	2	82	73.5%	-	-
0.75 to <2.50	2,330	761	60.6%	2780	1.6%	371	41.2%	3	2,953	106.2%	20	(13)
0.75 to <1.75	998	346	56.9%	1190	1.1%	165	40.8%	2	1,063	89.3%	6	(3)
1.75 to <2.50	1,332	415	63.7%	1590	2.0%	206	41.5%	3	1,890	118.9%	14	(11)
2.50 to <10.00	557	194	72.2%	694	3.9%	130	43.2%	2	966	139.2%	12	(13)
2.50 to <5.00	476	160	73.0%	590	3.4%	99	43.1%	3	804	136.3%	9	(7)
5.00 to <10.00	82	34	68.3%	104	6.6%	31	43.3%	1	162	155.5%	3	(6)
10.00 to <100.00	32	10	69.3%	39	21.1%	105	41.4%	2	89	228.4%	4	(3)
10.00 to <20.00	9	-	0.0%	9	13.4%	2	45.0%	4	22	242.3%	1	(1)
20.00 to <30.00	23	10	69.3%	30	23.4%	103	40.4%	2	67	224.2%	3	(2)
30.00 to <100.00	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	-
100.00 (Default)	71	14	71.3%	81	100.0%	71	42.2%	1	-	0.0%	34	(33)
Subtotal	3,584	1,542	61.0%	4,494		836		2	4,494	100.0%	71	(63)

(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%	-	-
0.00 to <0.10	22	44	74.3%	54	0.1%	14	37.2%	3	17	31.6%	-	-
0.10 to <0.15	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)
0.75 to <1.75	546	293	64.3%	731	1.2%	123	43.4%	2	732	100.1%	4	(4)
1.75 to <2.50	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)
2.50 to <5.00	172	54	72.9%	210	3.4%	52	44.4%	2	291	138.2%	3	(5)
5.00 to <10.00	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)
10.00 to <20.00	15	6	73.1%	19	13.4%	8	42.2%	1	37	199.2%	1	(2)
20.00 to <30.00	15	4	53.4%	17	23.4%	116	43.3%	1	40	238.6%	2	-
30.00 to <100.00	-	-	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 30 September 2024		Total exposures (£m)													
4	Retail, of which:	58,936	-	99.90%	99.90%	-	-	-	-	-	-	-	-	8,684	8,684
4.2	Immovable property non-SMEs	58,936	-	99.90%	99.90%	-	-	-	-	-	-	-	-	8,684	8,684
5	Total	58,936	-	99.90%	99.90%	-	-	-	-	-	-	-	-	8,684	8,684

		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) (%)					RWA post all CRM assigned to the obligor exposure class (£m)		RWA with substitution effects (£m)
		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 2024		Total exposures (£m)													
3	Corporates, of which:	9,781	0.80%	46.80%	37.20%	2.90%	6.60%	-	-	-	-	-	-	7,468	7,468
3.1	SMEs	5,287	0.80%	59.90%	50.60%	4.00%	5.40%	-	-	-	-	-	-	2,974	2,974
3.3	Corporates – Other	4,494	0.80%	31.30%	21.40%	1.70%	8.10%	-	-	-	-	-	-	4,494	4,494
5	Total	9,781	0.80%	46.80%	37.20%	2.90%	6.60%	-	-	-	-	-	-	7,468	7,468

		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) (%)					RWA post all CRM assigned to the obligor exposure class (£m)		RWA with substitution effects (£m)
		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 30 June 2024	16,255
2 Asset size (+/-)	10
3 Asset quality (+/-)	439
4 Model updates ⁽¹⁾ (+/-)	(117)
5 Methodology and policy (+/-)	83
9 Risk weighted exposure amount as at 30 Sept 2024	16,670

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

RWAs increased £0.4bn to £16.7bn, primarily due to asset quality movement related to growth of the Business portfolio and further quality movement in the Mortgage portfolio, partially offset by movements in Hybrid MA's.

Model updates in the period primarily relate to the impact of refreshed management adjustments in relation to hybrid models and business models.

Methodology and policy reflects a management adjustment in relation to Business Lending updates and the associated SME support factor being applied.

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 30 September 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	1	-	70%	1	-	-
2 – Good	Less than 2.5 years	217	18	70%	230	153	1
	Equal to or more than 2.5 years	312	66	90%	361	305	3
3 – Satisfactory	Less than 2.5 years	41	1	115%	42	39	1
	Equal to or more than 2.5 years	17	-	115%	17	16	1
4 – Weak	Less than 2.5 years	1	-	250%	1	3	-
	Equal to or more than 2.5 years	1	-	250%	1	2	-
5 – Default	Less than 2.5 years	9	-	-	9	-	5
	Equal to or more than 2.5 years	-	-	-	1	-	-
Total	Less than 2.5 years	268	19		282	195	7
	Equal to or more than 2.5 years	331	66		381	323	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 30 September 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)	166	86		1.4	257	286	286	130
4	Financial collateral comprehensive method (for SFTs)					5,868	2,383	2,383	4
5	Value at Risk (VaR) for SFTs					-	-	-	-
6	Total					6,125	2,669	2,669	134

		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
		30 September 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 3x multiplier)		-		-
3	(ii) stressed VaR component (including the 3x multiplier)		-		-
4	Transactions subject to the Standardised method	210	110	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	210	110	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 30 September 2024		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	2,375	-	-	-	-	-	-	-	-	-	-	2,375
6	Institutions	-	243	-	-	170	47	-	-	-	-	-	460
7	Corporates	-	-	-	-	-	-	-	-	77	-	-	77
11	Total exposure value	2,375	243	-	-	170	47	-	-	77	-	-	2,912

		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

		30 Sept 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:	243	5	273	5
3	<i>Over-the-counter derivatives</i>	243	5	273	5
7	Segregated initial margin	626		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 30 September 2024	£m	£m	£m	£m	£m	£m	£m
1 Total exposures	515	-	1,718	-	-	-	2,233
2 Retail, of which:	515	-	1,718	-	-	-	2,233
3 Residential mortgage	515	-	1,718	-	-	-	2,233

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 30 September 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 30 September 2024			
1 Total exposures	4,750	57	-
2 Retail (total)	4,750	57	-
3 Residential mortgage	4,750	57	-
As at 30 September 2023			
1 Total exposures	5,363	45	-
2 Retail (total)	5,363	45	-
3 Residential mortgage	5,363	45	-

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

Table 36: UK IRRBB1 - Quantitative information on IRRBB

		A	B	C	D	E	F
		ΔEVE		ΔNII		Tier 1 capital	
		30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sep 2023
10	Parallel shock up	(353)	(359)	131	105		
20	Parallel shock down	248	268	(143)	(114)		
30	Steeper shock	(23)	(14)				
40	Flattener shock	(60)	(74)				
50	Short rates shock up	(174)	(189)				
60	Short rates shock down	113	118				
70	Maximum	(353)	(359)				
80	Tier 1 capital					4,322	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	
	30 Sept 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023	
	£m	£m	£m	£m	£m	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	3,621	3,574	3,661	3,502	3,685
2	Tier 1 capital	4,314	4,267	4,496	4,337	4,279
3	Total capital	5,087	5,041	5,269	5,110	5,301
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	26,600	26,217	25,579	25,454	25,172
Capital ratios (as a percentage of risk-weighted exposure amount) (%)						
5	Common Equity Tier 1 ratio	13.6%	13.6%	14.3%	13.8%	14.6%
6	Tier 1 ratio	16.2%	16.3%	17.6%	17.0%	17.0%
7	Total capital ratio	19.1%	19.2%	20.6%	20.1%	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%	1.9%	1.9%	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%	0.9%	0.9%	0.7%
UK-7d	Total SREP own funds requirements	11.4%	11.4%	11.4%	11.4%	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%	2.0%	2.0%
UK-10a	Other Systemically Important Institution buffer	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement	4.5%	4.5%	4.5%	4.5%	4.5%
UK-11a	Overall capital requirements	15.9%	15.9%	15.9%	15.9%	15.5%
12	CET1 available after meeting the total SREP own funds requirements	7.2%	7.2%	7.9%	7.4%	8.4%
Leverage ratio⁽¹⁾						
13	Total exposure measure excluding claims on central banks	84,135	85,139	85,723	86,624	86,545
14	Leverage ratio excluding claims on central banks (%)	5.1%	5.0%	5.2%	5.0%	4.9%
Additional leverage ratio disclosure requirements (%)						
UK-14a	Fully loaded Expected Credit Loss (ECL) accounting model leverage ratio excluding claims on central banks	5.1%	5.0%	5.2%	4.9%	4.8%
UK-14b	Leverage ratio including claims on central banks	4.6%	4.5%	4.6%	4.6%	4.5%
UK-14c	Average leverage ratio excluding claims on central banks	5.0%	4.9%	5.1%	4.9%	4.9%
UK-14d	Average leverage ratio including claims on central banks	4.5%	4.3%	4.6%	4.5%	4.4%
UK-14e	Countercyclical leverage ratio buffer	0.7%	0.7%	0.7%	0.7%	0.7%

Appendix 1: Disclosures for CB Group consolidated

Table 37: UK KM1 - Key metrics (continued)

		A	B	C	D	E
		30 Sept 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023
		£m	£m	£m	£m	£m
Liquidity Coverage Ratio⁽²⁾						
15	Total high-quality liquid assets (HQLA) (Weighted value average)	14,676	14,583	14,135	13,988	13,798
UK-16a	Cash outflows - Total weighted value	9,861	9,924	9,957	9,887	9,933
UK-16b	Cash inflows - Total weighted value	494	531	570	540	509
16	Total net cash outflows (adjusted value)	9,368	9,392	9,387	9,347	9,424
17	Liquidity coverage ratio (%)	157%	155%	151%	150%	146%
Net Stable Funding Ratio						
18	Total available stable funding	78,679	79,065	79,222	78,963	79,295
19	Total required stable funding	57,169	57,935	58,483	58,420	58,450
20	NSFR ratio (%)	138%	136%	135%	135%	136%

(1) The average leverage exposure measure (excluding claims on central banks) for the period 1 July 2024 to 30 September 2024 amounted to £84,882m.

(2) 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
		30 Sept 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023
		£m	£m	£m	£m	£m
1	Total capital resources ⁽¹⁾	5,087	5,041	5,269	5,110	5,301
2	Eligible senior unsecured securities issued by Clydesdale Bank PLC	2,580	2,598	3,333	2,708	2,707
3	Total MREL resources	7,667	7,639	8,602	7,818	8,008
4	Total risk weighted assets	26,600	26,217	25,579	25,454	25,172
5	Total MREL resources available as a percentage of total risk weighted assets (%)	28.8%	29.1%	33.6%	30.7%	31.8%
6	UK leverage exposure measure	84,135	85,139	85,723	86,624	86,545
7	Total MREL resources available as a percentage of UK leverage exposure measure (%)	9.1%	9.0%	10.0%	9.0%	9.3%

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

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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	
	30 Sept 2024 £m	30 June 2024 £m	31 Mar 2024 £m	31 Dec 2023 £m	30 Sept 2023 £m	
Available capital (£m)						
1	Common Equity Tier 1 (CET1) capital	3,621	3,574	3,661	3,502	3,685
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	3,585	3,537	3,623	3,419	3,573
3	Tier 1 capital	4,314	4,267	4,496	4,337	4,279
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,278	4,230	4,458	4,254	4,167
5	Total capital	5,087	5,041	5,269	5,110	5,301
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,051	5,004	5,231	5,027	5,189
Risk-weighted assets (£m)						
7	Total risk-weighted assets	26,600	26,217	25,579	25,454	25,172
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	26,571	26,188	25,549	25,389	25,083
Capital ratios (%)						
9	CET1 (as a percentage of risk exposure amount)	13.6%	13.6%	14.3%	13.8%	14.6%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.5%	13.5%	14.2%	13.5%	14.2%
11	Tier 1 (as a percentage of risk exposure amount)	16.2%	16.3%	17.6%	17.0%	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	16.1%	16.2%	17.4%	16.8%	16.6%
13	Total capital (as a percentage of risk exposure amount)	19.1%	19.2%	20.6%	20.1%	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	19.0%	19.1%	20.5%	19.8%	20.7%
Leverage ratio						
15	Leverage ratio total exposure measure (£m)	84,135	85,139	85,723	86,624	86,545
16	Leverage ratio (%)	5.1%	5.0%	5.2%	5.0%	4.9%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied (%)	5.1%	5.0%	5.2%	4.9%	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
		30 Sept 2024 £m	30 Sept 2023 £m	30 Sept 2024 £m
1	Credit risk (excluding CCR)	23,510	21,907	1,881
2	<i>of which: the standardised approach</i>	6,840	6,431	548
3	<i>of which: the foundation IRB (FIRB) approach</i>	7,468	5,994	597
4	<i>of which: slotting approach</i>	518	410	41
5	<i>of which: the advanced IRB (AIRB) approach</i>	8,684	9,072	695
6	Counterparty credit risk (CCR)	249	424	20
7	<i>of which: the standardised approach</i>	134	141	11
UK-8a	<i>of which: exposures to a CCP</i>	5	5	0
UK-8b	<i>of which: credit valuation adjustment (CVA)</i>	110	278	9
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)	264	284	21
29	Total	26,600	25,172	2,128

(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

	30 Sept 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	87	142	j + r
UK-5a	131	20	m + q + s
6	4,617	5,052	
CET1 capital: regulatory adjustments			
7	(5)	(5)	
8	(152)	(173)	a
10	(253)	(369)	b
11	(175)	(496)	k
12	(125)	(103)	
15	(322)	(333)	c - e
UK-27a	36	112	
28	(996)	(1,367)	
29	3,621	3,685	
AT1 capital: instruments			
30	693	594	
31	693	594	i
44	693	594	
45	4,314	4,279	
Tier 2 (T2) capital: instruments			
46	773	1,022	d
58	773	1,022	
59	5,087	5,301	
60	26,600	25,172	
Capital ratios and buffers			
61	13.6%	14.6%	
62	16.2%	17.0%	
63	19.1%	21.1%	

Appendix 1: Disclosures for CB Group consolidated

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

		30 Sept 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⁾	7.2%	8.4%	
	<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)	106	114	
	<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	87	82	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	100	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

		A	B	Ref:
		Balance sheet as in published financial statements £m	Under regulatory scope of consolidation ⁽¹⁾ £m	
As at 30 Sept 2024				
Assets				
1	<i>Financial instruments at amortised cost</i>			
2	Loans and advances to customers	71,226	71,218	
3	Cash and balances with central banks	10,695	10,695	
4	Due from other banks	518	518	
5	<i>At FVOCI</i>	6,087	6,087	
6	<i>At FVTPL</i>			
7	Loans and advances to customers	52	52	
8	Derivatives	44	44	
9	Other	1	1	
10	Due from related entities	47	47	
11	Intangible assets and goodwill	152	152	a
12	Deferred tax	291	291	
13	<i>of which: tax losses carried forward</i>	253	253	b
14	Defined benefit pensions assets	429	429	c
15	Other assets	360	360	
16	Total assets	89,902	89,894	
Liabilities				
17	<i>Financial instruments at amortised cost</i>			
18	Customer deposits	69,816	69,810	
19	Debt securities in issue	5,807	5,807	
20	<i>of which: Tier 2 instruments</i>	774	773	d
21	Due to other banks	3,001	3,001	
22	<i>At FVTPL</i>			
23	Derivatives	191	191	
24	Due to related entities	3,453	3,453	
25	Deferred tax	107	107	
26	<i>of which: defined pension benefit scheme surplus</i>	107	107	e
27	Provision for liabilities and charges	38	38	
28	Other liabilities	1,941	2,177	
29	Total liabilities	84,354	84,584	

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	693	693	i
34 Other reserves	157	157	j
35 <i>of which: cash flow hedge reserve</i>	175	175	k
36 <i>of which: other</i>	(18)	(18)	
37 Retained earnings	1,906	1,668	
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>	419	418	m
40 <i>of which: dividends paid</i>	(26)	(26)	n
41 <i>of which: intercompany dividend</i>	(151)	(151)	o
42 <i>of which: AT1 coupons accrued for regulatory purposes in prior year</i>	(12)	(12)	p
43 <i>of which: current year AT1 coupons</i>	(54)	(69)	q
44 <i>of which: other movements in retained earnings</i>	(70)	(70)	r
45 <i>of which: TMLA fee⁽²⁾</i>	-	(218)	s
46 Total shareholders' equity	5,548	5,310	

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

(2) Details on the TMLA fee can be found in note 5.6 of the interim financial statements and is treated as a 'foreseeable charge' for capital purposes.

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

	30 Sept 2024	30 Sept 2023
	£m	£m
1 Total assets as per published financial statements	89,902	91,884
4 (Adjustment for exemption of exposures to central banks)	(8,818)	(9,052)
8 Adjustment for derivative financial instruments	585	706
9 Adjustment for SFTs	974	2,261
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,978	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	(1,480)	(2,248)
13 Total exposure measure	84,135	86,545

Appendix 1: Disclosures for CB Group consolidated

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

	30 Sept 2024 £m	30 Sept 2023 £m
On-balance sheet exposures (excluding derivatives and SFTs)		
1	89,565	91,144
3	(197)	(281)
6	(996)	(1,367)
7	88,372	89,496
Derivative exposures		
8	245	370
9	384	471
13	629	841
SFT exposures		
16	974	2,261
18	974	2,261
Other off-balance sheet exposures		
19	17,680	17,980
20	(14,702)	(14,981)
22	2,978	2,999
Capital and total exposure measure		
23	4,314	4,279
24	92,953	95,597
UK-24a	(8,818)	(9,052)
UK-24b	84,135	86,545
Leverage ratio		
25	5.1%	4.9%
UK-25a	5.1%	4.9%
UK-25b	5.1%	4.9%
UK-25c	4.6%	4.5%
26	3.25%	3.25%
Additional leverage ratio disclosure requirements - leverage ratio buffers		
27	0.7%	0.7%
UK-27a	0.0%	0.0%
UK-27b	0.7%	0.7%
Additional leverage ratio disclosure requirements – disclosure of mean values		
UK-31	94,576	96,178
UK-32	84,882	86,202
UK-33	4.5%	4.4%
UK-34	5.0%	4.9%

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

		Leverage ratio exposures	
		30 Sept 2024	30 Sept 2023
		£m	£m
	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	80,550	81,811
UK-1			
UK-3	Banking book exposures, of which:	80,550	81,811
UK-4	<i>Covered bonds</i>	1,035	1,335
UK-5	<i>Exposures treated as sovereigns</i>	5,899	6,596
UK-6	<i>Exposures to regional governments, Multilateral Development Bank, international organisations and public sector entities not treated as sovereigns</i>	416	109
UK-7	<i>Institutions</i>	1,049	927
UK-8	<i>Secured by mortgages of immovable properties</i>	58,548	60,546
UK-9	<i>Retail exposures</i>	6,700	6,268
UK-10	<i>Corporates</i>	5,452	4,918
UK-11	<i>Exposures in default</i>	714	704
UK-12	<i>Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)</i>	737	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.
Trademark license agreement (TMLA)	Trademark license agreement between the Company and Virgin Enterprises which governs the use of the 'Virgin Money' brand.
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	TMLA	Trademark license agreement
IFRS	International Financial Reporting Standards	VaR	Value at Risk

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⁽³⁾

Lucinda Charles-Jones⁽²⁾
Elena Novokreshchenova⁽²⁾
Petra van Hoeken⁽²⁾⁽⁴⁾

Executive Directors

Chris Rhodes⁽⁵⁾
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) Darren Pope stepped down as an Independent Non-Executive Director of the Board on 1 October 2024. Sara Weller, Non-Executive Director, stepped down from the Board on 1 October 2024.

(4) Petra van Hoeken was appointed to the Board on 1 July 2024 following Geeta Gopalan, Independent Non-Executive Director, stepping down from the Board on 30 June 2024.

(5) Chris Rhodes was appointed as an Executive Director on 1 October 2024 following David Duffy stepping down from the Board on 1 October 2024.

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Virgin Money UK PLC

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