



PILLAR 3 DISCLOSURES

For June 2024

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1. Introduction

1.1 Background and overview

This document sets out the consolidated Pillar 3 disclosures for OSB GROUP PLC (OSBG) and its subsidiaries (the Group) as at 30 June 2024. The two banking entities within the Group are authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA (being OneSavings Bank plc (OSB) and Charter Court Financial Services Limited (CCFSL)).

The current Basel standards in relation to market disclosures came into force in the UK on 1 January 2022 through the Capital Requirements Regulation (CRR II) No 2019/876 amending regulation 575/2013 and the subsequent PRA UK ruleset (published in policy statement PS 22/21) 'PRA Rulebook (CRR) instrument 2021'. The PRA issued UK versions of disclosure templates and related instructions in that same policy statement.

The Group's disclosures have been presented and prepared in accordance with Disclosure (CRR) Part of the PRA Rulebook. The disclosures should be read in conjunction with the Group's 2024 half year results as at 30 June 2024. Both can be found in a single medium location on the Group's website: www.osb.co.uk.

The Group has assessed itself as a 'large institution' based on the criteria prescribed in the PRA Rulebook. As a 'large institution' the Group is required to publish Pillar 3 disclosures in accordance with Article 433a of the CRR which also describes the information and frequency.

1.2 Summary of key metrics

The Group's capital position, which reflects fully the £50m share repurchase programme announced in March remained strong with a CET1 ratio of 16.2% as at 30 June 2024 (31 March 2024: 15.4%). As at 14 August 2024 the Group had repurchased £39.0m worth of shares. The Group had a total capital ratio of 19.5% as at 30 June 2024 (31 March 2024: 18.8%). We expect to continue to operate above our 14% CET1 target as we work through the Basel 3.1 rules published on 12 September 2024.

The Group had a leverage ratio excluding claims on central banks of 7.6% as at 30 June 2024 (31 March 2024: 7.3%).

The Group had a 12-month average Liquidity Coverage Ratio (LCR) of 194.3% as at 30 June 2024 (31 March 2024: 200.0%), significantly in excess of the regulatory minimum of 100% plus Individual Liquidity Guidance.

The Group's Net Stable Funding Ratio (NSFR) averaged 133.5%, over the four quarters ended 30 June 2024 (31 March 2024: 133.3%) significantly in excess of the regulatory requirement of 100%.

2. Annex I | Key metrics and overview of risk-weighted exposure amounts

2.1 UK KM1 – Key metrics template

The table below provides a summary of the Group's prudential key metrics.

		a	b	c	d	e
£m		30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23	30 Jun 23
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	1,954.3	1,838.7	1,905.7	1,775.4	1,778.5
2	Tier 1 capital	2,104.3	1,988.7	2,055.7	1,925.4	1,928.5
3	Total capital	2,354.3	2,238.7	2,305.7	2,175.4	2,178.5
Risk weighted exposure amounts						
4	Total risk-weighted exposure amount	12,071.0	11,935.4	11,845.6	11,579.5	11,353.9
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	16.2	15.4	16.1	15.3	15.7
6	Tier 1 ratio (%)	17.4	16.7	17.4	16.6	17.0
7	Total capital ratio (%)	19.5	18.8	19.5	18.8	19.2
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
UK 7a	Additional CET1 SREP requirements (%)	0.8	0.8	0.8	0.8	0.8
UK 7b	Additional AT1 SREP requirements (%)	0.3	0.3	0.3	0.3	0.3
UK 7c	Additional T2 SREP requirements (%)	0.4	0.4	0.4	0.4	0.4
UK 7d	Total SREP own funds requirements (%)	9.4	9.4	9.4	9.4	9.4
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	1.0
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	3.5
UK 11a	Overall capital requirements (%)	13.9	13.9	13.9	13.9	12.9
12	CET1 available after meeting the total SREP own funds requirements (%)	10.1	9.3	10.0	9.3	9.7
Leverage ratio						
13	Total exposure measure excluding claims on central banks	27,704.0	27,406.1	27,438.8	26,993.5	25,865.4
14	Leverage ratio excluding claims on central banks (%)	7.6	7.3	7.5	7.1	7.5
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	3,270.2	3,154.7	3,078.0	3,033.2	2,986.5
16a	Cash outflows - Total weighted value	2,006.3	1,895.5	1,847.2	1,842.0	1,809.4
16b	Cash inflows - Total weighted value	318.5	313.5	281.6	261.8	226.7
16	Total net cash outflows (adjusted value)	1,687.8	1,582.0	1,565.6	1,580.2	1,582.7
17	Liquidity coverage ratio (%)	194.3	200.0	197.1	192.7	189.9
Net Stable Funding Ratio						
18	Total available stable funding	26,762.6	26,510.1	26,087.0	25,823.6	25,165.0
19	Total required stable funding	20,044.1	19,882.6	19,638.6	19,346.6	18,909.3
20	NSFR ratio (%)	133.5	133.3	132.8	133.5	133.1

2.2 IFRS 9 – Transitional arrangements

The table below details capital, risk weighted assets, capital, and leverage ratios with and without the International Financial Reporting Standard COVID-19 transitional arrangement. The implementation of IFRS 9 does not have a significant impact on the Group's capital position as shown below:

£m		a	b	c	d
		30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23
Available capital (amounts)					
1	Common Equity Tier 1 capital (CET1)	1,954.3	1,838.7	1,905.7	1,775.4
2	Common Equity Tier 1 capital (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangement had not been applied	1,945.0	1,826.9	1,881.9	1,748.1
3	Tier 1 capital	2,104.3	1,988.7	2,055.7	1,925.4
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangement had not been applied	2,095.0	1,976.9	2,031.9	1,898.1
5	Total capital	2,354.3	2,238.7	2,305.7	2,175.4
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangement had not been applied	2,345.0	2,226.9	2,281.9	2,148.1
Risk weighted assets (amounts)					
7	Total risk-weighted Assets	12,071.0	11,935.4	11,845.6	11,579.5
8	Total risk-weighted Assets as if IFRS 9 or analogous ECLs transitional arrangement had not been applied	12,061.7	11,923.6	11,821.7	11,552.2
Capital Ratios (as a percentage of risk-weighted exposure amount)					
9	Common Equity Tier 1 (%)	16.2	15.4	16.1	15.3
10	Common Equity Tier 1 as if IFRS 9 or analogous ECLs transitional arrangement had not been applied (%)	16.1	15.3	15.9	15.1
11	Tier 1 (%)	17.4	16.7	17.4	16.6
12	Tier 1 as if IFRS 9 or analogous ECLs transitional arrangement had not been applied (%)	17.4	16.6	17.2	16.4
13	Total capital (%)	19.5	18.8	19.5	18.8
14	Total capital as if IFRS 9 or analogous ECLs transitional arrangement had not been applied (%)	19.4	18.7	19.3	18.6
Leverage Ratios					
15	Leverage ratio total exposure measure excluding claims on central banks	27,704.0	27,406.1	27,438.8	26,993.5
16	Leverage ratio excluding claims on central banks (%)	7.6	7.3	7.5	7.1
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangement had not been applied (%)	7.6	7.2	7.4	7.0

2.3 UK OV1 – Overview of risk weighted exposure amounts

The table below provides an overview of risk weighted exposures and own funds requirements.

£m		a	b	c
		Risk weighted exposure amount		Own funds requirement
		30 June 24	31 Mar 24	30 June 24
1	Credit risk (excluding CCR)	10,821.2	10,681.9	865.7
2	of which the standardised approach	10,821.2	10,681.9	865.7
6	Counterparty credit risk – CCR	162.1	181.6	13.0
7	of which standardised approach	73.1	79.5	5.9
UK 8a	of which exposures to a CCP	7.7	10.1	0.6
UK 8b	of which credit valuation adjustment - CVA	81.3	91.7	6.5
9	Of which other CCR	-	0.3	-
16	Securitisation exposures in the non-trading book	63.8	48.0	5.1
18	Of which SEC-ERBA (including IAA)	1.2	1.3	0.1
19	of which SEC-SA approach	58.7	46.7	4.7
UK 19a	Of which 1250%/ deduction	3.9	-	0.3
23	Operational risk	1,023.9	1,023.9	81.9
UK 23b	of which standardised approach	1,023.9	1,023.9	81.9
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	-	-	-
29	Total	12,071.0	11,935.4	965.7

3. Annex VII | Own funds

3.1 UK CC1 – Composition of regulatory own funds

The table below provides detail on the composition of the Group's regulatory own funds capital position.

£m		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: Instruments and reserves			
1	Capital instruments and the related share premium accounts	8.1	
	of which: fully paid up capital instruments	3.9	(d)
	of which: share premium	4.2	(e)
2	Retained earnings	3,140.7	(f)
3	Accumulated other comprehensive income (and other reserves)	(1,343.6)	(g)
UK 5a	Independently reviewed interim profits net of any foreseeable charge or dividend	178.2	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,983.4	
Common Equity Tier 1 (CET 1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(0.4)	
8	Intangible assets (negative amount)	(37.8)	(b)
10	Deferred tax asset that rely on future profitability (negative amount)	(0.2)	(a)
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	9.3	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(29.1)	
29	Common Equity Tier 1 Capital	1,954.3	
Additional Tier 1 (AT1) capital: Instruments			
30	Capital instruments and the related share premium accounts	150.0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	(f)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	150.0	
Additional Tier 1 (AT1) capital: regulatory adjustments			
44	Additional Tier 1 (AT1) capital	150.0	
45	Tier 1 capital (T1 = CET1 + AT1)	2,104.3	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	250.0	(c)
51	Tier 2 (T2) capital before regulatory adjustments	250.0	
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	250.0	
59	Total capital (TC = T1 + T2)	2,354.3	
60	Total Risk exposure amount	12,071.0	
Capital Ratio and Buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.2	
62	Tier 1 (as a percentage of total risk exposure amount)	17.4	
63	Total capital (as a percentage of total risk exposure amount)	19.5	
64	Institution CET1 overall capital requirement ¹	9.8	
65	of which: capital conservation buffer requirement	2.5	

¹ Institutions CET1 overall capital requirement (CET1 requirement in accordance with article 92.1(a) CRR, plus additional CET1 requirement in accordance with Article 104.1(a) CRD, plus combined buffer requirement in accordance with Article 128.6 CRD) expressed as a percentage of RWEA.

66	of which: countercyclical buffer requirement	2.0	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)²	10.1	
Amounts below the threshold for deduction (before risk weighting)			
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
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)	-	

² CET 1 available to meet buffers expressed as a percentage of RWA (Available CET 1, less CET 1 capital requirements in accordance with Article 92.1(a) CRR and Article 104.1(a) CRD and less any CET 1 items used to meet additional Tier 1 and Tier 2 capital requirements).

3.2 UK CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

£m		a	c
		Balance sheet as in published financial statements and under regulatory scope of consolidation	Reference
Assets - Breakdown by asset class according to the balance sheet in the published financial statements			
1	Cash in hand	0.3	
2	Loans & advances to credit Institutions	3,732.6	
3	Investment securities	603.8	
4	Loans and advances to customers	26,133.7	
5	Fair value adjustment on hedged assets	(328.4)	
6	Derivative assets	493.7	
7	Other assets	18.0	
8	Current taxation asset	-	
9	Deferred taxation asset	4.2	(a)
10	Property, plant and equipment	50.4	
11	Intangible assets	37.8	(b)
12	Total Assets	30,746.1	
Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements			
1	Amounts owed to credit institutions	1,957.9	
2	Amounts owed to retail depositors	24,292.4	
3	Fair value adjustment on hedged liabilities	(8.9)	
4	Amounts owed to other customers	38.6	
5	Debt securities in issue	1,112.8	
6	Derivative liabilities	85.2	
7	Lease liabilities	10.9	
8	Other liabilities	66.7	
9	Provisions	1.0	
10	Current taxation liability	1.3	
11	Deferred taxation liability	4.2	
12	Senior notes	722.3	
13	Subordinated liabilities	259.6	
	Of which Tier 2	250.0	(c)
14	Perpetual subordinated bonds	15.2	
15	Total Liabilities	28,559.2	

Shareholders' equity			
1	Share capital	3.9	(d)
2	Share premium	4.2	(e)
3	Other equity instruments	150.0	
3	Retained earnings	3,372.4	(f)
4	Other reserves	(1,343.6)	(g)
5	Total shareholders' equity	2,186.9	

4. Annex IX | Countercyclical capital buffers

4.1 UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

£m		a	b	c	Own Funds Requirements		f	g	h	i
		General credit exposure	Securitisation exposures	Total exposure value			Total	Risk weighted exposure amounts	Own Funds requirements weights (%)	CCyB rate (%)
		Exposure Value under Standardised Approach	Exposure value (for non-trading book)		Relevant credit risk exposures – credit risk	Relevant credit exposures – Securitisation in the non-trading book				
010	Breakdown by country									
	United Kingdom	26,289.8	505.2	26,795.0	880.2	5.1	885.3	11,066.1	99.5	2.0
	Other	81.0	-	81.0	4.1	-	4.1	51.4	0.5	-
020	Total	26,370.8	505.2	26,876.0	884.3	5.1	889.4	11,117.6	100.0	

4.2 UK CCyB2 – Amount of Institution specific countercyclical capital buffer

£m		a	b
		30 Jun 24	31 Dec 23
1	Total risk exposure amount	12,071.0	11,845.6
2	Institution specific countercyclical capital buffer rate (%)	2.0	2.0
3	Institution specific countercyclical capital buffer requirement	240.7	234.8

5. Annex XI | Leverage ratio

5.1 UK LR1 – LRSum: Summary reconciliation of assets and leverage ratio exposure

£m		a
		30 Jun 24
1	Total Assets per published financial statements	30,746.1
4	Adjustment for the exemption of exposures to central banks	(3,326.7)
8	Adjustments for derivative financial instruments	(167.5)
9	Adjustments for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items	174.5
12	Other Adjustments	277.5
13	Total exposure measure	27,704.0

5.2 UK LR2 – LRCom Leverage ratio common disclosures

£m		a	b
		30 Jun 24	31 Dec 23
On balance sheet exposures (excluding derivatives and SFTs)			
1	On balance sheet items (excluding derivatives, SFTs, but including collateral)	30,559.8	29,257.1
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Assets amounts deducted in determining Tier 1 Capital)	(29.2)	(3.0)
7	Total on balance sheet exposures (excluding derivatives and SFTs)	30,530.6	29,254.2
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	158.9	165.4
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	166.6	84.3
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
13	Total derivative exposures	325.5	249.7
Securities financing transactions (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
18	Total securities financing transaction exposures	-	-
Other off balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	952.2	999.5
20	(Adjustments for conversion to credit equivalent amounts)	(777.7)	(814.5)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Total off balance sheet exposures	174.5	185.0
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	-	-

UK-22k	Total exempted exposures	-	-
Capital and total exposure measure			
23	Tier 1 Capital (leverage)	2,104.3	2,055.7
24	Total exposure measure including claims on central banks	31,030.6	29,688.8
UK-24a	(-) Claims on central banks excluded	(3,326.7)	(2,250.0)
UK-24b	Total exposure measure excluding claims on central banks	27,704.0	27,438.8
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	7.6	7.5
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	7.6	7.4
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 (%)	7.6	7.5
UK-25c	Leverage ratio including claims on central banks (%)	6.8	7.0

5.3 UK LR3 – LRSpl: Split of on balance sheet exposures (excluding derivatives, SFT and exempted exposures)

		a
		Leverage ratio exposures
£m	Split of On Balance Sheet Exposures	30 Jun 24
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	30,559.8
UK-3	Banking book exposures, of which:	30,559.8
UK-5	Exposures treated as sovereigns	3,442.6
UK-7	Institutions	399.9
UK-8	Secured by mortgages of immovable properties	24,787.2
UK-9	Retail exposures	246.5
UK-10	Corporates	0.7
UK-11	Exposures in default	882.6
UK-12	Other Exposures (e.g. equity, securitisation, and other non-credit obligation assets)	800.3

6. Annex XIII | Liquidity requirements

6.1 UK LIQB – Qualitative information on LCR, which complements template UK LIQ1

(a) Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

The Group's business model centres on lending to retail and SME customers including professional landlords, which are predominantly funded by retail savings products. Consequently, the main drivers of LCR results are retail deposit outflows and mortgage pipeline outflows, offset by mortgage repayments. The changes in the LCR over time are predominantly driven by changes in the levels and remaining term of retail savings deposits held within OSB and CCFSL impacting the size of outflows, and also the Liquidity Buffer, and by changes in the levels of mortgage pipeline and net lending flows. Due to the increased volatility of swap markets, the Group's swap margin requirement contribution in the LCR calculation has increased over time. This is calculated under the Historic Look Back Approach.

(b) Explanations on the changes in the LCR over time

In the second quarter of 2024, the Group 12-month average LCR decreased quarter on quarter. This is primarily driven by repayments of TFSME funding made during the quarter, which reduced the impact of the increase in retail deposits on HQLA, with the net increase in HQLA offset by increased total net cash outflows from retail deposits

(c) Explanations on the actual concentration of funding sources

In addition to the regulatory Additional Liquidity Monitoring Metrics (ALMM), the Group ensures that funding diversification is measured on a regular basis, paying particular attention to the split between sources of funding (retail, wholesale, central bank facilities, etc.) and any concentrations by maturity, customer and product type in its internal risk metrics. These monitoring metrics are reported on a regular basis and escalated to the appropriate levels for review. The Group's main source of funding is from retail depositors and is therefore considered well diversified. Internal risk appetite limits are set to limit the level of individual depositor balances to reduce concentration risk.

(d) High-level description of the composition of the institution's liquidity buffer.

The Group and the individual OSB and CCFSL liquidity buffers are mainly comprised of central bank reserves, as well as HQLA eligible government securities and Residential Mortgage Backed Securities (RMBS). In addition to HQLA eligible instruments, each entity holds RMBS (internally issued or third party) which can be used in a stress to generate liquidity and to which an element of value is given as part of their ILAAP assessments.

(e) Derivative exposures and potential collateral calls

The Group maintains the capability to value all derivative trades as often as necessary and at least daily. Margin calls are assessed and made in line with the contractual terms and standard market practices. The Group also considers the impact of external factors on its derivative margin and looks at the impact of shifts in the yield curve.

(f) Currency mismatch in the LCR

Due to the simple nature of the Group's balance sheet, currency mismatch does not pose a material risk.

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

In its ILAAP, the Group has taken into consideration a range of risk factors that may not be captured by the regulatory LCR disclosure. As defined in its ILAAP document, these include; Intraday Liquidity Risk, Off Balance Sheet Risk, Concentration & Correlation Risk, and Liquid Asset Buffer Monetisation.

6.2

UK LIQ1 – Quantitative information of LCR

		a	b	c	d	e	f	g	h
£m		Total unweighted value (average)				Total weighted value (average)			
UK1a	Quarter ending on (DD Month YYYY)	30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23	30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23
UK1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					3,270.2	3,154.7	3,078.0	3,033.2
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	20,803.8	19,943.2	19,264.8	18,684.4	1,082.1	968.8	895.3	845.4
3	<i>Stable deposits</i>	5,406.5	5,133.5	4,924.8	4,769.6	270.3	256.7	246.2	238.5
4	<i>Less stable deposits</i>	5,890.5	5,209.6	4,760.5	4,450.6	766.7	669.7	606.7	561.9
5	Unsecured wholesale funding	590.4	544.8	571.7	592.5	237.3	217.7	228.5	236.8
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	588.3	544.8	571.7	592.4	235.2	217.7	228.5	236.8
8	<i>Unsecured debt</i>	2.1	-	-	-	2.1	-	-	-
9	Secured wholesale funding					17.0	20.1	21.1	17.0
10	Additional requirements	369.5	367.5	365.1	361.9	369.5	367.5	365.1	361.9
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	369.5	367.5	365.1	361.9	369.5	367.5	365.1	361.9
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
13	<i>Credit and liquidity facilities</i>	-	-	-	-	-	-	-	-
14	Other contractual funding obligations	22.5	23.2	25.7	25.9	1.7	1.7	1.7	-
15	Other contingent funding obligations	884.3	911.2	924.0	1,022.3	298.7	319.7	335.5	377.6
16	TOTAL CASH OUTFLOWS					2,006.3	1,895.5	1,847.2	1,842.0
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	-	3.5	7.8	7.8	-	-	-	-
18	Inflows from fully performing exposures	271.3	244.2	218.6	209.1	248.2	228.3	205.7	197.8
19	Other cash inflows	70.3	85.2	75.9	64	70.3	85.2	75.9	64
UK19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	341.6	332.9	302.3	281	318.5	313.5	281.6	261.8
UK20a	<i>Fully exempt inflows</i>	-	-	-	-	-	-	-	-
UK20b	<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
UK20c	<i>Inflows subject to 75% cap</i>	341.6	332.9	302.3	281	318.5	313.5	281.6	261.8
TOTAL ADJUSTED VALUE									
UK21	Liquidity buffer					3,270.2	3,154.7	3,078.0	3,033.2
22	Total net cash outflows					1,687.8	1,582.0	1,565.6	1,580.2
23	Liquidity coverage ratio (%)					194.3	200.0	197.1	192.7

6.3 UK LIQ2 – Net stable funding

£m		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	1,995.5			250.0	2,245.5
2	Own funds	1,995.5	-	-	250.0	2,245.5
3	Other capital instruments		-	-	-	-
4	Retail deposits		15,524.4	3,584.0	1,698.3	19,332.1
5	Stable deposits		7,103.2	1,620.5	797.0	9,084.5
6	Less stable deposits		8,421.2	1,963.5	901.3	10,247.6
7	Wholesale funding:		1,608.0	437.8	4,179.3	5,185.0
8	Operational deposits		-	-	-	-
9	Other wholesale funding		1,608.0	437.8	4,179.3	5,185.0
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	508.1	-	-	-
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		508.1	-	-	-
14	Total available stable funding (ASF)					26,762.6
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					122.1
UK-15a	Assets encumbered for more than 12m in cover pool					-
16	Deposits held at other financial institutions for operational purposes		44.3	-	-	22.2
17	Performing loans and securities:		791.1	682.8	24,744.4	19,554.7
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		68.0	-	130.7	137.5
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		151.6	82.3	1,384.6	1,293.9
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		546.3	550.1	23,171.8	18,036.8
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		437.3	477.6	22,476.1	17,337.2
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		25.2	50.4	57.4	86.6
25	Interdependent assets		-	-	-	-
26	Other assets:		22.7	-	112.4	135.1
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-

29	<i>NSFR derivative assets</i>		22.7			22.7
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		-			-
31	<i>All other assets not included in the above categories</i>		-	-	112.4	112.4
32	<i>Off-balance sheet items</i>		859.6	-	-	210.0
33	Total RSF					20,044.1
34	Net Stable Funding Ratio (%)					133.5

7. Annex XV | Credit risk and credit quality

7.1 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				On performing exposures	On non-performing exposures
£m			Stage 1	Stage 2		Stage 2	Stage 3		Stage 1	Stage 2		Stage 2	Stage 3			
5	Cash balances at central banks and other demand deposits	3,449.9	3,449.9	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	25,581.8	20,882.8	4,685.8	973.0	14.2	890.6	(63.1)	(19.6)	(43.1)	(75.9)	(0.1)	(74.3)	-	24,970.3	894.6
20	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Credit institutions	282.7	282.7	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Non-financial corporations	11,933.3	10,331.3	1,602.0	240.0	1.5	238.0	(31.2)	(12.7)	(18.5)	(33.7)	(0.0)	(33.7)	-	11,664.1	203.9
70	Of which SMEs	11,703.4	10,101.5	1,602.0	226.2	1.5	224.2	(30.7)	(12.2)	(18.5)	(29.8)	(0.0)	(29.8)	-	11,435.5	194.1
80	Households	13,365.8	10,268.8	3,083.8	733.1	12.7	652.6	(31.9)	(6.9)	(24.6)	(42.1)	(0.1)	(40.6)	-	13,306.2	690.7
90	Debt securities	603.8	603.4	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	98.5	98.5	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	505.2	504.9	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	952.2	-	-	-	-	-	0.6	0.6	-	-	-	-	-	-	-
200	Non-financial corporations	586.1	-	-	-	-	-	0.4	0.4	-	-	-	-	-	-	-
210	Households	366.2	-	-	-	-	-	0.2	0.2	-	-	-	-	-	-	-
220	Total	30,587.6	24,936.1	4,685.8	973.0	14.2	890.6	(62.5)	(19.0)	(43.1)	(75.9)	(0.1)	(74.3)	-	24,970.3	894.6

7.2 UK CR1-A – Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
£m		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	192.4	676.5	1,691.8	23,855.7	-	26,416.4
2	Debt securities	-	204.7	399.1	-	-	603.8
3	Total	192.4	881.2	2,090.9	23,855.7	-	27,020.2

7.3 UK CR2 – Changes in the stock of non-performing loans and advances

Not applicable to the Group due to the non-performing loan ratio being <5%.

7.4 UK CR2a – Changes in the stock of non-performing loans and advances and related net accumulated recoveries

Not applicable to the Group due to the non-performing loan ratio being <5%.

7.5 UK CQ1 – Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing Forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
£m									
010	Loans and Advances	414.0	388.3	370.1	370.1	(3.3)	(21.2)	777.6	367.1
060	Non-financial Corporations	41.3	43.8	42.0	42.0	(0.5)	(7.4)	77.1	36.4
070	Households	372.8	344.5	328.1	328.1	(2.8)	(13.8)	700.5	330.7
100	Total	414.0	388.3	370.1	370.1	(3.3)	(21.2)	777.6	367.1

7.6 UK CQ2 – Quality of forbearance

Not applicable to the Group due to the non-performing loan ratio being <5%.

7.7 UK CQ4 – Quality of non-performing exposures by geography

Not applicable to Group due to the non-domestic exposures being <10%.

7.8 UK CQ5 – Credit quality of loans and advances to non-financial corporations by industry

£m		a	b	c	d	e
		Gross carrying amount				Accumulated impairment
			Of which non-performing		Of which loans and advances subject to impairment	
			Of which defaulted			
010	Agriculture, forestry, and fishing	-	-	-	-	-
020	Mining and quarrying	-	-	-	-	-
030	Manufacturing	0.3	-	-	0.3	(0.0)
040	Electricity, gas, steam and air conditioning supply	-	-	-	-	-
050	Water supply	-	-	-	-	-
060	Construction	16.3	7.2	7.2	16.3	(4.2)
070	Wholesale and retail trade	2.0	-	-	2.0	(0.0)
080	Transport and storage	-	-	-	-	-
090	Accommodation and food service activities	2.3	1.4	1.4	2.3	(0.8)
100	Information and communication	0.9	-	-	0.9	(0.0)
110	Financial and insurance activities	1.5	-	-	1.5	(0.0)
120	Real estate activities	11,887.1	214.7	212.9	11,887.1	(53.0)
130	Professional, scientific and technical activities	0.7	-	-	0.7	(0.0)
140	Administrative and support service activities	3.0	-	-	3.0	(0.0)
150	Public administration and defence, compulsory social security	-	-	-	-	-
160	Education	-	-	-	-	-
170	Human health services and social work activities	1.3	0.0	0.0	1.3	(0.0)
180	Arts, entertainment and recreation	-	-	-	-	-
190	Other services	257.9	16.7	16.7	257.9	(6.8)
200	Total	12,173.2	240.0	238.2	12,173.2	(64.9)

7.9 UK CQ6 – Collateral valuation - loans and advances

The Group's non-performing loan ratio does not exceed the 5% threshold.

7.10 UK CQ7 – Collateral obtained by taking possession and execution processes

Not applicable to the Group. The Group does not take possession of collateral that would result in recognition of an asset on its balance sheet.

7.11 UK CQ8 – Collateral obtained by taking possession and execution processes – vintage breakdown

8. Annex XVII | Credit risk mitigation (CRM) techniques

8.1 UK CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		a	b	c	d	e
£m		Unsecured carrying amount	Secured carrying amount	Of which secured		
				by collateral	by financial guarantees	by credit derivatives
1	Loans and advances	4,001.4	25,864.9	25,856.8	8.1	-
2	Debt securities	603.8	-	-	-	-
3	Total	4,605.2	25,864.9	25,856.8	8.1	-
4	<i>Of which non-performing exposures</i>	2.6	894.6	894.6	-	-
5	<i>Of which defaulted</i>	2.7	894.6			

9. Annex XIX | Standardised approach

9.1 UK CR4 – Standardised approach – credit risk exposure and CRM effects

£m	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	Off-Balance Sheet	On-Balance Sheet	Off-Balance Sheet	On-Balance Sheet	Off-Balance Sheet	RWAs	RWA Density %				
1	Central governments or central banks	3,434.5	-	3,442.6	-	9.8	0.3						
6	Institutions	236.5	-	236.5	-	61.1	25.9						
7	Corporates	0.7	-	0.7	-	0.7	100.0						
8	Retail	254.5	30.0	246.5	-	140.8	57.1						
9	Secured by mortgages on immovable property	24,787.2	788.9	24,787.2	157.8	9,329.7	37.4						
10	Exposures in default	882.6	-	882.6	-	883.9	100.2						
11	Items associated with particularly high risk	215.4	132.7	215.4	1.0	324.6	150.0						
16	Other Items	79.7	-	79.7	-	70.6	88.5						
17	Credit Risk-Standardised Approach	29,891.1	951.7	29,891.1	158.8	10,821.2	36.0						

9.2 UK CR5 – Standardised approach

£m	Exposure class	a	b	c	d	e	f	g	h	i	j
		Risk weight									
		0%	2%	20%	35%	75%	100%	150%	250%	Total	Of which unrated
1	Central governments or central banks	3,438.6	-	-	-	-	-	-	3.9	3,442.6	-
6	Institutions	-	4.9	213.1	-	-	18.5	-	-	236.5	-
7	Corporates	-	-	-	-	-	0.7	-	-	0.7	0.7
8	Retail exposures	-	-	-	-	246.5	-	-	-	246.5	246.5
9	Exposures secured by mortgages on immovable property	-	-	-	23,596.7	71.4	1,276.9	-	-	24,945.0	24,945.0
10	Exposures in default	-	-	-	-	-	879.9	2.7	-	882.6	882.6
11	Exposures associated with particularly high risk	-	-	-	-	-	-	216.4	-	216.4	216.4
16	Other items	9.2	-	-	-	-	70.6	-	-	79.7	79.7
17	Total exposure value	3,447.8	4.9	213.1	23,596.7	317.9	2,246.6	219	3.9	30,049.9	26,370.8

10. Annex XXV | Counterparty credit risk – (CCR)

10.1 UK CCR1 – Analysis of CCR exposure by approach

£m		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre CRM	Exposure value post CRM	Exposure value	RWEA
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	112.1	23.4		1.4	190.9	189.7	189.7	73.1
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	Total					190.9	189.7	189.7	73.1

10.2 UK CCR2 – Transactions subject to own funds requirements for CVA risk

£m		a	b
		Exposure value	RWEA
4	Transactions subject to the standardised method	189.7	81.3
5	Total transactions subject to own funds requirements for CVA risk	189.7	81.3

10.3 UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

£m	Exposure classes	b			c
		Risk weight			Total exposure value
		2%	20%	50%	
6	Institutions	14.0	82.7	128.0	224.6
11	Total exposure value	14.0	82.7	128.0	224.6

10.4 UK CCR4 – IRB approach – CCR exposures by exposure class and PD scale

Not applicable to the Group. The Group uses the standardised approach for counterparty credit risk.

10.5 UK CCR5 – Composition of collateral for CCR exposures

Not applicable to the Group. The Group has not exceeded the £125 billion threshold prescribed in PS17/21.

10.6 UK CCR6 – Credit derivatives exposures

Not applicable to the Group. The Group does not have credit derivatives.

10.7 UK CCR7 – RWEA flow statements of CCR exposures under the IMM

Not applicable to the Group. The Group does not have exposures under the IMM.

10.8

UK CCR8 – Exposures to CCPs

£m		a	b
		Exposure value	RWEA
1	Exposures to QCCPs (total)		7.7
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	34.9	7.7
3	(i) OTC derivatives	34.9	7.7
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	163.4	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-

11. Annex XXVII | Securitisation positions

11.1 UK-SEC1 – Securitisation exposures in the non-trading book

£m	Total exposures	a	b	c	d	e	f	g	h	i	j	
		Institution acts as originator					Institution acts as sponsor			Institution acts as investor		
		Traditional					Traditional			Traditional		
		STS	Non-STS	Of which SRT	Sub-total	STS	Non-STS	Sub-total	STS	Non-STS	Sub-total	
1	Total exposures	57.7	1,995.9	101.0	2,053.6	-	8.1	8.1	335.4	60.8	396.2	
2	Retail (total)	57.7	1,995.9	101.0	2,053.6	-	8.1	8.1	335.4	60.8	396.2	
3	Residential mortgage	57.7	1,995.9	101.0	2,053.6	-	8.1	8.1	335.4	60.8	396.2	

11.2 UK SEC2 – Securitisation exposures in the trading book

Not applicable to the Group. The Group does not operate a trading book.

11.3 UK-SEC3 – Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

£m	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
	Exposure values (by RW bands/deductions)					Exposure values by regulatory approach				RWEA by regulatory approach				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% /deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% /deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% /deductions	
1	Total exposures	109.1	-	-	-	0.3	-	7.8	101.0	0.3	-	1.2	15.1	3.9	-	0.1	1.2	0.3
2	Traditional transactions	109.1	-	-	-	0.3	-	7.8	101.0	0.3	-	1.2	15.1	3.9	-	0.1	1.2	0.0
3	Securitisation	109.1	-	-	-	0.3	-	7.8	101.0	0.3	-	1.2	15.1	3.9	-	0.1	1.2	0.3
4	Retail underlying	109.1	-	-	-	0.3	-	7.8	101.0	0.3	-	1.2	15.1	3.9	-	0.1	1.2	0.3

11.4 UK-SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Exposure values (by RW bands/deductions)				Exposure values by regulatory approach				RWEA by regulatory approach				Capital charge after cap			
£m		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250% deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% deductions
1	Total exposures	396.2	-	-	-	-	-	396.2	-	-	-	43.6	-	-	-	3.5	-
2	Traditional securitisation	396.2	-	-	-	-	-	396.2	-	-	-	43.6	-	-	-	3.5	-
3	Securitisation	396.2	-	-	-	-	-	396.2	-	-	-	43.6	-	-	-	3.5	-
4	Retail underlying	396.2	-	-	-	-	-	396.2	-	-	-	43.6	-	-	-	3.5	-
7	Of which STS	335.4	-	-	-	-	-	335.4	-	-	-	34.4	-	-	-	2.8	-

11.5 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
£m			<i>Of which exposures in default</i>	
1	Total exposures	3,367.0	69.4	-
2	Retail (total)	3,367.0	69.4	-
3	Residential mortgage	3,367.0	69.4	-

12. Annex XXXVII | Interest Rate Risk in the Banking Book

12.1 UK IRRBB1 – Quantitative information on IRRBBs

OSBG	ΔEVE		ΔNII		Tier 1 capital	
	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23
£m						
Parallel shock up	(53.1)	(39.0)	39.2	36.5		
Parallel shock down	58.6	44.0	(41.6)	(39.1)		
Steeper shock	5.1	(0.90)				
Flattener shock	(14.9)	(6.4)				
Short rates shock up	(31.1)	(19.9)				
Short rates shock down	32.8	19.9				
Maximum	58.6	44.0	(41.6)	(39.1)		
Tier 1 Capital					2,104.3	2,055.7

13. Glossary

Term/Acronym	Definition
BCBS	Basel Committee on Banking Supervision
CCFSL	Charter Court Financial Services Limited
CRR	Capital Requirements Regulation
FCA	Financial Conduct Authority
HLBA	Historic look-back approach
HQLA	High Quality Liquid Asset
LCR	Liquidity Coverage Ratio
NSFR	Net Stable Funding Ratio
OSB	OneSavings Bank plc
OSBG	OSB Group plc
PRA	Prudential Regulation Authority
RMBS	Residential Mortgage-Backed Securities
UK	United Kingdom