

**TSB Banking Group PLC
Large Subsidiary Disclosure
Q3 2025**

1. Introduction

This document presents the Pillar III Large Subsidiary Disclosures as at 30 September 2025 relating to TSB Banking Group plc (TSB), a subsidiary undertaking of Banco de Sabadell Group. TSB operates in the United Kingdom (UK) and is authorised and regulated by the Prudential Regulation Authority (PRA). The disclosures have been prepared in accordance with the Disclosure (CRR) part of the PRA Rulebook.

Comparative figures are reported to give insight into movements during the period. Where specific rows and columns in the tables prescribed by the PRA are not applicable or are immaterial to TSB's activities, TSB may omit them and follow the same approach for comparative disclosures.

2. Risk Weighted Assets

2.1 Risk weighted assets and Pillar 1 capital requirements

The risk weighted assets and Pillar 1 capital requirements of TSB as at 30 September 2025 are presented in the following table:

Table 1: Overview of risk-weighted assets (OV1)

	RWAs 30 September 2025 £000	RWAs 30 June 2025 £000	Total own funds requirements ⁽¹⁾ 30 September 2025 £000
Credit risk (excluding CCR)	9,432,489	9,519,088	754,599
Of which the standardised approach ⁽²⁾	875,438	929,508	70,035
Of which the advanced IRB (AIRB) approach	8,557,051	8,589,580	684,564
Counterparty credit risk (CCR)	36,926	56,507	2,954
Of which the standardised approach	6,165	7,811	493
Of which exposures to a CCP	1,498	1,171	120
Of which credit valuation adjustment - CVA	12,801	16,989	1,024
Of which other CCR	16,462	30,536	1,317
Operational risk	1,710,925	1,710,925	136,874
Of which Standardised Approach	1,710,925	1,710,925	136,874
Amounts below the thresholds for deduction (subject to 250% risk weight)⁽²⁾	94,591	85,261	7,567
Total	11,274,931	11,371,781	901,994

(1) Under Pillar 1, firms are required to maintain minimum regulatory capital levels at 8% of RWAs.

(2) Subject to 250% risk weight has been presented as a separate row included in the overall total rather than an 'of which' of the standardised approach.

2.2 Risk weighted assets movements by key driver

Analysis of movements in IRB credit risk weighted exposure amounts (RWEAs) from 30 June 2025 to 30 September 2025 and from 31 March 2025 to 30 June 2025 is presented in table 2.

Table 2: RWEA flow statements of credit risk exposures under the IRB approach (CR8)

	Risk weighted exposure amount	
	3 months to 30 September 2025 £000s	3 months to 30 June 2025 £000s
Risk weighted exposure amount as at the end of the previous reporting period	8,589,580	8,499,287
Asset size (+/-)	19,126	154,227
Asset quality (+/-)	(51,655)	(32,171)
Model updates (+/-)	-	-
Methodology and policy (+/-)	-	(31,763)
Risk weighted exposure amount as at the end of the reporting period	8,557,051	8,589,580

3.Liquidity

The Liquidity Coverage Ratio (LCR) is a key regulatory tool used to monitor the short-term liquidity adequacy of the bank.

The table below reflects the trailing 12 month-end average LCR balances at the applicable quarter end dates.

Table 3: Quantitative information of LCR (LIQ1)

Consolidated	Total unweighted value (average)				Total weighted value (average)			
	30 September 2025	30 June 2025	31 March 2025	31 December 2024	30 September 2025	30 June 2025	31 March 2025	31 December 2024
£000's								
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					6,551,130	6,656,398	6,786,889	6,921,589
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	35,129,450	35,141,688	35,097,686	34,979,041	2,322,164	2,308,481	2,292,570	2,272,926
Stable deposits	25,486,453	25,455,508	25,437,381	25,390,709	1,274,322	1,272,775	1,271,869	1,269,535
Less stable deposits	7,028,503	6,964,694	6,881,690	6,784,412	1,047,842	1,035,706	1,020,701	1,003,391
Unsecured wholesale funding	213,477	212,652	210,061	247,914	106,224	107,077	106,102	145,815
Non-operational deposits (all Counterparties)	193,791	192,386	190,579	188,162	86,538	86,810	86,619	86,063
Unsecured debt	19,686	20,266	19,482	59,752	19,686	20,267	19,483	59,752
Secured wholesale funding					-	-	-	-
Additional requirements	3,780,361	4,017,999	4,262,603	4,464,194	474,078	578,492	692,071	806,643
Outflows related to derivative exposures and other collateral requirements	300,063	397,466	504,148	614,140	300,063	397,466	504,148	614,140
Credit and liquidity facilities	3,480,298	3,620,533	3,758,455	3,850,054	174,015	181,026	187,923	192,503
Other contractual funding obligations	212,115	209,653	219,209	230,371	145,025	140,733	148,847	159,143
Other contingent funding obligations	1,900,320	1,841,785	1,805,158	1,809,794	721,803	682,366	669,461	671,961
TOTAL CASH OUTFLOWS					3,769,294	3,817,149	3,909,050	4,056,488
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	343,703	336,001	337,223	330,125	245,235	234,841	233,184	224,209
Other cash inflows	7,684	7,636	9,680	10,160	3,796	3,748	5,772	6,242
TOTAL CASH INFLOWS	351,387	343,637	346,903	340,285	249,031	238,589	238,956	230,451
Inflows subject to 75% cap	351,387	343,637	346,903	340,285	249,031	238,589	238,956	230,451
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					6,551,130	6,656,398	6,786,889	6,921,589
TOTAL NET CASH OUTFLOWS					3,520,263	3,578,561	3,670,094	3,826,037
LIQUIDITY COVERAGE RATIO⁽¹⁾					186%	186%	185%	182%

(1) The ratios reported in the above table are simple averages of month-end LCR ratios over the trailing 12 months to the reporting quarter date. Therefore, these ratios may not be equal to the implied LCR % calculated when using the average component amounts reported under 'LIQUIDITY BUFFER' and 'TOTAL NET CASH OUTFLOWS' in the above table.

4. Contacts

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