TSB
Tax Strategy – Year Ended 31 December 2026

Introductory statement

The Tax Strategy for TSB Bank plc and other TSB entities ('TSB') sets out its objectives and approach with respect to managing its UK tax affairs. It applies in respect of all direct, indirect and other relevant taxes and their associated reporting obligations.

For the purposes of the Tax Strategy, TSB incorporates the following UK tax resident entities;

- TSB Banking Group plc
- TSB Bank plc
- the relevant Special Purpose Vehicles as listed in note 4 to the TSB Banking Group plc company 2025 financial statements

On 30 April 2026, TSB Banking Group plc was acquired by Santander UK plc. The Tax Strategy is in alignment with the Santander UK Tax Strategy, with the intention that it will then fully adopt the Santander UK Tax Strategy as part of the wider integration programme between TSB Bank plc and Santander UK plc associated with the proposed Part VII transfer under FSMA 2000, subject to regulatory and court approval.

The Tax Strategy is aligned to TSB's business objectives and overall risk appetite as defined by the respective Boards of the entities that form TSB. The strategy, and associated internal policies and procedures, define the relevant responsibilities and accountabilities within the organisation in relation to tax matters.

Primary tax objectives

TSB has a conservative approach to tax matters, seeking to avoid material tax risks, and is committed to ensuring that it is fully compliant with all of its tax obligations to HMRC and to other relevant authorities. In dealing with its tax affairs, TSB manages tax risks and costs within a transparent tax risk management framework. To achieve this, it has the following primary tax objectives:

1. to operate within acceptable risk levels consistent with risk appetite. Risk assessments take a long term view of costs and risks, including the risk of litigation, the impact on relationships with government and tax authorities, and the impact on TSB's reputation; and
2. to inform TSB's broad range of stakeholders about its tax position in a clear and transparent manner. Importantly TSB is open and transparent in its dealings with all tax authorities, including HMRC, and does not adopt interpretations of the law that are contrary to its intention.

In achieving these objectives, TSB seeks to deliver the following outcomes:

- meet all statutory and regulatory requirements and obligations for all relevant taxes, including payment thereof;
- ensure that appropriate accounting records and adequate controls are in place to support the above tax compliance requirement;

- consider tax planning only where there are sound commercial principles and reasoning arising from TSB's business activities and not enter into 'contrived' or opaque structures where the main benefit/advantage is that of the avoidance or evasion of tax;
- promote and maintain proper and professional dealings with HMRC and other required tax authorities, including regular open and honest communications.

Approach to tax risk management and governance

TSB aims to manage risk in such a way that it keeps TSB compliant with relevant tax legislation, supports sustainable business growth and minimises costs within risk appetite. The respective Boards are ultimately responsible for the tax affairs of the relevant entities that form TSB and therefore set the policy requirements that define how TSB should manage its tax affairs. TSB's internal policies and procedures define how key tax risks are identified and monitored and the processes and controls deployed to mitigate them.

TSB's tax policies and procedures are part of TSB's wider policy framework which is a key component of its overall risk management framework. This seeks to ensure that TSB adheres to regulatory requirements, understands risks in its processes, and has established controls to manage those risks appropriately and in line with risk appetite. Policy ownership ultimately rests with the Board. Tax policies and procedures are owned by the Chief Financial Officer ('CFO').

The CFO, a member of TSB's executive management, has Board accountability and responsibility for oversight of all tax matters. Tax risks are reported to the Board in line with clearly defined qualitative and quantitative criteria.

Level of tax risk tolerated & attitude towards tax planning

TSB has a conservative approach to tax matters, seeking to avoid material tax risks, and does not participate in 'aggressive' tax planning involving structures specifically designed to reduce tax liabilities. The management of TSB's tax position and its resulting tax costs will be balanced with, and should not compromise, its reputation. In particular:

- TSB will seek to ensure compliance with all statutory and regulatory obligations, always being cognisant of current tax legislation (both UK and other);
- A tax assessment is part of the decision-making process applied to all commercial and business transactions. ;
- TSB will act in accordance with (1) HMRC's Banking Code of Practice ('BCoP'), and (2) the Senior Accounting Officer ('SAO') legislation; and
- TSB will not do anything that it is believed would cause reputational damage.

Tax planning is only considered where it will support sound commercial and economic aspects of TSB's transactions and underlying business activities. TSB does not enter into nor facilitate transactions where the sole or main purpose is to minimise or reduce tax costs, or which require an interpretation of tax law that is, in TSB's view, contrary to its intention.

TSB's tax affairs are managed by appropriately qualified and experienced tax professionals. It is recognised that tax is a complex area and therefore TSB, on occasion, seeks external views from advisors, in order to ensure and confirm that business decisions relating to complex

transactions are based on sound technical interpretations of, and in compliance with, the relevant tax legislation.

Approach to dealings with HMRC

TSB will maintain an open and transparent relationship with HMRC and other relevant tax authorities. For major transactions or for transactions where the BCoP position (or other legislative positions) is unclear, TSB will engage proactively and in a timely manner with HMRC to seek clearance or to ensure certainty for TSB to protect both its reputation and mitigate the risk of HMRC sanction.

TSB will continue to meet with HMRC formally on a regular basis to highlight and discuss new tax legislation developments and current tax or tax reporting issues, on which HMRC is required to assess or agree the appropriate tax treatment.

TSB regards this publication as compliant with its duties under Section 19(2) Schedule 19 FA 2016 to publish a tax strategy.

19 October 2026