TSB Banking Group PLC Large Subsidiary Disclosure Q1 2025

1.Introduction

This document presents the Pillar III Large Subsidiary Disclosures as at 31 March 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 31 March 2025 are presented in the following table:

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

	RWAs	RWAs	Total own funds requirements ⁽¹⁾ 31 March 2025 £000	
	31 March 2025 £000	31 December 2024 £000		
Credit risk (excluding CCR)	9,490,033	9,417,095	759,203	
Of which the standardised approach ⁽²⁾	990,746	974,880	79,260	
Of which the advanced IRB (AIRB) approach	8,499,287	8,442,215	679,943	
Counterparty credit risk (CCR)	50,912	44,008	4,072	
Of which the standardised approach	6,005	5,009	480	
Of which exposures to a CCP	1,225	1,091	98	
Of which credit valuation adjustment - CVA	14,496	9,884	1,160	
Of which other CCR	29,186	28,024	2,334	
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⁾	91,598	78,792	7,328	
Total	11,343,468	11,250,820	907,477	

Under Pillar 1, firms are required to maintain minimum regulatory capital levels at 8% of RWAs.
 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 31 December 2024 to 31 March 2025 and from 30 September 2024 to 31 December 2024 is presented in table 2.

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

	Risk weighted exposure amoun		
	3 months to 31 March 2025 £000s	3 months to 31 December 2024 £000s	
Risk weighted exposure amount as at the end of the previous reporting period	8,442,215	8,506,279	
Asset size (+/-)	41,735	73,299	
Asset quality (+/-)	15,337	(24,906)	
Model updates (+/-)	-	-	
Methodology and policy (+/-)	-	(112,457)	
Risk weighted exposure amount as at the end of the reporting period	8,499,287	8,442,215	

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 £000's	Total unweighted value (average)			Total weighted value (average)				
	31 March 2025	31 December 2024	30 September 2024	30 June 2024	31 March 2025	31 December 2024	30 September 2024	30 June 2024
Number of data points used in the calculation of	12	12	12	12	12	12	12	12
averages HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					6,786,889	6,921,589	7,056,432	7,051,311
CASH - OUTFLOWS					0,7 00,000	0,021,000	1,000,402	1,001,011
Retail deposits and deposits from small business customers, of which:	35,097,686	34,979,041	34,873,957	34,836,753	2,292,570	2,272,926	2,260,867	2,259,673
Stable deposits	25,437,381	25,390,709	25,372,451	25,507,365	1,271,869	1,269,535	1,268,623	1,275,368
Less stable deposits	6,881,690	6,784,412	6,726,086	6,694,246	1,020,701	1,003,391	992,244	984,305
Unsecured wholesale funding	210,061	247,914	248,227	251,760	106,102	145,815	145,939	146,658
Non-operational deposits (all Counterparties)	190,579	188,162	189,460	194,958	86,620	86,063	87,172	89,856
Unsecured debt	19,482	59,752	58,767	56,802	19,482	59,752	58,767	56,802
Secured wholesale funding					-	-	-	
Additional requirements	4,262,603	4,464,194	4,551,059	4,571,768	692,071	806,643	893,645	908,837
Outflows related to derivative exposures and other collateral requirements	504,148	614,140	701,150	716,051	504,148	614,140	701,150	716,051
Credit and liquidity facilities	3,758,455	3,850,054	3,849,909	3,855,717	187,923	192,503	192,495	192,786
Other contractual funding obligations	219,209	230,371	233,826	230,085	148,847	159,143	163,079	160,539
Other contingent funding obligations	1,805,158	1,809,794	1,811,497	1,819,796	669,461	671,961	673,294	676,632
TOTAL CASH OUTFLOWS					3,909,051	4,056,488	4,136,824	4,152,339
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	
Inflows from fully performing exposures	337,223	330,125	329,948	324,899	233,183	224,209	222,072	214,814
Other cash inflows	9,680	10,160	10,662	10,868	5,773	6,242	6,754	7,000
TOTAL CASH INFLOWS	346,903	340,285	340,610	335,767	238,956	230,451	228,826	221,814
Inflows subject to 75% cap	346,903	340,285	340,610	335,767	238,956	230,451	228,826	221,814
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					6,786,889	6,921,589	7,056,432	7,051,311
TOTAL NET CASH OUTFLOWS					3,670,094	3,826,037	3,907,998	3,930,525
LIQUIDITY COVERAGE RATIO(1)					185%	182%	181%	180%

⁽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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