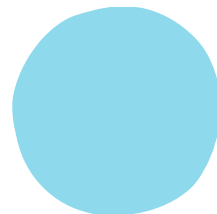


**TSB Banking Group PLC
Large Subsidiary Disclosure
Q1 2026**



1. Introduction

This document presents the Pillar III Large Subsidiary Disclosures as at 31 March 2026 relating to TSB Banking Group plc (TSB), which was a subsidiary undertaking of Banco de Sabadell S.A (Sabadell). TSB became part of the Banco Santander S.A (Santander Group) on 1st May 2026. 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 2026 are presented in the following table:

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

	RWAs	RWAs	Total own funds requirements ⁽¹⁾
	31	31	31
	March	December	March
	2026	2025	2026
	£000	£000	£000
Credit risk (excluding CCR)	9,955,100	9,802,107	796,408
Of which the standardised approach ⁽²⁾	883,740	863,643	70,699
Of which the advanced IRB (AIRB) approach	9,071,360	8,938,464	725,709
Counterparty credit risk (CCR)	40,482	34,637	3,238
Of which the standardised approach	6,667	5,933	533
Of which exposures to a CCP	1,443	1,360	115
Of which credit valuation adjustment - CVA	14,636	11,121	1,171
Of which other CCR	17,736	16,223	1,419
Operational risk	1,725,340	1,725,340	138,027
Of which Standardised Approach	1,725,340	1,725,340	138,027
Amounts below the thresholds for deduction (subject to 250% risk weight)⁽²⁾	88,158	84,247	7,053
Total	11,809,080	11,646,331	944,726

(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 31 December 2025 to 31 March 2026 and from 30 September 2025 to 31 December 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 31 March 2026 £000s	3 months to 31 December 2025 £000s
Risk weighted exposure amount as at the end of the previous reporting period	8,938,464	8,557,051
Asset size (+/-)	70,003	34,625
Asset quality (+/-)	62,893	97,860
Model updates (+/-)	-	-
Methodology and policy (+/-)	-	248,928
Risk weighted exposure amount as at the end of the reporting period	9,071,360	8,938,464

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)			
	31 March 2026	31 December 2025	30 September 2025	30 June 2025	31 March 2026	31 December 2025	30 September 2025	30 June 2025
£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)					6,549,116	6,476,199	6,551,130	6,656,398
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	35,166,207	35,155,161	35,129,450	35,141,688	2,283,894	2,317,967	2,322,164	2,308,481
Stable deposits	26,175,130	25,674,260	25,486,453	25,455,508	1,308,757	1,283,713	1,274,323	1,272,775
Less stable deposits	6,524,966	6,928,769	7,028,503	6,964,694	975,137	1,034,254	1,047,842	1,035,706
Unsecured wholesale funding	258,167	233,225	213,477	212,652	149,931	125,334	106,224	107,076
Non-operational deposits (all Counterparties)	192,322	193,405	193,791	192,386	84,087	85,514	86,538	86,810
Unsecured debt	65,845	39,820	19,686	20,266	65,844	39,820	19,686	20,266
Secured wholesale funding								
Additional requirements	3,562,443	3,621,634	3,780,361	4,017,999	405,321	438,640	474,078	578,492
Outflows related to derivative exposures and other collateral requirements	239,156	271,115	300,063	397,466	239,156	271,114	300,063	397,465
Credit and liquidity facilities	3,323,287	3,350,519	3,480,298	3,620,533	166,165	167,526	174,015	181,027
Other contractual funding obligations	228,562	219,531	212,115	209,653	163,621	153,947	145,025	140,733
Other contingent funding obligations	1,799,998	1,852,479	1,900,320	1,841,785	734,963	729,771	721,803	682,366
TOTAL CASH OUTFLOWS					3,737,730	3,765,659	3,769,294	3,817,149
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	5,166	5,166	-	-	-	-	-	-
Inflows from fully performing exposures	341,069	344,072	343,703	336,001	247,974	248,659	245,235	234,841
Other cash inflows	6,694	5,792	7,684	7,636	2,641	1,851	3,796	3,748
TOTAL CASH INFLOWS	352,929	355,030	351,387	343,637	250,615	250,510	249,031	238,589
Inflows subject to 75% cap	352,929	355,030	351,387	343,637	250,615	250,510	249,031	238,589
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					6,549,116	6,476,199	6,551,130	6,656,398
TOTAL NET CASH OUTFLOWS					3,487,115	3,515,149	3,520,263	3,578,561
LIQUIDITY COVERAGE RATIO⁽¹⁾					188%	185%	186%	186%

(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

For further information please contact:

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