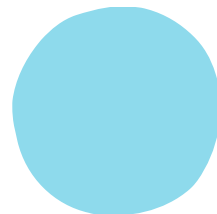


TSB Banking Group PLC
Large Subsidiary Disclosure
Q3 2023



1.Introduction

This document presents the Pillar III Large Subsidiary Disclosures as at 30 September 2023 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 2023 are presented in the following table:

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

	RWAs 30 September 2023 £000	RWAs 30 June 2023 £000	Total own funds requirements ⁽¹⁾ 30 September 2023 £000
Credit risk (excluding CCR)	9,002,362	8,833,306	720,189
Of which the standardised approach ⁽²⁾	1,034,945	1,043,800	82,796
Of which the advanced IRB (AIRB) approach	7,967,417	7,789,506	637,393
Counterparty credit risk (CCR)	18,242	33,085	1,459
Of which the standardised approach	4,412	5,190	353
Of which exposures to a CCP	903	1,510	72
Of which credit valuation adjustment - CVA	12,927	16,888	1,034
Of which other CCR	-	9,497	-
Operational risk	1,475,213	1,475,213	118,017
Of which Standardised Approach	1,475,213	1,475,213	118,017
Amounts below the thresholds for deduction (subject to 250% risk weight)⁽²⁾	83,109	84,081	6,649
Total	10,578,926	10,425,685	846,314

(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 2023 to 30 September 2023 and from 31 March 2023 to 30 June 2023 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 2023 £000s	3 months to 30 June 2023 £000s
Risk weighted exposure amount as at the end of the previous reporting period	7,789,506	7,711,655
Asset size (+/-)	(10,762)	36,807
Asset quality (+/-)	188,673	96,954
Model updates (+/-)	-	(55,460)
Methodology and policy (+/-)	-	(450)
Risk weighted exposure amount as at the end of the reporting period	7,967,417	7,789,506

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 2023	30 June 2023	31 March 2023	31 December 2022	30 September 2023	30 June 2023	31 March 2023	31 December 2022
£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)					7,296,738	7,159,476	6,901,297	6,788,964
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:								
Stable deposits	35,433,859	35,488,060	35,454,669	35,440,272	2,330,557	2,359,517	2,377,924	2,390,620
Less stable deposits	26,625,242	27,112,401	27,542,119	27,953,717	1,331,262	1,355,620	1,377,106	1,397,686
Unsecured wholesale funding	6,848,553	6,891,924	6,881,204	6,847,913	999,295	1,003,897	1,000,818	992,934
Non-operational deposits (all Counterparties)	295,383	304,453	342,410	340,291	162,373	165,675	202,799	201,671
Unsecured debt	244,616	255,734	258,340	257,486	111,605	116,957	118,729	118,866
Secured wholesale funding	50,767	48,719	84,070	82,805	50,768	48,718	84,070	82,805
Additional requirements					31,250	31,250	-	-
Outflows related to derivative exposures and other collateral requirements	4,594,664	4,528,608	4,409,488	4,270,502	916,471	853,393	740,112	608,365
Credit and liquidity facilities	722,882	659,961	546,987	415,621	722,882	659,961	546,987	415,621
Other contractual funding obligations	3,871,782	3,868,647	3,862,501	3,854,881	193,589	193,432	193,125	192,744
Other contingent funding obligations	134,552	108,751	90,056	79,806	68,721	43,443	25,037	14,705
TOTAL CASH OUTFLOWS	1,713,461	2,040,621	2,235,268	2,468,321	4,236,562	4,360,990	4,352,550	4,326,960
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	31,250	31,250	-	-	-	-	-	-
Inflows from fully performing exposures	339,129	344,774	350,190	347,164	221,961	224,342	226,958	222,350
Other cash inflows	32,052	37,524	45,832	51,366	22,906	26,023	32,726	38,163
TOTAL CASH INFLOWS	402,431	413,548	396,022	398,530	244,867	250,365	259,684	260,513
Inflows subject to 75% cap	402,431	413,548	396,022	398,530	244,867	250,365	259,684	260,513
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					7,296,738	7,159,476	6,901,297	6,788,964
TOTAL NET CASH OUTFLOWS					3,991,695	4,110,625	4,092,866	4,066,447
LIQUIDITY COVERAGE RATIO⁽¹⁾					183%	175%	170%	168%

(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:

Media

George Gordon
Communications and Corporate Affairs Director
Phone: +44 (0)207 003 9369
Mobile: +44 (0)7825 680197
Email: george.gordon@tsb.co.uk

Supreet Thomas
Head of Communications
Mobile: +44 (0) 07519 502123
Email: supreet.thomas@tsb.co.uk

Investors and analysts

investorrelations@bancsabadell.com