

# TSB Bank plc £5bn Global Covered Bond Programme

## Investor Report January 2019

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### Administration

Name of issuer	TSB Bank plc
Name of RCB programme	TSB Bank plc £5bn Global Covered Bond Programme
Name, job title and contact details of person validating this form	Steve Vance, Head of Secured Funding, steve.vance@tsb.co.uk
Date of form submission	20 February 2019
Start Date of reporting period	01 January 2019
End Date of reporting period	31 January 2019
Web links - prospectus, transaction documents, loan-level data	<a href="http://www.tsb.co.uk/investors/debt-investors/covered-bonds/">http://www.tsb.co.uk/investors/debt-investors/covered-bonds/</a>

### Counterparties, Ratings

	Counterparty/ies	Fitch		Moody's		S&P	
		Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating
Covered bonds		na	na	na	Aaa	na	na
Issuer	TSB Bank plc	na	na	na	(LT) Baa2 (Snr unsec), A3(cr) & (ST) P-2(Snr unsec), P-2(cr)	na	na
Seller(s)	TSB Bank plc	na	na	na	(LT) Baa2 (Snr unsec), A3 (cr) & (ST) P-2(Snr unsec), P-2(cr)	na	na
Account bank	HSBC Bank plc	na	na	(LT) A2 & (ST) P-1	(LT) Aa3 & (ST) P-1	na	na
Stand-by account bank	None	na	na		na	na	na
Servicer(s)	TSB Bank plc	na	na	Ba2 (cr)	(LT) Baa2 (Snr unsec), A3 (cr) & (ST) P-2(Snr unsec),P-2(cr)	na	na
Cash manager(s)	TSB Bank plc	na	na	Ba2 (cr)	(LT) Baa2 (Snr unsec), A3 (cr) & (ST) P-2(Snr unsec),P-2(cr)	na	na
Swap provider(s) on cover pool	TSB Bank plc	na	na	A3 (cr) <sup>(1)</sup>	(LT) Baa2 (Snr unsec), A3 (cr) & (ST) P-2(Snr unsec),P-2(cr)	na	na
Stand-by swap provider(s) on cover pool	None	na	na	na	na	na	na
Swap notional amount(s) (GBP) <sup>(2)</sup>	£ 1,293,843,089						
Swap notional maturity/ies <sup>(3)</sup>	na						
LLP receive rate/margin <sup>(4)</sup>	2.07%						
LLP pay rate/margin <sup>(5)</sup>	2.56%						
Collateral posting amount(s) (GBP) <sup>(6)</sup>	£ -						

### Accounts, Ledgers <sup>(20)</sup>

	Value as of End Date of reporting period	Value as of Start Date of reporting period	Targeted Value
Revenue receipts		na	na
Revenue Receipts (on the Loans)	£ 2,838,982	na	na
Bank Interest	£ 10,832	na	na
Excess amount released from Reserve Fund	£ 43,325	na	na
Available Revenue Receipts	£ 2,893,139	na	na
Senior fees (including Cash Manager & Servicer)	£ 119,882	na	na
Amounts due under cover pool swap	£ 538,705	na	na
Amounts due under Intercompany Loan	£ 428,904	na	na
Amounts added to Reserve Fund	£ -	na	na
Deferred Consideration	£ 1,802,649	na	na
Members' profit	£ 3,000	na	na
Total distributed	£ 2,893,139	na	na
Principal receipts	£ -	na	na
Principal Receipts (on the Loans)	£ 38,000,503	na	na
Any other amount standing to credit Principal Ledger	£ -	na	na
Cash Capital Contribution from Members	£ -	na	na
Available Principal Receipts	£ 38,000,503	na	na
Total distributed	£ 38,000,503	na	na
Reserve ledger	£ 1,167,010	£ 1,089,815	£ 1,167,010
Revenue ledger	£ 2,849,814	£ 2,878,694	na
Principal ledger	£ 38,000,503	£ 25,130,033	na
Pre-maturity liquidity ledger	na	na	na

### Asset Coverage Test

	Value	Description <sup>(21)</sup>
A	£ 1,205,126,648	Adjusted Current Balance
B	£ -	Principal collections not yet applied <sup>(21)</sup>
C	£ -	Cash Capital Contributions held on Capital Ledger
D	£ -	Substitution assets
E	£ -	Sales proceeds or Capital Contributions credited to the Pre-Maturity Liquidity Ledger
U	£ -	Supplementary Liquidity Reserve
V	£ -	Collateralised GIC balance
X	£ -	For set-off risk
Y	£ -	For redraw capacity
Z	£ 11,547,945	Potential negative carry
Total	£ 1,193,578,702	
Method used for calculating component 'A' <sup>(24)</sup>	A(b)	
Asset percentage (%)	89.0%	
Maximum asset percentage from Moody's (%)	89.0%	
Credit support as derived from ACT (GBP)	£ 693,578,702	
Credit support as derived from ACT (%)	138.7%	

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**Programme-Level Characteristics**

Programme currency		GBP
Programme size		5,000,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	£	500,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	£	500,000,000
Cover pool balance (GBP)	£	1,354,383,526
Bank account balance (GBP) <sup>(6)</sup>	£	42,023,327
Any additional collateral (please specify)		None
Any additional collateral (GBP)	£	-
Aggregate balance of off-set mortgages (GBP)	£	-
Aggregate deposits attaching to the cover pool (GBP) <sup>(8)</sup>	£	3,059,934
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	£	-
Nominal level of overcollateralisation (GBP) <sup>(7)</sup>	£	854,383,526
Nominal level of overcollateralisation (%)		170.3%
Number of loans in cover pool <sup>(16)</sup>		11,867
Average loan balance (GBP) <sup>(16)</sup>	£	114,130
Weighted average non-indexed LTV (%)		57.3%
Weighted average indexed LTV (%)		51.5%
Weighted average seasoning (months)		54.7
Weighted average remaining term (months)		214.8
Weighted average interest rate (%) <sup>(22)</sup>		2.57%
Standard Variable Rate(s) (%) <sup>(22)</sup>		2.75% and 4.24%
Constant Pre-Payment Rate (%; current month)		26.3%
Constant Pre-Payment Rate (%; quarterly average)		20.2%
Principal Payment Rate (%; current month)		29.7%
Principal Payment Rate (%; quarterly average)		23.6%
Constant Default Rate (%; current month) <sup>(9)</sup>		na
Constant Default Rate (%; quarterly average) <sup>(9)</sup>		na
Fitch Discontinuity Cap (%)		na
Moody's Timely Payment Indicator		Probable
Moody's Collateral Score (%)		5.0%

**Mortgage collections**

Mortgage collections (scheduled - interest)	£	2,838,982
Mortgage collections (scheduled - principal)	£	9,362,490
Mortgage collections (unscheduled - interest) <sup>(9)</sup>		-
Mortgage collections (unscheduled - principal)	£	28,638,013

**Account Redemptions & Replenishments Since Previous Reporting Date**

	Number	% of total number	Amount (GBP)	% of total amount
Account redemptions since previous reporting date	170	1.43%	£ 26,927,828	1.99%
Accounts bought back by seller(s)	44	0.37%	£ 4,246,924	0.31%
of which are non-performing loans		0.00%		0.00%
of which have breached R&Ws		0.00%		0.00%
Accounts sold into the cover pool	500		£ 79,988,336	

**Product Rate Type and Reversionary Profiles<sup>(10) (22)</sup>**

	Number	% of total number	Amount (GBP)	% of total amount	Weighted average				
					Current rate	Remaining teaser period (months)	Current margin <sup>(11)</sup>	Reversionary margin <sup>(11)</sup>	Initial rate <sup>(12)</sup>
Fixed at origination, reverting to SVR	24	0.09%	989,600	0.07%	5.26%	4.73	5.26%	-	5.26%
Fixed at origination, reverting to HVR	12,128	47.40%	976,323,652	72.09%	2.39%	32.78	2.39%	1.49%	2.39%
Fixed at origination, reverting to Libor	-	0.00%	-	0.00%	-	-	-	-	-
Fixed at origination, reverting to tracker	-	0.00%	-	0.00%	-	-	-	-	-
Fixed for life	4,782	18.69%	11,865,389	0.88%	2.67%	-	2.67%	-	2.67%
Tracker at origination, reverting to SVR	-	0.00%	-	0.00%	-	-	-	-	-
Tracker at origination, reverting to HVR	9	0.04%	673,851	0.05%	2.20%	2.86	1.45%	1.49%	2.20%
Tracker at origination, reverting to Libor	-	0.00%	-	0.00%	-	-	-	-	-
Tracker for life	1,018	3.98%	53,584,038	3.96%	1.32%	-	0.57%	-	1.32%
SVR, including discount to SVR	5,054	19.75%	184,418,517	13.62%	2.74%	-	-0.01%	-	2.74%
HVR, including discount to HVR	2,570	10.04%	126,528,480	9.34%	4.24%	-	1.49%	-	4.24%
Libor	-	0.00%	-	0.00%	-	-	-	-	-
Total	25,585	100.00%	£ 1,354,383,526	100.00%	2.57%				

**Stratifications**

Arrears breakdown <sup>(13)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Current	11,780	99.27%	£ 1,346,348,756	99.41%
0-1 month in arrears	37	0.31%	£ 3,373,361	0.25%
1-2 months in arrears	25	0.21%	£ 2,159,309	0.16%
2-3 months in arrears	8	0.07%	£ 770,480	0.06%
3-6 months in arrears	12	0.10%	£ 1,236,089	0.09%
6-12 months in arrears	5	0.04%	£ 495,530	0.04%
12+ months in arrears	-	-	-	-
Total	11,867	100.00%	£ 1,354,383,526	100.00%

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Current non-indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%	5,760	48.54%	£ 436,521,166	32.23%
50-55%	860	7.25%	£ 113,711,890	8.40%
55-60%	817	6.88%	£ 114,635,509	8.46%
60-65%	877	7.39%	£ 124,218,804	9.17%
65-70%	1,154	9.72%	£ 181,598,878	13.41%
70-75%	1,003	8.45%	£ 158,841,090	11.73%
75-80%	752	6.34%	£ 125,153,873	9.24%
80-85%	406	3.42%	£ 63,608,025	4.70%
85-90%	183	1.54%	£ 25,816,698	1.91%
90-95%	46	0.39%	£ 8,616,260	0.64%
95-100%	7	0.06%	£ 1,462,451	0.11%
100-105%	2	0.02%	£ 198,882	0.01%
105-110%				
110-125%				
125%+				
<b>Total</b>	<b>11,867</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Current indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%	6,895	58.10%	£ 593,578,119	43.83%
50-55%	889	7.49%	£ 120,828,440	8.92%
55-60%	917	7.73%	£ 133,850,155	9.88%
60-65%	943	7.95%	£ 146,748,763	10.84%
65-70%	928	7.82%	£ 150,568,474	11.12%
70-75%	716	6.03%	£ 118,572,190	8.75%
75-80%	433	3.65%	£ 67,569,728	4.99%
80-85%	121	1.02%	£ 18,918,730	1.40%
85-90%	24	0.20%	£ 3,545,689	0.26%
90-95%	1	0.01%	£ 203,236	0.02%
95-100%				
100-105%				
105-110%				
110-125%				
125%+				
<b>Total</b>	<b>11,867</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	100	0.84%	£ 232,376	0.02%
5,000-10,000	145	1.22%	£ 1,173,427	0.09%
10,000-25,000	847	7.14%	£ 15,234,696	1.12%
25,000-50,000	1,898	15.99%	£ 71,842,561	5.30%
50,000-75,000	1,991	16.78%	£ 124,061,518	9.16%
75,000-100,000	1,758	14.81%	£ 152,791,604	11.28%
100,000-150,000	2,342	19.74%	£ 286,056,384	21.12%
150,000-200,000	1,183	9.97%	£ 203,712,161	15.04%
200,000-250,000	636	5.36%	£ 142,328,210	10.51%
250,000-300,000	368	3.10%	£ 100,267,962	7.40%
300,000-350,000	196	1.65%	£ 63,349,169	4.68%
350,000-400,000	120	1.01%	£ 44,875,986	3.31%
400,000-450,000	84	0.71%	£ 35,534,657	2.62%
450,000-500,000	78	0.66%	£ 37,062,101	2.74%
500,000-600,000	63	0.53%	£ 34,380,559	2.54%
600,000-700,000	33	0.28%	£ 21,238,828	1.57%
700,000-800,000	11	0.09%	£ 8,070,521	0.60%
800,000-900,000	11	0.09%	£ 9,328,160	0.69%
900,000-1,000,000	3	0.03%	£ 2,842,646	0.21%
1,000,000 +	0	0.00%	£ -	0.00%
<b>Total</b>	<b>11,867</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Regional distribution	Number	% of total number	Amount (GBP)	% of total amount
East Anglia	342	2.88%	£ 38,584,884	2.85%
East Midlands	815	6.87%	£ 80,121,899	5.92%
London	900	7.58%	£ 222,961,227	16.46%
North	630	5.31%	£ 46,537,201	3.44%
North West	1,331	11.22%	£ 118,341,215	8.74%
Northern Ireland	0	0.00%	£ 0	0.00%
Scotland	2,341	19.73%	£ 176,042,745	13.00%
South East	1,680	14.16%	£ 283,810,325	20.95%
South West	1,100	9.27%	£ 129,703,485	9.58%
Wales	358	3.02%	£ 32,046,039	2.37%
West Midlands	1,309	11.03%	£ 131,217,733	9.69%
Yorkshire	1,061	8.94%	£ 95,016,772	7.02%
<b>Total</b>	<b>11,867</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Repayment type <sup>(14)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	22,765	89.0%	£ 1,158,110,788	85.51%
Part-and-part			£ -	-
Interest-only	2,820	11.0%	£ 196,272,738	14.49%
Offset			£ -	-
<b>Total</b>	<b>25,585</b>	<b>100.0%</b>	<b>£ 1,354,383,526</b>	<b>100.0%</b>

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Seasoning <sup>(10)</sup>	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	167	0.65%	£ 4,176,299	0.31%
12-24 months	1,383	5.41%	£ 113,059,188	8.35%
24-36 months	7,291	28.50%	£ 466,780,854	34.46%
36-48 months	5,855	22.88%	£ 373,011,779	27.54%
48-60 months	948	3.71%	£ 40,918,379	3.02%
60-72 months	1,040	4.06%	£ 40,636,231	3.00%
72-84 months	1,308	5.11%	£ 50,089,004	3.70%
84-96 months	1,187	4.64%	£ 43,282,768	3.20%
96-108 months	829	3.24%	£ 30,247,792	2.23%
108-120 months	777	3.04%	£ 28,564,770	2.11%
120-150 months	2,361	9.23%	£ 97,290,671	7.18%
150-180 months	1,609	6.29%	£ 50,929,612	3.76%
180+ months	830	3.24%	£ 15,396,178	1.14%
<b>Total</b>	<b>25,585</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Interest payment type <sup>(10)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Fixed	16,934	66.19%	£ 989,178,640	73.04%
SVR	5,054	19.75%	£ 184,418,517	13.62%
HVR	2,570	10.04%	£ 126,528,480	9.34%
Tracker	1,027	4.01%	£ 54,257,889	4.01%
Other (please specify)		0.00%		0.00%
<b>Total</b>	<b>25,585</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	11,867	100.00%	£ 1,354,383,526	100.00%
Buy-to-let		0.00%		0.00%
Second home <sup>(15)</sup>		0.00%		0.00%
<b>Total</b>	<b>11,867</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Income verification type <sup>(10)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	22,383	87.48%	£ 1,239,043,012	91.48%
Fast-track	1,318	5.15%	£ 53,525,005	3.95%
Unknown	1,884	7.36%	£ 61,815,508	4.56%
Self-certified				
<b>Total</b>	<b>25,585</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Remaining term of loan <sup>(10)</sup>	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,048	4.10%	£ 26,711,833	1.97%
30-60 months	1,814	7.09%	£ 42,089,240	3.11%
60-120 months	5,408	21.14%	£ 170,808,568	12.61%
120-180 months	5,882	22.99%	£ 271,069,472	20.01%
180-240 months	4,615	18.04%	£ 286,965,166	21.19%
240-300 months	3,609	14.11%	£ 281,600,136	20.79%
300-360 months	2,013	7.87%	£ 178,461,828	13.18%
360+ months	1,196	4.67%	£ 96,677,282	7.14%
<b>Total</b>	<b>25,585</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

Employment status <sup>(17)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Employed	10,385	87.51%	£ 1,167,463,046	86.20%
Self-employed	1,238	10.43%	£ 169,969,348	12.55%
Unemployed	85	0.72%	£ 8,924,483	0.66%
Retired	159	1.34%	£ 8,026,649	0.59%
Guarantor				
Other <sup>(18)</sup>	0	0.00%	£ 0	0.00%
<b>Total</b>	<b>11,867</b>	<b>100.00%</b>	<b>£ 1,354,383,526</b>	<b>100.00%</b>

**Covered Bonds Outstanding, Associated Derivatives**

Series	2017 - 01
Issue date	07-Dec-17
Original rating (Moody's)	Aaa
Current rating (Moody's)	Aaa
Denomination	GBP
Amount at issuance	500,000,000
Amount outstanding	500,000,000
FX swap rate (rate:£1)	1.000
Maturity type (hard/soft-bullet/pass-through)	Soft
Scheduled final maturity date	07-Dec-22
Legal final maturity date <sup>(19)</sup>	07-Dec-22
ISIN	XS1729158508
Stock exchange listing	London
Coupon payment frequency	Quarterly
	Quarterly - 7th
Coupon payment date	Mar, Jun, Sep, Dec
Coupon (rate if fixed, margin and reference rate if floating)	3M GBP Libor + 0.24%
Margin payable under extended maturity period (%)	1M GBP Libor + 0.24%
Swap counterparty/ies	TSB Bank plc
Swap notional denomination	GBP
Swap notional amount	500,000,000
Swap notional maturity	07-Dec-22
LLP receive rate/margin	3M GBP Libor +0.24%
LLP pay rate/margin	1M GBP Libor +0.28%
Collateral posting amount	-

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**Programme triggers**

Event (please list all triggers)	Summary of Event	Moody's Rating Trigger (Moody's short-term, long-term, cr)	Trigger breached (yes/no)
Set-Off Risk Protection	Set-Off Risk protection built into Asset Coverage Test.	A3 (CR)	no
Reserve Fund	Available Revenue Receipts (after payments of higher ranking items in the Revenue Priority of Payments) credited to the Reserve Fund up to an amount equal to the Reserve Fund Required Amount.	P-1 (CR)	yes
Pre-Maturity Test	Fund the Pre-Maturity Ledger if the Final Maturity Date of any Series of Hard Bullet Covered Bonds occurs within 6 and 12 months from the relevant Pre-Maturity Liquidity Test Date.	A1 at 6 months / P-1 at 12 months (CR)	yes
Account Bank Replacement	Replace or guarantee Account Bank within 60 days or take such other reasonable actions as may be required to ensure that the then current rating of the bonds are not adversely affected.	A2 (LTSU) or P-1 (STSU)	no
Swap Counterparty	Requirement to post collateral, transfer obligations to a suitably rated replacement swap provider, procure another suitably rated entity to become a co-obligor or guarantor or other actions as may be agreed with the relevant agency in order to maintain or restore (as applicable) the ratings of the covered bonds). The ratings shown are the first level of triggers. Other triggers exist at lower levels with further consequences.	A3 (CR)	no
ACT Testing Frequency	Asset Monitor, subject to receipt of the relevant information from the Cash Manager, required to conduct monthly ACT tests following each Calculation Date.	Baa3 (CR)	no
Swap Collateral Account Bank	Replace or guarantee Swap Collateral Account Bank within 60 days or take such other reasonable actions as may be required to ensure that the then current rating of the bonds are not adversely affected.	A3 (LTSU) or P-2 (STSU)	no
Back Up Servicer Appointment	Best endeavours to enter into a back up master servicing agreement with a third party within 60 days. Based on Back Up Servicer Facilitator being in place at outset.	Baa3 (CR)	no
Servicer Replacement	Servicer to be replaced by Back up Servicer within 60 calendar days of the breach.	Ba2 (CR)	no
Back Up Cash Manager Appointment	The Cash Manager will use best endeavours to enter into a back up cash management agreement with a suitably experienced third party. Based on Back Up Cash Manager Facilitator being in place at outset.	Baa3 (CR)	no
Cash Manager Replacement	Cash Manager to be replaced by Back Up Cash Manager within 30 days following breach.	Ba2 (CR)	no
Perfection	Transfer of title to the Loans to the LLP.	Baa3 (CR)	no

**Non-Rating Triggers**

Event	Description of Trigger	Consequence if Trigger Breached
Issuer Event of Default	Any of the conditions, events or acts provided in Condition 9.1 of the Prospectus (Issuer Events of Default) occur.	Bond Trustee serves Notice to Pay on LLP under Covered Bond Guarantee LLP takes over payment obligations on Bonds as they become due All cash collected for benefit of Secured Creditors, including investors and distributed in accordance with the Guarantee Priority of Payments
Interest Rate Shortfall Test	Failure of Interest Rate Shortfall Test	Within one business day, give written notice to the LLP, the Seller and the Security Trustee of the amount of such Interest Rate Shortfall and of the relevant Discretionary Rates or margins applicable which would need to be set in order for no Interest Rate Shortfall to arise and the Interest Rate Shortfall Test to be met
Asset Coverage Test	Failure of the Asset Coverage Test	If an Asset Coverage Test Breach Notice has been served and not revoked on or before the third Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default shall occur
LLP Event of Default	Any of the conditions, events or acts provided in Condition 9.2 of the Prospectus (LLP Events of Default) occur.	Covered Bonds and Guarantee accelerated LLP's assets are liquidated by the Security Trustee for the benefit of Secured Creditors, including the investors Proceeds from the liquidation of the LLP's assets are distributed to Secured Creditors, including bondholders Amounts due to TSB under the Term Advances are subordinated
Yield Shortfall Test	Failure of Yield Shortfall Test	Within one business day, give written notice to the LLP, the Seller and the Security Trustee of the amount of the shortfall and of the Discretionary Rates or margins applicable which would (taking into account the applicable Mortgage Conditions), in the Servicer's reasonable opinion, need to be set in order for no shortfall to arise and the Yield Shortfall Test to be met
Amortisation Test	Failure of the Amortisation Test	Constitutes an LLP Event of Default which if not cured, triggers an acceleration of the bonds

# TSB Bank plc £5bn Global Covered Bond Programme

## Investor Report January 2019

<b>Glossary:</b>	
<b>Arrears</b>	Arrears are calculated in accordance with standard market practice in the UK. A mortgage is identified as being in arrears when, on any due date, the overdue amounts which were due on previous due dates equal, in the aggregate, one or more full monthly payments. In making an arrears determination, the servicer calculates as of the date of determination the difference between the sum of all monthly payments that were due and payable by a borrower on any due date up to that date of determination (less the aggregate amount of all authorised underpayments made by such borrower up to such date of determination) and the sum of all payments actually made by that borrower up to that date of determination. If the result arrived at by dividing that difference (if any) by the amount of the required monthly payment equals or exceeds 1 the account is deemed to be in arrears. Arrears classification is determined based on the number of equivalent full current monthly payments that have been missed. A borrower that has missed payments that in the aggregate equal or exceeding 2 monthly payments (but for which the aggregate of missed payments is less than 3 monthly payments) would be classified as being 2 to <3 months in arrears, and so on.
<b>Monthly Constant Pre-Payment Date (CPR)</b>	Monthly CPR on any portfolio calculation date means the total unscheduled principal receipts received during the period of one month ending on that calculation date divided by the aggregate current balance of the loans comprised in the portfolio as at the immediately preceding calculation date. Unscheduled Principal Repayments comprise payments from TSB for the repurchase of loans from the portfolio, and capital repayments and redemptions other than those received at the expected term end date of the loan. These are annualised using the formula: $1 - ((1 - M)^{12})$ where M is the monthly CPR expressed as a percentage. Where there has been portfolio transfers within the month, CPR is calculated on a weighted average basis.
<b>Monthly Principal Payment Rate (PPR)</b>	Monthly PPR on any portfolio calculation date means the total scheduled and unscheduled principal receipts received during the period of one month ending on that calculation date divided by the aggregate current balance of the loans comprised in the portfolio as at the immediately preceding portfolio calculation date. Where there has been portfolio transfers within the month, PPR is calculated on a weighted average basis. These are annualised using the formula: $1 - ((1 - M)^{12})$ where M is the monthly PPR expressed as a percentage.
<b>Quarterly Average CPR/PPR</b>	The average of the three most recent monthly annualised CPR / PPR expressed as a percentage.
<b>Current Balance</b>	Means, in relation to any loan at any date, the aggregate balance of the loan at such date (but avoiding double counting) including: (a) the Initial Advance; (b) any increase in the principal amount of a loan due to any further advance; (c) capitalised expenses; (d) capitalised interest; and (e) all expenses charges, fees, premium or payment due and owing by the borrower which have not yet been capitalised (including accrued interest, arrears of interest, high loan-to-value fees, insurance premiums, booking fees and valuation fees), in each case, relating to such loan less all prepayments, repayments or payments of any of the foregoing made on or prior to such date, and, in relation to the portfolio, the aggregate of the Current Balances of each loan in the portfolio.
<b>Mortgage Collections</b>	All cash receipts on a mortgage within the portfolio excluding monies paid by TSB in respect of loans repurchased from the portfolio.
<b>Non-indexed LTV</b>	The aggregate current balance of all sub-loans within a mortgage account divided by the value of the property securing the loans in that mortgage account at the date of the latest lending.
<b>Loan Seasoning</b>	The number of months since the date of origination of the sub-loan.
<b>Remaining Term</b>	The number of remaining months of the term of each sub-loan.
<b>Indexed LTV</b>	The aggregate current balance of all sub-loans within a mortgage account divided by the indexed valuation of the property securing the loans in that mortgage account at the reporting date.
<b>Indexed Valuation</b>	Indexation is applied on a regional basis to property valuations on a quarterly basis in January, April, July and October of each year using the Halifax House Price Index published by Markit Group Limited.
<b>Geographic Analysis</b>	The geographic analysis is prepared based on the Economic Planning Regions.
<b>Weighted Average (WA)</b>	Unless otherwise stated all weighted average calculations are weighted by current balance.

### Footnotes:

- <sup>(1)</sup> The reported trigger disclosed is the next trigger point - there may be subsequent triggers and these are detailed in the relevant swap agreement.
- <sup>(2)</sup> The data relates only to the cover pool swaps and excludes the covered bond swaps.
- <sup>(3)</sup> For full description of requirements please refer to the Prospectus.
- <sup>(4)</sup> A(a) is calculated as the lower of (i) the current balance of the loan, and (ii) the indexed valuation of the loan multiplied by 0.75 for non-defaulted loans, 0.4 for defaulted loans with iLTV<=75%, 0.25 for defaulted loans with iLTV>75%.  
A(b) is calculated as the Asset Percentage multiplied by the lower of (i) the current balance of the loan, and (ii) the indexed valuation of the loan multiplied by 1 for non-defaulted loans, 0.4 for defaulted loans with iLTV<=75%, 0.25 for defaulted loans with iLTV>75%.
- <sup>(5)</sup> The bank account balance has been adjusted to include cash from assets collected on the last day of the month and passed to the LLP on the first day of the following month.
- <sup>(6)</sup> The balance reported is the amount required to be posted under item X (Set off risk) of the Asset Coverage Test.
- <sup>(7)</sup> The nominal level of over collateralisation includes cash held on the principal ledger, excluding any waterfall distributions back to the seller in the next calendar month.
- <sup>(8)</sup> The Constant Default Rate is not applicable to revolving programmes.
- <sup>(9)</sup> Unscheduled interest is recorded as 'not reported' as all unscheduled collections are treated as principal.
- <sup>(10)</sup> The data in these tables have been calculated at loan level. All other stratification tables are calculated at account level. A mortgage account consists of one or more loans secured, by way of equal ranking first charge, on the same property and thereby forming a single mortgage account.
- <sup>(11)</sup> Margins are reported based on the index rate, therefore fixed are reported at the fixed rate, trackers are reported over BBR (0.75%) and variable over SVR (2.75%).
- <sup>(12)</sup> The initial rate is considered to be the same as the current rate.
- <sup>(13)</sup> The Arrears breakdown table excludes accounts in possession.
- <sup>(14)</sup> The analysis of Repayment Type has been performed at loan level and therefore there are no balances shown as part-and-part.
- <sup>(15)</sup> Data on second homes has not historically been collected / retained on the TSB system.
- <sup>(16)</sup> Reported at the account level. A mortgage account consists of one or more loans secured, by way of equal ranking first charge, on the same property and thereby forming a single mortgage account.
- <sup>(17)</sup> In the case of joint accounts the employment status disclosed is that of the first named borrower and does not reflect the status of other borrowers named on the same account.
- <sup>(18)</sup> This category includes historical accounts where data was not captured on the system.
- <sup>(19)</sup> The date stated is the legal final maturity date as it applies to the issuer, however the extended final maturity date as it applies to the LLP is 12 months following this date.
- <sup>(20)</sup> The waterfall reported is that which will be made in the next calendar month. Ledger balances are reported as at month end, before distribution of revenue and principal receipts.
- <sup>(21)</sup> Item B of the Asset Coverage Test excludes principal balances distributed back to the Seller in the next calendar month.