

Duncan Funding 2016-1 Plc

Monthly Report September 2016



General Information

| | |
|-----------------------------------|---------------------------------------|
| Distribution Date | 20 October 2016 |
| Reporting/ Collection Period | 01 September 2016 - 30 September 2016 |
| Accrual Period | 27 May 2016 - 16 October 2016 |
| Number of days in interest period | 143 |
| Last Payment Date | - |
| Next Payment Date | 17 October 2016 |
| Index | 3m £ LIBOR; 3m EURIBOR |
| Portfolio Currency | GBP (£) |

Additional Information

| | |
|---------------------------|--|
| Prospectus | www.tsb.co.uk/investors/debt-investors/securitisation |
| Investor Reporting | www.tsb.co.uk/investors/debt-investors/securitisation |
| Transaction Documentation | https://boeportal.co.uk/GlobalPortal/Account/Login.aspx |
| Loan Level Reporting | https://boeportal.co.uk/GlobalPortal/Account/Login.aspx |
| Cashflow Model | https://boeportal.co.uk/GlobalPortal/Account/Login.aspx |

Transaction Counterparties

| | |
|--|--|
| Issuer | Duncan Funding 2016-1 Plc |
| Seller | TSB Bank Plc |
| Security / Note Trustee | Citicorp Trustee Company Limited |
| Share Trustee | SFM Corporate Services Limited |
| Agent Bank and Principal Paying Agent | Citibank, N.A., London Branch |
| Issuer and Swap Collateral Account Bank | Citibank, N.A., London Branch |
| Cash Manager | TSB Bank Plc |
| Collection Account Bank | Lloyds Bank Plc |
| Corporate Services Provider | Structured Finance Management Limited |
| Servicer | TSB Bank Plc |
| Start Up Loan Provider | TSB Bank Plc |
| Interest Rate and Currency Swap Provider | Wells Fargo Bank, N.A., London Branch |
| Back-Up Facilitator | Structured Finance Management Limited |
| Arranger | Bank of America Merrill Lynch |
| Lead Managers | Banco de Sabadell, S.A./Bank of America Merrill Lynch/Citigroup Global Markets Limited |
| Dematerialised Note Registrar | TSB Bank Plc |
| Subordinated Noteholder and Retention Noteholder | TSB Bank Plc |

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Contact Details

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| | |
|---|--|
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PCS Disclosure

In relation to the representations warranties and undertakings required pursuant to item 1 (d) (viii) of the PCS Rulebook please refer to the Originator's Certificate and Prospectus.

The information and documents required by PCS Eligibility Criteria 3(b)(vii)(A) and disclosed in "Listing and General Information", paragraph 9, page 276 of the Prospectus shall be made available until the date the last note is redeemed in full. The transaction documents are also available at <https://boeportal.co.uk/GlobalPortal/Account/Login.aspx>. Loan level data relating to the pool is also available at the aforementioned website and is updated on a quarterly basis. Such information will remain available until the date the last note is redeemed in full.

At the date of the issuance of the notes, a cash flow model for the transaction was made available on the third-party, proprietary services offered by Intex and ABSnet. TSB Bank plc has not endorsed and does not accept any responsibility for such third-party models. The liability only cash flow model required by the Bank of England Market Notice dated 30 November 2010 is available at <https://boeportal.co.uk/GlobalPortal/Account/Login.aspx>. At least one such cash flow model will remain available until the date the last note is redeemed in full.

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Please remember that past performance is not necessarily a guide to future performance. The value of instruments and the income from them can go down as well as up. Columns stating percentage amounts may not add to 100% due to rounding.

This document is also available for downloading in Excel and PDF format from www.tsb.co.uk/investors/debt-investors/securitisation. In the event of any differences in the data between the Excel and PDF formats of the report, the PDF report should always be assumed to be correct. Whilst every attempt is made to keep the format and content of the Excel report the same each month, TSB Bank plc cannot be held responsible for any changes and the implications it may have for any third parties own spreadsheet links and macros.

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Portfolio Characteristics

| Portfolio Characteristics | | At Issue* | Current Period | Prior Period |
|---|----------|----------------|----------------|----------------|
| Number of Mortgage Accounts in Portfolio | | 27,297 | 26,412 | 26,655 |
| Current Balance of Mortgage Accounts in Portfolio | | £3,350,180,350 | £3,188,947,844 | £3,231,090,067 |
| Cash and Other Assets | | | £254,594,684 | £205,818,667 |
| Mortgage Collections in Period | | | £49,280,493 | £46,649,701 |
| Weighted Average Interest Rate | Fixed | | 2.76% | 2.77% |
| Weighted Average Margin | Variable | | 2.07% | 2.06% |
| Weighted Average Pre-Swap Mortgage Yield | | | 2.57% | 2.68% |
| Weighted Average Post-Swap Mortgage Yield | | | 2.52% | 2.62% |
| Weighted Average Loan Seasoning (Months) | | 38.18 | 41.52 | 40.71 |
| Weighted Average Loan Remaining Term (Years) | | 19.96 | 19.73 | 19.79 |
| Average Mortgage Account Balance | | £122,571 | £120,739 | £121,219 |
| Weighted Average Original LTV of Accounts, % | | 70.33 | 70.43 | 70.39 |
| Weighted Average Current Indexed LTV of Accounts, % | | 57.76 | 55.72 | 55.78 |

* Weighted Average and Average balances are reported as of the first reporting period end (May 2016)

** Weighted Average Margin for variable rate is calculated as weighted average interest rate less 25bps

Performance Ratios

| | | Current Period | Prior Period |
|---|-------------------------|----------------|--------------|
| Constant Prepayment Rate (CPR) - Annualised | | | |
| | Single month | 11.60% | 10.77% |
| | Quarterly | 10.53% | 9.77% |
| | Since Transaction Close | 10.91% | 10.74% |
| Principal Payment Rate (PPR) - Annualised | | | |
| | Single month | 15.25% | 14.33% |
| | Quarterly | 14.13% | 13.33% |
| | Since Transaction Close | 14.13% | 13.85% |
| Constant Default Rate (CDR) - Annualised | | | |
| | Single month | 0.00% | 0.00% |
| | Quarterly | 0.00% | 0.00% |
| | Since Transaction Close | 0.00% | 0.00% |

Arrears Analysis of Non Repossessed Mortgage Accounts

| Month(s) In Arrears | Arrears Balance | No of Accounts | % of Accounts | Current Balance | % of Current Balance |
|---------------------|-----------------|----------------|----------------|-----------------------|----------------------|
| Current to < 1 | £6,713 | 26,366 | 99.83% | £3,184,320,014 | 99.85% |
| 1 to < 2 | £21,980 | 29 | 0.11% | £2,839,624 | 0.09% |
| 2 to < 3 | £11,495 | 8 | 0.03% | £833,170 | 0.03% |
| 3 to < 6 | £22,829 | 9 | 0.03% | £955,036 | 0.03% |
| 6 to < 9 | £0 | 0 | 0.00% | £0 | 0.00% |
| 9 to < 12 | £0 | 0 | 0.00% | £0 | 0.00% |
| ≥ 12 | £0 | 0 | 0.00% | £0 | 0.00% |
| Total | £63,017 | 26,412 | 100.00% | £3,188,947,844 | 100.00% |

| Capitalised Arrears | Current Period (£) | % of Current Balance | Previous Period (£) | % of Current Balance |
|------------------------------|--------------------|----------------------|---------------------|----------------------|
| Arrears Capitalised in Month | £0 | 0.00% | £0 | 0.00% |

Portfolio Movements

| | Current Period | | Transaction to Date | |
|--------------------------------------|----------------|-----------------------|---------------------|-----------------------|
| | No of Accounts | Balance | No of Accounts | Balance |
| Opening Total/Portfolio Purchased | 26,655 | £3,231,090,067 | 27,297 | £3,350,180,350 |
| Pool Additions, out of which: | 0 | £2,087,100 | 0 | £7,982,815 |
| New Portfolios | 0 | £0 | 0 | £0 |
| Further Advances* | 0 | £2,087,100 | 0 | £7,982,815 |
| Portfolio Repurchases, out of which | 12 | £1,709,897 | 75 | £9,651,486 |
| Breaches of Warranties | 0 | £0 | 0 | £0 |
| Breaches of New Portfolio Conditions | 0 | £0 | 0 | £0 |
| Non-Eligible Further Advances | 0 | £0 | 1 | £112,861 |
| Non-Eligible Product Switches | 12 | £1,709,897 | 74 | £9,538,626 |
| Non-Compliant LCR Loans | 0 | £0 | 0 | £0 |
| Principal Receipts/ Redemptions** | 231 | £42,526,777 | 810 | £159,603,153 |
| Scheduled Principal Repayments | | £11,220,684 | | £45,111,617 |
| Unscheduled Principal Repayments | | £31,306,093 | | £114,491,536 |
| Unpaid interest | | £7,352 | | £39,318 |
| Other | | £0 | | £0 |
| Closing Total | 26,412 | £3,188,947,844 | 26,412 | £3,188,947,844 |

* Further Advances are purchased by Duncan Funding in the subsequent reporting month

** Number of accounts redeemed and balance of principal collected during the period

Possessions

| | Current Period | | Transaction to Date | |
|---|----------------|-----------|---------------------|-----------|
| | No of Accounts | Balance | No of Accounts | Balance |
| Possessions at the start of the period | 0 | £0 | 0 | £0 |
| Repossessed in period | 0 | £0 | 0 | £0 |
| Sold possessions in the period | 0 | £0 | 0 | £0 |
| Possessions at the end of the period | 0 | £0 | 0 | £0 |

* Where an account is in the process of being sold this balance excludes transactions associated with the sale where the sale has not fully completed

Losses

| | Current Period | | Transaction to Date | |
|---------------------------|----------------|---------|---------------------|---------|
| | No of Accounts | Balance | No of Accounts | Balance |
| Losses (excl. Recoveries) | 0 | £0 | 0 | £0 |
| Recoveries | 0 | £0 | 0 | £0 |
| Losses (incl. Recoveries) | 0 | £0 | 0 | £0 |

Weighted average loss severity, % 0.00%

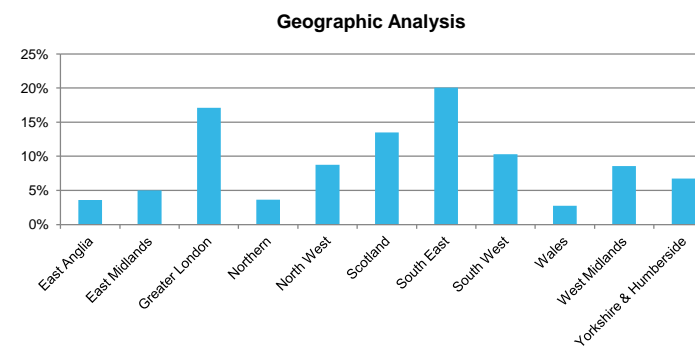
Set Off Balances

| | Current Period | | Previous Period | |
|------------------------------------|----------------|---------------|-----------------|---------------|
| | Balance | % of Mortgage | Balance | % of Mortgage |
| Deposit Balances | £90,017,054 | 2.82% | £91,896,780 | 2.84% |
| Deposit capped at mortgage balance | £81,591,305 | 2.56% | £83,513,787 | 2.58% |
| Deposit over FSCS limit | £4,357,476 | 0.14% | £4,086,786 | 0.13% |

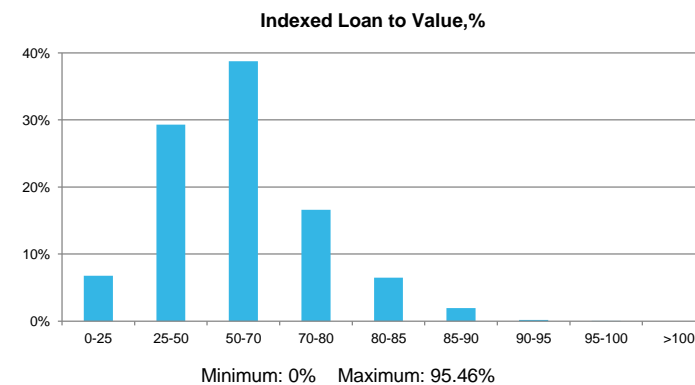
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Mortgage Asset Data

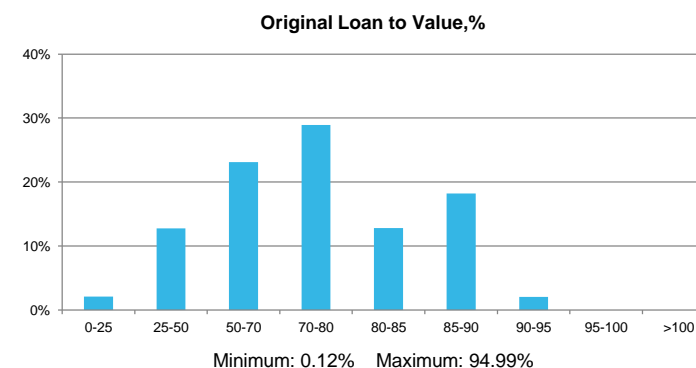
| Geographic Analysis | No of Accounts | % of Accounts | Current Balance | % of Current Balance |
|------------------------|----------------|----------------|-----------------------|----------------------|
| East Anglia | 949 | 3.59% | £114,698,183 | 3.60% |
| East Midlands | 1,522 | 5.76% | £159,646,388 | 5.01% |
| Greater London | 2,073 | 7.85% | £545,802,380 | 17.12% |
| Northern | 1,372 | 5.19% | £115,897,819 | 3.63% |
| North West | 2,802 | 10.61% | £278,503,781 | 8.73% |
| Scotland | 5,546 | 21.00% | £429,566,469 | 13.47% |
| South East | 3,676 | 13.92% | £639,668,907 | 20.06% |
| South West | 2,598 | 9.84% | £328,373,455 | 10.30% |
| Wales | 950 | 3.60% | £88,095,429 | 2.76% |
| West Midlands | 2,647 | 10.02% | £273,356,867 | 8.57% |
| Yorkshire & Humberside | 2,277 | 8.62% | £215,338,166 | 6.75% |
| Total | 26,412 | 100.00% | £3,188,947,844 | 100.00% |



| Indexed Loan to Value Ratios | No of Accounts | % of Accounts | Current Balance | % of Current Balance |
|------------------------------|----------------|----------------|-----------------------|----------------------|
| 0% to 25% | 4,477 | 16.95% | £215,425,819 | 6.76% |
| > 25% to 50% | 8,484 | 32.12% | £934,204,325 | 29.30% |
| > 50% to 55% | 2,078 | 7.87% | £293,036,395 | 9.19% |
| > 55% to 60% | 1,970 | 7.46% | £272,666,344 | 8.55% |
| > 60% to 65% | 2,067 | 7.83% | £318,576,208 | 9.99% |
| > 65% to 70% | 2,221 | 8.41% | £351,281,390 | 11.02% |
| > 70% to 75% | 1,798 | 6.81% | £289,017,315 | 9.06% |
| > 75% to 80% | 1,492 | 5.65% | £240,142,442 | 7.53% |
| > 80% to 85% | 1,331 | 5.04% | £207,268,033 | 6.50% |
| > 85% to 90% | 444 | 1.68% | £61,241,064 | 1.92% |
| > 90% to 95% | 49 | 0.19% | £5,854,165 | 0.18% |
| > 95% to 100% | 1 | 0.00% | £234,345 | 0.01% |
| > 100% | 0 | 0.00% | £0 | 0.00% |
| Total | 26,412 | 100.00% | £3,188,947,844 | 100.00% |



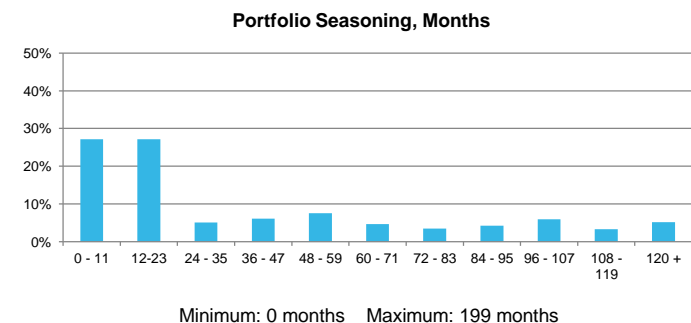
| Original Loan to Value Ratios | No of Accounts | % of Accounts | Current Balance | % of Current Balance |
|-------------------------------|----------------|----------------|-----------------------|----------------------|
| 0% to 25% | 1,500 | 5.68% | £67,461,304 | 2.12% |
| > 25% to 50% | 5,020 | 19.01% | £406,797,882 | 12.76% |
| > 50% to 55% | 1,361 | 5.15% | £150,685,799 | 4.73% |
| > 55% to 60% | 1,993 | 7.55% | £247,043,086 | 7.75% |
| > 60% to 65% | 1,154 | 4.37% | £133,669,884 | 4.19% |
| > 65% to 70% | 1,616 | 6.12% | £206,385,015 | 6.47% |
| > 70% to 75% | 3,686 | 13.96% | £552,696,642 | 17.33% |
| > 75% to 80% | 2,580 | 9.77% | £370,044,158 | 11.60% |
| > 80% to 85% | 2,711 | 10.26% | £407,945,235 | 12.79% |
| > 85% to 90% | 4,160 | 15.75% | £581,011,102 | 18.22% |
| > 90% to 95% | 631 | 2.39% | £65,207,738 | 2.04% |
| > 95% to 100% | 0 | 0.00% | £0 | 0.00% |
| > 100% | 0 | 0.00% | £0 | 0.00% |
| Total | 26,412 | 100.00% | £3,188,947,844 | 100.00% |



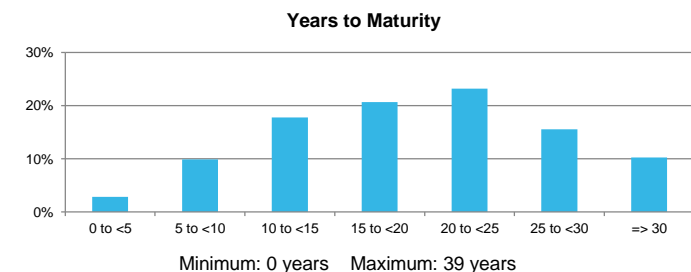
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Mortgage Asset Data

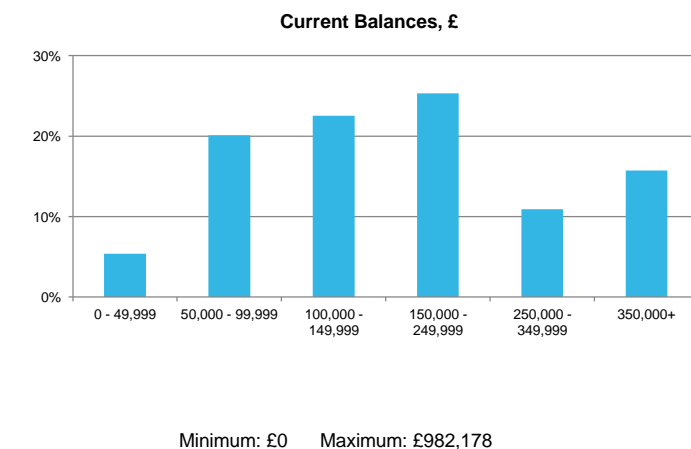
| Seasoning of Loans | No of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------|---------------|----------------|-----------------------|----------------------|
| 0 to <12 months | 11,120 | 18.62% | £866,731,681 | 27.18% |
| 12 to <24 months | 11,106 | 18.60% | £865,414,259 | 27.14% |
| 24 to <36 months | 3,184 | 5.33% | £162,610,991 | 5.10% |
| 36 to <48 months | 4,305 | 7.21% | £195,289,146 | 6.12% |
| 48 to <60 months | 6,183 | 10.36% | £241,411,432 | 7.57% |
| 60 to <72 months | 3,676 | 6.16% | £149,404,455 | 4.69% |
| 72 to <84 months | 2,872 | 4.81% | £110,652,310 | 3.47% |
| 84 to <96 months | 3,392 | 5.68% | £136,415,317 | 4.28% |
| 96 to <108 months | 4,673 | 7.83% | £190,231,001 | 5.97% |
| 108 to <120 months | 2,995 | 5.02% | £106,741,063 | 3.35% |
| ≥ 120 months | 6,204 | 10.39% | £164,046,189 | 5.14% |
| Total | 59,710 | 100.00% | £3,188,947,844 | 100.00% |



| Years to Maturity | No of Loans | % of Loans | Current Balance | % of Current Balance |
|-------------------|---------------|----------------|-----------------------|----------------------|
| 0 to <5 years | 4,371 | 7.32% | £88,723,625 | 2.78% |
| 5 to <10 years | 10,558 | 17.68% | £314,329,731 | 9.86% |
| 10 to <15 years | 13,669 | 22.89% | £566,994,931 | 17.78% |
| 15 to <20 years | 11,650 | 19.51% | £658,718,345 | 20.66% |
| 20 to <25 years | 9,809 | 16.43% | £738,907,739 | 23.17% |
| 25 to <30 years | 5,799 | 9.71% | £495,142,901 | 15.53% |
| ≥ 30 years | 3,854 | 6.45% | £326,130,572 | 10.23% |
| Total | 59,710 | 100.00% | £3,188,947,844 | 100.00% |



| Outstanding Balances | No of Accounts | % of Accounts | Current Balance | % of Current Balance |
|--------------------------|----------------|----------------|-----------------------|----------------------|
| < £25,000 | 1,646 | 6.23% | £27,547,739 | 0.86% |
| £25,000 to < £50,000 | 3,786 | 14.33% | £144,663,899 | 4.54% |
| £50,000 to < £75,000 | 4,501 | 17.04% | £281,267,787 | 8.82% |
| £75,000 to < £100,000 | 4,133 | 15.65% | £359,835,392 | 11.28% |
| £100,000 to < £150,000 | 5,869 | 22.22% | £719,297,354 | 22.56% |
| £150,000 to < £200,000 | 2,883 | 10.92% | £496,663,256 | 15.57% |
| £200,000 to < £250,000 | 1,394 | 5.28% | £310,400,402 | 9.73% |
| £250,000 to < £300,000 | 762 | 2.89% | £207,948,761 | 6.52% |
| £300,000 to < £350,000 | 434 | 1.64% | £139,778,086 | 4.38% |
| £350,000 to < £400,000 | 309 | 1.17% | £115,322,788 | 3.62% |
| £400,000 to < £450,000 | 198 | 0.75% | £83,699,077 | 2.62% |
| £450,000 to < £500,000 | 121 | 0.46% | £57,563,076 | 1.81% |
| £500,000 to < £600,000 | 162 | 0.61% | £88,295,254 | 2.77% |
| £600,000 to < £700,000 | 104 | 0.39% | £66,969,334 | 2.10% |
| £700,000 to < £800,000 | 52 | 0.20% | £38,672,067 | 1.21% |
| £800,000 to < £900,000 | 37 | 0.14% | £31,341,312 | 0.98% |
| £900,000 to < £1,000,000 | 21 | 0.08% | £19,682,260 | 0.62% |
| Total | 26,412 | 100.00% | £3,188,947,844 | 100.00% |



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Mortgage Asset Data

Product Breakdown

| | Current Period | Previous Period |
|---|----------------|-----------------|
| Discretionary Rate based Loans (by balance) | 31.63% | 31.62% |
| Tracker Rate Loans (by balance) | 8.62% | 8.66% |
| Fixed Loans (by balance) | 59.75% | 59.72% |
| Total | 100.00% | 100.00% |

Borrower Interest Rate Bands

| | No of Loans | % of Loans | Current Balance | % of Current Balance |
|---------------|---------------|----------------|-----------------------|----------------------|
| <1.0% | 11,767 | 19.71% | £139,924,514 | 4.39% |
| 1.0% to <2.0% | 3,549 | 5.94% | £417,040,024 | 13.08% |
| 2.0% to <3.0% | 29,985 | 50.22% | £1,689,123,842 | 52.97% |
| 3.0% to <4.0% | 13,073 | 21.89% | £842,288,646 | 26.41% |
| 4.0% to <5.0% | 1,082 | 1.81% | £90,856,507 | 2.85% |
| 5.0% to <6.0% | 226 | 0.38% | £9,256,483 | 0.29% |
| 6.0% to <7.0% | 28 | 0.05% | £457,829 | 0.01% |
| 7.0% to <8.0% | 0 | 0.00% | £0 | 0.00% |
| ≥ 8.0% | 0 | 0.00% | £0 | 0.00% |
| Total | 59,710 | 100.00% | £3,188,947,844 | 100.00% |

Fixed Loan - Interest Rate Bands

| | No of Loans | % of Loans | Current Balance | % of Current Balance |
|---------------|---------------|----------------|-----------------------|----------------------|
| <1.0% | 0 | 0.00% | £0 | 0.00% |
| 1.0% to <2.0% | 2,050 | 10.23% | £289,207,874 | 15.18% |
| 2.0% to <3.0% | 10,572 | 52.76% | £944,564,729 | 49.57% |
| 3.0% to <4.0% | 6,156 | 30.72% | £573,112,248 | 30.08% |
| 4.0% to <5.0% | 1,033 | 5.16% | £89,427,442 | 4.69% |
| 5.0% to <6.0% | 201 | 1.00% | £8,624,410 | 0.45% |
| 6.0% to <7.0% | 25 | 0.12% | £406,943 | 0.02% |
| 7.0% to <8.0% | 0 | 0.00% | £0 | 0.00% |
| ≥ 8.0% | 0 | 0.00% | £0 | 0.00% |
| Total | 20,037 | 100.00% | £1,905,343,646 | 100.00% |

Fixed Rate Roll Date

| | No of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------|---------------|----------------|-----------------------|----------------------|
| 2016 | 463 | 2.31% | £34,359,916 | 1.80% |
| 2017 | 6,483 | 32.36% | £776,243,065 | 40.74% |
| 2018 | 3,304 | 16.49% | £250,012,269 | 13.12% |
| 2019 | 1,074 | 5.36% | £64,682,512 | 3.39% |
| 2020 | 5,464 | 27.27% | £524,744,324 | 27.54% |
| 2021 | 1,314 | 6.56% | £77,078,662 | 4.05% |
| 2022 | 1 | 0.00% | £43,004 | 0.00% |
| 2023 | 1 | 0.00% | £34,406 | 0.00% |
| 2024 | 8 | 0.04% | £331,816 | 0.02% |
| 2025 | 1,554 | 7.76% | £142,540,937 | 7.48% |
| 2026 | 371 | 1.85% | £35,272,734 | 1.85% |
| Total | 20,037 | 100.00% | £1,905,343,646 | 100.00% |

Purpose of Loan

| | No of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------|---------------|----------------|-----------------------|----------------------|
| Purchase | 38,541 | 64.55% | £2,062,214,267 | 64.67% |
| Remortgage | 21,169 | 35.45% | £1,126,733,577 | 35.33% |
| Total | 59,710 | 100.00% | £3,188,947,844 | 100.00% |

Repayment Terms

| | No of Loans | % of Loans | Current Balance | % of Current Balance |
|---------------|---------------|----------------|-----------------------|----------------------|
| Interest Only | 5,462 | 9.15% | £368,912,755 | 11.57% |
| Repayment | 54,248 | 90.85% | £2,820,035,089 | 88.43% |
| Total | 59,710 | 100.00% | £3,188,947,844 | 100.00% |

Origination Channel

| | No of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------|---------------|----------------|-----------------------|----------------------|
| Direct | 39,145 | 65.56% | £1,645,001,716 | 51.58% |
| Introduced | 20,565 | 34.44% | £1,543,946,128 | 48.42% |
| Total | 59,710 | 100.00% | £3,188,947,844 | 100.00% |

Borrower employment status

| | No of Accounts | % of Accounts | Current Balance | % of Current Balance |
|---------------|----------------|----------------|-----------------------|----------------------|
| Employed | 23,784 | 90.05% | £2,811,127,718 | 88.15% |
| Self Employed | 2,628 | 9.95% | £377,820,126 | 11.85% |
| Retirement | 0 | 0.00% | £0 | 0.00% |
| Total | 26,412 | 100.00% | £3,188,947,844 | 100.00% |

Property type

| | No of Accounts | % of Accounts | Current Balance | % of Current Balance |
|------------------------------|----------------|----------------|-----------------------|----------------------|
| Residential (House) | 14,430 | 54.63% | £1,891,944,272 | 59.33% |
| Residential (Terraced) | 7,280 | 27.56% | £768,672,839 | 24.10% |
| Residential (Flat/Apartment) | 3,177 | 12.03% | £367,684,454 | 11.53% |
| Residential (Bungalow) | 1,525 | 5.77% | £160,646,280 | 5.04% |
| Total | 26,412 | 100.00% | £3,188,947,844 | 100.00% |

Discretionary Rates

| | Rate | Effective Date |
|-------------------------|-------|----------------|
| Standard Variable Rate | 2.25% | Sep-16 |
| Homeowner Variable Rate | 3.74% | Sep-16 |

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Capital Structure

| Notes In Issue | A1a | A1b | A2 | A3 | B | C | Subordinated | Retention |
|---|-----------------|-----------------|-----------------|----------------|---------------|--------------|--------------|--------------------------------------|
| Stock Exchange Listing | London | London | London | London | London | London | - | - |
| ISIN - 144a | XS1413355709 | XS1409655880 | XS1409668354 | XS1409674832 | XS1409694434 | XS1409710149 | - | - |
| ISIN - Reg S | XS1409635189 | XS1409639686 | XS1409667976 | XS1409679807 | XS1409685101 | XS1409702047 | - | - |
| Original Rating (Fitch/Moody's) | AAAsf/Aaa(sf) | AAAsf/Aaa(sf) | AAAsf/Aaa(sf) | AAAsf/Aaa(sf) | AAAsf/Aa2(sf) | Asf/Aa3(sf) | Not rated | Not rated |
| Current Rating (Fitch/Moody's) | AAAsf/Aaa(sf) | AAAsf/Aaa(sf) | AAAsf/Aaa(sf) | AAAsf/Aaa(sf) | AAAsf/Aa2(sf) | Asf/Aa3(sf) | Not rated | Not rated |
| Issue Date | 27-May-16 | 27-May-16 | 27-May-16 | 27-May-16 | 27-May-16 | 27-May-16 | 27-May-16 | 27-May-16 |
| Currency | EUR | GBP | GBP | GBP | GBP | GBP | GBP | GBP |
| FX Rate | 0.7705 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Issue Size | € 150,000,000 | £834,400,000 | £450,000,000 | £1,450,000,000 | £79,600,000 | £47,800,000 | £207,000,000 | £170,656,000 |
| Issue Size GBP Equivalent | £115,575,000 | £834,400,000 | £450,000,000 | £1,450,000,000 | £79,600,000 | £47,800,000 | £207,000,000 | £170,656,000 |
| Outstanding Amount | € 150,000,000 | £834,400,000 | £450,000,000 | £1,450,000,000 | £79,600,000 | £47,800,000 | £207,000,000 | £170,656,000 |
| Outstanding Amount GBP Equivalent | £115,575,000 | £834,400,000 | £450,000,000 | £1,450,000,000 | £79,600,000 | £47,800,000 | £207,000,000 | £170,656,000 |
| Privately-placed at Origination | - | - | - | - | - | - | - | - |
| Retained by Originator at Origination | - | £394,400,000 | £450,000,000 | £1,450,000,000 | £79,600,000 | £47,800,000 | £207,000,000 | £170,656,000 |
| Publicly-placed at Origination | € 150,000,000 | £440,000,000 | - | - | - | - | - | - |
| Subsequently Placed | - | - | - | - | - | - | - | - |
| Legal Final Maturity Date | 17-Apr-63 | 17-Apr-63 | 17-Apr-63 | 17-Apr-63 | 17-Apr-63 | 17-Apr-63 | 17-Apr-63 | 17-Apr-63 |
| Step Up/Call Date | 19-Apr-21 | 19-Apr-21 | 19-Apr-21 | 19-Apr-21 | 19-Apr-21 | 19-Apr-21 | 19-Apr-21 | 19-Apr-21 |
| Reference rate | 3m EURIBOR | 3m £ LIBOR | 3m £ LIBOR | 3m £ LIBOR | 3m £ LIBOR | 3m £ LIBOR | 3m £ LIBOR | 3m £ LIBOR |
| Rate Fixing | -0.19700% | 0.66681% | 0.66681% | 0.66681% | 0.66681% | 0.66681% | 0.66681% | 0.66681% |
| Margin | 0.40000% | 0.77000% | 0.79000% | 0.82000% | 1.80000% | 2.50000% | 0.00000% | 0.80537% |
| All-in rate | 0.20300% | 1.43681% | 1.45681% | 1.48681% | 2.46681% | 3.16681% | 0.66681% | 1.47218% |
| Frequency | Quarterly | Quarterly | Quarterly | Quarterly | Quarterly | Quarterly | Quarterly | Quarterly |
| Note Type, Pre-Enforcement | Scheduled Amort | Scheduled Amort | Scheduled Amort | Pass-through | Pass-through | Pass-through | Pass-through | Scheduled Amort - A1 and A2 Tranches |
| Note Type, Post-Enforcement | Pass-through | Pass-through | Pass-through | Pass-through | Pass-through | Pass-through | Pass-through | Pass-through |
| Last Interest Payment Date | - | - | - | - | - | - | - | - |
| Next Interest Payment Date | 17-Oct-16 | 17-Oct-16 | 17-Oct-16 | 17-Oct-16 | 17-Oct-16 | 17-Oct-16 | 17-Oct-16 | 17-Oct-16 |
| Day count convention | Actual/360 | Actual/365 | Actual/365 | Actual/365 | Actual/365 | Actual/365 | Actual/365 | Actual/365 |
| Total note coupon, Next Interest Payment Date | € 120,954 | £4,696,959 | £2,568,376 | £8,446,303 | £769,293 | £593,052 | £540,774 | £984,296 |
| Note balance at the start of the period | € 150,000,000 | £834,400,000 | £450,000,000 | £1,450,000,000 | £79,600,000 | £47,800,000 | £207,000,000 | £170,656,000 |
| Principal distributed in the period | € 0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Note balance at the end of the period | € 150,000,000 | £834,400,000 | £450,000,000 | £1,450,000,000 | £79,600,000 | £47,800,000 | £207,000,000 | £170,656,000 |
| Pool factor | 1.0000000 | 1.0000000 | 1.0000000 | 1.0000000 | 1.0000000 | 1.0000000 | 1.0000000 | 1.0000000 |
| Expected Principal Amount | € 14,948,924 | £83,155,879 | £26,702,894 | £0 | £0 | £0 | £0 | £6,388,337 |
| Principal Shortfall in Month | € 0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Cumulative Principal Shortfall | € 0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Interest accrued in the period | € 0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Interest payments made in the period | € 0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Interest shortfall in the period | - | - | - | - | - | - | - | - |
| Cumulative Interest Shortfall | - | - | - | - | - | - | - | - |

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Credit Enhancement and Retention Note

| Credit Enhancement and Liquidity Support | Amount (GBP Equivalent) | Retention Note (GBP Equivalent) | Total (GBP Equivalent) | % of Total | Subordination Notes |
|--|-------------------------|---------------------------------|--|------------|---------------------|
| Class A Notes | £2,849,975,000 | £150,000,000 | £2,999,975,000 | 89.50% | 10.50% |
| Class B Notes | £79,600,000 | £4,190,000 | £83,790,000 | 2.50% | 8.00% |
| Class C Notes | £47,800,000 | £2,516,000 | £50,316,000 | 1.50% | 6.50% |
| Subordinated Note | £207,000,000 | £10,895,000 | £217,895,000 | 6.50% | 0.00% |
| Retention Note (including Start Up Loan Tranche) | £170,656,000 | | | | |
| Total | £3,355,031,000 | | £3,351,976,000 | 100.00% | |
| Liquidity Reserve Fund Required Amount | £58,591,500 | 1.75% | (1.90% of the Class A and Class B Notes and Retention Tranche A and Tranche B) | | |
| Liquidity Reserve Fund Balance | £58,591,500 | 1.75% | (1.90% of the Class A and Class B Notes and Retention Tranche A and Tranche B) | | |

| Excess Spread | Last IPD | Previous IPD |
|-------------------------|----------|--------------|
| Excess spread - quarter | - | - |

| Retention Note - Tranche Breakdown | Amount (GBP Equivalent) | 3m£L Margin |
|------------------------------------|-------------------------|-------------|
| Class A1a Notes | £6,083,000 | 0.89570% |
| Class A1b Notes | £43,916,000 | 0.77000% |
| Class A2 Notes | £23,685,000 | 0.79000% |
| Class A3 Notes | £76,316,000 | 0.82000% |
| Class B Notes | £4,190,000 | 1.80000% |
| Class C Notes | £2,516,000 | 2.50000% |
| Subordinated Note | £10,895,000 | 0.00000% |
| Start Up Loan | £3,055,000 | 1.00000% |
| Total | £170,656,000 | 0.80537% |

TSB Bank, in its capacity as originator, will retain, on an on-going basis, a material net economic interest in the transaction of not less than 5 per cent., in accordance with Article 405 of Regulation (EU) No. 575/2013 (the Capital Requirements Regulation or CRR), Article 17 of the Alternative Investment Fund Managers Directive (the AIFMD), Article 51 of Regulation (EU) No. 231/2013 (the AIFM Regulation) and Article 254 of Regulation (EU) 2015/35 (the Solvency II Regulation) (which in each case does not take into account any corresponding national measures) (together, the EU Risk Retention Requirements). Such interest is comprised of the Retention Note. Any change to the manner in which such interest is held may only be made in accordance with the applicable laws and regulations and will be notified to investors.

TSB Bank, in its capacity as sponsor (or a majority-owned affiliate of TSB Bank, as sponsor), is required under Section 15G of the Exchange Act (the U.S. Credit Risk Retention Requirements) to acquire and retain an economic interest in the credit risk of the interests created by the Issuer on the Closing Date in an amount of, in the case of vertical risk retention, not less than 5 per cent. TSB Bank intends to satisfy the U.S. Credit Risk Retention Requirements by acquiring and retaining an eligible vertical interest (the EVI) in the form of a single vertical security equal to a minimum of 5 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes issued by the Issuer (other than the EVI). The single vertical security is in the form of the Retention Note.

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Swaps

| Accrual Period | Date |
|----------------|-----------|
| Period Start | 27-May-16 |
| Period End | 16-Oct-16 |

| FX Rate at Closing |
|--------------------|
| 0.7705 |

Interest Rate Swap

| Leg | Notional | Reference Rate | Rate | Spread | All in Rate | Payments | FX Rate | GBP Equivalent | Collateral Posting |
|---------|----------|----------------|----------|----------|-------------|----------|---------|----------------|--------------------|
| Pay | - | Fixed Rate | - | 0.00000% | 0.00000% | £0 | 1.0000 | £0 | £0 |
| Receive | - | 3m £ LIBOR | 0.66681% | 1.98900% | 2.65581% | £0 | 1.0000 | £0 | |

Net

Currency Swap

| Leg | Notional | Reference Rate | Rate | Spread | All in Rate | Payments | FX Rate | GBP Equivalent | Collateral Posting |
|---------|---------------|----------------|-----------|----------|-------------|----------|---------|----------------|--------------------|
| Pay | £115,575,000 | 3m £ LIBOR | 0.66681% | 0.89570% | 1.56251% | £0 | 1.0000 | £0 | £0 |
| Receive | € 150,000,000 | 3m EURIBOR | -0.19700% | 0.40000% | 0.20300% | € 0 | 0.7705 | £0 | |

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Waterfall

| Revenue Receipts | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Quarterly |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| (a) Mortgage Revenue Receipts | £1,230,304 | £7,315,071 | £7,453,040 | £7,358,418 | £6,753,716 | £30,110,550 |
| (b) Bank Account Interest, Authorised Investments Income | £3,469 | £32,460 | £47,757 | £28,152 | £28,773 | £140,610 |
| (c) Issuer Swap Agreement Receipts | £0 | £0 | £0 | £0 | £0 | £0 |
| (d) Liquidity Reserve Fund Excess Amount | £0 | £0 | £0 | £0 | £0 | £0 |
| (e) Credit on the Liquidity Reserve Fund Ledger | £0 | £0 | £0 | £0 | £0 | £0 |
| (f) Credit on the Start-Up Loan Ledger | £0 | £0 | £0 | £0 | £0 | £0 |
| (g) Start-Up Loan Agreement Tranche C Advance | £0 | £0 | £0 | £0 | £0 | £0 |
| (h) Principal Receipts applied to cure Revenue Deficiency | £0 | £0 | £0 | £0 | £0 | £0 |
| (i) Loans and Related Security Enforcement Receipts | £0 | £0 | £0 | £0 | £0 | £0 |
| (j) Other Net Income of the Issuer | £0 | £0 | £0 | £0 | £0 | £0 |
| Available Revenue Receipts | £1,233,773 | £7,347,531 | £7,500,797 | £7,386,570 | £6,782,489 | £30,251,160 |

| Principal Receipts | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Quarterly |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| (k) A3 Reserve Ledger from preceding IPD | £0 | £0 | £0 | £0 | £0 | £0 |
| (l) Principal Received | £7,489,565 | £38,092,708 | £37,557,230 | £41,878,463 | £44,236,674 | £169,254,640 |
| (m) Principal Received from Related Security enforcement | £0 | £0 | £0 | £0 | £0 | £0 |
| (n) Credited to Principal Deficiency Ledger | £0 | £0 | £0 | £0 | £0 | £0 |
| (o) Issuance Proceeds | £0 | £0 | £0 | £0 | £0 | £0 |
| (p) Subordinated Note and Retention Note drawing | £0 | £0 | £0 | £0 | £0 | £0 |
| (q) Euro exchange amounts under Currency Swap | £0 | £0 | £0 | £0 | £0 | £0 |
| (r) Other Principal Receipts* | £1,795,650 | £0 | £0 | £0 | £0 | £1,795,650 |
| less (s) Further Advance Purchase | £0 | £47,705 | £1,978,690 | £1,803,485 | £2,042,335 | £5,872,215 |
| less (s) New Portfolio Purchase | £0 | £0 | £0 | £0 | £0 | £0 |
| Available Principal Receipts | £9,285,215 | £38,045,003 | £35,578,540 | £40,074,978 | £42,194,339 | £165,178,074 |

*Day1 Surplus Principal Receipts

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Waterfall

| Quarterly Pre-enforcement Revenue Payments | Current Quarter | Prior Quarter | Quarterly Pre-enforcement Principal Payments within Revolving period | Current Quarter | Prior Quarter |
|---|-----------------|---------------|---|-----------------|---------------|
| Revenue Receipts Available for Distribution | £0 | £0 | Principal Receipts Available for Distribution | £0 | £0 |
| (a) (i) Note Trustee, (ii) Security Trustee fees & expenses | £0 | £0 | (a) (i) Revenue Deficiency for items (a) to (h) in Revenue Priority of Payments | £0 | £0 |
| (b) Paying Agent, Agent Bank, Registrar, Corporate Services fees & expenses | £0 | £0 | (a) (ii) Revenue Deficiency for item (j) in Revenue Priority of Payments | £0 | £0 |
| (c) (i) Servicer and (ii) Cash Manager fees & expenses | £0 | £0 | (a) (iii) Revenue Deficiency for item (m) in Revenue Priority of Payments | £0 | £0 |
| (c) (iii) Swap Collateral Bank fees & expenses | £0 | £0 | (a) (iv) Credit to the Further Advance Purchase Price Ledger | £0 | £0 |
| (c) (iv) Back-Up Facilitator fees & expenses | £0 | £0 | (a) (v) (A) Pay Currency Swap Provider under the Currency Swap Agreement | £0 | £0 |
| (c) (v) Issuer Account Bank Fees fees & expenses | £0 | £0 | (a) (v) (B) Pay Class A1a Retention Note Tranche | £0 | £0 |
| (d) Corporation Tax on Income or Chargeable Gain of the Issuer | £0 | £0 | (a) (v) (C) Pay Class A1b Noteholders | £0 | £0 |
| (e) Issuer Profit Amount | £0 | £0 | (a) (v) (D) Pay Class A1b Retention Note Tranche | £0 | £0 |
| (f) Other Third Party payments | £0 | £0 | (a) (v) (E) Pay Class A2 Noteholders | £0 | £0 |
| (g) Amounts due to the Interest Rate & Currency Swap Provider(s) | £0 | £0 | (a) (v) (F) Pay Class A2 Retention Note Tranche | £0 | £0 |
| (h) Class A Notes and Class A Retention Note Tranche Interest payments | £0 | £0 | (a) (vi) Credit to the New Portfolio Purchase Price Ledger | £0 | £0 |
| (i) Class A Notes and Class A Retention Note Tranche PDL Repayment | £0 | £0 | (a) (vii) (A) Pay Class A3 Noteholders | £0 | £0 |
| (j) Class B Notes and Class B Retention Note Tranche Interest payments | £0 | £0 | (a) (vii) (B) Pay Class A3 Retention Note Tranche | £0 | £0 |
| (k) Amount Retained to replenish Liquidity Reserve Fund | £0 | £0 | (a) (viii) Credit the Class A3 Reserve Ledger | £0 | £0 |
| (l) Class B Notes and Class B Retention Note Tranche PDL Repayment | £0 | £0 | <u>Closing Principal Balance</u> | <u>£0</u> | <u>£0</u> |
| (m) Class C Notes and Class C Retention Note Tranche Interest payments | £0 | £0 | | | |
| (n) Class C Notes and Class C Retention Note Tranche PDL Repayment | £0 | £0 | | | |
| (o) Any Swap Excluded Termination Payment(s) | £0 | £0 | | | |
| (p) Subordinated Note and SN Retention Note Tranche PDL Repayment | £0 | £0 | | | |
| (q) Subordinated Note and SN Retention Note Tranche Interest payments | £0 | £0 | | | |
| (r) Start Up Loan and SUL Retention Note Tranche Interest Repayment | £0 | £0 | | | |
| (s) Deferred Consideration | £0 | £0 | | | |
| <u>Distributed Revenue Receipts</u> | <u>£0</u> | <u>£0</u> | | | |

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Cash Manager Ledger Balances

Cash Manager Ledger Summary

| | Current Month | Previous Month |
|--|---------------|----------------|
| Principal Ledger and Class A3 Reserve Ledger | £165,178,074 | £122,983,735 |
| Revenue Ledger | £30,251,160 | £23,468,671 |
| Issuer Profit Ledger | £0 | £0 |
| Liquidity Reserve Fund Ledger | £58,591,500 | £58,591,500 |
| Further Advance Purchase Price Ledger | £0 | £0 |
| New Portfolio Purchase Price Ledger | £0 | £0 |
| Start-Up Loan Ledger* | £58,036,925 | £58,036,925 |
| Principal Deficiency Ledger | £0 | £0 |
| Authorised Investments | £0 | £0 |
| Start Up Expenses Reserve | £573,950 | £774,761 |

*Excludes Start-Up Loan Tranche of Retention Note

Liquidity Reserve Fund Ledger

| | At Issue** | Current Period | Prior Period |
|--|-------------|----------------|--------------|
| Liquidity Reserve Fund Ledger b/f | £58,591,500 | £58,591,500 | £58,591,500 |
| Distributed to Available Revenue Receipts | £0 | £0 | £0 |
| Received from Revenue Priority of Payments | £0 | £0 | £0 |
| Further Drawings made | £0 | £0 | £0 |
| Liquidity Reserve Fund Ledger c/f | £0 | £58,591,500 | £58,591,500 |

**Required Amount

Principal Deficiency Ledger

| | Current Period | Prior Period |
|---|----------------|--------------|
| Class A Principal Deficiency Ledger | £0 | £0 |
| Class B Principal Deficiency Ledger | £0 | £0 |
| Class C Principal Deficiency Ledger | £0 | £0 |
| Subordinated Note Principal Deficiency Ledger | £0 | £0 |
| Retention Note Principal Deficiency Ledger | | |

Class A Principal Deficiency Ledger

| | Current Period | Prior Period |
|---|----------------|--------------|
| Principal Deficiency Ledger b/f | £0 | £0 |
| Realised Losses in the Portfolio | £0 | £0 |
| Principal Receipts used to cover Revenue Deficiency | £0 | £0 |
| Reimbursed from Available Revenue Receipts | £0 | £0 |
| Principal Deficiency Ledger c/f | £0 | £0 |

Class B Principal Deficiency Ledger

| | Current Period | Prior Period |
|---|----------------|--------------|
| Principal Deficiency Ledger b/f | £0 | £0 |
| Realised Losses in the Portfolio | £0 | £0 |
| Principal Receipts used to cover Revenue Deficiency | £0 | £0 |
| Reimbursed from Available Revenue Receipts | £0 | £0 |
| Principal Deficiency Ledger c/f | £0 | £0 |

Class C Principal Deficiency Ledger

| | Current Period | Prior Period |
|---|----------------|--------------|
| Principal Deficiency Ledger b/f | £0 | £0 |
| Realised Losses in the Portfolio | £0 | £0 |
| Principal Receipts used to cover Revenue Deficiency | £0 | £0 |
| Reimbursed from Available Revenue Receipts | £0 | £0 |
| Principal Deficiency Ledger c/f | £0 | £0 |

Subordinated Note Principal Deficiency Ledger

| | Current Period | Prior Period |
|--|----------------|--------------|
| Principal Deficiency Ledger b/f | £0 | £0 |
| Realised Losses in the Portfolio | £0 | £0 |
| Reimbursed from Available Revenue Receipts | £0 | £0 |
| Principal Deficiency Ledger c/f | £0 | £0 |

Retention Note Principal Deficiency Ledger

| | Current Period | Prior Period |
|---|----------------|--------------|
| Principal Deficiency Ledger b/f | £0 | £0 |
| Realised Losses in the Portfolio | £0 | £0 |
| Principal Receipts used to cover Revenue Deficiency | £0 | £0 |
| Reimbursed from Available Revenue Receipts | £0 | £0 |
| Principal Deficiency Ledger c/f | £0 | £0 |

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Ratings and Triggers

Rating Based Triggers

| Transaction Party | Counterparty | Required Long Term Rating (Fitch/Moody's) | Current Long Term Rating (Fitch/Moody's) | Required Short Term Rating (Fitch/Moody's) | Current Short Term Rating (Fitch/Moody's) | Status | Consequences |
|--|---------------------------------------|---|--|--|---|--------|---|
| Issuer Account Bank | Citibank, N.A., London Branch | A/A1 | A+/A1 | F1/P-1 | F1/P-1 | Pass | The Cash Manager or the Issuer shall terminate the Bank Account Agreement and close the Bank Accounts by giving not less than 30 days' prior written notice to the Issuer Account Bank if the Issuer Account Bank fails to maintain any of the Issuer Account Bank Required Ratings. |
| Interest Rate Swap Provider and Currency Swap Provider | Wells Fargo Bank, N.A., London Branch | | | | | | |
| | Moody's First Trigger | - /A3(cr) | AA/Aa1 | | F1+/P1 | Pass | If at least 30 business days have elapsed since the last time the Swap Provider had the required rating, the Swap Provider must, if required, post collateral and may either (i) transfer its rights and obligations under the relevant Swap Agreement to an appropriately rated replacement third party, or (ii) procure a guarantee from an appropriately rated third party. A failure by the Swap Provider to take such steps will, in certain circumstances, allow the Issuer to terminate the relevant Swap Agreement. |
| | Moody's Second Trigger | - /Baa1(cr) | AA/Aa1 | | F1+/P1 | Pass | If a Swap Provider does not have the required rating, the Swap Provider must, within 30 business days, either (i) transfer its rights and obligations under the relevant Swap Agreement to an appropriately rated replacement third party, or (ii) procure a guarantee from an appropriately rated third party. A failure by the Swap Provider to take such steps will, in certain circumstances, allow the Issuer to terminate the relevant Swap Agreement. |
| | Fitch First Trigger | A/ - | AA/Aa1 | F1/ - | F1+/P1 | Pass | The Swap Provider must provide collateral within 14 calendar days unless, it either (i) transfers its obligations in respect of the relevant Swap to an entity that is eligible to be a swap provider under the Fitch ratings criteria, (ii) obtains a guarantee or co-obligation in respect of the relevant Swap from an entity with the required Unsupported Minimum Counterparty Ratings, or (iii) takes such other action as will maintain, or restore, the rating of the highest class of Rated Notes by Fitch. A failure by the Swap Provider to take such steps will, in certain circumstances, allow the Issuer to terminate the relevant Swap Agreement. |
| | Fitch Second Trigger | BBB+/ - | AA/Aa1 | F2/ - | F1+/P1 | Pass | The Swap Provider must, within 30 calendar days, either (i) transfer its obligations in respect of the relevant Swap to an entity that is eligible to be a swap provider under the Fitch ratings criteria, (ii) obtain a guarantee or co-obligation in respect of the relevant Swap from an entity with the required Unsupported Minimum Counterparty Ratings, or an entity with the Supported Minimum Counterparty Ratings or (iii) take such other action as will maintain, or restore, the rating of the highest class of Rated Notes by Fitch. A failure by the Swap Provider to take such steps will, in certain circumstances, allow the Issuer to terminate the relevant Swap Agreement. Whilst this process is ongoing the Swap Provider must also provide collateral within 14 calendar days or if collateral has previously been provided, continue to provide collateral. |
| Swap Collateral Account Bank | Citibank, N.A., London Branch | A/A3 | A+/A1 | F1/ - | F1/P-1 | Pass | The Issuer and the Swap Collateral Account Bank shall use their reasonable endeavours to, within 30 calendar days following the first day on which such downgrade occurred, either: (a) close the Swap Collateral Accounts held with the Swap Collateral Account Bank and use all reasonable endeavours to open replacement accounts with a financial institution which has the required ratings; or (b) use all reasonable endeavours to obtain a guarantee of the obligations of the Swap Collateral Account Bank under this Agreement from a financial institution having the required ratings; or (c) take such other reasonable actions to ensure that the then current rating of the Class A Notes are not adversely affected by the Swap Collateral Account Bank ceasing to have the required ratings. |

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Ratings and Triggers

Non Rating Based Triggers

| Nature of Trigger | Summary | Prospectus Ref. | Status | Consequence |
|----------------------------|--|-----------------|---|--|
| Seller | <p>The occurrence of any of the following:</p> <p>(a) the Seller is required to perfect transfer of legal title to the Loans and their Related Security (i) by an order of a court of competent jurisdiction or (ii) by any regulatory authority of which the Seller is a member and with whose instructions the Seller is required to comply,</p> <p>(b) it becomes necessary by law for the Issuer to perfect legal title to the Loans and their Related Security,</p> <p>(c) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee,</p> <p>(d) the security under the Deed of Charge or any material part of that security is, in the opinion of the Security Trustee, in jeopardy and the Security Trustee is required by the Note Trustee, on behalf of the Noteholders so long as any Notes are outstanding, or the other Secured Creditors if no Notes are then outstanding, to take action to reduce that jeopardy, or</p> <p>(e) a Seller Insolvency Event.</p> | p.110 | <p>Pass</p> <p>Pass</p> <p>Pass</p> <p>Pass</p> <p>Pass</p> | The Issuer will be entitled to effect legal transfer of the Loans by making the required registrations and serving notice on the Borrowers. |
| Servicer Termination Event | <p>The occurrence of any of the following:</p> <p>(a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Agreement and such default continues unremedied for a period of seven Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer, the Seller or the Security Trustee, as the case may be, requiring the same to be remedied;</p> <p>(b) the Servicer defaults in the performance or observance of any of its other covenants and obligations under the Servicing Agreement, which failure in the reasonable opinion of the Issuer (prior to the delivery of a Note Acceleration Notice) or the Security Trustee (after the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Noteholders, and the Servicer does not remedy that failure within 20 Business Days after the earlier of the Servicer becoming aware of the failure and receipt by the Servicer of written notice from the Issuer, the Seller or the Security Trustee requiring the Servicer's non-compliance to be remedied;</p> <p>(c) the Servicer fails to obtain or maintain the necessary licences or regulatory approvals enabling it to continue to service the Loans; or</p> <p>(d) an insolvency event occurs in relation to the Servicer.</p> | p.110/p.111 | <p>Pass</p> <p>Pass</p> <p>Pass</p> <p>Pass</p> | <p>(a) Following the occurrence of a Servicer Termination Event, the Issuer may terminate the appointment of the Servicer under the Servicing Agreement and transfer servicing to a replacement servicer.</p> <p>(b) The Servicer may also resign its appointment on no less than 12 months' written notice to, among others, the Issuer and the Security Trustee with a copy being sent to the Rating Agencies provided that (i) the Issuer and the Security Trustee consent to such termination, (ii) a replacement servicer qualified to act as such under the FSMA and the CCA and with a management team with experience of servicing residential mortgages in the United Kingdom has been appointed and enters into a servicing agreement with the Issuer on substantially the same terms as the Servicing Agreement, and (iii) the resignation has no adverse effect on the then current ratings of the Rated Notes unless the Noteholders agree otherwise by Extraordinary Resolution.</p> |

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Ratings and Triggers

Non Rating Based Triggers

| Event | Summary | Prospectus Ref. | Status | Consequence |
|------------------------------------|---|-----------------|-------------------------------------|--|
| Cash Manager Termination Event | <p>The occurrence of any of the following:</p> <p>(a) the Cash Manager defaults in the payment on the due date of any payment due and payable by it under the Cash Management Agreement and such default continues unremedied for a period of seven Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied;</p> <p>(b) the Cash Manager defaults in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which failure in the reasonable opinion of the Issuer (prior to the delivery of a Note Acceleration Notice) or the Security Trustee (after the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Noteholders, and the Cash Manager does not remedy that failure within 20 Business Days after the earlier of the Cash Manager becoming aware of the failure and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee requiring the Cash Manager's non-compliance to be remedied; or</p> <p>(c) an insolvency event occurs in relation to the Cash Manager.</p> | p.111/112 | <p>Pass</p> <p>Pass</p> <p>Pass</p> | <p>(a) Following the occurrence of a Cash Manager Termination Event, the Issuer or the Security Trustee may terminate the appointment of the Cash Manager under the Cash Management Agreement and transfer cash management services to a replacement cash manager.</p> <p>(b) The Cash Manager may also resign its appointment on no less than 12 months' written notice to, among others, the Issuer, the Seller and the Security Trustee provided that (i) the Security Trustee provides prior written approval, (ii) a replacement Cash Manager with cash management experience has been appointed and enters into a cash management agreement with the Issuer on substantially the same terms as the Cash Management Agreement, and (iii) the resignation has no adverse effect on the then current ratings of the Rated Notes unless the Controlling Class otherwise directs.</p> |
| Revolving Period Termination Event | The occurrence of (i) a Pass-Through Event; (ii) an Event of Default; or (iii) a Portfolio Eligibility Trigger | p.112 | Pass | Available Principal Receipts will be applied in accordance with the following priority of payments on an Interest Payment Date: |
| Pass-Through Event | Redemption of the Class A3 Notes and and the portion of the Retention Note comprised by Retention Tranche A3 during the Revolving Period | p.167 | Pass | (a) first, pro rata and pari passu in or towards repayment of the principal amounts outstanding on (i) the Class A1a Notes until the Principal Amount Outstanding on the Class A1a Notes has been reduced to zero, (ii) the portion of the Retention Note comprised by Retention Tranche A1a until the Retention Tranche A1a Principal Amount has been reduced to zero, (iii) the Class A1b Notes until the Principal Amount Outstanding on the Class A1b Notes has been reduced to zero, and (iv) the portion of the Retention Note comprised by Retention Tranche A1b until the Retention Tranche A1b Principal Amount has been reduced to zero; |
| Event of Default | A Senior Note Event of Default and/ or Subordinated Note Event of Default has occurred | p.38 | Pass | (b) second, pro rata and pari passu in or towards repayment of the principal amounts outstanding on (i) the Class A2 Notes until the Principal Amount Outstanding on the Class A2 Notes has been reduced to zero and (ii) the portion of the Retention Note comprised by Retention Tranche A2 until the Retention Tranche A2 Principal Amount has been reduced to zero; |
| Portfolio Eligibility Trigger | Portfolio Eligibility Trigger means the occurrence of any one of the following | p.167 | Pass | (c) third, pro rata and pari passu in or towards repayment of the principal amounts outstanding on (i) the Class A3 Notes until the Principal Amount Outstanding on the Class A3 Notes has been reduced to zero and (ii) the portion of the Retention Note comprised by Retention Tranche A3 until the Retention Tranche A3 Principal Amount has been reduced to zero; |
| | (a) the Step-Up Date; | | Pass | (d) fifth, pro rata and pari passu in or towards repayment of the principal amounts outstanding on (i) the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero and (ii) the portion of the Retention Note comprised by Retention Tranche B until the Retention Tranche B Principal Amount has been reduced to zero; |
| | (b) a Seller Insolvency Event; | | Pass | (e) sixth, pro rata and pari passu in or towards repayment of the principal amounts outstanding on (i) the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero and (ii) the portion of the Retention Note comprised by Retention Tranche C until the Retention Tranche C Principal Amount has been reduced to zero; |
| | (c) an unremedied breach by the Seller of any of its obligations under the Transaction Documents, which breach has (or, with the passage of time, would have) a Material Adverse Effect; | | Pass | (f) seventh, pro rata and pari passu in or towards repayment of the principal amounts outstanding on (i) the Subordinated Note until the Principal Amount Outstanding on the Subordinated Note has been reduced to zero and (ii) the portion of the Retention Note comprised by Retention Tranche SN until the Retention Tranche SN Principal Amount has been reduced to zero; and |
| | (d) following the application of the Pre-Enforcement Revenue Priority of Payments on an Interest Payment Date, the balance recorded to the Subordinated Note Principal Deficiency Ledger is in excess of 1 per cent. of the aggregate Principal Amount Outstanding of all Notes as at that Interest Payment Date; | | Pass | (g) eighth, to pay any Deferred Consideration in accordance with the Mortgage Sale Agreement in respect of the Loans sold to the Issuer from time to time, as follows: (A) the product of the Retention Tranche Deferred Consideration Payment Percentage and such Deferred Consideration to the Retention Noteholder in respect of the portion of the Retention Note comprised by Retention Tranche Deferred Consideration, and (B) all remaining amounts to the Seller. |
| | (e) the Liquidity Reserve Fund are not fully funded to the Liquidity Reserve Fund Required Amount on an Interest Payment Date following the application of the Pre-Enforcement Revenue Priority of Payments; | | Pass | |
| | (f) redemption in full of the Class A3 Notes and reduction of the portion of the Retention Note comprised by Retention Tranche A3; and | | Pass | |
| | (g) the aggregate Current Balance of the Loans in the Portfolio which are then in arrears for 3 months or more or is greater than or equal to 3 per cent. of the aggregate Current Balance of all Loans in the Portfolio as at any Interest Payment Date. | | Pass | |

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Glossary

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| Arrears | 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. |
| Arrears Capitalisation Policy | TSB will consider capitalising arrears where a customer has made at least 6 consecutive full repayments since the last missed payment and the customer has provided consent for the capitalisation. |
| Constant Default Rate (CDR) | The default rate in the month is calculated as follows: $1 - (1 - (\text{balance of loans repossessed in the month (excluding recoveries)} / \text{portfolio balance at the start of the month}))^{12}$ The annualised default rate since transaction close is calculated as the average of all of the monthly annualised CDRs since transaction close expressed as a percentage. |
| Constant Prepayment Rate (CPR) | Monthly CPR on that 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. Quarterly CPR - The average of the three most recent monthly annualised CPRs expressed as a percentage. CPR Since Transaction Close - The average of all of the monthly annualised CPRs since transaction close expressed as a percentage. |
| Current Balance | 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. |
| Excess Spread | Excess spread is the available revenue receipts after the payment of senior fees, interest on the notes, payments/receipts under the swaps and replenishment of the reserve fund. |
| FSCS | Financial Services Compensation Scheme. This is the UK's statutory compensation scheme for customers of authorised financial services firms. |
| FSCS Limit | The FSCS compensation limit is currently £75,000 |
| Geographic Analysis | The geographic analysis is prepared based on the Economic Planning Regions |
| Indexed LTV | The aggregate Current Balance of all loans within a mortgage account divided by the indexed valuation of the property securing the loans in that mortgage account at the reporting date. |
| Indexed Valuation | 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. ** |
| LCR | Liquidity Coverage Ratio. |
| Loan Seasoning | The number of months since the date of origination of the mortgage loan. |
| Losses | All realised losses in respect of a Loan, including any loss arising as a result of an exercise of any set-off by the relevant Borrower. Duncan Funding is only entitled to recoveries which have not been cured by Excess Spread. |

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Glossary

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| Mortgage Account / Loan | 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. |
| Mortgage Collections | All cash receipts on a mortgage within the portfolio excluding monies paid by TSB in respect of loans repurchased from the portfolio. |
| Mortgage Yield | Mortgage yield is defined as the total revenue receipts generated by the mortgage assets in the period divided by the average mortgage balance for the period. Post swap yield is after taking into account receipts/ payment under the Interest Rate Swap |
| Origination Channel | The origination channel of each loan. Direct origination includes loans originated in branches, direct telephone sales and internet sales. |
| Original LTV | Based on the original amount advanced on the date of the origination of the initial loan (excluding capitalised interest, high LTV fees, insurance fees, booking fees and valuation fees), divided by the value of the property securing the loans in that mortgage account at that date. |
| Principal Prepayment Rate (PPR) | <p>Monthly PPR on any 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 calculation date. These are annualised using the formula: $1 - ((1 - M)^{12})$ where M is the monthly PPR expressed as a percentage.</p> <p>Quarterly PPR - The average of the three most recent monthly annualised PPRs expressed as a percentage.</p> <p>PPR Since Transaction Close - The average of all of the monthly annualised PPRs since transaction close expressed as a percentage.</p> |
| Purpose of Loan | Whether the purpose of the initial loan was to finance the purchase of a new property or to remortgage a property already owned by the borrower. |
| Weighted Average (WA) | Unless otherwise stated all weighted average calculations are weighted by current balance. |
| Weighted Average Margin | Weighted Average Margin for variable rate is calculated as weighted average interest rate less Bank of England Base Rate |