

EXECUTION VERSION

FINAL TERMS

6 December 2017

TSB Bank plc

**Issue of Regulated £500,000,000 Series 2017-1 Floating Rate Covered Bonds due December 2022
irrevocably and unconditionally guaranteed as to payment of principal and interest by
TSB Covered Bonds LLP
under the £5 billion
Global Covered Bond Programme**

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Terms and Conditions**) set forth in the Prospectus dated 24 February 2017 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended, which includes the amendments made by Directive 2010/73/EU to the effect that such amendments have been implemented in a relevant Member State) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer, the LLP and the Covered Bonds is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at Henry Duncan House, 120 George Street, Edinburgh EH2 4LH and at <http://www.tsb.co.uk/investors/debt-investors/covered-bonds/> and copies may be obtained during normal business hours from TSB Bank plc, Henry Duncan House, 120 George Street, Edinburgh EH2 4LH.

1	(i)	Issuer:	TSB Bank plc
	(ii)	LLP:	TSB Covered Bonds LLP
2	(i)	Series Number:	2017-1
	(ii)	Tranche Number:	1
	(iii)	Series which Covered Bonds will be consolidated and form a single Series with:	Not Applicable
	(iv)	Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above;	Not Applicable
3		Specified Currency or Currencies:	Sterling (£)
4		Aggregate Amount of Covered Bonds to be issued:	£500,000,000
5		Aggregate Nominal Amount of Covered Bonds admitted to trading:	
	(i)	Series:	£500,000,000
	(ii)	Tranche:	£500,000,000
6		Issue Price:	100 per cent. of the aggregate nominal amount
7	(i)	Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Covered Bonds in definitive form will be issued with a denomination above £199,000

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	(ii)	Calculation Amount:	£1,000
8	(i)	Issue Date:	7 December 2017
	(ii)	Interest Commencement Date:	Issue Date
9	(i)	Final Maturity Date:	Interest Payment Date falling in or nearest to December 2022
	(ii)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	Interest Payment Date falling in or nearest to December 2023
10		Interest Basis:	3 Month GBP LIBOR +0.24 per cent. Floating Rate from and including the Issue Date to but excluding the Final Maturity Date
11		Redemption/Payment Basis:	100 per cent. of the nominal value
12		Change of Interest or Redemption/Payment Basis:	From and including the Final Maturity Date to but excluding the Extended Due for Payment Date the following Interest provisions apply: Interest Basis: 1 Month GBP LIBOR +0.24 per cent. per annum Floating Rate Interest Payment Dates: 7th day of each month, from and including 7 January 2023, to and including the Extended Due for Payment Date Business Days: London Business Day Convention: Modified Following Business Day Convention Day Count Fraction: Actual/365 (Fixed) Screen Rate Determination: Applicable Interest Determination Dates: The first day of each relevant Interest Period Relevant Screen Page: Reuters Screen LIBOR01 (or any replacement thereto)
13		Put/Call Options:	Not Applicable
14		Date of Board approval for issuance of Covered Bonds and Covered Bond Guarantee obtained:	22 February 2017 in respect of the Issuer and 4 December 2017 in respect of the LLP
15		Listing:	London

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16		Fixed Rate Covered Bond Provisions	Not Applicable
17		Floating Rate Covered Bond Provisions	Applicable
	(i)	Specified Period(s)/Specified Interest Payment Date(s):	7 March, 7 June, 7 September and 7 December of each year, to and including the Final Maturity Date. The first Interest Payment Date shall be 7 March 2018.

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(ii)	Business Day Convention:	Modified Following Business Day Convention
(iii)	Additional Business Centre(s):	Not Applicable
(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):	Not Applicable
(vi)	Screen Rate Determination:	Applicable
	– Reference Rate and Relevant Financial Centre:	Reference Rate: 3 Month GBP LIBOR in respect of the Specified Currency Relevant Financial Centre: London
	– Interest Determination Date(s):	The first day of each relevant Interest Period
	– Relevant Screen Page:	Reuters Screen LIBOR01 (or any replacement thereto)
(vii)	ISDA Determination:	Not Applicable
(viii)	Margin(s):	+0.24 per cent. per annum
(ix)	Minimum Rate of Interest:	zero per cent. per annum
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/365 (Fixed)
18	Zero Coupon Covered Bond Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Issuer Call Option	Not Applicable
20	Investor Put Option	Not Applicable
21	Final Redemption Amount	Nominal Amount/£1,000 per Calculation Amount
22	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on acceleration following an Issuer Event of Default or an LLP Event of Default:	£1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

23	Form of Covered Bonds	Bearer Covered Bonds: Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form after an Exchange Event
24	New Global Covered Bond:	Yes
25	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable

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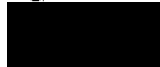
26 Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): No

27 Details relating to Instalment Covered Bonds:

Instalment Amount(s): Not Applicable

Instalment Date(s): Not Applicable

Signed on behalf of TSB Bank plc



By: *IAN FIRTH*

Duly authorised

Signed on behalf of TSB Covered Bonds LLP



By: Steve Vance

Duly authorised

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PART B — OTHER INFORMATION

1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and to the Official List of the UK Listing Authority with effect from 7 December 2017
- (ii) Estimate of total expenses related to admission to trading: £3,600

2 RATINGS

- Ratings: The Covered Bonds to be issued have been initially rated:
Moody's: Aaa

3 PROVISIONS RELATING TO THE INTEREST RATE SWAPS

- Fixed Rate Spread: 1.15% per annum
Tracker Rate Spread: -0.20% per annum
Variable Rate Spread: 2.15% per annum

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer and LLP are aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The Dealers and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with and may perform other services for the Issuer and/or the LLP and/or it or their affiliates in the ordinary course of business.

5 OPERATIONAL INFORMATION:

- (i) ISIN: XS1729158508
(ii) Common Code: 172915850
(iii) (Insert here any other relevant codes): Not Applicable
(iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable
(v) Names and addresses of additional Paying Agents: Not Applicable

6 YIELD (Fixed Rate Covered Bonds only) Not Applicable

- Indication of yield: The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.