

Richard Meddings
Chairman



Rt Hon Nicky Morgan MP
Chair, Treasury Select Committee
House of Commons
Westminster
London
SW1A 0AA

TSB Bank plc
20 Gresham Street
London
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4th September 2018

Dear Mrs Morgan,

I wanted to write to you directly and share the announcement the Board of TSB have made this morning.

After seven years as Chief Executive, Paul Pester will be stepping down from his position and leaving the company. Paul has made an enormous contribution to TSB since 2013. Thanks to his efforts and commitment, TSB is today one of the UK's strongest challenger banks, serving over 5 million customers across the UK.

TSB still faces a number of remaining IT issues following the bank's IT migration and there is more to do to achieve full functionality for customers. Nonetheless, the overall levels of service are much improved since April, and Paul and the Board have therefore agreed that this is the right time to step down and appoint a new CEO for TSB.

Meanwhile I have been asked by the Board to take on the role of Executive Chairman on an interim basis. Together with the Executive Committee, we have three immediate priorities: to complete the work of putting things right for customers; to enable the bank to achieve full functionality for customers – including the availability of all product services and the launch of a leading Business Banking offer; and to appoint a CEO for the next chapter of TSB.

I would be very happy to talk through these changes with you, or indeed to meet at a time which would be convenient over the coming weeks to discuss our priorities for the bank and your thoughts about TSB's future.

Separately, I am planning to write to you later this week and share an updated schedule from Slaughter and May regarding the timetable for completing their independent review of the IT migration. Once we have confirmation regarding this timetable, I will be in touch directly.

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In the meantime, please do get in touch directly if you have any questions about today's announcement.

Yours sincerely

A handwritten signature in black ink that reads "Richard Meddings". The signature is written in a cursive, slightly slanted style.

Richard Meddings,
Chairman, TSB Bank plc

Committee staff note: this letter replaces an earlier version, which contained a drafting error.