

EXECUTION VERSION

FINAL TERMS

21 November 2017 (amended and restated as of 13 February 2018)

PRINCIPALITY BUILDING SOCIETY

Issue of GBP300,000,000 2.375 per cent. Notes due 23 November 2023

under the £1,000,000,000 (Excluding Deposit Notes) Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 12 May 2017 and the supplemental Prospectus dated 7 November 2017 which together constitute a base prospectus for the purposes of the Prospectus Directive (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at Principality Buildings, Queen Street, Cardiff, CF10 1UA and www.principality.co.uk. The Prospectus has been published on the website of the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news-home.html.

1	Issuer:	Principality Building Society
2	(i) Series Number:	10
	(ii) Tranche Number:	1
	(iii) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies:	Pounds Sterling (" GBP ")
4	Aggregate Nominal Amount of Notes admitted to Trading:	
	(i) Series:	GBP300,000,000
	(ii) Tranche:	GBP300,000,000
5	Issue Price:	99.667 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	GBP100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP199,000. No Notes in definitive form will be issued with a denomination above GBP199,000
	(ii) Calculation Amount:	GBP1,000

7	(i)	Issue Date:	23 November 2017
	(ii)	Interest Commencement Date:	Issue Date
8		Maturity Date:	23 November 2023
9		Interest Basis:	2.375 per cent. Fixed Rate (further particulars specified below)
10		Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11		Change of Interest Basis:	Not Applicable
12		Put/Call Options:	Not Applicable
13	(i)	Status of the Notes:	Senior
	(ii)	Date Board approval for issuance of Notes obtained:	19 October 2017
14		Method of distribution:	Syndicated: <i>Joint Lead Managers</i> BNP Paribas Lloyds Bank plc The Royal Bank of Scotland plc (trading as NatWest Markets)

Provisions Relating to Interest (if any) Payable

15		Fixed Rate Note Provisions	Applicable
	(i)	Rate of interest:	2.375 per cent. per annum payable semi annually in arrear
	(ii)	Interest Payment Date(s):	23 May and 23 November in each year from and including 23 May 2018 up to and including the Maturity Date
	(iii)	Fixed Coupon Amount:	GBP11.875 per Calculation Amount
	(iv)	Broken Amount:	Not Applicable
	(v)	Day Count Fraction:	Actual/Actual (ICMA)
	(vi)	Determination Dates:	23 May and 23 November in each year
16		Resettable Note Provisions	Not Applicable

17 Floating Rate Note Provisions Not Applicable

18 Zero Coupon Note Provisions Not Applicable

Provisions Relating to Redemption

19 Notice periods for Condition 6(c) and 6(f): Minimum period: 30 days
Maximum period: 60 days

20 Call Option Not Applicable

21 Regulatory Event (Subordinated Notes only) Not Applicable

22 Put Option Not Applicable

23 Final Redemption Amount of each Note GBP1,000 per Calculation Amount

24 Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or an event of default or other early redemption: GBP1,000 per Calculation Amount

General Provisions Applicable to the Notes

25 Form of Notes: Bearer Notes

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note

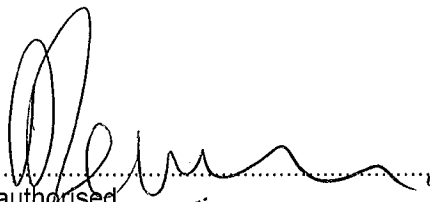
26 New Global Note: Yes

27 Financial Centre(s) or other special provisions relating to payment dates: Not Applicable

28 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): No

29 U.S. Selling Restrictions: Reg S Compliance Category 2; TEFRA D

Signed on behalf of the Issuer:

By: 

Duly authorised TOM DENMAN
CHIEF FINANCIAL OFFICER

PART B — OTHER INFORMATION

1 Listing

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from the Issue Date
- (ii) Estimate of total expenses related to admission to trading: GBP3,650

2 Ratings

Ratings: The Notes to be issued have been rated:

Fitch Ratings Ltd (**Fitch**): BBB+

Moody's Investors Service Limited (**Moody's**): Baa2

Each of Moody's and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

3 Interests of Natural and Legal Persons Involved in the Issue

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Joint Lead Managers 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 its affiliates in the ordinary course of business.

4 YIELD

Indication of yield: 2.450 per cent. per annum

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

5 Operational Information

ISIN: XS1722899165

Common Code: 172289916

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): Not Applicable

Delivery:

Delivery against payment

Names and addresses of additional
Paying Agent(s) (if any):

Not Applicable

Intended to be held in a manner which
would allow Eurosystem eligibility

Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.