

FINAL TERMS DATED 20 AUGUST 2010

(to the Base Prospectus dated 27 May 2010)

Penarth Master Issuer plc

(incorporated under the laws of England and Wales with limited liability under registered number 6615304)

Issuer

Bank of Scotland plc

Sponsor, Transferor, Cash Manager, Servicer and Swap Counterparty

Issue of €250,000,000 Class A Asset Backed Floating Rate Notes due 2015 under

the Penarth Medium Term Note Programme

(ultimately backed by trust property in the Penarth Receivables Trust)

The Issuer will issue	Class A3 Notes
Principal Amount	€250,000,000
Interest Rate	1 month EURIBOR plus Margin
Interest Payment Dates	On the 18 th day of each month, in each case subject to adjustment for non Business Days
Scheduled Redemption Date	18 August 2013
Final Redemption Date	18 August 2015
Price to public	€250,000,000 (or 100 per cent.)
Underwriting discount	€0 (or 0 per cent.)
Proceeds to Sponsor	€250,000,000 (or 100 per cent.)

Payments on the class B notes are subordinated to payments on the class A notes. Payments on the class C notes are subordinated to payments on the class A and class B notes. Payments on the class D notes are subordinated to payments on the class A notes, class B notes and class C notes.

The notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to "U.S. Persons" (within the meaning of Regulation S of the Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Notes issued under the Penarth Medium Term Note Programme may only be offered, sold or delivered (i) to non U.S. Persons (as defined in Regulation S) outside the United States in reliance on Regulation S (the "Regulation S Notes") and (ii) (a) within the United States in reliance on Rule 144A under the Securities Act ("Rule 144A") only to persons that are "qualified institutional buyers" (each a "QIB") within the meaning of Rule 144A (the "Rule 144A Notes") and (b) within the United States in reliance on Rule 506 of Regulation D under the Securities Act (the "Registered Uncleared Notes").

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

The Issuer has not registered and does not intend to register as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act").


Please review and carefully consider the Risk Factors beginning on page 19 of the Base Prospectus before purchasing any notes.

Prospective investors should read these Final Terms and the Base Prospectus carefully before making investment. A note is not a deposit and neither the notes nor the underlying Receivables are insured or guaranteed by Bank of Scotland plc or by any United Kingdom or United States governmental agency. The notes offered in these Final Terms and the Base Prospectus will be obligations of the Issuer only. The Issuer will only have a limited pool of assets to satisfy its obligations under the notes. The notes will not be obligations of Bank of Scotland plc, the Arranger, any Joint Lead Manager, any Dealer or any of their respective affiliates.


If issued under these Final Terms, Regulation S Notes (as defined herein) of each class will be represented on issue by beneficial interests in one or more permanent global note certificates (each a "Regulation S Global Note Certificate"), in fully registered form, without interest coupons attached, which will be registered in the name of a nominee for and deposited with a Common Depositary Clearstream Banking, société anonyme, Frankfurt ("Clearstream").

Ownership interests in the Regulation S Global Note Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Clearstream and their respective participants. Regulation S Notes in definitive certificated, fully registered form will be issued only in the limited circumstances described herein. In each case, purchasers and transferees of notes will be deemed to have made certain representations and agreements. See "*Forms of the notes*" and "*Plan of Distribution*" in the Base Prospectus and "*Purchase and Transfer Restrictions*" in these Final Terms.

Arranger

 **Lloyds TSB | Corporate Markets**

Joint Lead Managers and Dealers

 **Lloyds TSB | Corporate Markets**

 **WestLB**

IMPORTANT NOTICES

In the event that any withholding or deduction for any taxes, duties, assessments or government charges of whatever nature is imposed, levied, collected, withheld or assessed on payments of principal or interest in respect of the notes by Jersey, the United Kingdom, or any other jurisdiction or any political subdivision or any authority in or of such jurisdiction having power to tax, the Issuer or the Paying Agents on behalf of the Issuer shall make such payments after such withholding or deduction and neither the Issuer nor the Paying Agents will be required to make any additional payments to Noteholders in respect of such withholding or deduction.

This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive and is supplemental to and must be read in conjunction with the Base Prospectus. 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 Base Prospectus. The Base Prospectus is available for viewing at the specified offices of the Arranger or the Principal Paying Agent and copies may be obtained from the specified offices of the Arranger or the Principal Paying Agent.

The Issuer has confirmed to the Dealers named under "*Plan of Distribution*" below that these Final Terms, when read in conjunction with the Base Prospectus, contains all information which is (in the context of the Programme, the issue, offering and sale of the notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed in these Final Terms are honestly held or made and are not misleading in any material respect; that these Final Terms does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering and sale of the notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with these Final Terms or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

No representation or warranty is made or implied by any Joint Lead Manager, any Dealer or any of their respective affiliates, and neither such Joint Lead Manager, Dealer nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Final Terms. Neither the delivery of these Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in these Final Terms is true subsequent to the date hereof or the date upon which any future Final Terms (in relation to any future issue of other notes) are produced or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date thereof or, if later, the date upon which any future Final Terms (in relation to any future issue of other notes) are produced or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No request has been made for a certificate permitting public offers of the notes in other member states of the European Union.

The distribution of these Final Terms and the offering, sale and delivery of the notes in certain jurisdictions may be restricted by law. Persons in possession of the Final Terms are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of notes and on the distribution of these Final Terms and other offering material relating to the notes, see "*Plan of Distribution*" in the Base Prospectus and these Final Terms.

Certain figures included in these Final Terms have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The information about these Series 2010-A3 Notes appears in separate documents: a Base Prospectus dated 27 May 2010 as supplemented by a Supplemental Prospectus dated 20 August 2010 (the "**Base Prospectus**") and these Final Terms. The Base Prospectus provides general information about each Note

Series issued under the Programme, some of which may not apply to the Series 2010-A3 Notes described in these Final Terms. With respect to the Series 2010-A3 Notes, these Final Terms are the "relevant Prospectus Supplement/Final Terms" or the "applicable Prospectus Supplement/Final Terms" referred to in the Base Prospectus.

These Final Terms may be used to offer and sell the Series 2010-A3 Notes only if accompanied by the Base Prospectus.

These Final Terms may supplement the disclosure in the Base Prospectus. If the terms in these Final Terms differ from the terms in the Base Prospectus, the terms in these Final Terms will apply to the Series 2010-A3 Notes.

Prospective investors should rely only on the information in these Final Terms and the Base Prospectus, including information incorporated by reference. The Issuer has not authorised anyone to provide investors with different information.

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TRANSACTION FEATURES

The following is qualified in its entirety by the Base Prospectus. Words and expressions defined in the Base Prospectus shall have the same meanings below.

NOTE SERIES

Series Number:	Series 2010-A3
Class of Note:	Class A
Issue Date:	24 August 2010
Issue Price:	100 per cent.
Ratings:	Standard & Poor's (AAA)/Fitch Ratings (AAA)/Moody's (Aaa)
Principal Amount:	€250,000,000
Net Proceeds:	€250,000,000
Specified Currency:	Notes are to be denominated in Euros
Fixed, Floating or other interest type Designation:	Floating rate Euro Notes
Scheduled Redemption Date:	18 August 2013
Final Redemption Date:	18 August 2015
Rate of Interest:	1 month EURIBOR plus Margin
Margin (if applicable):	0.78 per cent.
Day Count Fraction:	Actual/360
Interest Determination Date:	Each Interest Payment Date
Distribution Date:	On the 18 th day of each month, in each case subject to adjustment for non-Business Days
First Interest Payment Date:	18 th October 2010
Floating Rate Commencement Date (if applicable):	24 August 2010
Regular Interest Payment Dates:	On the 18 th day of each month, in each case subject to adjustment for non-Business Days
Interest Rate Calculations:	Condition 6(c)
EURIBOR (in the case of the first Interest Period):	1 month except for the first Interest Period where EURIBOR will be based on the linear interpolation of one-month and two-month EURIBOR
Redenomination, Renominalisation and Reconventioning:	No
Indication of Yield:	Not applicable

Additional Details of Related Swap Agreement (if any):	Currency Swap, as described below
Denomination:	€100,000 and amounts in excess thereof which are integral multiples of €1,000
Listing:	The London Stock Exchange - Regulated Market
Clearing and Settlement:	Clearstream, Frankfurt
Other External Credit Enhancement:	None
Additional Business Centre(s):	None
Additional Financial Centre(s):	None
Business Day:	N/A
Business Day Convention:	Modified Following Business Day Convention
Form of notes:	Registered Notes: Regulation S Global Note Certificates registered in the name of a nominee for a Common Depositary for Clearstream, Frankfurt
Call Date:	N/A
Debt or Equity for US taxation purposes:	Not applicable
Issued with Original Issue Discount for US taxation purposes:	No
Estimated total expenses related to admission to trading:	£3,650
Additional Events of Default:	None
Screen Rate:	Yes
Redemption Period End Date:	Not applicable
Minimum Adjusted Transferor Interest:	6% or such lower percentage as the Servicer may certify in its opinion formed on the basis of due consideration, such reduction will not result in a reduction or withdrawal of each Rating Agency's then current rating of any outstanding Associated Debt

LOAN NOTE SUPPORTING SERIES

The notes of this Note Series will be collateralised by the Class A (2010-A3) Loan Note (the "Related Loan Note") which shall have the following terms as set out in the Class A 2010-A3 Loan Note Supplement.

Designation for the purposes of the STDCMA:	Class A
Issuance Date:	24 August 2010
Initial Principal Amount:	£206,150,000
Class A Required Subordinated Percentage:	25.60 per cent.
First Monthly Period End Date:	30 September 2010
First Loan Note Interest Payment Date:	18 October 2010
Loan Note Interest Payment Date:	18 October 2010 and each Distribution Date thereafter up to and including the Distribution Date falling in August 2015.
Loan Note Interest Period:	From, and including, a Loan Note Interest Payment Date or, for the first Loan Note Interest Period, the Issuance Date, to, but excluding, the next Loan Note Interest Payment Date.
Loan Note Interest Rate:	1 month Sterling LIBOR plus 1.13 per cent.
Scheduled Redemption Date:	18 August 2013
Stated Monthly Accumulation Amount:	$£(250,000,000 * 0.8246) / 12$
Final Redemption Date:	18 August 2015
Additional Early Redemption Events:	An early termination, without replacement within 30 days, of the Related Swap Agreement.
Required Accumulation Reserve Account Amount:	On any Transfer Date on or after the Accumulation Reserve Account Funding Date, 2.25 per cent. of the Outstanding Principal Amount of the Class A (2010-A3) Loan Note as of the close of business on the last day of the preceding Monthly Period.
Additional Junior Cost Items:	None
Series Cash Reserve Account	Liquidity reserve only
Accumulation Period Commencement Date:	18 August 2012
Programme Reserve Account Percentage:	0 per cent.

The Loan Note will have a Loan Note Revolving Period and an Accumulation Period and may have an Amortisation Period as more fully described in the Base Prospectus.

The "**Accumulation Period Commencement Date**" means in respect of the Loan Note, the first day of the month that is 12 whole months prior to the Scheduled Redemption Date for the Loan Note **provided, however that**, if the Accumulation Period Length for such Loan Note is less than 12 months, the Accumulation Period Commencement Date will be the first day of the month that is the number of whole months prior to such Scheduled Redemption Date at least equal to the Accumulation Period Length and, as a result, the number of Monthly Periods during the period from the Accumulation Period Commencement Date to such Scheduled Redemption Date will be at least equal to the number of months comprising the Accumulation Period Length.

The "**Class A (2010-A3) Reserve Account Percentage**" shall be determined as follows: (i) if the Originator Rating Trigger is satisfied, the Class A (2010-A3) Reserve Account Percentage shall be 0.00 per cent., or (ii) if the Originator Rating Trigger has been breached, the Class A (2010-A3) Reserve Account Percentage shall be 3.8 per cent.

The "**Originator Rating Trigger**" means the (i) short term unsecured and unguaranteed debt rating of Bank of Scotland of at least P-1 by Moody's and (ii) long term unsecured and unguaranteed debt rating of Bank of Scotland of at least A-2 by Moody's.

The "**Release Date**" means the earlier to occur of (i) the Scheduled Redemption Date (or any Transfer Date thereafter) on which the Nominal Liquidation Amount for the Loan Note is reduced to zero and (ii) the Final Redemption Date. On the Release Date an amount equal to the lesser of (i) the Available Series Cash Reserve Account Amount for the Loan Note, (ii) the Available Programme Reserve Account Amount and (iii) the Nominal Liquidation Amount Deficit for the Loan Note, will be paid by Loan Note Issuer No.1 to the Issuer in respect of the Loan Note.

The "**Required Series Cash Reserve Account Amount**" means on any Transfer Date in respect of the Related Loan Note, an amount equal to the product of (i) the Class A (2010-A3) Reserve Account Percentage for such Transfer Date multiplied by (ii) the Nominal Liquidation Amount of the Related Loan Note as of the close of business on the last day of the preceding Monthly Period.

PARTIES

Joint Lead Managers and Dealers	Lloyds TSB Bank plc and WestLB AG
Issuer:	Penarth Master Issuer plc
Note Trustee:	Deutsche Bank Trust Company Americas
Principal Paying Agent, Calculation Agent, Paying Agent and Agent Bank for the notes:	Deutsche Bank AG, London branch. The Principal Paying Agent will make payments of interest and principal when due on the notes. The Principal Paying Agent and Agent Bank's address in London is, at the date of these Final Terms, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
US Paying Agent, Registrar:	Deutsche Bank Trust Company Americas whose address in New York is, at the date of these Final Terms, 60 Wall Street, New York, NY 10005, United States of America.
Custodian:	No
Receivables Trustee:	Penarth Receivables Trustee Limited
Loan Note Issuer No.1:	Penarth Funding 1 Limited
Sponsor, Transferor and Transferor Beneficiary:	Bank of Scotland plc
Security Trustee:	Deutsche Bank Trust Company Americas
Swap Counterparty:	Bank of Scotland plc
Cash Manager:	Bank of Scotland plc
Servicer:	Bank of Scotland plc

OTHER NOTE SERIES ISSUED

The table below sets forth the principal characteristics of the other series previously issued by the Issuer that are outstanding at the date of these Final Terms, in connection with the receivables trust and the receivables assigned by the Transferor.

Note Series	Ratings (S&P/Fitch/Moody's)	Issuance Date	Tranche Size	Note Interest Rate	Scheduled Redemption Date	Final Redemption Date
Series 2010-A1	AAA/AAA/Aaa	2 June 2010	£1,000,000,000	maximum of 2 per cent. per annum plus 1 month LIBOR	18 May 2013	18 May 2015
Series 2010-A2	AAA/AAA/Aaa	2 June 2010	£500,000,000	0.85 per cent. per annum plus 1 month LIBOR	18 May 2015	18 May 2017
Series 2010-B1	A/A+/Aa3	2 June 2010	£200,000,000	1.00 per cent. per annum plus 1 month LIBOR	18 May 2015	18 May 2017
Series 2010-C1	BBB+/N/A/Baa1	2 June 2010	£228,000,000	1.50 per cent. per annum plus 1 month LIBOR	18 May 2017	18 May 2019
Series 2010-D1	N/A	2 June 2010	£240,000,000	1.60 per cent. per annum plus 1 month LIBOR	18 May 2017	18 May 2019

ADDITIONAL RISK FACTORS

NONE.

BANK PORTFOLIO INFORMATION

The following tables show information relating to the historic performance of Eligible Accounts originated using Bank of Scotland's underwriting criteria. The Receivables from certain of these accounts will ultimately back the notes and comprise the Receivables Trust (the "Securitised Portfolio"). As mentioned in the Base Prospectus, a member of the Lloyds Banking Group may accede to the RSD as an Additional Transferor subject to certain conditions being satisfied. Data as of 31 March 2010 in respect of the current credit cards portfolio of Lloyds TSB Bank plc is available at http://www.lloydsbankinggroup.com/investors/debt_investors.asp.

Receivable Yield Considerations

The following table sets forth the gross revenues from finance charges and fees billed to Accounts in the Bank Portfolio for each of the years ended 31 December 2005, 2006, 2007, 2008 and 2009, and for the six months ended 30 June 2010. These revenues vary for each account based on the type and volume of activity for each account. The historical yield figures in these tables are calculated on an accrual basis. Collections of Receivables included in Penarth Receivables Trust will be on a cash basis and may not reflect the historical yield experience in the table. For further detail, please see the Base Prospectus.

Bank Portfolio Yield

	YTD June 2010	2009	2008	2007	2006	2005	Notes
Average Monthly							
Accrued Finance Charges							
and Fees.....	£89,648,430	£87,707,721	£91,607,494	£90,065,589	£90,360,515	£85,624,220	1,4
Average Monthly							
Receivables Outstanding	£6,125,171,665	£6,016,787,470	£6,126,254,786	£6,201,737,341	£6,569,622,225	£6,257,212,515	2
Yield from Charges and							
Fees	17.7%	17.5%	17.9%	17.4%	16.5%	16.4%	3,5
Yield from Interchange.....	1.0%	1.1%	1.2%	1.1%	1.0%	1.2%	
Yield from Charges, Fees							
and Interchange	18.7%	18.6%	19.1%	18.5%	17.5%	17.6%	5

Notes:

- (1) Finance Charges and Fees are comprised of Monthly Periodic charges and other credit card fees - this is the average accrued monthly balance.
- (2) Average receivables outstanding includes principal and finance charges, and excludes receivables charged off.
- (3) Yield from charges and fees includes interest income, late fees, forex fees, credit insurance, card protection insurance, overlimit fees, cash advance fees, ATM fees, Balance Transfer fees and other fees related to credit cards.
- (4) 2009 average monthly Finance Charges includes a one off provision of £47m in total for the year for payment protection insurance redress.
- (5) All ratios are annualised.

Delinquency and Loss Experience

The following tables set forth the delinquency and loss experience for each of the periods shown for the Bank Portfolio of credit card accounts. The Bank Portfolio's delinquency and loss experience is comprised of segments which may, when taken individually, have delinquency and loss characteristics different from those of the overall Bank Portfolio of credit card accounts. Because the Securitized Portfolio is only a portion of the Bank Portfolio, actual delinquency and loss experience with respect to the Receivables comprised therein may be different from that set forth below for the Bank Portfolio. There can be no assurance that the delinquency and loss experience for the Securitized Portfolio in the future will be similar to the historical experience of the Bank Portfolio set forth below. For further detail, please see the Base Prospectus.

DELINQUENCY EXPERIENCE

Bank Portfolio

(non percentage amounts are expressed in sterling)

	2010 (As at 30 June)	%	2009	%	2008	%	2007	%	2006	%	2005	%
Receivables Outstanding	£6,043,196,519		£6,256,781,109		£6,043,800,384		£6,187,910,503		£6,455,665,694		£6,858,811,242	
Receivables Delinquent												
5-29	£154,279,679	2.2%	£171,899,718	2.7%	£201,192,439	3.3%	£227,026,653	3.7%	£273,643,833	4.2%	£268,581,957	3.9%
30-59	£77,533,445	1.3%	£83,273,613	1.3%	£99,239,437	1.6%	£105,652,904	1.7%	£96,047,252	1.5%	£89,712,706	1.3%
60-89	£57,416,071	1.0%	£71,798,127	1.1%	£78,806,035	1.3%	£77,334,594	1.2%	£65,658,846	1.0%	£60,923,146	0.9%
90+	£148,572,422	2.7%	£180,011,663	2.9%	£209,714,708	3.5%	£180,516,895	2.9%	£127,523,705	2.0%	£121,490,621	1.8%
Total	£437,801,616	7.2%	£506,983,121	8.1%	£588,952,619	9.7%	£590,531,046	9.5%	£562,873,635	8.7%	£540,708,430	7.9%

Notes:

(1) Receivables outstanding represent end of period receivables.

(2) Receivables outstanding includes principal and finance charges, and excludes receivables charged off.

GROSS CHARGE-OFF EXPERIENCE

Bank Portfolio

(non percentage amounts are expressed in sterling)

	YTD June 2010	2009	2008	2007	2006	2005	Notes
Average							
Receivables							
Outstanding...	£6,125,171,665	£6,016,787,470	£6,126,254,786	£6,201,737,341	£6,569,622,225	£6,257,212,515	1
Total gross							
charge-offs' ...	£344,277,813	£781,153,486	£783,405,998	£539,118,615	£542,209,925	£391,325,717	2
Total gross							
charge-offs							
as % of							
receivables' ...	11.33%	12.98%	12.79%	8.69%	8.25%	6.25%	3

Notes:

- (1) Average receivables outstanding includes principal and finance charges, and excludes receivables charged off
- (2) In 2007 a policy on repayment plans (temporary arrangements to reduce minimum payment terms) was tightened, with accounts on repayment plans for more than 12 months removed from their plan, and tighter criteria applied to accept accounts onto a new repayment plan which are for a fixed duration of 12 months going forward. This increased total gross charge offs which peaked mid 2009.
- (3) All ratios are annualised.

Maturity Assumptions

The following table sets forth the highest and lowest cardholder monthly payment rates for the Bank Portfolio during any month in the periods shown and the average cardholder monthly payment rates for all months during the periods shown, in each case calculated as a percentage of total opening monthly account balances during the periods shown. Payment rates shown in the table are based on amounts which would be deemed payments of Principal Receivables and Finance Charge Receivables with respect to the related credit card accounts.

CARDHOLDER MONTHLY PAYMENTS RATES

Bank Portfolio

	<u>YTD June 2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Lowest Month.....	11.7%	11.8%	12.2%	13.1%	12.0%	13.6%
Highest Month.....	14.2%	14.4%	14.9%	16.3%	15.8%	17.4%
Monthly Average.....	12.6%	13.1%	14.0%	14.4%	14.2%	15.6%

For further detail, please see the Base Prospectus.

RECEIVABLES INFORMATION

As at 30 June 2010

The following tables summarise the Securitised Portfolio by various criteria as of the beginning of the day on 30 June 2010. Because the future composition of the Securitised Portfolio may change over time, these tables are not necessarily indicative of the composition of the Securitised Portfolio at any time subsequent to 30 June 2010.

Recent Lump Additions and Removals

Bank of Scotland may from time to time transfer accounts to the Penarth Receivables Trust in lump additions by designating additional accounts to the Penarth Receivables Trust. Since 1 October 2008, Bank of Scotland has made the following lump additions of accounts to the Penarth Receivables Trust: on 1 August 2009, 1 November 2009 and 1 July 2010, the amounts of £217,212,804, £552,353,170 and £561,210,892.89, respectively.

Receivable Yield Considerations

The following table sets forth the gross revenues from finance charges and fees billed to accounts in the Securitised Portfolio for the period from 18 October to 31 December 2008, the year ended 31 December 2009, and for the six months ended 30 June 2010. Each table has been provided by Bank of Scotland. These revenues vary for each account based on the type and volume of activity for each account. The historical yield figures in these tables are calculated on an accrual basis. Collections of receivables included in the receivables trust will be on a cash basis and may not reflect the historical yield experience in the table. For further detail, please see the Base Prospectus.

Securitised Portfolio Yield

(non percentage amounts are expressed in sterling)

Revenue Experience	6 Months Ended 30 Jun 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008	Notes
Average Principal Receivables Outstanding	£4,099,490,770	£3,924,917,758	£3,935,121,782	1
Average Finance Charges, Fees and Interchange	£63,443,388	£59,573,975	£60,642,314	2, 3
Yield from Finance Charges, Fees and Interchange	18.6%	18.2%	18.5%	2, 3

Notes:

- (1) Average principal receivables outstanding is the average of the opening receivables balance for the period indicated
- (2) Finance Charges and Fees are comprised of monthly periodic charges and other credit card fees net of adjustments made pursuant to Bank of Scotland.
- (3) Yield from charges and fees includes interest income, late fees, forex fees, credit insurance, card protection insurance, overlimit fees, cash advance fees, ATM fees, Balance Transfer fees and other fees related to credit cards.

All ratios are annualised.

Principal Payment Rate	6 Months Ended 30 Jun 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008
Lowest Month.....	12.0%	11.7%	14.4%
Highest Month.....	14.7%	14.1%	16.0%
Monthly Average.....	13.0%	13.0%	15.2%

Notes:

- (1) Payment rate calculated as principal collections in the calendar month over opening principal receivables.

Securitised Portfolio Performance

	As at 1 July 2010			As at 31 December 2009			As at 31 December 2008		
	Number of Accounts	Principal Receivables	Percentage of Total Principal Receivables	Number of Accounts	Principal Receivables	Percentage of Total Principal Receivables	Number of Accounts	Principal Receivables	Percentage of Total Principal Receivables
Delinquency Experience									
Principal Receivables Outstanding(1)	3,716,809	£4,392,729,768	100.00%	3,405,725	£4,316,848,961	100.00%	3,892,033	£3,891,177,096	100.00%
Number of Days Delinquent:									
5 to 29 Days(2).....	43,873	£112,097,540	2.55%	47,246	£118,992,202	2.76%	55,146	£133,590,222	3.43%
30 to 59 Days	15,065	£50,927,035	1.16%	16,484	£54,069,089	1.25%	18,974	£58,932,997	1.51%
60 to 89 Days	10,078	£36,939,583	0.84%	12,508	£45,984,493	1.07%	11,442	£42,708,951	1.10%
90 or more Days	24,917	£93,015,335	2.12%	27,753	£107,297,089	2.49%	14,014	£51,064,678	1.31%
Total	93,933	£292,979,492	6.67%	103,991	£326,342,873	7.56%	99,576	£286,296,847	7.36%

Notes:

(1) Principal receivables outstanding represent the closing receivables at the period end

(2) Delinquencies represent delinquent principal receivables at the period end

Loss Experience	6 Months Ended 30 Jun 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008	Notes
Average Principal Receivables Outstanding	£4,099,490,770	£3,924,917,758	£3,935,121,782	1
Average Gross Losses	£35,021,194	£32,094,810	£10,973,983	2
Average Recoveries	£3,020,131	£1,395,611	£132,458	3
Average Net Losses	£32,001,062	£30,699,199	£10,841,525	4
 Gross Losses as a percentage of Principal Receivables Outstanding	 10.3%	 9.8%	 3.3%	
Net Losses as a percentage of Principal Receivables Outstanding	9.4%	9.4%	3.3%	

Notes:

- (1) Average principal receivables outstanding is the average of the opening receivables balance for the period indicated (2) Gross Losses are charged-off principal receivables. These were low in 2008 due to initial asset selection into the pool of securitised accounts in October 2008 excluding accounts in late stage arrears.
- (3) Recoveries are amounts received on previously charged-off principal receivables.
- (4) Net Losses are Gross Losses minus Recoveries.

All ratios are annualised by multiplying by the following ratio: 365 divided by the number of days in the reported period.

COMPOSITION BY ACCOUNT BALANCE

Securitised Portfolio

Account Balance Range	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Credit Balance	517,703	13.9%	-£11,271,222	-0.2%
No Balance	1,137,898	30.6%	£0	0.0%
£0.01 - £5,000.00	1,756,245	47.3%	£2,224,063,070	46.6%
£5,000.01 - £10,000.00	226,650	6.1%	£1,588,839,684	33.3%
£10,000.01 - £15,000.00	74,499	2.0%	£910,319,660	19.1%
£15,000.01 - £20,000.00	3,754	0.1%	£59,982,487	1.3%
£20,000.01 or more	60	0.0%	£1,412,166	0.0%
Total	3,716,809	100.0%	£4,773,345,846	100.0%

COMPOSITION BY CREDIT LIMIT

Securitized Portfolio

Credit Limit Range	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Less than £5,000.00	2,021,636	54.4%	£1,234,633,430	25.9%
£5,000.01 - £10,000.00	1,070,757	28.8%	£1,632,275,255	34.2%
£10,000.01 - £15,000.00	599,450	16.1%	£1,820,289,097	38.1%
£15,000.01 - £20,000.00	24,246	0.7%	£82,948,364	1.7%
£20,000.01 or more	720	0.0%	£3,199,700	0.1%
Total	3,716,809	100.0%	£4,773,345,846	100.0%

COMPOSITION BY PERIOD OF DELINQUENCY

Securitised Portfolio

Period of Delinquency (Days contractually Delinquent)	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Not Delinquent.....	3,622,876	97.5%	£4,422,735,721	92.7%
5 - 29 Days.....	43,873	1.2%	£130,865,462	2.7%
30 - 59 Days.....	15,065	0.4%	£60,875,014	1.3%
60 - 89 Days.....	10,078	0.3%	£44,561,932	0.9%
90 or More Days	24,917	0.7%	£114,307,716	2.4%
Total.....	3,716,809	100.0%	£4,773,345,846	100.0%

COMPOSITION BY ACCOUNT AGE

Securitised Portfolio

Account Age	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Not More Than 6 Months.....	113,275	3.0%	£181,766,514	3.8%
Over 6 Months to 12 Months.....	213,256	5.7%	£283,535,611	5.9%
Over 12 Months to 24 Months.....	433,405	11.7%	£410,957,153	8.6%
Over 24 Months to 36 Months.....	438,304	11.8%	£465,934,655	9.8%
Over 36 Months to 48 Months.....	326,656	8.8%	£427,900,693	9.0%
Over 48 Months to 60 Months.....	335,021	9.0%	£440,106,643	9.2%
Over 60 Months to 72 Months.....	287,597	7.7%	£338,924,620	7.1%
Over 72 Months.....	1,569,295	42.2%	£2,224,219,956	46.6%
Total.....	3,716,809	100.0%	£4,773,345,846	100.0%

GEOGRAPHIC DISTRIBUTION OF ACCOUNTS

Securitised Portfolio

Region	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
East Anglia	392,070	10.5%	£545,504,305	11.4%
London.....	243,715	6.6%	£356,384,949	7.5%
Midlands.....	395,922	10.7%	£491,178,952	10.3%
North East England.....	572,498	15.4%	£669,055,746	14.0%
North West England.....	477,577	12.8%	£586,887,323	12.3%
Scotland	625,361	16.8%	£736,693,144	15.4%
South Central England.....	317,067	8.5%	£446,557,286	9.4%
South East England.....	302,533	8.1%	£443,312,333	9.3%
South West England.....	257,681	6.9%	£327,216,390	6.9%
Wales.....	128,738	3.5%	£164,933,587	3.5%
Other.....	3,647	0.1%	£5,621,829	0.1%
Total.....	3,716,809	100.0%	£4,773,345,846	100.0%

Notes:

(i) Total Receivables are as at 1 July 2010 and include the lump additions and the principal and finance charges receivable.

STATIC POOL INDEX

	18-Oct to 31 Nov 2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	July-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	Notes
Principal Receivables	£3,994,582,304														
Outstanding.....		£3,875,661,261	£3,891,177,096	£3,846,422,695	£3,789,714,612	£3,796,254,982	£3,794,243,964	£3,767,156,168	£3,759,453,511	£3,744,478,170	£3,920,194,717	£3,883,789,083	£3,811,165,147	£4,325,396,973	1
Total Receivables															
Outstanding.....	£4,233,906,880	£4,143,463,610	£4,158,799,812	£4,134,841,723	£4,088,368,355	£4,093,691,525	£4,102,798,623	£4,081,695,870	£4,071,083,264	£4,060,323,698	£4,253,231,947	£4,215,930,811	£4,145,655,183	£4,678,390,595	1
Net Losses as % of Principal Receivables															
Outstanding.....	3.0%	3.7%	3.8%	5.4%	9.0%	10.6%	11.1%	12.0%	12.2%	10.6%	10.2%	9.4%	9.4%	8.9%	2
Percentage of Total Receivables Delinquent 30+ Days.....	3.17%	3.92%	4.82%	5.48%	5.81%	5.87%	5.86%	5.79%	5.56%	5.27%	5.17%	5.31%	4.81%	4.80%	3
Yield from Finance Charges, Fees and Interchange.....	17.0%	20.7%	16.4%	19.3%	20.3%	17.5%	17.3%	20.1%	17.3%	16.1%	20.2%	18.3%	18.4%	17.7%	4
Receivables Principal Payment Rate.....	14.4%	16.0%	13.4%	12.9%	14.1%	12.2%	12.3%	13.2%	13.1%	11.7%	13.5%	13.2%	12.8%	13.2%	5

	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Notes
Principal Receivables							
Outstanding.....	£4,316,848,961	£4,214,045,704	£4,141,632,336	£4,049,616,383	£3,995,114,028	£3,879,687,212	1
Total Receivables							
Outstanding.....	£4,669,689,814	£4,579,280,238	£4,510,398,853	£4,408,886,087	£4,365,791,351	£4,242,225,463	1
Net Losses as % of Principal Receivables							
Outstanding.....	8.5%	9.9%	10.1%	9.5%	8.8%	9.6%	2
Percentage of Total Receivables Delinquent 30+ Days.....	4.98%	4.95%	4.81%	4.70%	4.71%	4.64%	3
Yield from Finance Charges, Fees and Interchange.....	15.9%	18.7%	20.5%	17.3%	19.4%	19.8%	4
Receivables Principal Payment Rate.....	12.3%	12.0%	14.7%	12.5%	13.7%	12.9%	5

Notes:

- (1) Principal receivables and total receivables outstanding are as of the beginning of the relevant period.
(2) Net losses includes recoveries from previously charged off accounts.

- ⁽¹⁾ Delinquencies represent delinquent principal receivables.
- ⁽⁴⁾ *Yield from charges and fees include interest income, late fees, forex fees, credit insurance, card protection insurance, overlimit fees, cash advance fees, ATM fees, Balance Transfer fees and other fees related to credit cards.*
- ⁽⁵⁾ Payment rate calculated as principal collections in the calendar month over opening principal receivables.

Performance By Vintage

The 2002/03 vintages experienced above average delinquencies and charge-offs relative to the total portfolio following higher recruitment of above market volumes, in line with the market growth strategy at the time. Since then BOS's acquisition underwriting strategies have undergone a complete overhaul and BOS has taken significant steps to reduce its exposure to these vintages by reducing open to buy on the higher risk segments.

Prior to 2004 BOS offered 3 standard products: a flat rate card, a cashback card and a teaser card with a promotion period of up to 6 months. The UK cards market was less competitive at this time, and initial APRs at the point of recruitment were typically higher; these vintages have a slightly higher yield. The differential margin compared to later vintages is reducing as BOS's risk based re-pricing strategy across the portfolio results in converging yield over time.

BOS launched The One Card in 2004, a market leading product with a strong introductory offer, lower APR and cashback reward. As a result, the volume of accounts acquired increased significantly; the quality of this vintage is above average. The reward proposition attracted a strong concentration of convenience users with a higher than average payment rate.

Pre 2005 vintages typically with richer rewards attracted a higher percentage of convenience users. As a result the payment rates on these vintages are stronger. From 2005 onwards BOS products have typically targeted the borrower population with rewards replaced by more attractive lower introductory period APRs. This has reduced the average payment rate on card accounts acquired since then.

In 2008 during the economic market dislocation, there was an industry-wide deterioration in the quality of business acquired. BOS undertook significant de-risking in response, with tighter cut-offs reducing volume and lower initial credit lines. This activity was undertaken during the second half of 2008 and into 2009. This has resulted in an improvement in the quality of the 2009 and 2010 vintages relative to the 2008 vintage.

PURCHASE AND TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or transfer of the notes.

The notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described below.

Without limiting the foregoing, by holding a note, each Noteholder will acknowledge and agree, among other things, that such Noteholder understands that neither of the Issuer nor the Securitised Portfolio is registered as an investment company under the United States Investment Company Act of 1940, but that the Issuer and the Securitised Portfolio are exempt from registration as such.

Prospective Initial Investors in the notes

Each prospective purchaser of the notes offered in reliance on Rule 144A ("**Rule 144A**") or Rule 506 of Regulation D under the Securities Act (each a "**U.S. Offeree**") and each prospective purchaser of the notes offered in reliance on Regulation S ("**Regulation S**") under the Securities Act (a "**Non-U.S. Offeree**") and together with the U.S. Offerees, the "**Offerees**"), by accepting delivery of these Final Terms and the Base Prospectus, will be deemed to have represented, acknowledged and agreed as follows:

- (i) The Offeree acknowledges that these Final Terms and the Base Prospectus are personal to the Offeree and do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the notes other than pursuant to Rule 144A or Rule 506 of Regulation D, or another exemption from registration from the Securities Act, or in offshore transactions in accordance with Regulation S. Distribution of these Final Terms and the Base Prospectus or disclosure of any of their contents to any person other than the Offeree and those persons, if any, retained to advise the Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Rule 506 of Regulation D or Regulation S is unauthorised and any disclosure of any of their contents, without the prior written consent of the Issuer, is prohibited.
- (ii) The Offeree agrees to make no photocopies of these Final Terms and Base Prospectus or any documents referred to herein and, if the Offeree does not purchase the notes or the offering is terminated, to return these Final Terms and the Base Prospectus and all documents referred to herein and therein to Lloyds TSB Bank plc.
- (iii) The Offeree has carefully read and understands these Final Terms and the Base Prospectus, including, without limitation, the "Additional Risk Factors" section herein and the "Risk Factors" section in the Base Prospectus, and has based its decision to purchase the notes upon the information contained herein and therein and on written information, if any, provided to it by the Issuer and the Dealer and not on any other information.

Notes

Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Series 2010-A3 Notes are outstanding, the Regulation S Notes will bear a legend substantially set forth below:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND NEITHER THE ISSUER NOR THE SECURITISED PORTFOLIO HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS THAT IT HAS OBTAINED THIS NOTE IN A TRANSACTION IN COMPLIANCE WITH THE SECURITIES ACT, THE INVESTMENT COMPANY ACT AND ALL OTHER APPLICABLE LAWS OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THE RESTRICTIONS ON SALE AND TRANSFER SET FORTH IN THE NOTE TRUST DEED (THE "**NOTE TRUST DEED**"), DATED 16 OCTOBER 2008 (AS

AMENDED AND RESTATED FROM TIME TO TIME), BETWEEN THE ISSUER AND DEUTSCHE BANK TRUST COMPANY AMERICAS (THE "NOTE TRUSTEE"). THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, FURTHER REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE (OR ANY INTEREST HEREIN) EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT, THE INVESTMENT COMPANY ACT AND ALL OTHER APPLICABLE LAWS OF ANY JURISDICTION AND IN ACCORDANCE WITH THE RESTRICTIONS, CERTIFICATIONS AND OTHER REQUIREMENTS SPECIFIED IN THE NOTE TRUST DEED (i) TO A TRANSFEREE THAT IS A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (A "QIB") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OR (ii) TO A TRANSFEREE THAT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S OF THE SECURITIES ACT) AND THAT IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSES (i) AND (ii), IN A PRINCIPAL AMOUNT WITH RESPECT TO EACH CLASS OF NOTES OF NOT LESS THAN €50,000 (OR THE EQUIVALENT THEREOF IN THE SPECIFIED CURRENCY) FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING. EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE NOTE TRUST DEED.

The following paragraphs are to be included in the legend for Regulation S Global Note Certificate:

EACH TRANSFEROR OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE NOTE TRUST DEED TO THE TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL ANY INTEREST IN THIS NOTE PREVIOUSLY TRANSFERRED TO HOLDERS NOT ELIGIBLE TO PURCHASE SUCH INTERESTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE NOTE TRUST DEED.

HOWEVER, WITHOUT PREJUDICE TO THE RIGHTS OF THE ISSUER AGAINST ANY BENEFICIAL OWNER OR PURPORTED BENEFICIAL OWNER OF NOTES, NOTHING IN THE NOTE TRUST DEED OR THE NOTES SHALL BE INTERPRETED TO CONFER ON THE ISSUER, THE NOTE TRUSTEE OR ANY PAYING AGENT ANY RIGHT AGAINST CLEARSTREAM BANKING, SOCIÉTÉ ANONYME, FRANKFURT ("CLEARSTREAM"), TO REQUIRE THAT CLEARSTREAM, AS THE CASE MAY BE, REVERSE OR RESCIND ANY TRADE COMPLETED IN ACCORDANCE WITH THE RULES OF CLEARSTREAM, AS THE CASE MAY BE.

ANY TRANSFERS, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, DEUTSCHE BANK AG, LONDON BRANCH, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF CLEARSTREAM TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF DEUTSCHE BANK AG, LONDON BRANCH OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF CLEARSTREAM (AND ANY PAYMENT HEREON IS MADE TO DEUTSCHE BANK AG, LONDON BRANCH).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, AND NOT IN PART, TO NOMINEES OF CLEARSTREAM OR TO SUCCESSORS THEREOF OR SUCH SUCCESSORS' NOMINEE AND TRANSFERS OF INTERESTS IN THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE NOTE TRUST DEED.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH IN THE NOTE TRUST DEED. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF DEUTSCHE BANK AG, LONDON BRANCH AS THE PRINCIPAL PAYING AGENT.

THE HOLDER OF THIS NOTE ACKNOWLEDGES THAT NOTWITHSTANDING ANY OTHER PROVISION OF THE NOTE TRUST DEED OR ANY OTHER TRANSACTION DOCUMENT, ALL PAYMENTS OF PRINCIPAL, INTEREST OR ANY OTHER AMOUNT TO BE MADE BY THE ISSUER IN RESPECT OF THE NOTES OR UNDER ANY TRANSACTION DOCUMENT WILL BE PAYABLE PURSUANT TO THE PRIORITY OF PAYMENTS AND ONLY FROM, AND TO THE EXTENT OF, THE SUMS PAID TO, OR NET PROCEEDS RECOVERED BY OR ON BEHALF OF, THE ISSUER IN RESPECT OF THE SECURITY (AS DEFINED IN THE SECURITY TRUST DEED AND CASH MANAGEMENT AGREEMENT, DATED 16 OCTOBER 2008, AS AMENDED AND RESTATED FROM TIME TO TIME, AMONG PENARTH FUNDING 1 LIMITED, PENARTH RECEIVABLES TRUSTEE LIMITED, BANK OF SCOTLAND PLC, DEUTSCHE BANK TRUST COMPANY AMERICAS AND STRUCTURED FINANCE MANAGEMENT OFFSHORE LIMITED (THE "STDCMA")). IF THE PROCEEDS OF THE SECURITY (AS DEFINED IN THE STDCMA) ARE NOT SUFFICIENT FOR THE ISSUER TO MEET ITS OBLIGATIONS IN RESPECT OF THE NOTES AND OTHER TRANSACTION DOCUMENTS, NO OTHER ASSETS OF THE ISSUER WILL BE AVAILABLE TO MEET SUCH INSUFFICIENCY.

Initial Investors and transferees of Interests in Regulation S Global Note Certificates

Each initial investor in, and subsequent transferee of, an interest in a Regulation S Global Note Certificate will be deemed to have represented and agreed as follows:

- (i) It understands that the notes have been offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the notes have not been and will not be registered under the Securities Act and, if in the future it decides to offer, resell, pledge or otherwise transfer the notes, such notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Note Trust Deed and the legend on such notes. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the notes.
- (ii) In connection with the purchase of the notes: (a) the Issuer is not acting as a fiduciary or financial or investment advisor for it; (b) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the Dealers (in its capacity as such) or any of their agents, other than any statements in a current prospectus for such notes and any representations expressly set forth in a written agreement with such party; (c) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer or the Dealers; (d) its purchase of the notes will comply with all applicable laws in any jurisdiction in which it resides or is located; (e) it is acquiring the notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; and (f) it is a sophisticated investor and is purchasing the notes with a full understanding of all of the terms, conditions and risks thereof and is capable of assuming and willing to assume those risks.
- (iii) It acknowledges that it is its intent and that it understands it is the Issuer's intent, that for purposes of U.S. federal, state and local income taxes, the Issuer will be treated as a corporation and the notes will be treated as indebtedness of the Issuer; it agrees to such treatment, to report all income (or loss) in accordance with such treatment and to take no action inconsistent with such treatment, except as otherwise required by any taxing authority under applicable law.
- (iv) It is aware that, except as otherwise provided in the Note Trust Deed, the notes being sold to it will be represented by one or more Global Note Certificates, and that beneficial interests therein may be held only through Clearstream, Frankfurt or one of their nominees, as applicable.
- (v) It understands that the Issuer, the Note Trustee, the Dealers and their counsel will rely on the accuracy and truth of the foregoing representation, and it hereby consents to such reliance.
- (vi) It is aware that the sale of notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the notes offered in reliance on Regulation S will bear the legend set forth above and be represented by one or more Regulation S Global Note

Certificate. The notes so represented may not at any time be held by or on behalf of U.S. Persons as defined in Regulation S. It and each beneficial owner of the notes that it holds is not, and will not be, a U.S. Person (as defined in Regulation S) and its purchase of the notes will comply with all applicable laws in any jurisdiction in which it resides or is located.

- (vii) If it is not a "United States person" as defined in Section 7701(a)(30) of the Code, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income taxes owed, owing or potentially owed or owing.
- (viii) It understands that the Note Trust Deed permits the Issuer to demand that any beneficial owner of Regulation S Global Notes who is determined to be a U.S. Person to sell all its right, title and interest in such Regulation S Global Note Certificate (a) to a person who is not a U.S. Person in a transaction meeting the requirements of Regulation S or (b) to a person who will take delivery of the Holder's Regulation S Global Notes in the form of an interest in a Rule 144A Global Note Certificate, who is a QIB in a transaction meeting the requirements of Rule 144A or another exemption from registration under the Securities Act and, if it does not comply with such demand within thirty (30) days thereof, the Issuer may sell its interest in the Note.

Settlement

All payments in respect of Euro notes shall be made in Euros in same-day funds.

SWAP AGREEMENT

General

The Series 2010-A3 Notes will be denominated in Euro and the Issuer will be obliged to make Euro payments of interest and principal in respect of the Series 2010-A3 Notes. However, certain amounts received by the Issuer will be denominated in Sterling. In order to protect the Issuer against currency exchange rate exposure, the Issuer and the Swap Counterparty will enter into a currency swap transaction in relation to Series 2010-A3 Notes.

The Swap Agreement will not be subject to the Redemption Protection Period.

Under the terms of the currency swap transaction, the Issuer will pay to the Swap Counterparty:

- (a) on or after the Issue Date, the proceeds received by the Issuer on the issue of the Series 2010-A3 Notes;
- (b) on each Interest Payment Date, an amount in Sterling determined by reference to a floating rate of interest on the relevant currency amount (as determined pursuant to the Swap Agreement and shall be subject to adjustment in accordance with the provisions of "*Description of the Swap Agreements - Redemption Period and Redemption Protection Period*" in the Base Prospectus); and
- (c) on the Scheduled Redemption Date (which date shall be subject to adjustment in accordance with the provisions of "*Description of the Swap Agreements - Redemption Period and Redemption Protection Period*" in the Base Prospectus), an amount in Sterling determined in accordance with the provisions of the Swap Agreement.

In return, the Swap Counterparty will be obliged to pay to the Issuer:

- (a) on or after the Issue Date, an amount in Sterling calculated by reference to the Euro proceeds of the issue of the Series 2010-A3 Notes converted into Sterling at the relevant exchange rate as provided in the Swap Agreement;
- (b) on each Interest Payment Date, an amount in Euro determined by reference to a floating rate of interest on the relevant currency amount (as determined pursuant to the Swap Agreement and shall be subject to adjustment in accordance with the provisions of "*Description of the Swap Agreements - Redemption Period and redemption Protection Period*" in the Base Prospectus); and
- (c) on the Scheduled Redemption Date (which date shall be subject to adjustment in accordance with the provisions of "*Description of the Swap Agreements - Redemption Period and redemption Protection Period*" in the Base Prospectus), an amount in Euro determined in accordance with the provisions of the Swap Agreement.

A description of the Swap Agreement is set out in the Base Prospectus in section "*Description of the Swap Agreements*".

Swap Counterparty Required Ratings

As at the date of this Final Terms, the minimum required ratings for the Swap Counterparty are: F1 (short-term) from Fitch, P-1 (short-term) from Moody's and A-1 (short-term) from S&P; and A (long-term) from Fitch, A2 (long-term) from Moody's and A+ (long-term) from S&P. If there is no short-term rating from Moody's, the minimum required rating shall be A1 (long-term).

SWAP COUNTERPARTY

The Swap Counterparty in relation to the Series 2010-A3 Notes will be the following entity:

Bank of Scotland plc

Bank of Scotland plc is the Swap Counterparty for the Series-2010-A3 Notes.

Bank of Scotland plc ("**Bank of Scotland**") (incorporated in Scotland with limited liability, registration number SC327000) is a leading UK based financial services group providing a wide range of banking and financial services, primarily in the UK, to personal and corporate customers. The registered office of Bank of Scotland is located at The Mound, Edinburgh EH1 1YZ, Scotland.

As at 20 August 2010, the short term senior unsecured and unguaranteed obligations of Bank of Scotland were rated P-1 by Moody's, A-1 by S&P and F1 + by Fitch and the long-term senior, unsecured and unguaranteed obligations of Bank of Scotland were rated Aa3 by Moody's, A+ by S&P and AA- by Fitch.

We refer you to the description of Bank of Scotland plc within the "*Bank of Scotland plc*" section of the base prospectus.

PLAN OF DISTRIBUTION

Name of Dealers: Lloyds TSB Bank plc and WestLB AG

Additional Selling Restrictions: None

Class A

ISIN: DE000A1A0AZ0

Common Code: 053579442

Subject to the terms and conditions of the Dealer Agreement as supplemented by the relevant subscription agreement for these Series 2010-A3 Notes, the Issuer has agreed to sell to each of the Dealers named below, and each of the Dealers has agreed to purchase, the Principal Amount of these Series 2010-A3 Notes set forth opposite its name:

Dealer	Class A	Aggregate Amount
Lloyds TSB Bank plc	0 per cent.	€0
WestLB AG	100 per cent.	€250,000,000
Total	100 per cent.	€250,000,000

The Dealers have agreed, subject to the terms and conditions of the Dealer Agreement (as supplemented by the relevant subscription agreement) to purchase all €250,000,000 aggregate Principal Amount of these Series 2010-A3 Notes if any of these Series 2010-A3 Notes are issued.

The Issuer has agreed to indemnify the Joint Lead Managers, Dealers, agents and their controlling Persons against certain civil liabilities, including liabilities under the Securities Act in connection with their participation in the distribution of the Issuer's notes.

The gross proceeds of the issue of the notes will be €250,000,000. The sum of the fees and commissions payable on the issue of the notes is estimated to be €625,000. The fees and commissions payable on the issue of the notes will be deducted from the gross proceeds of the issue. The net proceeds of the issue of the notes after exchanging such amounts into Sterling pursuant to the Swap Agreement referred to below will be applied by the Issuer, together with the Expenses Loan, to purchase the Series 2010-A3 Loan Note issued by Loan Note Issuer No.1 on the Issue Date. The net proceeds of the issue will be €249,375,000.

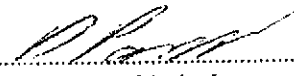
LISTING APPLICATION

This document comprises the Final Terms required to list the issue of notes described herein pursuant to the Programme of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:


.....
By: **SFM Directors Limited**
as Director
Penarth Master Issuer PLC

GENERAL INFORMATION

The admission of the Programme to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange took effect on 1 June 2010. The listing of the notes on the Regulated Market of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). This Note Series is intended to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the Regulated Market of the London Stock Exchange and will be so admitted to listing and trading upon submission to the UK Listing Authority and the Regulated Market of the London Stock Exchange of these Final Terms and any other information required by the UK Listing Authority and the Regulated Market of the London Stock Exchange, subject in each case to the issue of the relevant notes. Prior to official listing, dealings will be permitted by the Regulated Market of the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

However, notes may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the UK Listing Authority or the Regulated Market of the London Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

The Issuer confirms that the securitised assets backing the issue of this Note Series, namely the distributions from Loan Note Issuer No.1 to the Issuer in respect of a corresponding Loan Note issued by Loan Note Issuer No.1 and ultimately the interest and principal collections in respect of the Receivables, have characteristics that demonstrate capacity to produce funds to service any payments due and payable on this Note Series. However, investors are advised that this confirmation is based on the information available to the Issuer at the date of the Base Prospectus and these Final Terms and may be affected by future performance of such securitised assets. Consequently, investors are advised to review carefully the disclosure in the Base Prospectus together with any amendments or supplements thereto and other documents incorporated by reference in the Base Prospectus and, in relation to this Note Series, these Final Terms.

AN INVESTMENT IN THE NOTES IS ONLY SUITABLE FOR FINANCIALLY SOPHISTICATED INVESTORS WHO ARE CAPABLE OF EVALUATING THE MERITS AND RISKS OF SUCH INVESTMENT AND WHO HAVE SUFFICIENT RESOURCES TO BE ABLE TO BEAR ANY LOSSES WHICH MAY RESULT FROM SUCH INVESTMENT. IF PROSPECTIVE INVESTORS ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS BASE PROSPECTUS THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) against or affecting the Issuer or any of its assets or revenues, which may have or have had during the months since the Base Prospectus was first filed to the date of these Final Terms significant effects on the financial position or profitability of the Issuer.

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) against or affecting Loan Note Issuer No.1 or any of its assets or revenues, which may have or have had during the months since the Base Prospectus was first filed to the date of these Final Terms significant effects on the financial position or profitability of Loan Note Issuer No.1.

There has been no material adverse change in the financial position or prospects of the Issuer, since the date of its last financial statements for the period ended 31 December 2009.

There has been no material adverse change in the financial position or prospects of Loan Note Issuer No.1, since the date of its last financial statements for the period ended 31 December 2008.

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