

FINAL TERMS DATED 17 DECEMBER 2010

(to the Base Prospectus dated 19 November 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, Transferor Beneficiary, Cash Manager and Servicer

Issue of \$750,000,000 Class A Asset Backed Floating Rate Notes due 2012 under

the Penarth Medium Term Note Programme

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

The Issuer will issue	Class A, Series 2010-2 A2 Notes
Principal Amount	\$750,000,000
Interest Rate	1 month USD LIBOR 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 December 2012
Final Redemption Date	18 December 2014
Price to public	\$750,000,000 (or 100 per cent.)
Underwriting Discount	\$0 (or 0 per cent.)
Proceeds to Sponsor	\$750,000,000 (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 these Final Terms are 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 20 of the Base Prospectus before purchasing any notes.

Prospective investors should read these Final Terms and the Base Prospectus carefully before making an 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 for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme*, ("**Clearstream**"). If issued under these Final Terms, Rule 144A 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 "**Rule 144A Global Note Certificate**"), in fully registered form, without interest coupons attached, which will be deposited with Deutsche Bank Trust Company Americas, as custodian ("**DTC Custodian**") for, and

registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("**DTC**"). Ownership interests in the Regulation S Global Note Certificates and in the Rule 144A Global Note Certificates (together, the "**Global Note Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream and DTC (as relevant), and their respective participants. Regulation S Notes and Rule 144A 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.

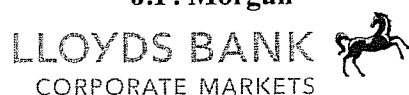
Arranger



Joint Lead Managers and Dealers

Barclays Capital

J.P. Morgan



Co-Manager and Dealer

Natixis

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 (as defined below). 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 Lloyds TSB Bank plc or the Principal Paying Agent and copies may be obtained from the specified offices of Lloyds TSB Bank plc 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, any Dealer or any Joint Lead Manager.

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, any 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 Series 2010-2 A2 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 these Final Terms are required by the Issuer, the Joint Lead Managers 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 2010-2 A2 Notes appears in two separate documents: a base prospectus dated 19 November 2010, as supplemented from time to time (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 2010-2 A2 Notes described in these Final Terms. With respect to the Series 2010-2 A2 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 2010-2 A2 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 2010-2 A2 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 2010-2 A2
Class of Note:	Class A
Issue Date:	22 December 2010
Issue Price:	100 per cent.
Ratings:	Standard & Poor's (AAA (sf))/Fitch Ratings (AAAsf)/Moody's (Aaa (sf))
Principal Amount:	\$750,000,000
Net Proceeds:	\$750,000,000
Specified Currency:	Notes are to be denominated in U.S. Dollars
Fixed, Floating or other interest type Designation:	Floating rate U.S. Dollars Notes
Scheduled Redemption Date:	18 December 2012
Final Redemption Date:	18 December 2014
Rate of Interest:	1 month USD LIBOR plus Margin
Margin (if applicable):	0.75 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 February 2011
Floating Rate Commencement Date (if applicable):	Not Applicable
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(b)
LIBOR (in the case of the first Interest Period):	1 month except for the first Interest Period where LIBOR will be based on the linear interpolation of one month and two month USD LIBOR
Redenomination, Renominalisation and Reconventioning:	No
Indication of Yield:	Not applicable

Additional Details of Related Swap Agreement (if any):	Currency Swap, as described below
Denomination:	\$200,000 and amounts in excess thereof which are integral multiples of \$10,000
Listing:	The London Stock Exchange - Regulated Market
Clearing and Settlement (if applicable):	In respect of the Rule 144A Global Note Certificates, through DTC In respect of the Regulation S Global Note Certificates, through Euroclear and Clearstream, Luxembourg
Other External Credit Enhancement:	None
Additional Business Centre(s):	None
Additional Financial Centre(s):	None
Business Day:	Not applicable
Business Day Convention:	Modified Following Business Day Convention
Form of notes:	Registered Notes: Rule 144A Global Note Certificates registered in the name of Cede & Co. as a nominee of DTC. Regulation S Global Note Certificates registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, Luxembourg
Intended to be held in a manner which would allow Eurosystem eligibility:	No
Call Date:	None
Debt or Equity for U.S. taxation purposes:	Debt
Issued with Original Issue Discount for U.S. 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 (2010-2 A2) Loan Note (the "**Related Loan Note**") which shall have the following terms as set out in the Class A 2010-2 A2 Loan Note Supplement.

Designation for the purposes of the STDCMA:	Class A
Issuance Date:	22 December 2010
Initial Principal Amount:	£482,940,000
Class A Required Subordinated Percentage:	21.9 per cent.
First Monthly Period End Date:	31 December 2010
First Loan Note Interest Payment Date:	18 February 2011
Loan Note Interest Payment Date:	18 February 2011 and each Distribution Date thereafter up to and including the Distribution Date falling in December 2014.
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 1.067 per cent. beginning on (and including) the Issuance Date and ending on (but excluding) the Scheduled Redemption Date and thereafter 1 month Sterling LIBOR plus 1.267 per cent.
Scheduled Redemption Date:	18 December 2012
Stated Monthly Accumulation Amount:	£40,245,000
Final Redemption Date:	18 December 2014
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 (2010-2 A2) 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:	Yes
Accumulation Period Commencement Date:	18 December 2011
Programme Reserve Account Percentage:	0 per cent.

The Related 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 Related Loan Note, the first day of the month that is 12 whole months prior to the Scheduled Redemption Date for the Related Loan Note **provided, however that**, if the Accumulation Period Length for such Related 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 (2010-2 A2) Reserve Account Percentage**" shall be determined as follows: (i) if the Originator Rating Trigger is satisfied, the Class A (2010-2 A2) Reserve Account Percentage shall be 0.00 per cent., or (ii) if the Originator Rating Trigger has been breached, the Class A (2010-2 A2) Reserve Account Percentage shall be 3.77 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 Related 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 Related Loan Note, (ii) the Available Programme Reserve Account Amount and (iii) the Nominal Liquidation Amount Deficit for the Related Loan Note, will be paid by Loan Note Issuer No.1 to the Issuer in respect of the Related 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 (2010-2 A2) 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

Dealers:	Barclays Capital Inc., J.P. Morgan Securities Ltd., Lloyds TSB Bank plc and Natixis.
Issuer:	Penarth Master Issuer plc
Note Trustee:	Deutsche Bank Trust Company Americas
Principal Paying 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'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 and 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:	Deutsche Bank Trust Company Americas
Calculation Agent:	Deutsche Bank AG, London Branch
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:	NATIXIS
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	0.85 per cent per annum plus CP Funding Cost/Liquidity Funding Margin	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 Sterling 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 Sterling 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 Sterling 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 Sterling LIBOR	18 May 2017	18 May 2019
Series 2010-A3	AAA/AAA/Aaa	24 August 2010	£250,000,000	0.78 per cent per annum plus 1 month EURIBOR	18 August 2013	18 August 2015
Series 2010-2 B1	A/A+/Aa3	25 November 2010	£330,000,000	1.25 per cent. per annum plus 1 month Sterling LIBOR	18 February 2015	18 February 2017

CURRENT NOTE SERIES

The table below sets forth the principal characteristics of the other series to be issued by the Issuer 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 2010-2 A3	AAA (sf)/AAAs/Aaa (sf)	22 December 2010	£300,000,000	1.05 per cent. per annum plus 1 month Sterling LIBOR	18 December 2014	18 December 2016
Series 2010-2 C1	BBB+ (sf)/N/A/Baa1 (sf)	22 December 2010	£175,000,000	1.5 per cent. per annum plus 1 month Sterling LIBOR	18 February 2015	18 February 2017
Series 2010-2 D1	N/A	22 December 2010	£185,000,000	1.6 per cent. per annum plus 1 month Sterling LIBOR	18 February 2015	18 February 2017

ADDITIONAL RISK FACTORS

None.

ADDITIONAL SELLING RESTRICTIONS

China

The Base Prospectus and these Final Terms have not been and will not be circulated or distributed in the People's Republic of China (the "**PRC**") and each Dealer represented, acknowledged and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any of the Series 2010-2 A2 Notes in the PRC, except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, PRC does not include Hong Kong, Macau and Taiwan.

Hong Kong

Each Dealer represented, warranted and agreed that (i) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong), by means of any document, any Series 2010-2 A2 Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Series 2010-2 A2 Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Series 2010-2 A2 Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made thereunder.

Japan

The Series 2010-2 A2 Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "**FIEL**"). Accordingly, each Dealer represented and agreed that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any of the Series 2010-2 A2 Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means a person resident in Japan, including any corporation or other entity organised under the laws of Japan) to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged that the Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, each Dealer severally represented and agreed that it has not offered or sold any of the Series 2010-2 A2 Notes or caused such Series 2010-2 A2 Note to be made the subject of an invitation for subscription or purchase and will not offer or sell such Series 2010-2 A2 Note or cause such Series 2010-2 A2 Note to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Base Prospectus, these Final Terms or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Series 2010-2 A2 Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Series 2010-2 A2 Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Series 2010-2 A2 Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275(1A) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(6) of the SFA.

Switzerland

Each Dealer (a) represented and warranted to the Issuer that it has not and (b) covenanted with, and undertook to, the Issuer that it will not offer or sell the Series 2010-2 A2 Notes to any investors in or from Switzerland other than on a non-public basis.

Each Dealer has agreed with the Issuer that the Base Prospectus, these Final Terms and any other materials relating to the Series 2010-2 A2 Notes are strictly confidential and may not be publicly distributed to any person or entity other than its recipient.

The Series 2010-2 A2 Notes will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange in Switzerland. The Base Prospectus and these Final Terms have been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange in Switzerland. Neither the offering of the Series 2010-2 A2 Notes nor the Series 2010-2 A2 Notes have been, or will be, approved by or registered with any Swiss regulatory authority nor are the Issuer or the Series 2010-2 A2 Notes subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA). The investor protection afforded to acquirers of interests in collective investment schemes under the Swiss Federal Act on Collective Investment Schemes does not extend to acquirers of the Series 2010-2 A2 Notes.

BANK PORTFOLIO INFORMATION

The following tables show information relating to the historic performance of Eligible Accounts originated using Bank of Scotland's and LTSB's underwriting criteria, respectively. 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.

Receivables Yield Considerations

The following tables sets forth the gross revenues from finance charges and fees billed to Accounts in the Bank Portfolio of Bank of Scotland and LTSB for each of the years ended 31 December 2005, 2006, 2007, 2008 and 2009, and for the 9 months ended 30 September 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 shown in the following tables. For further detail, please see page 165 of the Base Prospectus. Historical yield experience of the Bank Portfolio may not be indicative of future performance of the Bank Portfolio or the Securitised Portfolio.

Bank of Scotland-originated Portfolio Yield

	9 Months Ended Sep 2010	2009	2008	Year Ended 2007	2006	2005
Average Monthly Accrued Finance Charges and Fees ^{(1),(4)}	£88,815,693	£87,707,721	£91,607,494	£90,065,589	£90,360,515	£85,624,220
Average Receivables Outstanding ⁽²⁾	£6,081,442,689	£6,016,787,470	£6,126,254,786	£6,201,737,341	£6,569,622,225	£6,257,212,515
Yield from Charges and Fees ^{(3),(5)}	17.6%	17.5%	17.9%	17.4%	16.5%	16.4%
Yield from Interchange ⁽⁵⁾	1.0%	1.1%	1.2%	1.1%	1.0%	1.2%
Yield from Charges, Fees and Interchange ⁽⁵⁾	18.6%	18.6%	19.1%	18.5%	17.5%	17.6%

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 Receivables and Finance Charge Receivables, and excludes Receivables charged off.
- (3) 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.
- (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.

LTSB-originated Portfolio Yield

	9 Months Ended Sep 2010	2009	2008	Year Ended 2007	2006	2005
Average Monthly Accrued Finance Charges and Fees ^{(1),(4)}	£81,283,477	£82,976,330	£92,965,169	£92,338,149	£92,138,014	£91,603,091
Average Receivables Outstanding ⁽²⁾	£5,617,948,143	£5,974,309,936	£6,089,570,143	£6,272,436,963	£6,769,130,836	£6,704,853,129
Yield from Charges and Fees ^{(3),(5)}	17.4%	16.7%	18.3%	17.7%	16.3%	16.4%
Yield from Interchange ⁽⁵⁾	1.7%	1.5%	1.6%	1.2%	1.0%	1.1%
Yield from Charges, Fees and Interchange ⁽⁵⁾	19.0%	18.2%	19.9%	18.9%	17.4%	17.5%

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 Receivables and Finance Charge Receivables, and excludes Receivables charged off.
- (3) 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.
- (4) 2009 average monthly finance charges includes a one off provision of £20m in total for the year for payment protection insurance redress and a one off adjustment due to an accounting policy change which reduced interest income by £16m.
- (5) All ratios are annualised.

Combined Bank of Scotland and LTSB Portfolio Yield

	9 Months Ended Sep 2010	2009	2008	Year Ended 2007	2006	2005
Average Monthly Accrued Finance Charges and Fees ⁽¹⁾⁽⁴⁾	£170,099,171	£170,684,051	£184,572,663	£182,403,738	£182,498,529	£177,227,312
Average Receivables Outstanding ⁽²⁾	£11,699,390,832	£11,991,097,406	£12,215,824,929	£12,474,174,304	£13,338,753,061	£12,962,065,644
Yield from Charges and Fees ⁽³⁾⁽⁵⁾	17.5%	17.1%	18.1%	17.5%	16.4%	16.4%
Yield from Interchange ⁽⁵⁾	1.3%	1.3%	1.4%	1.2%	1.0%	1.2%
Yield from Charges, Fees and Interchange ⁽⁵⁾	18.8%	18.4%	19.5%	18.7%	17.4%	17.6%

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 Receivables and Finance Charge Receivables, and excludes Receivables charged off.
- (3) 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.
- (4) 2009 average monthly finance charges includes a one off provision of £67m in total for the year for payment protection insurance redress and a one off adjustment due to an accounting policy change which reduced interest income by £16m.
- (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 Securitised 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 Securitised 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 of Scotland-originated Portfolio (non percentage amounts are expressed in sterling)

	9 Months Ended		Year End									
	Sep 2010	%	2009	%	2008	%	2007	%	2006	%	2005	%
Receivables Outstanding	£5,954,241,031		£6,256,781,109		£6,043,800,384		£6,187,910,503		£6,455,665,694		£6,858,811,242	
Receivables Delinquent:												
5-29	£154,179,780	2.6%	£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	£67,014,351	1.1%	£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	£54,947,126	0.9%	£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+	£141,063,623	2.4%	£180,011,663	2.9%	£209,714,708	3.5%	£180,516,895	2.9%	£127,521,705	2.0%	£121,490,621	1.8%
Total	£417,204,881	7.0%	£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 Receivables and Finance Charge Receivables, and excludes Receivables charged off.

LTSB-originated Portfolio

(non percentage amounts are expressed in sterling)

	9 Months Ended		Year End									
	Sep 2010	%	2009	%	2008	%	2007	%	2006	%	2005	%
Receivables Outstanding.....	£5,380,118,931		£5,852,497,322		£6,187,896,850		£6,177,227,283		£6,541,092,877		£6,951,515,088	
Receivables Delinquent.....												
5-29	£68,031,364	1.3%	£72,380,544	1.2%	£52,958,988	0.9%	£35,788,892	0.6%	£37,904,419	0.6%	£34,128,055	0.5%
30-59	£65,853,844	1.2%	£41,655,540	0.7%	£23,214,562	0.4%	£13,006,028	0.2%	£17,515,374	0.3%	£13,133,784	0.2%
60-89	£62,271,421	1.2%	£38,971,704	0.7%	£21,277,289	0.3%	£10,366,627	0.2%	£13,075,805	0.2%	£9,581,901	0.1%
90+	£237,810,056	4.4%	£191,536,917	3.3%	£147,632,694	2.4%	£114,983,572	1.9%	£125,220,011	1.9%	£129,412,751	1.9%
Total	£433,966,685	8.1%	£344,544,705	5.9%	£245,083,534	4.0%	£174,145,120	2.8%	£193,715,609	3.0%	£186,256,491	2.7%

Notes:

- (1) Receivables outstanding represent end of period Receivables.
(2) Receivables outstanding includes Principal Receivables and Finance Charge Receivables, and excludes Receivables charged off.
(3) In 2008 a policy on repayment plans (temporary arrangements to reduce minimum payment terms) was implemented which included a stricter set of criteria for deciding which accounts would be accepted onto a repayment plan and restricted the duration of the plan to a maximum of 12 months.
An exercise to remove accounts still on repayment plans accepted under the old terms (when there was no maximum term and no minimum payment) commenced late in 2009, this has resulted in an increase in delinquencies as many of those accounts have failed to meet the contractual minimum monthly payments following their removal from the plan.

Combined Bank of Scotland and LTSB Portfolio

9 Months Ended		Year End									
Sep 2010	%	2009	%	2008	%	2007	%	2006	%	2005	%
Receivables Outstanding.....	£11,334,359,962	£12,109,278,431		£12,231,697,234		£12,365,137,787		£12,996,758,370		£13,810,326,330	
Receivables Delinquent.....											
5-29	£32,211,144	£244,280,262	2.0%	£254,151,427	2.1%	£262,815,545	2.1%	£311,548,251	2.4%	£302,710,011	2.4%
30-59	£132,868,196	£124,929,153	1.0%	£122,454,000	1.0%	£118,658,933	1.0%	£113,562,626	0.9%	£102,846,490	0.9%
60-89	£117,218,547	£110,769,831	0.9%	£100,083,324	0.8%	£87,701,221	0.7%	£78,734,651	0.6%	£70,505,047	0.6%
90+	£378,873,679	£371,548,580	3.1%	£357,347,402	2.9%	£295,500,467	2.4%	£252,743,716	1.9%	£250,903,372	1.9%
Total	£851,171,565	£851,527,826	7.0%	£834,036,153	6.8%	£764,676,166	6.2%	£756,589,244	5.8%	£726,964,921	5.8%

Notes:

- (1) Receivables outstanding represent end of period Receivables.
- (2) Receivables outstanding includes Principal Receivables and Finance Charge Receivables, and excludes Receivables charged off.

GROSS CHARGE-OFF EXPERIENCE

Bank of Scotland-originated Portfolio

(non percentage amounts are expressed in sterling)

	9 Months Ended	Year End				
	Sep 2010	2009	2008	2007	2006	2005
Average Receivables Outstanding ⁽¹⁾	£6,081,442,689	£6,016,787,470	£6,126,254,786	£6,201,737,341	£6,569,622,225	£6,257,212,515
Total gross charge-offs ⁽²⁾	£491,851,332	£781,153,486	£783,405,998	£539,118,615	£542,209,925	£391,325,717
Total gross charge-offs as % of Receivables ⁽³⁾	10.81%	12.98%	12.79%	8.69%	8.25%	6.25%

Notes:

- (1) Average Receivables outstanding includes Principal Receivables and Finance Charge Receivables, 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 repayment plans going forward. This increased total gross charge offs which peaked mid 2009.
- (3) All ratios are annualised.

LTSB-originated Portfolio

(non percentage amounts are expressed in sterling)

	9 Months Ended	Year End				
	Sep 2010	2009	2008	2007	2006	2005
Average Receivables Outstanding ⁽¹⁾	£5,617,948,143	£5,974,309,936	£6,089,570,143	£6,272,436,963	£6,769,130,836	£6,704,853,129
Total gross charge-offs ⁽²⁾	£481,155,438	£634,116,610	£444,280,384	£489,324,442	£500,888,476	£304,390,108
Total gross charge-offs as % of Receivables ⁽³⁾	11.5%	10.6%	7.3%	7.8%	7.4%	4.5%

Notes:

- (1) Average Receivables outstanding includes Principal Receivables and Finance Charge Receivables, and excludes Receivables charged off.
- (2) In 2008 a policy on repayment plans (temporary arrangements to reduce minimum payment terms) was tightened with tighter criteria applied to accept accounts onto a repayment plan and the duration of the plan fixed to a maximum of 12 months. This has increased total gross charge offs since the policy change was implemented.
- (3) All ratios are annualised.

Combined Bank of Scotland and LTSB Portfolio

	9 Months Ended	Year End				
	Sep 2010	2009	2008	2007	2006	2005
Average Receivables Outstanding ⁽¹⁾	£11,699,390,832	£11,991,097,406	£12,215,824,929	£12,474,174,304	£13,338,753,061	£12,962,065,644
Total gross charge-offs ..	£973,006,769	£1,415,270,096	£1,227,686,383	£1,028,443,056	£1,043,098,402	£695,715,825
Total gross charge-offs as % of Receivables ⁽²⁾	11.1%	11.8%	10.0%	8.2%	7.8%	5.4%

Notes:

- (1) Average Receivables outstanding includes Principal Receivables and Finance Charge Receivables, and excludes Receivables charged off.
- (2) All ratios are annualised.

Maturity Assumptions

The following tables set 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 of Scotland-originated Portfolio

	9 Months Ended	Year End				
	Sep 2010	2009	2008	2007	2006	2005
Lowest Month ⁽¹⁾	11.6%	11.8%	12.2%	13.1%	12.0%	13.6%
Highest Month ⁽¹⁾	14.2%	14.4%	14.9%	16.3%	15.8%	17.4%
Monthly Average ⁽¹⁾	12.7%	13.1%	14.0%	14.4%	14.2%	15.6%

Notes:

⁽¹⁾ Payment % = (total payments in calendar month/ total opening receivables outstanding at start of calendar month)*100."

LTSB-originated Portfolio

	9 Months Ended	Year End				
	Sep 2010	2009	2008	2007	2006	2005
Lowest Month ⁽¹⁾	15.2%	13.9%	15.4%	13.3%	12.0%	13.5%
Highest Month ⁽¹⁾	18.3%	17.0%	17.3%	17.1%	15.4%	15.0%
Monthly Average ⁽¹⁾	16.9%	15.7%	16.1%	14.9%	13.8%	14.2%

Notes:

⁽¹⁾ Payment % = (total payments in calendar month/ total opening receivables outstanding at start of calendar month)*100."

Combined Bank of Scotland and LTSB Portfolio

	9 Months Ended	Year End				
	Sep 2010	2009	2008	2007	2006	2005
Lowest Month ⁽¹⁾	13.9%	13.4%	13.8%	13.2%	12.0%	13.5%
Highest Month ⁽¹⁾	15.6%	15.4%	16.0%	16.7%	15.6%	16.1%
Monthly Average ⁽¹⁾	14.7%	14.4%	15.1%	14.7%	14.0%	14.9%

Notes:

⁽¹⁾ Payment % = (total payments in calendar month/ total opening receivables outstanding at start of calendar month)*100."

For further detail, please see the Base Prospectus.

INDICATIVE SECURITISED PORTFOLIO INFORMATION

As at 30 September 2010

The following tables show information relating to the historic performance as at 30 September 2010 of (i) LTSB credit cards accounts comprising the bank portfolio for LTSB (excluding legacy repayment plans), (ii) BOS credit cards accounts comprising the Prime Portfolio for BOS and (iii) the Securitised Portfolio following the addition of such LTSB and BOS Receivables, not all of which are Eligible Accounts.

The information below includes Receivables for which the billing address is located in Northern Ireland, which will not be Eligible Accounts on the Issue Date. Such ineligible accounts comprise 1.3 per cent. of the total receivables data set forth below (see *Geographic Distribution of Accounts* below). As future composition of the Securitised Portfolio may change over time, the historic performance shown in these tables are not necessarily indicative of the composition or performance of the Securitised Portfolio at any time subsequent to 30 September 2010.

Receivables Yield Considerations

The following tables set forth the gross revenues from finance charges and fees billed to accounts in (i) the LTSB credit cards accounts comprising the bank portfolio for LTSB (excluding legacy repayment plans (the "**LTSB Indicative Portfolio**")), (ii) BOS credit cards accounts comprising the Prime Portfolio for BOS (the "**BOS Indicative Portfolio**") and (iii) the Securitised Portfolio following the addition of such LTSB and BOS Receivables (not all of which are Eligible Accounts), for each of the years ended 31 December 2005, 2006, 2007, 2008, 2009 and for the 9 months ended 30 September 2010.

Tables are shown for the LTSB Receivables and BOS Receivables described above separately with a consolidated table for the Securitised Portfolio following the addition of such Receivables, certain of which will ultimately back the notes and comprise the Securitised Portfolio (the "**Indicative Portfolio**"). The 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 Securitised Portfolio will be on a cash basis and may not reflect the historical yield experience in the tables below. For further detail, please see page 165 of the Base Prospectus. Historical yield experience shown in the following tables may not be indicative of future performance of the Securitised Portfolio.

Bank of Scotland-originated Receivables

	9 Months Ended September 2010	2009	2008	2007	2006	2005
Average Receivables Outstanding ⁽¹⁾	5,127,424,859	5,234,079,423	5,313,031,001	5,354,688,289	5,596,490,290	5,192,919,816
Average Monthly Finance Charges ⁽²⁾	64,658,026	62,815,248	60,888,583	58,545,440	56,262,653	48,766,899
Average Monthly Fees (Incl. Insurance)	10,970,957	13,731,007	15,934,659	16,275,283	19,218,601	20,840,700
Average Monthly Interchange ⁽³⁾	5,190,743	5,397,820	6,054,086	5,735,633	5,639,990	6,368,069
Yield From Finance Charges ⁽⁴⁾	15.17%	14.40%	13.75%	13.12%	12.06%	11.27%
Yield from Fees (Inc. Insurance) ⁽⁴⁾	2.57%	3.15%	3.60%	3.65%	4.12%	4.82%
Yield from Interchange ⁽⁴⁾	1.22%	1.24%	1.37%	1.29%	1.21%	1.47%
Total Yield from Charges, Fees and Interchange ⁽⁴⁾	18.97%	18.79%	18.72%	18.05%	17.39%	17.56%

LTSB-originated Receivables

	9 Months Ended September 2010	2009	2008	2007	2006	2005
Average Receivables Outstanding ⁽¹⁾	5,123,900,819	5,496,113,227	5,647,721,453	5,775,152,795	6,270,208,934	6,192,005,363
Average Monthly Finance Charges ⁽²⁾	66,555,885	69,649,300	70,420,908	68,750,609	65,739,558	65,557,561
Average Monthly Fees (Incl. Insurance)	17,198,327	18,562,129	22,732,397	22,768,262	24,735,587	25,202,241
Average Monthly Interchange ⁽³⁾	7,720,738	7,609,267	7,455,877	6,306,696	5,750,389	6,076,534
Yield From Finance Charges ⁽⁴⁾	15.63%	15.21%	14.96%	14.29%	12.58%	12.70%
Yield from Fees (Inc. Insurance) ⁽⁴⁾	4.04%	4.05%	4.83%	4.73%	4.73%	4.88%
Yield from Interchange ⁽⁴⁾	1.81%	1.66%	1.58%	1.31%	1.10%	1.18%
Total Yield from Charges, Fees and Interchange ⁽⁴⁾	21.48%	20.92%	21.38%	20.33%	18.42%	18.77%

Combined Bank of Scotland and LTSB Receivables

	9 Months Ended September 2010	2009	2008	2007	2006	2005
Average Receivables Outstanding ⁽¹⁾	10,251,325,678	10,730,192,650	10,960,752,454	11,129,841,084	11,866,699,223	11,384,925,180
Average Monthly Finance Charges ⁽²⁾	131,213,911	132,464,547	131,309,491	127,296,050	122,002,211	114,324,460
Average Monthly Fees (Incl. Insurance)	28,169,284	32,293,136	38,667,056	39,043,545	43,954,189	46,042,940
Average Monthly Interchange ⁽³⁾	12,911,481	13,007,086	13,509,964	12,042,329	11,390,379	12,444,603
Yield From Finance Charges ⁽⁴⁾	15.40%	14.81%	14.38%	13.72%	12.34%	12.05%
Yield from Fees (Incl. Insurance) ⁽⁴⁾	3.31%	3.61%	4.23%	4.21%	4.44%	4.85%
Yield from Interchange ⁽⁴⁾	1.52%	1.45%	1.48%	1.30%	1.15%	1.31%
Total Yield from Charges, Fees and Interchange ⁽⁴⁾	20.22%	19.88%	20.09%	19.23%	17.93%	18.21%

Notes:

- (1) Average Receivables outstanding is the average of the month end balances for the period indicated.
- (2) Finance Charge Receivables and fees are comprised of monthly periodic charges and other credit card fees net of adjustments made pursuant to Bank of Scotland normal servicing procedures, including removal of incorrect or disputed monthly periodic finance charges.
- (3) Interchange has been estimated as a proportion of the bank total interchange revenue.
- (4) Yield percentages for the 9 months ended September 2010 are presented on an annualised basis.

The following tables summarise the credit card accounts of the Bank of Scotland Indicative Portfolio, the LTSB Indicative Portfolio and the Indicative Portfolio, by credit balances. Accounts which have no balance are included because Receivables may be generated in these accounts in the future.

COMPOSITION BY ACCOUNT BALANCE

Bank of Scotland-originated Receivables

Balance (£'s) Bandings	Total Number of Accounts	Percentage of Total Number of Accounts	Receivables (£'s)	Percentage of Total Receivables
Credit Balance	643,634	17%	-12,700,982	0%
No Balance	858,728	23%	0	0%
£0.01 - £5,000.00	1,896,118	51%	2,376,800,276	47%
£5,000.01 - £10,000.00	240,187	6%	1,678,820,677	33%
£10,000.01 - £15,000.00	76,096	2%	928,803,318	18%
£15,000.01 - £20,000.00	3,676	0%	58,563,856	1%
£20,000.01 or more	88	0%	2,208,654	0%
Total	3,718,527	100%	5,032,495,799	100%

LTSB-originated Receivables

Balance (£'s) Bandings	Total Number of Accounts	Percentage of Total Number of Accounts	Receivables (£'s)	Percentage of Total Receivables
Credit Balance	249,490	5%	-13,078,773	0%
No Balance	2,064,088	42%	0	0%
£0.01 - £5,000.00	2,358,495	48%	2,624,401,984	53%
£5,000.01 - £10,000.00	183,519	4%	1,321,107,991	27%
£10,000.01 - £15,000.00	69,623	1%	895,124,195	18%
£15,000.01 - £20,000.00	7,165	0%	117,016,885	2%
£20,000.01 or more	461	0%	12,039,269	0%
Total	4,932,841	100%	4,956,611,551	100%

Combined Bank of Scotland and LTSB-originated Receivables

Balance (£'s) Bandings	Total Number of Accounts	Percentage of Total Number of Accounts	Receivables (£'s)	Percentage of Total Receivables
Credit Balance	893,124	10%	-25,779,755	0%
No Balance	2,922,816	34%	0	0%
£0.01 - £5,000.00	4,254,613	49%	5,001,202,260	50%
£5,000.01 - £10,000.00	423,706	5%	2,999,928,668	30%
£10,000.01 - £15,000.00	145,719	2%	1,823,927,514	18%
£15,000.01 - £20,000.00	10,841	0%	175,580,740	2%
£20,000.01 or more	549	0%	14,247,923	0%
Total	8,651,368	100%	9,989,107,351	100%

COMPOSITION BY CREDIT LIMIT

Bank of Scotland-originated 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	2,035,450	55%	1,318,453,015	26%
£5,000.01 - £10,000.00	1,063,537	29%	1,738,902,372	35%
£10,000.01 - £15,000.00	595,673	16%	1,890,414,327	38%
£15,000.01 - £20,000.00	23,128	1%	81,296,231	2%
£20,000.01 or more	739	0%	3,429,854	0%
Total	3,718,527	100%	5,032,495,799	100%

LTSB-originated 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	3,110,352	63%	1,602,337,696	32%
£5,000.01 - £10,000.00	1,142,208	23%	1,474,419,843	30%
£10,000.01 - £15,000.00	655,989	13%	1,782,160,322	36%
£15,000.01 - £20,000.00	21,435	0%	81,063,248	2%
£20,000.01 or more	2,857	0%	16,630,443	0%
Total	4,932,841	100%	4,956,611,551	100%

Combined Bank of Scotland and LTSB 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	5,145,802	59%	2,920,790,711	29%
£5,000.01 - £10,000.00	2,205,745	25%	3,213,322,215	32%
£10,000.01 - £15,000.00	1,251,662	14%	3,672,574,648	37%
£15,000.01 - £20,000.00	44,563	1%	162,359,479	2%
£20,000.01 or more	3,596	0%	20,060,297	0%
Total	8,651,368	100%	9,989,107,351	100%

The following tables set forth the delinquency and loss experience for the period shown for the BOS Indicative Portfolio, the LTSB Indicative Portfolio and the Indicative Portfolio, respectively. Because the Securitised Portfolio is only a portion of the Indicative Portfolio, actual delinquency and loss experience with respect to the Receivables comprised therein may be different from that set forth for the Indicative Portfolio. There can be no assurance that the delinquency and loss experience for the Securitised Portfolio in the future will be similar to the information shown in the following tables.

COMPOSITION BY PERIOD OF DELINQUENCY

Bank of Scotland-originated Portfolio

Period of Delinquency (Cycles contractually Delinquent)	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Current	3,616,804	97%	4,663,265,069	93%
1	47,214	1%	140,045,989	3%
2	15,369	0%	58,272,758	1%
3	11,225	0%	48,024,157	1%
4	9,843	0%	43,751,357	1%
5	9,087	0%	42,420,887	1%
6+	8,985	0%	36,715,583	1%
Total	3,718,527	100%	5,032,495,799	100%

LTSB-originated Portfolio

Period of Delinquency (Cycles contractually Delinquent)	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Current	4,779,201	97%	4,381,488,699	88%
1	62,851	1%	204,525,638	4%
2	32,445	1%	127,979,178	3%
3	19,309	0%	80,470,488	2%
4	13,278	0%	55,540,104	1%
5	10,818	0%	48,798,040	1%
6+	14,939	0%	57,809,405	1%
Total	4,932,841	100%	4,956,611,551	100%

Combined Bank of Scotland and LTSB Portfolio

Period of Delinquency (Cycles contractually Delinquent)	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Current	8,396,005	97%	9,044,753,769	91%
1	110,065	1%	344,571,628	3%
2	47,814	1%	186,251,935	2%
3	30,534	0%	128,494,644	1%
4	23,121	0%	99,291,461	1%
5	19,905	0%	91,218,926	1%
6+	23,924	0%	94,524,988	1%
Total	8,651,368	100%	9,989,107,351	100%

COMPOSITION BY ACCOUNT AGE

Bank of Scotland-originated Portfolio

Account Age	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Not More Than 6 Months.....	241,223	6%	266,524,967	5%
Over 6 Months to 12 Months	189,242	5%	260,003,140	5%
Over 12 Months to 24 Months	403,650	11%	417,925,812	8%
Over 24 Months to 36 Months	381,771	10%	475,879,450	9%
Over 36 Months to 48 Months	311,240	8%	431,806,800	9%
Over 48 Months to 60 Months	274,106	7%	417,303,326	8%
Over 60 Months to 72 Months	311,720	8%	426,127,789	8%
Over 72 Months	1,605,575	43%	2,336,924,515	46%
Total.....	3,718,527	100%	5,032,495,799	100%

LTSB-originated Portfolio

Account Age	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Not More Than 6 Months.....	310,299	6%	146,172,560	3%
Over 6 Months to 12 Months	254,284	5%	139,641,579	3%
Over 12 Months to 24 Months	582,242	12%	292,200,367	6%
Over 24 Months to 36 Months	745,386	15%	684,766,803	14%
Over 36 Months to 48 Months	414,366	8%	410,850,839	8%
Over 48 Months to 60 Months	242,129	5%	267,014,407	5%
Over 60 Months to 72 Months	187,710	4%	269,377,162	5%
Over 72 Months	2,196,425	45%	2,746,587,834	55%
Total.....	4,932,841	100%	4,956,611,551	100%

Combined Bank of Scotland and LTSB Portfolio

Account Age	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Not More Than 6 Months.....	551,522	6%	412,697,526	4%
Over 6 Months to 12 Months	443,526	5%	399,644,719	4%
Over 12 Months to 24 Months	985,892	11%	710,126,179	7%
Over 24 Months to 36 Months	1,127,157	13%	1,160,646,253	12%
Over 36 Months to 48 Months	725,606	8%	842,657,638	8%
Over 48 Months to 60 Months	516,235	6%	684,317,734	7%
Over 60 Months to 72 Months	499,430	6%	695,504,951	7%
Over 72 Months	3,802,000	44%	5,083,512,349	51%
Total.....	8,651,368	100%	9,989,107,351	100%

GEOGRAPHIC DISTRIBUTION OF ACCOUNTS

Bank of Scotland-originated Portfolio

Region	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
East Anglia	381,779	10%	561,259,139	11%
London.....	242,284	7%	365,349,758	7%
Midlands.....	381,994	10%	504,893,744	10%
North East England.....	552,165	15%	683,811,664	14%
North West England.....	543,266	15%	707,660,513	14%
Scotland.....	609,546	16%	755,535,779	15%
South Central England.....	309,112	8%	458,894,563	9%
South East England.....	295,147	8%	456,798,095	9%
South West England.....	249,325	7%	334,553,633	7%
Wales.....	124,253	3%	168,250,415	3%
Other.....	29,656	1%	35,488,495	1%
Total.....	3,718,527	100%	5,032,495,799	100%

Notes:

⁽¹⁾ Total Receivables include the lump additions and Principal Receivables and Finance Charge Receivables.

LTSB-originated Portfolio

Region	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
East Anglia	546,861	11%	579,580,520	12%
London.....	329,453	7%	326,523,759	7%
Midlands.....	765,125	16%	705,930,477	14%
North East England.....	572,574	12%	564,196,041	11%
North West England.....	584,476	12%	576,721,753	12%
Scotland.....	349,037	7%	340,207,310	7%
South Central England.....	514,359	10%	560,190,290	11%
South East England.....	418,879	8%	477,112,164	10%
South West England.....	529,144	11%	506,149,987	10%
Wales.....	232,191	5%	235,157,862	5%
Other.....	90,742	2%	84,841,387	2%
Total.....	4,932,841	100%	4,956,611,551	100%

Notes:

⁽¹⁾ Total Receivables include the lump additions and Principal Receivables and Finance Charge Receivables.

Combined Bank of Scotland and LTSB Portfolio

Region	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
East Anglia	928,640	11%	1,140,839,659	11%
London.....	571,737	7%	691,873,516	7%
Midlands.....	1,147,119	13%	1,210,824,221	12%
North East England.....	1,124,739	13%	1,248,007,705	12%
North West England.....	1,127,742	13%	1,284,382,266	13%
Scotland.....	958,583	11%	1,095,743,090	11%
South Central England.....	823,471	10%	1,019,084,854	10%
South East England.....	714,026	8%	933,910,259	9%
South West England.....	778,469	9%	840,703,620	8%
Wales.....	356,444	4%	403,408,278	4%
Other.....	120,398	1%	120,329,882	1%
Total.....	8,651,368	100%	9,989,107,351	100%

Notes:

⁽¹⁾ Total Receivables include the lump additions and the Principal Receivables and Finance Charge Receivables.

SECURITISED PORTFOLIO RECEIVABLES INFORMATION

As at 30 September 2010

The following tables summarise the Securitised Portfolio by various criteria as of the beginning of the day on 1 October 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 September 2010.

Recent Lump Additions and Removals

Bank of Scotland may from time to time transfer Receivables 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, 1 July 2010 and 8 November 2010, the amounts of £217,212,804, £552,353,170, £561,210,892.89, and £2,858,868,600.24 respectively. The lump addition made on 8 November 2010 to the Penarth Receivables Trust consisted of Receivables transferred by LTSB to Bank of Scotland and subsequently transferred by Bank of Scotland to the Receivables Trustee.

Receivables 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 9 months ended 30 September 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	9 Months Ended Sep 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008	Notes
Average Principal Receivables Outstanding	£4,176,562,692	£3,924,917,758	£3,935,121,782	1
Average Finance Charges, Fees and Interchange	£64,749,377	£59,573,975	£60,642,314	2, 3
Yield from Finance Charges, Fees and Interchange	18.6%	18.2%	18.5%	2, 3, 4

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 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.
- ⁽⁴⁾ All ratios are annualised.

Principal Payment Rate	9 Months Ended Sep 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	13.2%	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 30 September 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⁾	3,487,872	£4,178,394,182	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⁾									
30 to 59 Days	42,821	£109,873,264	2.63%	47,246	£118,992,202	2.76%	55,146	£133,590,222	3.43%
60 to 89 Days	13,785	£44,727,767	1.07%	16,484	£54,069,089	1.25%	18,974	£58,932,997	1.51%
90 or more Days	10,274	£37,148,350	0.89%	12,508	£45,984,493	1.07%	11,442	£42,708,951	1.10%
	24,352	£90,675,688	2.17%	27,753	£107,297,089	2.49%	14,014	£51,064,678	1.31%
Total	91,232	£282,425,069	6.76%	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

Loss Experience	9 Months Ended Sep 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008	Notes
Average Principal Receivables Outstanding ...	£4,176,562,692	£3,924,917,758	£3,935,121,782	1
Average Gross Losses	£33,550,062	£32,094,810	£10,973,983	2
Average Recoveries	£3,277,979	£1,395,611	£132,458	3
Average Net Losses	£30,272,082	£30,699,199	£10,841,525	4
Gross Losses as a percentage of Principal Receivables Outstanding	9.6%	9.8%	3.3%	5
Net Losses as a percentage of Principal Receivables Outstanding	8.7%	9.4%	3.3%	5

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.
- (5) All ratios are annualised.

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	527,344	15.1%	-£10,636,159	-0.2%
No Balance	989,653	28.4%	£0	0.0%
£0.01 - £5,000.00	1,676,376	48.1%	£2,101,551,638	46.0%
£5,000.01 - £10,000.00	218,650	6.3%	£1,532,256,478	33.6%
£10,000.01 - £15,000.00	72,238	2.1%	£882,873,257	19.3%
£15,000.01 - £20,000.00	3,539	0.1%	£56,466,217	1.2%
£20,000.01 or more	72	0.0%	£1,786,371	0.0%
Total	3,487,872	100.0%	£4,564,297,801	100.0%

COMPOSITION BY CREDIT LIMIT

Securitised 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	1,877,211	53.8%	£1,146,651,695	25.1%
£5,000.01 - £10,000.00	1,003,994	28.8%	£1,550,619,192	34.0%
£10,000.01 - £15,000.00	583,148	16.7%	£1,784,891,378	39.1%
£15,000.01 - £20,000.00	22,813	0.7%	£78,814,864	1.7%
£20,000.01 or more	706	0.0%	£3,320,673	0.1%
Total	3,487,872	100.0%	£4,564,297,801	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.....	3,396,640	97.4%	£4,225,389,998	92.6%
5 - 29 Days.....	42,821	1.2%	£129,283,376	2.8%
30 - 59 Days.....	13,785	0.4%	£53,611,915	1.2%
60 - 89 Days.....	10,274	0.3%	£44,647,001	1.0%
90 or More Days	24,352	0.7%	£111,365,513	2.4%
Total.....	3,487,872	100.0%	£4,564,297,801	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.....	25,921	0.7%	£44,051,333	1.0%
Over 6 Months to 12 Months	187,328	5.4%	£249,621,072	5.5%
Over 12 Months to 24 Months	433,571	12.4%	£401,232,422	8.8%
Over 24 Months to 36 Months	406,346	11.7%	£454,369,471	10.0%
Over 36 Months to 48 Months	320,800	9.2%	£406,902,477	8.9%
Over 48 Months to 60 Months	267,289	7.7%	£383,228,625	8.4%
Over 60 Months to 72 Months	288,606	8.3%	£382,963,194	8.4%
Over 72 Months	1,558,011	44.7%	£2,241,929,208	49.1%
Total.....	3,487,872	100.0%	£4,564,297,801	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	366,808	10.5%	£519,779,212	11.4%
London.....	230,104	6.6%	£341,623,070	7.5%
Midlands	369,733	10.6%	£469,333,247	10.3%
North East England.....	536,378	15.4%	£639,857,514	14.0%
North West England.....	446,983	12.8%	£559,764,907	12.3%
Scotland	592,549	17.0%	£712,909,680	15.6%
South Central England	297,275	8.5%	£425,733,731	9.3%
South East England.....	283,892	8.1%	£423,594,133	9.3%
South West England.....	241,318	6.9%	£310,691,175	6.8%
Wales.....	120,160	3.4%	£157,026,338	3.4%
Other.....	2,672	0.1%	£3,984,795	0.1%
Total.....	3,487,872	100.0%	£4,564,297,801	100.0%

Notes:

- (1) Total Receivables are as at 30 September 2010 and include the Principal Receivables and Finance Charge Receivables, and the lump additions but exclude the Receivables added to the Securitised Portfolio on 8 November 2010.

STATIC POOL DATA

No static pool data has been provided in relation to the Securitised Portfolio. Static pool data may indicate a different performance profile in relation to the Securitised Portfolio from that which is disclosed herein.

Performance By Vintage

Bank of Scotland 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.

LTSB Performance By Vintage

Prior to 2002, LTSB cards were predominantly marketed to existing bank customers who held a LTSB current account. The acquisition strategy was relationship based, rather than price led, with few competitive introductory offers. Yields are relatively high on these vintages and charge offs tend to be lower as customer performance data on existing LTSB products was used to enhance the credit decision at the point of acquisition.

Between 2002 and 2005, LTSB started to pursue a more aggressive marketing strategy with competitive introductory rate offers attracting new to bank customers who were more likely to be borrowers with higher balances. Payment rates on this population are lower with higher charge off rates compared to previous vintages. These customers also received higher initial credit limits than subsequent vintages; recent customer management activity has focussed on reducing the credit limits of higher risk customers within this population.

In July 2007, LTSB launched the Airmiles Duo card, taking over the Airmiles banking relationship from NatWest. This product rewards credit card spending with Airmiles and attracted a higher proportion of new to bank customers. The reward proposition resulted in an increase in the concentration of convenience users, which has increased the payment rate and reduced delinquencies and charge offs on vintages since then.

In the first half of 2009, there was a significant tightening of scorecard criteria on the portfolio and new, more accurate scorecards were introduced. As a result, the delinquency performance from this vintage is better than other vintages. Gross yields have declined as less interest income has been earned, but profit per customer has remained high due to lower impairment losses.

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 Joint Lead Manager and not on any other information.

Notes

Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any class of Rule 144A Notes or Regulation S Notes is outstanding, the Rule 144A and 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 three paragraphs are to be included in the legend for Regulation S Global Note Certificates only:

EACH PURCHASER AND EACH TRANSFEREE OF THIS NOTE OR OF AN INTEREST HEREIN IS DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) IT IS NOT (AND IS NOT DEEMED FOR PURPOSES OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") TO BE) AND FOR SO LONG AS IT HOLDS A NOTE, AS APPLICABLE, WILL NOT BE (OR BE DEEMED FOR SUCH PURPOSES TO BE) (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN ERISA) AND THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE, "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "**BENEFIT PLAN INVESTOR**") OR (II) (A) IT IS AN EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") AND (B) THE PURCHASE AND HOLDING OF SUCH NOTES, AS APPLICABLE, DO NOT AND WILL NOT VIOLATE ANY SUCH SUBSTANTIALLY SIMILAR LAW.

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 EUROCLEAR BANK S.A./N.V. ("**EUROCLEAR**") AND/OR CLEARSTREAM BANKING, SOCIÉTÉ ANONYME ("**CLEARSTREAM**"), TO REQUIRE THAT EUROCLEAR AND/OR CLEARSTREAM, AS THE CASE MAY BE, REVERSE OR RESCIND ANY TRADE COMPLETED IN ACCORDANCE WITH THE RULES OF EUROCLEAR AND/OR CLEARSTREAM, AS THE CASE MAY BE.

The following three paragraphs are to be included in the legend for Rule 144A Global Note Certificates only:

EACH ORIGINAL PURCHASER AND EACH TRANSFEREE OF THIS NOTE OR OF AN INTEREST HEREIN IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (I) THE HOLDER IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE WILL NOT BE, (A) AN "EMPLOYEE BENEFIT PLAN" SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), (B) A "PLAN" WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (C) ANY PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE, THE ASSETS OF ANY SUCH "EMPLOYEE BENEFIT PLAN" OR "PLAN" BY REASON OF 29 C.F.R. 2510.3-101 OR OTHERWISE, OR (D) ANY OTHER EMPLOYEE BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND IS NOT PURCHASING THIS NOTE ON BEHALF OF ANY SUCH PERSON, OR (II) THE PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF ANY SUCH OTHER EMPLOYEE BENEFIT PLAN, ARE NOT IN VIOLATION OF ANY SUCH SUBSTANTIALLY SIMILAR LAW).]

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 THE DEPOSITORY TRUST COMPANY ("**DTC**") TO REQUIRE THAT DTC REVERSE OR RESCIND ANY TRADE COMPLETED IN ACCORDANCE WITH THE RULES OF DTC.

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

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 EUROCLEAR AND 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 EUROCLEAR AND 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 EUROCLEAR AND 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.

The following two paragraphs are to be included in the legend for Rule 144A Global Note Certificates only:

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, CEDE & CO. ("**CEDE**"), HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE OR OF SUCH OTHER ENTITY AS IS REQUESTED BY

AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, AND NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S 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 MANAGER 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 Rule 144A Global Note Certificates

Each initial investor in, and subsequent transferee of, an interest in a Rule 144A Global Note Certificate will be deemed to have represented and agreed as follows:

- (i) It (a) is a **"Qualified Institutional Buyer"** ("QIB") within the meaning of Rule 144A and is acquiring the notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder and (b) understands the notes will bear the legend set forth above and be represented by one or more Rule 144A Global Notes Certificates. In addition, it will be deemed to have represented and agreed that it will hold and transfer in an amount of not less than, with respect to each class of notes, €50,000 (or the equivalent thereof in the specified currency) for it or for each account for which it is acting.
- (ii) 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.
- (iii) 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 Dealer (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 Dealer; (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.

- (iv) If the notes are debt notes either: (i) it is not, and for so long as it holds a debt note will not be, (A) an "employee benefit plan" subject to Title I of the ERISA), (B) a "plan" subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), (C) any person or entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, the assets of any such "employee benefit plan" or "plan" by reason of 29 C.F.R. 2510.3-101 or otherwise or (D) any other employee benefit plan subject to any federal, state, local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"), and is not purchasing such debt note on behalf of any such person, or (ii) the purchase, holding and subsequent disposition of such debt note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of any such other employee benefit plan, is not in violation of any such substantially Similar Law).
- (v) It understands that an investment in the notes involves certain risks, including the risk of loss of all or a substantial part of its investment under certain circumstances. It has had access to such financial and other information concerning the Issuer and the notes, as it deemed necessary or appropriate in order to make an informed investment decision with respect to its acquisition of the notes, including an opportunity to ask questions of and request information from the Issuer. It understands that the notes will be highly illiquid and are not suitable for short term trading. It understands that it is possible that due to the structure of the transaction and the performance of the Securitised Portfolio, payments on the notes may be deferred, reduced or eliminated entirely. The Issuer has assets limited to the Security (as defined in the STDCMA) for payment of the notes.
- (vi) It understands that the Note Trust Deed permits the Issuer to demand that any beneficial owner of Rule 144A Global Notes who is determined not to be a QIB at the time of acquisition of such Rule 144A Global Notes Certificates to sell all its right, title and interest in such notes (a) to a person who is a QIB in a transaction meeting the requirements of Rule 144A or (b) to a person who will take delivery of its interest in Rule 144A Global Note Certificates in the form of an interest in a Regulation S Global Note Certificate and who is not a U.S. Person in a transaction meeting the requirements of Regulation S in a transaction exempt from registration under the Securities Act or any state or other relevant securities laws and, if it does not comply with such demand within thirty (30) days thereof, the Issuer may sell its interest in the Note.
- (vii) 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.
- (viii) 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 Euroclear and Clearstream or DTC or one of their nominees, as applicable.
- (ix) It understands that the Issuer, the Note Trustee, the Dealer and their counsel will rely on the accuracy and truth of the foregoing representation, and it hereby consents to such reliance.

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 made the representations set forth in clauses (ii), (iii), (iv), (vii), (viii) and (ix) above and will be deemed to have further represented and agreed as follows:

- (i) 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 or 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.
- (ii) 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.
- (iii) 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 the Sterling notes shall be made in Sterling in same-day funds. All payments in respect of the Dollar notes shall be made in dollars in same-day funds.

SWAP AGREEMENT

General

The Series 2010-2 A2 Notes will be denominated in U.S. dollars and the Issuer will be obliged to make U.S. dollar payments of interest and principal in respect of the Series 2010-2 A2 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 2010-2 A2 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 U.S. dollar proceeds received by the Issuer on the issue of the Series 2010-2 A2 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 U.S. dollar proceeds of the issue of the Series 2010-2 A2 Notes converted into Sterling at the relevant exchange rate as provided in the Swap Agreement;
- (b) on each Interest Payment Date, an amount in U.S. dollars 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 U.S. dollars 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 these 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 2010-2 A2 Notes will be the following entity:

NATIXIS

Natixis (formerly known as Natexis Banques Populaires) is a French limited liability company (*société anonyme à Conseil d'Administration*) registered with the *Registre du Commerce et des Sociétés de Paris* under No. 542 044 524 ("**Natixis**"). It is currently governed by the French commercial company regulations, the provisions of the French Monetary and Financial Code and its bylaws. Its corporate existence is fixed by its bylaws for 99 years, expiring on 9 November 2093.

Natixis is the corporate, investment and financial services arm of Groupe BPCE, the 2nd-largest banking player in France with 22% of total bank deposits and 37 million clients spread over two networks, Banque Populaire and Caisse d'Epargne.

With around 22,000 employees, Natixis has a number of areas of expertise which are organized in three main business lines: corporate and investment banking, investment Solutions (asset management, private banking, insurance) and Specialized Financial Services.

A global player, Natixis has its own client base of companies, financial institutions and institutional investors as well as the client base of individuals, professionals and small and medium-size businesses of BPCE's two retail banking networks.

Listed on the Paris stock exchange, it has a solid financial base with total Tier 1 capital of €12.8 billion, a Tier 1 ratio of 9.2% and quality long-term ratings of A+ from Standard & Poor's and Fitch Ratings: and Aa3 from Moody's and short term ratings of A-1 from Standard and Poor's, F1+ from Fitch Ratings and P-1 from Moody's.

As at 31 March 2010, 2010 NATIXIS' principal shareholders were as follows:

	% of capital	% of voting rights
BPCE	71.539%	71.635%
Public	27.470%	27.507%
Other	0.992%	0.858%

Changes in the Organisational Structure and in the Identity of the Major Shareholders

About BPCE

Natixis is the corporate, investment management and financial services arm of Groupe BPCE, the cooperative bank born out of the merger between Banques Populaires and Caisse d'Epargne.

Natixis is affiliated to the group's central body, i.e. BPCE, which directly holds 71.5 % of its capital. As such, Natixis benefits from the group's financial solidarity system (see hereafter).

Groupe BPCE totals 37 million customers, 8,200 branches, 7 million cooperative shareholders and 120,000 employees. Its three core businesses provide a full range of banking, financial and real-estate services.

In France, the retail bank is underpinned by the Banques Populaires and Caisses d'Epargne networks with twenty savings banks and seventeen savings banks, respectively, all with deep roots in the territory, and by other more specialized brands. Groupe BPCE is France's second-largest retail bank in terms of market share.

Groupe BPCE is a key player, directly or via its specialized subsidiaries such as Crédit Foncier, Nexity and Foncia, in all aspects of real estate from beginning to end: promotion, social housing, project finance, home loans, guaranties, services and advisory.

Natixis handles corporate and investment banking, investment solutions and specialized financial services, serving both the group's network and its large corporate and institutional investor client base.

Affiliation of NATIXIS to BPCE and financial solidarity mechanism within the Groupe BPCE

With effect as of 31 July 2009 (non-inclusive), NATIXIS is affiliated with BPCE, the central body of Groupe BPCE. This affiliation with BPCE replaces, with effect as of same date, the dual affiliation of NATIXIS with Caisse Nationale des Caisses d'Epargne et de Prévoyance (CNCE) and Banque Fédérale des Banques Populaires (BFBP), which was governed by a dual affiliation agreement terminated on the same date.

Scope:

Pursuant to Law no. 2009-715 of 18 June 2009 amending the French Monetary and Financial Code, BPCE is designated as the central body of the new cooperative banking Groupe BPCE, which comprises BPCE and its "**Affiliates**", namely:

- (a) **the members of the Banques Populaires and Caisses d'Epargne networks** (Articles L. 512-11 and L. 512-86 of the French Monetary and Financial Code), namely:

the Banques Populaires;

sociétés de caution mutuelle (mutual guarantee companies) granting statutorily the exclusivity of their guarantee to the Banques Populaires;

the Caisses d'Epargne et de Prévoyance (Savings and Providence Banks);

the sociétés locales d'épargne (local savings companies); and

the Fédération Nationale des Caisses d'Epargne et de Prévoyance (National Federation of Savings and Providence Banks).

- (b) **the other institutions affiliated with BPCE** (Article L. 512-106 paragraph 2 of the French Monetary and Financial Code), namely:

the credit institutions that were affiliated with CNCE and BFBP as of 31 July 2009, including:

credit institutions transferred to BPCE, particularly NATIXIS;

credit institutions formerly held by CE Participations and BP Participations, transferred to BPCE following the merger of CE Participations and BP Participations into BPCE completed on 5 August 2010, principally Crédit Foncier de France, Banque Palatine and BPCE International et Outre-Mer;

Mutual maritime credit institutions set out in Article L. 512-69 of the French Monetary and Financial Code; and

any French credit institution whose control is directly or indirectly held, solely or jointly, by BPCE or one or more members of the networks, affiliated by a decision taken pursuant to Article L. 512-106 paragraph 2¹.

(BPCE and the Affiliates are hereinafter referred to together as the "**Beneficiaries**").

¹ Article L. 512-106 paragraph 2: "There may also be affiliated with it, under the conditions provided for in Article L. 511-31, credit institutions whose control is directly or indirectly held, solely or jointly pursuant to Article L. 233-16 of the French Commercial Code, by the central body of the caisses d'épargne and banques populaires or by one or several institutions belonging to these networks".

Financial Solidarity Mechanism:

As central body and pursuant to Article L. 511-31 of the French Monetary and Financial Code, BPCE is responsible for coordinating its networks and ensuring the correct functioning of its Affiliates. It takes all necessary measures to guarantee the liquidity and solvency of BPCE, each of the network members and of the other Affiliates.

To this end, BPCE manages an internal solidarity mechanism, benefiting all of the affiliated beneficiaries (including NATIXIS). The purpose of the guarantee and solidarity system put in place, pursuant to Article L. 512-107 6° of the French Monetary and Financial Code, is to guarantee the liquidity and solidarity of the Groupe BPCE and institutions affiliated with the BPCE central body, as well as to organize the financial solidarity within the Caisses d'Épargne and Banques Populaires networks.

Under this guarantee and solidarity system, the BPCE central body manages:

- (i) the fund of the Banques Populaires network (hereinafter the "**Federal Solidarity Fund**");
 - (ii) the fund of the Caisses d'Épargne network (hereinafter the "**Guarantee and Solidarity Fund**"), and;
 - (iii) the Mutual Guarantee Fund (hereinafter the "**Mutual Guarantee Fund**").
- (i) The Federal Solidarity Fund, formed originally by BP Participations, the funds of which have been entered into BPCE's books in the form of a charge account with a ten-year duration, is indefinitely renewable on the request of BPCE's management board, for a total of €450 million. BPCE has this fund at its disposal and manages it to guarantee the liquidity and solvency of the Banques Populaires network.
- (ii) The Guarantee and Solidarity Fund, formed originally by CE Participations, the funds of which have been entered into BPCE's books in the form of a charge account with a ten-year duration, is indefinitely renewable on the request of BPCE's management board, for a total of €450 million. BPCE has this fund at its disposal and manages it to guarantee the liquidity and solvency of the Caisses d'Épargne network.
- (iii) BPCE manages the Mutual Guarantee Fund, in addition to the Federal Solidarity Fund and the Guarantee and Solidarity Fund. The Mutual Guarantee Fund has available funds, initially fixed at a sum of €20 million, immediately able to be reconstituted on a call for funds from BPCE's management board, from deposits made by the Banques Populaires and Caisses d'Épargne into BPCE's books in the form of charge accounts with a ten-year duration, indefinitely renewable on the request of BPCE's management board. BPCE determines the contributions for the appropriation and reconstitution of the Mutual Guarantee Fund (Article L. 512.107 6° of the French Monetary and Financial Code).

Through the effect of the merger of CE Participations and BP Participations into BPCE on 5 August 2010, the two Funds of the Banques Populaires and Caisses d'Épargne networks have been entered into BPCE's accounts. Therefore, the guarantee funds within BPCE have a total sum of €920 million at their disposal, the amount of which will be increased by an annual top-up (unless it is used for purposes of providing support).

Allocation mechanism: In the event of default by NATIXIS, BPCE will first draw on its own capital in compliance with its duties as shareholder; if this does not suffice, it may call upon the Mutual Guarantee Fund. If the resources of BPCE and the Mutual Guarantee Fund are insufficient, a call will be made on the two networks' guarantee funds, the Federal Solidarity Fund and the Guarantee and Solidarity Fund for equal amounts. If the calls on these three funds are not sufficient, BPCE may request additional sums from the Banques Populaires and the Caisses d'Épargne networks.

The guarantee funds are available only for internal support for the Groupe BPCE and may not be activated by third parties, although the French banking regulator may request that the mechanism is activated if it deems this to be necessary.

PLAN OF DISTRIBUTION

Dealers:	Barclays Capital Inc., J.P. Morgan Securities Ltd., Lloyds TSB Bank plc and Natixis.
Stabilising Manager (if any)	None
Additional Selling Restrictions:	None
	Class A
(Regulation S Notes) ISIN:	XS0558890744
(Regulation S Notes) Common Code:	055889074
(Rule 144A Notes) CUSIP:	70659PAA9

For the purposes of the U.S. federal securities laws, the Dealers engaged in the distribution of these Series 2010-2 A2 Notes may be deemed to be "underwriters". Subject to the terms and conditions of the Dealer Agreement as supplemented by the relevant subscription agreement for these Series 2010-2 A2 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 2010-2 A2 Notes set forth opposite its name:

<u>Dealers</u>	<u>Class A</u>	<u>Aggregate Amount</u>
Barclays Capital Inc.	50 per cent.	\$375,000,000
J.P. Morgan Securities Ltd.	50 per cent.	\$375,000,000
Lloyds TSB Bank plc	0 per cent.	\$0
Natixis	0 per cent.	\$0
Total	100 per cent.	\$750,000,000

The Dealers have agreed, subject to the terms and conditions of the Dealer Agreement (as supplemented by the relevant subscription agreement) to purchase all \$750,000,000 aggregate Principal Amount of these Series 2010-2 A2 Notes if any of these Series 2010-2 A2 Notes are issued.

After the offering, the offering price and other selling terms may be changed by the Dealers.

In connection with the sale of these Series 2010-2 A2 Notes, the Dealers may engage in:

- over-allotments, in which members of the syndicate selling these Series 2010-2 A2 Notes sell more notes than the Issuer actually sold to the syndicate, creating a syndicate short position;
- stabilising transactions, in which purchases and sales of these Series 2010-2 A2 Notes may be made by the members of the selling syndicate at prices that do not exceed a specified maximum;
- syndicate covering transactions, in which members of the selling syndicate purchase these Series 2010-2 A2 Notes in the open market after the offering has been completed in order to cover syndicate short positions; and
- penalty bids, by which Dealers reclaim a selling concession from a syndicate member when any of these Series 2010-2 A2 Notes originally sold by that syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions.

These stabilising transactions, syndicate covering transactions and penalty bids may cause the price of these Series 2010-2 A2 to be higher than it would otherwise be. These transactions, if commenced, may be discontinued at any time.

The Issuer has agreed to indemnify the Dealers, Joint Lead Managers, 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 \$750,000,000. The sum of the fees and commissions payable on the issue of the notes is estimated to be £1,400,000 and will be paid separately. Consequently, the net proceeds of the issue will be \$750,000,000. The 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 to purchase the Related Loan Note issued by Loan Note Issuer No.1 on the Issue Date.

Lloyds TSB Bank plc is not a U.S. registered broker-dealer and, therefore, to the extent that they intend to effect any sales of the Rule 144A Notes in the United States, they will do so through one or more U.S. registered broker-dealers as permitted by the regulations of the Financial Industry Regulatory Authority.

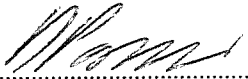
LISTING APPLICATION

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:


..... per pro SFM Directors Limited
as Director
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 24 November 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 Joint Lead Manager(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.

Loan Note Issuer No.1 confirms that the securitised assets backing the issue of the Related Loan Note, namely 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 the Related Loan Note. However, investors are advised that this confirmation is based on the information available to Loan Note Issuer No.1 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 THESE FINAL TERMS 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.

Since the date of the Issuer's financial statements for the period ended 31 December 2009, there has been no material adverse change in the financial position or prospects of the Issuer.

Since the date of the Loan Note Issuer No.1's 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.

The credit ratings included or referred to in these Final Terms have been issued by Standard & Poor's, Fitch Ratings and Moody's, each of which is established in the European Union and has applied to be (but at the date of these Final Terms, is not) registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

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