

## FINAL TERMS DATED 2 JUNE 2011

(to the Base Prospectus dated 19 November 2010 and the prospectus supplement dated 1 June 2011)

### 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 £125,000,000 Class A Asset Backed Floating Rate Notes due 2015 under

### the Penarth Medium Term Note Programme

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

The Issuer will issue	Class A, Series 2011-1 A2 Notes
Principal Amount	£125,000,000
Interest Rate	1 month LIBOR plus Margin
Interest Payment Dates	On the 18 <sup>th</sup> day of each month, in each case subject to adjustment for non Business Days
Scheduled Redemption Date	18 May 2015
Final Redemption Date	18 May 2017
Price to public	£125,000,000 (or 100 per cent.)
Underwriting Discount	£0 (or 0 per cent.)
Proceeds to Sponsor	£125,000,000 (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 and page 6 of the supplement to the Base Prospectus dated 1 June 2011 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 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 Depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**"). Ownership interests in the Regulation S Global Note Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, and their respective participants. Regulation S Notes in definitive certificated, fully registered form will be issued only in the limited circumstances described herein. In each case, purchasers and transferees of notes will be deemed

to have made certain representations and agreements. See "*Forms of the notes*" and "*Plan of Distribution*" in the Base Prospectus and "*Purchase and Transfer Restrictions*" in these Final Terms.

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

*Arranger*



*Dealer*



## 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 the Dealer or the Principal Paying Agent and copies may be obtained from the specified offices of the Dealer or the Principal Paying Agent.

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

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

No representation or warranty is made or implied by the Arranger, the Dealer or any of their respective affiliates and neither such Arranger, 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 2011-1 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 and the Dealer 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 2011-1 A2 Notes appears in two separate documents: a base prospectus dated 19 November 2010 as supplemented by a supplementary prospectus dated 1 June 2011 (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 2011-1 A2 Notes described in these Final Terms. With respect to the Series 2011-1 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 2011-1 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 2011-1 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

<b>Series Number:</b>	Series 2011-1 A2
<b>Class of Note:</b>	Class A
<b>Issue Date:</b>	8 June 2011
<b>Issue Price:</b>	100 per cent.
<b>Ratings:</b>	Standard & Poor's (AAA (sf))/Fitch Ratings (AAAsf)/Moody's (Aaa (sf))
<b>Principal Amount:</b>	£125,000,000
<b>Net Proceeds:</b>	£125,000,000
<b>Specified Currency:</b>	Notes are to be denominated in Sterling
<b>Fixed, Floating or other interest type Designation:</b>	Floating rate Sterling Notes
<b>Scheduled Redemption Date:</b>	18 May 2015
<b>Final Redemption Date:</b>	18 May 2017
<b>Rate of Interest:</b>	1 month Sterling LIBOR plus Margin
<b>Margin (if applicable):</b>	1.00 per cent.
<b>Day Count Fraction:</b>	Actual/365 (Fixed)
<b>Interest Determination Date:</b>	Each Interest Payment Date
<b>Distribution Date:</b>	On the 18 <sup>th</sup> day of each month, in each case subject to adjustment for non-Business Days
<b>First Interest Payment Date:</b>	18 July 2011
<b>Regular Interest Payment Dates:</b>	On the 18 <sup>th</sup> day of each month, in each case subject to adjustment for non-Business Days
<b>Interest Rate Calculations:</b>	Condition 6(a)
<b>LIBOR (in the case of the first Interest Period):</b>	1 month except for the first Interest Period where LIBOR will be based on the linear interpolation of one month and two month LIBOR
<b>Redenomination, Renominalisation and Reconventioning:</b>	Yes
<b>Indication of Yield:</b>	Not applicable
<b>Additional Details of Related Swap Agreement (if any):</b>	Not applicable
<b>Denomination:</b>	£100,000 and amounts in excess thereof which are integral multiples of £1,000

<b>Listing:</b>	The London Stock Exchange - Regulated Market
<b>Clearing and Settlement:</b>	Euroclear and Clearstream
<b>Other External Credit Enhancement:</b>	None
<b>Additional Business Centre(s):</b>	None
<b>Additional Financial Centre(s):</b>	None
<b>Business Day:</b>	Not applicable
<b>Business Day Convention:</b>	Modified Following Business Day Convention
<b>Form of notes:</b>	Registered Notes:  Regulation S Global Note Certificates registered in the name of a nominee for a Common Depository for Euroclear and Clearstream, Luxembourg
<b>Intended to be held in a manner which would allow Eurosystem eligibility:</b>	No
<b>Call Date:</b>	Not applicable
<b>Debt or Equity for U.S. taxation purposes:</b>	Not applicable
<b>Issued with Original Issue Discount for U.S. taxation purposes:</b>	No
<b>Estimated total expenses related to admission to trading:</b>	£3,600
<b>Additional Events of Default:</b>	None
<b>Screen Rate:</b>	Yes
<b>Redemption Period End Date:</b>	Not applicable
<b>Minimum Adjusted Transferor Interest:</b>	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 (2011-1 A2) Loan Note (the "**Related Loan Note**") which shall have the following terms as set out in the Class A 2011-1 A2 Loan Note Supplement.

<b>Designation for the purposes of the STDCMA:</b>	Class A
<b>Issuance Date:</b>	8 June 2011
<b>Initial Principal Amount:</b>	£125,000,000
<b>Class A Required Subordinated Percentage:</b>	21.0 per cent.
<b>First Monthly Period End Date:</b>	30 June 2011
<b>First Loan Note Interest Payment Date:</b>	18 July 2011
<b>Loan Note Interest Payment Date:</b>	18 July 2011 and each Distribution Date thereafter up to and including the Distribution Date falling in May 2017.
<b>Loan Note Interest Period:</b>	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.
<b>Loan Note Interest Rate:</b>	1 month Sterling LIBOR plus 1.00 per cent.
<b>Scheduled Redemption Date:</b>	18 May 2015
<b>Stated Monthly Accumulation Amount:</b>	£10,416,666.67
<b>Final Redemption Date:</b>	18 May 2017
<b>Additional Early Redemption Events:</b>	Not applicable
<b>Required Accumulation Reserve Account Amount:</b>	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 (2011-1 A2) Loan Note as of the close of business on the last day of the preceding Monthly Period.
<b>Additional Junior Cost Items:</b>	None
<b>Series Cash Reserve Account</b>	Yes
<b>Accumulation Period Commencement Date:</b>	18 May 2014
<b>Programme Reserve Account Percentage:</b>	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 (2011-1 A2) Reserve Account Percentage**" shall be determined as follows: (i) if the Originator Rating Trigger is satisfied, the Class A (2011-1 A2) Reserve Account Percentage shall be 0.00 per cent., or (ii) if the Originator Rating Trigger has been breached, the Class A (2011-1 A2) Reserve Account Percentage shall be 3.75 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 (2011-1 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**

<b>Dealer:</b>	Lloyds TSB Bank plc
<b>Issuer:</b>	Penarth Master Issuer plc
<b>Note Trustee:</b>	Deutsche Bank Trust Company Americas
<b>Principal Paying Agent, Calculation Agent, Paying Agent and Agent Bank for the notes:</b>	Deutsche Bank AG, London Branch. The Principal Paying Agent will make payments of interest and principal when due on the notes. The Principal Paying Agent and Agent Bank's address in London is, at the date of these Final Terms, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
<b>US Paying Agent and Registrar:</b>	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.
<b>Custodian:</b>	No
<b>Receivables Trustee:</b>	Penarth Receivables Trustee Limited
<b>Loan Note Issuer No.1:</b>	Penarth Funding 1 Limited
<b>Sponsor, Transferor and Transferor Beneficiary:</b>	Bank of Scotland plc
<b>Security Trustee:</b>	Deutsche Bank Trust Company Americas
<b>Swap Counterparty:</b>	No
<b>Cash Manager:</b>	Bank of Scotland plc
<b>Servicer:</b>	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 Penarth Receivables Trust and the Receivables assigned by the Transferor.

<b>Note Series</b>	<b>Ratings (S&amp;P/Fitch/ Moody's)</b>	<b>Issuance Date</b>	<b>Tranche Size</b>	<b>Note Interest Rate</b>	<b>Scheduled Redemption Date</b>	<b>Final Redemption Date</b>
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	€50,000,000	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
Series 2010-2 A2	AAA (sf)/AAAsf/Aaa (sf)	22 December 2010	\$750,000,000	0.75 per cent. per annum plus 1 month USD LIBOR	18 December 2012	18 December 2014
Series 2010-2 A3	AAA (sf)/AAAsf/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
Series 2010-2 A1	AAA (sf)/AAAsf/Aaa (sf)	27 January 2011	£500,000,000	0.95 per cent. per annum plus 1 month Sterling LIBOR.	18 January 2014	18 January 2016

## 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 Penarth Receivables Trust and the Receivables assigned by the Transferor.

<b>Note Series</b>	<b>Ratings (S&amp;P/Fitch/ Moody's)</b>	<b>Issuance Date</b>	<b>Tranche Size</b>	<b>Note Interest Rate</b>	<b>Scheduled Redemption Date</b>	<b>Final Redemption Date</b>
Series 2011-1 A1	AAA (sf)/AAAsf/Aaa (sf)	8 June 2011	\$750,000,000	0.65 per cent. per annum plus 1 month USD LIBOR	18 May 2013	18 May 2015

## **ADDITIONAL RISK FACTORS**

None.

## BANK PORTFOLIO INFORMATION

The following tables show information relating to the historic performance of Eligible Accounts originated using Bank of Scotland plc's and Lloyds TSB Bank plc's underwriting criteria, respectively. The Receivables from certain Eligible 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 plc ("**Lloyds Banking Group**") may accede to the RSD as an Additional Transferor subject to certain conditions being satisfied.

### Receivables Yield Considerations

The following tables set forth the gross revenues from finance charges and fees billed to Accounts in the Bank Portfolio of Bank of Scotland plc ("**Bank of Scotland**") and Lloyds TSB Bank plc ("**LTSB**") for each of the years ended 31 December 2005, 2006, 2007, 2008, 2009, 2010 and for the 2 months ended 28 February 2011. 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

	2 Months Ended Feb 2011	Year Ended					2005
		2010	2009	2008	2007	2006	
Average Monthly Accrued Finance Charges and Fees <sup>(1),(4)</sup> ....	£87,282,635	£88,003,761	£87,707,721	£91,607,494	£90,065,589	£90,360,515	£85,624,220
Average Receivables Outstanding <sup>(2)</sup> .....	£5,761,184,926	£6,031,952,506	£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 <sup>(3),(5)</sup> .....	18.7%	17.5%	17.5%	17.9%	17.4%	16.5%	16.4%
Yield from Interchange <sup>(5)</sup> .....	1.1%	1.0%	1.1%	1.2%	1.1%	1.0%	1.2%
Yield from Charges, Fees and Interchange <sup>(5)</sup> ..	19.8%	18.5%	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

	2 Months Ended Feb 2011	Year Ended					2005
		2010	2009	2008	2007	2006	
Average Monthly Accrued Finance Charges and Fees <sup>(1),(4)</sup> ....	£74,403,726	£78,534,876	£82,976,330	£92,965,169	£92,338,149	£92,138,014	£91,603,091
Average Receivables Outstanding <sup>(2)</sup> .....	£5,103,993,696	£5,533,459,420	£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 <sup>(3),(5)</sup> .....	18.0%	17.0%	16.7%	18.3%	17.7%	16.3%	16.4%
Yield from Interchange <sup>(5)</sup> .....	1.8%	1.7%	1.5%	1.6%	1.2%	1.0%	1.1%
Yield from Charges, Fees and Interchange <sup>(5)</sup> ..	19.8%	18.7%	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) Average monthly finance charges includes a one off adjustment due to an accounting policy change which has reduced income by £16m in 2009, and a provision of £20m in total for the year in 2009 and £15m in total for the year in 2010 for payment protection insurance redress.
- (5) All ratios are annualised.

### Combined Bank of Scotland and LTSB Portfolio Yield

	2 Months Ended Feb 2011	Year Ended					
		2010	2009	2008	2007	2006	2005
Average Monthly Accrued Finance Charges and Fees <sup>(1)(4)</sup> .....	£161,686,360	£166,538,637	£170,684,051	£184,572,663	£182,403,738	£182,498,529	£177,227,312
Average Receivables Outstanding <sup>(2)</sup> .....	£10,865,178,622	£11,565,411,926	£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 <sup>(3)(5)</sup> .....	18.4%	17.3%	17.1%	18.1%	17.5%	16.4%	16.4%
Yield from Interchange <sup>(5)</sup> .....	1.4%	1.4%	1.3%	1.4%	1.2%	1.0%	1.2%
Yield from Charges, Fees and Interchange <sup>(5)</sup> ..	19.8%	18.6%	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) Average monthly finance charges includes a one off adjustment due to an accounting policy change which has reduced income by £16m in 2009, and a provision of £67m in total for the year in 2009 and £15m in total for the year in 2010 for payment protection insurance redress.
- (5) All ratios are annualised.

### Delinquency and Loss Experience

The following tables set forth the delinquency and loss experience for each of the periods shown for the Bank Portfolio of credit card accounts. The Bank Portfolio's delinquency and loss experience is comprised of segments which may, when taken individually, have delinquency and loss characteristics different from those of the overall Bank Portfolio of credit card accounts. Because the 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)*

	2 Months Ended		Year End											
	February 2011		2010		2009		2008		2007		2006		2005	
Receivables Outstanding <sup>(1)(2)</sup> .....	£5,712,844,992		£5,870,582,330		£6,256,781,109		£6,043,800,384		£6,187,910,503		£6,455,665,694		£6,858,811,242	
Receivables Delinquent <sup>(3)</sup> .....														
5-29 .....	£165,811,082.48	2.9%	£145,403,213	2.5%	£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 .....	£66,446,798.86	1.2%	£67,694,993	1.2%	£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 .....	£50,804,757.76	0.9%	£53,424,109	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+ .....	£130,454,254.15	2.3%	£130,097,708	2.2%	£180,011,663	2.9%	£209,714,708	3.5%	£180,516,895	2.9%	£127,523,705	2.0%	£121,490,621	1.8%
<b>Total .....</b>	<b>£413,516,893</b>	<b>7.2%</b>	<b>£396,620,023</b>	<b>6.8%</b>	<b>£506,983,121</b>	<b>8.1%</b>	<b>£588,952,619</b>	<b>9.7%</b>	<b>£590,531,046</b>	<b>9.5%</b>	<b>£562,873,635</b>	<b>8.7%</b>	<b>£540,708,430</b>	<b>7.9%</b>

#### Notes:

<sup>(1)</sup> Receivables outstanding represent end of period Receivables.

<sup>(2)</sup> Receivables outstanding includes Principal Receivables and Finance Charge Receivables, and excludes Receivables charged off.

<sup>(3)</sup> In 2007 a policy on repayment plans (temporary arrangements to reduce minimum payment terms) was tightened with tighter criteria applied to the acceptance of accounts onto a repayment plan and the duration of the plan fixed to a maximum of 12 months.

An exercise to remove accounts on repayment plans accepted under terms preceding the tightening of criteria (when there was no maximum term and no minimum payment) commenced in 2007; this resulted in an increase in delinquencies as many of those accounts failed to meet the contractual minimum monthly payments following removal from the repayment plans.

### LTSB-originated Portfolio

*(non percentage amounts are expressed in Sterling)*

	2 Months ended		Year End											
	February 2011		2010		2009		2008		2007		2006		2005	
Receivables Outstanding <sup>(1)(2)</sup> .....	£5,017,974,439.96		£5,154,136,935		£5,852,497,322		£6,187,896,850		£6,177,227,283		£6,541,092,877		£6,951,515,088	
Receivables Delinquent <sup>(3)</sup> .....														
5-29 .....	£190,974,135	3.8%	£168,852,909	3.3%	£217,471,539	3.7%	£206,712,526	3.3%	£215,493,738	3.5%	£252,869,843	3.9%	£358,856,795	5.2%
30-59 .....	£84,809,376	1.7%	£95,454,429	1.9%	£88,268,224	1.5%	£77,270,735	1.2%	£65,613,559	1.1%	£78,496,438	1.2%	£89,461,484	1.3%
60-89 .....	£73,582,970	1.5%	£86,038,237	1.7%	£72,127,184	1.2%	£67,147,401	1.1%	£51,600,742	0.8%	£58,705,118	0.9%	£55,964,436	0.8%
90+ .....	£177,124,812	3.5%	£137,458,513	2.7%	£189,147,636	3.2%	£144,701,987	2.3%	£111,618,222	1.8%	£122,089,560	1.9%	£126,063,183	1.8%

<b>Total .....</b>	<b>£526,491,293</b>	<b>10.5%</b>	<b>£487,804,087</b>	<b>9.5%</b>	<b>£567,014,583</b>	<b>9.7%</b>	<b>£495,832,649</b>	<b>8.0%</b>	<b>£444,326,261</b>	<b>7.2%</b>	<b>£512,160,959</b>	<b>7.8%</b>	<b>£630,345,899</b>	<b>9.1%</b>
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**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 tightened with tighter criteria applied to the acceptance of accounts onto a repayment plan and the duration of the plan fixed to a maximum of 12 months.  
An exercise to remove accounts on repayment plans accepted under terms preceding the tightening of criteria (when there was no maximum term and no minimum payment) commenced late 2009 and into 2010; this has resulted in an increase in delinquencies as many of those accounts failed to meet the contractual minimum monthly payments following removal from the repayment plans.

**Combined Bank of Scotland and LTSB Portfolio**

	2 Months Ended		Year End											
	February 2011		2010	2009	2008	2007	2006	2005						
Receivables Outstanding <sup>(1)(2)</sup> .....	£10,730,819,432		£11,024,719,265	£12,109,278,431	£12,231,697,234	£12,365,137,787	£12,996,758,570	£13,810,326,330						
Receivables Delinquent <sup>(3)</sup> .....														
5-29 .....	£356,785,218	3.3%	£314,256,122	2.9%	£389,371,257	3.2%	£407,904,965	3.3%	£442,520,391	3.6%	£526,513,676	4.1%	£627,438,752	4.5%
30-59 .....	£151,256,175	1.4%	£163,149,421	1.5%	£171,541,837	1.4%	£176,510,172	1.4%	£171,266,463	1.4%	£174,543,690	1.3%	£179,174,191	1.3%
60-89 .....	£124,387,728	1.2%	£139,462,346	1.3%	£143,925,311	1.2%	£145,953,436	1.2%	£128,935,336	1.0%	£124,363,964	1.0%	£116,887,582	0.8%
90+ .....	£307,579,067	2.9%	£267,556,221	2.4%	£369,159,299	3.0%	£354,416,695	2.9%	£292,135,117	2.4%	£249,613,265	1.9%	£247,553,804	1.8%
<b>Total .....</b>	<b>£940,008,186</b>	<b>8.8%</b>	<b>£884,424,110</b>	<b>8.0%</b>	<b>£1,073,997,704</b>	<b>8.9%</b>	<b>£1,084,785,269</b>	<b>8.9%</b>	<b>£1,034,857,307</b>	<b>8.4%</b>	<b>£1,075,034,594</b>	<b>8.3%</b>	<b>£1,171,054,328</b>	<b>8.5%</b>

**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 2007 on the Bank of Scotland Portfolio, and in 2008 on the LTSB Portfolio, a policy on repayment plans (temporary arrangements to reduce minimum payment terms) was tightened with tighter criteria applied to the acceptance of accounts onto a repayment plan and the duration of the plan fixed to a maximum of 12 months.  
An exercise to remove accounts on repayment plans accepted under terms preceding the tightening of criteria (when there was no maximum term and no minimum payment) commenced in 2007 on the Bank of Scotland Portfolio and 2009 on the LTSB Portfolio; this has resulted in an increase in delinquencies as many of those accounts failed to meet the contractual minimum payments following removal from the repayment plans.



## GROSS CHARGE-OFF EXPERIENCE

### Bank of Scotland-originated Portfolio

(non percentage amounts are expressed in Sterling)

	2 Months Ended Feb 2011	Year End					
		2010	2009	2008	2007	2006	2005
Average Receivables Outstanding <sup>(1)</sup> .....	£5,761,184,926	£6,031,952,506	£6,016,787,470	£6,126,254,786	£6,201,737,341	£6,569,622,225	£6,257,212,515
Total gross charge-offs <sup>(2)</sup> .....	£83,752,223.81	£631,127,365	£781,153,486	£783,405,998	£539,118,615	£542,209,925	£391,325,717
Total gross charge-offs as % of Receivables <sup>(3)</sup> ....	8.99%	10.46%	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 repayment plans and tighter criteria applied to the acceptance of accounts onto repayment plans thereafter.
- 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)

	2 Months Ended Feb 2011	Year End					
		2010	2009	2008	2007	2006	2005
Average Receivables Outstanding <sup>(1)</sup> .....	£5,103,993,696	£5,533,459,420	£5,974,309,936	£6,089,570,143	£6,272,436,963	£6,769,130,836	£6,704,853,129
Total gross charge-offs <sup>(2)</sup> .....	£68,150,705	£813,865,381	£613,516,610	£444,280,384	£489,324,442	£500,888,476	£304,390,108
Total gross charge-offs as % of Receivables <sup>(3)</sup> ....	8.3%	14.7%	10.3%	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 the acceptance of accounts onto a repayment plan and the duration of the plan fixed to a maximum of 12 months.
- An exercise to remove accounts on repayment plans accepted under terms preceding the tightening of the criteria (when there was no maximum and no minimum payment) commenced in 2009; this has resulted in an increase in gross charge offs as many of those accounts failed to meet the contractual minimum payments following removal from the repayment plans.
- (3) All ratios are annualised.

### Combined Bank of Scotland and LTSB Portfolio

	2 Months Ended Feb 2011	Year End					
		2010	2009	2008	2007	2006	2005
Average Receivables Outstanding <sup>(1)</sup> .....	£10,865,178,622	£11,565,411,926	£11,991,097,406	£12,215,824,929	£12,474,174,304	£13,338,753,061	£12,962,065,644
Total gross charge-offs <sup>(2)</sup> .....	£151,902,929	£1,444,992,746	£1,394,670,096	£1,227,686,383	£1,028,443,056	£1,043,098,402	£695,715,825
Total gross charge-offs as % of Receivables <sup>(3)</sup> ....	8.6%	12.5%	11.6%	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

	2 Months Ended Feb 2011	Year End					
		2010	2009	2008	2007	2006	2005
Lowest Month <sup>(1)</sup> .....	13.1%	11.6%	11.8%	12.2%	13.1%	12.0%	13.6%
Highest Month <sup>(1)</sup> .....	13.2%	14.2%	14.4%	14.9%	16.3%	15.8%	17.4%
Monthly Average <sup>(1)</sup> ....	13.1%	12.9%	13.1%	14.0%	14.4%	14.2%	15.6%

Notes:

<sup>(1)</sup> Payment % = (total payments in calendar month/ total opening Receivables outstanding at start of calendar month)\*100.

### LTSB-originated Portfolio

	2 Months Ended Feb 2011	Year End					
		2010	2009	2008	2007	2006	2005
Lowest Month <sup>(1)</sup> .....	20.0%	15.2%	13.9%	15.4%	13.3%	12.0%	13.5%
Highest Month <sup>(1)</sup> .....	20.1%	18.5%	17.0%	17.3%	17.1%	15.4%	15.0%
Monthly Average <sup>(1)</sup> ....	20.0%	17.2%	15.7%	16.1%	14.9%	13.8%	14.2%

Notes:

<sup>(1)</sup> Payment % = (total payments in calendar month/ total opening Receivables outstanding at start of calendar month)\*100.

### Combined Bank of Scotland and LTSB Portfolio

	2 Months Ended Feb 2011	Year End					
		2010	2009	2008	2007	2006	2005
Lowest Month <sup>(1)</sup> .....	16.3%	13.9%	13.4%	13.8%	13.2%	12.0%	13.5%
Highest Month <sup>(1)</sup> .....	16.4%	16.0%	15.4%	16.0%	16.7%	15.6%	16.1%
Monthly Average <sup>(1)</sup> ....	16.3%	14.9%	14.4%	15.1%	14.7%	14.0%	14.9%

Notes:

<sup>(1)</sup> Payment % = (total payments in calendar month/ total opening Receivables outstanding at start of calendar month)\*100.

For further detail, please see the Base Prospectus.

## SECURITISED PORTFOLIO RECEIVABLES INFORMATION

As at 28 February 2011

The following tables summarise the Securitised Portfolio by various criteria as of the beginning of the day on 1 March 2011. 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 28 February 2011.

### 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, 8 November 2010 and 1 April 2011, the amounts of £217,212,804, £552,353,170, £561,210,892.89, £2,858,868,600.24 and £438,443,499.20 respectively. The lump additions made on 8 November 2010 and 1 April 2011 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 tables set 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, the year ended 31 December 2010 and for the 2 months ended 28 February 2011. 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 Penarth Receivables Trust will be on a cash basis and may not reflect the historical yield experience in the table. For further detail, please see the Base Prospectus.

### Securitised Portfolio Yield

*(non percentage amounts are expressed in Sterling)*

Revenue Experience	2 Months Ended 28 Feb 2011	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008
Average Principal Receivables Outstanding <sup>(1)</sup> .....	£7,110,094,145	£4,638,372,910	£3,924,917,758	£3,935,121,782
Average Finance Charges, Fees and Interchange <sup>(2)</sup> .....	£116,264,791	£75,433,964	£59,573,975	£60,642,314
Yield from Finance Charges, Fees and Interchange <sup>(2),(3)</sup> .....	19.6%	19.5%	18.2%	18.5%

**Notes:**

<sup>(1)</sup> Average Principal Receivables outstanding is the average of the opening Receivables balance for the period indicated.

<sup>(2)</sup> Finance charges and fees are comprised of monthly periodic charges and other credit card fees net of adjustments made by Bank of Scotland.

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.

<sup>(3)</sup> All ratios are annualised.

Principal Payment Rate <sup>(1)</sup>	2 Months Ended 28 Feb 2011	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008
Lowest Month	15.8%	12.0%	11.7%	14.4%
Highest Month	16.8%	16.7%	14.1%	16.0%
Average Month	16.3%	13.6%	13.0%	15.2%

**Notes:**

<sup>(1)</sup> Payment rate % = (principal collections in calendar month/ opening Principal Receivables)\*100.

## Securitised Portfolio Performance

	As at 28 Feb 2011			As at 31 Dec 2010			As at 31 Dec 2009			As at 31 Dec 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	Number of Accounts	Principal Receivables	Percentage of Total Principal Receivables
<b>Delinquency Experience</b>												
Principal Receivables Outstanding <sup>(1)</sup> .....	5,926,569	£6,688,305,002	100%	6,351,443	£6,971,457,857	100%	3,405,725	£4,316,848,961	100%	3,892,033	£3,891,177,096	100%
Number of Days Delinquent:												
5 to 29 Days <sup>(2)</sup> .....	121,497	£305,184,390	4.56%	122,399	£292,428,597	4.19%	47,246	£118,992,202	2.76%	55,146	£133,590,222	3.43%
30 to 59 Days.....	26,305	£77,455,535	1.16%	27,035	£79,187,168	1.14%	16,484	£54,069,089	1.25%	18,974	£58,932,997	1.51%
60 to 89 Days.....	16,180	£54,703,489	0.82%	16,008	£53,698,899	0.77%	12,508	£45,984,493	1.07%	11,442	£42,708,951	1.10%
90 or more Days.....	36,032	£123,880,202	1.85%	30,679	£107,127,139	1.54%	27,753	£107,297,089	2.49%	14,014	£51,064,678	1.31%
<b>Total.....</b>	<b>200,014</b>	<b>£561,223,616</b>	<b>8.39%</b>	<b>196,121</b>	<b>£532,441,803</b>	<b>7.64%</b>	<b>103,991</b>	<b>£326,342,873</b>	<b>7.56%</b>	<b>99,576</b>	<b>£286,296,847</b>	<b>7.36%</b>

**Notes:**

<sup>(1)</sup> Principal Receivables outstanding represent the closing Receivables at the period end.

<sup>(2)</sup> Delinquencies represent delinquent Principal Receivables at the period end.

## Loss Experience

Loss Experience	2 Months Ended 28 Feb 2011	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	18th Oct to 31 Dec 2008
Average Principal Receivables Outstanding <sup>(1)</sup> .....	£7,110,094,145	£4,638,372,910	£3,924,917,758	£3,935,121,782
Average Gross Losses <sup>(2)</sup> .....	£32,187,591	£32,877,170	£32,094,810	£10,973,983
Average Recoveries <sup>(3)</sup> .....	£4,333,687	£3,472,049	£1,395,611	£132,458
Average Net Losses <sup>(4)</sup> .....	£27,853,904	£29,405,121	£30,699,199	£10,841,525
<b>Gross Losses as a percentage of Principal Receivables Outstanding<sup>(5)</sup> .....</b>	<b>5.4%</b>	<b>8.5%</b>	<b>9.8%</b>	<b>3.3%</b>
<b>Net Losses as a percentage of Principal Receivables Outstanding<sup>(5)</sup> .....</b>	<b>4.7%</b>	<b>7.6%</b>	<b>9.4%</b>	<b>3.3%</b>

### 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

Loss Experience	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Credit Balance .....	719,567	12.1%	£-18,702,798	-0.3 %
No Balance.....	1,717,938	29.0%	£0	0.0%
£0.01 - £5,000.00.....	3,062,907	51.7%	£3,496,258,020	49.2%
£5,000.01 - £10,000.00.....	310,766	5.2%	£2,177,558,800	30.6%
£10,000.01 - £15,000.00.....	109,007	1.8%	£1,346,069,546	18.9%
£15,000.01 - £20,000.00.....	6,101	0.1%	£97,214,199	1.4%
£20,000.01 or more.....	283	0.0%	£7,133,421	0.1%
<b>Total .....</b>	<b>5,926,569</b>	<b>100.0%</b>	<b>£7,105,531,188</b>	<b>100.0%</b>

## COMPOSITION BY CREDIT LIMIT

### Securitised Portfolio

Loss Experience	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables	Percentage of Total Receivables
Less than £5,000.00 .....	3,418,154	57.7%	£1,938,015,070	27.3%
£5,000.01 - £10,000.00.....	1,555,261	26.2%	£2,283,076,471	32.1%
£10,000.01 - £15,000.00.....	917,762	15.5%	£2,750,269,682	38.7%
£15,000.01 - £20,000.00.....	33,105	0.6%	£120,687,278	1.7%
£20,000.01 or more.....	2,287	0.0%	£13,482,688	0.2%
<b>Total .....</b>	<b>5,926,569</b>	<b>100.0%</b>	<b>£7,105,531,188</b>	<b>100.0%</b>

## 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 <sup>(1)</sup>	Percentage of Total Receivables
Not Delinquent.....	5,726,555	96.6%	£6,456,744,577	90.9%
5 - 29 Days.....	121,497	2.1%	£344,666,108	4.9%
30 - 59 Days.....	26,305	0.4%	£90,330,315	1.3%
60 - 89 Days.....	16,180	0.3%	£64,287,091	0.9%
90 or More Days.....	36,032	0.6%	£149,503,097	2.1%
<b>Total .....</b>	<b>5,926,569</b>	<b>100.0%</b>	<b>£7,105,531,188</b>	<b>100.0%</b>

**Notes:**

<sup>(1)</sup> Total Receivables include Principal Receivables and Finance Charge Receivables.

## COMPOSITION BY ACCOUNT AGE

### Securitised Portfolio

Account Age	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables <sup>(1)</sup>	Percentage of Total Receivables
Not More Than 6 Months.....	33,772	0.6%	£17,412,226	0.2%
Over 6 Months to 12 Months.....	238,880	4.0%	£167,295,396	2.4%
Over 12 Months to 24 Months.....	720,438	12.2%	£543,914,350	7.7%
Over 24 Months to 36 Months.....	728,314	12.3%	£710,762,390	10.0%
Over 36 Months to 48 Months.....	631,787	10.7%	£763,811,715	10.7%
Over 48 Months to 60 Months.....	373,499	6.3%	£529,256,503	7.4%
Over 60 Months to 72 Months.....	369,994	6.2%	£545,920,419	7.7%
Over 72 Months.....	2,829,885	47.7%	£3,827,158,190	53.9%
<b>Total .....</b>	<b>5,926,569</b>	<b>100.0%</b>	<b>£7,105,531,188</b>	<b>100.0%</b>

**Notes:**

<sup>(1)</sup> Total Receivables include Principal Receivables and Finance Charge Receivables.

## GEOGRAPHIC DISTRIBUTION OF ACCOUNTS

### Securitised Portfolio

Region	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables <sup>(1)</sup>	Percentage of Total Receivables
East Anglia.....	647,566	10.9%	£823,849,752	11.6%
London.....	384,152	6.5%	£511,112,681	7.2%
Midlands.....	776,133	13.1%	£839,991,465	11.8%
North East England.....	812,977	13.7%	£920,644,387	13.0%
North West England.....	724,412	12.2%	£833,993,044	11.7%
Scotland.....	740,188	12.5%	£872,862,937	12.3%
South Central England.....	565,690	9.5%	£735,959,369	10.4%
South East England.....	494,657	8.3%	£677,394,208	9.5%
South West England.....	531,079	9.0%	£597,969,930	8.4%
Wales.....	242,876	4.1%	£283,155,380	4.0%
Other.....	6,839	0.1%	£8,598,036	0.1%
<b>Total .....</b>	<b>5,926,569</b>	<b>100.0%</b>	<b>£7,105,531,188</b>	<b>100.0%</b>

**Notes:**

<sup>(1)</sup> Total Receivables include Principal Receivables and Finance Charge Receivables.

## SECURITISED PORTFOLIO YIELD AND SECURITISED PORTFOLIO PERFORMANCE ON A MONTHLY BASIS

												18-Oct to 31 Nov 2008	Dec-2008
Principal Receivables Outstanding <sup>(1)</sup> .....												£3,994,582,304	£3,875,661,261
Total Receivables Outstanding <sup>(1)</sup> .....												£4,233,906,880	£4,143,463,610
Net Losses as % of Principal Receivables Outstanding <sup>(2)</sup> .....												3.0%	3.7%
Percentage of Total Receivables Delinquent 30+ Days <sup>(3)</sup> .....												3.17%	3.92%
Yield from Finance Charges, Fees and Interchange <sup>(4)</sup> .....												17.0%	20.7%
Receivables Principal Payment Rate <sup>(5)</sup> ....												14.4%	16.0%
Percentage of accounts making minimum monthly payment.....												8.3%	8.5%
Percentage of accounts making full payment.....												15.9%	16.3%
	<b>Jan-2009</b>	<b>Feb-2009</b>	<b>Mar-2009</b>	<b>Apr-2009</b>	<b>May-2009</b>	<b>Jun-2009</b>	<b>Jul-2009</b>	<b>Aug-2009</b>	<b>Sep-2009</b>	<b>Oct-2009</b>	<b>Nov-2009</b>	<b>Dec-2009</b>	
Principal Receivables Outstanding <sup>(1)</sup> .....	£3,891,177,096	£3,846,422,695	£3,789,714,612	£3,796,254,982	£3,794,243,964	£3,767,156,168	£3,759,453,511	£3,961,690,974	£3,920,194,717	£3,883,789,083	£4,363,518,316	£4,325,396,973	
Total Receivables Outstanding <sup>(1)</sup> .....	£4,158,799,812	£4,134,841,723	£4,088,368,355	£4,093,691,525	£4,102,798,623	£4,081,695,870	£4,071,083,264	£4,283,689,884	£4,253,231,947	£4,215,930,811	£4,713,301,200	£4,678,390,595	
Net Losses as % of Principal Receivables Outstanding <sup>(2)</sup> .....	3.8%	5.4%	9.0%	10.6%	11.1%	12.0%	12.2%	10.6%	10.2%	9.4%	9.4%	8.9%	
Percentage of Total Receivables Delinquent 30+ Days <sup>(3)</sup> .....	4.82%	5.48%	5.81%	5.87%	5.86%	5.79%	5.56%	5.27%	5.17%	5.31%	4.81%	4.80%	
Yield from Finance Charges, Fees and Interchange <sup>(4)</sup> .....	16.4%	19.3%	20.3%	17.5%	17.3%	20.1%	17.3%	16.1%	20.2%	18.3%	18.4%	17.7%	
Receivables Principal Payment Rate <sup>(5)</sup> ....	13.4%	12.9%	14.1%	12.2%	12.3%	13.2%	13.1%	11.7%	13.5%	13.2%	12.8%	13.2%	
Percentage of accounts making minimum monthly payment.....	8.7%	8.5%	8.7%	8.8%	9.1%	9.1%	10.5%	10.8%	10.9%	10.8%	11.1%	11.2%	
Percentage of accounts making full payment.....	16.5%	16.6%	16.6%	16.7%	17.1%	16.7%	19.4%	19.6%	19.7%	19.5%	18.9%	18.9%	
	<b>Jan-2010</b>	<b>Feb-2010</b>	<b>Mar-2010</b>	<b>Apr-10</b>	<b>May-10</b>	<b>Jun-10</b>	<b>Jul-10</b>	<b>Aug-10</b>	<b>Sep-10</b>	<b>Oct-10</b>	<b>Nov-10</b>	<b>Dec-10</b>	
Principal Receivables Outstanding <sup>(1)</sup> .....	£4,316,848,961	£4,214,045,704	£4,141,632,336	£4,049,616,383	£3,995,114,028	£3,879,687,212	£4,392,729,768	£4,326,565,304	£4,272,824,537	£4,178,394,182	£6,945,280,521	£6,947,735,989	
Total Receivables Outstanding <sup>(1)</sup> .....	£4,669,689,814	£4,579,280,238	£4,510,398,853	£4,408,886,087	£4,365,791,351	£4,242,225,463	£4,773,345,846	£4,707,870,553	£4,654,388,628	£4,564,297,801	£7,378,895,039	£7,366,934,655	
Net Losses as % of Principal Receivables Outstanding <sup>(2)</sup> .....	8.5%	9.9%	10.1%	9.5%	8.8%	9.6%	7.2%	7.7%	7.4%	7.0%	5.0%	4.7%	
Percentage of Total Receivables Delinquent 30+ Days <sup>(3)</sup> .....	4.98%	4.95%	4.81%	4.70%	4.71%	4.64%	4.14%	4.09%	4.13%	4.21%	3.01%	3.44%	
Yield from Finance Charges, Fees and Interchange <sup>(4)</sup> .....	15.9%	18.7%	20.5%	17.3%	19.4%	19.8%	18.3%	18.8%	18.8%	18.1%	20.9%	23.8%	
Receivables Principal Payment Rate <sup>(5)</sup> ....	12.3%	12.0%	14.7%	12.5%	13.7%	12.9%	13.5%	13.4%	13.6%	13.1%	14.9%	16.7%	
Percentage of accounts making minimum monthly payment.....	11.3%	11.1%	11.5%	11.4%	11.4%	11.8%	12.2%	12.1%	12.4%	12.4%	9.0%	9.1%	
Percentage of accounts making full payment.....	18.7%	18.8%	19.7%	19.9%	20.1%	20.8%	19.7%	19.8%	20.2%	20.5%	22.6%	22.6%	
	<b>Jan-2011</b>	<b>Feb-2011</b>											

	Jan-2011	Feb-2011
Principal Receivables Outstanding <sup>(1)</sup> .....	£6,971,457,857	£6,820,176,814
Total Receivables Outstanding <sup>(1)</sup> .....	£7,371,651,316	£7,228,115,616
Net Losses as % of Principal Receivables Outstanding <sup>(2)</sup> .....	4.4%	5.4%
Percentage of Total Receivables Delinquent 30+ Days <sup>(3)</sup> .....	3.68%	3.83%
Yield from Finance Charges, Fees and Interchange <sup>(4)</sup> .....	20.0%	20.5%
Receivables Principal Payment Rate <sup>(5)</sup> ....	16.8%	15.8%
Percentage of accounts making minimum monthly payment.....	9.2%	9.0%
Percentage of accounts making full payment .....	22.3%	22.7%

**Notes:**

- (1) Principal Receivables and total Receivables outstanding are as of the beginning of the relevant period.
- (2) Net losses includes recoveries from previously charged off accounts.
- (3) Delinquencies represent delinquent Principal Receivables.
- (4) Yield from charges and fees include interest income, late fees, forex fees, credit insurance, card protection insurance, overlimit fees, cash advance fees, ATM fees, balance transfer fees and other fees related to credit cards.
- (5) Payment rate calculated as principal collections in the calendar month over opening Principal Receivables.



## STATIC POOL DATA

The following tables present yield, net charge off, delinquencies, principal payment rate, total payment rate, Principal Receivables balance and total Receivables balance for credit card receivables included in the Securitised Portfolio since the incorporation of the Penarth Receivables Trust in October 2008. In each case, the information is organised by calendar year of account origination ("**Year of Account Origination**") for each monthly period.

The data up to October 2010 relates to Receivables originated by Bank of Scotland only. In November 2010, £2.9 billion of Receivables originated by LTSB were added to the Penarth Receivables Trust, and data from November 2010 reflects the combined Bank of Scotland and LTSB Receivables in the Penarth Receivables Trust

### Yield from finance charges, fees and interchange

Year of Account Origination												18-Oct to 31 Nov 2008	Dec-2008
Pre-2004												18.48%	22.35%
2004												17.33%	20.51%
2005												16.25%	19.34%
2006												16.24%	19.36%
2007												12.50%	16.19%
2008													
2009													
2010													

  

Year of Account Origination	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009
Pre-2004	17.27%	20.52%	21.57%	18.28%	18.06%	21.23%	18.04%	17.10%	21.74%	19.59%	20.81%	19.86%
2004	16.48%	19.20%	19.75%	17.23%	16.85%	19.24%	16.72%	16.09%	19.55%	17.55%	18.68%	18.04%
2005	15.41%	17.67%	18.42%	16.17%	15.86%	18.30%	16.24%	15.16%	18.77%	17.04%	17.66%	16.98%
2006	15.44%	17.78%	18.40%	16.23%	15.94%	18.26%	16.13%	15.13%	18.64%	16.94%	17.47%	16.83%
2007	14.16%	16.81%	18.55%	17.09%	16.91%	19.51%	17.09%	15.86%	19.71%	17.81%	18.50%	17.78%
2008								12.56%	16.50%	16.20%	17.88%	17.36%
2009								4.99%	6.15%	5.59%	7.23%	6.93%
2010												

  

Year of Account Origination	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010
Pre-2004	17.45%	20.93%	22.56%	18.68%	20.96%	20.97%	20.47%	21.02%	20.64%	19.70%	21.80%	25.21%
2004	16.29%	18.90%	20.52%	17.47%	18.90%	19.44%	18.83%	19.16%	19.04%	18.05%	21.62%	24.25%
2005	15.60%	17.63%	19.46%	16.57%	18.14%	19.10%	18.81%	19.30%	19.24%	18.06%	21.75%	24.06%
2006	15.32%	17.48%	19.21%	16.60%	18.26%	19.07%	18.90%	19.09%	19.22%	18.50%	21.97%	24.32%
2007	16.11%	18.35%	20.15%	17.04%	19.14%	19.57%	19.11%	19.45%	19.45%	18.78%	20.72%	23.33%
2008	16.01%	18.12%	19.99%	16.90%	18.89%	19.24%	19.04%	19.31%	19.15%	18.54%	21.08%	23.77%
2009	7.15%	9.08%	11.47%	11.00%	13.72%	15.33%	12.56%	14.13%	15.26%	15.78%	19.77%	21.07%
2010							5.94%	5.37%	5.19%	5.10%	10.00%	12.99%

  

Year of Account Origination	Jan-2011	Feb-2011
Pre-2004	20.90%	21.37%
2004	20.46%	21.38%
2005	20.64%	21.52%
2006	21.05%	21.83%
2007	19.39%	19.72%
2008	19.57%	19.42%
2009	18.08%	18.71%
2010	11.89%	12.77%

Yield from finance charges and fees includes interest income, late fees, forex fees, credit insurance, card protection insurance, overlimit fees, cash advance fees, ATM fees, balance transfer fees and other fees related to credit cards. The yield percentage for each monthly period is calculated by dividing the sum of finance charges, fees and interchange during each monthly period by the Principal Receivables balance as of the beginning of the monthly period, then annualised by dividing the result by the number of days in each monthly period and multiplying by the number of days in the calendar year.

Volatility in the yield percentage is driven primarily by variations in the number of collection days during the performance period; the more collection days there are, the higher the value of payments received, and the higher the reported yield.

The yield during the first 12 months post account origination is low due to the introductory annual percentage rate ("**APR**") offers at account origination which typically offer 0% on balance transfers and/or purchases during the first 9-12 months. This trend is evident in the yields reported in the first few performance periods for accounts originated in 2009 and 2010.

Pre-2004 the operating environment in the UK for credit cards issuers was less competitive, and Lloyds Banking Group's acquisition strategy for the LTSB portfolio had initial APRs at account origination which were typically higher; accordingly, the pre-2004 vintages have a slightly higher yield compared with the post-2004 vintages. The originators believe that the differential margin in yield compared to post-2004 vintages is reducing as Lloyds Banking Group's risk-based re-pricing strategy across the portfolio results in the convergence of yield over time.

In July 2007, LTSB launched the Airmiles Duo card, taking over the Airmiles relationship from National Westminster Bank plc ("**NatWest**"). This product rewards credit card spend with Airmiles, and attracts a higher proportion of convenience users who are less likely to revolve a balance on an account and attract interest charges. Yield on the LTSB originated accounts from 2007 is therefore lower than accounts originated in years prior to 2007.

Following the addition of £2.9 billion of LTSB Receivables to the Penarth Receivables Trust in November 2010, overall yield for the Penarth Receivables Trust has increased, driven by higher payment rates and so have the Finance Charge Collections on the LTSB portfolio relative to the Bank of Scotland portfolio.

### Net Charge Off

Year of Account Origination												18-Oct to 31 Nov 2008	Dec-2008
Pre-2004												3.65%	4.49%
2004												2.52%	2.73%
2005												2.43%	3.03%
2006												3.02%	3.55%
2007												1.56%	2.29%
2008													
2009													
2010													

  

Year of Account Origination	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009
Pre-2004	4.48%	6.05%	9.96%	11.83%	11.81%	12.80%	12.62%	11.97%	11.27%	10.07%	11.55%	10.83%
2004	3.32%	4.19%	7.95%	8.49%	9.63%	11.08%	10.83%	9.86%	9.35%	8.92%	9.29%	9.02%
2005	3.01%	4.95%	7.77%	9.02%	10.26%	10.79%	10.92%	10.15%	9.93%	9.07%	10.25%	9.03%
2006	3.33%	4.77%	8.19%	9.95%	10.76%	11.75%	11.40%	10.01%	10.69%	10.28%	10.29%	9.72%
2007	2.58%	4.46%	7.24%	9.22%	10.64%	10.99%	13.66%	10.56%	10.14%	9.36%	11.17%	10.77%
2008								0.49%	1.55%	2.11%	2.04%	2.82%
2009								0.11%	0.76%	0.93%	0.73%	0.73%
2010												

  

Year of Account Origination	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010
Pre-2004	10.00%	11.90%	11.45%	10.36%	8.90%	10.15%	8.70%	8.89%	8.17%	7.95%	4.88%	4.43%
2004	8.64%	8.66%	9.58%	9.12%	7.53%	8.73%	6.30%	7.26%	7.61%	6.94%	5.28%	5.12%
2005	8.31%	9.37%	9.50%	8.44%	15.24%	9.44%	7.26%	8.47%	7.55%	6.94%	6.23%	5.93%
2006	9.81%	10.34%	10.72%	9.76%	5.06%	9.64%	7.78%	8.56%	9.51%	7.56%	6.71%	5.95%
2007	9.53%	11.13%	10.68%	10.13%	7.23%	10.07%	8.37%	9.31%	8.29%	7.56%	5.06%	4.58%
2008	3.66%	6.97%	8.09%	9.50%	10.50%	9.97%	8.08%	8.13%	7.86%	7.62%	5.11%	5.63%
2009	1.28%	1.86%	3.09%	4.08%	4.98%	5.29%	3.12%	3.64%	4.06%	4.40%	3.97%	4.68%
2010							0.16%	0.21%	0.46%	0.88%	0.97%	1.31%

  

Year of Account Origination	Jan-2011	Feb-2011
Pre-2004	4.06%	4.93%
2004	5.14%	5.70%
2005	5.03%	6.33%

2006	5.48%	6.84%
2007	4.71%	5.79%
2008	4.77%	5.96%
2009	4.31%	5.15%
2010	1.47%	2.39%

Net losses for a performance period is calculated as Principal Receivables charged off during the performance period less recoveries received on previously charged off accounts during the performance period, all divided by the Principal Receivables balance as of the beginning of the performance period, then annualised by dividing the result by the number of days in the performance period and multiplying by the number of days in the calendar year.

Net losses during 2008 and the first few months of 2009 are lower due to the initial selection criteria for new Receivables added to the Penarth Receivables Trust which excluded accounts in the later stages of delinquency. This seasoning impact is evident in November 2010 when £2.9 billion of LTSB Receivables were added to the Penarth Receivables Trust resulting in reduced net losses; the originators expect net losses to increase further over the coming months up to the net losses levels observed during 2010 in the months prior to the addition of the LTSB Receivables.

The higher charge offs on accounts originated pre-2004 is due to Bank of Scotland originating accounts above-market volumes during 2002 and 2003 in line with Bank of Scotland's market growth strategy at the time. Since 2004, acquisition and underwriting strategies have been reviewed and substantially revised. In accordance with this revised strategy, Lloyds Banking Group has taken significant steps to reduce its acquisition of accounts, and exposure to existing accounts, in the higher risk segments of the credit cards market.

In 2008 during the economic market dislocation, there was an industry-wide deterioration in the quality of business acquired. Lloyds Banking Group undertook significant de-risking in response, with tighter cut-offs reducing volume and lower initial credit lines. This activity was undertaken in the second half of 2008 and into 2009. The originators believe that this has resulted in a significant improvement in the credit quality of accounts originated in 2009 and 2010.

### 30+days Delinquencies

Year of Account Origination												18-Oct to 31 Nov 2008	Dec- 2008
Pre-2004												3.92%	4.78%
2004												2.99%	3.75%
2005												2.99%	3.88%
2006												3.23%	4.02%
2007												2.43%	3.34%
2008													
2009													
2010													

  

Year of Account Origination	Jan- 2009	Feb- 2009	Mar- 2009	Apr- 2009	May- 2009	Jun- 2009	Jul- 2009	Aug- 2009	Sep- 2009	Oct- 2009	Nov- 2009	Dec- 2009
Pre-2004	5.77%	6.49%	6.87%	6.88%	6.87%	6.77%	6.52%	6.39%	6.23%	6.39%	6.34%	6.18%
2004	4.70%	5.44%	5.70%	5.78%	5.76%	5.68%	5.43%	5.35%	5.21%	5.22%	5.17%	5.09%
2005	4.85%	5.46%	5.79%	5.93%	5.90%	5.77%	5.50%	5.41%	5.21%	5.26%	5.14%	5.10%
2006	4.94%	5.68%	5.96%	6.13%	6.15%	6.10%	5.89%	5.81%	5.59%	5.63%	5.63%	5.57%
2007	4.42%	5.43%	6.01%	6.22%	6.24%	6.25%	5.89%	5.89%	5.83%	6.04%	5.91%	5.79%
2008								1.76%	2.84%	3.79%	3.07%	3.82%
2009								0.43%	0.63%	1.09%	0.72%	1.09%
2010												

  

Year of Account Origination	Jan- 2010	Feb- 2010	Mar- 2010	Apr- 2010	May- 2010	Jun- 2010	Jul- 2010	Aug- 2010	Sep- 2010	Oct- 2010	Nov- 2010	Dec- 2010
Pre-2004	6.32%	6.14%	5.84%	5.64%	5.60%	5.50%	5.36%	5.16%	5.11%	5.07%	3.40%	3.57%
2004	5.13%	5.04%	4.82%	4.68%	4.69%	4.51%	4.53%	4.50%	4.40%	4.34%	3.60%	3.78%
2005	5.20%	5.16%	5.00%	4.89%	4.88%	4.72%	4.68%	4.55%	4.61%	4.76%	3.85%	4.00%
2006	5.60%	5.53%	5.34%	5.22%	5.31%	5.26%	5.15%	5.10%	4.99%	5.02%	4.07%	4.12%
2007	5.92%	5.82%	5.48%	5.33%	5.35%	5.26%	5.21%	5.00%	5.03%	5.04%	3.48%	3.68%
2008	4.60%	4.92%	5.15%	5.18%	5.13%	5.08%	4.57%	4.63%	4.79%	4.99%	3.52%	3.72%
2009	1.48%	1.95%	2.33%	2.72%	3.04%	3.36%	2.13%	2.49%	2.86%	3.28%	2.70%	2.91%
2010							0.28%	0.49%	0.72%	1.00%	0.98%	1.24%

Year of Account Origination	Jan-2011	Feb-2011
Pre-2004	3.79%	3.96%
2004	3.92%	4.04%
2005	4.18%	4.31%
2006	4.32%	4.51%
2007	3.91%	4.05%
2008	4.01%	4.29%
2009	3.09%	3.32%
2010	1.54%	1.85%

Delinquencies include both Principal Receivables and Finance Charge Receivables. The 30+ days delinquency percentage for a performance period is calculated as total receivables 30 days or more past due divided by total Principal Receivables and Finance Charge Receivables as of the last day of the performance period.

Delinquencies during 2008 and the first few months of 2009 are lower due to the initial selection criteria for new Receivables added to the Penarth Receivables Trust which excluded accounts in the later stages of delinquency. This seasoning impact is evident in November 2010 when £2.9 billion of LTSB Receivables were added to the Penarth Receivables Trust resulting in reduced delinquencies; the originators expect delinquencies to increase over the coming months up to the delinquency levels observed during 2010 in the months prior to the addition of the LTSB Receivables.

In 2008 in response to the deteriorating economic environment, Lloyds Banking Group undertook significant de-risking of its portfolio, with credit lines of higher risk customers reduced and tighter cut-offs and lower initial credit lines improving the quality of new account acquisitions. This activity was undertaken in 2008 and into 2009. The originators believe that this has resulted in a reduction in delinquencies through the second half of 2009 which has continued through 2010 and into 2011.

### Principal Payment Rate

Year of Account Origination												18-Oct to 31 Nov 2008	Dec-2008
Pre-2004												15.38%	17.72%
2004												13.57%	15.01%
2005												11.37%	11.93%
2006												10.44%	10.75%
2007												16.90%	17.61%
2008													
2009													
2010													

Year of Account Origination	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009
Pre-2004	14.36%	13.89%	15.63%	13.84%	14.17%	15.27%	15.10%	13.47%	15.68%	15.36%	14.93%	15.81%
2004	12.53%	12.30%	13.41%	11.87%	11.84%	12.81%	12.74%	11.19%	12.93%	12.70%	12.07%	12.76%
2005	10.26%	9.80%	10.77%	9.35%	9.16%	10.01%	10.07%	8.80%	10.28%	9.90%	9.52%	9.54%
2006	9.27%	8.88%	9.84%	8.48%	8.28%	8.99%	8.97%	7.80%	9.15%	8.87%	8.46%	8.49%
2007	16.47%	15.35%	15.05%	11.49%	10.95%	11.59%	11.45%		9.99%	11.44%	10.93%	10.45%
2008								13.98%	16.12%	14.45%	12.68%	11.71%
2009								9.93%	12.93%	15.17%	14.26%	14.77%
2010												

Year of Account Origination	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010
Pre-2004	14.63%	13.87%	17.05%	14.72%	16.56%	15.41%	16.16%	16.33%	16.37%	15.74%	16.02%	18.20%
2004	11.77%	11.50%	14.08%	12.12%	13.16%	12.46%	13.09%	13.05%	13.05%	12.68%	12.21%	12.94%
2005	9.02%	8.88%	11.11%	9.36%	9.87%	9.34%	9.87%	9.70%	9.98%	9.54%	10.60%	11.11%
2006	7.93%	7.97%	9.80%	8.31%	8.91%	8.49%	9.02%	8.74%	9.13%	8.63%	10.38%	10.84%
2007	9.68%	9.78%	11.73%	9.99%	10.67%	10.14%	10.54%	10.40%	10.39%	10.01%	15.79%	19.11%
2008	10.93%	11.17%	13.14%	10.64%	11.16%	10.49%	10.96%	10.71%	10.84%	10.31%	14.05%	16.14%
2009	14.84%	16.04%	19.89%	16.47%	17.76%	16.38%	16.47%	16.11%	16.30%	15.03%	17.89%	18.59%
2010							9.80%	10.51%	12.33%	14.20%	18.61%	20.93%

Year of Account Origination	Jan-2011	Feb-2011
Pre-2004	17.92%	16.67%
2004	12.97%	12.62%
2005	11.37%	11.07%
2006	11.27%	11.08%
2007	19.12%	17.88%
2008	16.50%	15.68%
2009	18.90%	17.77%
2010	22.68%	21.28%

Principal payment rate for a performance period is calculated as Principal Collections received from cardholders during the performance period divided by Principal Receivables at the beginning of the performance period.

For the Bank of Scotland portfolio, pre-2004 account originations typically received higher spending rewards and attracted a higher percentage of convenience users. As a result, payment rates for this segment tend to be stronger for the pre-2004 vintage. From 2005 onwards, Bank of Scotland products have typically targeted the borrower population with more attractive lower introductory APRs instead of rewards. This strategy has reduced the average payment rate on Bank of Scotland's credit card receivables originated since 2005.

In July 2007, LTSB launched the Airmiles Duo card, taking over the Airmiles relationship from NatWest. This product rewards credit card spend with Airmiles, and attracts a higher proportion of convenience users who pay down their balance in full each month. Payment rates for this product on the LTSB portfolio increased not only for originations from 2007, but also for the pre-2007 vintages as some existing customers switched to the new product and changed their spending and payment behaviours to benefit from the Airmiles rewards. Payment rates have increased across all origination years from November 2010 following the addition of £2.9 billion of LTSB Receivables to the Penarth Receivables Trust.

### Total Payment Rate

Year of Account Origination	18-Oct to 31 Nov 2008		Dec-2008
Pre-2004	15.85%	18.19%	
2004	14.21%	15.68%	
2005	12.06%	12.74%	
2006	11.22%	11.66%	
2007	17.40%	18.25%	
2008			
2009			
2010			

Year of Account Origination	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009
Pre-2004	14.70%	14.28%	16.07%	14.13%	14.43%	15.62%	15.29%	13.69%	15.97%	15.56%	15.19%	15.97%
2004	13.06%	12.84%	14.03%	12.38%	12.33%	13.36%	13.18%	11.66%	13.47%	13.15%	12.59%	13.22%
2005	10.87%	10.44%	11.51%	9.98%	9.79%	10.72%	10.68%	9.40%	10.99%	10.54%	10.18%	10.19%
2006	9.96%	9.60%	10.66%	9.19%	9.00%	9.78%	9.67%	8.50%	9.93%	9.58%	9.20%	9.22%
2007	16.96%	15.87%	15.77%	12.22%	11.71%	12.46%	12.19%	10.72%	12.29%	11.72%	11.31%	11.23%
2008								14.58%	16.86%	15.21%	13.55%	12.59%
2009								10.27%	13.31%	15.49%	14.70%	15.19%
2010												

Year of Account Origination	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010
Pre-2004	14.71%	14.06%	17.21%	14.77%	16.69%	15.48%	16.15%	16.37%	16.34%	15.70%	16.69%	19.10%
2004	12.17%	11.94%	14.57%	12.50%	13.63%	12.88%	13.53%	13.48%	13.41%	13.02%	13.07%	14.05%
2005	9.60%	9.46%	11.78%	9.91%	10.05%	9.99%	10.60%	10.42%	10.63%	10.15%	11.56%	12.30%
2006	8.58%	8.62%	10.56%	8.96%	9.98%	9.21%	9.87%	9.54%	9.86%	9.36%	11.38%	12.08%
2007	10.39%	10.48%	12.57%	10.69%	11.70%	10.93%	11.39%	11.24%	11.19%	10.80%	16.66%	20.11%
2008	11.72%	11.92%	14.05%	11.40%	12.09%	11.34%	11.85%	11.62%	11.68%	11.15%	15.11%	17.41%
2009	15.25%	16.47%	20.46%	17.00%	18.48%	17.10%	17.11%	16.83%	17.01%	15.80%	18.92%	19.78%
2010							10.23%	10.88%	12.65%	14.49%	19.23%	21.81%

<b>Year of Account Origination</b>	<b>Jan- 2011</b>	<b>Feb- 2011</b>
Pre-2004	18.55%	17.22%
2004	13.82%	13.40%
2005	12.31%	11.92%
2006	12.25%	11.97%
2007	19.85%	18.50%
2008	17.44%	16.45%
2009	19.85%	18.60%
2010	23.44%	21.96%

Total payment rate for a performance period is calculated as Principal Receivables and Finance Charge Collections received from cardholders during the performance period divided by Principal Receivables and Finance Charge Receivables at the beginning of the performance period.

## Opening Principal Receivables

<b>Year of Account Origination</b>											<b>18-Oct to 31 Nov 2008</b>	<b>Dec-2008</b>
Pre-2004											2,108,455,975	2,071,584,262
2004											467,318,614	459,613,546
2005											446,533,562	439,289,681
2006											410,888,284	402,452,295
2007											561,385,870	502,721,477
2008												
2009												
2010												

  

<b>Year of Account Origination</b>	<b>Jan-2009</b>	<b>Feb-2009</b>	<b>Mar-2009</b>	<b>Apr-2009</b>	<b>May-2009</b>	<b>Jun-2009</b>	<b>Jul-2009</b>	<b>Aug-2009</b>	<b>Sep-2009</b>	<b>Oct-2009</b>	<b>Nov-2009</b>	<b>Dec-2009</b>
Pre-2004	2,079,139,669	2,065,441,233	2,041,094,577	2,044,134,225	2,042,562,379	2,021,695,673	2,010,345,195	1,996,421,929	1,972,257,974	1,951,680,909	1,916,211,758	1,901,792,877
2004	467,137,360	465,349,557	461,370,368	466,098,998	467,441,565	466,116,570	465,230,664	465,843,722	463,390,960	460,655,110	454,334,992	453,593,909
2005	448,076,786	447,787,823	445,337,792	450,062,264	450,832,150	449,422,763	450,748,397	458,465,295	456,376,573	454,488,096	456,859,607	453,888,276
2006	410,110,740	410,219,043	408,965,218	411,931,319	411,857,927	410,257,983	411,355,980	420,027,210	417,513,348	415,758,703	422,190,853	419,435,989
2007	486,712,542	457,625,039	432,946,657	424,028,175	421,549,941	419,663,180	421,773,275	426,225,749	422,618,462	421,594,213	430,054,963	428,067,630
2008								138,403,235	131,544,858	124,518,372	342,158,430	336,594,875
2009								56,303,833	56,492,541	55,093,680	341,707,712	332,023,417
2010												

  

<b>Year of Account Origination</b>	<b>Jan-2010</b>	<b>Feb-2010</b>	<b>Mar-2010</b>	<b>Apr-2010</b>	<b>May-2010</b>	<b>Jun-2010</b>	<b>Jul-2010</b>	<b>Aug-2010</b>	<b>Sep-2010</b>	<b>Oct-2010</b>	<b>Nov-2010</b>	<b>Dec-2010</b>
Pre-2004	1,896,246,001	1,844,122,281	1,818,718,545	1,787,894,602	1,773,956,056	1,743,007,073	1,736,296,210	1,715,360,134	1,698,981,536	1,666,786,314	3,039,175,426	3,051,287,370
2004	454,383,986	446,279,891	441,232,144	433,748,354	429,032,016	424,295,167	423,642,524	418,710,993	415,385,019	407,806,838	583,151,384	583,306,000
2005	455,730,004	449,072,661	444,506,552	436,410,381	431,110,116	396,952,312	395,216,697	390,517,217	387,406,450	380,761,991	517,560,423	515,830,379
2006	419,745,190	413,715,900	408,532,975	400,928,373	395,681,718	379,443,053	379,095,620	374,246,219	371,107,669	364,037,105	501,741,813	500,262,164
2007	431,767,847	426,237,248	421,219,484	414,606,011	409,734,922	399,286,134	399,403,688	395,518,800	392,520,583	387,185,006	711,456,361	718,823,226
2008	339,071,661	334,869,081	329,866,991	324,042,223	320,010,990	316,582,789	394,936,606	392,677,151	390,722,049	386,043,472	725,869,743	729,449,113
2009	319,904,272	299,748,641	277,555,645	251,986,438	235,588,209	220,120,683	483,834,197	457,046,392	435,349,237	411,522,412	576,223,329	567,597,719
2010							180,304,226	182,488,398	181,351,996	174,251,046	290,102,042	281,180,018

  

<b>Year of Account Origination</b>	<b>Jan-2011</b>	<b>Feb-2011</b>
Pre-2004	3,060,986,544	2,997,739,863
2004	585,886,686	575,694,626
2005	518,227,631	510,421,071
2006	503,757,055	496,041,580
2007	723,952,661	708,827,367
2008	736,135,204	722,203,899
2009	568,981,637	553,901,706
2010	273,530,439	255,346,703

Opening Principal Receivables represents Principal Receivables at the start of the first day of the performance period.

**Opening Total Receivables**

<b>Year of Account Origination</b>												<b>18-Oct to 31 Nov 2008</b>	<b>Dec-2008</b>
Pre-2004												2,254,674,827	2,233,745,164
2004												494,730,397	490,865,540
2005												471,890,744	467,917,985
2006												433,077,082	427,962,746
2007												579,533,831	522,972,175
2008													
2009													
2010													
<b>Year of Account Origination</b>	<b>Jan-2009</b>	<b>Feb-2009</b>	<b>Mar-2009</b>	<b>Apr-2009</b>	<b>May-2009</b>	<b>Jun-2009</b>	<b>Jul-2009</b>	<b>Aug-2009</b>	<b>Sep-2009</b>	<b>Oct-2009</b>	<b>Nov-2009</b>	<b>Dec-2009</b>	
Pre-2004	2,240,360,729	2,238,860,217	2,220,064,323	2,221,576,271	2,226,047,277	2,208,595,512	2,194,745,200	2,183,060,532	2,164,449,378	2,142,527,862	2,108,078,919	2,094,076,965	
2004	498,497,585	499,077,774	496,280,549	500,953,934	503,610,311	502,921,273	501,721,590	502,880,726	501,646,051	498,758,715	492,854,278	492,484,899	
2005	476,903,221	478,861,339	477,655,077	482,523,497	484,598,687	483,828,616	485,093,550	493,809,197	492,965,385	491,122,700	494,432,798	491,894,273	
2006	435,786,518	437,985,075	437,885,272	440,921,545	442,049,577	441,057,499	442,141,229	451,843,016	450,533,979	448,875,762	456,330,553	454,062,566	
2007	507,251,758	480,057,318	456,483,134	447,716,277	446,492,771	445,292,970	447,381,694	452,561,901	450,226,698	449,400,711	458,971,004	457,484,835	
2008								142,783,750	136,409,002	129,602,007	357,171,317	352,489,070	
2009								56,750,762	57,001,456	55,643,055	345,462,331	335,897,987	
2010													
<b>Year of Account Origination</b>	<b>Jan-2010</b>	<b>Feb-2010</b>	<b>Mar-2010</b>	<b>Apr-2010</b>	<b>May-2010</b>	<b>Jun-2010</b>	<b>Jul-2010</b>	<b>Aug-2010</b>	<b>Sep-2010</b>	<b>Oct-2010</b>	<b>Nov-2010</b>	<b>Dec-2010</b>	
Pre-2004	2,086,978,312	2,040,301,692	2,015,319,359	1,978,863,714	1,969,845,883	1,935,862,363	1,931,632,685	1,910,207,591	1,892,809,752	1,861,622,933	3,255,864,554	3,260,921,609	
2004	493,157,741	486,185,654	481,486,223	472,909,752	469,120,728	463,987,654	464,055,048	459,130,811	455,771,396	448,423,854	627,178,884	625,901,625	
2005	493,870,477	488,482,434	484,382,085	475,343,416	471,257,760	434,060,788	432,974,135	428,244,758	425,090,544	418,766,029	558,272,602	555,180,908	
2006	454,488,449	449,666,881	445,001,074	436,600,382	432,439,605	415,098,181	415,434,361	410,535,394	407,384,698	400,546,369	540,974,958	538,141,217	
2007	461,393,583	457,125,006	452,567,975	445,104,715	441,463,586	430,331,147	431,218,889	427,420,509	424,514,495	419,672,026	749,574,336	755,704,029	
2008	355,675,376	352,843,482	348,587,121	342,480,037	339,644,603	336,152,340	420,104,449	418,232,543	416,611,456	412,742,069	759,361,514	761,882,393	
2009	324,125,875	304,675,088	283,055,018	257,584,071	242,019,185	226,732,991	496,159,765	470,184,223	449,317,532	426,538,238	594,552,885	585,114,975	
2010							181,766,514	183,914,723	182,888,711	175,986,282	293,115,307	284,087,900	
<b>Year of Account Origination</b>	<b>Jan-2011</b>	<b>Feb-2011</b>											
Pre-2004	3,260,844,417	3,200,154,486											
2004	626,074,734	616,044,695											
2005	555,575,167	547,876,975											
2006	539,927,510	532,256,403											
2007	759,302,788	745,245,060											
2008	767,308,488	755,058,190											
2009	586,110,584	572,485,824											
2010	276,507,628	258,993,983											

Opening total Receivables represents Principal Receivables and Finance Charge Receivables at the start of the first day of the performance period.



## PURCHASE AND TRANSFER RESTRICTIONS

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

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

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

### **Prospective Initial Investors in the notes**

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

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

### **Notes**

#### **Legend**

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Series 2011-1 A2 Notes are outstanding, the Regulation S Notes will bear a legend substantially set forth below:

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

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

EACH PURCHASER AND EACH TRANSFEREE OF THIS NOTE OR OF AN INTEREST HEREIN IS DEEMED TO REPRESENT, WARRANT AND AGREE 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 U.S. 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.

ANY TRANSFER, 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.

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

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

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

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

- (i) It understands that the notes have been offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the notes have not been and will not be registered under the Securities Act and, if in the future it decides to offer, resell, pledge or otherwise transfer the notes, such notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Note Trust Deed and the legend on such notes. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the notes.
- (ii) In connection with the purchase of the notes: (a) the Issuer is not acting as a fiduciary or financial or investment advisor for it; (b) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the 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.

- (iii) Either that (i) it is not (and is not deemed for purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or the U.S. 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 U.S. 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) It is aware that the sale of notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the notes offered in reliance on Regulation S will bear the legend set forth above and be represented by one or more Regulation S Global Note Certificate. The notes so represented may not at any time be held by or on behalf of U.S. Persons as defined in Regulation S. It and each beneficial owner of the notes that it holds is not, and will not be, a U.S. Person (as defined in Regulation S) and its purchase of the notes will comply with all applicable laws in any jurisdiction in which it resides or is located.
- (viii) 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.
- (ix) 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.

## PLAN OF DISTRIBUTION

Name of Dealer:	Lloyds TSB Bank plc  Lloyds TSB Bank plc (or one of its affiliates) intends to purchase £125,000,000 of Series 2011-1 A2 Notes on the Issue Date.
Additional Selling Restrictions:	None  Class A
ISIN:	XS0627216772
Common Code:	062721677

Subject to the terms and conditions of the Dealer Agreement as supplemented by the relevant subscription agreement for these Series 2011-1 A2 Notes, the Issuer has agreed to sell to each of the Dealers named below, and the Dealer has agreed to purchase, the Principal Amount of these Series 2011-1 A2 Notes set forth opposite its name:

<u>Dealer</u>	<u>Class A</u>	<u>Aggregate Amount</u>
Lloyds TSB Bank plc	100 per cent.	£125,000,000
Total		£125,000,000

The Dealer has agreed, subject to the terms and conditions of the Dealer Agreement (as supplemented by the relevant subscription agreement) to purchase all £125,000,000 aggregate Principal Amount of these Series 2011-1 A2 Notes if any of these Series 2011-1 A2 Notes are issued.

The Issuer has agreed to indemnify the Dealer, 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 £125,000,000. The sum of the fees and commissions payable on the issue of the notes is estimated to be £312,500 and will be paid separately. Consequently, the net proceeds of the issue will be £125,000,000. The proceeds of the issue of the notes will be applied by the Issuer, together with the Expenses Loan, to purchase the Series 2011-1 A2 Loan Note issued by Loan Note Issuer No.1 on the Issue Date.

## **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:

*Michael Drew*

.....  
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 Dealer 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.



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

There has been no material adverse change in the financial position or prospects of Loan Note Issuer No.1, since the date of its last financial statements for the period ended 31 December 2009.

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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## LOAN NOTE ISSUER NO.1

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United Kingdom

## RECEIVABLES TRUSTEE

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