# PENARTH MASTER ISSUER PLC - SERIES 2018-1 CLASS A1 

## IMPORTANT NOTICE

## NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED BELOW):

You must read the following before continuing. The following applies to the preliminary drawdown prospectus (the "Drawdown Prospectus") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Drawdown Prospectus. In accessing the Drawdown Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR THE BENEFIT OF, U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE FOLLOWING DRAWDOWN PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS OTHER THAN AS PROVIDED BELOW. THIS DOCUMENT MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND AS PERMITTED BY, REGULATION S UNDER THE SECURITIES ACT, OR WITHIN THE UNITED STATES TO QIBs (AS DEFINED BELOW) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The Drawdown Prospectus has been delivered to you on the basis that you are a person into whose possession the Drawdown Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the Drawdown Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Drawdown Prospectus by electronic transmission, (c) you are either (i) not a U.S. person (within the meaning of Regulation S under the Securities Act) and not acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located within the United States within the meaning of Regulation $S$ under the Securities Act or (ii) a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005 or a certified high net worth individual within Article 48 of the Financial Services and Markets Act (Financial Promotion) Order 2005.

The Drawdown Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Penarth Master Issuer plc (the "Issuer") nor Bank of Scotland plc ("BOS") nor Lloyds Bank plc ("Lloyds" or "Lloyds Bank") nor any Joint Lead Manager nor any Dealer nor any person who controls, nor any director, officer, employee or agent of the Issuer, BOS, Lloyds or any Dealer or any Joint Lead Manager nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Drawdown Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer, BOS, Lloyds or any Joint Lead Manager or any Dealer.

IMPORTANT - PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ('EEA'). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

# DRAWDOWN PROSPECTUS DATED 20 MARCH 2018 AS AMENDED AND RESTATED ON_13 JUNE 2019 

(to the Base Prospectus dated 12 March 2018)

# Penarth Master Issuer ple <br> (incorporated under the laws of England and Wales with limited liability under registered number 6615304) Issuer <br> Bank of Scotland ple 

Sponsor, Transferor, Transferor Beneficiary, Cash Manager and Servicer
Issue of $\$ 300,000,000$ Class A Asset Backed Floating Rate Notes due 2020 under
the Penarth Medium Term Note Programme
(ultimately backed by trust property in the Penarth Receivables Trust)

The Issuer will issue
Principal Amount
Interest Rate
Interest Payment Dates
Scheduled Redemption Date
Final Redemption Date
Price to public
Underwriting Discount
Proceeds to Sponsor

Class A, Series 2018-1 A1 Notes
\$300,000,000
One-month USD LIBOR plus Margin
On the $18^{\text {th }}$ day of each month, in each case subject to adjustment for non Business Days
18 March 2020
18 March 2022
$\$ 300,000,000$ (or 100 per cent.)
$\$ 0$ (or 0 per cent.)
$\$ 300,000,000$ (or 100 per cent.)

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 $\mathbf{S}^{\prime}$ )) 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) in "offshore transactions" in reliance on Regulation S (the "Regulation S Notes") and (ii) (a) within the United States in reliance on Rule 144A under the Securities Act ("Rule 144A") only to persons that are "qualified institutional buyers" (each a "QIB") within the meaning of Rule 144A (the "Rule 144A Notes") and (b) within the United States in reliance on Rule 506 of Regulation D under the Securities Act (the "Registered Uncleared Notes").
Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined if this Drawdown Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

The Issuer has not registered and does not intend to register as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act").
Prospective investors should read this Drawdown Prospectus and the Base Prospectus carefully before making an investment. This Drawdown Prospectus and the Base Prospectus are available for viewing at the specified offices of the Dealers or the Principal Paying Agent and copies may be obtained from the specified offices of the Dealers or the Principal Paying Agent.
The Series 2018-1 A1 Notes are expected to be assigned ratings on issue by each of Standard \& Poor's Credit Market Services Europe Limited ("Standard \& Poor's"), Fitch Ratings Ltd ("Fitch Ratings") and Moody's Investors Service Limited ("Moody's"), each of which, as at the date of this Drawdown Prospectus, is a credit rating agency established and operating in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the "CRA Regulation"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to a revision, suspension or withdrawal at any time by the assigning rating organisation.
Each of Moody's, Standard \& Poor's and Fitch is established in the European Union and is a registered rating agency under the CRA Regulation.

This Drawdown Prospectus, together with the information incorporated by reference herein, has been approved by the United Kingdom Financial Conduct Authority (the "FCA"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "Prospectus Directive") and relevant implementing measures in the United Kingdom, as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Series 2018-1 A1 Notes.
If issued under this Drawdown Prospectus, Regulation S Notes (as defined herein) of each class will be represented on issue by beneficial interests in one or more permanent global note certificates (each a "Regulation S Global Note Certificate"), in fully registered form, without interest coupons attached, which will be registered in the name of a nominee for and deposited with a Common Depositary for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme, ("Clearstream"). If issued under this Drawdown Prospectus, Rule 144A Notes (as defined herein) of each class will be represented on issue by beneficial interests in one or more permanent global note certificates (each a "Rule 144A Global Note Certificate"), in fully registered form, without interest coupons attached, which will be deposited with Deutsche Bank Trust Company Americas, as custodian ("DTC Custodian") for, and registered in the name of Cede \& Co. as nominee of, The Depository Trust Company ("DTC"). Ownership interests in the Regulation S Global Note Certificates and in the Rule 144A Global Note Certificates (together, the "Global Note Certificates") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream and DTC (as relevant), and their respective participants. Regulation S Notes and Rule 144A Notes in definitive certificated, fully registered form will be issued only in the limited circumstances described herein. In each case, purchasers and transferees of notes will be deemed to have made certain representations and agreements. See "Forms of the notes" and "Plan of Distribution" in the Base Prospectus and "Purchase and Transfer Restrictions" in this Drawdown Prospectus.

Arranger


Joint Lead Managers and Dealers
LLOYDS BANK
LLOYDS

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## IMPORTANT INFORMATION

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 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.

The Issuer will confirm to the Series Dealers that the Drawdown Prospectus, contains all information which is (in the context of the Programme, the issue, offering and sale of the notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed in the Drawdown Prospectus are honestly held or made and are not misleading in any material respect; that the Drawdown Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering and sale of the notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Drawdown Prospectus 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 Arranger, Dealers or Joint Lead Managers.

No representation or warranty is made or implied by the Arranger, Dealers or Joint Lead Managers or any of their respective affiliates, and neither such Arranger, Dealers or Joint Lead Managers 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 the Drawdown Prospectus. Neither the delivery of the Drawdown Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in the Drawdown Prospectus is true subsequent to the date hereof or the date upon which any future Drawdown Prospectus (in relation to any future issue of other notes) is 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 Drawdown Prospectus (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 the Drawdown Prospectus and the offering, sale and delivery of the notes in certain jurisdictions may be restricted by law. Persons in possession of the Drawdown Prospectus 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 the Drawdown Prospectus and other offering material relating to the notes, see "Plan of Distribution" in the Base Prospectus.

Certain figures included in the Drawdown Prospectus 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.

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

Prospective investors should read the Drawdown 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 the Drawdown 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 Joint Lead Manager(s), the Dealer(s) or any of their respective affiliates.

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 THE BASE PROSPECTUS AND/OR DRAWDOWN PROSPECTUS THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

## RISK FACTORS

Prospective investors should read the entirety of this Drawdown Prospectus together with the documents incorporated herein by reference, including the base prospectus for the Penarth Master Trust plc medium term note programme dated 12 March 2018 (the "Base Prospectus"). Investing in the notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the notes are discussed under "Risk Factors" at pages 36 to 73 of the Base Prospectus (and such risk factors shall be deemed to be incorporated into and form part of this Drawdown Prospectus).

## INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in and form part of this Drawdown Prospectus:

1. the following sections of the Base Prospectus dated 12 March 2018
(a) Important notices Set out on pages vi to xi of the Base
(b) Programme structural overview
(c) Structural diagram of Bank of Scotland plc credit card securitisation programme
(d) Transaction overview
(e) The receivables and servicing of receivables
(f) Overview of terms and conditions of the notes
(g) Rights of noteholders and relationship with other secured creditors
(h) The Penarth Receivables Trust and the loan notes
(i) Triggers table
(j) Fees
(k) Risk factors
(1) Regulatory disclosure
(m) Prime collateral securities initiative
(n) The Penarth Receivables Trust
(o) The receivables
(p) Servicing the receivables
(q) The loan notes
(r) Sources of funds to pay the loan notes
(s) The security trust deed and cash management agreement
(t) The note trust deed
(u) Description of the Swap Agreements
(v) Bank of Scotland plc
(w) Lloyds Bank plc
(x) Credit card portfolio
(y) Receivable yield considerations
(z) Maturity assumptions
(aa) The receivables trustee
(bb) Loan Note Issuer No. 1
(cc) The Issuer

Prospectus
Set out on pages 1 and 2 of the Base Prospectus
Set out on page 3 of the Base Prospectus

Set out on pages 4 to 8 of the Base Prospectus
Set out on pages 9 to 12 of the Base
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Set out on pages 13 to 16 of the Base Prospectus
Set out on pages 17 to 20 of the Base
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Set out on pages 21 to 28 of the Base Prospectus
Set out on pages 29 to 34 of the Base
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Set out on page 35 of the Base Prospectus
Set out on pages 36 to 73 of the Base Prospectus
Set out on pages 74 to 77 of the Base Prospectus
Set out on page 78 of the Base Prospectus
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Set out on pages 94 to 104 of the Base Prospectus
Set out on pages 105 to 110 of the Base Prospectus
Set out on pages 111 to 147 of the Base Prospectus
Set out on pages 148 to 162 of the Base Prospectus
Set out on pages 163 and 164 of the Base
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Set out on pages 165 to 172 of the Base Prospectus
Set out on pages 173 to 175 of the Base Prospectus
Set out on page 176 of the Base Prospectus
Set out on page 177 of the Base Prospectus
Set out on pages 178 to 183 of the Base Prospectus
Set out on page 184 of the Base Prospectus
Set out on pages 185 and 186 of the Base Prospectus
Set out on pages 187 to 190 of the Base
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Set out on pages 191 to 193 of the Base Prospectus
Set out on page 194 and 196 of the Base Prospectus
(dd) The note trustee and the security trustee
(ee) Forms of the notes
(ff) Terms and conditions of the notes
(gg) United Kingdom taxation treatment of the notes
(hh) Material Jersey tax considerations
(ii) FATCA
(ji) Material United States federal income tax consequences
(kk) ERISA and certain other considerations
(ll) Plan of distribution
(mm) Auditors
(nn) Use of proceeds
(oo) General information
(pp) Additional important information
(qq) Form of final terms
(rr) Financial statements of Loan Note Issuer No. 1 for the 12 month period ended 31 December 2016
(ss) Financial statements of Loan Note Issuer No. 1 for the 12 months period ended 31 December 2015
(tt) Financial statements of Issuer for the 12 month period ended 31 December 2016
(uu) Financial statements of Issuer for the 12 months period ended 31 December 2015
(vv) Statistical information

Set out on page 197 of the Base Prospectus
Set out on pages 198 to 206 of the Base Prospectus
Set out on pages 207 to 257 of the Base Prospectus
Set out on page 258 of the Base Prospectus
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Set out on pages 261 to 267 of the Base
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Set out on pages 271 to 282 of the Base
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Set out on pages 283 of the Base Prospectus
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Set out on pages 290 to 325 of the Base
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Set out on page 326 of the Base Prospectus

Set out on page 327 of the Base Prospectus

Set out on page 328 of the Base Prospectus

Set out on page 329 of the Base Prospectus

Set out on pages 330 to 359 of the Base Prospectus

Any statement contained in the Base Prospectus or in any document incorporated or deemed incorporated by reference into this Drawdown Prospectus shall be deemed to be modified or superseded for the purpose of this Drawdown Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Drawdown Prospectus except as modified or superseded.

Any information not listed above but included in the information incorporated by reference is given for information purposes only. Except where explicitly incorporated by reference herein, any documents themselves incorporated by reference into the documents listed in the table above shall not form a part of this Drawdown Prospectus.

Where any information incorporated by reference constitutes only certain parts of a document, the parts of such document not incorporated into this Drawdown Prospectus are either (i) not relevant to an investor in the notes or (ii) covered elsewhere in this Drawdown Prospectus.

Full information on the Issuer and the notes described herein is only available on the basis of a combination of this Drawdown Prospectus and any information incorporated by reference into this document.

## Documents available for inspection

For so long as the Base Prospectus is in effect, copies and, where appropriate, English translations of the following documents may be inspected at the specified office of the Principal Paying Agent and at the registered office of the Issuer during usual business hours on any weekday, apart from public holidays and the Base Prospectus shall be available on or around the date hereof in electronic form at: https://www.intertrustgroup.com/our-services/capital-markets-services/public-transactions/penarth-master-issuer-plc
(i) the memorandum and articles of association of the Issuer;
(ii) the memorandum and articles of association of Loan Note Issuer No.1;
(iii) the memorandum and articles of association of the Receivables Trustee;
(iv) historical financial information of the Issuer set out in Appendix D and Appendix E of the Base Prospectus;
(v) the current Base Prospectus in relation to the Programme;
(vi) the Paying Agency Agreement;
(vii) the Dealer Agreement and the relevant subscription agreement;
(viii) any Final Terms or Drawdown Prospectus, as applicable relating to notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system;
(ix) the Master Framework Agreement;
(x) the RSD including amendments thereto;
(xi) the RTDSA including amendments thereto;
(xii) the Trust section 75 indemnity;
(xiii) the Expenses Loan Agreement;
(xiv) the STDCMA;
(xv) the Note Trust Deed;
(xvi) each Note Trust Deed Supplement;
(xvii) the Issuer Master Framework Agreement;
(xviii) the De-Linked Supplement;
(xix) the Jersey jurisdiction agreement (Loan Notes);
(xx) the Issuer Corporate Services Agreement;
(xxi) the RT Corporate Services Agreement;
(xxii) the Funding 1 Corporate Services Agreement;
(xxiii) the various bank agreements of Loan Note Issuer No. 1 and the Issuer; and
(xxiv) each Loan Note Supplement.

## DESCRIPTION OF THE A1 SWAP AGREEMENT

The Issuer will enter into a currency swap transaction pursuant to an ISDA master agreement and related schedules dated 26 March 2018 (together, the "A1 Swap Agreement") with ING Bank N.V. (the "Swap Counterparty"). For further detail, please see "Description of the Swap Agreements" in the Base Prospectus.

## Early termination

The A1 Swap Agreement may be terminated early, inter alia, in the following circumstances:
(a) at the option of one party, if there is a failure by the other party to pay any amounts due under the A1 Swap Agreement;
(b) by the Swap Counterparty upon the service of an Enforcement Notice following the occurrence of an Event of Default under the Conditions;
(c) upon the occurrence of certain other events, including but not limited to certain amendments (including but not limited to amendments to the priorities of payment) being made to certain documents (such as the Note Trust Deed Supplement in relation to Series 2018-1 A1) without the Swap Counterparty's prior written consent, certain insolvency events or changes in law resulting in illegality; and
(d) in the event that there is a withholding tax imposed (1) in relation to the Issuer's payments under the A1 Swap Agreement, or (2) in relation to the Swap Counterparty's payments under the A1 Swap Agreement and, as a result, the Swap Counterparty is required to pay more or receives less under the A1 Swap Agreement (following, broadly, expiry of any period during which the Swap Counterparty is required to mitigate against the imposition of such withholding tax).

Upon any such early termination of the A1 Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other. The amount of any such termination payment will be based on the market value of the swap computed in accordance with the A1 Swap Agreement, generally on the basis of market quotations of the cost of entering into a replacement swap transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties, in accordance with the procedures set forth in the A1 Swap Agreement. Any such termination payment could, if interest rates and/or the relevant exchange rate have changed significantly, be substantial.

Upon termination of the A1 Swap Agreement, the Issuer will endeavour to find a replacement swap counterparty on acceptable terms but if no replacement Swap Agreement is entered into, the security under the Note Trust Deed (and the supplement to the Note Trust Deed) in respect of the Series 2018-1 A1 Notes may become enforceable. If such security is enforced, the proceeds thereof will be applied in payment of amounts under the order of post-enforcement priority of payments set forth in the Conditions of such note. In the event that the A1 Swap Agreement is terminated not as a result of a Counterparty Swap Event Of Default (as defined below), then any termination payment to be paid to the Swap Counterparty by the Issuer in accordance with the early termination provisions of such A1 Swap Agreement shall rank simultaneously and equally with payments to be made under the Series 2018-1 A1 Notes.

Certain events including, without limitation, failure to pay or deliver, misrepresentation, insolvency or bankruptcy pertaining to the Swap Counterparty (a "Counterparty Swap Event Of Default") may result in the early termination of the A1 Swap Agreement. In the event that the A1 Swap Agreement is terminated as a result of a Counterparty Swap Event Of Default, then any termination payment to be paid to the Swap Counterparty by the Issuer in accordance with the early termination provisions of such A1 Swap Agreement shall be subordinated to any payments to be made under the Series 2018-1 A1 Notes.

## Taxation

The Issuer is not obliged under the A1 Swap Agreement to gross up payments made by it if a withholding or deduction for, or on account of, taxes is imposed on payments made under the A1 Swap Agreement.

The Swap Counterparty will generally be obliged to gross up payments made by it to the Issuer if a withholding or deduction for, or on account of, certain taxes is imposed on payments made by the Swap Counterparty under the A1 Swap Agreement. However, if the Swap Counterparty is required to gross up a
payment under the A1 Swap Agreement due to a change in the law, the Swap Counterparty may terminate the A1 Swap Agreement.

## Rating downgrade or withdrawal of the Swap Counterparty

If the Swap Counterparty (or, if applicable, its guarantor or credit support provider) ceases to have, does not have or is not guaranteed by an institution which has (as the case may be) the Minimum Required Ratings (in accordance with the requirements of Standard \& Poor's, Fitch Ratings or Moody's), or if the rating of a Swap Counterparty (or, if applicable, its guarantor or credit support provider) is withdrawn, then the Swap Counterparty will, in accordance with the provisions of and subject to the timeframes specified in the A1 Swap Agreement, be required to take certain remedial measures which may include:
(i) providing collateral in accordance with a mark-to-market collateral agreement between the Swap Counterparty and the Issuer (the "Credit Support Annex");
(ii) obtaining a guarantee from a guarantor that satisfies the minimum rating and other requirements specified in the A1 Swap Agreement;
(iii) transferring the A1 Swap Agreement to an entity that satisfies the minimum rating and other requirements specified in the A1 Swap Agreement; or
(iv) taking such other actions as may be specified in the A1 Swap Agreement.

If the Swap Counterparty fails to take any of the applicable remedial measures in accordance with the provisions of the A1 Swap Agreement, the Issuer may terminate such A1 Swap Agreement in accordance with its terms.
"Minimum Required Ratings" means:
(a) a short term issuer default rating of at least F1 from Fitch Ratings;
(b) a long term issuer default rating of at least A by Fitch Ratings and a long term, unsecured and unsubordinated debt or counterparty obligations rating of at least A3 by Moody's, depending, in each case, on the rating of the relevant notes; and
(c) a resolution counterparty rating of at least "A-" by Standard \& Poor's, or, if no such rating is published by Standard \& Poor's, an issuer credit rating of at least "A-" by Standard \& Poor's,
or such other minimum required ratings as may be specified in the A1 Swap Agreement.

## General

Except as permitted under the A1 Swap Agreements neither the Issuer nor the Swap Counterparty is, save for the assignment by way of security in favour of the Note Trustee under the supplement to the Note Trust Deed, permitted to assign, novate or transfer as a whole or in part any of its rights, obligations or interests under the A1 Swap Agreements.

## SWAP COUNTERPARTY

This description of the Swap Counterparty does not purport to be an abstract of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Swap Agreements and the other Transaction Documents.

ING Bank N.V. is a public limited company (naamloze vennootschap) incorporated under the laws of The Netherlands on 12 November 1927, with its corporate seat (statutaire zetel) in Amsterdam, The Netherlands (ING Bank). ING Bank is registered at the Chamber of Commerce of Amsterdam under No. 33031431.

ING Bank is part of ING Groep N.V. (ING Group). ING Group is the holding company of a broad spectrum of companies (together called ING) offering banking services to meet the needs of a broad customer base. ING Bank is a wholly-owned, non-listed subsidiary of ING Group and currently offers retail banking services to individuals, small and medium-sized enterprises and mid-corporates in Europe, Asia and Australia and commercial banking services to customers around the world, including multinational corporations, governments, financial institutions and supranational organisations. ING Group currently serves more than 35 million customers through an extensive network in more than 40 countries. ING Bank has more than 54,000 employees.

ING Bank is directly supervised by the European Central Bank (ECB) as part of the Single Supervisory Mechanism (SSM). The SSM comprises of the ECB and national competent authorities of participating Member States. The SSM is responsible for 'prudential supervision' (the financial soundness of financial institutions). The ECB is responsible for specific tasks in the area of prudential supervision while the Dutch Central Bank, De Nederlandsche Bank (DNB), remains responsible for prudential supervision in respect of those powers that are not conferred to the ECB, which includes supervision on payment systems and financial crime supervision. The Netherlands Authority for the Financial Markets (AFM), is responsible for 'conduct of business supervision' (assessing the behaviour of players in the Dutch financial markets) of ING Bank.

The information in the preceding four paragraphs has been provided by ING Bank for use in this Drawdown Prospectus and ING Bank is solely responsible for the accuracy of the preceding three paragraphs. Except for the preceding three paragraphs, ING Bank in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Drawdown Prospectus.

## TRANSACTION FEATURES

The Series 2018-1 A1 Notes will be governed, to the extent not described in this Drawdown Prospectus, by the applicable provisions of the Base Prospectus. Unless otherwise indicated, words and expressions defined in the Base Prospectus shall have the same meanings below.

## NOTE SERIES

Series Number:
Class of Note:

Issue Date:
Amendment Date
Issue Price:
Ratings: Standard \& Poor's (AAA(sf))/Fitch Ratings (AAAsf)/Moody's (Aaa(sf))

Principal Amount: $\$ 300,000,000$
Net Proceeds: $\$ 300,000,000$
Specified Currency:
Fixed, Floating or other interest type Designation:

Scheduled Redemption Date:
Final Redemption Date:
Initial Rate (if applicable):
Rate of Interest:
Margin (if applicable):
Additional Interest Margin (if applicable):

Maximum Interest Rate (if applicable):
Day Count Fraction: Actual/360

Interest Determination Date: Two Business Days prior to the commencement of the relevant Interest Period

Distribution Date: On the $18^{\text {th }}$ day of each month, in each case subject to adjustment for non-Business Days

First Interest Payment Date: 18 April 2018
Interest Commencement Date: 26 March 2018
Floating Rate Commencement Not Applicable
Date (if applicable):
Interest Payment Dates: On the $18^{\text {th }}$ day of each month, in each case subject to adjustment for non-Business Days

Redemption Period Interest Payment Dates:

Interest Rate Calculations:
USD LIBOR (in the case of the first Interest Period):

EURIBOR (in the case of the first Interest Period):

Redenomination,
Renominalisation and Reconventioning:

Indication of Yield:
Denomination:

Listing:
Clearing and Settlement (if applicable):

Not Applicable

## Condition 6(b)

One-month (except for the first Interest Period where LIBOR will be based on the linear interpolation of one-week and one-month USD LIBOR)

Not Applicable

No

Not applicable
$\$ 150,000$ and amounts in excess thereof which are integral multiples of $\$ 1,000$

London Stock Exchange - Regulated Market
In respect of the Rule 144A Global Note Certificates, through DTC

In respect of the Regulation $S$ Global Note Certificates, through Euroclear and Clearstream, Luxembourg

Additional Business Centre(s): None
Additional Financial Centre(s): None

| Business Day: | Not applicable |
| :--- | :--- |
| Business Day Convention: | Modified Following Business Day Convention |
| Form of notes: | Registered Notes: |
|  |  <br> Co. as a nominee of DTC |
|  | Regulation S Global Note Certificates registered in the name of a <br> nominee for a Common Depositary for Euroclear and Clearstream, | nominee for a Common Depositary for Euroclear and Clearstream, Luxembourg

Eurosystem eligibility No. Whilst the designation is specified as "no" at the date of these Drawdown Prospectus, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

## Call Date:

None
Estimated total expenses
£3,600
related to admission to trading:
Screen Rate: ..... Yes
Redemption Period End Date: Not applicable
Minimum Adjusted Transferor 6 per cent. or such lower percentage as the Servicer may certify in itsopinion formed on the basis of due consideration, that such reductionwill not result in a reduction or withdrawal of each Rating Agency'sthen current rating of any outstanding Associated Debt
Approx. $£ 3,225,000,000$ or $76 \%$, using an exchange rate of 1.39 to $£ 1$ calculated on the basis of a hypothetical issuance of $£ 515,594,682$ aggregate principal amount of the Series 2018-1 A1 Notes
No
Intended to be held in a manner which would allow Eurosystem eligibility:
Debt or Equity for U.S Debt taxation purposes:
Issued with Original Issue No
Discount for U.S. taxation purposes:

## LOAN NOTE SUPPORTING SERIES

The notes of this Note Series will be collateralised by the Class A (2018-1 A1) Loan Note (the "Related Loan Note") which shall have the following terms, as also set out in the Class A 2018-1 A1 Loan Note Supplement.

| Designation for the purposes of the STDCMA: | Class A |
| :---: | :---: |
| Issuance Date: | 26 March 2018 |
| Initial Principal Amount: | £ 215,594,682 |
| Class A Required Subordinated Percentage: | 15.5 per cent. |
| First Monthly Period End Date: | 31 March 2018 |
| First Loan Note Interest Payment Date: | 18 April 2018 |
| Loan Note Interest Payment Date: | 18 April 2018 and each Distribution Date thereafter up to and including the Distribution Date falling in March 2022 |
| Loan Note Interest Period: | From, and including, a Loan Note Interest Payment Date or, for the first Loan Note Interest Period, the Issuance Date, to, but excluding, the next Loan Note Interest Payment Date |
| Loan Note Interest Rate: | One-month Sterling LIBOR plus 0.244 per cent. beginning on (and including) the Issuance Date and ending on (but excluding) the commencement of an Amortisation Period and thereafter one-month Sterling LIBOR plus 0.244 <br> per cent. |
| Scheduled Redemption Date: | 18 March 2020 |
| Stated Monthly Accumulation Amount: | £71,864,894 |
| Final Redemption Date: | 18 March 2022 |
| Additional Early Redemption Events: | An early termination, without replacement within 30 days, of the Related Swap Agreement |
| Required Accumulation Reserve Account Amount: | On any Transfer Date on or after the Accumulation Reserve Account Funding Date, 2.25 per cent. of the Outstanding Principal Amount of the Class A (2018-1 A1) Loan Note at the close of business on the last day of the preceding Monthly Period |
| Additional Junior Cost Items: | None |
| Series Cash Reserve Account: | Yes |
| Amortisation Period: | Regulated Amortisation Period/Rapid Amortisation Period |
| Accumulation Period Commencement Date: | 1 December 2019 |
| Programme Reserve Account Percentage: | 0 per cent. |

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

The "Accumulation Period Commencement Date" means in respect of the Related Loan Note, the first day of the month that is 3 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 3 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 (2018-1 A1) Reserve Account Percentage" shall be determined as follows: (i) if the Originator Rating Trigger is satisfied, the Class A (2018-1 A1) Reserve Account Percentage shall be 0.00 per cent., or (ii) if the Originator Rating Trigger has been breached, the Class A (2018-1 A1) Reserve Account Percentage shall be 3.77 per cent.

The "Originator Rating Trigger" means the (i) short term unsecured and unguaranteed debt rating of Bank of Scotland of at least P-1 by Moody's and A2 by Standard \& Poor's and (ii) long term unsecured and unguaranteed debt rating of Bank of Scotland of at least A2 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 and (ii) the Nominal Liquidation Amount Deficit for the Related Loan Note after taking into account the Available Programme Reserve Account Amount, 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 (2018-1 A1) Reserve Account Percentage for such Transfer Date multiplied by (ii) the Nominal Liquidation Amount of the Related Loan Note at the close of business on the last day of the preceding Monthly Period.

PARTIES

| Dealers | Lloyds Bank plc and Lloyds Securities Inc. |
| :--- | :--- |
| Issuer: | Penarth Master Issuer plc |
| Note Trustee: | Deutsche Bank Trust Company Americas |
| Principal Paying Agent, and | Deutsche Bank AG, London Branch. The Principal Paying Agent <br> will make payments of interest and principal when due on the <br> notes. The Principal Paying Agent's address in London is, at the <br> date of this Drawdown Prospectus, Winchester House, 1 Great |
| Winchester Street, London EC2N 2DB, United Kingdom |  |

## 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 this Drawdown Prospectus, in connection with the Penarth Receivables Trust and the Receivables assigned by the Transferor.

| Note Series | Ratings (Standard \& Poor's/Fitch/ Moody's) | Issuance Date | Tranche Size | Note Interest Rate | Scheduled <br> Redemption Date | Final Redemption Date |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Series 2013-1 A2 | N/A/AAAsf/Aaa (sf) | 21 November 2013 | £1,300,000,000 | 0.45 per cent. per annum plus 1 month Sterling LIBOR | 18 October 2021 | 18 October 2023 |
| Series 2014-1 A2 | AAA (sf)/AAAsf/Aaa (sf) | 10 April 2014 | £500,000,000 | 0.50 per cent. per annum plus 1-month Sterling LIBOR | 18 March 2019 | 18 March 2021 |
| Series 2014-2 B1 | AA-(sf)/Asf/ Aa2(sf) | 20 October 2014 | £600,000,000 | 1.25 per cent. per annum plus 1-month Sterling LIBOR | 18 September 2025 | 18 September 2027 |
| Series 2014-2 C1 | $\mathrm{A}(\mathrm{sf}) / \mathrm{BBB}+\mathrm{sf} / \mathrm{A} 2$ (sf) | 20 October 2014 | £120,000,000 | 1.75 per cent. per annum plus 1-month Sterling LIBOR | 18 September 2025 | 18 September 2027 |
| Series 2014-2 D1 | N/A/N/A/N/A | 20 October 2014 | £500,000,000 | 0.50 per cent. per annum plus 1 -month Sterling LIBOR | 18 September 2028 | 18 September 2030 |
| Series 2015-1 A2 | AAA (sf)/AAAsf/Aaa (sf) | 31 March 2015 | £500,000,000 | 0.50 per cent. per annum plus 1 -month Sterling LIBOR | 18 March 2020 | 18 March 2022 |
| Series 2015-2 A2 | AAA (sf)/AAAsf/Aaa (sf) | 11 June 2015 | £200,000,000 | 0.50 per cent. per annum plus 1 -month Sterling LIBOR | 18 May 2020 | 18 May 2022 |

## 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 this Drawdown Prospectus in connection with the receivables trust and the receivables assigned by the Transferor.

| Note Series | Ratings (Standard \& Poor's/Fitch/ Moody's) | Issuance Date | Tranche Size | Note Interest Rate | Scheduled Redemption Date | Final Redemption Date |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Series 2018-1 A2 | AAA (sf)/AAAsf/Ass (sf) | 26 March 2018 | $£ 300,000,000$ | 0.45 per cent. per annum plus 1 -month Sterling LIBOR | 18 March 2023 | 18 March 2025 |

## BANK PORTFOLIO INFORMATION AS AT 31 DECEMBER 2017

The following tables show information relating to the historic performance of Eligible Accounts originated using Bank of Scotland plc's and Lloyds Bank plc's underwriting criteria, respectively as at 31 December 2017. 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 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 (as defined in the Base Prospectus) of Bank of Scotland and Lloyds Bank for each of the years ended 31 December 2013, 2014, 2015, 2016 and 2017. 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 184 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.

## Combined Bank of Scotland and Lloyds Bank Portfolio Yield

|  | Bank Portfolio Yield |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 | 2016 | 2015 | 2014 | 2013 | Notes |
| Average Monthly |  |  |  |  |  |  |
| Accrued Finance |  |  |  |  |  |  |
| Charges and Fees ..... | £94,615,019 | £101,984,120 | £98,983,306 | £99,099,985 | $£ 114,174,794$ | 1 |
| Average Receivables |  |  |  |  |  |  |
| Outstanding............. | £9,710,213,396 | £9,352,430,011 | £8,969,270,042 | £8,560,584,480 | £9,227,842,546 | 2 |
| Yield from Charges |  |  |  |  |  |  |
| and Fees .................. | 11.7\% | 13.1\% | 13.2\% | 13.9\% | 14.8\% | 3,4 |
| Yield from Interchange | 0.8\% | 0.7\% | 1.4\% | 1.6\% | 1.6\% | 4 |
| Yield from Charges, |  |  |  |  |  |  |
| Fees and Interchange | 12.5\% | 13.8\% | 14.6\% | 15.5\% | 16.5\% | 4,5 |

NOTES:
${ }^{1)}$ Finance Charges and Fees are comprised of Monthly Periodic charges and other credit card fees - this is the average accrued monthly amount
Average receivables outstanding includes principal and finance charges, and excludes receivables charged off
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 Yreld from charges and fees include interest income
(4) All ratios are annualised
(5) Yield from interchange has reduced from November 2015 onwards as a result of the adoption of EU Interchange Fee Regulation.

## 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

## Combined Bank of Scotland and Lloyds Bank Portfolio

|  | Delinquency Experience |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 | \% | 2016 | \% | 2015 | \% | 2014 | \% | 2013 | \% |
| Receivables |  |  |  |  |  |  |  |  |  |  |
| Outstanding ${ }^{(1)(2)} \ldots$ | £9,890,273,534 |  | £9,625,819,243 |  | £9,234,029,808 |  | £8,783,521,093 |  | £9,370,470,557 |  |
| Receivables |  |  |  |  |  |  |  |  |  |  |
| Delinquent ........... |  |  |  |  |  |  |  |  |  |  |
| 5-29 ................... | £103,732,616 | 1.0\% | £97,657,550 | 1.0\% | £104,730,436 | 1.1\% | £120,862,675 | 1.4\% | £158,672,354 | 1.7\% |
| 30-59.................. | £31,898,212 | 0.3\% | £33,645,286 | 0.3\% | £32,779,641 | 0.4\% | £37,335,286 | 0.4\% | £55,549,502 | 0.6\% |
| 60-89.................. | £21,476,690 | 0.2\% | £26,283,514 | 0.3\% | £24,598,127 | 0.3\% | £28,026,244 | 0.3\% | £42,058,612 | 0.4\% |
| 90+..................... | £45,510,020 | 0.5\% | £48,840,705 | 0.5\% | £45,583,791 | 0.5\% | £48,341,230 | 0.6\% | £76,447,712 | 0.8\% |
| Total................... | £202,617,538 | $\underline{\underline{2.0 \%}}$ | £206,427,055 | $\underline{\underline{2.1 \%}}$ | £207,691,995 | $\underline{\underline{2.2 \%}}$ | £234,565,435 | $\underline{\underline{2.7 \%}}$ | £332,728,180 | $\underline{\underline{3.6 \%}}$ |

Notes:
(1)
Receivables outstanding represent end of period receivables.
(2) Receivables outstanding includes principal and finance charges, and excludes receivables charged off.

## GROSS CHARGE-OFF EXPERIENCE

## Combined Bank of Scotland and Lloyds Bank Portfolio

|  | Gross Charge-off Experience |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 | 2016 | 2015 | 2014 | 2013 | Notes |
| Average Receivables Outstanding | £9,710,213,396 | £9,352,430,011 | £8,969,270,042 | £8,560,584,480 | £9,227,842,546 | 1 |
| Total gross charge-offs ................. | £254,955,707 | £237,263,656 | £248,776,502 | £323,802,108 | £506,290,289 |  |
| Total gross charge-offs as \% of receivables | 2.6\% | 2.5\% | 2.8\% | 3.8\% | 5.5\% | 2 |
| Notes: <br> (1) Average receivables outsta <br> (2) All ratios are annualised. | gincludes principal an | finance charges, and ex | des receivables charge |  |  |  |

## 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

## Combined Bank of Scotland and Lloyds Bank Portfolio

|  | Cardholder Monthly Payment Rates |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 | 2016 | 2015 | 2014 | 2013 | Notes |
| Lowest Month ....... | 19.5\% | 18.5\% | 17.7\% | 18.5\% | 17.6\% | 1 |
| Highest Month....... | 21.5\% | 20.9\% | 20.1\% | 20.3\% | 19.7\% | 1 |
| Monthly Average .. | 20.7\% | 20.1\% | 19.2\% | 19.3\% | 18.7\% | 1 |

(1) Payment $\%=($ Total Payments in calendar month/ Total Opening Receivables Outstandings at start of calendar month)*100.

For further detail, please see the Base Prospectus.

## SECURITISED PORTFOLIO RECEIVABLES INFORMATION

## As at 31 December 2017

The following tables summarise the Securitised Portfolio by various criteria at the end of the day on 31 December 2017. 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 31 December 2017.

## 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 January 2013, Bank of Scotland has made the following lump additions of accounts to the Penarth Receivables Trust: on 1 July 2013, 1 June 2014, 1 November 2014, 1 June 2015, 1 November 2015, 1 March 2016, 1 November 2016 and 1 November 2017 the amounts of $£ 682,802,110$, $£ 592,574,309, £ 635,657,464, \mathfrak{£} 653,410,229$, $£ 687,026,190, £ 909,068,819, £ 545,751,827$ and $£ 1,041,736,637$ respectively. The lump additions made since 8 November 2010 include Receivables transferred by Lloyds Bank to Bank of Scotland and subsequently transferred by Bank of Scotland to the Receivables Trustee.

On 26 February 2016, there was a redesignation and removal of certain credit card accounts in the amount of $£ 170,930,762$ from the Penarth Receivables Trust, which the Transferor selected after undertaking a review of the Designated Accounts in the Securitised Portfolio by reference to the definition of LCR Credit Impaired Accounts and LCR Defaulted Accounts in the LCR Regulations.

## 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 the year ended 31 December 2013, the year ended 31 December 2014, the year ended 31 December 2015, the year ended 31 December 2016 and the year ended 31 December 2017. 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 | Year Ended 31 December |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 | 2016 | 2015 | 2014 | 2013 | Notes |
| Average Principal Receivables |  |  |  |  |  |  |
| Outstanding.... | £7,276,772,762 | £7,465,777,756 | £6,799,653,813 | £6,254,850,829 | £6,360,128,939 | 1 |
| Average Finance Charges, Fees and Interchange | £84,145,695 | £88,002,163 | £93,062,132 | £95,376,264 | £103,056,114 | 2,3 |
| Yield from Finance Charges, |  |  |  |  |  |  |
| Fees and Interchange | 13.9\% | 14.1\% | 16.4\% | 18.3\% | 19.4\% | 2,3,4 |

[^0]| Principal Payment Rate | Year Ended 31 December |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 | 2016 | 2015 | 2014 | 2013 |
| Lowest Month ${ }^{(1)}$ | 19.9\% | 19.8\% | 18.9\% | 19.0\% | 18.9\% |
| Highest Month ${ }^{(1)}$............... | 24.7\% | 22.8\% | 22.6\% | 22.6\% | 22.4\% |
| Average Month ${ }^{(1)}$.............. | 22.6\% | 21.4\% | 21.0\% | 21.3\% | 20.9\% |


| Securitised Portfolio Performance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | As at 31 December |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 2017 |  |  | 2016 |  |  | 2015 |  |  | 2014 |  |  | 2013 |  |  |
| 2013Delinquency Experience | $\begin{gathered} \text { Number } \\ \text { of } \\ \text { Accounts } \end{gathered}$ | Principal Receivables | $\begin{gathered} \text { Percentage } \\ \text { of Total } \\ \text { Principal } \\ \text { Receivables } \end{gathered}$ | $\begin{gathered} \text { Number } \\ \text { of } \\ \text { Accounts } \end{gathered}$ | Principal Receivables | $\begin{gathered} \text { Percentage } \\ \text { of Total } \\ \text { Principal } \\ \text { Receivables } \\ \hline \end{gathered}$ | $\begin{gathered} \text { Number } \\ \text { of } \\ \text { Accounts } \end{gathered}$ | Principal Receivables | $\begin{gathered} \hline \text { Percentage } \\ \text { of Total } \\ \text { Principal } \\ \text { Receivables } \end{gathered}$ | $\begin{gathered} \text { Number } \\ \text { of } \\ \text { Accounts } \end{gathered}$ | Principal Receivables | $\begin{gathered} \text { Percentage } \\ \text { of Total } \\ \text { Principal } \\ \text { Receivables } \end{gathered}$ | $\begin{aligned} & \begin{array}{c} \text { Number } \\ \text { of } \\ \text { Accounts } \end{array} \end{aligned}$ | Principal <br> Receivables | $\begin{gathered} \hline \text { Percentage } \\ \text { of Total } \\ \text { Principal } \\ \text { Receivables } \end{gathered}$ |
| Principal Receivables Outstanding (1)........... |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Outstanding (1)................ | 6,895,779 | 7,701,054,954 |  | 6,904,122 | 7,609,942,653 |  | 7,179,132 | 7,311,898,934 |  | 6,839,904 | £6,773,264,754 |  | 6,381,661 | £6,288,866,659 |  |
| Delinquent:-................ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 5 to 29 Days .................. | 40,216 | £74,166,386 | 0.96\% | 40,878 | £69,062,263 | 0.91\% | 43,992 | £75,530,506 | 1.03\% | 47,220 | £86,737,340 | 1.28\% | 52,804 | £105,646,348 | 1.68\% |
| 30 to 59 Days ................ | 10,372 | £23,140,718 | 0.30\% | 10,224 | £23,558,307 | 0.31\% | 10,480 | £23,451,939 | 0.32\% | 11,590 | £26,285,586 | 0.39\% | 14,400 | £35,987,896 | 0.57\% |
| 60 to 89 Days ............... | 5,737 | £14,416,317 | 0.19\% | 6,715 | £18,197,209 | 0.24\% | 6,848 | £17,132,508 | 0.23\% | 7,376 | £19,456,361 | 0.29\% | 9,962 | £27,487,637 | 0.44\% |
| 90 or more Days ............. | 11,508 | £28,683,659 | 0.37\% | 12,593 | £29,735,838 | 0.39\% | 12,539 | £29,661,476 | 0.41\% | 13,822 | £31,673,348 | 0.47\% | 18,443 | £39,452,991 | 0.63\% |
| Total ......................... | $\underline{67,833}$ | $\xlongequal{\text { £140,407,080 }}$ | 1.82\% | $\underline{70,410}$ | $\underline{\underline{\text { £140,553,616 }}}$ | 1.85\% | $\underline{ }$ | $\xlongequal{\text { £145,776,429 }}$ | 1.99\% | $\stackrel{\text { 80,008 }}{ }$ | $\underline{ }$ | 2.42\% | $\underline{95,609}$ | $\xlongequal{\text { ¢208,574,872 }}$ | 3.32\% |

Notes:
(1)
Principal Receivables outstanding represent the closing receivables at the period end
(2) Delinquencies represent delinquent principal receivables at the period end.

## Loss Experience

| Loss Experience | Year Ended 31 December |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2015 | 31 Dec 2014 | 31 Dec 2013 | Notes |
| Average Principal Receivables Outstanding.......................... | £7,276,772,762 | £7,465,777,756 | £6,799,653,813 | ¢6,254,850,829 | £6,360,128,939 |  |
|  | £13,998,201 | £10,927,256 | £13,361,458 | £18,192,668 | £27,522,650 | 2 |
| Average Recoveries............................................................ | £9,353,589 | £11,434,864 | £11,818,366 | £13,403,188 | £10,703,762 | 3 |
|  | £4,644,612 | -£507,608 | £1,543,092 | £4,789,480 | £16,818,888 | 4,6 |
| Gross Losses as a percentage of Principal Receivables Outstanding | 2.3\% | 1.8\% | 2.4\% | 3.5\% | $5.2 \%$ | 5 |
| Net Losses as a percentage of Principal Receivables Outstanding | 0.8\% | -0.1\% | 0.3\% | 0.9\% | 3.2\% | 5,6 |

Notes: ${ }_{\text {Average principal receivables outstanding is the average of the opening receivables balance for the period indicated. }}$.
(1) Average principal receivables outstanding is the average of the opening receivable
(2) Gross Losses are charged-off principal receivables.
(3) Recoveries are amounts received on previously charged-off principal receivables.
(4) Net Losses are Gross Losses minus Recoveries.
5) All ratios are annualised
(6) Average net losses and net losses as a \% of principal receivables outstanding are negative in 2016 , resulting from lower gross losses and relatively higher recoveries due to a debt sale in December 2016 .

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

## COMPOSITION BY ACCOUNT BALANCE

## Securitised Portfolio

| Account Balance Range | Total Number of Accounts | Percentage of Total Number of Accounts | Total Receivables ${ }^{(1)}$ | Percentage of Total Receivables |
| :---: | :---: | :---: | :---: | :---: |
| Credit Balance. | 580,817 | 8.4\% | -£31,215,405 | -0.4\% |
| No Balance. | 2,127,750 | 30.9\% | £0 | 0.0\% |
| £0.01-£5,000.00 | 3,749,458 | 54.4\% | £4,683,380,244 | 58.2\% |
| £5,000.01-£10,000.00. | 363,320 | 5.3\% | £2,483,231,520 | 30.9\% |
| £10,000.01-£15,000.00. | 71,966 | 1.0\% | £867,262,825 | 10.8\% |
| £15,000.01-£20,000.00. | 2,163 | 0.0\% | £35,321,099 | 0.4\% |
| £20,000.01 or more | 305 | 0.0\% | £7,752,872 | 0.1\% |
| Total | 6,895,779 | 100.0\% | £8,045,733,155 | 100.0\% |

## Notes

${ }^{(1)}$ Total Receivables include Principal Receivables and Finance Charge Receivables.

## COMPOSITION BY CREDIT LIMIT

## Securitised Portfolio

| Credit Limit Range | Total Number of Accounts | Percentage of Total Number of Accounts | Total <br> Receivables ${ }^{(1)}$ | Percentage of Total Receivables |
| :---: | :---: | :---: | :---: | :---: |
| Less than $£ 5,000.00$. | 3,808,498 | 55.2\% | £2,357,564,695 | 29.3\% |
| £5,000.01-£10,000.00. | 2,205,397 | 32.0\% | £3,285,185,028 | 40.8\% |
| £10,000.01-£15,000.00. | 851,175 | 12.3\% | £2,294,453,214 | 28.5\% |
| £15,000.01-£20,000.00.. | 27,695 | 0.4\% | £91,462,356 | 1.1\% |
| $£ 20,000.01$ or more. | 3,014 | 0.0\% | £17,067,862 | 0.2\% |
| Total | 6,895,779 | 100.0\% | £8,045,733,155 | 100.0\% |

Notes:
(1) Total Receivables include Principal Receivables and Finance Charge Receivables

## COMPOSITION BY PERIOD OF DELINQUENCY

## Securitised Portfolio

| Period of Delinquency (Days contractually Delinquent) | Total Number of Accounts | Percentage of Total Number of Accounts | Total <br> Receivables ${ }^{(1)}$ | Percentage of Total Receivables |
| :---: | :---: | :---: | :---: | :---: |
| Not Delinquent.. | 6,827,946 | 99.0\% | £7,878,653,563 | 97.9\% |
| 5-29 Days.. | 40,216 | 0.6\% | £87,671,330 | 1.1\% |
| 30-59 Days .. | 10,372 | 0.2\% | £27,692,790 | 0.3\% |
| 60-89 Days ... | 5,737 | 0.1\% | £17,336,013 | 0.2\% |
| 90 or More Days | 11,508 | 0.2\% | £34,379,460 | 0.4\% |
| Total | 6,895,779 | 100.0\% | £8,045,733,155 | 100.0\% |

Notes:
${ }^{(1)}$ 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 ${ }^{(1)}$ | Percentage of Total Receivables |
| :---: | :---: | :---: | :---: | :---: |
| Not More Than 6 Months..... | 97,693 | 1.4\% | £157,024,023 | 2.0\% |
| Over 6 Months to 12 Months........ | 250,381 | 3.6\% | £419,649,256 | 5.2\% |
| Over 12 Months to 24 Months...... | 562,473 | 8.2\% | £791,956,469 | 9.8\% |
| Over 24 Months to 36 Months...... | 635,427 | 9.2\% | £692,252,506 | 8.6\% |
| Over 36 Months to 48 Months...... | 606,296 | 8.8\% | £575,075,326 | 7.1\% |
| Over 48 Months to 60 Months...... | 485,410 | 7.0\% | £456,221,949 | 5.7\% |
| Over 60 Months to 72 Months...... | 372,331 | 5.4\% | £365,093,882 | 4.5\% |
| Over 72 Months | 3,885,768 | 56.3\% | £4,588,459,743 | 57.0\% |
| Total ....................................... | $\underline{6,895,779}$ | 100.0\% | £8,045,733,155 | 100.0\% |

Notes:
${ }_{(1)}$ 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 ${ }^{(1)}$ | Percentage of Total Receivables |
| East Anglia................................. | 814,730 | 11.8\% | £995,843,512 | 12.4\% |
| London ...................................... | 471,461 | 6.8\% | £598,100,747 | 7.4\% |
| Midlands | 888,139 | 12.9\% | £975,665,577 | 12.1\% |
| North East England ...................... | 892,679 | 12.9\% | £989,609,651 | 12.3\% |
| North West England..................... | 804,915 | 11.7\% | £912,416,120 | 11.3\% |
| Scotland | 644,433 | 9.3\% | £722,711,910 | 9.0\% |
| South Central England | 725,045 | 10.5\% | £907,218,965 | 11.3\% |
| South East England . | 657,424 | 9.5\% | £844,780,480 | 10.5\% |
| South West England..................... | 679,046 | 9.8\% | £743,330,253 | 9.2\% |
| Wales ........................................ | 291,836 | 4.2\% | £337,878,197 | 4.2\% |
| Other ......................................... | 26,071 | 0.4\% | £18,177,744 | 0.2\% |
| Total | 6,895,779 | 100.0\% | £8,045,733,155 | 100.0\% |

Notes:
${ }^{(1)}$ Total Receivables include Principal Receivables and Finance Charge Receivables

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

|  | Jan-2013 | Feb-2013 | Mar-2013 | Apr-2013 | May-2013 | Jun-2013 | Jul-2013 | Aug-2013 | Sep-2013 | Oct-2013 | Nov-2013 | Dec-2013 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Principal Receivables Outstanding ${ }^{(1)}$... | £6,568,930,630 | £6,357,808,441 | £6,263,931,859 | £6,140,383,920 | £6,111,397,824 | £6,048,826,374 | £6,699,770,678 | £6,598,360,922 | £6,527,003,637 | £6,433,263,640 | £6,297,015,116 | £6,274,854,223 |
| Total Receivables Outstanding ${ }^{(1)}$...................... | £7,001,515,086 | £6,792,782,867 | £6,705,242,777 | £6,575,864,557 | £6,540,748,946 | £6,474,752,317 | £7,146,679,406 | £7,031,937,490 | £6,963,143,695 | £6,866,069,987 | £6,721,792,747 | £6,705,440,230 |
| Net Losses as \% of Principal Receivables Outstanding ${ }^{(2)}$.............................................. | 3.8\% | 4.1\% | 3.8\% | 4.0\% | 4.4\% | 3.5\% | 3.42\% | 0.40\% | 3.05\% | 2.76\% | 2.38\% | 2.74\% |
|  | 2.25\% | 2.27\% | 2.32\% | 2.32\% | 2.18\% | 2.19\% | 1.90\% | 1.84\% | 1.83\% | 1.70\% | 1.70\% | 1.64\% |
| Yield from Finance Charges, Fees and Interchange | 18.5\% | 20.3\% | 18.9\% | 21.4\% | 20.5\% | 18.67\% | 20.12\% | 18.16\% | 19.58\% | 19.27\% | 18.31\% | 19.73\% |
| Receivables Principal Payment Rate ${ }^{(5)}$. | 21.5\% | 18.9\% | 20.0\% | 22.0\% | 21.5\% | 19.5\% | 22.43\% | 20.31\% | 20.91\% | 21.63\% | 19.82\% | 21.87\% |
| \% of accounts making minimum monthly payment | 8.3\% | 8.1\% | 8.1\% | 8.0\% | 8.0\% | 8.0\% | 8.4\% | 8.4\% | 8.4\% | 8.4\% | 8.4\% | 8.5\% |
| \% of accounts paying full balance..................... | 25.3\% | 25.1\% | 24.9\% | 24.9\% | 25.3\% | 25.3\% | 24.8\% | 24.8\% | 24.9\% | 24.9\% | 25.2\% | 25.5\% |
|  | Jan-2014 | Feb-2014 | Mar-2014 | Apr-2014 | May-2014 | Jun-2014 | Jul-2014 | Aug-2014 | Sep-2014 | Oct-2014 | Nov-2014 | Dec-2014 |
| Principal Receivables Outstanding ${ }^{(1)}$. | £6,288,866,659 | £6,143,351,530 | £5,993,656,722 | £5,858,841,586 | £5,867,653,003 | £6,374,844,071 | £6,344,395,506 | £6,286,649,064 | £6,262,946,788 | £6,201,226,999 | £6,717,823,118 | £6,717,954,901 |
| Total Receivables Outstanding ${ }^{(1)}$...................... | £6,710,924,802 | £6,567,607,531 | £6,418,248,794 | £6,268,503,562 | £6,282,376,248 | £6,792,915,618 | £6,761,884,664 | £6,698,669,512 | £6,680,514,273 | £6,614,254,603 | £7,129,000,357 | £7,137,012,451 |
| Net Losses as \% of Principal Receivables Outstanding ${ }^{(2)}$................................... | 0.3\% | 2.5\% | 2.7\% | 2.5\% | 0.7\% | 2.1\% | -3.49\% | -0.63\% | 1.54\% | 1.67\% | 1.07\% | 0.75\% |
| Percentage of Total Receivables Delinquent Days $^{(3)}$ 30+.................................................... | 1.68\% | 1.73\% | 1.67\% | 1.62\% | 1.50\% | 1.38\% | 1.35\% | 1.38\% | 1.32\% | 1.31\% | 1.20\% | 1.14\% |
| Yield from Finance Charges, Fees and Interchange ${ }^{(4)}$. | 18.6\% | 19.6\% | 19.9\% | 18.3\% | 19.5\% | 18.3\% | 18.23\% | 16.66\% | 19.05\% | 19.30\% | 15.51\% | 17.62\% |
| Receivables Principal Payment Rate ${ }^{(5)}$... | 22.4\% | 19.6\% | 21.9\% | 20.1\% | 21.8\% | 21.1\% | 22.04\% | 20.07\% | 22.15\% | 22.38\% | 18.97\% | 22.55\% |
| \% of accounts making minimum monthly payment | 8.7\% | 8.5\% | 8.7\% | 8.4\% | 8.6\% | 8.8\% | 8.9\% | 8.8\% | 8.7\% | 8.6\% | 8.8\% | 9.0\% |
| \% of accounts paying full balance....................... | 25.4\% | 24.9\% | 24.3\% | 24.4\% | 24.7\% | 24.0\% | 24.5\% | 24.3\% | 24.4\% | 24.4\% | 24.3\% | 24.3\% |
|  | Jan-2015 | Feb-2015 | Mar-2015 | Apr-2015 | May-2015 | Jun-2015 | Jul-2015 | Aug-2015 | Sep-2015 | Oct-2015 | Nov-2015 | Dec-2015 |
| Principal Receivables Outstanding ${ }^{(1)}$. | £6,773,264,754 | £6,573,707,083 | £6,494,521,040 | £6,396,650,659 | £6,383,167,655 | £6,968,878,034 | £6,930,131,895 | £6,828,292,290 | £6,892,339,707 | £6,743,261,511 | £7,298,676,788 | £7,312,954,336 |
| Total Receivables Outstanding ${ }^{(1)}$. | £7,183,707,404 | £6,984,591,663 | £6,911,735,528 | £6,797,615,728 | £6,787,266,695 | £7,378,594,775 | £7,336,946,851 | £7,227,438,619 | £7,299,221,456 | £7,146,753,454 | £7,702,530,874 | £7,716,414,625 |
| Net Losses as \% of Principal Receivables Outstanding ${ }^{(2)}$.................................. | 0.8\% | 1.0\% | 1.1\% | 0.8\% | 0.7\% | 1.1\% | -5.5\% | 0.8\% | 0.9\% | 0.7\% | 0.8\% | 0.3\% |
| Percentage of Total Receivables Delinquent 30+ Days ${ }^{(3)}$ | 1.18\% | 1.20\% | 1.18\% | 1.20\% | 1.18\% | 1.05\% | 1.06\% | 1.06\% | 1.05\% | 1.09\% | 0.97\% | 0.96\% |
| Yield from Finance Charges, Fees and Interchange ${ }^{(4)}$ | 16.8\% | 16.8\% | 19.0\% | 17.0\% | 16.2\% | 16.6\% | 17.2\% | 14.7\% | 17.1\% | 16.3\% | 15.5\% | 14.9\% |
| Receivables Principal Payment Rate ${ }^{(5)}$............. | 21.5\% | 18.9\% | 22.6\% | 20.3\% | 20.5\% | 21.6\% | 22.2\% | 19.3\% | 22.0\% | 21.6\% | 20.6\% | 21.3\% |
| $\%$ of accounts making minimum monthly payment. | 9.1\% | 8.8\% | 8.8\% | 8.6\% | 8.7\% | 9.2\% | 9.2\% | 9.1\% | 9.1\% | 9.0\% | 9.4\% | 9.5\% |
| \% of accounts paying full balance.................... | 24.0\% | 23.9\% | 23.7\% | 23.6\% | 24.2\% | 24.1\% | 24.3\% | 24.1\% | 24.3\% | 24.4\% | 24.3\% | 24.3\% |
|  | Jan-2016 | Feb-2016 | Mar-2016 | Apr-2016 | May-2016 | Jun-2016 | Jul-2016 | Aug-2016 | Sep-2016 | Oct-2016 | Nov-2016 | Dec-2016 |
| Principal Receivables Outstanding ${ }^{(1)}$................ | £7,311,898,934 | £7,128,435,356 | £7,751,844,135 | £7,630,646,227 | £7,560,545,874 | £7,501,977,101 | £7,427,510,161 | £7,350,010,623 | £7,338,045,125 | £7,232,945,547 | £7,666,877,140 | £7,688,596,848 |
|  | £7,711,930,446 | £7,533,341,967 | £8,138,965,676 | £8,011,120,387 | £7,946,893,776 | £7,884,313,306 | £7,812,425,234 | £7,734,823,578 | £7,719,684,317 | £7,611,691,944 | £8,041,636,797 | £8,064,501,269 |
| Net Losses as \% of Principal Receivables Outstanding ${ }^{(2)}$............................................ | 0.7\% | 0.7\% | -0.5\% | -0.3\% | 0.0\% | 0.4\% | 0.9\% | -1.9\% | 0.9\% | 1.0\% | 1.1\% | -3.8\% |
| Percentage of Total Receivables Delinquent $30+$ Days ${ }^{(3)} \ldots . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ~$ | 1.03\% | 0.57\% | 0.63\% | 0.74\% | 0.80\% | 0.86\% | 0.88\% | 0.87\% | 0.95\% | 1.00\% | 0.92\% | 0.94\% |
| Yield from Finance Charges, Fees and Interchange ${ }^{(4)}$ $\qquad$ | 13.3\% | 15.4\% | 14.4\% | 13.1\% | 14.2\% | 14.0\% | 13.6\% | 14.4\% | 15.7\% | 14.9\% | 13.5\% | 13.6\% |
| Receivables Principal Payment Rate ${ }^{(5)}$............. | 20.6\% | 21.3\% | 21.2\% | 19.8\% | 21.7\% | 21.0\% | 20.9\% | 22.8\% | 22.1\% | 22.6\% | 21.0\% | 21.8\% |

Percentage of accounts making minimum
monthly payment Percentage of accounts paying full balance........


Jan-2016 Feb-2016 Mar-2016 Apr-2016 May-2016
$\square$
$\square$
 Principal Receivables Outstanding ${ }^{(1)}$ $\qquad$
 Total Receivables Outstanding ${ }^{(1)}$.............. Outstanding ${ }^{(2)}$ Receivables
Percentage of Total Receivables Delinquent $30+$
3
 ce Charges, Fees and
 Percentage of accounts making minimum monthly payment ...............................................
$1.3 \% \quad 2.28$

| $1.3 \%$ | $2.2 \%$ | $0.5 \%$ | $-1.7 \%$ | $1.6 \%$ | $1.1 \%$ | $-2.2 \%$ | $1.2 \%$ | $1.3 \%$ | $1.5 \%$ | $1.2 \%$ | $1.0 \%$ |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $0.96 \%$ | $0.90 \%$ | $0.96 \%$ | $0.90 \%$ | $0.83 \%$ | $0.85 \%$ | $0.84 \%$ | $0.86 \%$ | $0.88 \%$ | $0.88 \%$ | $0.79 \%$ | $0.86 \%$ |
| $13.8 \%$ | $14.2 \%$ | $15.1 \%$ | $12.6 \%$ | $14.6 \%$ | $14.5 \%$ | $14.3 \%$ | $13.9 \%$ | $13.7 \%$ | $14.7 \%$ | $13.2 \%$ | $12.0 \%$ |
| $23.4 \%$ | $20.1 \%$ | $24.0 \%$ | $19.9 \%$ | $24.0 \%$ | $22.7 \%$ | $23.5 \%$ | $23.3 \%$ | $22.1 \%$ | $24.7 \%$ | $22.4 \%$ | $21.4 \%$ |
| $10.0 \%$ | $9.6 \%$ | $9.6 \%$ | $9.4 \%$ | $9.7 \%$ | $9.7 \%$ | $9.7 \%$ | $9.6 \%$ | $9.6 \%$ | $9.6 \%$ | $9.9 \%$ | $10.1 \%$ |
| $25.0 \%$ | $24.8 \%$ | $24.6 \%$ | $25.0 \%$ | $25.7 \%$ | $25.8 \%$ | $26.1 \%$ | $26.3 \%$ | $26.5 \%$ | $26.7 \%$ | $26.0 \%$ | $26.0 \%$ |

[^1]
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.
Payment rate calculated as princiipal 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 Receivables included in the Securitised Portfolio since January 2013. In each case, the information is organised by calendar year of account origination ("Year of Account Origination") for each monthly period.

The data reflects the combined Bank of Scotland and Lloyds Bank Receivables in the Penarth Receivables Trust.

Yield from finance charges, fees and interchange

| Year of Account Origination | $\begin{aligned} & \text { Jan- } \\ & 2013 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Feb- } \\ & 2013 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Mar- } \\ & 2013 \end{aligned}$ | $\begin{aligned} & \text { Apr- } \\ & 2013 \end{aligned}$ | $\begin{gathered} \text { May- } \\ 2013 \end{gathered}$ | $\begin{aligned} & \text { Jun- } \\ & 2013 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Jul- } \\ & 2013 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Aug- } \\ & 2013 \end{aligned}$ | $\begin{aligned} & \text { Sep- } \\ & 2013 \end{aligned}$ | $\begin{aligned} & \text { Oct- } \\ & 2013 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Nov- } \\ & 2013 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Dec- } \\ & 2013 \\ & \hline \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Pre-2004 | 20.51\% | 22.37\% | 20.97\% | 23.48\% | 22.38\% | 20.14\% | 23.37\% | 20.93\% | 22.32\% | 21.91\% | 20.51\% | 22.23\% |
| 2004. | 19.53\% | 21.10\% | 19.68\% | 21.77\% | 20.82\% | 19.12\% | 21.62\% | 19.52\% | 20.89\% | 20.38\% | 19.34\% | 20.57\% |
| 2005................. | 19.22\% | 20.88\% | 19.33\% | 21.88\% | 20.45\% | 18.88\% | 21.56\% | 19.18\% | 20.68\% | 20.17\% | 18.89\% | 20.21\% |
| 2006. | 19.58\% | 20.99\% | 19.71\% | 22.24\% | 20.80\% | 19.30\% | 21.97\% | 19.38\% | 20.96\% | 20.24\% | 19.34\% | 20.63\% |
| 2007.... | 18.63\% | 20.69\% | 19.10\% | 21.61\% | 20.57\% | 18.80\% | 21.40\% | 19.33\% | 20.77\% | 20.10\% | 19.09\% | 20.17\% |
| 2008...... | 19.87\% | 21.82\% | 20.12\% | 22.48\% | 21.66\% | 19.83\% | 22.55\% | 20.10\% | 21.57\% | 21.24\% | 20.11\% | 21.31\% |
| 2009... | 18.78\% | 20.36\% | 18.80\% | 21.63\% | 20.13\% | 18.44\% | 21.48\% | 19.01\% | 20.64\% | 19.95\% | 18.93\% | 20.23\% |
| 2010................. | 16.68\% | 18.15\% | 16.52\% | 19.20\% | 18.12\% | 16.41\% | 19.02\% | 17.23\% | 18.42\% | 17.89\% | 16.90\% | 18.03\% |
| 2011................. | 12.87\% | 14.82\% | 13.76\% | 16.15\% | 16.00\% | 14.79\% | 17.06\% | 15.77\% | 17.01\% | 16.77\% | 16.21\% | 17.06\% |
| 2012................. | 6.68\% | 7.96\% | 7.80\% | 9.76\% | 10.37\% | 10.10\% | 7.52\% | 7.47\% | 8.58\% | 9.17\% | 9.41\% | 10.80\% |
| 2013.... |  |  |  |  |  |  | 3.72\% | 3.61\% | 4.32\% | 4.97\% | 5.25\% | 5.59\% |
| 2014...... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2015... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016............ |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination | $\begin{array}{r} \text { Jan- } \\ 2014 \\ \hline \end{array}$ | $\begin{aligned} & \text { Feb- } \\ & 2014 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { Mar- } \\ 2014 \end{gathered}$ | $\begin{aligned} & \text { Apr- } \\ & 2014 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { May- } \\ 2014 \end{gathered}$ | $\begin{aligned} & \text { Jun- } \\ & 2014 \\ & \hline \end{aligned}$ | $\begin{array}{r} \text { Jul- } \\ 2014 \\ \hline \end{array}$ | $\begin{aligned} & \text { Aug- } \\ & 2014 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { Sep- } \\ 2014 \end{gathered}$ | $\begin{aligned} & \text { Oct- } \\ & 2014 \end{aligned}$ | $\begin{aligned} & \text { Nov- } \\ & 2014 \end{aligned}$ | $\begin{aligned} & \text { Dec- } \\ & 2014 \\ & \hline \end{aligned}$ |
| Pre-2007 ........... | 20.09\% | 21.15\% | 21.41\% | 19.47\% | 20.78\% | 20.69\% | 20.50\% | 18.55\% | 21.17\% | 20.88\% | 18.25\% | 20.84\% |
| 2007... | 18.75\% | 19.88\% | 20.23\% | 18.39\% | 19.29\% | 19.51\% | 19.24\% | 17.67\% | 20.03\% | 19.39\% | 17.51\% | 19.36\% |
| 2008................. | 20.02\% | 21.05\% | 20.88\% | 19.40\% | 20.34\% | 20.58\% | 20.19\% | 18.51\% | 21.00\% | 20.56\% | 18.24\% | 20.53\% |
| 2009.... | 18.92\% | 19.63\% | 19.82\% | 18.05\% | 19.29\% | 19.28\% | 18.88\% | 17.33\% | 19.84\% | 19.30\% | 16.92\% | 19.06\% |
| 2010................. | 17.00\% | 17.52\% | 17.95\% | 16.44\% | 17.44\% | 17.55\% | 17.46\% | 15.96\% | 18.09\% | 17.61\% | 15.42\% | 17.52\% |
| 2011................. | 16.32\% | 16.89\% | 16.67\% | 15.42\% | 16.40\% | 16.78\% | 16.63\% | 15.12\% | 17.11\% | 16.64\% | 14.78\% | 16.28\% |
| 2012. | 11.69\% | 13.22\% | 14.39\% | 14.15\% | 15.59\% | 16.32\% | 16.44\% | 15.04\% | 16.86\% | 16.13\% | 14.32\% | 15.51\% |
| 2013................. | 6.02\% | 6.48\% | 7.18\% | 7.41\% | 8.61\% | 5.49\% | 5.97\% | 6.06\% | 7.67\% | 8.16\% | 7.49\% | 9.02\% |
| 2014................. |  |  |  |  |  | 3.37\% | 2.69\% | 2.50\% | 3.02\% | 3.20\% | 3.29\% | 3.52\% |
| 2015................. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016.. |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination | $\begin{aligned} & \text { Jan- } \\ & 2015 \end{aligned}$ | $\begin{aligned} & \text { Feb- } \\ & 2015 \end{aligned}$ | $\begin{aligned} & \text { Mar- } \\ & 2015 \end{aligned}$ | $\begin{aligned} & \text { Apr- } \\ & 2015 \end{aligned}$ | $\begin{gathered} \text { May- } \\ 2015 \end{gathered}$ | $\begin{aligned} & \text { Jun- } \\ & 2015 \\ & \hline \end{aligned}$ | $\begin{array}{r} \text { Jul- } \\ 2015 \\ \hline \end{array}$ | $\underset{2015}{\text { Aug- }}$ | $\begin{aligned} & \text { Sep- } \\ & 2015 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Oct- } \\ & 2015 \end{aligned}$ | $\begin{aligned} & \text { Nov- } \\ & 2015 \end{aligned}$ | $\begin{aligned} & \text { Dec- } \\ & 2015 \end{aligned}$ |
| Pre-2007 ........... | 19.32\% | 19.47\% | 21.24\% | 19.37\% | 18.40\% | 20.10\% | 20.56\% | 17.36\% | 19.54\% | 19.11\% | 19.21\% | 18.59\% |
| 2007................. | 18.28\% | 18.44\% | 20.09\% | 18.24\% | 17.17\% | 18.69\% | 19.24\% | 16.38\% | 18.25\% | 17.52\% | 18.09\% | 17.02\% |
| 2008...... | 19.28\% | 19.33\% | 21.01\% | 19.11\% | 18.17\% | 19.75\% | 20.41\% | 17.38\% | 19.33\% | 18.77\% | 19.06\% | 17.97\% |
| 2009.... | 18.34\% | 17.99\% | 19.79\% | 18.00\% | 17.18\% | 18.71\% | 19.02\% | 15.97\% | 18.14\% | 17.72\% | 17.99\% | 16.99\% |
| 2010... | 16.81\% | 16.34\% | 18.21\% | 16.61\% | 15.67\% | 17.23\% | 17.82\% | 15.09\% | 16.88\% | 16.39\% | 16.79\% | 15.84\% |
| 2011................. | 15.88\% | 15.61\% | 17.00\% | 15.63\% | 14.62\% | 16.09\% | 16.78\% | 14.33\% | 15.92\% | 15.43\% | 15.91\% | 14.96\% |
| 2012. | 15.31\% | 14.57\% | 15.85\% | 14.28\% | 13.46\% | 14.86\% | 15.29\% | 13.00\% | 14.52\% | 14.18\% | 14.50\% | 13.62\% |
| 2013........ | 9.90\% | 10.38\% | 12.32\% | 11.75\% | 11.41\% | 12.74\% | 13.76\% | 11.98\% | 13.82\% | 13.89\% | 14.42\% | 13.84\% |
| 2014................. | 3.85\% | 3.77\% | 4.56\% | 4.70\% | 4.75\% | 4.77\% | 5.78\% | 5.35\% | 6.54\% | 6.76\% | 7.18\% | 7.17\% |
| 2015................ |  |  |  |  |  | 2.17\% | 2.38\% | 2.17\% | 2.69\% | 2.72\% | 2.88\% | 2.81\% |
| 2016............. |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination | Jan- <br> 2016 | Feb- $2016$ | $\begin{aligned} & \text { Mar- } \\ & 2016 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Apr- } \\ & 2016 \end{aligned}$ | $\begin{aligned} & \text { May- } \\ & 2016 \\ & \hline \end{aligned}$ | Jun- <br> 2016 | $\begin{array}{r} \text { Jul- } \\ 2016 \\ \hline \end{array}$ | Aug- $2016$ | $\begin{aligned} & \text { Sep- } \\ & 2016 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Oct- } \\ & 2016 \end{aligned}$ | $\begin{aligned} & \text { Nov- } \\ & 2016 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Dec- } \\ & 2016 \\ & \hline \end{aligned}$ |
| Pre-2007 ..... | 16.27\% | 18.85\% | 19.28\% | 17.31\% | 18.45\% | 17.92\% | 17.42\% | 18.38\% | 19.62\% | 18.46\% |  |  |
| 2007.......... | 15.00\% | 17.49\% | 17.51\% | 16.04\% | 16.80\% | 16.33\% | 15.78\% | 16.55\% | 17.80\% | 16.77\% |  |  |
| 2008................ | 16.18\% | 18.61\% | 18.75\% | 17.19\% | 18.27\% | 17.68\% | 17.14\% | 17.86\% | 19.19\% | 18.02\% |  |  |
| 2009................. | 15.07\% | 17.25\% | 17.64\% | 16.08\% | 17.19\% | 16.58\% | 15.98\% | 16.88\% | 18.08\% | 17.03\% |  |  |
| 2010... | 13.60\% | 15.96\% | 16.32\% | 14.64\% | 15.82\% | 15.47\% | 14.82\% | 15.61\% | 16.81\% | 15.72\% |  |  |
| Pre-2011 ........... |  |  |  |  |  |  |  |  |  |  | 16.95\% | 16.84\% |
| 2011................ | 13.19\% | 15.08\% | 15.39\% | 13.95\% | 14.94\% | 14.58\% | 13.93\% | 14.34\% | 15.52\% | 14.59\% | 14.19\% | 14.08\% |
| 2012................. | 12.19\% | 13.88\% | 14.02\% | 12.65\% | 13.69\% | 13.51\% | 12.86\% | 13.19\% | 14.40\% | 13.75\% | 13.32\% | 13.03\% |
| 2013................. | 12.64\% | 14.52\% | 14.74\% | 13.26\% | 14.36\% | 14.10\% | 13.21\% | 13.57\% | 15.05\% | 13.99\% | 13.29\% | 13.27\% |
| 2014................. | 6.78\% | 8.09\% | 8.73\% | 8.25\% | 9.56\% | 9.87\% | 9.77\% | 10.35\% | 11.90\% | 11.34\% | 11.02\% | 11.29\% |
| 2015................. | 2.53\% | 3.19\% | 3.23\% | 2.88\% | 3.60\% | 3.91\% | 4.14\% | 4.41\% | 5.98\% | 5.82\% | 5.98\% | 6.39\% |
| 2016................. |  |  |  |  |  |  |  |  |  |  | 2.93\% | 3.09\% |
| Year of Account Origination | $\begin{aligned} & \text { Jan- } \\ & 2017 \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Feb- } \\ & 2017 \end{aligned}$ | $\begin{aligned} & \text { Mar- } \\ & 2017 \end{aligned}$ | $\begin{aligned} & \text { Apr- } \\ & 2017 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { May- } \\ 2017 \end{gathered}$ | $\begin{aligned} & \text { Jun- } \\ & 2017 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { Jul- } \\ 2017 \end{gathered}$ | $\begin{aligned} & \text { Aug- } \\ & 2017 \end{aligned}$ | $\begin{aligned} & \text { Sep- } \\ & 2017 \end{aligned}$ | $\begin{aligned} & \text { Oct- } \\ & 2017 \end{aligned}$ | $\begin{aligned} & \text { Nov- } \\ & 2017 \end{aligned}$ | $\begin{aligned} & \text { Dec- } \\ & 2017 \\ & \hline \end{aligned}$ |
| Pre-2007 ........... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2007................. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2008................. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2009................. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2010... |  |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2011 ........... | 16.81\% | 17.22\% | 18.26\% | 14.99\% | 17.40\% | 17.05\% | 16.68\% | 16.12\% | 15.82\% | 16.83\% | 17.33\% | 15.09\% |
| 2011................. | 14.36\% | 14.79\% | 15.28\% | 13.04\% | 14.89\% | 14.77\% | 14.43\% | 13.87\% | 13.85\% | 14.52\% | 14.43\% | 13.23\% |
| 2012................. | 13.47\% | 13.65\% | 14.29\% | 12.10\% | 13.70\% | 13.81\% | 13.44\% | 13.02\% | 12.83\% | 13.65\% | 13.55\% | 12.53\% |
| 2013................. | 13.61\% | 13.78\% | 14.47\% | 12.10\% | 13.89\% | 13.66\% | 13.38\% | 13.03\% | 12.68\% | 13.56\% | 13.01\% | 12.29\% |
| 2014................. | 11.94\% | 12.29\% | 13.30\% | 11.42\% | 13.26\% | 13.30\% | 13.05\% | 12.71\% | 12.46\% | 13.25\% | 12.50\% | 12.10\% |
| 2015................. | 7.00\% | 7.27\% | 7.89\% | 6.80\% | 8.11\% | 8.48\% | 8.68\% | 8.81\% | 9.02\% | 9.84\% | 9.30\% | 9.63\% |
| 2016................. | 3.43\% | 3.75\% | 4.34\% | 3.96\% | 4.83\% | 5.17\% | 5.29\% | 5.39\% | 5.53\% | 6.02\% | 4.93\% | 5.23\% |
| 2017................. |  |  |  |  |  |  |  |  |  |  | 2.14\% | 2.16\% |

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.

Pre-2004 the operating environment in the UK for credit cards issuers was less competitive, and Lloyds Banking Group's acquisition strategy for the Lloyds 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.

In July 2007, Lloyds launched the Airmiles Duo card, taking over the Airmiles relationship from National Westminster Bank plc ("NatWest"). This product rewarded credit card spend with Airmiles, and attracted a higher proportion of convenience users who were less likely to revolve a balance on an account and attract interest charges. Yield on the Lloyds originated accounts from 2007 is therefore lower than accounts originated in years prior to 2007. The Airmile Duo product was rebranded to Duo Avios in November 2011 and was moved to a new Avios rewards product in November 2013.

Yield on accounts acquired since 2010 is lower than for previous years as a result of an improvement in the quality of new accounts acquired in these years compared to previous years driven by a combination of management actions to improve underwriting, a higher concentration of full payers acquired on the reward products offered by Lloyds and a general improvement in the macro environment.

From 2014 onwards both Balance Transfers as a percentage of the portfolio and the length of BT promotion periods have increased in line with wider market trends, resulting in some dilution of yield.

In addition yield from interchange has reduced from November 2015 onwards as a result of the adoption of EU Interchange Fee Regulation.

## Net Charge Off




| Pre-2007 ................................ | , |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2007..................................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2008..................................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2009.................................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2010.................................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2011 ............................... | 0.68\% | 1.66\% | -0.23\% | -4.56\% | 0.87\% | 0.43\% | -4.54\% | 0.47\% | 0.51\% | 0.75\% | 0.51\% | 0.52\% |
| 2011..................................... | 2.23\% | 3.08\% | 0.57\% | -0.24\% | 2.12\% | 1.46\% | -2.22\% | 1.68\% | 1.83\% | 1.65\% | 1.91\% | 1.31\% |
| 2012. | 2.11\% | 3.37\% | 1.00\% | 1.32\% | 2.55\% | 1.71\% | -1.67\% | 1.95\% | 2.10\% | 1.83\% | 2.04\% | 1.21\% |
| 2013..................................... | 2.79\% | 2.89\% | 1.77\% | 2.63\% | 2.77\% | 2.19\% | 0.20\% | 2.32\% | 2.12\% | 2.46\% | 2.22\% | 1.87\% |
| 2014. | 2.87\% | 4.10\% | 2.18\% | 3.69\% | 2.97\% | 2.75\% | 2.29\% | 2.72\% | 2.94\% | 3.11\% | 3.10\% | 2.23\% |
| 2015.................................... | 2.16\% | 2.82\% | 1.72\% | 2.84\% | 2.70\% | 2.10\% | 2.30\% | 2.49\% | 2.39\% | 3.27\% | 3.02\% | 2.53\% |
| 2016..................................... | 0.28\% | 0.75\% | 0.64\% | 1.18\% | 1.53\% | 1.67\% | 1.91\% | 1.95\% | 2.00\% | 2.40\% | 1.31\% | 1.10\% |
| 2017..................................... |  |  |  |  |  |  |  |  |  |  | 0.47\% | 0.09\% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |  |  |
| 235628-4-198-v6.0 |  |  |  |  | - 32 |  |  |  |  |  |  | 2709268 |

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.

In 2008 during the economic market dislocation, there was an industry-wide deterioration in the quality of business acquired. Lloyds Banking Group undertook significant derisking in response, with tighter cutoffs reducing volume and lower initial credit lines. This activity was undertaken in the second half of 2008 and into 2009 . This has resulted in a significant improvement in the credit quality of accounts originated since 2009.

Net charge offs in August 2013, January 2014, May 2014, July 2014, August 2014, May 2015, July 2015, December 2015, August 2016, December 2016, April 2017 and July 2017 are negative for some vintages and below trend for others. This is due to the sale of previously charged off accounts to a third party whereby the proceeds from the sale were recorded as recoveries in the month.

On the 26 February 2016 approximately $£ 193.5$ million of receivables were removed on accounts selected by reference to the LCR Regulation which resulted in a reduction in net charge offs in March 2016.

30+days Delinquencies

| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2013 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2005 .............. | 2.30\% | 2.36\% | 2.45\% | 2.43\% | 2.25\% | 2.26\% | 2.06\% | 2.02\% | 1.98\% | 1.90\% | 1.87\% | 1.79\% |
| 2005................... | 2.55\% | 2.59\% | 2.59\% | 2.52\% | 2.35\% | 2.38\% | 2.19\% | 2.10\% | 2.05\% | 1.95\% | 1.94\% | 1.83\% |
| 2006................... | 2.57\% | 2.66\% | 2.85\% | 2.85\% | 2.64\% | 2.63\% | 2.39\% | 2.36\% | 2.31\% | 2.24\% | 2.18\% | 2.07\% |
| 2007.................... | 2.59\% | 2.62\% | 2.67\% | 2.63\% | 2.43\% | 2.49\% | 2.25\% | 2.21\% | 2.13\% | 2.06\% | 2.06\% | 2.02\% |
| 2008................... | 2.87\% | 2.91\% | 3.08\% | 3.03\% | 2.83\% | 2.79\% | 2.50\% | 2.49\% | 2.45\% | 2.39\% | 2.36\% | 2.22\% |
| 2009.................... | 2.48\% | 2.60\% | 2.65\% | 2.64\% | 2.51\% | 2.47\% | 2.34\% | 2.28\% | 2.19\% | 2.12\% | 2.18\% | 2.09\% |
| 2010.................... | 2.16\% | 2.13\% | 2.23\% | 2.31\% | 2.18\% | 2.14\% | 2.01\% | 1.96\% | 1.93\% | 1.91\% | 1.89\% | 1.84\% |
| 2011................... | 2.12\% | 2.22\% | 2.36\% | 2.44\% | 2.33\% | 2.30\% | 2.15\% | 2.20\% | 2.23\% | 2.21\% | 2.21\% | 2.12\% |
| 2012................... | 1.09\% | 1.23\% | 1.38\% | 1.55\% | 1.53\% | 1.60\% | 0.79\% | 0.96\% | 1.13\% | 1.30\% | 1.46\% | 1.54\% |
| 2013................... |  |  |  |  |  |  | 0.30\% | 0.44\% | 0.64\% | 0.68\% | 0.71\% | 0.75\% |
| 2014................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2015................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016...... |  |  |  |  |  |  |  |  |  |  |  |  |

Year of Account

| Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2014 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. | 1.87\% | 1.93\% | 1.85\% | 1.78\% | 1.63\% | 1.59\% | 1.55\% | 1.57\% | 1.51\% | 1.49\% | 1.50\% | 1.40\% |
| 2007................... | 2.09\% | 2.17\% | 2.00\% | 1.95\% | 1.77\% | 1.73\% | 1.65\% | 1.69\% | 1.56\% | 1.52\% | 1.51\% | 1.42\% |
| 2008................... | 2.23\% | 2.25\% | 2.18\% | 2.13\% | 2.05\% | 2.02\% | 1.92\% | 1.94\% | 1.79\% | 1.75\% | 1.72\% | 1.61\% |
| 2009................... | 2.05\% | 2.10\% | 2.02\% | 1.91\% | 1.84\% | 1.81\% | 1.84\% | 1.88\% | 1.73\% | 1.66\% | 1.60\% | 1.55\% |
| 2010................... | 1.89\% | 1.87\% | 1.79\% | 1.81\% | 1.73\% | 1.70\% | 1.67\% | 1.71\% | 1.62\% | 1.62\% | 1.58\% | 1.48\% |
| 2011................... | 2.12\% | 2.14\% | 2.11\% | 2.09\% | 2.01\% | 1.97\% | 1.92\% | 1.98\% | 1.87\% | 1.83\% | 1.80\% | 1.71\% |
| 2012.................... | 1.68\% | 1.85\% | 1.94\% | 1.98\% | 1.97\% | 1.93\% | 1.97\% | 2.00\% | 1.88\% | 1.84\% | 1.77\% | 1.68\% |
| 2013................... | 0.77\% | 0.89\% | 0.96\% | 1.08\% | 1.16\% | 0.53\% | 0.63\% | 0.75\% | 0.79\% | 0.83\% | 0.64\% | 0.73\% |
| 2014................... |  |  |  |  |  | 0.15\% | 0.19\% | 0.31\% | 0.38\% | 0.43\% | 0.09\% | 0.21\% |
| 2015................... |  |  |  |  |  |  |  |  |  |  |  |  |


| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2015 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. | 1.41\% | 1.43\% | 1.38\% | 1.38\% | 1.33\% | 1.29\% | 1.25\% | 1.26\% | 1.23\% | 1.25\% | 1.23\% | 1.18\% |
| 2007.................... | 1.48\% | 1.46\% | 1.41\% | 1.45\% | 1.44\% | 1.46\% | 1.46\% | 1.40\% | 1.37\% | 1.39\% | 1.30\% | 1.20\% |
| 2008................... | 1.68\% | 1.67\% | 1.65\% | 1.65\% | 1.63\% | 1.57\% | 1.58\% | 1.55\% | 1.54\% | 1.52\% | 1.46\% | 1.38\% |
| 2009.................... | 1.58\% | 1.59\% | 1.53\% | 1.58\% | 1.49\% | 1.48\% | 1.47\% | 1.49\% | 1.40\% | 1.44\% | 1.40\% | 1.37\% |
| 2010................... | 1.46\% | 1.47\% | 1.42\% | 1.45\% | 1.40\% | 1.35\% | 1.34\% | 1.31\% | 1.31\% | 1.35\% | 1.33\% | 1.26\% |
| 2011................... | 1.76\% | 1.79\% | 1.72\% | 1.72\% | 1.66\% | 1.59\% | 1.61\% | 1.57\% | 1.50\% | 1.57\% | 1.55\% | 1.47\% |
| 2012................... | 1.77\% | 1.76\% | 1.71\% | 1.72\% | 1.68\% | 1.62\% | 1.65\% | 1.64\% | 1.61\% | 1.56\% | 1.47\% | 1.45\% |
| 2013................... | 0.85\% | 0.96\% | 1.03\% | 1.15\% | 1.21\% | 1.07\% | 1.12\% | 1.14\% | 1.21\% | 1.27\% | 1.23\% | 1.26\% |
| 2014................... | 0.31\% | 0.41\% | 0.49\% | 0.59\% | 0.69\% | 0.35\% | 0.43\% | 0.54\% | 0.62\% | 0.70\% | 0.61\% | 0.71\% |
| 2015................... |  |  |  |  |  |  | 0.09\% | 0.17\% | 0.29\% | 0.39\% | 0.10\% | 0.21\% |
| 2016................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|  | 2016 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. | 1.23\% | 0.65\% | 0.81\% | 0.92\% | 0.96\% | 1.02\% | 1.02\% | 1.01\% | 1.13\% | 1.22\% |  |  |
| 2007.................... | 1.27\% | 0.68\% | 0.85\% | 0.96\% | 1.00\% | 1.01\% | 1.06\% | 1.03\% | 1.13\% | 1.19\% |  |  |
| 2008................... | 1.46\% | 0.80\% | 0.94\% | 1.07\% | 1.19\% | 1.24\% | 1.23\% | 1.23\% | 1.38\% | 1.41\% |  |  |
| 2009................... | 1.46\% | 0.71\% | 0.98\% | 1.03\% | 1.09\% | 1.14\% | 1.15\% | 1.13\% | 1.26\% | 1.25\% |  |  |
| 2010................... | 1.32\% | 0.72\% | 0.84\% | 0.93\% | 0.98\% | 1.08\% | 1.07\% | 1.07\% | 1.12\% | 1.20\% |  |  |
| Pre-2011 .............. |  |  |  |  |  |  |  |  |  |  | 1.21\% | 1.20\% |
| 2011................... | 1.52\% | 0.82\% | 0.97\% | 1.12\% | 1.18\% | 1.24\% | 1.25\% | 1.15\% | 1.18\% | 1.23\% | 1.21\% | 1.23\% |
| 2012................... | 1.50\% | 0.79\% | 1.04\% | 1.20\% | 1.29\% | 1.28\% | 1.24\% | 1.17\% | 1.21\% | 1.23\% | 1.22\% | 1.26\% |
| 2013................... | 1.38\% | 0.76\% | 0.91\% | 1.06\% | 1.19\% | 1.21\% | 1.27\% | 1.23\% | 1.21\% | 1.21\% | 1.17\% | 1.17\% |
| 2014.................... | 0.84\% | 0.50\% | 0.60\% | 0.76\% | 0.90\% | 1.01\% | 1.06\% | 1.09\% | 1.12\% | 1.14\% | 1.17\% | 1.21\% |
| 2015................... | 0.32\% | 0.29\% | 0.17\% | 0.29\% | 0.38\% | 0.50\% | 0.58\% | 0.66\% | 0.73\% | 0.78\% | 0.81\% | 0.85\% |
| 2016................... |  |  |  |  |  |  |  |  |  |  | 0.00\% | 0.15\% |


| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2007................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2008................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2009.................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2010................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2011 .............. | 1.44\% | 1.27\% | 1.28\% | 1.18\% | 1.06\% | 1.07\% | 1.06\% | 1.05\% | 1.08\% | 1.09\% | 1.12\% | 1.16\% |
| 2011................... | 1.24\% | 1.16\% | 1.24\% | 1.11\% | 1.00\% | 1.06\% | 1.04\% | 1.05\% | 1.05\% | 1.03\% | 1.02\% | 1.08\% |
| 2012.................. | 1.27\% | 1.21\% | 1.29\% | 1.19\% | 1.06\% | 1.09\% | 1.07\% | 1.08\% | 1.04\% | 1.09\% | 1.04\% | 1.15\% |
| 2013................... | 1.18\% | 1.15\% | 1.21\% | 1.15\% | 1.07\% | 1.05\% | 1.08\% | 1.08\% | 1.11\% | 1.13\% | 1.12\% | 1.20\% |
| 2014.................... | 1.25\% | 1.25\% | 1.34\% | 1.27\% | 1.21\% | 1.25\% | 1.19\% | 1.21\% | 1.24\% | 1.25\% | 1.30\% | 1.45\% |
| 2015................... | 0.92\% | 0.92\% | 1.02\% | 1.02\% | 0.98\% | 1.05\% | 1.06\% | 1.13\% | 1.23\% | 1.25\% | 1.29\% | 1.45\% |
| 2016................... | 0.29\% | 0.40\% | 0.55\% | 0.65\% | 0.68\% | 0.73\% | 0.77\% | 0.80\% | 0.83\% | 0.85\% | 0.45\% | 0.62\% |
| 2017.................... |  |  |  |  |  |  |  |  |  |  | 0.00\% | 0.14\% |

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.

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 cutoffs and lower initial credit lines improving the quality of new account acquisitions. This activity was undertaken in 2008 and into 2009.

In 2012 Lloyds Banking Group changed its charge off policy for accounts in financial difficulty where the account holder does not meet the criteria to enter a temporary reduced repayment plan. The charge off of these accounts was accelerated from standard 180 days to 120 days in arrears. This resulted in a drop in the level of delinquencies at 120 to 180 days and thus total $30+$ days delinquencies.

From 2013 onwards delinquencies continued to improve. A combination of the established accelerated charge off policy, robust selection criteria and the seasonal impact of Principal Receivables added to the Trust, as set out under Recent Lump Additions and Removals, resulting in lower delinquencies across all vintage years.

On 26 February 2016 approximately $£ 193.5$ million of receivables were removed on accounts selected by reference to the LCR Regulation which resulted in a reduction in delinquencies in February 2016.

Principal Payment Rate

| Year of Account Origination | Jan | Feb | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2013 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2004 .............. | 22.74\% | 19.70\% | 21.06\% | 22.98\% | 22.68\% | 20.60\% | 24.15\% | 21.81\% | 22.32\% | 23.14\% | 21.02\% | 23.52\% |
| 2004................... | 16.32\% | 14.32\% | 14.83\% | 16.58\% | 16.15\% | 14.82\% | 17.20\% | 15.61\% | 16.02\% | 16.48\% | 15.05\% | 16.62\% |
| 2005................... | 14.84\% | 13.02\% | 13.49\% | 15.09\% | 14.55\% | 13.40\% | 15.53\% | 14.13\% | 14.27\% | 14.77\% | 13.56\% | 14.57\% |
| 2006................... | 14.76\% | 13.10\% | 13.86\% | 15.05\% | 14.71\% | 13.46\% | 15.74\% | 14.10\% | 14.32\% | 14.91\% | 13.72\% | 14.90\% |
| 2007................... | 25.04\% | 22.07\% | 23.18\% | 25.05\% | 25.03\% | 22.52\% | 26.64\% | 24.17\% | 24.81\% | 25.24\% | 23.32\% | 25.79\% |
| 2008................... | 21.03\% | 18.74\% | 19.38\% | 21.13\% | 20.93\% | 18.96\% | 22.47\% | 20.39\% | 20.70\% | 21.44\% | 19.72\% | 21.40\% |
| 2009.................... | 21.75\% | 18.81\% | 19.89\% | 22.18\% | 21.46\% | 19.03\% | 23.31\% | 20.59\% | 20.96\% | 21.77\% | 19.84\% | 21.67\% |
| 2010................... | 25.86\% | 22.51\% | 23.88\% | 26.62\% | 25.40\% | 22.88\% | 27.60\% | 24.76\% | 25.56\% | 25.88\% | 23.75\% | 26.29\% |
| 2011................... | 25.01\% | 22.75\% | 23.94\% | 26.56\% | 25.54\% | 23.52\% | 28.22\% | 25.67\% | 26.51\% | 26.59\% | 23.90\% | 26.07\% |
| 2012................... | 18.31\% | 16.95\% | 18.38\% | 21.61\% | 20.41\% | 18.62\% | 18.18\% | 16.85\% | 18.40\% | 19.97\% | 18.85\% | 20.47\% |
| 2013................... |  |  |  |  |  |  | 12.92\% | 12.16\% | 12.72\% | 13.58\% | 13.13\% | 14.10\% |
| 2014................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2015................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination | Jan | Feb | Mar | Apr | May | June | Jul | Aug | Sep | Oct | Nov | Dec |
|  | 2014 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2007.................... | 25.98\% | 22.77\% | 25.30\% | 23.26\% | 25.40\% | 24.94\% | 25.89\% | 23.71\% | 25.86\% | 26.02\% | 22.92\% | 27.28\% |
| 2008.................... | 21.89\% | 19.16\% | 21.52\% | 19.86\% | 21.20\% | 21.02\% | 21.96\% | 19.76\% | 21.99\% | 22.03\% | 19.21\% | 22.60\% |
| 2009.................... | 22.17\% | 18.81\% | 21.94\% | 19.33\% | 21.59\% | 21.29\% | 22.13\% | 20.09\% | 21.96\% | 22.25\% | 18.90\% | 23.18\% |
| 2010................... | 26.07\% | 22.82\% | 26.01\% | 23.48\% | 25.98\% | 25.43\% | 26.49\% | 24.13\% | 26.58\% | 26.79\% | 23.01\% | 27.56\% |
| 2011.................... | 25.82\% | 23.11\% | 25.41\% | 23.51\% | 25.28\% | 25.33\% | 26.33\% | 23.90\% | 26.51\% | 26.46\% | 22.99\% | 26.50\% |
| 2012................... | 23.50\% | 21.02\% | 23.09\% | 21.34\% | 21.90\% | 23.10\% | 23.58\% | 20.89\% | 22.76\% | 22.34\% | 19.82\% | 22.44\% |
| $2013 .$ | 16.68\% | 15.54\% | 17.95\% | 17.10\% | 17.81\% | $16.19 \%$ | $17.83 \%$ | $16.91 \%$ | $19.45 \%$ | $20.34 \%$ | $17.86 \%$ | $20.39 \%$ |
| 2014................... |  |  |  |  |  | 12.01\% | 12.34\% | 11.51\% | 13.03\% | 13.46\% | 11.99\% | 13.79\% |
| 2015...................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016................... |  |  |  |  |  |  |  |  |  |  |  |  |


| Year of Account Origination | Jan | Feb | Mar | Apr | May | June | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2015 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. | 20.78\% | 18.11\% | 21.68\% | 19.44\% | 19.74\% | 21.47\% | 21.87\% | 18.93\% | 21.41\% | 20.98\% | 20.53\% | 21.59\% |
| 2007................... | 25.75\% | 22.50\% | 26.61\% | 23.91\% | 24.20\% | 26.24\% | 26.75\% | 23.36\% | 26.02\% | 25.77\% | 25.57\% | 26.28\% |
| 2008................... | 21.48\% | 18.90\% | 22.48\% | 20.07\% | 20.26\% | 22.10\% | 22.48\% | 19.55\% | 21.97\% | 21.54\% | 21.39\% | 21.92\% |
| 2009................... | 21.71\% | 18.87\% | 22.76\% | 20.33\% | 20.54\% | 22.29\% | 22.68\% | 19.13\% | 22.12\% | 21.93\% | 21.61\% | 22.17\% |
| 2010................... | 25.93\% | 22.85\% | 27.35\% | 24.54\% | 24.70\% | 26.69\% | 27.46\% | 23.44\% | 26.72\% | 26.63\% | 26.22\% | 26.73\% |
| 2011.................... | 25.32\% | 22.79\% | 26.67\% | 24.20\% | 24.20\% | 26.22\% | 26.85\% | 23.51\% | 26.47\% | 25.85\% | 25.52\% | 25.97\% |
| 2012................... | 21.68\% | 19.18\% | 22.39\% | 20.15\% | 19.99\% | 22.12\% | 22.53\% | 19.65\% | 22.41\% | 21.96\% | 21.48\% | 21.80\% |
| 2013................... | 21.46\% | 19.65\% | 22.80\% | 20.36\% | 20.27\% | 22.10\% | 22.95\% | 20.49\% | 23.89\% | 23.39\% | 22.83\% | 23.03\% |
| 2014................... | 14.20\% | 13.21\% | 16.43\% | 15.44\% | 16.10\% | 15.91\% | 16.69\% | 15.13\% | 17.64\% | 17.24\% | 16.93\% | 17.16\% |
| 2015................... |  |  |  |  |  | 10.88\% | 11.22\% | 10.05\% | 11.54\% | 11.90\% | 12.49\% | 12.89\% |
| 2016................... |  |  |  |  |  |  |  |  |  |  |  |  |


| Year of Account Origination | Jan | Feb | Mar | Apr | May | June | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2016 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. | 20.59\% | 20.86\% | 21.75\% | 20.29\% | 22.08\% | 21.28\% | 21.15\% | 23.06\% | 22.15\% | 22.59\% |  |  |
| 2007.................... | 25.48\% | 26.09\% | 26.74\% | 25.11\% | 27.21\% | 25.93\% | 25.92\% | 27.80\% | 26.76\% | 27.32\% |  |  |
| 2008................... | 21.01\% | 21,85\% | 22.56\% | 20.97\% | 22.77\% | 21.96\% | 21.68\% | 23.49\% | 22.52\% | 22.91\% |  |  |
| 2009................... | 21.21\% | 21.97\% | 22.43\% | 20.89\% | 22.71\% | 21.67\% | 21.72\% | 23.61\% | 22.62\% | 23.17\% |  |  |
| 2010................... | 25.41\% | 26.50\% | 27.16\% | 25.27\% | 27.60\% | 26.56\% | 26.40\% | 28.58\% | 27.39\% | 28.21\% |  |  |
| Pre-2011 .............. |  |  |  |  |  |  |  |  |  |  | 22.62\% | 23.63\% |
| 2011................... | 24.73\% | 25.72\% | 26.70\% | 24.71\% | 27.21\% | 25.99\% | 25.74\% | 27.86\% | 26.73\% | 27.28\% | 25.40\% | 25.99\% |
| 2012.................... | 20.92\% | 21.94\% | 22.51\% | 20.78\% | 22.78\% | 22.10\% | 21.72\% | 23.94\% | 22.74\% | 23.27\% | 21.74\% | 22.21\% |
| 2013.................... | 22.23\% | 23.29\% | 23.92\% | 21.78\% | 23.61\% | 22.48\% | 22.10\% | 24.21\% | 23.42\% | 23.44\% | 21.81\% | 22.21\% |
| 2014................... | 17.36\% | 18.74\% | 19.61\% | 18.46\% | 20.30\% | 19.82\% | 19.64\% | 21.61\% | 21.13\% | 21.30\% | 20.40\% | 20.79\% |
| 2015................... | 13.18\% | 14.15\% | 14.05\% | 13.25\% | 14.64\% | 14.48\% | 14.68\% | 16.29\% | 16.42\% | 16.91\% | 16.53\% | 16.76\% |
| 2016................... |  |  |  |  |  |  |  |  |  |  | 13.27\% | 13.88\% |


$\qquad$
2007..

2008

| 2010.................. |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Pre-2011 .............. | 25.15\% | 21.29\% | 25.45\% | 21.03\% | 25.44\% | 23.99\% | 24.64\% | 24.26\% | 22.97\% | 25.62\% | 24.15\% | 23.86\% |
| 2011.................... | 27.57\% | 23.77\% | 27.99\% | 23.34\% | 27.92\% | 26.21\% | 27.24\% | 26.90\% | 25.38\% | 28.05\% | 25.93\% | 25.30\% |
| 2012................... | 23.80\% | 20.51\% | 24.15\% | 20.06\% | 23.96\% | 22.67\% | 23.60\% | 23.32\% | 22.22\% | 24.62\% | 23.23\% | 21.98\% |
| 2013................... | 23.61\% | 20.66\% | 24.30\% | 20.23\% | 23.94\% | 22.75\% | 23.63\% | 23.49\% | 22.19\% | 24.64\% | 22.98\% | 21.83\% |
| 2014.................. | 23.10\% | 20.45\% | 24.07\% | 19.81\% | 23.36\% | 22.29\% | 23.16\% | 23.02\% | 21.78\% | 23.74\% | 22.27\% | 20.95\% |
| 2015................... | 18.41\% | 16.16\% | 19.12\% | 16.07\% | 19.75\% | 18.98\% | 20.03\% | 20.27\% | 19.73\% | 22.24\% | 21.46\% | 19.77\% |
| 2016................... | 15.44\% | 13.71\% | 16.35\% | 13.73\% | 16.44\% | 15.74\% | 16.58\% | 16.64\% | 16.17\% | 18.15\% | 17.73\% | 15.59\% |
| 2017.................... |  |  |  |  |  |  |  |  |  |  | 15.06\% | 11.63\% |

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, Lloyds 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 Lloyds 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. The Airmiles Duo product was rebranded to Duo Avios in November 2011 and was moved to a new Avios rewards product in November 2013.

From 2013 total principal payment rate has remained broadly consistent, with a marginal increase observed on more seasoned accounts.

Total Payment Rate

| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2013 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2004 ................ | 22.93\% | 20.03\% | 21.32\% | 23.26\% | 22.98\% | 20.86\% | 24.40\% | 22.32\% | 22.57\% | 23.38\% | 21.27\% | 23.73\% |
| 2004..................... | 16.86\% | 14.93\% | 15.42\% | 17.19\% | 16.78\% | 15.38\% | 17.80\% | 16.48\% | 16.59\% | 17.05\% | 15.63\% | 17.17\% |
| 2005..................... | 15.43\% | 13.68\% | 14.15\% | 15.78\% | 15.23\% | 14.00\% | 16.22\% | 15.14\% | 14.94\% | 15.43\% | 14.16\% | 15.23\% |
| 2006..................... | 15.37\% | 13.77\% | 14.51\% | 15.77\% | 15.40\% | 14.09\% | 16.46\% | 15.18\% | 15.00\% | 15.57\% | 14.33\% | 15.58\% |
| 2007..................... | 25.09\% | 22.25\% | 23.28\% | 25.18\% | 25.17\% | 22.64\% | 26.75\% | 24.63\% | 24.92\% | 25.36\% | 23.41\% | 25.83\% |
| 2008..................... | 21.29\% | 19.09\% | 19.69\% | 21.45\% | 21.26\% | 19.25\% | 22.79\% | 20.85\% | 20.99\% | 21.73\% | 19.98\% | 21.66\% |
| 2009..................... | 22.06\% | 19.22\% | 20.23\% | 22.55\% | 21.83\% | 19.36\% | 23.65\% | 21.08\% | 21.31\% | 22.10\% | 20.16\% | 22.00\% |
| 2010...................... | 26.00\% | 22.76\% | 24.03\% | 26.78\% | 25.60\% | 23.03\% | 27.74\% | 24.94\% | 25.70\% | 26.02\% | 23.86\% | 26.38\% |
| 2011..................... | 25.39\% | 23.17\% | 24.29\% | 26.95\% | 25.97\% | 23.86\% | 28.58\% | 25.98\% | 26.83\% | 26.91\% | 24.23\% | 26.39\% |
| 2012..................... | 18.67\% | 17.35\% | 18.77\% | 22.06\% | 20.93\% | 19.09\% | 18.58\% | 17.25\% | 18.82\% | 20.40\% | 19.27\% | 20.96\% |
| $2013 .$ |  |  |  |  |  |  | 13.16\% | 12.39\% | 12.99\% | 13.89\% | 13.44\% | 14.44\% |
| 2014.................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2015.................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016.................... |  |  |  |  |  |  |  |  |  |  |  |  |

Year of Account
Origination

| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2014 |  |  |  |  |  |  |  |  |  |  |  |
| 21.44\% | 18.73\% | 20.74\% | 19.17\% | 21.00\% | 20.42\% | 21.73\% | 19.52\% | 21.30\% | 21.57\% | 18.72\% | 22.58\% |
| 26.09\% | 22.80\% | 25.30\% | 23.24\% | 25.53\% | 24.87\% | 26.26\% | 23.84\% | 25.81\% | 25.96\% | 22.90\% | 27.23\% |
| 22.23\% | 19.40\% | 21.69\% | 20.02\% | 21.55\% | 21.16\% | 22.61\% | 20.16\% | 22.13\% | 22.20\% | 19.34\% | 22.77\% |
| 22.58\% | 19.13\% | 22.19\% | 19.59\% | 22.01\% | 21.50\% | 22.74\% | 20.50\% | 22.20\% | 22.48\% | 19.09\% | 23.36\% |
| 26.35\% | 22.96\% | 26.12\% | 23.58\% | 26.23\% | 25.47\% | 26.99\% | 24.37\% | 26.64\% | 26.84\% | 22.98\% | 27.52\% |
| 26.36\% | 23.47\% | 25.75\% | 23.81\% | 25.78\% | 25.63\% | 27.22\% | 24.39\% | 26.82\% | 26.80\% | 23.17\% | 26.70\% |
| 24.25\% | 21.59\% | 23.73\% | 21.95\% | 22.76\% | 23.73\% | 24.75\% | 21.74\% | 23.43\% | 23.02\% | 20.25\% | 22.90\% |
| 17.33\% | 15.97\% | 18.44\% | 17.59\% | 18.55\% | 16.51\% | 18.31\% | 17.32\% | 19.90\% | 20.83\% | 18.22\% | 20.81\% |
|  |  |  |  |  | 12.23\% | 12.54\% | 11.69\% | 13.23\% | 13.70\% | 12.20\% | 14.01\% |


| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2015 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. | 21.01\% | 18.34\% | 21.94\% | 19.70\% | 19.95\% | 21.63\% | 22.95\% | 19.13\% | 21.61\% | 21.17\% | 20.71\% | 21.77\% |
| 2007.................... | 25.72\% | 22.48\% | 26.58\% | 23.93\% | 24.14\% | 26.12\% | 27.36\% | 23.33\% | 25.98\% | 25.67\% | 25.50\% | 26.22\% |
| 2008................... | 21.61\% | 19.04\% | 22.63\% | 20.23\% | 20.38\% | 22.15\% | 23.20\% | 19.68\% | 22.08\% | 21.63\% | 21.49\% | 22.04\% |
| 2009................... | 21.91\% | 19.03\% | 22.95\% | 20.52\% | 20.70\% | 22.39\% | 23.28\% | 19.28\% | 22.24\% | 22.02\% | 21.71\% | 22.30\% |
| 2010................... | 25.92\% | 22.81\% | 27.29\% | 24.52\% | 24.63\% | 26.56\% | 27.64\% | 23.41\% | 26.64\% | 26.51\% | 26.11\% | 26.65\% |
| 2011................... | 25.54\% | 22.94\% | 26.86\% | 24.38\% | 24.32\% | 26.32\% | 27.19\% | 23.65\% | 26.61\% | 25.95\% | 25.65\% | 26.12\% |
| 2012................... | 22.16\% | 19.56\% | 22.84\% | 20.55\% | 20.36\% | 22.46\% | 22.98\% | 20.00\% | 22.76\% | 22.28\% | 21.81\% | 22.15\% |
| 2013................... | 21.91\% | 20.05\% | 23.31\% | 20.83\% | 20.71\% | 22.55\% | 23.48\% | 20.92\% | 24.33\% | 23.81\% | 23.26\% | 23.45\% |
| 2014................... | 14.44\% | 13.41\% | 16.69\% | 15.70\% | 16.35\% | 16.16\% | 17.03\% | 15.42\% | 17.98\% | 17.58\% | 17.29\% | 17.52\% |
| 2015.................... |  |  |  |  |  | 11.02\% | 11.38\% | 10.19\% | 11.72\% | 12.07\% | 12.67\% | 13.07\% |
| 2016................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|  | 2016 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. | 20.62\% | 20.93\% | 21.94\% | 20.41\% | 22.19\% | 21.38\% | 21.23\% | 23.43\% | 22.33\% | 22.70\% |  |  |
| 2007................... | 25.25\% | 25.88\% | 26.65\% | 24.99\% | 27.03\% | 25.77\% | 25.74\% | 27.94\% | 26.68\% | 27.18\% |  |  |
| 2008................... | 20.98\% | 21.84\% | 22.64\% | 21.01\% | 22.80\% | 21.98\% | 21.70\% | 23.82\% | 22.62\% | 22.94\% |  |  |
| 2009................... | 21.19\% | 21.95\% | 22.54\% | 20.95\% | 22.76\% | 21.70\% | 21.72\% | 23.90\% | 22.74\% | 23.20\% |  |  |
| 2010................... | 25.15\% | 26.25\% | 27.03\% | 25.08\% | 27.39\% | 26.36\% | 26.17\% | 28.56\% | 27.26\% | 27.98\% |  |  |
| Pre-2011 .............. |  |  |  |  |  |  |  |  |  |  | 22.62\% | 24.22\% |
| 2011................... | 24.73\% | 25.70\% | 26.79\% | 24.74\% | 27.22\% | 26.00\% | 25.73\% | 28.05\% | 26.77\% | 27.26\% | 25.40\% | 26.36\% |
| 2012................... | 21.13\% | 22.13\% | 22.81\% | 21.00\% | 23.01\% | 22.31\% | 21.91\% | 24.29\% | 22.98\% | 23.46\% | 21.94\% | 22.69\% |
| 2013................... | 22.54\% | 23.59\% | 24.31\% | 22.08\% | 23.93\% | 22.78\% | 22.36\% | 24.50\% | 23.73\% | 23.70\% | 22.04\% | 22.56\% |
| 2014................... | 17.67\% | 19.06\% | 19.19\% | 18.79\% | 20.68\% | 20.20\% | 20.00\% | 21.97\% | 21.56\% | 21.68\% | 20.74\% | 21.16\% |
| 2015................... | 13.32\% | 14.31\% | 14.24\% | 13.41\% | 14.85\% | 14.69\% | 14.90\% | 16.51\% | 16.74\% | 17.21\% | 16.81\% | 17.07\% |
| 2016................... |  |  |  |  |  |  |  |  |  |  | 13.44\% | 14.07\% |


| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .............. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2007................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2008................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2009................... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2010................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2011 .............. | 25.07\% | 21.33\% | 25.44\% | 21.52\% | 25.39\% | 23.99\% | 25.01\% | 24.23\% | 22.95\% | 25.56\% | 24.18\% | 23.80\% |
| 2011................... | 27.53\% | 23.80\% | 27.96\% | 23.57\% | 27.87\% | 26.22\% | 27.54\% | 26.86\% | 25.37\% | 28.01\% | 25.94\% | 25.29\% |
| 2012................... | 23.95\% | 20.70\% | 24.33\% | 20.37\% | 24.10\% | 22.85\% | 24.02\% | 23.44\% | 22.35\% | 24.72\% | 23.35\% | 22.12\% |
| 2013.................... | 23.83\% | 20.90\% | 24.53\% | 20.49\% | 24.15\% | 22.96\% | 24.00\% | 23.66\% | 22.36\% | 24.79\% | 23.14\% | 22.02\% |
| 2014................... | 23.43\% | 20.76\% | 24.42\% | 20.15\% | 23.70\% | 22.64\% | 23.55\% | 23.31\% | 22.05\% | 24.02\% | 22.52\% | 21.24\% |
| 2015................... | 18.73\% | 16.46\% | 19.47\% | 16.35\% | 20.08\% | 19.32\% | 20.37\% | 20.60\% | 20.05\% | 22.57\% | 21.74\% | 20.11\% |
| 2016................... | 15.64\% | 13.91\% | 16.58\% | 13.94\% | 16.69\% | 16.00\% | 16.85\% | 16.91\% | 16.43\% | 18.42\% | 17.94\% | 15.84\% |
| 2017.................... |  |  |  |  |  |  |  |  |  |  | 15.19\% | 11.77\% |

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

Opening Principal Receivables


| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2015 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 .. | 3,182,195,299 | 3,097,050,643 | 3,075,277,388 | 3,043,045,364 | 3,049,267,480 | 3,035,684,170 | 3,028,293,887 | 2,994,662,461 | 3,029,833,867 | 2,976,025,533 | 2,943,247,235 | 2,974,147,700 |
| 2007.......... | 488,709,896 | 473,648,229 | 469,691,280 | 465,394,516 | 467,499,412 | 465,396,166 | 465,930,295 | 460,965,594 | 467,941,759 | 460,048,308 | 454,088,240 | 460,202,701 |
| 2008................... | 499,232,932 | 487,888,094 | 483,544,881 | 478,374,715 | 479,873,306 | 479,337,738 | 479,047,202 | 475,212,168 | 481,150,647 | 472,995,948 | 468,280,410 | 472,775,670 |
| 2009....... | 394,313,268 | 385,642,299 | 383,200,729 | 377,586,889 | 378,398,710 | 376,583,786 | 376,636,234 | 373,137,213 | 380,564,118 | 374,219,479 | 368,405,251 | 372,879,946 |
| 2010....... | 400,740,097 | 390,021,769 | 387,888,570 | 383,184,239 | 384,357,137 | 382,295,041 | 384,523,295 | 380,962,111 | 390,076,834 | 383,212,327 | 375,996,440 | 380,532,760 |
| 2011....... | 396,714,977 | 388,205,890 | 384,443,911 | 380,645,240 | 381,875,696 | 380,803,504 | 383,017,266 | 380,385,518 | 389,121,548 | 381,669,855 | 375,413,323 | 379,120,722 |
| 2012. | 388,403,500 | 384,445,272 | 382,937,957 | 380,753,593 | 383,156,438 | 390,334,712 | 393,537,583 | 391,688,114 | 399,258,661 | 392,827,488 | 390,624,656 | 393,844,404 |
| 2013.................... | 553,265,029 | 513,715,331 | 487,845,950 | 465,507,035 | 451,117,174 | 502,677,118 | 490,400,390 | 475,009,786 | 473,737,436 | 458,078,188 | 476,461,149 | 469,741,830 |
| 2014.................... | 469,689,756 | 453,089,556 | 439,690,374 | 422,159,068 | 407,622,302 | 805,430,482 | 779,186,398 | 748,549,232 | 732,870,018 | 699,227,831 | 865,020,217 | 837,018,524 |
| 2015..................... |  |  |  |  |  | 150,335,316 | 149,559,345 | 147,720,093 | 147,784,819 | 144,956,554 | 581,139,866 | 572,690,080 |
| 2016..................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|  | 2016 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 ................ | 2,987,341,956 | 2,920,106,125 | 2,809,772,425 | 2,783,186,959 | 2,775,627,970 | 2,772,637,641 | 2,759,142,491 | 2,741,533,867 | 2,741,289,681 | 2,712,965,406 |  |  |
| 2007...................... | 465,768,839 | 453,176,294 | 435,518,766 | 431,972,764 | 431,468,477 | 432,090,626 | 431,458,751 | 429,006,686 | 430,963,340 | 428,302,569 |  |  |
| 2008...................... | 476,007,392 | 467,873,761 | 449,551,130 | 445,401,435 | 444,732,936 | 445,294,573 | 443,628,784 | 442,404,443 | 444,500,664 | 441,172,389 |  |  |
| 2009...................... | 376,810,143 | 370,054,218 | 356,194,267 | 353,221,728 | 352,020,593 | 352,813,683 | 352,833,132 | 351,627,460 | 352,463,007 | 349,390,644 |  |  |
| 2010...................... | 384,393,259 | 376,812,098 | 363,385,391 | 360,099,584 | 360,205,041 | 361,769,372 | 362,138,535 | 360,820,924 | 363,790,538 | 360,553,613 |  |  |
| Pre-2011 ................. |  |  |  |  |  |  |  |  |  |  | 4,254,791,859 | 4,309,688,384 |
| 2011..................... | 383,127,408 | 375,603,856 | 363,215,649 | 360,153,993 | 360,523,403 | 361,539,182 | 362,466,717 | 363,079,091 | 368,778,635 | 365,585,244 | 360,725,715 | 365,110,857 |
| 2012...................... | 396,483,930 | 390,502,694 | 378,579,495 | 374,773,719 | 374,484,440 | 375,390,349 | 374,771,622 | 374,910,536 | 378,902,962 | 376,385,746 | 372,481,160 | 376,286,512 |
| 2013...................... | 466,084,338 | 454,628,691 | 459,933,644 | 455,401,292 | 453,790,331 | 452,933,382 | 452,496,576 | 452,093,096 | 459,184,653 | 458,610,067 | 459,171,071 | 463,320,776 |
| 2014...................... | 813,205,237 | 776,390,079 | 832,276,921 | 799,237,673 | 772,267,878 | 746,119,837 | 723,092,596 | 704,721,851 | 697,695,130 | 681,529,695 | 670,487,735 | 661,870,680 |
| 2015...................... | 562,676,432 | 543,287,539 | 1,303,416,447 | 1,267,197,082 | 1,235,424,806 | 1,201,388,456 | 1,165,480,957 | 1,129,812,669 | 1,100,476,516 | 1,058,450,174 | 1,030,439,565 | 999,586,682 |
| 2016...................... |  |  |  |  |  |  |  |  |  |  | 518,780,036 | 512,732,957 |

## Year of Account

Origination $\qquad$
$\qquad$
$\qquad$
$\qquad$
$\qquad$
$\qquad$ n 2017

| Pre-2007 ................. |  |
| :---: | :---: |
| $2007 . . . .$. |  |
|  |  |
| 2009. |  |
| 2010. |  |
|  | Pre-2011. |
| 2011. |  |
| 2012. |  |
| 2013. |  |
| 2014. |  |
| 2015. |  |
| 2016. |  |
| 2017.... |  |

4,293,234,068 $, 293,234,068$
$364,047,877$ $364,047,877$
$374,583,464$ $374,583,464$
$461,679,276$ 649,073,573 966,200,345 501,124,051
,196,219,072 196,219,072 $358,455,903$
$369,441,851$ $369,441,851$
$456,689,190$ $456,689,190$
$629,298,407$ 927,238,729 484,177,438

4,162,943,657 ,162,943,657
$356,767,228$ $356,767,228$
$366,828,210$ 454,664,430 615,285,932 899,273,8 471,223,629

4,097,699,081

,097,699,081 4,124,995,686 | $351,138,576 \quad 354,927,809$ |
| :--- |
| $61,523,561$ | 361,523,361 $\quad 363,772,626$ 449,909,889 $\quad 452,740,527$ $\begin{array}{ll}598,952,490 & 596,962,859 \\ 865,748,478 & 850,615,885\end{array}$ $\mathbf{4 5 4 , 2 6 7 , 6 6 4} \quad 446,201,845$

4,108,929,358 $354,700,691$
$362,270,606$ $362,270,606$
$451,194,912$ $451,194,912$
$588,576,145$ 822,418,307 434,884,511

4,081,296,941 $4,081,296,941$
$354,258,670$ $354,258,670$
$361,651,233$ $361,651,233$
$449,767,867$ $449,767,867$
$581,985,727$ 798,018,186 424,731,025

4,077,360,532 $355,169,044$
$361,364,863$ $361,364,863$
$450,969,025$ $450,969,025$
$580,866,665$ 780,107,934 417,153,826

4,061,238,231 $361,248,301$ $361,248,301$
$452,487,586$ 581,186,536 764,107,993 411,310,818
$4,028,547,276$
$354,340,355$ $354,340,355$
$356,910,219$ $356,910,219$
$448,066,512$ 571,817,785 38,183,292 399,046,422

3,946,710,816 3,946,710,816 $343,135,963$
$346,247,129$ $343,247,129$
$439,698,713$ 439,698,
$561,584,098$ 711,621,767 823,528,166 584,484,708

3,989,464,879
348,593,544 348,593,544 438,958,384 557,764,526 688,442,213 800,857,450 580,416,909

Opening principal receivables represents principal receivables at the start of the first day of the performance period.

Opening Total Receivables

| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2013 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2004 ...... | 2,644,928,095 | 2,562,269,728 | 2,539,367,729 | 2,496,796,598 | 2,494,468,549 | 2,475,164,901 | 2,536,428,000 | 2,503,635,145 | 2,487,561,920 | 2,464,886,164 | 2,420,566,872 | 2,429,138,015 |
| 2004............ | 491,856,997 | 479,888,097 | 474,535,015 | 467,215,214 | 464,497,225 | 461,155,229 | 469,014,784 | 464,460,165 | 461,637,240 | 456,608,447 | 449,785,532 | 450,212,217 |
| 2005............ | 439,080,190 | 428,573,672 | 422,991,475 | 416,348,403 | 412,976,117 | 410,062,785 | 421,418,017 | 417,135,239 | 413,861,511 | 410,168,318 | 404,166,523 | 404,046,219 |
| 2006........... | 420,672,909 | 411,357,367 | 405,436,073 | 397,463,748 | 394,244,650 | 391,067,308 | 396,724,086 | 392,424,855 | 389,993,437 | 386,297,754 | 381,101,671 | 380,682,648 |
| 2007............ | 618,930,898 | 599,642,429 | 591,042,541 | 580,179,414 | 581,751,782 | 576,180,578 | 581,443,094 | 574,705,158 | 569,368,786 | 563,780,574 | 555,003,052 | 556,891,157 |
| 2008............ | 626,238,386 | 610,130,210 | 601,618,316 | 591,468,178 | 590,769,342 | 585,809,932 | 589,691,636 | 583,429,665 | 580,423,062 | 575,659,419 | 566,702,609 | 567,583,993 |
| 2009............ | 489,025,258 | 476,488,989 | 472,869,130 | 465,051,398 | 462,125,126 | 460,015,710 | 462,738,794 | 455,973,303 | 454,184,902 | 451,202,505 | 445,444,088 | 446,820,518 |
| 2010............ | 476,615,936 | 465,449,916 | 462,922,620 | 456,108,543 | 454,840,058 | 455,191,067 | 457,924,205 | 454,294,260 | 453,557,547 | 450,107,912 | 444,424,233 | 446,634,423 |
| 2011........... | 504,797,513 | 481,556,299 | 467,134,204 | 450,283,785 | 442,898,776 | 437,368,767 | 434,060,186 | 426,837,950 | 424,595,214 | 418,305,197 | 410,917,422 | 413,411,968 |
| 2012........... | 289,368,903 | 277,426,159 | 267,325,675 | 254,949,276 | 242,177,321 | 222,736,040 | 668,027,014 | 631,523,226 | 602,558,556 | 566,253,717 | 524,809,179 | 494,527,418 |
| 2013........... |  |  |  |  |  |  | 129,209,589 | 127,518,525 | 125,401,520 | 122,799,981 | 118,871,566 | 115,491,654 |
| 2014........... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2015........... |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016........... |  |  |  |  |  |  |  |  |  |  |  |  |
| Year of Account Origination |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|  | 2014 |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2007 ...... | 3,675,752,246 | 3,607,094,517 | 3,541,741,857 | 3,477,961,036 | 3,488,586,103 | 3,481,628,436 | 3,472,124,839 | 3,443,446,822 | 3,435,381,507 | 3,407,953,746 | 3,375,604,235 | 3,394,138,477 |
| 2007............ | 560,549,621 | 549,649,985 | 537,392,622 | 526,819,685 | 530,386,793 | 527,328,313 | 525,593,718 | 522,310,453 | 521,428,046 | 518,411,253 | 513,245,898 | 516,395,564 |
| 2008............ | 572,268,252 | 563,341,905 | 552,439,423 | 540,649,409 | 542,686,180 | 543,037,418 | 542,347,353 | 538,476,363 | 538,420,226 | 533,754,912 | 528,168,584 | 530,564,224 |
| 2009............ | 450,729,906 | 444,804,321 | 437,355,027 | 425,571,822 | 429,583,955 | 424,668,935 | 423,710,842 | 421,794,624 | 421,227,127 | 418,935,750 | 412,825,335 | 417,068,407 |
| 2010............ | 449,927,486 | 443,984,815 | 436,483,032 | 425,909,398 | 430,693,333 | 424,329,670 | 425,350,845 | 423,297,557 | 424,633,379 | 422,733,853 | 415,456,647 | 418,946,160 |
| 2011............ | 418,410,901 | 416,314,976 | 407,404,538 | 399,983,032 | 403,877,639 | 404,170,953 | 406,513,695 | 407,460,274 | 411,830,706 | 410,689,128 | 405,289,323 | 407,218,823 |
| 2012........... | 470,150,668 | 435,566,104 | 403,851,347 | 376,108,196 | 365,464,295 | 379,318,875 | 377,212,613 | 377,434,292 | 381,893,347 | 381,828,337 | 391,732,193 | 395,422,475 |
| 2013............ | 113,135,723 | 106,850,908 | 101,580,947 | 95,500,982 | 91,097,951 | 513,934,624 | 494,667,230 | 471,217,033 | 453,296,779 | 429,516,934 | 605,796,143 | 581,051,044 |
| 2014............ |  |  |  |  |  | 94,498,393 | 94,363,529 | 93,232,093 | 92,403,157 | 90,430,691 | 480,882,000 | 476,207,276 |
| 2015............ |  |  |  |  |  |  |  |  |  |  |  |  |
| 2016........... |  |  |  |  |  |  |  |  |  |  |  |  |



| Year of Account Origination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2017 |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Pre-2007 ....... } \\ & 207 . . . . . . . . . . . ~ \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2008.............. |  |  |  |  |  |  |  |  |  |  |  |  |
| 2009............ |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Pre-2011...... | 4,574,562,607 | 4,473,797,358 | 4,441,578,550 | 4,363,700,404 | 4,394,392,786 | 4,370,408,771 | 4,340,600,096 | 4,331,684,490 | 4,313,048,369 | 4,280,580,310 | 4,190,767,624 | 4,232,718,047 |
| 2011............ | 381,659,197 | 376,007,307 | 374,566,898 | 368,308,156 | 372,460,978 | 371,844,756 | 371,410,659 | 372,106,341 | 373,751,338 | 371,384,296 | 359,599,926 | 365,242,274 |
| 2012........... | 390,848,745 | 385,685,326 | 383,366,614 | 377,481,512 | 380,117,452 | 378,337,456 | 377,753,375 | 377,282,612 | 377,150,169 | 372,963,783 | 361,842,934 | 364,570,721 |
| 2013............ | 480,106,101 | 475,172,570 | 473,602,027 | 468,171,316 | 471,539,147 | 469,590,311 | 468,251,895 | 469,309,975 | 470,822,580 | 466,672,125 | 457,888,418 | 457,226,547 |
| 2014........... | 668,247,696 | 648,670,545 | 635,379,073 | 618,416,607 | 617,295,568 | 608,584,094 | 602,238,952 | 601,019,641 | 601,491,012 | 592,525,159 | 581,980,078 | 578,334,366 |
| 2015........... | 980,348,634 | 941,793,163 | 914,655,521 | 880,728,075 | 866,539,441 | 838,207,505 | 814,203,456 | 796,433,218 | 780,744,850 | 755,332,939 | 728,729,263 | 705,820,958 |
| 2016........... | 504,170,246 | 487,447,004 | 474,940,563 | 458,056,438 | 450,444,291 | 439,275,602 | 429,388,619 | 421,976,383 | 416,356,285 | 404,338,508 | 832,834,183 | 810,596,194 |
| 2017............ |  |  |  |  |  |  |  |  |  |  | 586,434,972 | 582,524,967 |

Opening total receivables represents principal 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 their own 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") 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 this Drawdown Prospectus and the Base Prospectus, will be deemed to have represented, acknowledged and agreed as follows:
(i) The Offeree acknowledges that this Drawdown Prospectus 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 another exemption from registration from the Securities Act, or in offshore transactions in accordance with Regulation S. Distribution of this Drawdown Prospectus 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 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 this Drawdown Prospectus 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 this Drawdown Prospectus and the Base Prospectus and all documents referred to herein and therein to Lloyds Bank plc.
(iii) The Offeree has carefully read and understands this Drawdown Prospectus and the Base Prospectus, including, without limitation, the "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 any Joint Lead Manager and not on any other information.

## Notes

## Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any class of Rule 144A Notes or Regulation S Notes is outstanding, the Rule 144A and the Regulation S Notes will bear a legend substantially set forth below:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND NEITHER THE ISSUER NOR THE SECURITISED PORTFOLIO HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT").THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS THAT IT HAS OBTAINED THIS NOTE IN A TRANSACTION IN COMPLIANCE WITH THE SECURITIES ACT 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 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 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 WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR (ii) TO A TRANSFEREE THAT IS NOT A US 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 \$150,000 (OR THE EQUIVALENT THEREOF IN THE SPECIFIED CURRENCY) FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING.EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE NOTE TRUST DEED.

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

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

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 SA/NV ("EUROCLEAR") AND/OR CLEARSTREAM BANKING, SOCIÉTÉ ANONYME ("CLEARSTREAM"), TO REQUIRE THAT EUROCLEAR AND/OR CLEARSTREAM, AS THE CASE MAY BE, REVERSE OR RESCIND ANY TRADE COMPLETED IN ACCORDANCE WITH THE RULES OF EUROCLEAR AND/OR CLEARSTREAM, AS THE CASE MAY BE.

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

EACH ORIGINAL PURCHASER AND EACH TRANSFEREE OF THIS NOTE OR OF AN INTEREST HEREIN IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (I) THE HOLDER

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

HOWEVER, WITHOUT PREJUDICE TO THE RIGHTS OF THE ISSUER AGAINST ANY BENEFICIAL OWNER OR PURPORTED BENEFICIAL OWNER OF NOTES, NOTHING IN THE NOTE TRUST DEED OR THE NOTES SHALL BE INTERPRETED TO CONFER ON THE ISSUER, THE NOTE TRUSTEE OR ANY PAYING AGENT ANY RIGHT AGAINST THE DEPOSITORY TRUST COMPANY ("DTC") TO REQUIRE THAT DTC REVERSE OR RESCIND ANY TRADE COMPLETED IN ACCORDANCE WITH THE RULES OF DTC.

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

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

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

The following two paragraphs are to be included in the legend for Rule 144A Global Note Certificates only:
UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE OR SUCH OTHER ENTITY AS IS REQUESTED BY DTC), ANY TRANSFERS, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE \& CO. ("CEDE"), HAS AN INTEREST HEREIN.

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

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

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

## Initial Investors and transferees of Interests in Rule 144A Global Note Certificates

Each initial investor in, and subsequent transferee of, an interest in a Rule 144A Global Note Certificate will be deemed to have represented and agreed as follows:
(i) It (a) is a "Qualified Institutional Buyer" ("QIB") within the meaning of Rule 144A and is acquiring the notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder and (b) understands the notes will bear the legend set forth above and be represented by one or more Rule 144A Global Notes Certificates.In addition, it will be deemed to have represented and agreed that it will hold and transfer in an amount of not less than, with respect to each class of notes, $€ 100,000$ (or the equivalent thereof in the specified currency) for it or for each account for which it is acting.
(ii) It understands that (a) 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, (b) the notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and (c) if in the future it decides to offer, resell, pledge or otherwise transfer the notes, such notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Note Trust Deed and the legend on such notes.It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the notes.
(iii) In connection with the purchase of the notes: (a) the Issuer is not acting as a fiduciary or financial or investment advisor for it; (b) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the Dealer (in its capacity as such) or any of their agents, other than any statements in a current prospectus for such notes and any representations expressly set forth in a written agreement with such party; (c) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer or the Dealer; (d) its purchase of the notes will comply with all applicable laws in any jurisdiction in which it resides or is located; (e) it is acquiring the notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; and (f) it is a sophisticated investor and is purchasing the notes with a full understanding of all of the terms, conditions and risks thereof and is capable of assuming and willing to assume those risks.
(iv) Either: (i) it is not, and for so long as it holds a debt note will not be, (A) an "employee benefit plan" subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended
("ERISA"), (B) a "plan" subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (C) any person or entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, the assets of any such "employee benefit plan" or "plan" by reason of 29 C.F.R. 2510.3-101 (as modified by Section 3(42) of ERISA), or otherwise (each of the foregoing a "Benefit Plan Investor") or (D) any other employee benefit plan 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 is not purchasing such debt note on behalf of any such person, or (ii) the purchase, holding and subsequent disposition of such debt note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of any such other employee benefit plan, is not in violation of any such Similar Law). In addition, (1) no transaction party has provided or will provide advice with respect to the investment in a debt note by the Benefit Plan Investor, (2) with respect to the investment in a debt note by the Benefit Plan Investor, the Benefit Plan Investor is represented by a fiduciary (the "Independent Fiduciary") that is described in 29 C.F.R. § 2510.321(c)(1)(i); (3) the Independent Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including without limitation the investment in a debt note by the Benefit Plan Investor; (4) the Independent Fiduciary is a "fiduciary" with respect to the Benefit Plan Investor within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, is "independent" within the meaning of 29 C.F.R. § 2510.3-21(c) (the "Fiduciary Rule") and is responsible for exercising independent judgment in evaluating the Benefit Plan Investor's investment in a debt note; (5) none of the transaction parties has exercised any authority to cause the Benefit Plan Investor to invest in a debt note or to negotiate the terms of such investment; and (6) the Independent Fiduciary has been informed by the transaction parties (a) that none of the transaction parties has undertaken or will undertake to provide impartial investment advice or has given or will give advice in a fiduciary capacity in connection with the Benefit Plan Investor's investment in a debt note, (b) of the existence and nature of the transaction parties' fees, compensation arrangements and/or financial interests in the Benefit Plan Investor's investment in a debt note, and (c) that no transaction party receives a fee or other compensation from the Benefit Plan Investor for the provision of investment advice in connection with the Benefit Plan Investor's investment in a debt note.
(v) It understands that an investment in the notes involves certain risks, including the risk of loss of all or a substantial part of its investment under certain circumstances. It has had access to such financial and other information concerning the Issuer and the notes, as it deemed necessary or appropriate in order to make an informed investment decision with respect to its acquisition of the notes, including an opportunity to ask questions of and request information from the Issuer. It understands that the notes will be highly illiquid and are not suitable for short term trading. It understands that it is possible that due to the structure of the transaction and the performance of the Securitised Portfolio, payments on the notes may be deferred, reduced or eliminated entirely. The Issuer has assets limited to the Security (as defined in the STDCMA) for payment of the notes.
(vi) It 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.
(vii) 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.
(viii) It understands that the Issuer, the Note Trustee, the Dealers and their counsel will rely on the accuracy and truth of the foregoing representation, and it hereby consents to such reliance.

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

Each initial investor in, and subsequent transferee of, an interest in a Regulation S Global Note Certificate will be deemed to have made the representations set forth in clauses (ii), (iii), (iv), (v), (vi), (vii) and (viii) above and will be deemed to have further represented and agreed as follows:
(i) It is aware that the sale of notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the notes offered in reliance on Regulation S will bear the legend set forth above and be represented by or one or more Regulation S Global Note Certificate. The notes so represented may not at any time be held by or on behalf of U.S. Persons as defined in Regulation S. It and each beneficial owner of the notes that it holds is not, and will not be, a U.S. Person (as defined in Regulation S) and its purchase of the notes will comply with all applicable laws in any jurisdiction in which it resides or is located.
(ii) If it is not a "United States person" as defined in Section 7701(a)(30) of the Code, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income taxes owed, owing or potentially owed or owing.

## Settlement

All payments in respect of the Sterling notes shall be made in Sterling in same-day funds.All payments in respect of the Dollar notes shall be made in U.S. Dollars in same-day funds.

## DISTRIBUTION

|  | Class $A 1$ 144A Note |  | Class A1 Reg S Note |
| :---: | :---: | :---: | :---: |
| ISIN: | US70659PAJ03 |  | XS1779702981 |
| Common Code: | N/A |  | 177970298 |
| CUSIP: | 70659P AJ0 |  | N/A |
| FISN: | PENARTH MASTER 20250318 UNSEC 1 | /NT | PENARTH MASTER/VAREMTN 20220300 |
| CFI code: | DBFUGR |  | DAVXFR |

## LISTING APPLICATION

This document comprises the Drawdown Prospectus 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 this Drawdown Prospectus. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Drawdown Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer confirms that the information relating to Bank of Scotland ply has been accurately reproduced from information provided by Bank of Scotland plc. So far as the Issuer is aware and/or is able to ascertain from information provided by Bank of Scotland plc, no facts have been omitted which would render the reproduced information materially misleading.

The Issuer confirms that the information relating to Lloyds Bank plo has been accurately reproduced from information provided by Lloyds Bank plc. So far as the Issuer is aware and/or is able to ascertain from information provided by Lloyds Bank plo, no facts have been omitted which would render the reproduced information materially misleading.

The Issuer confirms that the information relating to, respectively, Penarth Funding 1 Limited and Penarth Receivables Trustee Limited has been accurately reproduced from information provided by Penarth Funding 1 Limited and Penarth Receivables Trustee Limited, respectively. So far as the Issuer is aware and/or is able to ascertain from information provided by each of Penarth Funding 1 Limited and Penarth Receivables Trustee Limited, no facts have been omitted which would render the reproduced information materially misleading.

Where information has been sourced from any other third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

## PENARTH MASTER ISSUER PLC

per pro Intertrust Directors 1 Limited
as Director

## 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 15 March 2018. 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 this Drawdown Prospectus 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.
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ISSUER

Penarth Master Issuer ple<br>35 Great St. Helen's London EC3A 6AP<br>United Kingdom (Tel: +44 (0)207 398 6300)

## TRANSFEROR, TRANSFEROR BENEFICIARY, SERVICER AND CASH MANAGER

Bank of Scotland ple<br>The Mound<br>Edinburgh<br>EH1 1YZ<br>United Kingdom<br>\section*{LOAN NOTE ISSUER NO. 1}<br>Penarth Funding 1 Limited 35 Great St. Helen's<br>London EC3A 6AP<br>\section*{RECEIVABLES TRUSTEE}<br>Penarth Receivables Trustee Limited 35 Great St. Helen's<br>London<br>EC3A 6AP

## PRINCIPAL PAYING <br> AGENT, CALCULATION AGENT AND AGENT BANK

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

## SWAP

 COUNTERPARTYING Bank N.V.
Amsterdam Poort
Bijlmerplein 888
1102 MG Amsterdam
(as Swap Counterparty)

NOTE TRUSTEE, SECURITY TRUSTEE, U.S. PAYING AGENT AND REGISTRAR

Deutsche Bank Trust Company Americas 60 Wall Street 16th Floor, MailStop NYC60-1625
New York, New York 10005 United States of America

## LEGAL ADVISERS

To the Issuer, Loan Note Issuer No. 1, the Receivables Trustee and Bank of Scotland plc as to Scots law
Shepherd and Wedderburn LLP
1 Exchange Crescent
Edinburgh EH3 8UL United Kingdom

To the Lead Manager and Dealer as to Scots law

Dentons UK \& Middle East
LLP
1 Fleet Place
London EC4M 7RA
United Kingdom

To the Issuer, Loan Note Issuer No. 1, the Receivables Trustee and Bank of Scotland plc as to English law
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

To the Joint Lead Managers and Dealers as to English and U.S. law

Weil, Gotshal \& Manges<br>(London) LLP<br>110 Fetter Lane<br>London EC4A 1AY<br>United Kingdom

To the Issuer, Loan Note Issuer No. 1, the Receivables Trustee and Bank of Scotland plc as to U.S. law

Clifford Chance U.S. LLP 31 West 52nd Street New York New York 10019 United States of America

To the Security Trustee and the Note Trustee as to English law

Norton Rose Fulbright LLP
3 More Riverside
London SE1 2AQ
United Kingdom


[^0]:    1) Aves:
    2) 

    ${ }^{(2)}$ Finance Charges and Fees are comprised of monthly periodic charges and other credit card fees net of adjustments made pursuant to Bank of Scotland.
    Yield from charges and fees include interest income, late fees, forex fees, credit insurance, card protection insurance, overlimit fees, cash advance fees, ATM fees, Balance Transfer fees and other fees related to credit cards.
    4) All ratios are annualised.

[^1]:    ${ }^{\text {Notes: }}{ }_{\text {Principal Receivables and total Receivables outstanding are at the beginning of the period. }}^{\text {(i) }}$

