
GRACECHURCH CORPORATE LOANS SERIES 2005-1

issued by Lambda Finance B.V.

(incorporated with limited liability in the Netherlands)

£1,000,000,000 Class A1 Secured Floating Rate Notes due 2029	£17,000,000 Class C1 Secured Floating Rate Notes due 2029
€1,850,000,000 Class A2 Secured Floating Rate Notes due 2029	€46,000,000 Class C2 Secured Floating Rate Notes due 2029
\$3,700,000,000 Class A3 Secured Floating Rate Notes due 2029	\$20,000,000 Class C3 Secured Floating Rate Notes due 2029
£43,000,000 Class AB1 Secured Floating Rate Notes due 2029	£50,000,000 Class D1 Secured Floating Rate Notes due 2029
€39,000,000 Class AB2 Secured Floating Rate Notes due 2029	€73,000,000 Class D2 Secured Floating Rate Notes due 2029
\$18,000,000 Class AB3 Secured Floating Rate Notes due 2029	£80,000,000 Class E Secured Floating Rate Notes due 2029
£43,000,000 Class B1 Secured Floating Rate Notes due 2029	£70,000,000 Class F Secured Floating Rate Notes due 2029
€66,000,000 Class B2 Secured Floating Rate Notes due 2029	£100,000,000 Class G Secured Floating Rate Notes due 2029
\$20,000,000 Class B3 Secured Floating Rate Notes due 2029	

The Notes will be issued by Lambda Finance B.V. (the “**Issuer**”), a company incorporated and resident in the Netherlands, under the Issuer’s £6,000,000,000 programme for the issuance of notes (the “**Programme**”). The Notes will be constituted by a Constituting Instrument dated on or about 8 December 2005 (the “**Closing Date**”) between, amongst others, the Issuer and The Bank of New York (the “**Trustee**”). The Notes will be secured in the manner described in the Conditions. The Notes will accrue interest from and including the Closing Date. Interest on the relevant Notes will be payable quarterly in arrear in accordance with the Available Income Funds Priority of Payments, on 15 February, 15 May, 15 August and 15 November in each year commencing on 15 February 2006 to, and including, the Legal Final Maturity Date, subject to adjustment in accordance with the Conditions and unless previously redeemed in accordance with the Conditions.

Concurrently with the issuance of the Notes, the Issuer will enter into a credit default swap agreement (the “**Credit Default Swap Agreement**”) with Barclays Bank PLC (in such capacity, the “**CDS Counterparty**”) with respect to a portfolio of loans to UK mid-corporate enterprises (the “**Reference Portfolio**”). Pursuant to the Credit Default Swap Agreement, on each CDS Payment Date the Issuer will pay to the CDS Counterparty the Credit Protection Amount, if any, as determined on the immediately preceding Assessment Date in connection with the occurrence of Credit Events relating to the Reference Portfolio. In return, the CDS Counterparty will pay, *inter alia*, the CDS Counterparty Payment to the Issuer as determined by Barclays Bank PLC as calculation agent (in such capacity, the “**CDS Calculation Agent**”), as described herein. During the period from the Closing Date to and including the Revolving Period End Date, the Reference Portfolio may be replenished by the CDS Counterparty under certain conditions in accordance with the criteria described herein. The Reference Portfolio will have an initial notional amount of £5,000,000,000.

It is expected that on issuance the Class A Notes will be rated “AAA” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“**S&P**”) and “Aaa” by Moody’s Investors Service Limited (“**Moody’s**”), that the Class AB Notes will be rated “AAA” by S&P and “Aaa” by Moody’s, that the Class B Notes will be rated “AA+” by S&P and “Aa2” by Moody’s, that the Class C Notes will be rated “A+” by S&P and “A2” by Moody’s, that the Class D Notes will be rated “BBB+” by S&P and “Baa2” by Moody’s, that the Class E Notes will be rated “BB” by S&P and “Ba2” by Moody’s and that the Class F Notes will be rated “B” by S&P and “B2” by Moody’s. The Class G Notes will not be rated. 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.

Application has been made to the Irish Stock Exchange for each Class of Notes to be admitted to the Official List and to trading on its regulated market.

The Notes have not been and will not be registered under the U.S. 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. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Notes are being sold outside the United States to non-U.S. persons in reliance on Regulation S (“**Regulation S**”) and in the United States only to “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A (“**Rule 144A**”) under the Securities Act) who are also qualified purchasers (“**QPs**”), as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), in reliance on the exemption from registration under the Securities Act provided by Rule 144A. The Issuer has not registered, and does not intend to register, as an investment company under the Investment Company Act. Sterling Notes, Euro Notes and U.S. dollar Notes will be issued in registered form in the denominations of £50,000, €50,000 and \$100,000 and integral multiples of £1,000, €1,000 and \$1,000, in excess thereof, respectively.

FOR A DISCUSSION OF CERTAIN FACTORS REGARDING THE ISSUER AND THE NOTES THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE NOTES, SEE “**RISK FACTORS**”.

Lead Manager and Sole Bookrunner

Barclays Capital

Co-Managers

Banc of America Securities Limited

JPMorgan

The date of this Prospectus is 6 December 2005

The Issuer will issue Gracechurch Corporate Loans Series 2005-1 £1,000,000,000 Class A1 Secured Floating Rate Notes due 2029 (the “**Class A1 Notes**”), €1,850,000,000 Class A2 Secured Floating Rate Notes due 2029 (the “**Class A2 Notes**”), \$3,700,000,000 Class A3 Secured Floating Rate Notes due 2029 (the “**Class A3 Notes**” and, together with the Class A1 Notes and the Class A2 Notes, the “**Class A Notes**”), £43,000,000 Class AB1 Secured Floating Rate Notes due 2029 (the “**Class AB1 Notes**”), €39,000,000 Class AB2 Secured Floating Rate Notes due 2029 (the “**Class AB2 Notes**”), \$18,000,000 Class AB3 Secured Floating Rate Notes due 2029 (the “**Class AB3 Notes**” and, together with the Class AB1 Notes and the Class AB2 Notes, the “**Class AB Notes**”), £43,000,000 Class B1 Secured Floating Rate Notes due 2029 (the “**Class B1 Notes**”), €66,000,000 Class B2 Secured Floating Rate Notes due 2029 (the “**Class B2 Notes**”), \$20,000,000 Class B3 Secured Floating Rate Notes due 2029 (the “**Class B3 Notes**” and, together with the Class B1 Notes and the Class B2 Notes, the “**Class B Notes**”), £17,000,000 Class C1 Secured Floating Rate Notes due 2029 (the “**Class C1 Notes**”) €46,000,000 Class C2 Secured Floating Rate Notes due 2029 (the “**Class C2 Notes**”), \$20,000,000 Class C3 Secured Floating Rate Notes due 2029 (the “**Class C3 Notes**” and, together with the Class C1 Notes and the Class C2 Notes, the “**Class C Notes**”), £50,000,000 Class D1 Secured Floating Rate Notes due 2029 (the “**Class D1 Notes**”), €73,000,000 Class D2 Secured Floating Rate Notes due 2029 (the “**Class D2 Notes**”) and, together with the Class D1 Notes, the “**Class D Notes**”), £80,000,000 Class E Secured Floating Rate Notes due 2029 (the “**Class E Notes**”), £70,000,000 Class F Secured Floating Rate Notes due 2029 (the “**Class F Notes**”) and £100,000,000 Class G Secured Floating Rate Notes due 2029 (the “**Class G Notes**” and, together with the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the “**Notes**”).

The Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are together referred to as the “**Rated Notes**”.

The Notes are limited recourse debt obligations of the Issuer, secured by, and payable solely from, the proceeds of the Collateral pledged by the Issuer as described herein. The Collateral will consist primarily of (i) certain of the Issuer’s rights under the Credit Default Swap Agreement, (ii) the balance standing to the credit of the Cash Deposit Account into which the net proceeds of the issuance of the Notes and the Initial CDS Payment under the Credit Default Swap Agreement will be credited on the Closing Date and (iii) the balance (if any) standing to the credit of the Reserve Account. The relative priority of the claims of the CDS Counterparty, the Cross-currency Swap Counterparty and the Noteholders in respect of the Collateral will be governed by the Priorities of Payments.

Application has been made to the Irish Financial Services Regulatory Authority (“**IFSRA**”) as competent authority under Directive 2003/71/EC of the European Parliament and of the Council of 04 November 2003 (the “**Prospectus Directive**”) for this Prospectus to be approved. Application has been made to the Irish Stock Exchange for each Class of Notes to be admitted to the Official List and to trading on its regulated market. Upon approval by and filing with IFSRA, this Prospectus will constitute a “prospectus” for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as set out below under “*Subscription and Sale*” and “*Transfer Restrictions*” and as permitted under applicable U.S. state securities laws. In addition, no sale or other transfer of the Notes (or any interests therein) will be permitted if, as a consequence, the Issuer is required to register as an “investment company” under the Investment Company Act. The Issuer is exempted, and will maintain its exemption, from such registration only if it reasonably believes at the time of such sales or transfer that each transferee of Notes that is a U.S. Person is a QP. Each purchaser of Notes that is a U.S. Person (as defined in Regulation S under the Securities Act) will be deemed to have made certain representations as set out under “*Subscription and Sale*” and “*Transfer Restrictions*”. In addition, if at any time the Issuer determines that it does not have a reasonable belief that an owner of Notes (or any interests therein) that is a U.S. Person is also a QP, the Issuer may require such owner to sell such Notes (or any interests therein) to an eligible investor or redeem such Notes as described herein on any date. All sales and other transfers of Notes (or any interests therein) will be subject to the foregoing restrictions and, therefore, the ability of such owner to resell or otherwise transfer such owner’s Notes (or any interests therein) will be limited.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**SEC**”), any state securities commission in the United States or any other U.S. or non-U.S. regulatory authority, and none of the foregoing authorities has passed upon or endorsed the merits

of any Notes or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence. This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, Barclays Bank PLC, the Managers or any of their respective affiliates to subscribe for, or purchase, any Notes.

Notwithstanding anything in this Prospectus to the contrary, each investor (and any employee, representative, or other agent of any investor) may disclose to any and all persons, without limitation of any kind, the U.S. federal tax treatment and the U.S. federal tax structure of the transactions contemplated by this Prospectus and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such U.S. federal tax treatment and U.S. federal tax structure.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus, and the offer and sale of the Notes, in the United States, the United Kingdom and the Netherlands. None of the Issuer, the Trustee, any other Transaction Party or any of their respective affiliates makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information regarding the Issuer and the Notes that is material in the context of the issue and offering of the Notes, that the information contained in this Prospectus is true and accurate in every material respect and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which makes misleading any statement, whether of fact or opinion, contained herein. The Issuer accepts responsibility for the information contained in this Prospectus and, to the best of the knowledge and belief of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Transaction Parties (other than the Issuer) or any of their respective affiliates has separately verified the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by any of the Transaction Parties (other than the Issuer) or any of their respective affiliates as to the accuracy or completeness of the information contained in this Prospectus, or any other information supplied in connection with the sale of the Notes. Each person receiving this Prospectus or any other information supplied in connection with the sale of the Notes acknowledges that such person has not relied on any of the Transaction Parties or any of their respective affiliates in connection with the accuracy of such information or its investment decision. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors that may be relevant to it in connection with such investment.

All information contained herein is given as of the date of this Prospectus. Neither the delivery of this Prospectus nor any sales made in connection herewith shall under any circumstances create any implication that there has been no change in the information contained herein since the date hereof.

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in such Notes including any credit risk associated with the Borrowers in respect of the Reference Obligations and the Issuer. Each prospective purchaser of the Notes is responsible for its own independent appraisal of and investigation into the Reference Portfolio, as well as the risks in respect of such Notes and their terms, including, without limitation, any tax, accounting, credit, legal and regulatory risks.

None of the Issuer, any of the other Transaction Parties or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. However, where a Note is held by or on behalf of a U.S. person (as defined in Regulation S) who is not an eligible investor at the time it purchases

such Note, the Issuer may, in its discretion and at the expense and risk of such holder, compel any such holder to transfer the Notes to an eligible investor.

This Prospectus contains summaries of certain provisions of, or extracts from, the Constituting Instrument in respect of the Notes, the documents and agreements referred to therein and the other Transaction Documents. Such summaries and extracts are subject to, and are qualified in their entirety by, the actual provisions of such documents and agreements, copies of which are available for inspection at the registered office of the Issuer, the principal office of the Trustee, the specified office of the Registrar and the specified office of the Transfer Agent. Holders of the Notes to which this Prospectus relates, and any other person into whose possession this Prospectus comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of such Notes.

The Index of Terms appearing at the end of this Prospectus contains references to the pages in this Prospectus where definitions are found.

In this Prospectus, references to “£”, “**Sterling**” and “**pounds sterling**” are to the lawful currency for the time being of the United Kingdom, references to “euro”, “**EUR**” and “€” are to the currency of the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union and references to “\$” and “**U.S. dollars**” are to the lawful currency for the time being of the United States of America.

THE OFFERING

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the “**Offering**”). Each of the Issuer and each Manager reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Notes offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer, a Manager or any affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Each prospective purchaser in the United States, by accepting delivery of this Prospectus, agrees to the foregoing and to make no photocopies of this Prospectus or any documents related hereto and, if the offeree does not purchase the Notes of any Series or the Offering is terminated, to return this Prospectus and all documents attached hereto to: Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom.

STABILISATION

In connection with the issue of the Notes, Barclays Bank PLC will act as stabilising manager (the “**Stabilising Manager**”). The Stabilising Manager may over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate nominal amount of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than which might otherwise prevail. However, there is no assurance that the Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

NOTICE TO INVESTORS FROM BARCLAYS BANK PLC

Neither Barclays Bank PLC nor any of its affiliates is under any legal, regulatory or moral obligation to support any losses suffered by the Issuer or the purchasers of any Notes or to repurchase or make a market in any Notes. Neither Barclays Bank PLC nor its affiliates guarantees or stands behind the Issuer or the Issuer’s obligations under any Notes and none of them will make good or be under any obligation to make good any losses under the Credit Default Swap Agreement or any other agreements that the Issuer might enter into with any third parties. The Issuer and each

person into whose possession this document comes will be deemed to have acknowledged and agreed to the foregoing.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the Notes, the Issuer will be required pursuant to the Trust Deed to furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is not a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the office of the Transfer Agent in Ireland.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which can be identified by words like “expect”, “anticipate”, “could” and “intend” and by similar expressions. Prospective investors should not place reliance on forward-looking statements. Actual results could differ materially from those referred to in forward-looking statements for many reasons, including the risks described in “Risk Factors”. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialise or will vary significantly from actual results. Variations between assumptions and results may be material.

Without limiting the foregoing, the inclusion of forward-looking statements by the Issuer, the Managers, the CDS Counterparty or the Cross-currency Swap Counterparty or any of their respective affiliates or any other person are estimates and should not be regarded as representations of the results that will actually be achieved in relation to the Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including revisions to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise.

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SUMMARY NOTE INFORMATION

The following summary is a brief overview of certain features of the Notes, does not purport to be complete and is qualified in its entirety by reference to the detailed information contained elsewhere in this Prospectus, including the Conditions, and the Transaction Documents.

Class	Class A1 Notes	Class A2 Notes	Class A3 Notes	Class AB1 Notes	Class AB2 Notes	Class AB3 Notes
Currency	Sterling	Euro	U.S. dollars	Sterling	Euro	U.S. dollars
Issue Size	£1,000,000,000	€1,850,000,000	\$3,700,000,000	£43,000,000	€39,000,000	\$18,000,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest Basis	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	3 month U.S. dollar LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month U.S. dollar LIBOR	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	3 month U.S. dollar LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month U.S. dollar LIBOR
Margin	0.24 per cent. per annum	0.24 per cent. per annum	0.23 per cent. per annum	0.28 per cent. per annum	0.28 per cent. per annum	0.28 per cent. per annum
First Payment Date	15 February 2006	15 February 2006	15 February 2006	15 February 2006	15 February 2006	15 February 2006
Day Count Fraction	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)	Actual/360	Actual/360	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)	Actual/360	Actual/360
Legal Final Maturity Date	15 November 2029	15 November 2029	15 November 2029	15 November 2029	15 November 2029	15 November 2029
Expected S&P Ratings	AAA Aaa	AAA Aaa	AAA Aaa	AAA Aaa	AAA Aaa	AAA Aaa
Credit Enhancement	(i) Subordination of Class AB, Class B, Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class AB, Class B, Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class AB, Class B, Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class B, Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class B, Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class B, Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account

<i>Class</i>	<i>Class A1 Notes</i>	<i>Class A2 Notes</i>	<i>Class A3 Notes</i>	<i>Class AB1 Notes</i>	<i>Class AB2 Notes</i>	<i>Class AB3 Notes</i>
Clearance and Settlement	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream
Minimum Denomination	£50,000 and integral multiples of £1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof	£50,000 and integral multiples of £1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof
Tax Treatment	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”
ERISA Eligible	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”

Class	Class B1 Notes	Class B2 Notes	Class B3 Notes	Class C1 Notes	Class C2 Notes	Class C3 Notes
Currency	Sterling	Euro	U.S. dollars	Sterling	Euro	U.S. dollars
Issue Size	£43,000,000	€66,000,000	\$20,000,000	£17,000,000	€46,000,000	\$20,000,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest Basis	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	3 month U.S. dollar LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month U.S. dollar LIBOR	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	3 month U.S. dollar LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month U.S. dollar LIBOR
Margin	0.37 per cent. per annum	0.37 per cent. per annum	0.37 per cent. per annum	0.62 per cent. per annum	0.62 per cent. per annum	0.62 per cent. per annum
First Payment Date	15 February 2006	15 February 2006	15 February 2006	15 February 2006	15 February 2006	15 February 2006
Day Count Fraction	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)	Actual/360	Actual/360	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)	Actual/360	Actual/360
Legal Final Maturity Date	15 November 2029	15 November 2029	15 November 2029	15 November 2029	15 November 2029	15 November 2029
Expected S&P Ratings	AA+ Aa2	AA+ Aa2	AA+ Aa2	A+ A2	A+ A2	A+ A2
Credit Enhancement	(i) Subordination of Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class C, Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class D, Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account

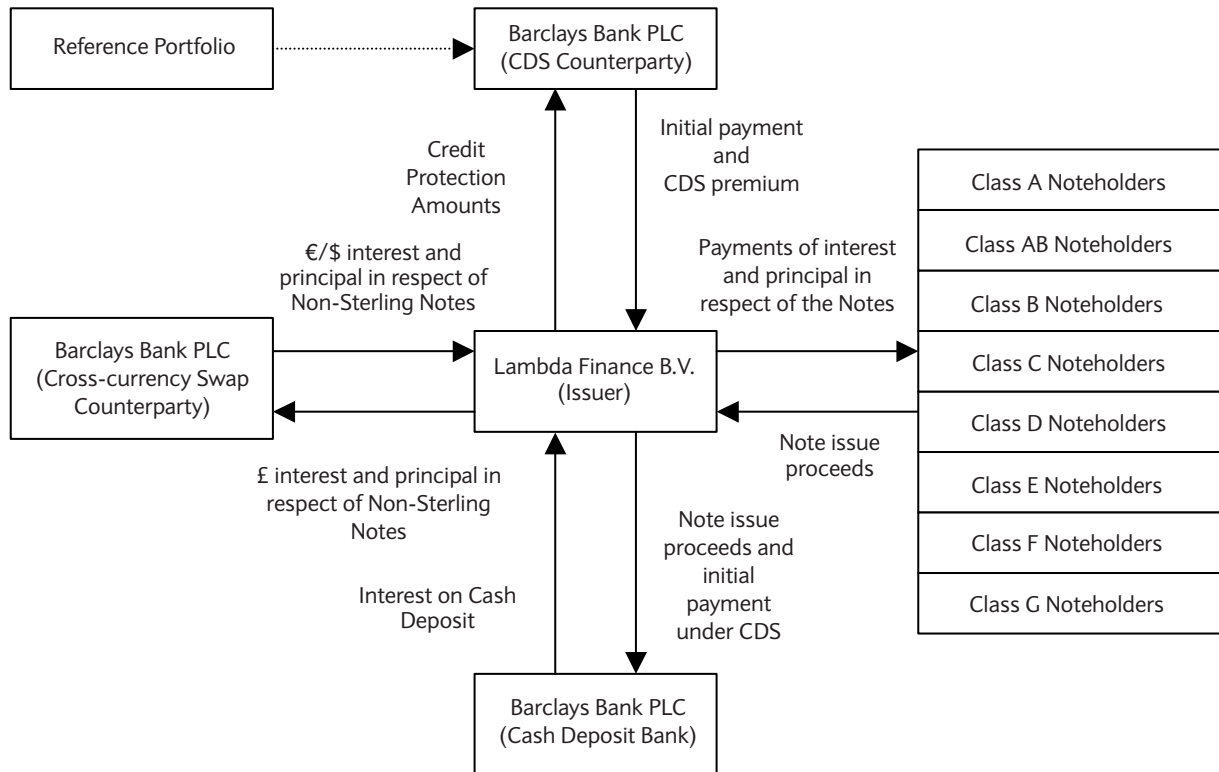
Class	Class B1 Notes	Class B2 Notes	Class B3 Notes	Class C1 Notes	Class C2 Notes	Class C3 Notes
Clearance and Settlement	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream Notes – Euroclear/ Clearstream	Euroclear/Clearstream Notes – Euroclear/ Clearstream	Euroclear/Clearstream	Euroclear/Clearstream Notes – Euroclear/ Clearstream
Minimum Denomination	£50,000 and integral multiples of £1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof	£50,000 and integral multiples of £1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof
Tax Treatment	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”	Debt for U.S. federal income tax purposes, subject to the important considerations set out in “ <i>Tax Considerations – United States Taxation of the Issuer</i> ”
ERISA Eligible	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”	Yes, subject to the important considerations set out in “ <i>Certain U.S. Erisa and other Considerations</i> ”

<i>Class</i>	<i>Class D1 Notes</i>	<i>Class D2 Notes</i>	<i>Class E Notes</i>	<i>Class F Notes</i>	<i>Class G Notes</i>
Currency	Sterling	Euro	Sterling	Sterling	Sterling
Issue Size	£50,000,000	€73,000,000	£80,000,000	£70,000,000	£100,000,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest Basis	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR
Margin	0.92 per cent. per annum	0.92 per cent. per annum	2.75 per cent. per annum	4.50 per cent. per annum	9.00 per cent. per annum
First Payment Date	15 February 2006	15 February 2006	15 February 2006	15 February 2006	15 February 2006
Day Count Fraction	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)	Actual/360	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Legal Final Maturity Date	15 November 2029	15 November 2029	15 November 2029	15 November 2029	15 November 2029
Expected Ratings	BBB+ Baa2	BBB+ Baa2	BB Baa2	B B2	Unrated Unrated
Credit Enhancement	(i) Subordination of Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class E, Class F and Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) Subordination of Class G Notes, (ii) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (iii) Reserve Account	(i) excess spread of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date and (ii) Reserve Account

<i>Class</i>	<i>Class D1 Notes</i>	<i>Class D2 Notes</i>	<i>Class E Notes</i>	<i>Class F Notes</i>	<i>Class G Notes</i>
Clearance and Settlement	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream	Euroclear/Clearstream
Minimum Denomination	£50,000 and integral multiples of £1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	£50,000 and integral multiples of £1,000 in excess thereof	£50,000 and integral multiples of £1,000 in excess thereof	£50,000 and integral multiples of £1,000 in excess thereof
Tax Treatment	Debt for U.S. federal income tax purposes, subject to the important considerations set out in "Tax Considerations – United States Taxation of the Issuer"	Debt for U.S. federal income tax purposes, subject to the important considerations set out in "Tax Considerations – United States Taxation of the Issuer"	Debt for U.S. federal income tax purposes, subject to the important considerations set out in "Tax Considerations – United States Taxation of the Issuer"	Debt for U.S. federal income tax purposes, subject to the important considerations set out in "Tax Considerations – United States Taxation of the Issuer"	Equity for U.S. federal income tax purposes, subject to the important considerations set out in "Tax Considerations – United States Taxation of the Issuer"
ERISA Eligible	Yes, subject to the important considerations set out in "Certain U.S. Erisa and other Considerations"	Yes, subject to the important considerations set out in "Certain U.S. Erisa and other Considerations"	No	No	No

TRANSACTION DIAGRAM

The following diagram does not purport to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Prospectus, including, without limitation, the Conditions and the Transaction Documents.



TRANSACTION OVERVIEW

The following transaction overview does not purport to be complete and is qualified in its entirety by reference to the detailed information contained elsewhere in this Prospectus, including the Conditions, and the Transaction Documents. Words and expressions not defined in this transaction overview shall have the meanings given to them elsewhere in this Prospectus.

Parties

<i>The Issuer</i>	Lambda Finance B.V., a special purpose vehicle company incorporated and resident in the Netherlands. All share capital of the Issuer is held by Stichting Lambda Finance, a foundation (<i>stichting</i>) established under Dutch law.
<i>CDS Counterparty</i>	Barclays Bank PLC.
<i>Cash Deposit Bank</i>	Barclays Bank PLC.
<i>Transaction Account Bank</i>	The Bank of New York.
<i>Reserve Account Bank</i>	Barclays Bank PLC.
<i>Cross-currency Swap Counterparty</i>	Barclays Bank PLC.
<i>Trustee</i>	The Bank of New York.
<i>Managing Director of the Issuer</i>	Structured Finance Management (Netherlands) B.V.
<i>Registrar</i>	The Bank of New York.
<i>Transfer Agent</i>	AIB/BNY Fund Management (Ireland) Limited.
<i>CDS Calculation Agent</i>	Barclays Bank PLC.
<i>Note Calculation Agent</i>	Barclays Bank PLC.
<i>Cash Administrator</i>	Barclays Bank PLC.
<i>Verification Agent</i>	The Bank of New York Europe Limited.
<i>Lead Manager</i>	Barclays Bank PLC.
<i>Co-Managers</i>	Banc of America Securities Limited and J.P. Morgan Securities Ltd.
<i>Irish Listing Agent</i>	The Bank of New York Europe Limited.
<i>Rating Agencies</i>	Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and Moody's Investors Service Limited.

Description of the Programme

<i>The Programme</i>	<p>On 16 December 2003 the Issuer established a £5,000,000,000 programme for the issuance of notes (the "Programme"). The maximum aggregate principal amount of notes that may be issued under and be outstanding at any time under the Programme was increased to £6,000,000,000 on 23 November 2005.</p> <p>The Issuer may issue series of notes under the Programme (each a "Series"). Each Series constitutes limited recourse obligations of the Issuer, secured on and payable solely from the assets constituting the collateral in respect of such Series. If the net proceeds of the enforcement of the assets constituting the collateral for a Series other than the Notes are not sufficient to make all payments due in respect of the notes of that Series (after payment of all obligations senior thereto), no other assets of the Issuer (including the Collateral in respect of the Notes) will be available to meet such shortfall and the claims of the creditors of the Issuer in respect of such Series and such shortfalls shall be extinguished.</p> <p>The Notes will together comprise a Series issued under the Programme.</p>
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Issuer Expenses

The anticipated fees and expenses of the Agents, the Trustee, the expenses of the Managing Director and the other anticipated ongoing expenses of the Issuer (including, without limitation, legal fees and expenses, registered office fees and expenses and filing and annual return fees payable to the Netherlands Government), including those related to the Notes and certain other expenses not related to the Notes or any other particular Series (collectively, “**Issuer Expenses**”), will be paid by the Issuer from corresponding amounts payable to the Issuer under the Credit Default Swap Agreement (“**CDS Counterparty Expense Payments**”). Unless otherwise directed by the CDS Counterparty to pay a lesser amount, the Issuer shall pay to the CDS Counterparty the aggregate of such amounts together with all other amounts, if any, standing to the credit of the Issuer Series Expense Account(s) in respect of the Notes, to the extent of funds available in such account(s) to pay such amounts (the “**Clean-Up Payment**”) on the Legal Final Maturity Date or, if earlier, on the day on which the Notes are redeemed in full (see “*Credit Default Swap Agreement – CDS Counterparty Payment and CDS Counterparty Expense Payments*” below).

The CDS Counterparty Expense Payments will be credited by the Issuer to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with The Bank of New York (the “**Expense Account Manager**”) for, on behalf of, and in the name of the Issuer which do not relate to any particular Series (each such account and any replacement for such account, an “**Issuer General Expense Account**”) and/or to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with the Expense Account Manager for, on behalf of, and in the name of the Issuer each of which relates to a particular Series (each such account and any replacement for such account, an “**Issuer Series Expense Account**”) and, each Issuer Series Expense Account or Issuer General Expense Account, an “**Issuer Expense Account**”) or to the Issuer Dutch Account (see “*Issuer Dutch Account*” below).

Pursuant to the terms of an account agreement dated 16 December 2003 between the Issuer, The Bank of New York in its capacities as Expense Account Manager and Expense Account Trustee and Barclays Bank PLC in its capacities as arranger and swap counterparty under the Programme (the “**Expense Account Agreement**”), the Expense Account Manager has agreed that it shall, on behalf of the Issuer, maintain and operate the Issuer Expense Accounts, receive any CDS Counterparty Expense Payments and transfer the same to pay the Issuer Expenses and any Clean-Up Payments required to be made by the Issuer to Barclays Bank PLC, and equivalent payments to be made in respect of each other Series issued under the Programme.

The obligations of the Issuer to make Clean-Up Payments to Barclays Bank PLC, and equivalent payments to be made in respect of each other Series issued under the Programme, are secured pursuant to a Deed of Charge dated 16 December 2003 entered into between the Issuer, The Bank of New York, as trustee thereunder (in such capacity, the “**Expense Account Trustee**”) and Barclays Bank PLC in its capacity as swap counterparty under the Programme (the “**Deed of Charge**”) by (i) a fixed charge in favour of the Expense Account Trustee (as trustee for Barclays Bank PLC in its capacity as swap counterparty under the Programme) over all funds and any other

assets now or hereafter standing to the credit of each Issuer General Expense Account and each Issuer Series Expense Account from time to time opened by and held with the Expense Account Manager, the debts represented by such moneys and all of the Issuer's rights, benefits, powers, privileges, authorities, discretions and remedies relating to each Issuer General Expense Account and each Issuer Series Expense Account and (ii) an assignment in favour of the Expense Account Trustee (as trustee for Barclays Bank PLC in its capacity as swap counterparty under the Programme) of all of the Issuer's rights, title, benefit and interest in, to and under the Expense Account Agreement and all sums derived therefrom. The security created in favour of the Expense Account Trustee under the Deed of Charge does not secure amounts payable to Noteholders.

Issuer Dutch Account

The "**Issuer Dutch Account**" is a segregated account in the name of the Issuer with Deutsche Bank AG Amsterdam branch, the Netherlands, into which the EUR 18,000 issued and paid up share capital of the Issuer and any amounts required to be retained by the Issuer as minimum profit under the Dutch tax agreement obtained on behalf of the Issuer with the Dutch tax authorities have been deposited. Pursuant to a pledge of account dated 23 November 2005, the Issuer granted a pledge in favour of the Managing Director of the Issuer over the Issuer Dutch Account and all amounts standing to the credit thereof as security for the Issuer's obligations to the Managing Director under the Management Agreement.

Previous Series

On 16 December 2003 the Issuer issued Series 2003 – A1, Series 2003 – A2, Series 2003 – B1, Series 2003 – B1 (Fixed), Series 2003 – B2, Series 2003 – C1, Series 2003 – C2 and Series 2003 – D1 (the "**Existing Notes**"). Further details of the Existing Notes are set out in "*The Issuer – Capitalisation – Indebtedness*". The Issuer has issued and may in the future issue reports with respect to the Existing Notes. Copies of such reports (which do not contain any information with respect to the Reference Portfolio or the Notes offered under this Prospectus) are available upon request at the registered office of the Issuer, the principal office of the Trustee, the specified office of the Registrar and the specified office of the Transfer Agent.

Description of the Principal Features of the Notes

Note Classes

The Issuer will issue Gracechurch Corporate Loans Series 2005-1 £1,000,000,000 Class A1 Secured Floating Rate Notes due 2029 (the "**Class A1 Notes**"), €1,850,000,000 Class A2 Secured Floating Rate Notes due 2029 (the "**Class A2 Notes**"), \$3,700,000,000 Class A3 Secured Floating Rate Notes due 2029 (the "**Class A3 Notes**"), £43,000,000 Class AB1 Secured Floating Rate Notes due 2029 (the "**Class AB1 Notes**"), €66,000,000 Class AB2 Secured Floating Rate Notes due 2029 (the "**Class AB2 Notes**"), \$20,000,000 Class AB3 Secured Floating Rate Notes due 2029 (the "**Class AB3 Notes**"), £17,000,000 Class B1 Secured Floating Rate Notes due 2029 (the "**Class B1 Notes**"), €46,000,000 Class B2 Secured Floating Rate Notes due 2029 (the "**Class B2 Notes**"), \$20,000,000 Class B3 Secured Floating Rate Notes due 2029 (the "**Class B3 Notes**"), £17,000,000 Class C1 Secured Floating Rate Notes due 2029 (the "**Class C1 Notes**"), €46,000,000 Class C2 Secured Floating Rate Notes due 2029 (the "**Class C2 Notes**"), \$20,000,000 Class C3 Secured Floating Rate Notes due 2029 (the "**Class C3 Notes**"), £50,000,000 Class D1 Secured Floating Rate Notes due 2029 (the "**Class D1 Notes**"), €73,000,000 Class D2 Secured Floating Rate Notes due 2029 (the "**Class D2 Notes**"), £80,000,000 Class E Secured Floating Rate Notes due 2029 (the "**Class E Notes**"), £70,000,000 Class F Secured

Floating Rate Notes due 2029 (the “Class F Notes”) and £100,000,000 Class G Secured Floating Rate Notes due 2029 (the “Class G Notes”).

The Notes will be constituted by the Constituting Instrument and will be limited recourse debt obligations of the Issuer. Payments of principal and interest in respect of the Notes will be made solely from the proceeds of the Collateral.

Ratings

The Class A Notes, Class AB Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes (together, the “**Rated Notes**”) are expected to be rated by S&P and Moody’s as respectively set out in the following table:

	<i>Expected S&P Rating</i>	<i>Expected Moody’s Rating</i>
Class A1 Notes	AAA	Aaa
Class A2 Notes	AAA	Aaa
Class A3 Notes	AAA	Aaa
Class AB1 Notes	AAA	Aaa
Class AB2 Notes	AAA	Aaa
Class AB3 Notes	AAA	Aaa
Class B1 Notes	AA+	Aa2
Class B2 Notes	AA+	Aa2
Class B3 Notes	AA+	Aa2
Class C1 Notes	A+	A2
Class C2 Notes	A+	A2
Class C3 Notes	A+	A2
Class D1 Notes	BBB+	Baa2
Class D2 Notes	BBB+	Baa2
Class E Notes	BB	Ba2
Class F Notes	B	B2
Class G Notes	Unrated	Unrated

The ratings assigned by S&P to the Rated Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned by Moody’s to the Rated Notes address the expected loss posed to investors by the Legal Final Maturity Date. In Moody’s opinion, the structure allows for timely payment of interest and ultimate payment of principal. It is not anticipated that the Class G Notes will be rated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

Note Interest

The Notes will bear interest from, and including, the Closing Date to, but excluding, the Legal Final Maturity Date on their respective Principal Amounts Outstanding as at the relevant Payment Date (prior to any payments of principal on such date).

Payment Dates

15 February, 15 May, 15 August and 15 November in each year commencing on 15 February 2006 to, and including, the Legal Final Maturity Date, provided that if any Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day.

Payment Periods

The period beginning on and including the Closing Date and ending on but excluding the first Payment Date and each successive period beginning on and including a Payment Date and ending on but excluding the next succeeding Payment Date.

Interest Amount

The amount of interest payable in respect of any Note for any period shall be calculated by the Note Calculation Agent by multiplying the product of the Rate of Interest and the Principal Amount Outstanding of such Note by the relevant Day Count Fraction,

subject to the availability of funds to the Issuer to make such payments pursuant to the application of the Available Income Funds Priority of Payments and, in respect of each Class of Non-Sterling Notes, the Cross-currency Swap Agreement in respect of such Class.

Rate of Interest

The Rate of Interest in respect of each Class of Notes for any Payment Period shall be the sum of the Relevant Screen Rate in respect of such Payment Period and the Margin in respect of such Class of Notes, subject to the fallback provisions set out in Conditions 8.3(B) and 8.3(C).

The Relevant Screen Rate, Margin and Day Count Fraction in respect of each Class of Notes are set out in the table below:

<i>Class of Notes</i>	<i>Relevant Screen Rate</i>	<i>Margin</i>	<i>Day Count Fraction</i>
Class A1 Notes	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	0.24%	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Class A2 Notes	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	0.24%	Actual/360
Class A3 Notes	3 month U.S. dollar LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month U.S. dollar LIBOR	0.23%	Actual/360
Class AB1 Notes	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	0.28%	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Class AB2 Notes	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	0.28%	Actual/360
Class AB3 Notes	3 month U.S. dollar LIBOR or, in the case of the first Payment Period,	0.28%	Actual/360

<i>Class of Notes</i>	<i>Relevant Screen Rate</i>	<i>Margin</i>	<i>Day Count Fraction</i>
Class B1 Notes	the linear interpolation of 2 month and 3 month U.S. dollar LIBOR 3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	0.37%	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Class B2 Notes	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	0.37%	Actual/360
Class B3 Notes	3 month U.S. dollar LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month U.S. dollar LIBOR	0.37%	Actual/360
Class C1 Notes	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	0.62%	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Class C2 Notes	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month EURIBOR	0.62%	Actual/360
Class C3 Notes	3 month U.S. dollar LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month U.S. dollar LIBOR	0.62%	Actual/360
Class D1 Notes	3 month Sterling LIBOR or, in the	0.92%	The actual number of days in the

<i>Class of Notes</i>	<i>Relevant Screen Rate</i>	<i>Margin</i>	<i>Day Count Fraction</i>
	case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR		Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Class D2 Notes	3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of 3 month and 2 month EURIBOR	0.92%	Actual/360
Class E Notes	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	2.75%	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Class F Notes	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	4.50%	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)
Class G Notes	3 month Sterling LIBOR or, in the case of the first Payment Period, the linear interpolation of 2 month and 3 month Sterling LIBOR	9.00%	The actual number of days in the Payment Period divided by 365 (or, if the Payment Period ends in a leap year, 366)

Deferred Interest

An interest amount equal to any Interest Shortfall (after application of the Available Income Funds Priority of Payments) shall be deferred and shall, to the extent of funds available, be payable on the following Payment Date in accordance with the Available Income Funds Priority of Payments. Deferred Interest in respect of any Class of Notes will itself bear interest at the Rate of Interest payable in respect of such Class.

Business Days

London, New York and TARGET Settlement Days.

Pre-enforcement Priority of Payment

See Condition 5.1 (*Application of Available Income Funds*) in “*Conditions of the Notes*”.

Post-enforcement Priority of Payment

See Condition 5.2 (*Application of Proceeds upon Enforcement*) in “*Conditions of the Notes*”.

Principal Deficiency Ledgers

The Cash Administrator will maintain a ledger in respect of each outstanding Class of Notes (each, a “**Principal Deficiency Ledger**”). On the Closing Date the balance of each Principal Deficiency Ledger will be zero. Thereafter the balance of each Principal Deficiency Ledger will be calculated as follows. Upon payment of any Credit Protection Amount by the Issuer to the CDS Counterparty under the Credit Default Swap Agreement, the Principal Deficiency Ledgers will be credited with an amount equal to such Credit Protection Amount, such amount being applied to increase the balance of the Principal Deficiency Ledger in respect of each Class of Notes beginning with the most junior Class of Notes then outstanding until, in the case of each Principal Deficiency Ledger, the earlier of (i) such Credit Protection Amount is exhausted or (ii) such Principal Deficiency Ledger equals the then Outstanding Principal Balance of the corresponding Class, in which case any unapplied Credit Protection Amount shall be applied to the Principal Deficiency Ledger of the next most senior Class of Notes. On each Payment Date, after the application of the Available Income Funds of the Issuer in accordance with the Available Income Funds Priority of Payments, the balance of the Principal Deficiency Ledger in respect of each Class of Notes will be reduced by an amount equal to the Cash Deposit Replenishment Amount in respect of such Class of Notes.

Denominations

The Regulation S Notes and Rule 144A Notes of each Class of Sterling Notes will be issued in minimum denominations of £50,000 and integral multiples of £1,000 in excess thereof.

The Regulation S Notes and Rule 144A Notes of each Class of Euro Notes will be issued in minimum denominations of €50,000 and integral multiples of €1,000 in excess thereof.

The Regulation S Notes and Rule 144A Notes of each Class of U.S. dollar Notes will be issued in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.

Security

The Notes will be secured under the Trust Deed in favour of the Trustee for the benefit of the Secured Parties by (i) an assignment by way of security of the Issuer’s rights against the Cash Deposit Bank under the Cash Deposit Agreement and a first fixed charge over the Cash Deposit Account and any cash held therein and the debts represented thereby; (ii) an assignment by way of security of the Issuer’s rights against the Transaction Account Bank under the Transaction Account Bank Agreement and a first fixed charge over the Income Collection Account and the CDS Prepayment Account and any other account opened by the Issuer with the Transaction Account Bank pursuant to the Transaction Account Bank Agreement and any cash held therein and the debts represented thereby; (iii) an assignment by way of security over the Issuer’s rights, title and interest in, under and pursuant to the Credit Default Swap Agreement and all proceeds thereof and sums arising therefrom, except for certain specified amounts in respect of the Issuer’s expenses, and any sums and other assets derived therefrom; (iv) an assignment by way of security over the Issuer’s rights, title and interest in, under and pursuant to each Cross-currency Swap Agreement and all proceeds thereof and sums arising therefrom; (v) a first fixed charge on all funds held from time to time by the Registrar to meet payments due under the Notes; (vi) an assignment by way of security of the Issuer’s rights against the Reserve Account Bank under the Reserve Account Agreement and a first fixed charge over the Reserve Account and any cash held therein and the debts represented thereby; (vii) an assignment by way of security of the

Issuer's rights, title and interest in, under and pursuant to the Transaction Documents (other than those specifically referred to in items (i) – (iv) and (vi) above) and all sums derived therefrom.

Credit Enhancement

Senior subordinated structure – the Notes rank sequentially in order of priority set out in the Available Income Funds Priority of Payments, Enforcement Priority of Payments and Available Amortisation Funds Priority of Payments (except in certain circumstances);

Excess spread – an Additional Payment of 0.50 per cent. per annum of the Swap Notional Amount on each CDS Payment Date will be paid by the CDS Counterparty to the Issuer on such CDS Payment Date under the Credit Default Swap Agreement; and

Reserve Account – see “*Description of the Collateral – Reserve Account*” below.

Governing Law

The Notes will be governed by English Law.

Listing

Application has been made to the Irish Stock Exchange for each Class of Notes to be admitted to the Official List and to trading on its regulated market.

Closing Date

8 December 2005

Description of the Principal Features of the Credit Default Swap Agreement

General

Credit Default Swap Agreement

On the Closing Date, Barclays as swap counterparty (the “**CDS Counterparty**”) will enter into the Credit Default Swap Agreement with the Issuer. The Credit Default Swap Agreement will provide a notional amount of credit protection in an amount equal to 100 per cent. of the notional amount of the Initial Reference Portfolio Notional Amount on the Closing Date.

CDS Counterparty Payments

The CDS Counterparty will be required to make a periodic premium payment to the Issuer on each payment date thereunder (each, a “**CDS Payment Date**”). Payment dates under the Credit Default Swap Agreement will be scheduled to fall three Business Days prior to payment dates under the Notes (“**Payment Dates**”). The periodic premium payment will be calculated on the Closing Date and on each CDS Payment Date and, together with income from the Cash Deposit Account, and payments from the Cross-currency Swap Counterparty under the Cross-currency Swap Agreements will be available to meet interest payable to investors under the Notes, subject to application of the Available Income Funds Priority of Payments, as described below.

Payment of CDS Counterparty Payments in advance upon CDS Counterparty Downgrade Event

If the CDS Counterparty does not have, at any time, the CDS Counterparty Required Ratings, the CDS Counterparty will be obliged to pay in advance to the Issuer on each CDS Payment Date an amount estimated to be equal to the CDS Counterparty Payment due on the next CDS Payment Date until such time as it has the CDS Counterparty Required Ratings, which amount will be credited to the CDS Prepayment Account established by the Issuer for such purpose, provided that the amount of such payment shall be adjusted by an amount equal to the amount of interest (if any) which will accrue on such account during the succeeding Payment Period and by any previous overpayments or underpayments by the CDS Counterparty.

Reference Portfolio

Reference Obligations

The Reference Portfolio will be comprised of the Reference Obligations listed in the Reference Register. The Reference Register will be maintained by the CDS Counterparty and will be updated from time to time to reflect any changes in the Reference Portfolio.

<i>Initial Reference Portfolio Notional Amount</i>	£5,000,000,000.
<i>Reference Portfolio Notional Amount</i>	The Reference Portfolio Notional Amount, on any date, will be an amount equal to the aggregate on such date of the Reference Obligation Notional Amounts of all Reference Obligations, as described in more detail in <i>"The Credit Default Swap Agreement – Reference Portfolio Notional Amount and Swap Notional Amount"</i> .
<i>Swap Notional Amount</i>	The Swap Notional Amount, on any date, will be an amount equal to the aggregate of the Adjusted Principal Balance in respect of each Class of Notes on the immediately preceding Payment Date or, if prior to the first Payment Date, the Closing Date. The initial notional amount of the Credit Default Swap Agreement (the "Initial Swap Notional Amount") will be £5,000,000,000.
<i>Replacements</i>	<p>Subject to compliance with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and the Replacement Reference Portfolio Criteria, the CDS Counterparty will have the right to make changes to the composition of the Reference Portfolio by adding a new Reference Obligation and/or by increasing the notional amount of a Reference Obligation which is already in the Reference Portfolio. The circumstances of any such addition or increase are as follows:</p> <p>If on any Replacement Date during the Revolving Period:</p> <ul style="list-style-type: none"> (i) the Reference Obligation Principal Amount of a Reference Obligation is less than the Reference Obligation Notional Amount of such Reference Obligation; or (ii) a Reference Obligation is removed from the Reference Portfolio as a result of the Verification Agent being unable to give the confirmations required in a Credit Event Verification Report; or (iii) a Liquidated Reference Obligation has been designated in respect of a Borrower, <p>the CDS Counterparty may, at its own option, reallocate to the Reference Obligation Notional Amounts of either existing Reference Obligations or new Reference Obligations:</p> <ul style="list-style-type: none"> (a) in the case of (i) above, an amount of such of the Reference Obligation Notional Amount of the Reference Obligation in question as is equal to some or all of such shortfall; or (b) in the case of (ii) above, some or all of the Reference Obligation Notional Amount of such removed Reference Obligation; or (c) in the case of (iii) above, some or all of the difference between the Reference Obligation Notional Amount of the Liquidated Reference Obligation and the Credit Protection Calculation Amount or the Credit Protection Verified Amount (if applicable) in respect of that Liquidated Reference Obligation. <p>Any such replacement in the circumstances described above is referred to as a "Replacement".</p> <p>Upon a Replacement, the Reference Obligation Notional Amount in respect of each Reference Obligation that is subject to such Replacement will be reduced or increased, as the case may be, by the amount reallocated (and if the Reference Obligation Notional Amount in respect of any Reference Obligation is reduced to zero, the relevant Reference Obligation will no longer be a Reference Obligation).</p>

On the Replacement Date on which a Replacement is effected, each Replacement Reference Obligation must comply with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and, in aggregate with the other Reference Obligations, the Replacement Reference Portfolio Criteria or, if the Reference Portfolio is not in compliance with any such criteria on such Replacement Date, such Replacement must not increase the extent of non-compliance with such criteria.

Revolving Period End Date

The earlier of (i) the Payment Date immediately following the occurrence of an Early Amortisation Event and (ii) the Payment Date falling in November 2008.

An “**Early Amortisation Event**” will occur, at the option of the CDS Counterparty, if the Reference Portfolio Notional Amount is smaller than the Swap Notional Amount on two consecutive CDS Payment Dates.

Effect of Credit Events

Credit Events

Bankruptcy, Failure to Pay and Restructuring. For further details see “*The Credit Default Swap Agreement – Credit Events*”.

Conditions to Settlement

Delivery of a Credit Event Notice and, if a Verification Agent Trigger Event has occurred, a Credit Event Verification Report. For further details see “*The Credit Default Swap Agreement – Conditions to Settlement*”.

Calculation of Credit Protection Calculation Amount

If the Conditions to Settlement are satisfied in respect of a Reference Obligation (each such Reference Obligation, a “**Defaulted Reference Obligation**”), the CDS Calculation Agent will (subject to verification as further described below) calculate the “**Credit Protection Calculation Amount**” in relation to that Defaulted Reference Obligation, in an amount equal to:

- (i) the Reference Obligation Notional Amount of such Defaulted Reference Obligation on the date of the relevant Credit Event Notice; plus
- (ii) a special servicing fee (in relation to the costs of enforcement) equal to 5.00 per cent. per annum during the lesser of the Valuation Period and five years of the Reference Obligation Notional Amount of the Defaulted Reference Obligation as at the first day of the Valuation Period, subject to a maximum of £500,000 per annum; plus
- (iii) all accrued but unpaid interest in respect of a principal amount of that Defaulted Reference Obligation equal to the Reference Obligation Notional Amount of that Reference Obligation from the date of the relevant Credit Event Notice to the end of the Valuation Period in respect thereof and calculated in accordance with the terms of that Defaulted Reference Obligation; less
- (iv) any Recovery Amounts in respect of a principal amount of that Defaulted Reference Obligation equal to the Reference Obligation Notional Amount of that Reference Obligation realised or deemed to be realised during the Valuation Period (subject to any estimate by the Verification Agent),

subject to a minimum of zero and a maximum of the Reference Obligation Notional Amount of the Defaulted Reference Obligation.

“**Recovery Amount**” means, in respect of a Defaulted Reference Obligation, such Defaulted Reference Obligation’s *pro rata* portion of the sum of each of the following amounts received by the holder(s) in respect of such Defaulted Reference Obligation after the

occurrence of the Credit Event: (i) any amounts repaid in respect of such Defaulted Reference Obligation by or on behalf of the Borrower or Guarantor; (ii) the amount of any Cash Collateral; (iii) to the extent not covered by (ii) above, any amounts in respect of which the holder(s) in respect of such Defaulted Reference Obligation have successfully exercised against any obligor (including any Guarantor) of such Defaulted Reference Obligation (or Qualifying Guarantee, as the case may be) a right of set-off in respect of amounts due under such Defaulted Reference Obligation (or Qualifying Guarantee, as the case may be); (iv) the sale proceeds or other proceeds of enforcement of any Reference Collateral; and (v) to the extent not included in (iv), any payments received by the holder(s) in respect of such Defaulted Reference Obligation from any other related security, including any related insurance policies, endowment policies or mortgage indemnity guarantees (if any).

“**Cash Collateral**” means, in respect of a Reference Obligation, such Reference Obligation’s *pro rata* portion of any cash deposit held by the lender of record in respect of such Reference Obligation as designated by the CDS Counterparty as security for the obligations of the obligor under such Reference Obligation and recorded in the Reference Register.

“**Reference Collateral**” means, in respect of a Reference Obligation, such Reference Obligation’s *pro rata* portion of any mortgage, charge, guarantee or other security interest granted to or held for the benefit of any holder in respect of such Reference Obligation as security for the obligations of the obligor under such Reference Obligation, provided that Reference Collateral does not include any such interest to the extent that it is held for the benefit of a person other than the lender of record in respect of such Reference Obligation as designated by the CDS Counterparty.

The CDS Calculation Agent will calculate the amount of the Credit Protection Calculation Amount as at the last day of the Valuation Period in relation to the relevant Defaulted Reference Obligation. If a Verification Agent Trigger Event has occurred, the Verification Agent will verify certain specified components of such Credit Protection Calculation Amount. In addition, with regard to any Defaulted Reference Obligation in relation to which the Valuation Period ended prior to any determination by the CDS Calculation Agent that there is no prospect of any further Recovery Amount in respect of such Defaulted Reference Obligation, the Recovery Amount will be deemed to be equal to the Reference Obligation Notional Amount of such Defaulted Reference Obligation multiplied by a specified Recovery Percentage.

In respect of any Defaulted Reference Obligation, in the event that the Credit Event is a Failure to Pay that relates to amounts of interest and not principal and (i) any delinquency (and any related penalty interest in respect thereof) is cured by the Borrower during the Valuation Period; (ii) the Borrower is not in default of any principal repayment obligation under that Defaulted Reference Obligation; and (iii) no enforcement proceedings are instituted in respect of that Defaulted Reference Obligation, then the Recovery Amount (whether estimated by the Verification Agent or otherwise) for that Defaulted Reference Obligation shall be deemed to be the Reference Obligation Notional Amount of that Reference Obligation, the related Credit Protection Calculation Amount shall be deemed to be zero, the Defaulted Reference Obligation shall be deemed not to be a Defaulted Reference Obligation and that Defaulted Reference Obligation shall remain in the Reference Portfolio.

Valuation Period

For any Defaulted Reference Obligation, “**Valuation Period**” means the period from (and including) the date of the Credit Event in respect of such Defaulted Reference Obligation to (but excluding):

- (i) if at any time during the determination of the relevant Credit Protection Calculation Amount, the Notes have been called for redemption in whole for whatever reason, the date which is 30 Business Days prior to the date of such early redemption; or
- (ii) if paragraph (i) does not apply, the earlier of: (a) the date upon which the CDS Calculation Agent determines that there is no further prospect of any further Recovery Amounts in respect of the relevant Defaulted Reference Obligation; and (b) 30 Business Days prior to the Legal Final Maturity Date.

Verification of Credit Protection Calculation Amounts

Once the Valuation Period in respect of a Defaulted Reference Obligation has ended, the CDS Calculation Agent will deliver to the Issuer, the Verification Agent, the Cash Administrator and the Trustee during the period (the “**Credit Protection Calculation Notice Delivery Period**”) commencing on the final day of such Valuation Period and ending on the earlier of (a) 30 Business Days prior to the Legal Final Maturity Date and (b) the day that is 60 days after the CDS Calculation Agent first became aware of such Valuation Period ending, a Credit Protection Calculation Notice setting out the Credit Protection Calculation Amount in respect of such Defaulted Reference Obligation.

If a Verification Agent Trigger Event has occurred, the Verification Agent shall, within 30 days after receipt of a Credit Protection Calculation Notice from the CDS Calculation Agent (but no later than six Business Days prior to any date of redemption of the Notes), deliver to the Issuer, the Cash Administrator, the CDS Calculation Agent and the Trustee a Credit Protection Verification Report confirming the calculation of the Credit Protection Calculation Amount the subject of such Credit Protection Calculation Notice.

A Defaulted Reference Obligation in respect of which a Credit Protection Calculation Notice has been delivered to the Issuer, the Verification Agent, the Cash Administrator and the Trustee or, following the occurrence of the Verification Agent Trigger Event, in respect of which a Credit Protection Verification Report has been delivered to the Issuer, the Cash Administrator, the CDS Calculation Agent and the Trustee will be a “**Liquidated Reference Obligation**”. A Credit Protection Calculation Amount that has been verified (and, if necessary, adjusted as described below) in a Credit Protection Verification Report will be a “**Credit Protection Verified Amount**”.

If there is a discrepancy between the calculation of any amount by the CDS Calculation Agent and the calculation in connection with the verification of the Verification Agent, the amounts calculated pursuant to the verification of the Verification Agent will govern.

Following the occurrence of a Verification Agent Trigger Event, the Verification Agent will additionally be required to issue:

- (i) in respect of each Reference Obligation that became a Defaulted Reference Obligation before the occurrence of such Verification Agent Trigger Event, a Credit Event Verification Report within 30 days after the occurrence of such Verification Agent Trigger Event; and

- (ii) in respect of each Reference Obligation that became a Liquidated Reference Obligation before the occurrence of such Verification Agent Trigger Event, a Credit Protection Verification Report within 30 days after the occurrence of such Verification Agent Trigger Event.

In the event that the Verification Agent determines in the course of preparing a Credit Event Verification Report (of the type referred to in (i) above) that it is unable to give the confirmations required therein or, in the course of preparing a Credit Protection Verification Report (of the type referred to in (ii) above) that a Credit Event previously specified in a Credit Event Notice is unable to be verified or that a Credit Protection Calculation Amount previously notified was too small or too large, the Verification Agent and the CDS Calculation Agent will make the necessary adjustments to each subsequent Credit Protection Verified Amount (as applicable) as necessary, in each case, to take account of any overpayment or underpayment that might previously have occurred in connection with any previous Credit Protection Amount.

Credit Protection Amounts

On each Assessment Date, the CDS Calculation Agent will calculate the Credit Protection Amount in respect of Defaulted Reference Obligations that became Liquidated Reference Obligations in the Assessment Period ending on such Assessment Date. The amount of the Credit Protection Amount will be satisfied by the Issuer liquidating relevant portions of the Cash Deposit and by paying the relevant amount to the CDS Counterparty.

The Credit Protection Amount in respect of any Assessment Period is an amount equal to (i) the aggregate of all Credit Protection Calculation Amounts (if any) that were the subject to Credit Protection Calculation Notices delivered during such Assessment Period or (ii) following the occurrence of a Verification Agent Trigger Event, the aggregate of all Credit Protection Verified Amounts (if any) and Credit Protection Shortfall Amounts (if any) that were the subject of Credit Protection Verification Reports delivered during such Assessment Period.

“**Assessment Date**” means each day that falls two Business Days prior to a CDS Payment Date or an Early Termination Date (as defined in the Credit Default Swap Agreement).

“**Assessment Period**” means, in respect of an Assessment Date, the period from (and including) the immediately preceding Assessment Date (or, in the case of the first Assessment Date, from and including the Closing Date) to (and excluding) such Assessment Date.

Early Termination of the Credit Default Swap Agreement

The Credit Default Swap Agreement is subject to early termination in certain specified circumstances, including: (i) at the option of the CDS Counterparty on any CDS Payment Date on which the Reference Portfolio Notional Amount is less than 10 per cent. of the Initial Reference Portfolio Notional Amount, and (ii) upon the occurrence of a CDS Tax Event. For further details see “*The Credit Default Swap Agreement – Early Termination of the Credit Default Swap Agreement*”.

Description of the Collateral

The Cash Deposit

On the Closing Date, the Issuer will utilise the net proceeds of the issuance of the Notes and the initial payment to the Issuer by the CDS Counterparty under the Credit Default Swap Agreement to make a deposit (the “**Cash Deposit**”) with Barclays Bank PLC as Cash

Deposit Bank pursuant to the Cash Deposit Agreement which provides for periodic interest payments in relation to the Cash Deposit.

The Cash Deposit Agreement will provide that: (a) in the event that a Credit Protection Amount is owing by the Issuer under the Credit Default Swap Agreement, a commensurate amount of the Cash Deposit will be released to the Issuer in order to satisfy such amount, (b) in the event that an Amortisation Amount is owing by the Issuer under Condition 9.1 (*Amortisation of Notes*), a commensurate amount of the Cash Deposit will be released to the Issuer in order to satisfy such amount and (c) on each Payment Date, interest amounts earned in relation to the Cash Deposit will be released to the Issuer in order to be applied in the payment of interest on the Notes.

Barclays Bank PLC will have the right to set off amounts owed by it (in the capacity of Cash Deposit Bank) to the Issuer against amounts owed by the Issuer to it (in the capacity of CDS Counterparty under the Credit Default Swap Agreement).

Downgrade of Cash Deposit Bank

If the Cash Deposit Bank does not have, at any time, the Cash Deposit Bank Required Ratings, the Cash Deposit Bank will be obliged, within 14 calendar days:

- (i) to use commercially reasonable efforts to obtain (at its expense) a guarantee in respect of its obligations under the Cash Deposit Agreement from a third party acceptable to the Trustee and the Rating Agencies; or
- (ii) to find (at its expense) a replacement Cash Deposit Bank acceptable to the Trustee and the Rating Agencies, meeting the requirements set out in the Cash Deposit Agreement including having at least the Cash Deposit Bank Required Ratings, to act as Cash Deposit Bank under the Cash Deposit Agreement; or
- (iii) to take such other appropriate action acceptable to the Trustee which the Rating Agencies have previously confirmed in writing to the Issuer and the Trustee will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified.

Termination of Cash Deposit Agreement

The appointment of the Cash Deposit Bank may be terminated in certain circumstances. Such termination will not become effective until a replacement entity acceptable to the Trustee and the Rating Agencies has been appointed on the same terms as the Cash Deposit Agreement.

Reserve Account

The Issuer will credit to the Reserve Account on each Payment Date an amount equal to the Reserve Account Required Amount, subject to the Issuer having available funds to do so in accordance with the Available Income Funds Priority of Payments.

“Reserve Account Required Amount” means zero on the Closing Date and any Payment Date, provided that if, on any Payment Date, the aggregate of the Reference Obligation Notional Amounts of all Defaulted Reference Obligations exceeds 3.00 per cent. of the aggregate of the Outstanding Principal Balance of all Classes of Notes, the Reserve Account Required Amount shall be increased to 1.00 per cent. of the aggregate of the Initial Principal Balance of all Classes of Notes with effect from and including such Payment Date and, on any subsequent Payment Date, should the aggregate of the Reference Obligation Notional Amounts of all Defaulted Reference

Obligations equal zero the Reserve Account Required Amount shall be reduced to zero with effect from and including such Payment Date.

Available Income Funds of the Issuer

- (i) Each amount of Issuer Income received by the Issuer under the Cash Deposit Agreement;
- (ii) each amount standing to the credit of the Reserve Account on the Business Day prior to each Payment Date;
- (iii) each CDS Counterparty Payment (other than any CDS Prepayment Amount paid on the immediately preceding CDS Payment Date, which will be paid to the CDS Prepayment Account) received by the Issuer from the CDS Counterparty on the immediately preceding CDS Payment Date; and
- (iv) on each Payment Date on which a CDS Counterparty Downgrade Event is continuing, an amount equal to:
 - (a) the amount standing to the credit of the CDS Prepayment Account on such Payment Date; minus
 - (b) any CDS Prepayment Amount credited to the CDS Prepayment Account on the CDS Payment Date falling immediately prior to such Payment Date,

will be paid into the Income Collection Account established in the name of the Issuer with the Transaction Account Bank, pending application on each Payment Date in accordance with the Available Income Funds Priority of Payments.

Cross-currency Swap Agreements

In order that the Issuer is able to pay amounts due on the Non-Sterling Notes in the relevant currency, on the Closing Date, Barclays Bank PLC as Cross-currency Swap Counterparty will enter into separate cross-currency swap agreements (each comprising a master agreement, schedule, confirmation and credit support annex relating thereto and each a “**Cross-currency Swap Agreement**”) in respect of each Class of Non-Sterling Notes with the Issuer. On the Closing Date, the Issuer will pay the net proceeds of the issuance of each Class of Non-Sterling Notes to the Cross-currency Swap Counterparty in exchange for an amount in pounds sterling at a foreign currency exchange rate determined by the Cross-currency Swap Counterparty (the “**Relevant FX Rate**”).

On each Payment Date, the Issuer will pay to the Cross-currency Swap Counterparty a Sterling amount of interest calculated by reference to the Outstanding Principal Balance of a Class of Non-Sterling Notes to the extent available under the Available Income Funds Priority of Payments and the Cross-currency Swap Counterparty will pay an amount to the Registrar on behalf of the Issuer for payment to the Noteholders of the relevant Class calculated by reference to the Rate of Interest payable in respect of such Class and the Principal Amount Outstanding thereof and proportionate to the amount paid to the Cross-currency Swap Counterparty pursuant to the Available Income Funds Priority of Payments.

On each Payment Date during the Amortisation Period, the Issuer will pay to the Cross-currency Swap Counterparty the Sterling equivalent (determined using the Relevant FX Rate) of the amount payable by it in respect of principal of a Class of Non-Sterling Notes, as determined under the Available Amortisation Funds Priority of Payments and the Cross-currency Swap Counterparty will pay an amount to the Registrar on behalf of the Issuer for payment to the Noteholders of the relevant Class of Non-Sterling Notes equal to the

amount payable by the Issuer in respect of principal with regard to such Class of Notes in the currency of denomination of such Class of Notes.

Redemption of the Notes

Effect of Credit Protection Amounts on Adjusted Principal Balance of Notes

The Adjusted Principal Balance of each Class of Notes will be reduced on each Payment Date by an amount equal to the amount credited to the balance of the Principal Deficiency Ledger in respect of such Class of Notes on such date.

Amortisation Period

If on any Payment Date during the Amortisation Period the Reference Portfolio Notional Amount is less than the Swap Notional Amount, a commensurate amount of the Cash Deposit will be released, the proceeds of such release will be paid to Noteholders on such Payment Date and each Note will amortise as determined in accordance with the Available Amortisation Funds Priority of Payments.

Available Amortisation Funds Priority of Payments

See Condition 9.1 (*Amortisation of Notes*) in “*Conditions of the Notes*”.

Legal Final Maturity Date

The Legal Final Maturity Date of the Notes will be the Payment Date falling in November 2029.

Mandatory Early Redemption of the Notes

Clean-up Call

In the event that the Reference Portfolio Notional Amount is less than 10 per cent. of the Initial Reference Portfolio Notional Amount, the CDS Counterparty will have the option to terminate the Credit Default Swap Agreement in full on any CDS Payment Date after the occurrence of such event. In the event of any such termination, the Notes will become due and repayable, the security in respect of the Collateral will become enforceable and the proceeds of such enforcement will be paid on the immediately following Payment Date to the holders of each Class of Notes in the order of priority, and in the manner, set out in the Enforcement Priority of Payments. See “*Conditions of the Notes – Condition 9.5 (Mandatory Redemption in Whole following Termination of the Credit Default Swap Agreement)*”.

Regulatory Call

If a Regulatory Event occurs, the Issuer (or any assignee or novatee of the regulatory call option) will have the option on any Payment Date (provided that the Regulatory Call Option in respect of the Class A Notes and the Class AB Notes may only be exercised on a Payment Date on or after the Payment Date falling in November 2008) to call the Notes of all or any Classes for a purchase price equal to the then Adjusted Principal Balance of such Notes (converted, in the case of Non-Sterling Notes into the relevant currency at the Relevant FX Rate) (the “**Regulatory Call Option**”) and the Noteholders of such Classes will be required to sell all of their Notes of such Classes to the Issuer (or such assignee or novatee).

“**Regulatory Event**” means delivery of a notice from Barclays Bank PLC to the Issuer and the Trustee which states that the regulatory capital treatment for Barclays Bank PLC applicable in respect of the part of the transaction to which the issuance of the Notes relates has become materially impaired by the implementation of the reform of the 1988 Capital Accord (in conjunction with proposals put forward by the Basel Committee on Banking Supervision and to be implemented for credit institutions pursuant to the EU Capital

Requirements Directive which will amend the existing Banking Consolidation Directive (Directive 2002/12/EC)). See “*Conditions of the Notes – Condition 9.3 (Regulatory Call)*”.

Redemption for Taxation Reasons

If a Tax Redemption Event occurs, the Notes will become due and repayable, the security in respect of the Collateral will become enforceable and the proceeds of such enforcement will be paid to the holders of each Class of Notes on the immediately following Payment Date in the order of priority, and in the manner set out in, the Enforcement Priority of Payments. See “*Conditions of the Notes – Condition 9.4 (Redemption for Taxation Reasons)*”.

Events of Default

The Events of Default in respect of the Notes are set out in Condition 11.1 (*Events of Default*) in “*Conditions of the Notes*”.

The Offering

Summary of U.S. Selling Restrictions

The Notes of each Class will be offered (a) outside of the United States to non-U.S. persons (as defined in Regulation S under the Securities Act) in an “offshore transaction” in reliance on Regulation S under the Securities Act and (b) within the United States to persons who are QIBs and are also QPs in reliance on Rule 144A.

The Notes of any Class sold to non-U.S. Persons in reliance on Regulation S under the Securities Act (the “**Regulation S Notes**”) will be represented by a global registered certificate in respect of such Class (each a “**Regulation S Global Registered Certificate**”).

The Notes of any Class sold to U.S. Persons who are QIBs and QPs (the “**Rule 144A Notes**”) will be represented by a global registered certificate in respect of such Class (each a “**Rule 144A Global Registered Certificate**”).

Settlement and Clearing

The Regulation S Global Registered Certificates and the Rule 144A Global Registered Certificates representing Sterling Notes and Euro Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg.

The Regulation S Global Registered Certificates and the Rule 144A Global Registered Certificates representing U.S. dollar Notes will be deposited with a custodian for DTC and registered in the name of Cede & Co., as nominee for DTC. The U.S. dollar denominated Notes sold in reliance on Regulation S will be made eligible for trading through Euroclear and Clearstream Luxembourg as participants in DTC.

Beneficial interests in a Global Registered Certificate representing Sterling Notes or Euro Notes may be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg at any time. Beneficial interests in a Global Registered Certificate representing U.S. dollar Notes may be held through and transfers thereof will only be effected through, records maintained by DTC and its respective participants, including (where applicable) Euroclear and Clearstream, Luxembourg. See “*Form of the Notes*” and “*Book-Entry Clearance Procedures*” below. U.S. Persons (as defined in Regulation S under the Securities Act) may not hold interests represented by Regulation S Global Registered Certificates.

Except in the limited circumstances described herein, Definitive Registered Certificates representing the Notes will not be issued in exchange for beneficial interests in either the Regulation S Global Registered Certificates or the Rule 144A Global Registered Certificates. See “*Form of the Notes – Exchange of Global Registered Certificates for Definitive Registered Certificates*” below.

Certain ERISA and Other Considerations

The Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes and interests therein may be acquired by employee benefit plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”). However, the Class E Notes, the Class F Notes and the Class G Notes (including interests therein) are not designed to be acquired or held by an employee benefit plan that is subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended. See “*Certain U.S. ERISA and Other Considerations*” below. Consequently, the Class E Notes, the Class F Notes and the Class G Notes may not be purchased or held by or on behalf of any benefit plan investor or any investor using the assets of such a benefit plan investor. Sales and transfers of the Class E Notes, the Class F Notes and the Class G Notes to benefit plan investors or for or on behalf of benefit plan investors or any investor using the assets of a benefit plan investor will be void *ab initio* and will not be honoured by the Issuer. If, at any time, a Class E Note, a Class F Note or a Class G Note is held by or on behalf of a benefit plan investor or any investor using the assets of a benefit plan investor, the Issuer shall have the right at any time, at the expense and risk of the holder of the Class E Note, the Class F Note or the Class G Note held in violation of the applicable transfer restrictions, (i) to require such holder to sell such Class E Note, Class F Note or Class G Note to an eligible investor who is not a benefit plan investor or (ii) to sell such Class E Note, Class F Note or Class G Note on behalf of such holder.

Netherlands Transfer Restrictions

Each Noteholder will be deemed to have represented that it is a professional market party as defined in Section 1, paragraph e, of the Dutch Ministerial Regulation of 26th June, 2002, as amended from time to time, implementing, *inter alia*, Section 6, paragraph 2 of the 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*) of the Netherlands, as amended from time to time. Sales or transfers of Notes to a person who is not a professional market party will be void *ab initio*.

RISK FACTORS

An investment in the Notes of any Class involves certain risks. Prospective investors should carefully consider the following factors, in addition to the matters set forth elsewhere in this Prospectus, prior to investing in the Notes of any Class. Prospective investors should form their own opinions of the transactions described in this Prospectus prior to making any investment decision and should take their own legal, financial, accounting, tax and other relevant advice as to the merits and viability of their investment.

The Reference Portfolio

Exposure to Reference Obligations

The amount repayable in respect of the Notes is dependent in part upon whether one or more Credit Events have occurred in relation to any Reference Obligation on or before the Legal Final Maturity Date or any Mandatory Early Redemption Date, the number of Credit Events that have occurred and the extent of any Recovery Amounts (there being no assurance that any Recovery Amounts may be received by any holder in respect of the relevant Defaulted Reference Obligation). Accordingly, the Issuer and, therefore, the Noteholders will have exposure to the credit risk of the Reference Portfolio and the Noteholders may lose some or all of the amounts invested in the Notes as the result of Credit Events occurring with respect to all or a portion of the Reference Portfolio. None of the Issuer, the Trustee, the Registrar or the Noteholders will have any right to know the details of any Reference Obligation, including the specific identity of the Borrower in respect thereof.

Any Credit Protection Amount arising under the Credit Default Swap Agreement and payable by the Issuer to the CDS Counterparty will be funded from the balance standing to the credit of the Cash Deposit Account. The amounts available to pay amounts of principal and interest payable in respect of the Notes will be reduced accordingly. As a result, Noteholders will be exposed to the credit risk of the Reference Obligations to the full extent of their investment in the Notes, with the most deeply subordinated classes of Noteholders having the highest degree of exposure pursuant to the Priorities of Payment.

United Kingdom Economic Conditions

Each Borrower in respect of a Reference Obligation, as of the day on which such Reference Obligation first becomes part of the Reference Portfolio, will be located in the United Kingdom. If the United Kingdom suffers a general economic downturn, the ability of a Borrower to service its obligations in respect of the relevant Reference Obligation may be adversely affected and therefore higher rates of loss may be experienced in respect of Reference Obligations, thereby leading to an increase in the frequency of Credit Events and a decrease in the ability to effect recoveries in respect of Reference Obligations, potentially resulting in losses to Noteholders. The United Kingdom's general economic condition may be adversely affected by a variety of events, including natural disasters, acts of war or terrorism, civil disturbances and/or any downturn in world or European economic activity. No prediction can be made as to the effect of such scenarios on the rate of delinquencies and losses on the Reference Obligations.

Reliance on the Performance by Barclays Bank PLC Effectively to Service the Reference Obligations

Recovery Amounts in respect of Defaulted Reference Obligations will affect the quantum of any Credit Protection Amount in respect thereof and thereby potentially resulting in Credit Protection Amounts being made to the CDS Counterparty (see "*Calculation of Credit Protection Amounts and Verification Procedures – Calculation and Verification of Credit Protection Calculation Amount*" and "*The Credit Default Swap Agreement – Conditions to Settlement – Calculation and Satisfaction of Credit Protection Amount*"). The quantum of any Credit Protection Amounts payable by the Issuer (and related write down in Adjusted Principal Balance of the Notes) may therefore in part be dependent on the special servicing procedures operated by the servicer of such Defaulted Reference Obligations to service the Defaulted Reference Obligations and maximise Recovery Amounts.

Limited Provision of Information about the Borrowers, the Reference Obligations and the Reference Portfolio

None of the Issuer, the Trustee or the Noteholders will have the right to know the specific identity of any Borrowers or Reference Obligations from time to time designated in the Reference Register,

or to receive information regarding any Borrower or Reference Obligation except for data set forth in the Quarterly Reference Portfolio Periodic Report. The data set forth in each Quarterly Reference Portfolio Periodic Report will contain no personal information related to, or capable of, interpretation to identify any Borrower or Reference Obligation, and Noteholders will have no right to obtain, nor is any party obligated to provide to Noteholders, any information regarding the compliance of the Reference Portfolio with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion, the Replacement Reference Portfolio Criteria or regarding any other matters arising in relation to any Borrower or Reference Obligation.

None of the Issuer, the Trustee or the Noteholders will have the right to inspect any records of the CDS Counterparty and the CDS Counterparty will be under no obligation to disclose any further information or evidence regarding the existence or terms of any Reference Obligation, of any Borrower, of any matters arising in relation thereto or otherwise regarding any Borrower, any guarantor or any other person. However, the Verification Agent will have access to information regarding Reference Obligations and related Borrowers in connection with verification of the matters relating to the occurrence of Credit Events and the calculation of Credit Protection Amounts. The Verification Agent will be subject to strict confidentiality obligations.

The Credit Default Swap Agreement

Credit Risk

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Notes including any credit risk associated with the Issuer, the CDS Counterparty or any other obligor with respect to the Collateral.

If the CDS Counterparty fails to make due and timely payment, or otherwise honour its obligations, under the Credit Default Swap Agreement, a loss of principal and/or interest under the Notes may result. Accordingly, the Noteholders assume the credit risk of the CDS Counterparty.

None of the Issuer, any of the other Transaction Parties or any of their affiliates have made or will make any investigation of, or makes any representation or warranty, express or implied, as to, (i) the existence or financial or other condition of the CDS Counterparty or (ii) whether the Credit Default Swap Agreement constitutes legal, valid and binding obligations of the CDS Counterparty.

Replacements

Pursuant to the Credit Default Swap Agreement, if on any Replacement Date during the Revolving Period the Reference Obligation Principal Amount of a Reference Obligation is less than the Reference Obligation Notional Amount of such Reference Obligation, the CDS Counterparty may reallocate an amount of such Reference Obligation Notional Amount of the Reference Obligation in question as is equal to some or all of such shortfall; or, if a Reference Obligation is removed from the Reference Portfolio as a result of the Verification Agent being unable to give the confirmations required in a Credit Event Verification Report, the CDS Counterparty may reallocate some or all of the Reference Obligation Notional Amount of such removed Reference Obligation; or, if a Reference Obligation has been designated as a Liquidated Reference Obligation, the CDS Counterparty may reallocate some or all of the difference between the Reference Obligation Notional Amount of such Liquidated Reference Obligation and the Credit Protection Calculation Amount or the Credit Protection Verified Amount (if applicable) in respect of that Liquidated Reference Obligation, provided in each case that the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and the Replacement Reference Portfolio Criteria are met or, if the Reference Portfolio is not in compliance with Replacement Reference Portfolio Criteria (i), (ii), (iii), (vi), (vii), (viii) and/or (ix) on the relevant Replacement Date on which a Replacement is effected, provided that such Replacement does not increase the extent of non-compliance with such criteria. As a consequence, a Replacement may mean that the composition of the Reference Portfolio may vary over time and that the overall quality of the Reference Portfolio could diminish. Accordingly, the characteristics of the Reference Portfolio on the Closing Date, as described in “*The Reference Portfolio*” below, could change in the future in a way that would have a detrimental effect on an investment in the Notes.

Synthetic Exposure – No Interest in Borrowers or Reference Obligations

Under the Credit Default Swap Agreement, the Issuer will have a contractual relationship only with the CDS Counterparty and not with any Borrower. Furthermore, the CDS Counterparty will not be,

and will not be deemed to be acting as, the agent or trustee of the Issuer in connection with the exercise of, or the failure to exercise, the rights or powers (if any) of the CDS Counterparty arising under or in connection with any Reference Obligation. Consequently, the Credit Default Swap Agreement does not constitute a purchase, assignment or other acquisition of any interest in any Reference Obligation forming part of the Reference Portfolio (or any Cash Collateral or Reference Collateral relating thereto). Therefore, the Issuer and the Trustee will have rights solely against the CDS Counterparty in accordance with the Credit Default Swap Agreement and will have no recourse against any Borrower or to any Reference Obligation or any Reference Collateral.

No Actual Loss

On each CDS Payment Date, the Issuer is obligated to make payments of amounts equal to the Credit Protection Amount to the CDS Counterparty pursuant to the Credit Default Swap Agreement, in respect of Liquidated Reference Obligations where the Credit Protection Amount has been calculated, irrespective of whether the CDS Counterparty has suffered an actual loss in respect of, or is exposed to the risk of loss on, a Defaulted Reference Obligation or of the size of such loss or risk of such loss. Other than in accordance with the calculation of the Credit Protection Amount pursuant to the Credit Default Swap Agreement (see “*The Credit Default Swap Agreement – Conditions to Settlement – Calculation and Satisfaction of Credit Protection Amount*”), the CDS Counterparty is under no obligation to account, and will not account, for any amount that may be recovered in respect of a Defaulted Reference Obligation by the holder thereof after the Valuation Period in respect thereof.

The Cross-currency Swap Agreements

Repayments of principal and payments of interest in respect of the Euro Notes by the Issuer will be made in euro and repayments of principal and payments of interest in respect of the U.S. dollar Notes by the Issuer will be made in U.S. dollars, but all payments received by the Issuer under the Cash Deposit Agreement and the Credit Default Swap Agreement will be in Sterling. In order to mitigate the Issuer’s currency exchange rate exposure, including any interest rate exposure connected with that currency exposure, the Issuer will enter into separate Cross-currency Swap Agreements with the Cross-currency Swap Counterparty in respect of each Class of Euro Notes and each Class of U.S. dollar Notes.

The Cross-currency Swap Counterparty will only be obliged to make payments to the Issuer under a Cross-currency Swap Agreement on any date for payment to the same extent that the Issuer complies with its payment obligations under such Cross-currency Swap Agreement on such date. In the event that the amount available to make payment to the Cross-currency Swap Counterparty under the Cross-currency Swap Agreement in respect of any Class of Non-Sterling Notes, following application of the relevant Priority of Payments, is insufficient to make such payment in full, the amount in euro or U.S. dollars, as applicable, payable by such Cross-currency Swap Counterparty to the Registrar on behalf of the Issuer for payment to the Noteholders of the relevant Non-Sterling Class will be reduced accordingly.

If the Cross-currency Swap Counterparty defaults in its obligations to make payments of amounts in euro or U.S. dollars equal to the full amount to be paid to the Issuer on the payment dates under a Cross-currency Swap Agreement, the Issuer will be exposed to changes in currency exchange rates and could have insufficient funds to enable it to make payments under the relevant Class of Non-Sterling Notes.

If the Cross-currency Swap Counterparty defaults under the Cross-currency Swap Agreement in respect of any Class of Non-Sterling Notes, the Issuer will have the right under certain circumstances to terminate such Cross-currency Swap Agreement. Upon such termination, the Issuer is obliged to enter into a replacement currency swap agreement. There can be no assurance that a suitable swap counterparty could be found to enter into such a replacement currency swap agreement.

If a Cross-currency Swap Agreement terminates prior to its scheduled termination date, a termination payment may be payable either to the Issuer by the Cross-currency Swap Counterparty or vice versa. If such termination payment is payable by the Issuer and it cannot be funded directly by any premium or upfront payment paid to the Issuer in connection with the entering into of a replacement Cross-currency Swap Agreement, such payment will be made subject to the Available Income Funds Priority of Payment or the Enforcement Priority of Payments, as applicable. As a result thereof, the Issuer could have insufficient funds to enable it to make payments under a Class

of Notes to which a Cross-currency Swap Agreement that is terminated early relates and each Class of Notes that is subordinated to such Class.

If a Cross-currency Swap Agreement is terminated for any reason and not replaced within 30 days, it will constitute an Event of Default in respect of the Notes.

The Notes

Limited Recourse

All payments to be made by the Issuer in respect of the Notes and the Swap Agreements will only be due and payable from, and to the extent of, the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Collateral in respect of the Notes.

To the extent that such sums are less than the amount which the Noteholders, the CDS Counterparty and the Cross-currency Swap Counterparty expected to receive (the difference being referred to herein as a “**shortfall**”), such shortfall will be borne, following enforcement of the security in respect of the Collateral, in the inverse of the order of priorities on enforcement specified in Condition 5.2 (*Application of Proceeds upon Enforcement*).

In connection with such enforcement, it is noted that:

- (i) the Noteholders and the other Secured Parties may look solely to the sums referred to in the second paragraph of this section, as applied in accordance with the order of priorities referred to in the second paragraph of this section (the “**Relevant Sums**”), for payments to be made by the Issuer in respect of the Notes and the Swap Agreements;
- (ii) the obligations of the Issuer to make payments in respect of the Notes and the Swap Agreements will be limited to the Relevant Sums and the Noteholders and the other Secured Parties have no further recourse to the Issuer (or any of its rights, assets or properties), the Managers, the CDS Counterparty or any other Transaction Party or person and, without limiting the generality of the foregoing, any right of the Noteholders and the other Secured Parties to claim payment of any amount exceeding the Relevant Sums shall be deemed automatically extinguished; and
- (iii) the Trustee, the Noteholders, the CDS Counterparty, the Cross-currency Swap Counterparty and the other Transaction Parties are not entitled to petition for the winding up of the Issuer as a consequence of any such shortfall or otherwise.

Neither the Trustee nor the Noteholders will be entitled to the benefit of the security created in favour of the Expense Account Trustee pursuant to the Deed of Charge.

Subordination of the Classes

The Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes are fully subordinated as to payment and priority to the Class A Notes; the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes are fully subordinated as to payment and priority to the Class A Notes and the Class AB Notes; the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes are fully subordinated as to payment and priority to the Class A Notes, the Class AB Notes and the Class B Notes; the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes are fully subordinated as to payment and priority to the Class A Notes, the Class AB Notes, the Class B Notes and the Class C Notes; the Class E Notes, the Class F Notes and the Class G Notes are fully subordinated as to payment and priority to the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes; the Class F Notes and the Class G Notes are fully subordinated as to payment and priority to the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; and the Class G Notes are fully subordinated as to payment and priority to the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*).

Prior to any enforcement of the security in respect of the Collateral, no payments of interest will be made on the Class AB Notes until interest on the Class A Notes has been paid in full, no payments of interest will be made on the Class B Notes until interest on the Class AB Notes has been paid in full; no payments of interest will be made on the Class C Notes until interest on the

Class B Notes has been paid in full; no payments of interest will be made on the Class D Notes until interest on the Class C Notes has been paid in full; no payments of interest will be made on the Class E Notes until interest on the Class D Notes has been paid in full; no payments of interest will be made on the Class F Notes until interest on the Class E Notes has been paid in full and no payments of interest will be made on the Class G Notes until interest on the Class F Notes has been paid in full. No payments of principal will be made in respect of the Class AB Notes until the Class A Notes have been redeemed in whole; no payments of principal will be made in respect of the Class B Notes until the Class AB Notes have been redeemed in whole; no payments of principal will be made in respect of the Class C Notes until the Class B Notes have been redeemed in whole no payments of principal will be made in respect of the Class D Notes until the Class C Notes have been redeemed in whole; no payments of principal will be made in respect of the Class E Notes until the Class D Notes have been redeemed in whole and no payments of principal will be made in respect of the Class F Notes until the Class E Notes have been redeemed in whole and no payments of principal will be made in respect of the Class G Notes until the Class F Notes have been redeemed in whole, in each case in accordance with the Available Amortisation Funds Priority of Payments, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*).

Following enforcement of the security in respect of the Collateral, no payments of principal and interest will be made in respect of the Class AB Notes until interest and principal in respect of the Class A Notes have been paid in full; no payments of principal and interest will be made in respect of the Class B Notes until interest and principal in respect of the Class AB Notes have been paid in full; no payments of principal and interest will be made in respect of the Class C Notes until interest and principal in respect of the Class B Notes have been paid in full; no payments of principal and interest will be made in respect of the Class D Notes until interest and principal in respect of the Class C Notes have been paid in full; no payments of principal and interest will be made in respect of the Class E Notes until interest and principal in respect of the Class D Notes have been paid in full; no payments of principal and interest will be made in respect of the Class F Notes until interest and principal in respect of the Class E Notes have been paid in full and no payments of principal and interest will be made in respect of the Class G Notes until interest and principal in respect of the Class F Notes have been paid in full.

Remedies pursued by the holders of the Senior Outstanding Class of Notes then outstanding could be adverse to the interest of the holders of the Notes of any more junior Class of Notes.

Ratings of the Notes

The ratings assigned to the Rated Notes by the Rating Agencies are based on the Notes, the Reference Portfolio, the Credit Default Swap Agreement, each Cross-currency Swap Agreement, the Cash Deposit Agreement and other relevant structural features of the transaction and such ratings reflect only the views of the Rating Agencies. The ratings assigned by S&P to the Rated Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned by Moody's to the Rated Notes address the expected loss posed to investors by the Legal Final Maturity Date. In Moody's opinion, the structure allows for the timely payment of interest and the ultimate payment of principal. The Class G Notes will not be rated by S&P or Moody's. A rating is not a recommendation to buy, sell or hold securities and will depend, amongst other things, on the performance of the Reference Portfolio and the creditworthiness of the CDS Counterparty, the Cross-currency Swap Counterparty and the Cash Deposit Bank.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies (or either one of them) as a result of changes in, or unavailability of, information or if, in the judgment of either of the Rating Agencies, circumstances so warrant. Future events, including changes in the economy of the United Kingdom, could also have an adverse impact on the ratings of the Notes.

No Assurance of Secondary Market; Limited Liquidity

There can be no assurance given that an active secondary market for the Notes will develop or, if such a market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes. Moreover, the limited scope of information available to the Issuer, the Trustee and the Noteholders regarding the Borrowers, Reference Obligations and the nature of any Credit Event may affect the liquidity of the market for and the value of the Notes, especially the more junior Classes of Notes. Consequently, any purchaser of the Notes must be

prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/71/EC, for this Prospectus to be approved. Application has been made to the Irish Stock Exchange for each Class of Notes to be admitted to the Official List and to trading on its regulated market.

Restrictions on Transfer

The Notes are subject to restrictions on transfer, as described in “*Subscription and Sale*” and “*Transfer Restrictions*”.

Investment Company Act and ERISA

Sales or transfers of Notes that would cause the Issuer to be required to register as an “investment company” under the Investment Company Act will be void *ab initio* and will not be honoured by the Issuer and the Issuer shall have the right at any time, at the expense and risk of the holder of the Notes held by or on behalf of a U.S. person who is not a QP at the time it purchases such Notes, (i) to require such holder to sell such Notes to an eligible investor or (ii) to sell such Notes on behalf of such holder in each case as described herein to permit the Issuer to avoid registration under the Investment Company Act.

In addition, the Class E Notes, Class F Notes and Class G Notes may not be purchased or held by or on behalf of any benefit plan investor or any investor using the assets of a benefit plan investor. Sales and transfers of Class E Notes, Class F Notes and Class G Notes to benefit plan investors or for or on behalf of benefit plan investors or any investor using the assets of a benefit plan investor will be void *ab initio* and will not be honoured by the Issuer. If, at any time, a Class E Note, Class F Note or Class G Note is held by or on behalf of a benefit plan investor or any investor using the assets of a benefit plan investor, the Issuer shall have the right at any time, at the expense and risk of the holder of the Class E Note, Class F Note or Class G Note held in violation of the applicable transfer restrictions, (i) to require such holder to sell such Class E Note, Class F Note or Class G Note to an eligible investor who is not a benefit plan investor or (ii) to sell such Class E Note, Class F Note or Class G Note on behalf of such holder.

Professional Market Parties

Each Noteholder will be deemed to have represented that it is a professional market party as defined in Section 1, paragraph e, of the Dutch Ministerial Regulation of 26th June, 2002, as amended from time to time, implementing, *inter alia*, Section 6, paragraph 2 of the 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*) of the Netherlands, as amended from time to time. Sales or transfers of Notes to a person who is not a professional market party will be void *ab initio*.

Amortisation

The Notes are amortising notes. On each Payment Date during the Amortisation Period, an amount equal to the Amortisation Amount shall be withdrawn from the Cash Deposit Account and shall be applied by the Registrar on behalf of the Issuer to redeem each Class of Notes in accordance with the Available Amortisation Funds Priority of Payments, beginning with the most senior Class of Notes then outstanding, up to a maximum of the Adjusted Principal Balance of such Class of Notes, until the Reference Portfolio Notional Amount of the Credit Default Swap Agreement has been reduced to zero, when any claim of the Noteholders of any Class to the Principal Amount Outstanding of such Class shall be extinguished.

The Amortisation Amount in respect of any Payment Date during the Amortisation Period will be an amount equal to the Swap Notional Amount on such date (prior to any reduction on such date) minus the Reference Portfolio Notional Amount on such date, subject to a minimum of zero.

An “**Early Amortisation Event**” will occur and the Amortisation Period will commence, at the option of the CDS Counterparty, if the Reference Portfolio Notional Amount is less than the Swap Notional Amount on two consecutive CDS Payment Dates.

Early Redemption

Subject to the Conditions, early redemption of the Notes may occur (a) in whole following any early termination in whole of the Credit Default Swap Agreement, (b) upon the occurrence of a Tax Redemption Event; or (c) upon the occurrence of an Event of Default (including any early

termination of the Cash Deposit Agreement (as a result of an Early Termination Event under the Cash Deposit Agreement)).

Following early termination of the Credit Default Swap Agreement, the Notes will be redeemed in whole. The Credit Default Swap Agreement is terminable in certain specified circumstances, including at the option of the CDS Counterparty on any CDS Payment Date where the then Reference Portfolio Notional Amount is less than 10 per cent. of the Initial Reference Portfolio Notional Amount (see “*The Credit Default Swap Agreement – Early Termination of the Credit Default Swap Agreement*”).

Regulatory Call Option

If a Regulatory Event (as defined in Condition 9.3 (*Regulatory Call*)) occurs, the Issuer (or any assignee or novatee of the Regulatory Call Option) shall as soon as practicable following the occurrence of such Regulatory Event by not less than 30 and not more than 60 days’ prior notice to the Trustee and Noteholders have the right to call all but not some only, of the Notes of such Class or Classes as shall be specified in such notice (the “**Regulatory Call Option**”), such call to be exercisable on the Payment Date following any such notice (provided that the Regulatory Call Option in respect of the Class A Notes and the Class AB Notes may only be exercised on a Payment Date on or after the Payment Date falling in November 2008). On such Payment Date following any such notice the holders of the Class or Classes of Notes specified in such notice shall be required to sell all of their Notes of such Class or Classes to the Issuer (or any assignee or novatee of the Regulatory Call Option), pursuant to the Regulatory Call Option. The Regulatory Call Option is granted for the Issuer (or any assignee or novatee of the Regulatory Call Option) to acquire all, but not some only, of the Notes of the Class or Classes in respect of which it is exercised, for a purchase price equal to the then Adjusted Principal Balance of such Notes (converted, in the case of Non-Sterling Notes, into the relevant currency at the Relevant FX Rate).

Reliance on Creditworthiness of the Cash Deposit Bank and CDS Counterparty

The ability of the Issuer to meet its obligations under the Notes will be dependent upon, amongst other things, its receipt of payments from the CDS Counterparty under the Credit Default Swap Agreement and the Cash Deposit Bank under the Cash Deposit Account. Consequently, the Noteholders and the Issuer are relying on the full and timely performance by, and creditworthiness of, the CDS Counterparty and the Cash Deposit Bank in respect of their obligations under the Credit Default Swap Agreement and the Cash Deposit Agreement respectively.

If the CDS Counterparty does not have, at any time, the CDS Counterparty Required Ratings, the CDS Counterparty will be obliged to pay each CDS Counterparty Payment to the Issuer on the first day of each Payment Period until such time as it has the CDS Counterparty Required Ratings, which amount will be credited to the CDS Prepayment Account established by the Issuer for such purpose, provided that the amount of such payment shall be adjusted by an amount equal to the amount of interest (if any) which will accrue on such account during the succeeding Payment Period and any previous overpayments or underpayments (see “*The Credit Default Swap Agreement – CDS Counterparty Payment and CDS Counterparty Expense Payments*”).

Relationship of Barclays Bank PLC as CDS Counterparty with Borrowers

Although the CDS Counterparty and/or its affiliates may have entered into and may from time to time enter into transactions with Borrowers, the CDS Counterparty and/or its affiliates at any time may or may not hold obligations (including the Reference Obligations) of, or have any relationship with, any particular Borrower. The CDS Counterparty and its affiliates may deal in any Reference Obligation and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of banking or other business transactions with, any Borrower and may act with respect to such transactions in the same manner as if the Credit Default Swap Agreement, the Cash Deposit Agreement, the Cross-currency Swaps Agreements and the Notes did not exist and without regard to whether any such action might have an adverse effect on any Borrower, the Issuer or the Noteholders.

Conflicts of Interest

The Issuer, the other Transaction Parties and any of their respective affiliates may deal in any obligation, including any obligations of a Borrower or its affiliates, and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Borrower, its affiliates, any other person or entity

having obligations relating to a Borrower or its affiliates and may act with respect to such business in the same manner as if any Notes issued hereunder did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might give rise to a Credit Event) on a Borrower and/or its affiliates. Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on the one hand, and some or all of the Issuer, the Transaction Parties and any of their respective affiliates, on the other hand. None of the Issuer, the Transaction Parties nor any of their respective affiliates has any obligation to resolve such conflicts of interest in favour of the Noteholders and may pursue actions and take such steps that it deems necessary or appropriate to protect its interests without regard to the consequences for the Noteholders. In particular, the interests of the CDS Counterparty may be adverse to those of the Noteholders. The terms of the Notes, the Credit Default Swap Agreement and each Cross-currency Swap Agreement provide the CDS Counterparty, the Cross-currency Swap Counterparty and the CDS Calculation Agent with certain discretions which they may exercise without any regard for the interests of the Noteholders.

Barclays Bank PLC is acting in a number of capacities (originator of the Reference Obligations, servicer of the Reference Obligations, CDS Counterparty, Cross-currency Swap Counterparty, Cash Deposit Bank, Reserve Account Bank, Note Calculation Agent, CDS Calculation Agent, Cash Administrator and Lead Manager) in connection with the transactions described herein. Barclays Bank PLC acting in such capacities in connection with such transactions shall only have the duties and responsibilities expressly agreed to by it in its relevant capacities and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Barclays Bank PLC in its various capacities in connection with the contemplated transactions may enter into business dealings from which it may derive revenue and profits in addition to the fees, if any, stated in the various Transaction Documents, without any duty to account therefor.

The interests of the CDS Counterparty, each Class of Noteholders and the other Secured Parties may differ in certain circumstances. Condition 16 (*Trustee, Agents and Senior Outstanding Class*) contains summaries of provisions in the Trust Deed which prescribe the basis on which the Trustee is required to exercise its discretion and the circumstances in which it can be directed to act by the CDS Counterparty or each Class of Noteholders.

Issuer Expenses

Provision has been made for the payment of the Issuer's expenses in connection with the Programme and each series of notes as described in Condition 4.3 (*Issuer Expenses*). To the extent that any unanticipated or extraordinary costs and expenses of the Issuer which are payable by the Issuer arise in connection with the Notes or otherwise, the Issuer may have no available funds to pay such costs and expenses and there is a risk that it might become insolvent as a result thereof. The value of an investment in the Notes could be reduced if such an insolvency occurred.

General

EU Directive on the Taxation of Savings Income

The provisions of the European Union Council Directive on the taxation of savings income became operative on 01 July 2005. Under this Directive Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction (a "**paying agent**") to an individual resident in another Member State, except that for a transitional period, Belgium, Luxembourg and Austria will instead operate a withholding system unless during that period they elect otherwise (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries and territories). Certain other jurisdictions, including Switzerland, have enacted equivalent legislation which imposes a withholding tax, or an obligation on a paying agent to provide information on a payment of interest or similar income, in substantially the same circumstances as envisaged by the Directive. Noteholders who are individuals should note that, should any payment in respect of the Notes be subject to withholding imposed as a consequence of the Directive or under the equivalent legislation, no additional amounts would be payable by the Issuer.

Changes to the Basel Capital Accord

The Basel Committee on Banking Supervision (the “**Basel Committee**”) has for some time been discussing and consulting on proposals for reform of the 1988 Capital Accord. The consultations on these proposals have concluded and, in June 2004, the Basel Committee published a document entitled “International Convergence of Capital Measurement and Capital Standards: a Revised Framework” (the “**Revised Framework**”) which contains the final version of the new rules and which will replace the majority of the provisions in the 1998 Capital Accord.

National banking regulators are required to implement the Revised Framework with effect from 1 January 2007 (although, for banks that use the more sophisticated approaches that are available under the Revised Framework for calculating their capital requirements, there will be an option for them to continue to calculate their capital requirements in accordance with the 1998 Accord until 1 January 2008). When implemented, the Revised Framework could affect risk weighting of the Notes in respect of certain Noteholders, if those Noteholders are regulated in a manner which will be affected by the relevant national rules. Consequently, Noteholders should consult their own advisers as to the consequences to and effect on them of the potential application of the Revised Framework. The Issuer cannot predict the precise effects of potential changes which might result as a result of the Revised Framework being implemented.

Enforcement of Legal Liabilities

The Issuer is incorporated under the laws of the Netherlands. The Managing Director of the Issuer named herein resides outside the United States and all or substantially all of the assets of the Issuer are located outside the United States. It may not be possible to enforce, in original actions in the courts of the Netherlands, liabilities predicated solely on U.S. federal securities laws.

CONDITIONS OF THE NOTES

The following are the terms and conditions (the “Conditions”) of the Notes, in the form in which they will be set out in the Constituting Instrument. The Conditions will apply to the Notes whether they are in global form, subject to the provisions of the Global Registered Certificates, some of which will modify the effect of these Conditions, or definitive form. See “Form of the Notes” below.

The Gracechurch Corporate Loans Series 2005-1 Class A1 Notes, Class A2 Notes, Class A3 Notes, Class AB1 Notes, Class AB2 Notes, Class AB3 Notes, Class B1 Notes, Class B2 Notes, Class B3 Notes, Class C1 Notes, Class C2 Notes, Class C3 Notes, Class D1 Notes, Class D2 Notes, Class E Notes, Class F Notes and Class G Notes (together, the “Notes”) of Lambda Finance B.V. (the “Issuer”) are issued under its £6,000,000,000 programme for the issue of notes and are constituted by, are subject to, and have the benefit of, the Constituting Instrument.

The Class A1 Notes, Class A2 Notes, Class A3 Notes, Class AB1 Notes, Class AB2 Notes, Class AB3 Notes, Class B1 Notes, Class B2 Notes, Class B3 Notes, Class C1 Notes, Class C2 Notes, Class C3 Notes, Class D1 Notes, Class D2 Notes, Class E Notes, Class F Notes and Class G Notes are hereinafter collectively referred to as “Classes” and each as a “Class” or a “Class of Notes”. Any reference to “Notes” in these Conditions shall include the Global Registered Certificates and the Definitive Registered Certificates (as applicable).

The Constituting Instrument constitutes and secures the Notes by the creation of a trust deed (the “Trust Deed”) on the terms (as amended, modified and/or supplemented by the Constituting Instrument set out in the master trust terms (the “Master Trust Terms”) as specified in the Constituting Instrument. The Issuer has by entering into the Constituting Instrument also entered into an agency agreement (the “Agency Agreement”) with one or more parties defined in the Constituting Instrument as the “Registrar”, the “Transfer Agent” (which term may include more than one Transfer Agent), the “Note Calculation Agent” and the Trustee on the terms (as amended, modified and/or supplemented by the Constituting Instrument) set out in the master agency terms (the “Master Agency Terms”) as specified in the Constituting Instrument. References herein to the “Note Calculation Agent” or the “Registrar” shall include, respectively, any Successor Note Calculation Agent or Registrar and references herein to the “Transfer Agents” shall include any Successor or additional Transfer Agents, in each case appointed in accordance with the Agency Agreement. References herein to “Agents” are to the Note Calculation Agent, the Registrar, the Transfer Agents, each other agent appointed in accordance with the Agency Agreement, the Cash Administrator, the Transaction Account Bank and the Reserve Account Bank, as applicable. References herein to the “Trustee” shall include any Successor Trustee appointed in accordance with the Trust Deed.

Certain provisions of these Conditions are summaries of the Trust Deed and the other Transaction Documents and are subject to their detailed provisions. The Noteholders are bound by, and are deemed to have notice of, all the provisions of the Constituting Instrument and each document incorporated by reference therein, the Trust Deed, the Agency Agreement, the Transaction Account Bank Agreement, the Reserve Account Agreement, the Cash Administration Agreement, the Credit Default Swap Agreement, each Cross-currency Swap Agreement and each other Transaction Document applicable to them. Copies of the Transaction Documents, and each document incorporated by reference therein, are available for inspection by Noteholders during normal business hours at the registered office of the Issuer, the principal office of the Trustee, the specified office of the Registrar and the specified office of the Transfer Agent.

1. Definitions

“Accounts” means the Income Collection Account and the CDS Prepayment Account.

“Adjusted Principal Balance” means, in respect of a Class of Notes and any date, the Outstanding Principal Balance of such Class of Notes on such date (after any reduction thereof on such date) less an amount equal to the balance of the Principal Deficiency Ledger in respect of such Class of Notes on such date (after any increase or reduction thereof on such date).

“Agents” means the Registrar, the Transfer Agent, the Note Calculation Agent, any other agent appointed in accordance with the Agency Agreement, the Cash Administrator, the Transaction Account Bank and the Reserve Account Bank.

“**Amortisation Amount**” means, in respect of any Payment Date during the Amortisation Period, an amount equal to the Swap Notional Amount on such date (prior to any reduction on such date) minus the Reference Portfolio Notional Amount on such date, subject to a minimum of zero.

“**Amortisation Period**” means the period from but excluding the Revolving Period End Date to and including the Legal Final Maturity Date.

“**Assessment Date**” means each day that falls two Business Days prior to a CDS Payment Date or an Early Termination Date (as defined in the Credit Default Swap Agreement).

“**Assessment Period**” means, in respect of an Assessment Date, the period from (and including) the immediately preceding Assessment Date (or, in the case of the first Assessment Date, from and including the Closing Date) to (but excluding) such Assessment Date.

“**Available Amortisation Funds Priority of Payments**” has the meaning given to that term in Condition 9.1 (*Amortisation of Notes*).

“**Available Income Funds Priority of Payments**” has the meaning given to that term in Condition 5.1 (*Application of Available Income Funds*).

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York City and which is a day on which the TARGET (Trans-European Automated Real-time Gross settlement Express Transfer) System is open.

“**Calculation Date**” means, in respect of a Payment Period, the first day of such Payment Period.

“**Cash Administration Agreement**” means the agreement dated on or about the Closing Date between the Issuer and the Cash Administrator pursuant to which the Cash Administrator has agreed to perform the duties expressed to be performed by it in these Conditions.

“**Cash Administrator**” means Barclays Bank PLC.

“**Cash Deposit Account**” means the segregated account in the name of the Issuer held with the Cash Deposit Bank into which the net proceeds of the issuance of each Series of Notes (in the case of the Euro Notes and U.S. dollar Notes, following conversion into pounds sterling pursuant to the relevant Cross-currency Swap Agreement), together with the Initial CDS Payment from the CDS Counterparty to the Issuer under the Credit Default Swap Agreement, will be deposited on the Closing Date.

“**Cash Deposit Agreement**” means the agreement dated on or about the Closing Date between the Issuer and the Cash Deposit Bank in relation to the establishment and operation of the Cash Deposit Account.

“**Cash Deposit Bank**” means Barclays Bank PLC in its capacity as cash deposit bank or any successor appointed under the Cash Deposit Agreement.

“**Cash Deposit Replenishment Amount**” has the meaning given to that term in Condition 5.1 (*Application of Available Income Funds*).

“**CDS Calculation Agent**” means Barclays Bank PLC in its capacity as calculation agent appointed pursuant to the Credit Default Swap Agreement.

“**CDS Counterparty**” means Barclays Bank PLC in its capacity as swap counterparty under the Credit Default Swap Agreement.

“**CDS Counterparty Expense Payments**” has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

“**CDS Counterparty Default**” means the occurrence of an event of default under the Credit Default Swap Agreement in relation to which the CDS Counterparty is the defaulting party.

“**CDS Counterparty Payment**” has the meaning given to that term in the Credit Default Swap Agreement.

“**CDS Payment Date**” means each day that falls three Business Days prior to a Payment Date.

“**CDS Prepayment Account**” means a segregated interest bearing account entitled “Lambda Finance B.V. – CDS Prepayment Account” and held in the name of the Issuer with the Transaction Account Bank.

“**CDS Prepayment Amount**” means each Buyer Prepayment Amount (as defined in the Credit Default Swap Agreement).

“**Class A Notes**” means the Issuer’s £1,000,000,000 Class A1 Secured Floating Rate Notes due 2029 (the “**Class A1 Notes**”), €1,850,000,000 Class A2 Secured Floating Rate Notes due 2029 (the “**Class A2 Notes**”) and \$3,700,000,000 Class A3 Secured Floating Rate Notes due 2029 (the “**Class A3 Notes**”).

“**Class AB Notes**” means the Issuer’s £43,000,000 Class AB1 Secured Floating Rate Notes due 2029 (the “**Class AB1 Notes**”), €39,000,000 Class AB2 Secured Floating Rate Notes due 2029 (the “**Class AB2 Notes**”) and \$18,000,000 Class AB3 Secured Floating Rate Notes due 2029 (the “**Class AB3 Notes**”).

“**Class B Notes**” means the Issuer’s £43,000,000 Class B1 Secured Floating Rate Notes due 2029 (the “**Class B1 Notes**”), €66,000,000 Class B2 Secured Floating Rate Notes due 2029 (the “**Class B2 Notes**”) and \$20,000,000 Class B3 Secured Floating Rate Notes due 2029 (the “**Class B3 Notes**”).

“**Class C Notes**” means the Issuer’s £17,000,000 Class C1 Secured Floating Rate Notes due 2029 (the “**Class C1 Notes**”), €46,000,000 Class C2 Secured Floating Rate Notes due 2029 (the “**Class C2 Notes**”) and \$20,000,000 Class C3 Secured Floating Rate Notes due 2029 (the “**Class C3 Notes**”).

“**Class D Notes**” means the Issuer’s £50,000,000 Class D1 Secured Floating Rate Notes due 2029 (the “**Class D1 Notes**”) and €73,000,000 Class D2 Secured Floating Rate Notes due 2029 (the “**Class D2 Notes**”).

“**Class E Notes**” means the Issuer’s £80,000,000 Class E Secured Floating Rate Notes due 2029.

“**Class F Notes**” means the Issuer’s £70,000,000 Class F Secured Floating Rate Notes due 2029.

“**Class G Notes**” means the Issuer’s £100,000,000 Class G Secured Floating Rate Notes due 2029.

“**Clean-up Call Event**” means any CDS Payment Date on which the Reference Portfolio Notional Amount is less than 10 per cent. of the Initial Reference Portfolio Notional Amount.

“**Clean-Up Payment**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Clearstream, Luxembourg**” has the meaning given to that term in Condition 3.3 (*Transfer*).

“**Closing Date**” means 8 December 2005.

“**Co-Managers**” means Banc of America Securities Limited and J.P. Morgan Securities Ltd.

“**Collateral**” has the meaning given to that term in Condition 6.1 (*Security*).

“**Conditions to Settlement**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Constituting Instrument**” means the constituting instrument in respect of the Notes dated on or about the Closing Date between the Issuer, the CDS Counterparty, the Trustee and the certain of the Agents.

“**Credit Default Swap Agreement**” means the credit default swap agreement entered into between the Issuer and the CDS Counterparty in relation to the Notes on the Closing Date pursuant to which the CDS Counterparty has purchased credit protection on the Reference Portfolio from the Issuer.

“**Credit Event Verification Report**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Credit Protection Amount**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Credit Protection Calculation Notice**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Credit Protection Verification Report**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Cross-currency Swap Agreements**” means the swap agreements entered into between the Issuer and the Cross-currency Swap Counterparty, as the same may be amended, replaced and/or supplemented, in relation to each Class of Non-Sterling Notes for the purpose of exchanging amounts in sterling determined in respect of such Class of Notes pursuant to the Priorities of Payment into amounts in the currency of denomination of such Class of Notes, and “**Class A2 Cross-currency Swap Agreement**”, “**Class A3 Cross-currency Swap Agreement**”, “**Class AB2 Cross-currency Swap Agreement**”, “**Class AB3 Cross-currency Swap Agreement**”, “**Class B2 Cross-currency Swap Agreement**”, “**Class B3 Cross-currency Swap Agreement**”, “**Class C2 Cross-currency**

Swap Agreement", "Class C3 Cross-currency Swap Agreement" and "Class D2 Cross-currency Swap Agreement" shall be construed accordingly.

"Cross-currency Swap Counterparty" means Barclays Bank PLC and any successor cross-currency swap counterparty appointed pursuant to a Cross-currency Swap Agreement.

"Cross-currency Swap Counterparty Default" has the meaning given to that term in the relevant Cross-currency Swap Agreement.

"Cross-currency Swap Premium Excess" has the meaning given to that term in Condition 5.1 (*Application of Available Income Funds*).

"Day Count Fraction" means, in respect of a Payment Period, (i) in respect of Sterling Notes, the actual number of days in such Payment Period divided by 365 (or, if that Payment Period ends in a leap year, 366) and (ii) in respect of the Euro notes and the U.S. dollar notes, the actual number of days in such Payment Period divided by 360.

"Deed of Charge" has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

"Defaulted Reference Obligation" means a Reference Obligation in respect of which the Conditions to Settlement are satisfied.

"Deferred Interest" means, in respect of any Class of Notes and any Payment Date, an amount equal to the aggregate Interest Amount payable on the Notes of such Class on each prior Payment Date as determined by the Note Calculation Agent under Condition 8.4 (*Calculation of Interest*) minus the aggregate amount of interest actually paid in respect of such Class of Notes on each prior Payment Date.

"Definitive Registered Certificate" has the meaning given to that term in Condition 13.2 (*Exchange of Global Registered Certificates for Definitive Registered Certificates*).

"Discrete Series" has the meaning given to that term in Condition 6 (*Restrictions on the Issuer*);

"DTC" has the meaning given to that term in Condition 3.3 (*Transfer*).

An **"Early Amortisation Event"** shall occur, at the option of the CDS Counterparty, if the Reference Portfolio Notional Amount is less than the Swap Notional Amount on two consecutive CDS Payment Dates.

"EC Treaty" means the Treaty establishing the European community signed in Rome on 25 March 1957, as amended from time to time, including by the Treaty on European Union signed in Maastricht on 07 February 1992.

"Enforcement Notice" has the meaning given to that term in Condition 11.1 (*Events of Default*).

"Enforcement Priority of Payments" has the meaning given to that term in Condition 5.2 (*Application of Proceeds upon Enforcement*).

"Euro Notes" means the Class A2 Notes, Class AB2 Notes, Class B2 Notes, Class C2 Notes and Class D2 Notes.

"Euroclear" has the meaning given to that term in Condition 3.3 (*Transfer*).

"Eurozone" means the region comprised of member states of the European Union that adopt the euro in accordance with the EC Treaty.

"Event of Default" has the meaning given to that term in Condition 11.1 (*Events of Default*).

"Exchange Act" has the meaning given to that term in Condition 13.1 (*Issue of Definitive Registered Certificates*).

"Expense Account Manager" has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

"Expense Account Trustee" has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

"Extraordinary Resolution" means, with respect to any Class of Noteholders, a resolution passed at a meeting of such Class of Noteholders duly convened and held in accordance with the Trust Deed by at least 75 per cent. by number of the votes cast.

"Global Registered Certificate" has the meaning given to that term in Condition 2 (*Form and Denomination*).

"Holder" has the meaning given to that term in Condition 3.1 (*Register*).

“**Income Collection Account**” means a segregated interest bearing account entitled “Lambda Finance B.V. – Income Collection Account” that is held in the name of the Issuer with the Transaction Account Bank.

“**Initial CDS Payment**” means the payment by the CDS Counterparty to the Issuer on the Closing Date under the Credit Default Swap Agreement of an amount in pounds sterling equal to the Initial Swap Notional Amount minus (a) the aggregate amount received by the Issuer from the Cross-currency Swap Counterparty under each Cross-currency Swap Agreement on such date and (b) the issue proceeds received by the Issuer on the Closing Date in respect of the Sterling Notes.

“**Initial Principal Amount**” means, in respect of each Class of Notes, the amount set out in respect of such Class in the table below.

<i>Class of Notes</i>	<i>Initial Principal Amount</i>
Class A1 Notes	£1,000,000,000
Class A2 Notes	€1,850,000,000
Class A3 Notes	\$3,700,000,000
Class AB1 Notes	£43,000,000
Class AB2 Notes	€39,000,000
Class AB3 Notes	\$18,000,000
Class B1 Notes	£43,000,000
Class B2 Notes	€66,000,000
Class B3 Notes	\$20,000,000
Class C1 Notes	£17,000,000
Class C2 Notes	€46,000,000
Class C3 Notes	\$20,000,000
Class D1 Notes	£50,000,000
Class D2 Notes	€73,000,000
Class E Notes	£80,000,000
Class F Notes	£70,000,000
Class G Notes	£100,000,000

“**Initial Principal Balance**” means, in respect of each Class of Notes, the amount set out in respect of such Class in the table below:

<i>Class of Notes</i>	<i>Initial Principal Balance</i>
<i>Class A1 Notes</i>	£1,000,000,000
Class A2 Notes	£1,267,644,237.36
Class A3 Notes	£2,142,355,762.64
Class AB1 Notes	£43,000,000
Class AB2 Notes	£26,568,241.09
Class AB3 Notes	£10,431,758.91
Class B1 Notes	£43,000,000
Class B2 Notes	£45,409,156.77
Class B3 Notes	£11,590,843.23
Class C1 Notes	£17,000,000
Class C2 Notes	£31,409,156.77
Class C3 Notes	£11,590,843.23
Class D1 Notes	£50,000,000
Class D2 Notes	£50,000,000
Class E Notes	£80,000,000
Class F Notes	£70,000,000
Class G Notes	£100,000,000

“**Initial Reference Portfolio Notional Amount**” means £5,000,000,000.

“**Initial Swap Notional Amount**” means £5,000,000,000.

“**Interest Amount**” means, in respect of a Note and a Payment Period, the amount of interest payable in respect of such Note for such Payment Period.

“**Interest Shortfall**” has the meaning given to that term in Condition 8.5 (*Deferred Interest*).

“**Issuer Dutch Account**” has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

“**Issuer Expenses**” has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

“**Issuer Expense Account**” has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

“**Issuer General Expense Account**” has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

“**Issuer Income**” means each amount of interest accrued on the balance standing to the credit of the Cash Deposit Account from time to time and paid to the Issuer pursuant to the Cash Deposit Agreement.

“**Issuer Series Expense Account**” has the meaning given to that term in Condition 4.3 (*Issuer Expenses*).

“**Legal Final Maturity Date**” means the Payment Date falling in November 2029.

“**Liquidated Reference Obligation**” means a Defaulted Reference Obligation in respect of which a Credit Protection Calculation Notice has been delivered to the Issuer, the Verification Agent, the Cash Administrator and the Trustee or, following the occurrence of the Verification Agent Trigger Event, in respect of which a Credit Protection Verification Report has been delivered to the Issuer, the Cash Administrator, the CDS Calculation Agent and the Trustee.

“**Management Agreement**” means the management agreement dated 23 November 2005 between the Issuer and the Managing Director in respect of the management and administration of the Issuer.

“**Managers**” means Barclays Bank PLC in its capacity as Lead Manager (the “**Lead Manager**”) and the Co-Managers.

“**Managing Director**” means Structured Finance Management (Netherlands) B.V. or any successor as Managing Director appointed pursuant to the Management Agreement.

“**Mandatory Early Redemption Date**” has the meaning given to that term in Condition 9.6 (*Mandatory Early Redemption*).

“**Margin**” means in respect of each Class of Notes, the rate set out in respect of such Class in the table below:

<i>Class of Notes</i>	<i>Margin</i>
Class A1 Notes	0.24 per cent. per annum
Class A2 Notes	0.24 per cent. per annum
Class A3 Notes	0.23 per cent. per annum
Class AB1 Notes	0.28 per cent. per annum
Class AB2 Notes	0.28 per cent. per annum
Class AB3 Notes	0.28 per cent. per annum
Class B1 Notes	0.37 per cent. per annum
Class B2 Notes	0.37 per cent. per annum
Class B3 Notes	0.37 per cent. per annum
Class C1 Notes	0.62 per cent. per annum
Class C2 Notes	0.62 per cent. per annum
Class C3 Notes	0.62 per cent. per annum
Class D1 Notes	0.92 per cent. per annum
Class D2 Notes	0.92 per cent. per annum
Class E Notes	2.75 per cent. per annum
Class F Notes	4.50 per cent. per annum
Class G Notes	9.00 per cent. per annum

“**Minimum Denomination**” means in respect of the Sterling Notes, £50,000 and integral multiples of £1,000 in excess thereof, in respect of the Euro Notes, €50,000 and integral multiples of €1,000 in excess thereof and, in respect of U.S. dollar Notes, \$100,000 and integral multiples of \$1,000 in excess thereof.

“**Moody’s**” means Moody’s Investors Service Limited, and any successor to its ratings business.

“**Moody’s 1 year Expected Default Frequency**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Non-Sterling Notes**” means each Class of Notes other than the Sterling Notes.

“**Note Calculation Agent**” means Barclays Bank PLC or any Successor appointed as note calculation agent pursuant to the Agency Agreement.

“**Noteholder**” has the meaning given to that term in Condition 3.1 (*Register*).

“**outstanding**” means, with respect to the Notes of a Class, all of the Notes of such Class issued other than:

- (i) those Notes of the relevant Class which have been redeemed pursuant to the Conditions and the Trust Deed;
- (ii) those Notes of each Class in respect of which any claim to the Principal Amount Outstanding has been extinguished, and the redemption moneys have been duly paid to the Trustee or to the Registrar in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the relevant Noteholders) and remain available for payment;
- (iii) those Notes claims in respect of which have become void under Condition 12 (*Prescription*);
- (iv) those Notes represented by a Global Registered Certificate to the extent that interests in such Global Registered Certificate have been exchanged in full for Definitive Registered Certificates pursuant to its provisions.

“**Outstanding Principal Balance**” means, with respect to each Class of Notes, the Initial Principal Balance of such Class as of the Closing Date minus the Sterling equivalent of any principal payments determined using the Relevant FX Rate made in accordance with Condition 9.1 (*Amortisation of Notes*) in respect of that Class, and the “Outstanding Principal Balance” of a Note of any Class shall mean such Note’s *pro rata* portion of the Outstanding Principal Balance for such Class.

“**Payment Date**” has the meaning given to that term in Condition 8.1 (*Interest on Notes*).

“**Payment Period**” has the meaning given to that term in Condition 8.1 (*Interest on Notes*).

“**person**” means an individual, corporation (including a business trust), limited liability company, partnership, collective investment scheme, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

“**Priorities of Payment**” means the Available Income Funds Priority of Payments, the Available Amortisation Funds Priority of Payments and the Enforcement Priority of Payments.

“**Principal Amount Outstanding**” means, in respect of any Class of Notes, the Initial Principal Amount of such Class minus all amounts in respect of principal actually paid to Noteholders of such Class in the currency of denomination of such Class, and the “Principal Amount Outstanding” of a Note of any Class shall mean the such Note’s *pro rata* portion of the Principal Amount Outstanding for such Class.

“**Principal Deficiency Ledger**” has the meaning given to that term in Condition 5.8 (*Principal Deficiency Ledgers*).

“**Principal Financial Centre**” has the meaning given to that term in Condition 10.1 (*Method of Payment*).

“**Programme**” means the Issuer’s £6,000,000,000 programme for the issue of Notes.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of a Note as determined by the Note Calculation Agent in accordance with Condition 8.3 (*Rate of Interest*).

“**Rated Notes**” means the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

“**Rating Agencies**” means S&P and Moody’s.

“**Record Date**” means, with respect to any payment, the fifteenth day before the due date for such payment.

“**Reference Banks**” means, for the purposes of the Sterling Notes and the U.S. dollar Notes, four major banks in the London inter-bank market and, for the purposes of the Euro Notes, four major banks in the Euro-zone inter-bank market, in each case selected by the Note Calculation Agent for the purpose of calculating the Rate of Interest pursuant to Condition 8.3 (*Rate of Interest*).

“**Reference Obligation Notional Amount**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Reference Obligation Principal Amount**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Reference Portfolio**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Reference Portfolio Notional Amount**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Register**” means the Register kept at the specified office of the Registrar in accordance with the Trust Deed on which shall be entered the names and addresses of the holders of the Notes, the particulars of the Notes held by them and all transfers of the Notes.

“**Registrar**” means The Bank of New York or any Successor appointed as registrar pursuant to the Agency Agreement.

“**Regulation S Definitive Registered Certificates**” has the meaning given to that term in Condition 13.2 (*Exchange of Global Registered Certificates for Definitive Registered Certificates*).

“**Regulatory Call Option**” has the meaning given to that term in Condition 9.3 (*Regulatory Call*).

“**Regulatory Event**” has the meaning given to that term in Condition 9.3 (*Regulatory Call*).

“**Relevant Date**” has the meaning given to that term in Condition 12 (*Prescription*).

“**Relevant Financial Centre**” means London (in the case of the Sterling and the U.S. dollar Notes) or the Eurozone (in the case of the Euro Notes).

“**Relevant FX Rate**” means, in respect of each Class of Non-Sterling Notes, the foreign currency exchange rate set out in respect of such Class in the table below:

<i>Class of Notes</i>	<i>Relevant FX Rate (rounded to 10 decimal places)</i>
Class A2 Notes	£1: €1.4594000000
Class A3 Notes	£1: \$1.7270707623
Class AB2 Notes	£1: €1.4679180255
Class AB3 Notes	£1: \$1.7255000000
Class B2 Notes	£1: €1.4534513455
Class B3 Notes	£1: \$1.7255000000
Class C2 Notes	£1: €1.4645410682
Class C3 Notes	£1: \$1.7255000000
Class D2 Notes	£1: €1.4600000000

“**Relevant Screen**” has the meaning given to that term in Condition 18 (*Notices*).

“**Relevant Screen Rate**” means (i) in respect of the Sterling Notes, the arithmetic mean of the offered quotations to leading banks for three-month Sterling deposits in the London inter-bank market, (ii) in respect of the Euro Notes, the arithmetic mean of the offered quotations to leading banks for three-month euro deposits in the Euro-zone inter-bank market, and (iii) in respect of the U.S. dollar Notes, the arithmetic mean of the offered quotations to leading banks for three-month U.S. dollar deposits in the London inter-bank market, in the case of each of the Sterling Notes and the U.S. dollar Notes, displayed on Moneyline Telerate page 3750 and, in the case of the Euro Notes, displayed on Moneyline Telerate page 248, provided that the Relevant Screen Rate in respect of the first Payment Period and any Class of Notes shall be the linear interpolation of the rates determined in accordance with (i), (ii) or (iii) (as applicable) adjusted for 2 month and 3 month deposits in the relevant currency and market.

“**Relevant Time**” means in respect of the Sterling Notes and the U.S. dollar Notes, 11.00 a.m. London time, and in respect of the Euro Notes, 11.00 a.m. Brussels time.

“**Representative Amount**” means an amount that is representative for a single transaction in the relevant market at the relevant time.

“**Reserve Account**” means a segregated interest bearing account entitled “Lambda Finance B.V. – Reserve Account” that is held in the name of the Issuer with the Reserve Account Bank.

“**Reserve Account Agreement**” means the agreement dated on or about the Closing Date between the Issuer, the Reserve Account Bank and the Trustee pursuant to which the Reserve Account Bank has agreed to open and maintain the Reserve Account on behalf of the Issuer.

“Reserve Account Bank” means Barclays Bank PLC or any successor appointed as reserve account bank pursuant to the Reserve Account Agreement.

“Reserve Account Required Amount” means zero on the Closing Date and any Payment Date, provided that if, on any Payment Date, the aggregate of the Reference Obligation Notional Amounts of all Defaulted Reference Obligations exceeds 3.00 per cent. of the aggregate of the Outstanding Principal Balance of all Classes of Notes, the Reserve Account Required Amount shall be increased to 1.00 per cent. of the aggregate of the Initial Principal Balance of all Classes of Notes with effect from and including such Payment Date and, on any subsequent Payment Date, should the aggregate of the Reference Obligation Notional Amounts of all Defaulted Reference Obligations equal zero the Reserve Account Required Amount shall be reduced to zero with effect from and including such Payment Date.

“Revolving Period” means the period from and including the Closing Date to and including the Revolving Period End Date.

“Revolving Period End Date” means the earlier of (i) the Payment Date immediately following the occurrence of an Early Amortisation Event and (ii) the Payment Date in November 2008;

“Rule 144A Definitive Registered Certificates” has the meaning given to that term in Condition 13.2 (*Exchange of Global Registered Certificates for Definitive Registered Certificates*).

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor to its ratings business.

“Screen Rate Determination Date” means, in respect of the Sterling Notes, the first day of the relevant Payment Period, and in respect of the Euro Notes and U.S. dollar Notes, the day that falls two Business Days prior to the first day of the relevant Payment Period.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Secured Obligations” means all present and future obligations of the Issuer to the Secured Parties under the Notes, the Trust Deed, the Credit Default Swap Agreement and the Cross-currency Swap Agreements.

“Secured Parties” means the Noteholders, the Trustee, the CDS Counterparty and the Cross-currency Swap Counterparty.

“Senior Outstanding Class” means the Class A Notes or, following redemption and payment in full of the Class A Notes, the Class AB Notes or, following redemption and payment in full of the Class AB Notes, the Class B Notes or, following redemption and payment in full of the Class B Notes, the Class C Notes or, following redemption and payment in full of the Class C Notes, the Class D Notes or, following redemption and payment in full of the Class D Notes, the Class E Notes or, following redemption and payment in full of the Class E Notes, the Class F Notes or, following redemption and payment in full of the Class F Notes, the Class G Notes.

“Series” means a series of notes issued by the Issuer under the Programme.

“Sterling Notes” means the Class A1 Notes, Class AB1 Notes, Class B1 Notes, Class C1 Notes, Class D1 Notes, Class E Notes, Class F Notes and Class G Notes.

“Subscription Agreement” means the agreement made between the Issuer and the Managers dated 6 December 2005, pursuant to which the Managers have severally agreed, subject to certain conditions, to subscribe for the Notes.

“Successor” means, in relation to any Agent or the Trustee, such other or further person as may from time to time be appointed by the Issuer as such, in the case of any Agent with the written approval of, and on terms approved in writing by, the Trustee, and notice of whose appointment is given to Noteholders and in the case of the Trustee, having been approved by separate Extraordinary Resolutions of the Holders of each Class of Notes, or any permitted assignee or successor in title of any such person, or (in any case) any person who under the law of its jurisdiction of incorporation has validly assumed the rights and obligations of any such person or to whom such rights and obligations have been validly transferred.

“Swap Agreements” means the Credit Default Swap Agreement and each Cross-currency Swap Agreement.

“Swap Counterparty” means each of the CDS Counterparty and the Cross-currency Swap Counterparty.

“**Swap Notional Amount**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Tax**” means any present or future tax, duty or charge of whatsoever nature (including any penalty or interest payable in connection with any failure to pay or delay in paying any of the same) imposed or levied under the law or regulations of any relevant jurisdiction.

“**Tax Redemption Event**” has the meaning given to that term in Condition 9.4 (*Redemption for Taxation Reasons*).

“**Transaction Accounts**” means the CDS Prepayment Account and the Income Collection Account.

“**Transaction Account Bank**” means The Bank of New York and any successor appointed as transaction account bank pursuant to the Transaction Account Bank Agreement.

“**Transaction Account Bank Agreement**” means the agreement dated on or about the Closing Date between the Issuer and the Transaction Account Bank pursuant to which the Transaction Account Bank has agreed to open and maintain the Transaction Accounts on behalf of the Issuer.

“**Transaction Documents**” means the Swap Agreements, the Constituting Instrument, each agreement entered into between the Transaction Parties pursuant to the Constituting Instrument the Transaction Account Bank Agreement, the Cash Administration Agreement, the Cash Deposit Agreement, the Reserve Account Agreement, the Verification Agency Agreement and the Subscription Agreement.

“**Transaction Parties**” means the Issuer, the Trustee, the Agents, the CDS Counterparty, the Cross-currency Swap Counterparty, the Verification Agent, the Cash Deposit Bank, the CDS Calculation Agent, the Transaction Account Bank, the Reserve Account Bank, the Cash Administrator and the Managers (each, a “**Transaction Party**”).

“**Transfer Agent**” means The Bank of New York or any Successor appointed as transfer agent pursuant to the Agency Agreement.

“**Trustee**” means The Bank of New York or any Successor appointed as trustee pursuant to the Trust Deed.

“**United States**” and “**U.S.**” means the United States of America (including the States and the District of Columbia).

“**United States persons**” and “**U.S. Persons**” has the meaning ascribed to it by Regulation S under the Securities Act and “non-U.S. Persons” shall be construed accordingly.

“**U.S. dollar Notes**” means the Class A3 Notes, Class AB3 Notes, Class B3 Notes and Class C3 Notes.

“**Verification Agency Agreement**” means the agreement dated on or about the Closing Date between the CDS Counterparty and the Verification Agent in which The Bank of New York Europe Limited (together with any successor verification agent appointed under the Verification Agency Agreement, the “**Verification Agent**”) has agreed to act as the Verification Agent in relation to the Credit Default Swap Agreement.

“**Verification Agent Trigger Event**” has the meaning given to that term in the Credit Default Swap Agreement.

“**Written Resolution**” means a resolution in writing signed by or on behalf of the Holders of not less than 75 per cent. of the Outstanding Principal Balance of a Class of Notes for the time being outstanding who for the time being are entitled to received notice of a meeting of the Holders of Notes in accordance with the provisions of the Trust Deed, whether contained in one document or in more than one document in the same form, each signed by or on behalf of one or more Holders of such Class of Notes.

In these Conditions, references to “**£**”, “**Sterling**” and “**pounds sterling**” are to the lawful currency for the time being of the United Kingdom, references to “**euro**”, “**EUR**” and “**€**” are to the currency of the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union and references to “**\$**” and “**U.S. dollars**” are to the lawful currency for the time being of the United States of America.

2. Form and Denomination

The Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes initially offered and sold outside the United

States to non-U.S. persons pursuant to Regulation S (“**Regulation S**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”) will initially be represented by one or more separate global registered certificates in registered form for each such Class (the “**Class A1 Regulation S Global Registered Certificate**”, the “**Class A2 Regulation S Global Registered Certificate**”, the “**Class A3 Regulation S Global Registered Certificates**”, the “**Class AB1 Regulation S Global Registered Certificate**”, the “**Class AB2 Regulation S Global Registered Certificate**”, the “**Class AB3 Regulation S Global Registered Certificate**”, the “**Class B1 Regulation S Global Registered Certificate**”, the “**Class B2 Regulation S Global Registered Certificate**”, the “**Class B3 Regulation S Global Registered Certificate**”, the “**Class C1 Regulation S Global Registered Certificate**”, the “**Class C2 Regulation S Global Registered Certificate**”, the “**Class C3 Regulation S Global Registered Certificate**”, the “**Class D1 Regulation S Global Registered Certificate**”, the “**Class D2 Regulation S Global Registered Certificate**”, the “**Class E Regulation S Global Registered Certificate**”, the “**Class F Regulation S Global Registered Certificate**” and the “**Class G Regulation S Global Registered Certificate**”, respectively, and together, the “**Regulation S Global Registered Certificates**”).

The Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes initially offered and sold in the United States to qualified institutional buyers as defined in and in reliance on Rule 144A (“**Rule 144A**”) under the Securities Act likewise will initially be represented by one or more separate global registered certificates in registered form for each such class (the “**Class A1 Rule 144A Global Registered Certificate**”, the “**Class A2 Rule 144A Global Registered Certificate**”, the “**Class A3 Rule 144A Global Registered Certificates**”, the “**Class AB1 Rule 144A Global Registered Certificate**”, the “**Class AB2 Rule 144A Global Registered Certificate**”, the “**Class AB3 Rule 144A Global Registered Certificate**”, the “**Class B1 Rule 144A Global Registered Certificate**”, the “**Class B2 Rule 144A Global Registered Certificate**”, the “**Class B3 Rule 144A Global Registered Certificate**”, the “**Class C1 Rule 144A Global Registered Certificate**”, the “**Class C2 Rule 144A Global Registered Certificate**”, the “**Class C3 Rule 144A Global Registered Certificate**”, the “**Class D1 Rule 144A Global Registered Certificate**”, the “**Class D2 Rule 144A Global Registered Certificate**”, the “**Class E Rule 144A Global Registered Certificate**”, the “**Class F Rule 144A Global Registered Certificate**” and the “**Class G Rule 144A Global Registered Certificate**”, respectively, and together, the “**Rule 144A Global Registered Certificates**” and, together with the Regulation S Global Registered Certificates, the “**Global Registered Certificates**”). The Global Registered Certificates will, in aggregate, represent the aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes.

Definitive Registered Certificates of each class (which, if issued, will be in the denominations set out below) will be serially numbered and will be issued in registered form only in accordance with Condition 13 (*Definitive Registered Certificates*). Any Definitive Registered Certificates issued will be issued in denominations of not less than the Minimum Denomination.

3. Register, Title and Transfers

3.1 Register

The Registrar will maintain a register (the “**Register**”) in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.

3.2 Title

The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Definitive Registered Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Definitive Registered Certificate) and no person shall be liable for so treating such Holder.

3.3 Transfer

For so long as any Notes are represented by a Global Registered Certificate, transfers and exchanges of beneficial interests in Global Registered Certificates and entitlement to payments thereunder will be effected subject to and in accordance with the provisions of the Agency

Agreement and the rules and procedures from time to time of The Depository Trust Company (“DTC”), Euroclear S.A./N.V. as operator of the Euroclear System (“Euroclear”) or Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”), as appropriate.

Subject to Conditions 3.6 (*Closed Periods*) and 3.7 (*Regulations Concerning Transfer and Registration*), a Definitive Registered Certificate may be transferred upon surrender of the relevant Definitive Registered Certificate, with the endorsed form of transfer duly completed, at the specified office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* (i) Notes may not be transferred unless the principal amount of Notes transferred is an integral multiple of the Minimum Denomination and (ii) Notes which are restricted securities within the meaning of Rule 144(a)(3) under the Securities Act may only be transferred in a minimum aggregate amount of \$100,000 in the case of the U.S. dollar Notes, £50,000 in the case of the Sterling Notes and €50,000 in the case of the Euro Notes. Where not all the Notes represented by the surrendered Definitive Registered Certificate are the subject of the transfer, a new Definitive Registered Certificate in respect of the balance of the Notes will be issued to the transferor.

3.4 Registration and Delivery of Definitive Registered Certificates

Within five business days of the surrender of a Definitive Registered Certificate in accordance with Condition 3.3 (*Transfer*), the Registrar will register the transfer in question and issue a new Definitive Registered Certificate of a like principal amount to the Notes transferred to each relevant Holder at its address notified to the Registrar or (as the case may be) the specified office of the Registrar or any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its specified office.

3.5 Transfer Free of Charge

Transfer of Notes and Definitive Registered Certificates in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

3.6 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

3.7 Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (with the prior written approval of the Trustee) to reflect changes in legal requirements or in any other manner which, in the opinion of the Issuer (with the prior written approval of the Trustee), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations will be sent by the Registrar to any Noteholder who so requests.

4. Status and Subordination

4.1 Status of the Notes

The Notes of each Class constitute secured, limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 11.5 (*Limited Recourse and Non-petition*) and rank *pari passu* and rateably without any preference or priority amongst Notes of the same Class.

4.2 Relationship Among Classes

The Notes of each Class are constituted by the Constituting Instrument and are secured on the Collateral as further described in Condition 6 (*Security*).

Payments of principal of the Class A Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be *pari passu* among themselves and senior in right of payment to payments of principal of all other Classes of Notes outstanding subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*). Payments of interest on the Class A Notes on each Payment Date will (in accordance with Condition 5.1 (*Application of Available Income Funds*)), be *pari passu* among themselves and senior in right of payment to payments of interest on all other Classes of Notes outstanding.

Payments of principal of the Class AB Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be *pari passu* among themselves and senior in right of payment to payments of principal of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of principal of the Class A Notes, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*). Payments of interest on the Class AB Notes on each Payment Date will, in accordance with Condition 5.1 (*Application of Available Income Funds*)), be *pari passu* among themselves and senior in right of payment to payments of interest on the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of interest on the Class A Notes.

Payments of principal of the Class B Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be *pari passu* among themselves and senior in right of payment to payments of principal of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of principal on the Class A Notes and the Class AB Notes, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*). Payments of interest on the Class B Notes on each Payment Date will, in accordance with Condition 5.1 (*Application of Available Income Funds*)), be *pari passu* among themselves and senior in right of payment to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of interest on the Class A Notes and the Class AB Notes.

Payments of principal of the Class C Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be *pari passu* among themselves and senior in right of payment to payments of principal of the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of principal of the Class A Notes, the Class AB Notes and the Class B Notes, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*). Payments of interest on the Class C Notes on each Payment Date will, in accordance with Condition 5.1 (*Application of Available Income Funds*)), be *pari passu* among themselves and senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of interest on the Class A Notes, the Class AB Notes and the Class B Notes.

Payments of principal of the Class D Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be *pari passu* among themselves and senior in right of payment to payments of principal of the Class E Notes, the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of principal of the Class A Notes, the Class AB Notes, the Class B Notes and the Class C Notes, subject always to *pro rata* redemption of the Notes in certain circumstances other than the Class G Notes prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*). Payments of interest on the Class D Notes on each Payment Date will, in accordance with Condition 5.1 (*Application of Available Income Funds*)), be *pari passu* among themselves and senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Class G Notes, but

subordinated in right of payment to payments of interest on the Class A Notes, the Class AB Notes, the Class B Notes and the Class C Notes.

Payments of principal of the Class E Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be *pari passu* among themselves and senior in right of payment to payments of principal of the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of principal of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*). Payments of interest on the Class E Notes on each Payment Date will, in accordance with Condition 5.1 (*Application of Available Income Funds*), be *pari passu* among themselves and senior in right of payment to payments of interest on the Class F Notes and the Class G Notes, but subordinated in right of payment to payments of interest on the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Payments of principal of the Class F Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be senior in right of payment to payments of principal on the Class G Notes, but subordinated in right of payment to payments of principal of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*). Payments of interest on the Class F Notes on each Payment Date will, in accordance with Condition 5.1 (*Application of Available Income Funds*), be senior in right of payment to payments of interest on the Class G Notes, but subordinated in right of payment to payments of interest on the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

Payments of principal of the Class G Notes on each Payment Date will, in accordance with Condition 9.1 (*Amortisation of Notes*), be subordinated in right of payment to payments of principal of all other Classes of Notes. Payments of interest on the Class G Notes on each Payment Date will (in accordance with Condition 5.1 (*Application of Available Income Funds*)) be *pari passu* among themselves and subordinated in right of payment to payments of interest on all other Classes of Notes.

No amount of principal in respect of the Class AB Notes shall become due and payable until redemption and payment in full of the Class A Notes; no amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class A Notes and the Class AB Notes; no amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class AB Notes and the Class B Notes; no amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class AB Notes, the Class B Notes and the Class C Notes; no amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes; no amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; and no amount of principal in respect of the Class G Notes shall become due and payable until redemption and payment in full of all the other Classes of Notes, subject always to *pro rata* redemption of the Notes other than the Class G Notes in certain circumstances prior to enforcement of the security in respect of the Collateral as set out in Condition 9.1 (*Amortisation of Notes*).

4.3 Issuer Expenses

The anticipated fees and expenses of the Agents, the Trustee, the expenses of the Managing Director and the other anticipated ongoing expenses of the Issuer (including, without limitation, legal fees and expenses, registered office fees and expenses and filing and annual return fees payable to the Netherlands Government), including those related to the Notes and certain other expenses not related to the Notes or any other particular Series (collectively, “**Issuer Expenses**”), will be paid by the Issuer from corresponding amounts payable to the Issuer under the Credit Default Swap Agreement (“**CDS Counterparty Expense Payments**”).

The CDS Counterparty Expense Payments will be credited by the Issuer to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with The Bank of New York (the “**Expense Account Manager**”) for, on behalf of, and in the name of the Issuer which do not relate to any particular Series (each such account and any replacement for such account, an “**Issuer General Expense Account**”) and/or to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with the Expense Account Manager for, on behalf of, and in the name of the Issuer each of which relates to a particular Series (each such account and any replacement for such account, an “**Issuer Series Expense Account**” and, each Issuer Series Expense Account or Issuer General Expense Account, an “**Issuer Expense Account**”) or to the Issuer Dutch Account.

Pursuant to the terms of an account agreement dated 16 December 2003 between the Issuer, The Bank of New York in its capacities as Expense Account Manager and Expense Account Trustee and Barclays Bank PLC in its capacities as arranger and swap counterparty under the Programme (the “**Expense Account Agreement**”), the Expense Account Manager has agreed that it shall, on behalf of the Issuer, maintain and operate the Issuer Expense Accounts, receive any CDS Counterparty Expense Payments and transfer the same to pay the Issuer Expenses and any Clean-Up Payments required to be made by the Issuer to Barclays Bank PLC, and equivalent payments to be made in respect of each other Series issued under the Programme.

The obligations of the Issuer to make Clean-Up Payments to Barclays Bank PLC, and equivalent payments to be made in respect of each other Series issued under the Programme, are secured pursuant to a Deed of Charge dated 16 December 2003 entered into between the Issuer, The Bank of New York, as trustee thereunder (in such capacity, the “**Expense Account Trustee**”) and Barclays Bank PLC in its capacity as swap counterparty under the Programme (the “**Deed of Charge**”) by (i) a fixed charge in favour of the Expense Account Trustee (as trustee for Barclays Bank PLC in its capacity as swap counterparty under the Programme) over all funds and any other assets now or hereafter standing to the credit of each Issuer General Expense Account and each Issuer Series Expense Account from time to time opened by and held with the Expense Account Manager, the debts represented by such moneys and all of the Issuer’s rights, benefits, powers, privileges, authorities, discretions and remedies relating to each Issuer General Expense Account and each Issuer Series Expense Account and (ii) an assignment in favour of the Expense Account Trustee (as trustee for Barclays Bank PLC in its capacity as swap counterparty under the Programme) of all of the Issuer’s rights, title, benefit and interest in, to and under the Expense Account Agreement and all sums derived therefrom. The security created in favour of the Expense Account Trustee under the Deed of Charge will not secure amounts payable to Noteholders.

The “**Issuer Dutch Account**” is a segregated account in the name of the Issuer with Deutsche Bank AG Amsterdam branch, the Netherlands, into which the EUR 18,000 issued and paid up share capital of the Issuer and any amounts required to be retained by the Issuer as minimum profit under the Dutch tax agreement obtained on behalf of the Issuer with the Dutch tax authorities have been deposited. Pursuant to a pledge of account dated 23 November 2005, the Issuer granted a pledge in favour of the Managing Director of the Issuer over the Issuer Dutch Account and all amounts standing to the credit thereof as security for the Issuer’s obligations to the Managing Director under the Management Agreement.

5. Priority of Payments; Accounts

5.1 Application of Available Income Funds

Prior to the delivery of an Enforcement Notice as described in Condition 11.1 (*Events of Default*), subject as provided in the Trust Deed, and prior to any Mandatory Early Redemption Date, the Issuer shall on each Payment Date procure that the balance standing to the credit of the Income Collection Account with respect to such Payment Date shall be applied in the order set out below (the “**Available Income Funds Priority of Payments**”):

- (1) *first*, to pay on a *pari passu* and *pro rata* basis:
 - (i) amounts of interest due in respect of the Class A1 Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class A1 Noteholders;

- (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class A2 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class A2 Cross-currency Swap Agreement) provided that, if the Class A2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class A2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class A3 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class A3 Cross-currency Swap Agreement) provided that, if the Class A3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class A3 Notes;
- (2) *second*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class A Notes on the relevant Calculation Date;
- (3) *third*, to pay on a *pari passu* and *pro rata* basis:
 - (i) amounts of interest due in respect of the Class AB1 Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class AB1 Noteholders;
 - (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class AB2 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class AB2 Cross-currency Swap Agreement) provided that, if the Class AB2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class AB2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class AB3 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class AB3 Cross-currency Swap Agreement) provided that, if the Class AB3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class AB3 Notes;
- (4) *fourth*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class AB Notes on the relevant Calculation Date;
- (5) *fifth*, to pay on a *pari passu* and *pro rata* basis:
 - (i) amounts of interest due in respect of the Class B1 Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class B1 Noteholders;

- (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class B2 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class B2 Cross-currency Swap Agreement) provided that, if the Class B2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class B2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class B3 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class B3 Cross-currency Swap Agreement) provided that, if the Class B3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class B3 Notes;
- (6) *sixth*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class B Notes on the relevant Calculation Date;
- (7) *seventh*, to pay on a *pari passu* and *pro rata* basis:
 - (i) amounts of interest due in respect of the Class C1 Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class C1 Noteholders;
 - (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class C2 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class C2 Cross-currency Swap Agreement) provided that, if the Class C2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class C2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class C3 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class C3 Cross-currency Swap Agreement) provided that, if the Class C3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class C3 Notes;
- (8) *eighth*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class C Notes on the relevant Calculation Date;
- (9) *ninth*, to pay on a *pari passu* and *pro rata* basis:
 - (i) amounts of interest due in respect of the Class D1 Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class D1 Noteholders; and

- (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class D2 Cross-currency Swap Agreement (except for any part of any Amortisation Amount required to be exchanged pursuant thereto and any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class D2 Cross-currency Swap Agreement) provided that, if the Class D2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts of interest due in respect of the Class D2 Notes;
- (10) *tenth*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class D Notes on the relevant Calculation Date;
- (11) *eleventh*, to pay on a *pari passu* and *pro rata* basis amounts of interest due in respect of the Class E Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class E Noteholders;
- (12) *twelfth*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class E Notes on the relevant Calculation Date;
- (13) *thirteenth*, to pay on a *pari passu* and *pro rata* basis amounts of interest due in respect of the Class F Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class F Noteholders;
- (14) *fourteenth*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class F Notes on the relevant Calculation Date;
- (15) *fifteenth*, to credit an amount to the balance of the Reserve Account equal to the Reserve Account Required Amount;
- (16) *sixteenth*, to pay on a *pari passu* and *pro rata* basis amounts of interest due in respect of the Class G Notes (including any Deferred Interest in respect of such Class and any interest on such Deferred Interest) to the Class G Noteholders;
- (17) *seventeenth*, to credit an amount to the balance of the Cash Deposit Account equal to the balance of the Principal Deficiency Ledger in respect of the Class G Notes on the relevant Calculation Date;
- (18) *eighteenth*, to pay on a *pari passu* and *pro rata* basis any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under any Cross-currency Swap Agreement; and
- (19) *nineteenth*, to pay the balance (if any) to the CDS Counterparty.

Any amounts paid pursuant to items (2), (4), (6), (8), (10), (12), (14) and (17) above shall comprise a “Cash Deposit Replenishment Amount” in respect of the relevant Class of Notes.

All amounts received on each Payment Date from the Cross-currency Swap Counterparty by the Issuer (other than in respect of amounts exchanged in respect of any part of any Amortisation Amounts and any termination payments and premium or other upfront payments due and payable to the Issuer) under the terms of (i) the Class A2 Cross-currency Swap Agreement and the Class A3 Cross-currency Swap Agreement shall be paid to the Class A2 Noteholders and the Class A3 Noteholders, respectively, (ii) the Class AB2 Cross-currency Swap Agreement and the Class AB3 Cross-currency Swap Agreement shall be paid to the Class AB2 Noteholders and the Class AB3 Noteholders, respectively, (iii) the Class B2 Cross-currency Swap Agreement and the Class B3 Cross-currency Swap Agreement shall be paid to the Class B2 Noteholders and the Class B3 Noteholders, respectively, (iv) the Class C2 Cross-currency Swap Agreement and the Class C3 Cross-currency Swap Agreement shall be paid to the Class C2 Noteholders and the Class C3 Noteholders, respectively, (v) the Class D2 Cross-currency Swap Agreement shall be paid to the Class D2 Noteholders and, in each case, towards satisfaction of the Issuer’s interest payment obligations under the Class A2 Notes, the Class A3 Notes, the Class AB2 Notes, the Class AB3 Notes, the Class B2 Notes, the Class B3 Notes, the Class C2 Notes, the Class C3 Notes and the Class D2 Notes respectively, on such Payment Date.

The amount of any premium or other upfront payment paid to the Issuer to enter into a swap to replace any Cross-currency Swap Agreement shall, to the extent of any termination payment due to the Cross-currency Swap Counterparty in respect of the Cross-currency Swap Agreement being replaced, be paid directly to the Cross-currency Swap Counterparty and not via the Available Income Funds Priority of Payments and the amount of any termination payment paid to the Issuer by the Cross-currency Swap Counterparty in respect of a Cross-currency Swap Agreement being replaced shall, to the extent of any premium or other upfront payment required to be paid by the Issuer to enter into a swap to replace such Cross-currency Swap Agreement, be paid directly to the new Cross-currency Swap Counterparty and not via the Available Income Funds Priority of Payments, provided that any surplus funds available to the Issuer once such payments have been made (“**Cross-currency Swap Premium Excess**”) shall be paid on receipt by the Issuer into the Income Collection Account.

Where the Cross-currency Swap Counterparty provides collateral in accordance with the terms of any Cross-currency Swap Agreement, such collateral will, upon receipt by the Issuer, be credited to an account of the Issuer to be opened for such purpose with the Transaction Account Bank. Any collateral or interest or distributions relating thereto shall not form part of the Issuer’s Available Income Funds, provided that following termination of a Cross-currency Swap Agreement, any such collateral, to the extent not required to be repaid to the Cross-currency Swap Counterparty, shall be available to the Issuer to fund any premium or upfront payment required in order to enter into a replacement Cross-currency Swap Agreement, and to the extent not so required shall form part of any relevant Cross-currency Swap Premium Excess.

5.2 Application of Proceeds upon Enforcement

Upon realisation of or enforcement with respect to the security in respect of the Collateral, after meeting all costs, expenses, indemnities and remuneration of and any other amounts due to the Trustee, including in respect of liabilities incurred, or to any receiver appointed pursuant to the Trust Deed, in each case in respect of the Notes, the proceeds of such realisation or enforcement shall be applied in the order set out below (the “**Enforcement Priority of Payments**”):

- (1) *first*, to pay amounts due to the CDS Counterparty under the Credit Default Swap Agreement (except in relation to any claim in respect of any Clean-up Payment);
- (2) *second*, to pay on a *pari passu* and *pro rata* basis:
 - (i) an amount equal to the Adjusted Principal Balance of the Class A1 Notes to the Class A1 Noteholders, together with any interest accrued on the Principal Amount Outstanding of the Class A1 Notes;
 - (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class A2 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class A2 Cross-currency Swap Agreement) provided that, if the Class A2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class A2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class A3 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class A3 Cross-currency Swap Agreement) provided that, if the Class A3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class A3 Notes;
- (3) *third*, to pay on a *pari passu* and *pro rata* basis:
 - (i) an amount equal to the Adjusted Principal Balance of the Class AB1 Notes to the Class AB1 Noteholders, together with any interest accrued on the Principal Amount Outstanding of the Class AB1 Notes;

- (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class AB2 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class AB2 Cross-currency Swap Agreement) provided that, if the Class AB2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class AB2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class AB3 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class AB3 Cross-currency Swap Agreement) provided that, if the Class AB3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class AB3 Notes;
- (4) *fourth*, to pay on a *pari passu* and *pro rata* basis:
- (i) an amount equal to the Adjusted Principal Balance of the Class B1 Notes to the Class B1 Noteholders, together with any interest accrued on the Principal Amount Outstanding of the Class B1 Notes;
 - (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class B2 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class B2 Cross-currency Swap Agreement) provided that, if the Class B2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class B2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class B3 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class B3 Cross-currency Swap Agreement) provided that, if the Class B3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class B3 Notes;
- (5) *fifth*, to pay on a *pari passu* and *pro rata* basis:
- (i) an amount equal to the Adjusted Principal Balance of the Class C1 Notes to the Class C1 Noteholders, together with any interest accrued on the Principal Amount Outstanding of the Class C1 Notes;
 - (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class C2 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class C2 Cross-currency Swap Agreement) provided that, if the Class C2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class C2 Notes; and
 - (iii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class C3 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a

Cross-currency Swap Counterparty Default under the Class C3 Cross-currency Swap Agreement) provided that, if the Class C3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into U.S. dollars and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class C3 Notes;

- (6) *sixth*, to pay on a *pari passu* and *pro rata* basis:
 - (i) an amount equal to the Adjusted Principal Balance of the Class D1 Notes to the Class D1 Noteholders, together with any interest accrued on the Principal Amount Outstanding of the Class D1 Notes; and
 - (ii) amounts due and payable by the Issuer to the Cross-currency Swap Counterparty pursuant to the Class D2 Cross-currency Swap Agreement (except for any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under the Class D2 Cross-currency Swap Agreement) provided that, if the Class D2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer in payment of amounts due and payable in respect of the Class D2 Notes;
- (7) *seventh*, to pay on a *pari passu* and *pro rata* basis all amounts due and payable in respect of the Class E Notes;
- (8) *eighth*, to pay on a *pari passu* and *pro rata* basis all amounts due and payable in respect of the Class F Notes;
- (9) *ninth*, to pay on a *pari passu* and *pro rata* basis all amounts due and payable in respect of the Class G Notes;
- (10) *tenth*, on a *pari passu* and *pro rata* basis, in or towards payment of any termination payment due and payable to the Cross-currency Swap Counterparty as a result of a Cross-currency Swap Counterparty Default under any Cross-currency Swap Agreement; and
- (11) *eleventh*, to pay the balance (if any) to the Issuer.

All amounts received from the Cross-currency Swap Counterparty by the Issuer under the terms of (i) the Class A2 Cross-currency Swap Agreement and the Class A3 Cross-currency Swap Agreement shall be paid to the Class A2 Noteholders and the Class A3 Noteholders, respectively, (ii) the Class AB2 Cross-currency Swap Agreement and the Class AB3 Cross-currency Swap Agreement shall be paid to the Class AB2 Noteholders and the Class AB3 Noteholders, respectively, (iii) the Class B2 Cross-currency Swap Agreement and the Class B3 Cross-currency Swap Agreement shall be paid to the Class B2 Noteholders and the Class B3 Noteholders, respectively, (iv) the Class C2 Cross-currency Swap Agreement and the Class C3 Cross-currency Swap Agreement shall be paid to the Class C2 Noteholders and the Class C3 Noteholders, respectively, (v) the Class D2 Cross-currency Swap Agreement shall be paid to the Class D2 Noteholders, and in each case towards satisfaction of the Issuer's payment obligations under the Class A2 Notes, the Class A3 Notes, the Class AB2 Notes, the Class AB3 Notes, the Class B2 Notes, the Class B3 Notes, the Class C2 Notes, the Class C3 Notes and the Class D2 Notes, respectively.

Following termination of a Cross-currency Swap Agreement upon the realisation or enforcement with respect to the Collateral, any collateral provided by the Cross-currency Swap Counterparty in accordance with the terms of such Cross-currency Swap Agreement, to the extent not required to be repaid to the Cross-currency Swap Counterparty, shall form part of any relevant Cross-currency Swap Premium Excess.

5.3 Calculation and Payment of Amounts

The Cash Administrator will calculate the amounts payable in respect of the Notes on each Payment Date as described in Condition 5.1 (Available Income Funds Priority of Payments). Subject to Condition 10.2 (Payments on Non-Sterling Notes), the Cash Administrator shall, by no later than 11.00 a.m. (London time) on the relevant Payment Date direct the Registrar to pay such amounts on such Payment Date in accordance with the Available Income Funds Priority of Payments.

5.4 Fractions

The Cash Administrator may, in its absolute discretion, adjust the amounts required to be applied in pursuant to Condition 5.1 (*Application of Available Income Funds*) so that the amount to be so applied in respect of any Note does not involve any fraction of the lowest denomination of the relevant currency.

5.5 Cash Administrator

The Issuer will procure that, so long as any Note is outstanding, there shall at all times be a Cash Administrator for the purposes of the Notes. If the Cash Administrator is unable or unwilling to continue to determine or calculate, or if the Cash Administrator fails duly to determine or calculate, the amounts payable pursuant to the Conditions, the Issuer shall (with the prior written approval of the Trustee) appoint another leading bank of recognised international standing to act as Cash Administrator in its place. The Cash Administrator may not resign its duties until a successor has been appointed in accordance the terms of the Cash Administration Agreement.

5.6 Liability of Cash Administrator; Notifications, etc. to be Final

The Cash Administrator shall not (in the absence of wilful default, negligence or bad faith) be liable to any Noteholder, the Trustee or any other Secured Party in respect of any of the calculations and/or directions made by it pursuant to Condition 5 (*Priority of Payments; Accounts*) or in respect of any failure by it to direct the making of any payments due to non-receipt by the Cash Administrator of information which is, in its opinion, required to make any such calculation and/or give any such direction. The Cash Administrator may rely upon any communication or document believed by it to be genuine and correct which is delivered to it by any of the Issuer, the CDS Counterparty or the Cross-currency Swap Counterparty in connection with the calculations to be carried out pursuant to Condition 5 (*Priority of Payments; Accounts*). All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained by the Cash Administrator for the purposes of the provisions of this Condition will (in the absence of manifest error) be binding on the Issuer, the Trustee and all Noteholders.

5.7 Accounts

(A) Establishment of Accounts

The Issuer shall, on or prior to the Closing Date establish the following accounts with the Transaction Account Bank:

- (1) the Income Collection Account; and
- (2) the CDS Prepayment Account.

(B) Income Collection Account

The Issuer shall procure that the following amounts shall be paid into the Income Collection Account promptly upon receipt thereof:

- (1) any Cross-currency Swap Premium Excess;
- (2) each CDS Counterparty Payment paid to the Issuer by the CDS Counterparty pursuant to the Credit Default Swap Agreement (or, following the occurrence of a CDS Counterparty Downgrade Event, the amount deducted from the balance of the CDS Prepayment Account for payment into the Income Collection Account pursuant to paragraph (C) below);
- (3) all Issuer Income paid to the Issuer pursuant to the Cash Deposit Agreement; and
- (4) on the Business Day prior to each Payment Date, an amount equal to the balance (if any) of the Reserve Account on such day.

On each Payment Date, the Registrar shall, on behalf of the Issuer, disburse all amounts standing to the credit of the Income Collection Account (the “**Available Income Funds**”) in accordance with Condition 5 (*Priority of Payments; Accounts*)

(C) CDS Prepayment Account

If a CDS Counterparty Downgrade Event (as defined in the Credit Default Swap Agreement) occurs under the Credit Default Swap Agreement, the Issuer shall pay an amount equal to each CDS Prepayment Amount upon receipt thereof from the CDS Counterparty into the CDS Prepayment Account and on each subsequent Payment Date while the CDS Counterparty Downgrade Event is continuing an amount equal to:

- (1) the amount standing to the credit of the CDS Prepayment Account on such date; minus
- (2) any CDS Prepayment Amount credited to the CDS Prepayment Account on the CDS Payment Date falling immediately prior to such Payment Date,

shall be deducted from the CDS Prepayment Account and paid into the Income Collection Account for application under the Available Income Funds Priority of Payments.

(D) Reserve Account

The Issuer shall, on or prior to the Closing Date, establish the Reserve Account with the Reserve Account Bank.

The Issuer shall procure that the Reserve Account Required Amount shall be credited to the Reserve Account on each Payment Date, subject to the Issuer having prior available funds to do so in accordance with the Available Income Funds Priority of Payments.

On the Business Day prior to each Payment Date, the Issuer shall procure that an amount equal to the balance (if any) of the Reserve Account on such day shall be deducted from the Reserve Account for payment into the Income Collection Account.

5.8 Principal Deficiency Ledgers

The Cash Administrator shall, pursuant to the Cash Administration Agreement, maintain a ledger in respect of each outstanding Class of Notes (each, a “**Principal Deficiency Ledger**”). On each CDS Payment Date, an amount equal to the Credit Protection Amount determined under the Credit Default Swap Agreement on the Assessment Date immediately preceding such CDS Payment Date shall be allocated to the Principal Deficiency Ledgers in respect of each Class of Notes as follows:

- (1) to the balance of the Principal Deficiency Ledger in respect of the Class G Notes until the balance of such Principal Deficiency Ledger is equal to the Outstanding Principal Balance of the Class G Notes;
- (2) to the balance of the Principal Deficiency Ledger in respect of the Class F Notes until the balance of such Principal Deficiency Ledger is equal to the Outstanding Principal Balance of the Class F Notes;
- (3) to the balance of the Principal Deficiency Ledger in respect of the Class E Notes until the balance of such Principal Deficiency Ledger is equal to the Outstanding Principal Balance of the Class E Notes;
- (4) to the balance of the Principal Deficiency Ledger in respect of the Class D Notes until the balance of such Principal Deficiency Ledger is equal to the Outstanding Principal Balance of the Class D Notes;
- (5) to the balance of the Principal Deficiency Ledger in respect of the Class C Notes until the balance of such Principal Deficiency Ledger is equal to the Outstanding Principal Balance of the Class C Notes;
- (6) to the balance of the Principal Deficiency Ledger in respect of the Class B Notes until the balance of such Principal Deficiency Ledger is equal to the Outstanding Principal Balance of the Class B Notes;
- (7) to the balance of the Principal Deficiency Ledger in respect of the Class AB Notes until the balance of such Principal Deficiency Ledger is equal to the Outstanding Principal Balance of the Class AB Notes; and
- (8) to the balance of the Principal Deficiency Ledger in respect of the Class A Notes.

On each Payment Date, after application of the Available Income Funds Priority of Payments in accordance with Condition 5.1 (*Application of Available Income Funds*), the balance of the Principal Deficiency Ledger in respect of Class of Notes will be reduced by an amount equal to the Cash Deposit Replenishment Amount in respect of such Class.

6. Security

6.1 Security

The Secured Obligations are secured by the following assignments and charges in favour of the Trustee pursuant to the Trust Deed and subject to the provisions of this Condition by:

- (A) an assignment by way of security of the Issuer's rights against the Cash Deposit Bank under the Cash Deposit Agreement and a first fixed charge over the Cash Deposit Account and any cash held therein and the debts represented thereby;
- (B) an assignment by way of security of the Issuer's rights against the Transaction Account Bank under the Transaction Account Bank Agreement and a first fixed charge over the Income Collection Account, the CDS Prepayment Account and any other account opened by the Issuer with the Transaction Account Bank pursuant to the Transaction Account Bank Agreement and any cash held therein and the debts represented thereby;
- (C) an assignment by way of security over the Issuer's rights, title and interest in, under and pursuant to the Credit Default Swap Agreement and all proceeds thereof and sums arising therefrom except the right thereunder of the Issuer to receive the Initial CDS Counterparty Expense Payment and any Periodic CDS Counterparty Expense Payments (each as defined therein) and any sums and other assets derived therefrom;
- (D) an assignment by way of security over the Issuer's rights, title and interest in, under and pursuant to each Cross-currency Swap Agreement and all proceeds thereof and sums derived therefrom;
- (E) a first fixed charge on all funds held from time to time by the Registrar to meet payments due under the Notes;
- (F) an assignment by way of security of the Issuer's rights against the Reserve Account Bank under the Reserve Account Agreement and a first fixed charge over the Reserve Account and any cash held therein and the debts represented thereby; and
- (G) an assignment by way of security of the Issuer's rights, title and interest in, under and pursuant to the Transaction Documents (other than those specifically referred to in paragraphs (A) to (D) and (F) above) and all sums derived therefrom.

The assets and rights described in paragraphs (A) to (G) above are together referred to as the "Collateral".

The Trustee shall hold the benefit of the Collateral for the Secured Parties on the terms of the Trust Deed and, following the realisation or enforcement of the security in respect of the Collateral, shall apply all payments, recoveries or receipts in respect thereof in accordance with these Conditions and the Trust Deed.

6.2 Shortfall after Application of Proceeds following Enforcement

If the net proceeds of the enforcement of the security in respect of the Collateral, after payment of amounts ranking higher in the order of priority of payments, are not sufficient to make all payments which, but for the effect of this provision, would then be due in respect of the Trust Deed, the Credit Default Swap Agreement, the Cross-currency Swap Agreements, the Notes and the other Secured Obligations, the obligations of the Issuer in respect of the Trust Deed, the Credit Default Swap Agreement, the Cross-currency Swap Agreements, the Notes and the other Secured Obligations will be limited to such net proceeds which shall be applied in accordance with the Enforcement Priority of Payments and no other assets of the Issuer will be available for any further payments in respect of the Trust Deed, the Credit Default Swap Agreement, the Cross-currency Swap Agreements, the Notes or the other Secured Obligations. The Issuer will not be obliged to make any further payment in excess of such net proceeds, any rights against the Issuer to receive any further amounts in respect of such obligations shall be extinguished and accordingly no debt shall be owed by the Issuer in respect of any difference between the amount of the net proceeds of the enforcement of the security in respect of the Collateral after enforcement thereof and the amount which would otherwise have been payable under the Trust Deed, the Credit Default Swap Agreement, the Cross-currency Swap Agreements, the Notes and any other Secured Obligations. In such circumstances none of the Noteholders, the CDS Counterparty, the Cross-currency Swap Counterparty, the Trustee or the other Secured Parties will have the right to take any further action against the Issuer.

7. Restrictions on the Issuer

7.1 Issuer's Covenants

The Trust Deed contains certain covenants in favour of the Trustee from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness or dispose of

assets (save, in each case, as permitted pursuant to the terms of the Trust Deed). So long as any of the Notes remain outstanding, the Issuer shall comply with the covenants set out in the Trust Deed.

7.2 Discrete Series

The Issuer may issue or enter into or create other series of notes (each a “Discrete Series”), provided always that (i) any such Discrete Series is issued, entered into or created on terms that such Discrete Series is secured on or otherwise limited in recourse to specified assets of the Issuer (or the proceeds thereof or an amount equivalent thereto) which do not form part of the Collateral for the Notes or (unless expressly specified by the terms and conditions applicable to a Discrete Series) the assets securing, or to which recourse is otherwise limited in respect of, any other Discrete Series and on terms which provide for the extinguishment of all claims in respect of such Discrete Series after application of the proceeds of the specified assets on which such Discrete Series is secured or to which recourse is otherwise limited and (ii) any agreement or deed entered into by the Issuer in relation to any such Discrete Series is entered into on terms that the obligations of the Issuer thereunder are secured on or otherwise limited in recourse to specified assets of the Issuer (other than any amounts standing to the credit of any Issuer Expense Accounts or the Issuer Dutch Account from time to time) which do not form part of the Collateral for the Notes or (unless expressly specified by the terms and conditions applicable to a Discrete Series) the assets securing, or to which recourse is otherwise limited in relation to, any other Discrete Series and on terms which provide for extinguishment of all claims in respect of such obligations after application of the proceeds of realisation of the specified assets on which such indebtedness or obligation is secured or to which recourse is otherwise limited.

8. Interest

8.1 Interest on Notes

The Notes will bear interest from, and including, the Closing Date to, but excluding, the Legal Final Maturity Date on their respective Principal Amount Outstanding as at the relevant Payment Date (prior to any payments of principal on such date). Such interest will, subject to the Available Income Funds Priority of Payments or, as the case may be, the Enforcement Priority of Payments, be payable in arrear on 15 February, 15 May, 15 August and 15 November in each year commencing on 15 February 2006 to, and including, the Legal Final Maturity Date (each, a “Payment Date”) provided that if any Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day. The period beginning on and including the Closing Date and ending on but excluding the first Payment Date and each successive period beginning on and including a Payment Date and ending on but excluding the next succeeding Payment Date is called a “Payment Period”.

8.2 Accrual

Interest will cease to accrue on each Note on the Legal Final Maturity Date unless payment of the full amount of principal due on such due date for redemption is improperly withheld or refused, in which event interest will continue to accrue on the unpaid amount of principal in accordance with the Trust Deed until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder and (ii) the fifth Business Day after the Issuer or the Registrar (failing whom the Trustee) has notified the Class A Noteholders and/or the Class AB Noteholders and/or the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders and/or the Class F Noteholders and/or the Class G Noteholders, as the case may be, of receipt of all sums due in respect of all the Class A Noteholders and/or the Class AB Noteholders and/or the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders and/or the Class F Noteholders and/or the Class G Noteholders, as the case may be.

8.3 Rate of Interest

The Rate of Interest payable from time to time in respect of each Class of Notes will be determined by the Note Calculation Agent on the basis of the following provisions:

- (A) at or about the Relevant Time on the Screen Rate Determination Date in respect of each Payment Period, the Note Calculation Agent will determine the Relevant Screen Rate, and the Rate of Interest in respect of such Payment Period will be the sum of such Relevant Screen Rate and the applicable Margin;

- (B) if the Relevant Screen Rate is unavailable, the Note Calculation Agent will request the principal office in the Relevant Financial Centre of each of the Reference Banks to provide the Note Calculation Agent with its rate quoted at or about the Relevant Time on the Screen Rate Determination Date to leading banks in the Relevant Financial Centre for deposits in the relevant currency for a period equivalent to the duration of such Payment Period and in a Representative Amount. If at least two such quotations are provided, the Rate of Interest in respect of such Payment Period will be the arithmetic mean of the quotations and the applicable Margin; and
- (C) if fewer than two of the Reference Banks provide quotations, the Note Calculation Agent will determine the arithmetic mean of the rates quoted by banks in the Relevant Financial Centre (which shall for such purposes be deemed to be New York in respect of the U.S. dollar Notes) selected by the Note Calculation Agent (after consultation with the Trustee) at or about the Relevant Time (which shall for such purposes be deemed to be 11.00 a.m. New York City time in respect of the U.S. dollar Notes) on the first day of the relevant Payment Period for deposits in the relevant currency for a period equivalent to the duration of such Payment Period and in a Representative Amount to leading European banks, and the Rate of Interest in respect of such Payment Period will be the sum of the arithmetic mean of the quotations and the applicable Margin.

8.4 Calculation of Interest

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the Principal Amount Outstanding of such Note by the relevant Day Count Fraction.

8.5 Deferred Interest

In the case of each Class of Notes, an Interest Amount equal to any shortfall (after application of the Available Income Funds Priority of Payments) in payment of the interest amount due and payable on any Payment Date (an “Interest Shortfall”) shall be deferred and shall, to the extent of funds available, be payable on the following Payment Date in accordance with the Available Income Funds Priority of Payments. Deferred Interest in respect of any Class of Notes will itself bear interest at the Rate of Interest payable in respect of such Class. The failure to pay the full Interest Amount due and payable on such Notes will not constitute an Event of Default under Condition 11 (*Events of Default and Enforcement*).

8.6 Publication of Interest Amounts and Interest Shortfall

The Note Calculation Agent will cause details of Interest Amounts payable in respect of the Notes on each Payment Date, any Interest Shortfall in respect of any Class of Notes for such Payment Date and any Deferred Interest (and any interest on such Deferred Interest in respect of any Class of Notes for such Payment Date), to be notified to the Trustee, the Registrar, the Cash Administrator, Bloomberg and any stock exchange on which the Notes are for the time being listed by no later than 11.00 a.m. (London time) on the Business Day following the Calculation Date. The Registrar shall procure that details of such amounts are notified to the relevant Noteholders in accordance with Condition 18 (*Notices*) as soon as possible after notification thereof to the Registrar in accordance with the above. The Note Calculation Agent will be entitled to re-calculate any such amount if there has been a shortfall in the expected receipts and will notify the Noteholders of any amendment to such amount in accordance with Condition 18 (*Notices*) as soon as practicable after such re-calculation.

8.7 Failure of Note Calculation Agent

If the Note Calculation Agent fails at any time to determine a Rate of Interest or to calculate any Interest Shortfall or the Interest Amount in respect of a Class of Notes and a Payment Date in accordance with Condition 8 (*Interest*), the Trustee may determine such Rate of Interest (without any liability for doing so) as it in its discretion considers fair and reasonable in the circumstances (having such regard as it thinks fit to Condition 8.3 (*Rate of Interest*) or (as the case may be) calculate such Interest Shortfall in accordance with Condition 8.5 (*Deferred Interest*) or such Interest Amount in accordance with Condition 8.4 (*Calculation of Interest*).

9. Redemption

9.1 Amortisation of Notes

On each Payment Date during the Amortisation Period, following application of the Available Income Funds Priority of Payments pursuant to Condition 5.1 (*Application of Available Income Funds*) an amount equal to the Amortisation Amount in respect of the immediately preceding Assessment Period shall be withdrawn from the Cash Deposit Account in accordance with the Cash Deposit Agreement and shall be applied by the Registrar on behalf of the Issuer to redeem each Class of Notes in the order set out below (the “**Available Amortisation Funds Priority of Payments**”):

- (1) *first*, to redeem the Class A1 Notes, the Class A2 Notes and the Class A3 Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class A Notes on such date (which, in respect of the Class A2 Notes and the Class A3 Notes, shall be effected by payment of the part of the Amortisation Amount available to be applied in redeeming the Class A2 Notes and the Class A3 Notes to the Cross-currency Swap Counterparty under the terms of the Class A2 Cross-currency Swap Agreement and the Class A3 Cross-currency Swap Agreement, as the case may be, in exchange for its euro or U.S. dollar equivalent, respectively, and applied by the Registrar on behalf of the Issuer to redeem the Class A2 Notes and the Class A3 Notes, provided that, if the Class A2 Cross-currency Swap Agreement or the Class A3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro or U.S. dollars, as applicable, and applied by the Registrar on behalf of the Issuer to redeem the Class A2 Notes and the Class A3 Notes, as applicable);
- (2) *second*, after the Adjusted Principal Balance of the Class A Notes has been reduced to zero, to redeem the Class AB1 Notes, the Class AB2 Notes and the Class AB3 Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class AB Notes on such date (which, in respect of the Class AB2 Notes and the Class AB3 Notes, shall be effected by payment of the part of the Amortisation Amount available to be applied in redeeming the Class AB2 Notes and the Class AB3 Notes to the Cross-currency Swap Counterparty under the terms of the Class AB2 Cross-currency Swap Agreement and the Class AB3 Cross-currency Swap Agreement, as the case may be, in exchange for its euro or U.S. dollar equivalent, respectively, and applied by the Registrar on behalf of the Issuer to redeem the Class AB2 Notes and the Class AB3 Notes, provided that, if the Class AB2 Cross-currency Swap Agreement or the Class AB3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro or U.S. dollars, as applicable, and applied by the Registrar on behalf of the Issuer to redeem the Class AB2 Notes and the Class AB3 Notes, as applicable);
- (3) *third*, after the Adjusted Principal Balance of the Class AB Notes has been reduced to zero, to redeem the Class B1 Notes, the Class B2 Notes and the Class B3 Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class B Notes on such date (which, in respect of the Class B2 Notes and the Class B3 Notes, shall be effected by payment of the part of the Amortisation Amount available to be applied in redeeming the Class B2 Notes and the Class B3 Notes to the Cross-currency Swap Counterparty under the terms of the Class B2 Cross-currency Swap Agreement and the Class B3 Cross-currency Swap Agreement, as the case may be, in exchange for its euro or U.S. dollar equivalent, respectively, and applied by the Registrar on behalf of the Issuer to redeem the Class B2 Notes and the Class B3 Notes, provided that, if the Class B2 Cross-currency Swap Agreement or the Class B3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro or U.S. dollars, as applicable, and applied by the Registrar on behalf of the Issuer to redeem the Class B2 Notes and the Class B3 Notes, as applicable);
- (4) *fourth*, after the Adjusted Principal Balance of the Class B Notes has been reduced to zero, to redeem the Class C1 Notes, the Class C2 Notes and the Class C3 Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class C Notes on such date (which, in respect of the Class C2 Notes and the Class C3 Notes, shall be effected by payment of the part of the Amortisation Amount available to be applied in redeeming the

Class C2 Notes and the Class C3 Notes to the Cross-currency Swap Counterparty under the terms of the Class C2 Cross-currency Swap Agreement and the Class C3 Cross-currency Swap Agreement, as the case may be, in exchange for its euro or U.S. dollar equivalent, respectively, and applied by the Registrar on behalf of the Issuer to redeem the Class C2 Notes and the Class C3 Notes, provided that, if the Class C2 Cross-currency Swap Agreement or the Class C3 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro or U.S. dollars, as applicable, and applied by the Registrar on behalf of the Issuer to redeem the Class C2 Notes and the Class C3 Notes, as applicable);

- (5) *fifth*, after the Adjusted Principal Balance of the Class C Notes has been reduced to zero, to redeem the Class D1 Notes and the Class D2 Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class D Notes on such date (which, in respect of the Class D2 Notes, shall be effected by payment of the part of the Amortisation Amount available to be applied in redeeming the Class D2 Notes to the Cross-currency Swap Counterparty under the terms of the Class D2 Cross-currency Swap Agreement in exchange for its euro equivalent, and applied by the Registrar on behalf of the Issuer to redeem the Class D2 Notes, provided that, if the Class D2 Cross-currency Swap Agreement has been terminated without replacement, the relevant amount of such payment as would otherwise have been paid to the Cross-currency Swap Counterparty thereunder shall be spot exchanged into euro and applied by the Registrar on behalf of the Issuer to redeem the Class D2 Notes);
- (6) *sixth*, after the Adjusted Principal Balance of the Class D Notes has been reduced to zero, to redeem the Class E Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class E Notes on such date;
- (7) *seventh*, after the Adjusted Principal Balance of the Class E Notes has been reduced to zero, to redeem the Class F Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class F Notes on such date; and
- (8) *eighth*, after the Adjusted Principal Balance of the Class F Notes has been reduced to zero, to redeem the Class G Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class G Notes on such date,

provided that such amount as is available for redemption of the Notes shall not be applied in accordance with the Available Amortisation Funds Priority of Payments as set out above, but shall instead be applied in the order set out below in the event that a Trigger Event has occurred and is continuing:

- (1) *first*, *pari passu* and *pro rata* according to the Adjusted Principal Balance of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on any such Payment Date; and
- (2) *second*, after the Adjusted Principal Balance of each such Class of Notes has been reduced to zero, to redeem the Class G Notes on a *pari passu* and *pro rata* basis up to a maximum of the Adjusted Principal Balance of the Class G Notes on such date.

A “**Trigger Event**” shall occur in the event that all of the following conditions are satisfied on any day, as determined by the Cash Administrator:

- (i) the Trigger Ratio is satisfied and, immediately following such application, will continue to be satisfied;
- (ii) the balances of all the Principal Deficiency Ledgers are zero;
- (iii) the balance of the Reserve Account is equal to the Reserve Account Required Amount;
- (iv) the sum of:
 - (a) the aggregate of the Reference Obligation Notional Amounts of each Defaulted Reference Obligation (as recorded on the first day of the Valuation Period in respect of such Defaulted Reference Obligation); and
 - (b) 50 per cent. of the aggregate of the Reference Obligation Notional Amounts of each Reference Obligation indicated in the Reference Register as having a Moody’s 1 year Expected Default Frequency of greater than 15 per cent.,

is less than the Outstanding Principal Balance of the Class G Notes; and

- (v) the weighted average (by Reference Obligation Notional Amount) of the Moody's 1 year Expected Default Frequency of the Reference Obligations is less than 4 per cent.

The "**Trigger Ratio**" shall be satisfied if the aggregate of the Outstanding Principal Balance of the Class A Notes and the Class AB Notes is less than 50 per cent. of the aggregate of the Initial Principal Balance of the Class A Notes and the Class AB Notes.

For the purposes of this Condition 9.1, notwithstanding the definition of "Adjusted Principal Balance", the Adjusted Principal Balance of each Class of Notes shall be calculated on any Payment Date by reference to the Outstanding Principal Balance of such Class on such date before, and not after, any reduction thereof on such date.

9.2 Final Redemption of Notes

Unless previously redeemed in whole and cancelled as provided in this Condition 9 or in Condition 11 (*Events of Default and Enforcement*), the Notes of each Class shall be deemed to have been redeemed, and all claims in respect of such Notes shall be extinguished for all purposes, if on any day the Adjusted Principal Balance of all Classes of Notes is reduced to zero.

9.3 Regulatory Call

If a Regulatory Event occurs, the Issuer (or any assignee or novatee of the Regulatory Call Option) shall as soon as practicable following the occurrence of such Regulatory Event by not less than 30 and not more than 60 days' prior notice to the Trustee and Noteholders have the right to call all but not some only, of the Notes of such Class or Classes as shall be specified in such notice (the "**Regulatory Call Option**"), such call to be exercisable on the Payment Date following any such notice (provided that the Regulatory Call Option in respect of the Class A Notes and the Class AB Notes may only be exercised on a Payment Date on or after the Payment Date falling in November 2008). On such Payment Date following any such notice the holders of the Class or Classes of Notes specified in such notice shall be required to sell all of their Notes of such Class or Classes to the Issuer (or any assignee or novatee of the Regulatory Call Option), pursuant to the Regulatory Call Option. The Regulatory Call Option is granted for the Issuer (or any assignee or novatee of the Regulatory Call Option) to acquire all, but not some only, of the Notes of the Class or Classes in respect of which it is exercised for a purchase price equal to the then Adjusted Principal Balance of such Notes (converted, in the case of Non-Sterling Notes, into the relevant currency at the Relevant FX Rate).

For these purposes, "**Regulatory Event**" means delivery of a notice from Barclays Bank PLC to the Issuer and the Trustee which states that the regulatory capital treatment for Barclays Bank PLC applicable in respect of the transaction to which the issuance of the Notes relates has become materially impaired by the implementation of the reform of the 1988 Capital Accord (in conjunction with proposals put forward by the Basel Committee on Banking Supervision and to be implemented for credit institutions pursuant to the EU Capital Requirements Directive which will amend the existing Banking Consolidation Directive (Directive 2002/12/EC)).

9.4 Redemption for Taxation Reasons

A "**Tax Redemption Event**" shall occur if:

- (A) the Issuer becomes required by the laws or regulations of the Netherlands or any other jurisdiction or any political subdivision or any authority of any such jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change becomes effective on or after the Closing Date, to withhold or deduct from any payment of principal of, interest on or any other amount payable in respect of the Notes or under the Credit Default Swap Agreement any amount in respect of Tax; or
- (B) the CDS Counterparty becomes required to withhold or deduct an amount in respect of Tax from any payment by it to the Issuer under the Credit Default Swap Agreement and does not gross up such payment in full; or
- (C) the Cash Deposit Bank becomes required to withhold or deduct an amount in respect of Tax from any payment by it to the Issuer under the Cash Deposit Agreement and does not gross up such payment in full.

Upon the occurrence of a Tax Redemption Event, the Issuer shall give not more than 60 days' nor less than 30 days' notice thereof to the CDS Counterparty, the Trustee and the Noteholders and the Notes shall become due and repayable on the immediately following Payment Date as provided

by Condition 9.6 (*Mandatory Early Redemption*). The Issuer shall give notice to the Noteholders in accordance with Condition 18 (*Notices*) that the Notes will become due and repayable in accordance with Condition 9.6 (*Mandatory Early Redemption*) as soon as reasonably practicable after becoming aware of the relevant event or circumstance, provided that, prior to giving any such notice, the Issuer shall have provided to the Trustee:

- (1) a certificate signed by the Managing Director of the Issuer certifying the circumstances of the Tax Redemption Event prevail and setting out details of such circumstances; and
- (2) a legal opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing (approved in writing by the Trustee) opining that such additional amounts have become required to be withheld or deducted as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and legal opinion without further investigation as sufficient evidence of the satisfaction of the circumstances of the Tax Redemption Event, in which event they shall be conclusive and binding on the Noteholders and the other Secured Parties.

9.5 *Mandatory Redemption in Whole following Termination of the Credit Default Swap Agreement*

If the Credit Default Swap Agreement is terminated in whole but not in part and other than in consequence of Condition 9.4 (*Redemption for Taxation Reasons*) and Condition 11 (*Events of Default and Enforcement*) but including at the option of the CDS Counterparty upon the occurrence of a Clean-up Call Event, the Issuer shall promptly give notice to the Trustee and the Noteholders and the Notes shall become due and repayable as provided by Condition 9.6 (*Mandatory Early Redemption*). The Issuer shall give notice to the Noteholders in accordance with Condition 18 (*Notices*) that the Notes will become due and repayable in accordance with Condition 9.6 (*Mandatory Early Redemption*) as soon as reasonably practicable after becoming aware of the relevant event or circumstance.

9.6 *Mandatory Early Redemption*

Upon the date that notice is given to the Noteholders that the Notes will become due and repayable pursuant to Condition 9.4 (*Redemption for Taxation Reasons*) or Condition 9.5 (*Mandatory Redemption in Whole following Termination of the Credit Default Swap Agreement*), the security constituted by the Trust Deed shall become enforceable and the Notes shall be redeemed on the immediately following Payment Date (the “**Mandatory Early Redemption Date**”). Upon receipt of the proceeds (if any) of the realisation of the Collateral following such enforcement, the Trustee shall give notice to the Noteholders in accordance with Condition 18 (*Notices*) of the Mandatory Early Redemption Date and on such date the Notes shall be redeemed in accordance with the Enforcement Priority of Payments.

9.7 *Purchase of Notes by the Issuer*

The Issuer may not at any time purchase Notes in the open market or otherwise, unless otherwise specifically provided herein.

9.8 *Cancellation*

All Notes redeemed by the Issuer in full in accordance with this Condition 9 (*Redemption*) will be cancelled forthwith and may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be deemed to have been discharged in full.

9.9 *Mandatory Sale*

The Issuer may compel any beneficial owner of Rule 144A Registered Global Certificates to sell its interest in such Notes, or may sell such interest on behalf of such holder, if such holder is not a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and a “qualified purchaser” (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940) at a price equal to the least of (i) the purchase price for such Notes paid by the beneficial owner, (ii) 100 per cent. of the then Principal Amount Outstanding of such Notes or (iii) the fair market value thereof.

10. Payments

10.1 *Method of Payment*

Payments of principal of or interest on any Note shall be made by cheque in the same currency as the relevant Note drawn on, or, upon application by a Noteholder to the specified office of the Registrar or any Transfer Agent not later than the relevant Record Date, by transfer to an account

denominated in such currency maintained by the payee with a bank in the relevant Principal Financial Centre upon surrender (or, in the case of part payment only, endorsement) of the relevant Definitive Registered Certificates at the specified office of the Registrar or any Transfer Agent.

“**Principal Financial Centre**” means (i) with respect to Notes denominated in Sterling, London, (ii) with respect to Notes denominated in euro, the principal financial centre of such member state of the European Union as is selected (in the case of payment) by the payee or (in the case of a calculation) by the Note Calculation Agent, and (iii) with respect to Notes denominated in U.S. dollars, New York City.

10.2 Payments on Non-Sterling Notes

Each amount determined under the Priorities of Payment in respect of the payment of amounts of principal or interest to the Holders of a Class of Notes shall be determined as an amount in pounds sterling. In the case of any Class of Non-Sterling Notes, any amount so determined shall be paid to the Cross-currency Swap Counterparty under the Cross-currency Swap Agreement in respect of such Class of Notes. In exchange for such payment, the Cross-currency Swap Counterparty shall pay an amount in the currency of denomination of such Class of Notes, as determined in accordance with the terms of such Cross-currency Swap Agreement, to the Registrar on behalf of the Issuer for payment to the Holders of such Class of Notes in accordance with Condition 10.1 (Method of Payment).

10.3 Payment subject to Fiscal Law

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives. No commission or expenses shall be charged to the Noteholders in respect of such payments.

10.4 Appointment of Agents

The Registrar, the Transfer Agent, the Note Calculation Agent, the Cash Administrator, the Transaction Account Bank and the Reserve Account Bank initially appointed by the Issuer and their respective specified offices are listed below. Subject to the provisions of Condition 11 (*Events of Default and Enforcement*), they act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of any of them and to appoint additional or other Registrars, Transfer Agents, Note Calculation Agents, Cash Administrators, Transaction Account Banks or Reserve Account Banks, subject to the approval of the Trustee, provided that it will at all times maintain (i) a Transfer Agent having a specified office in a major European city which, so long as the Notes are traded on the regulated market of the Irish Stock Exchange, shall be Dublin and (if different) a paying agent in a European Union Member State that is not obliged to withhold or deduct pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced to conform to, such Directive, as approved by the Trustee, (ii) a Note Calculation Agent, (iii) a Cash Administrator, (iv) a Transaction Account Bank, (v) a Reserve Account Bank and (vi) a Registrar.

Notice of any such change or any change of any specified office (other than by the Note Calculation Agent) will promptly be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 18 (*Notices*) and to the Trustee, S&P and Moody's.

10.5 Payments on Business Days

Where payment is to be made by transfer to a Sterling account, a euro account or a U.S. dollar account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated and, where payment is to be made by Sterling cheque, euro cheque or a U.S. dollar cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Definitive Registered Certificate is surrendered (or, in the case of part payment only, endorsed) at the specified office of the Registrar or any Transfer Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment.

A Noteholder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (a) the due date for a payment not being a business day or (b) a cheque

mailed in accordance with this Condition 10 arriving after the due date for payment or being lost in the mail. In this Condition 10.5, “**business day**” means a day on which commercial banks and foreign exchange markets are open in the relevant place of payment.

11. Events of Default and Enforcement

11.1 Events of Default

If any of the events listed below (each, an “**Event of Default**”) occurs, the Trustee at its discretion may and, if so requested in writing by holders of not less than two-thirds of the aggregate Outstanding Principal Balance of the Senior Outstanding Class or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Senior Outstanding Class, shall, provided in each case that it shall have been indemnified and/or secured to its satisfaction, give notice (an “**Enforcement Notice**”) to the Issuer that each Class of Notes is, and it shall immediately become, due and repayable at its Principal Amount Outstanding together with any interest accrued but unpaid to the date of repayment:

- (A) a default in the payment, when due and payable, of any principal of any Note, which default shall continue for a period of five Business Days after the Issuer has been notified of the default; or
- (B) a default in the payment, when due and payable, of any interest on the Senior Outstanding Class, which default shall continue for a period of five Business Days after the Issuer has been notified of the default; or
- (C) other than a failure already referred to in paragraphs (A) and (B) above, the Issuer fails (i) to disburse amounts available in the Income Collection Account in respect of any Payment Date in accordance with the Available Income Funds Priority of Payments, which failure continues for a period of five Business Days or (ii) to disburse Amortisation Amounts from the Cash Deposit Account in respect of any Payment Date prior to the Legal Final Maturity Date in accordance with the Available Amortisation Funds Priority of Payments, which failure continues for a period of five Business Days after the Issuer has been notified of the default; or
- (D) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer and, in each case, that the Trustee has determined that such default is, in the sole opinion of the Trustee, materially prejudicial to the interests of the Noteholders; or
- (E) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Issuer as bankrupt or insolvent, or approving as properly filed a petition seeking moratorium of payments, reorganisation, arrangement, adjustment or composition of or in respect of the Issuer under any applicable law, or appointing a receiver, liquidator, assignee or sequestrator (or other similar official) of the Issuer or substantially all of its property, or ordering the winding-up or liquidation of the Issuer or its affairs; or
- (F) an involuntary case or proceeding is initiated against the Issuer, or a proceeding is initiated by the Issuer, under any applicable insolvency law, including presentation to the court of an application for an administration order, or any other step is taken by any person with a view to the administration of the Issuer under any applicable enactment including the passing of any resolution by the directors or shareholders of the Issuer approving the making of any such application or proceeding, or seeking the appointment of a receiver, administrator, liquidator or other similar official in relation to the Issuer or to the whole or substantially all of the undertaking or assets of the Issuer, or seeking the winding-up or liquidation of the Issuer or its affairs, or a receiver, administrator, liquidator or other similar official is appointed in relation to the Issuer or in relation to the whole or substantially all of the undertaking or assets of the Issuer or an encumbrancer takes possession or execution or other process is levied or enforced upon or sued out against the whole or substantially all of the undertaking or assets of the Issuer or if the Issuer is dissolved or becomes insolvent, initiates or consents to any case or judicial proceeding relating to itself or its assets under any applicable insolvency law and, in the case of any such proceeding or petition instituted or presented

against it or of any such appointment made or process levied, enforced or sued out, such proceeding, petition, appointment or process is not dismissed, discharged, stayed or restrained in each case within 30 days thereafter; or

- (G) any event occurs with respect to the Issuer which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraph (E) or paragraph (F) above; or
- (H) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed; or
- (I) an Early Termination Event (as defined in the Cash Deposit Agreement) occurs under the Cash Deposit Agreement; or
- (J) a Cross-currency Swap Agreement is terminated for any reason and not replaced within 30 days.

11.2 Notification of Default

The Issuer shall promptly notify in writing the Trustee, the CDS Counterparty, the Cross-currency Swap Counterparty, S&P and Moody's and the Noteholders in accordance with Condition 18 (*Notices*) upon becoming aware of the occurrence of an Event of Default.

11.3 Confirmation of No Default

The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee on an annual basis or on request that no Event of Default has occurred and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11.4 Enforcement

The security in respect of the Collateral shall become enforceable upon the Notes becoming due and payable following the occurrence of any Event of Default.

The Trustee may, in its discretion and without further notice, take such proceedings and/or other actions as it may think fit against or in relation to the Issuer or any other party to any of the Transaction Documents to enforce its obligations under the Trust Deed, the Notes or any Transaction Document and take, at any time after the security in respect of the Collateral becomes enforceable, action to enforce the security in respect of the Collateral without any liability as to the consequences of such action, subject, in the case of enforcement of the security in respect of the Collateral, to obtaining the prior written consent of the CDS Counterparty (unless such Event of Default results from the termination of the Credit Default Swap Agreement pursuant to the occurrence of a CDS Counterparty Default), but it shall not be bound to take any such proceedings and/or action unless:

- (A) subject, in the case of enforcement of the security in respect of the Collateral, to obtaining the prior written consent of the CDS Counterparty (unless a CDS Counterparty Default has occurred) requested in writing by the holders of at least two-thirds in aggregate of the Outstanding Principal Balance of the Senior Outstanding Class (provided it has not previously received contrary instructions from Noteholders of a greater proportion of the aggregate of the Outstanding Principal Balance of the Senior Outstanding Class); or
- (B) subject, in the case of an enforcement of the security in respect of the Collateral, to obtaining the prior written consent of the CDS Counterparty (unless a CDS Counterparty Default has occurred), directed by an Extraordinary Resolution of the Senior Outstanding Class; or
- (C) in the case of an enforcement of the security in respect of the Collateral, directed in writing by the CDS Counterparty (unless a CDS Counterparty Default has occurred),

and in each case it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith.

The net proceeds of enforcement of the security in respect of the Collateral shall be distributed in accordance with the Enforcement Priority of Payments.

11.5 Limited Recourse and Non-petition

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or of any of the other Secured Parties under the Trust Deed and no Noteholder or

other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. After realisation of the security in respect of the Collateral which has become enforceable and distribution of the net proceeds in accordance with the Enforcement Priority of Payments, no Noteholder or other Secured Party may take any further steps against the Issuer, and no debt shall be owed by the Issuer in respect of any difference between the amount of the net proceeds of the security in respect of the Collateral and the amount which would otherwise have been payable in respect of the Notes or to such Secured Party. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding-up of the Issuer.

The net proceeds of enforcement of the security in respect of the Collateral may be insufficient to pay all amounts due to the Secured Parties, in which event claims in respect of all such amounts will be extinguished.

12. Prescription

Claims in respect of any of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the Relevant Date.

The “**Relevant Date**” means the date on which a payment first becomes due but, if the full amount of the money payable has not been received in London by the Registrar or the Trustee on or prior to such date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly published in accordance with Condition 18 (*Notices*).

13. Definitive Registered Certificates

13.1 Issue of Definitive Registered Certificates

Definitive Registered Certificates will only be issued in the following limited circumstances:

- (A) in the case of Rule 144A Global Registered Certificates in respect of U.S. dollar Notes, DTC is at any time unwilling or unable to continue as, or ceases to be, a clearing agency registered under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification; or
- (B) in the case of the Rule 144A Global Registered Certificates in respect of Sterling Notes or Euro Notes, or in the case of the Regulation S Global Registered Certificates, either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention to cease business permanently (or does so and no alternative clearing system acceptable to the Trustee is then available); or
- (C) the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in (or a change in the application or interpretation of) the laws or regulations (taxation or otherwise) of any applicable jurisdiction or payments being made net of Tax which would not be suffered were the relevant Notes in definitive form and a certificate to such effect signed by the Managing Director of the Issuer, together with a legal opinion to such effect, is delivered to the Trustee.

13.2 Exchange of Global Registered Certificates for Definitive Registered Certificates

If Definitive Registered Certificates are issued, the beneficial interests represented by the Regulation S Global Registered Certificate of each Class and by the Rule 144A Global Registered Certificate of each Class shall be exchanged by the Issuer for Notes of such Classes in definitive form (“**Regulation S Definitive Registered Certificates**” and “**Rule 144A Definitive Registered Certificates**” respectively and together, the “**Definitive Registered Certificates**”). The aggregate principal amount of the Regulation S Definitive Registered Certificates and the Rule 144A Definitive Registered Certificates of each Class shall be equal to the Principal Amount Outstanding of such Class at the date on which notice of exchange of the Regulation S Global Registered Certificates or, as the case may be, the Rule 144A Global Registered Certificates of the corresponding Class is given, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Registered Certificates.

14. Replacement of Notes

If any Definitive Registered Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or any Transfer Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Definitive Registered Certificates must be surrendered before replacements will be issued.

15. Meetings of Noteholders; Modification; Waiver and Substitution

15.1 Meetings of Noteholders

The Trust Deed contains provisions for convening separate or combined meetings of the Noteholders of any Class to consider any matter relating to the Notes, including the sanctioning by Extraordinary Resolution passed at a meeting of such Noteholders of the relevant Class of any modification of certain of these Conditions or certain provisions of the Trust Deed or of the other Transaction Documents. Subject as further provided in the Trust Deed and below in this Condition 15.1, any such modification may be made if sanctioned by an Extraordinary Resolution of the holders of Notes of the Senior Outstanding Class.

For the purposes of this Condition 15, references to a "Class of Notes" shall be deemed to refer to the Class A Notes together, the Class AB Notes together, the Class B Notes together, the Class C Notes together, the Class D Notes together, the Class E Notes, the Class F Notes or the Class G Notes, as applicable.

Such a meeting may be convened by the Trustee or by the Issuer and shall be convened by the Trustee (subject to the Trustee having been indemnified and/or secured to its satisfaction against all costs (including, without limitation, legal fees and expenses), liabilities and expenses thereby occasioned) upon the request in writing of Noteholders holding not less than one-tenth of the Outstanding Principal Balance of the Notes of the relevant Class. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a majority of the Outstanding Principal Balance of the Notes of the relevant Class provided, however, that certain basic terms modifications specified in the Trust Deed (each a "**Basic Terms Modification**") in respect of any such Class of Notes (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes of any Class, to reduce the amount of principal or interest payable on any date in respect of such Notes, to alter the method of calculating the amount of any payment in respect of such Notes or the date for any such payment, or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders of the relevant Class and at which two or more persons holding not less two-thirds of the Outstanding Principal Balance of the Notes form a quorum, and that the quorum at any such adjourned meeting, shall be two or more persons holding or representing not less one third of the Outstanding Principal Balance of the Notes of such Class.

Subject as provided below, an Extraordinary Resolution passed by the Senior Outstanding Class shall be binding on the holders of all other classes of Notes outstanding. Notwithstanding the foregoing, no Extraordinary Resolution to sanction a modification which would have the effect of accelerating the maturity of the Senior Outstanding Class or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Outstanding Class or altering the currency of payment of the Senior Outstanding Class shall take effect unless, in addition to the provisions above for sanctioning a Basic Terms Modification, it shall also have been sanctioned by separate Extraordinary Resolutions of the holders of each of the other Classes of Notes outstanding. An Extraordinary Resolution of the Class AB Noteholders shall only be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or is sanctioned by an Extraordinary Resolution of the Class A Noteholders. An Extraordinary Resolution of the Class B Noteholders shall only be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or the Class AB Noteholders or is sanctioned by separate Extraordinary Resolutions of the Class A Noteholders and the Class AB Noteholders. An Extraordinary Resolution of the Class C Noteholders shall only be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or the Class AB Noteholders or the Class B Noteholders or is sanctioned by separate Extraordinary Resolutions of each of the Class A Noteholders and the Class AB Noteholders and the

Class B Noteholders. An Extraordinary Resolution of the Class D Noteholders shall only be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders or the Class C Noteholders or is sanctioned by separate Extraordinary Resolutions of each of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders and the Class C Noteholders. An Extraordinary Resolution of the Class E Noteholders shall only be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders, the Class C Noteholders or the Class D Noteholders or is sanctioned by separate Extraordinary Resolutions of each of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders, the Class C Noteholders and the Class D Noteholders. An Extraordinary Resolution of the Class F Noteholders shall only be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders, the Class C Noteholders or the Class D Noteholders or the Class E Noteholders or is sanctioned by separate Extraordinary Resolutions of each of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders. An Extraordinary Resolution of the Class G Noteholders shall only be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders, the Class C Noteholders, the Class D Noteholders the Class E Noteholders or the Class F Noteholders or is sanctioned by separate Extraordinary Resolutions of each of the Class A Noteholders, the Class AB Noteholders the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders.

Except in certain circumstances, the Trust Deed imposes no such limitations on the powers of holders of the Senior Outstanding Class, the exercise of which will be binding on the holders of all other Classes of Notes, irrespective of the effect upon their interests. No liability shall attach to the Trustee as a result of the Trustee being or not being of an opinion referred to in this Condition 15.1, except as a result of an act of negligence, fraud or wilful misconduct on the part of the Trustee.

In addition, a Written Resolution will take effect as if it were an Extraordinary Resolution.

Subject as provided in the Trust Deed, the Issuer is entitled to receive notice of and attend meetings of Noteholders but is not entitled to vote.

A meeting of Noteholders will also have the power (exercisable by Extraordinary Resolution) to advise or instruct the Trustee, in relation to any of its rights, powers and discretions under the Transaction Documents, to appoint any persons (whether Noteholders or not) as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

15.2 Modification and Waiver

The Trust Deed contains provisions permitting the Trustee without the consent of the Noteholders of any Class and without the consent of other Secured Parties, *inter alia*, to agree to (i) any modification of these Conditions or of the Transaction Documents (other than in respect of a Basic Terms Modification) if, in the sole opinion of the Trustee, such modification will not be materially prejudicial to the interests of the Noteholders of the Senior Outstanding Class, and (ii) any modification of the Conditions or of the Transaction Documents which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may without the consent of the Noteholders of any Class authorise or waive any breach or proposed breach of the Conditions, the Trust Deed or the Transaction Documents (other than a breach or proposed breach relating to the subject of a Basic Terms Modification) if, in the sole opinion of the Trustee, such authorisation or waiver will not be materially prejudicial to the interests of the Noteholders of the Senior Outstanding Class.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders pursuant to Condition 18 (*Notices*) as soon as practicable thereafter.

15.3 Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders of any Class and without the consent of the other Secured Parties, to the

substitution of any other company in place of the Issuer, or of any previously substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt by the Trustee of confirmation in writing from the Rating Agencies (on the basis of such information and/or opinions as the Rating Agencies may require) that none of the ratings of any of the Rated Notes will be adversely affected as a result thereof, to a change in the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 15 shall be binding on the Noteholders, and shall be notified to the Noteholders as soon as practicable in accordance with Condition 18 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions, including receipt by the Trustee of confirmation in writing from the Rating Agencies (on the basis of such information and/or opinions as such Rating Agency may require) that the rating of any of the Rated Notes will not be adversely affected as a result of the following, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class and without the consent of the other Secured Parties, provided the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may direct.

16. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and relieved from responsibility in certain circumstances (and, in particular, but without limitation, from taking proceedings against the Issuer unless it has been indemnified and/or secured to its satisfaction) and to be paid its remuneration, costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee, its employees and affiliates are entitled to enter into business transactions with the Issuer and/or any entity relating to the Issuer and/or any Secured Party without accounting for any profit.

The ability of the Trustee to exercise any rights it may have under the Transaction Documents in respect of the Notes are restricted by the terms of the Transaction Documents. Noteholders have no independent entitlement to exercise such rights.

In the exercise of its powers and discretions under these Conditions, the Trust Deed and any other Transaction Document, the Trustee will have regard to the interests of the holders of each Class separately in accordance with the terms of the Trust Deed and will not be responsible for any consequence for individual holders of Notes of such exercise and no Noteholder shall be entitled to claim from the Issuer or the Trustee any indemnification or other payment in respect of any consequence for any individual Noteholders of any such exercise.

The Trustee has not investigated the validity, value, sufficiency or enforceability of the security created by the Transaction Documents and shall accept without investigation, requisition or objection such right and title as the Issuer or any other person may have to any of the Collateral or any part thereof. The Trustee will not be responsible for any deficiency which may arise because the Trustee is liable to Tax in respect of all or any of the Collateral, the income therefrom or the proceeds thereof.

The Trustee will rely on the certificates signed by one authorised signatory of the Issuer or two authorised signatories of the Registrar or any other person as to any fact or matter *prima facie* within the knowledge of the Issuer or the Registrar or such other person, and shall not be responsible for any failure otherwise to monitor compliance with the obligations imposed on the Issuer under these Conditions.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

17. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of and the giving of security to the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to realise the security for the Notes and to obtain repayment of the Notes unless

indemnified and/or secured to its satisfaction. The Trustee shall not have any responsibility for the administration, insurance, management, monitoring or operation of the Collateral.

18. Notices

18.1 Publication of Notices

All notices, other than notices given in accordance with the next following paragraphs, to Noteholders shall be deemed to be duly given if published in a leading English language daily newspaper published in Ireland, which is expected to be the Irish Times, and The *Financial Times* or, if either of such newspapers shall cease to be published or timely publication therein shall not be practicable, in such English language newspaper or newspapers as the Trustee may approve having a general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required.

18.2 Notices concerning Interest

Any notices specifying the Rate of Interest, an Interest Amount, any Interest Shortfall or any redemption amount shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen (presently page “ISDA Page”) or such other medium for the electronic display of data as may be approved by the Trustee and notified to the relevant Class of Noteholders (the “**Relevant Screen**”). Any such notice shall be deemed to have been given on the first date on which such information appeared on the Relevant Screen. If it is impossible or impracticable to give notice in accordance with this paragraph, then notice of the matters referred to in this Condition shall be given in accordance with the preceding paragraph.

18.3 Alternative Methods of Notice

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

18.4 Clearing Systems Notices

Whilst the Notes are admitted to trading on the regulated market of the Irish Stock Exchange, copies of all notices given in accordance with this Condition shall also be sent to DTC, Euroclear and Clearstream, Luxembourg.

19. Taxation

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any Tax unless the Issuer or the Registrar or the Transfer Agent is required by applicable law to make any such payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future Tax. In the event such withholding or deduction is required, the Issuer or the Registrar or the Transfer Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor the Registrar nor the Transfer Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction. Any such withholding or deduction shall not constitute an Event of Default under Condition 11 (*Events of Default and Enforcement*).

20. Provision of Information

The Issuer shall, during any period in which it is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any holder of a Note which is a “restricted security” within the meaning of Rule 144(a)(3) under the Securities Act, or to any prospective purchaser of such securities designated by such Noteholder, upon the written request of such Noteholder or (as the case may be) prospective Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Registrar, the information specified in Rule 144A(d)(4) under the Securities Act.

21. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

22. Governing Law and Jurisdiction

The Notes are governed by and shall be construed in accordance with English law. The Issuer has in the Trust Deed submitted to the jurisdiction of the English courts for all purposes in connection with the Notes.

23. Agent for Service of Process

The Issuer irrevocably appoints Simmlaw Limited, at its offices at CityPoint, One Ropemaker Street, London EC2Y 9SS, as its agent in England to receive service of process in any proceedings in England based on any Notes. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

On the Closing Date, the gross proceeds of the issue and sale of the Sterling Notes, the Euro Notes and the U.S. dollar Notes will be £1,403,000,000, €2,074,000,000, and \$3,758,000,000 respectively. After deducting the Managers' commissions from the gross proceeds and exchanging the net proceeds of the Euro Notes and U.S. dollar Notes under the relevant Cross-currency Swap Agreements, the aggregate net proceeds to the Issuer from the issue and sale of the Notes will be £4,993,750,000. This amount, together with the Initial CDS Payment to the Issuer under the Credit Default Swap Agreement in the amount of £6,250,000, will be credited to the balance of the Cash Deposit Account held in the name of the Issuer with the Cash Deposit Bank.

ORIGINATION OF LOANS

Barclays Bank PLC Lending Business

As part of the Barclays Group, a major global financial services provider, Barclays Bank PLC (“Barclays”) is one of the leading mid-corporate lenders in the United Kingdom as defined by customer relationship market share and customer service surveys. Barclays derives its mid-corporate loan business mainly from its existing customer base and from introductions from known business sponsors, and professional firms, including lawyers, accountants and brokers. Although bespoke corporate financiers may exist for certain types of loans, for example, insurance borrowings, Barclays’ main competitors in the mid-corporate loan origination market are the other major UK banks, including Lloyds TSB, HBOS, Royal Bank of Scotland and HSBC banking groups.

For many years, Barclays has been at the forefront of the development and use of advanced credit risk systems. These systems assist Barclays in front-line credit decisions on new commitments and in managing the portfolio of existing exposures. They enable the application of consistent risk measurement across all credit exposures, retail and wholesale. The key building blocks in the measurement system are the probability of customer default (expressed through an internal risk rating), exposure in the event of default and severity of loss-given default. Using these, Barclays builds the analyses that lead to its decision support systems.

General

The following is a description of the credit risk methodology and processes used by Barclays as of the date of this Prospectus. Barclays continually reviews the methods by which it conducts its loan origination business to ensure that it remains current and efficient in a competitive market without lowering the overall credit quality of its portfolio. Accordingly, Barclays may revise its risk and origination procedures from time to time.

Probability of Default: Internal Risk Ratings

Barclays assesses the credit quality of, and assigns an internal risk rating to, all borrowers and other counterparties, including retail customers. Each internal rating corresponds to the statistical probability of a customer in that rating class defaulting within the next 12 months. Multiple rating methodologies may be used to inform the rating decision on individual large credits. For smaller credits, a single source may suffice, such as a rating model result. The table below shows the expected ranges of annual default probabilities associated with Barclays’ internal ratings.

Barclays Internal Credit Ratings (Barclays Business Grade or “BBG”)

<i>Barclays Internal Rating (“BBG”)</i>	<i>Annual Probability of Default</i>		
	<i>Minimum</i>	<i>Mid-point</i>	<i>Maximum</i>
	<i>%</i>	<i>%</i>	<i>%</i>
1.2	0.000	0.025	0.049
1.5	0.050	0.075	0.099
1.8	0.100	0.125	0.149
2.1	0.150	0.175	0.199
2.5	0.200	0.225	0.249
2.8	0.250	0.275	0.299
3	0.300	0.450	0.599
4	0.600	0.900	1.199
5	1.200	1.850	2.499
6	2.500	3.750	4.999
7	5.000	7.500	9.999
8	10.000	15.000	—

All assets, including loans and advances to customers, are rated using the BBG, which rates the credit quality of borrowers on a scale of 1 (very good) to 8 (poor) as outlined in the table above. BBGs 9 and 10 are default grades and used only internally to monitor impaired debt. Each grade, apart from BBGs 9 and 10, corresponds to an expected default frequency and is calculated by using manual or computer driven score-sheets validated by an analysis of Barclays’ own historic data. This grade can be derived from different sources depending upon the borrower. BBGs were

introduced into Barclays over ten years ago and have been in operation since that time; they have been used consistently and successfully to originate and monitor loans and are constantly monitored, validated and refreshed with reference to actual defaults and constant comparison with estimated default frequencies from rating agencies and other sources.

Treatment of Collateral (Security)

Separately and in addition to assessing loan quality against the BBG model, the value and type of collateral is taken into account. Barclays applies percentage loss-given-default rates (“lgds”) to these varying collateral types which are validated from analysis of past actual realisations on supporting collateral of defaulted loans to assess cover provided for loans and advances. For example, freehold land is discounted by 20 per cent. lgd whereas debenture collateral (including debtors and stock) is discounted by a much greater margin. The lgd percentages are provided in the form of a model matrix which compares estimated exposure at default with collateral value (after applying discount percentages as above) to deliver a principal amount of loss-given-default (expressed as a percentage), which is adjusted for cost of carry and administration to yield a net loss-given-default value, the “**Barclays Expected Loss Severity**”.

In conjunction with the BBG, the Barclays Expected Loss Severity is used to derive pricing for each loan to achieve risk and reward balance. Relative value or worth of each loan is determined and assessed through a Value Aligned Performance Measurement methodology. This is a means by which all income from any given loan (including the interest margin and lending fee) is combined with operational service income or ancillary business (including income arising from money transmission) and set off against all costs of supporting the loan and associated customer relationship and service provision (such as group costs, staff costs and loan capital costs).

Loan Origination

Each mid-corporate customer or client (prospective customer) of Barclays is assigned a relationship director. The relationship directors are highly skilled professionals, leaders in their field and the subject of a rigorous assessment and recruitment process. Each relationship director is responsible for a small portfolio of customers including applications for the agreement of all borrowing facilities, in line with identified customer needs. At the outset of the loan origination process, the relationship director undertakes the initial contact with the customer or client, collates the relevant information relating to the proposed loan, structures the credit facility and prepares the application materials. The relationship director is supported in this activity by corporate credit managers and analysts, situated within the relationship team.

The approach taken by the relationship director centres on tried and tested banking lending practice and is supported by the use of the “Lending Advisor” system. This was introduced in 1993 and is a screen based computer software application that is highly structured and directs the relationship director to consider and complete a thorough analysis of any lending proposition, for example: a customer’s products strategy and market place; management capability; evaluation of the type of customer (for example, customer segment, group or specific corporate structure); evaluation of the customer’s legal entity and financial assessment and projected financial performance (including an evaluation of cash flows and financial ratios); analysis of requested facilities (including an evaluation of their amount, purpose, repayment, term and margin); evaluation of the security underlying the related loan (including specific security arrangements, covenants and conditions, insurance and hedging); and a review of any issues that could have an impact on its reputation.

For the vast majority of customer facilities, the primary source of repayment will be sustainable cash flow generated by ongoing trading, rather than the realisation of security. The decision to lend is driven by analysis and assessment of the ability of a customer to service and repay its obligations, rather than by whether the loan is to be secured or unsecured, although the pricing terms may reflect any security underlying the loan as described above.

The application is populated with commentary, analysis, and input of financial information. It is then supported by appropriate paper reports and submitted by the relationship director to Barclays Risk Division via the “Lending Advisor” system. The system thus also acts as an audit trail of record of the application.

Treatment of Loan Applications

Barclays Risk Division is situated within Barclays UK Banking (although it is independent of the relationship teams) and comprises an established and highly experienced team of credit and lending directors, credit managers and credit analysts (referred to generically as credit officers). Once Barclays Risk Division receives the credit application from the relationship director, it will assess the facilities required and monitoring proposals, considering the type and nature of borrowing facilities, conduct of the accounts and track record of the business, the type of security and collateral involved and its valuation, loan covenants, conditions, reporting triggers and frequency, methods of monitoring (including the information to be received and frequency of its dissemination), and remuneration (interest margins and fees using the Value Aligned Performance Management approach and related reports).

A detailed analysis of the management of the business will be undertaken, incorporating: the organisational structure of the business; key staff and their quality, experience, and technical and financial proficiency; track record with industry or managing a business; and succession plans. This is in addition to factors such as the relative performance of the business in the area of financial results, prospects and ability to handle changing market conditions.

As part of its investigation of the business environment, Barclays Risk Division analyses economists' input and undertakes a "business risk assessment", which entails considerations including: group structure; trading activity; nature of business; product information and life stage; competition and the market; customers and the direct competition; logistical position; buyer and supplier power; industry position and outlook; threats of new entrants, substitutes or alternatives; industry intelligence; major business changes; and various external or internal factors such as mergers, acquisitions and premises moves.

In its financial assessment process, Barclays Risk Division undertakes a general analysis of both past business financial performance and also future projections, with a view to assessing the company's ability to meet capital and interest payments for the proposed borrowing, and the margin of safety available. This includes appropriate analysis on any deterioration in credit quality, including material adverse changes in profits (and accompanying ratios and margins), the balance sheet (including adverse movements in liabilities, e.g. creditors) and cash flows.

Credit Approval

All credit applications are analysed and reviewed by the appropriate corporate credit team within Barclays Risk Division as described above. The authorities for then approving or declining the loan application are delegated on the basis of a matrix comparing the amount of total customer exposure with BBG, summarised as follows:

BBG	EDF Median	Exposure Discretion/Sign off Authority				
		UK Banking Credit Committee ¹ £m	UK Banking Risk Director/Chief Credit Officer £m	2 x Lending Director £m	Lending Director £m	Credit Director £m
1	0.075	300	180	180	140	60
2	0.225	150	90	90	70	30
3	0.45	150	90	90	70	30
4	0.9	75	45	45	35	20
5	1.8	75	45	45	35	20
6	3.75	75	45	45	35	20
7	7.5	75	45	45	35	20
8	15	75	45	45	35	20

¹Approval for exposures above these levels are undertaken by Barclays Group Credit Committee.

If the credit lending decision is within the discretion of an individual, it is made based on the relationship director's credit application and Barclays Risk Division's credit team and the individual's own analysis as described in detail above. If the decision is outside the individual's level of authority, depending on the size of the customer's total borrowing exposure, it is presented by the appropriate lending director to another independent lending director, or by those directors to the Barclays Group's UK Banking credit committee, or by that committee to the Barclays Group's group credit committee (as described below).

UK Banking Credit Committee

The UK Banking credit committee is the highest level credit sanctioning forum in UK Banking and sanctions exposures with a credit equivalent risk, in either financing limits or settlement/daylight limits above the discretion thresholds of the specialist credit teams. Authority and mandate is granted by the group credit committee. Requests for sanctioning credit exposures outside of the discretion of the UK Banking credit committee or appeals to decline decisions are escalated to the group credit committee.

Group Credit Committee

The group credit committee is the highest level credit sanctioning forum in the Barclays Group and sanctions exposures with a credit equivalent risk, in either financing limits or settlement/daylight limits above the discretion thresholds approved for each cluster in the Barclays Group, including UK Banking. The group credit committee also sanctions underwriting positions (in loans, capital markets issues or equity) beyond Barclays Capital exposure committee discretion levels. In addition, the group credit committee sanctions cluster level discretions, exposure committee discretions, industry cap levels within mandate and scale limits and cross border country risk limits.

Credit Policy

As part of its efforts to ensure that the loans it originates are adequately protected, Barclays adheres to a Credit Policy approach for each industry type. This includes caps, rules, guidance, maximum hold levels and aspects such as loan-to-value criteria.

Summary

The credit process conforms to rigorous preparation, analysis and assessment procedures, underpinned by and fully integrated with Barclays' established credit risk management methodologies. The decision process is undertaken strictly in accordance with a discretion/authority matrix combining exposure amount with credit quality and is independent of the loan application process.

SERVICING OF LOANS

General

The following is a description of Barclays' loan servicing procedures in relation to its mid-corporate loan business as at the date of this Prospectus.

Barclays' customer relationship directors and their support teams are responsible for handling and resolving all queries and issues received from borrowers in connection with their loans. The general servicing responsibilities of the bank include processing audit letters, issuing certificates of interest, processing changes in borrowers' names, addresses and other contact information, arranging for direct debits and collections, calculating interest and payments owed under individual loans and regularly monitoring changes in interest rates. In addition, Barclays prepares and distributes periodic account statements, co-ordinates any appropriate amendments to the terms of individual loan facilities and regularly monitors compliance with existing loan covenants.

Loan Servicing and Monitoring and Control

Monitoring of loans is undertaken by the relevant individual, or committee according to the relevant exposure and BBG matrix.

All loans are formally reviewed at least annually, and whenever a request for new or changed facilities or a formal credit application submission is made. Loan monitoring and control is underpinned by a risk management framework comprising electronic automated monitoring, credit officer expert review to ensure adherence to loan terms and conditions, and regular sampling to ensure compliance with credit risk controls and quality standards. External reports such as interim trading statements and reports, profit warnings, brokers reports and information provided by customers (including management accounts, cost budgets and projections) are supplemented by internal tools and methodologies such as: industry reports and analysis to monitor changes in the industry landscape or external environment; loan covenant monitoring and compliance reviews to ensure adherence to facility letter covenants or minimum financial ratio/collateral valuation criteria; the daily "Refer List", which reports excesses of facilities against agreed limits, or non-regularly reducing loans, and is regularly updated to include all accounts that have breached agreed credit terms; the "Monitoring and Control Matrix", which combines internal credit ratings such as BBG or Lending Advisor borrower ratings with current account behavioural credit scoring; and the Corporate Index, which encompasses the electronic delivery of advice of third-party actions, such as legal judgements, corporate failures and charging of assets to third parties.

Special Servicing Tasks – Loan Deterioration Management

As part of its loan servicing process, Barclays pays particular attention to the prevention and management of loan deterioration. Barclays' view is that its financial and reputational interests, and those of its customers, are best served when it can assist a borrower experiencing financial difficulties in returning to healthy operation, and thereafter maintaining a profitable banking relationship with it; or work with the borrower to exit the relationship, managing the difficult circumstances to optimise the outcome for all parties involved. As a last resort, after all other efforts to work out a particular situation have failed, Barclays may call a default on the related borrower.

Early Warning List

The Early Warning List (“EWL”) is a tool Barclays uses to manage customers who show signs of potential financial distress. This list has three categories: EWL 1 “Caution”, EWL 2 “Doubt – close control required”, and EWL 3 “Concern – protracted difficulties – actively minimise risk”. These EWL categories are summarised below:

<i>Category</i>	<i>EWL 1</i>	<i>EWL 2</i>	<i>EWL 3</i>
Classification	Low	Medium	High
Definition	Caution	Doubt – close control required	Concern – protracted difficulties – actively minimise risk
Description	A temporary classification for customers who exhibit some unsatisfactory features which would affect viability in the medium term and where a cautious approach is appropriate	Doubts as to the viability of the customer, but customer should meet obligations for the next 6-12 months and believe no risk of loss to Barclays	Definite concern exists. If the position deteriorates, failure could occur and Barclays would be at risk
Risk of borrower failure	Low/Medium – although long term viability might be questioned	Medium/High – although future is considered assured for at least the next 6-12 months	High
Potential loss to Barclays	Low – no loss perceived at present	Low/Medium – loss unlikely; Barclays not considered to be at risk and a marginal change in security cover is unlikely to leave Barclays exposed	High – in the event of failure, Barclays is likely to face a loss via provision/Non-accrual debt, or there could be a protracted recovery
Exposure policy	Normally maintain or decrease	Normally decrease	Decrease or exit
Headroom	The continuance of any headroom should be carefully considered	Unnecessary headroom must be discontinued	Unnecessary headroom must be discontinued

Customers placed on the Early Warning List are identified by a combination of factors including a behavioural scorecard and the relationship director’s personal knowledge of a customer’s evolving circumstances. Once a customer is placed on the Early Warning List 1, it is monitored by Barclays Business Support (“BBS”) but remains in control of the relationship director. If the customer deteriorates and migrates to EWL 2 or 3, BBS takes control and will immediately seek to understand the dynamics of businesses referred to it, enabling the identification of problem areas, and the formulation of an appropriate strategy for its management. BBS then works directly with the customer to agree a strategy.

Customers included on the EWL are managed by regional BBS teams, whose role is to work with the relationship director and the customer to turn the business around on an “intensive care” basis, and then return the business back to the local relationship director’s sole control. The majority of customers included on the Early Warning List do not default and return to the “live” book after the issues that gave rise to their placement on the Early Warning List are resolved. If, however, the turnaround attempts have failed, customers will become subject to recovery within BBS or referred to Barclays’ debt recovery units.

By adopting an early identification and partnership approach, BBS typically achieves a turnaround of approximately 80 per cent of the 300 cases (from a population of 8,000) in its portfolio at any time.

Debt Collection and Recoveries

If a turnaround is not possible, and as a last resort, the customer will become subject to recovery procedures within BBS or transferred to the Barclays Debt Recoveries Unit. Recovery strategies will be managed within BBS if it is considered that the complexity or size of the case requires their expertise, for example, where syndications are involved.

Where debt products provided to customers are not repaid in accordance with agreed terms and conditions, Barclays has established policy and procedures to recover the outstanding debt owed.

For Larger Business assets, the debt management, recovery and collection process is performed in-house by Barclays Business Support or the Barclays Debt Recovery Unit, which operates according to a value-based approach: recoveries officers and directors are targeted and rewarded according to the recoveries achieved.

In each case where debt recovery is initiated, a preliminary case assessment is undertaken, including meetings with key professionals. Next, a recovery strategy is formulated, a detailed review of collateral is undertaken to establish the optimum route for maximum recovery, professional partners are engaged as required, and costs/budgets are agreed.

The strategies adopted will depend on the nature of the collateral held and type of situation – there are three main routes employed: insolvency, property realisation and pursuit of guarantors/third party covenants.

For insolvency, a petition for insolvency is made (if appropriate), proof of debt is completed, professional engagement and budgets are agreed upon with duly appointed insolvency professionals, performance of insolvency professionals is monitored, and realisations in respect of security are made. The aim is to maximise recovery and minimise costs.

With respect to property realisation suitable property professionals, valuers, estate agents and auctioneers are engaged, and legal enforcement is undertaken, including the eviction of occupiers and the appointment of Law of Property Act Receivers. The optimal realisation options, including general sale, tender or auction, are identified and pursued. Interested parties are approached to enhance the value of the security through planning or joint venture, valuations are updated, taking into consideration insurance and prior charge holders, and property professionals and the related budgets are regularly monitored and controlled.

Where guarantors/third party covenants are involved, Barclays will engage in negotiations with guarantors and/or their professional advisers (including solicitors and accountants), valuable assets that may be capable of funding recovery are identified, and legal remedies for repayment of the liability are examined (including judgements, charging orders, freezing orders, orders for sale and bankruptcy).

Execution of the strategy might include appropriate enforcement action to maximise the value of security held or inception of litigation proceedings, all to target maximum repayment. As part of this process, the asset disposal costs and professional spend are monitored and controlled regularly, and reviews made of progress against plan.

Throughout, professional advisers such as solicitors or tracing agents are employed, and budgets are regularly monitored and controlled.

Restriction of Reference Portfolio Information Flows

Maximising the proceeds of recovery is clearly in the best interests of the Noteholders and Barclays, who rank *pari passu* with respect to recovery proceeds on the portions of a defaulted loan referenced within and outside Gracechurch Corporate Loans. For the avoidance of doubt, however, information flowing to and from the BBS and Barclays Debt Recovery Unit will be restricted. The individuals in the BBS and Barclays Debt Recovery Unit will not be aware of which loans are subject to credit protection as a result of this transaction during the recovery process, ensuring that standard servicing and special servicing procedures are followed.

THE REFERENCE PORTFOLIO

Reference Portfolio Selection

The Reference Portfolio as at the Closing Date (the “**Initial Reference Portfolio**”) was selected by the CDS Counterparty exclusively from customers of the UK Business Banking division of Barclays which are located in the United Kingdom and comprise mid-corporate enterprises. The CDS Counterparty’s selection process was designed to ensure that the Initial Reference Portfolio is a representative sample of the customers of UK Business Banking after the exclusion of certain industry groups.

To avoid excessive concentrations by customer, a cap of £35,000,000 was placed on the exposure to any individual customer, and a filter was applied, ensuring that no one obligor represented more than 0.70 per cent. by value of the Initial Reference Portfolio.

Further detailed disclosure relating to the characteristics of the Initial Reference Portfolio is set out under “*Characteristics of the Initial Reference Portfolio*” below.

Reference Obligation Criteria

The following criteria (the “**Reference Obligation Criteria**”) will apply in respect of each Reference Obligation in the Initial Reference Portfolio as at the Closing Date and in respect of each Reference Obligation that is added to the Reference Portfolio (or the Reference Obligation Notional Amount of which is increased) as a result of a Replacement (a “**Replacement Reference Obligation**”) as at the corresponding Replacement Date:

- (i) the obligor in respect of each Reference Obligation (each, a “**Borrower**”) must be a customer of Barclays Bank PLC;
- (ii) the Borrower in respect of each Reference Obligation must have been assigned a Barclays Business Grade (or equivalent internal Barclays Bank PLC rating) in accordance with the internal systems of Barclays Bank PLC;
- (iii) the Borrower in respect of each Reference Obligation must be located in the United Kingdom;
- (iv) the first payment due to Barclays Bank PLC on any obligation of each Borrower must have been paid;
- (v) in respect of the three year period immediately prior to the Closing Date or the Replacement Date (as applicable), the Borrower must not have failed to pay any debt that fell due and payable during such period, must not have become insolvent or subject to winding-up, administration or analogous proceedings and must not have restructured (in a loss making fashion from the perspective of the holder(s) of the debt) any of its debts, subject to the actual knowledge of the CDS Counterparty;
- (vi) the Borrower in respect of each Reference Obligation must have been assigned a Barclays Business Grade (or equivalent internal Barclays Bank PLC rating) of less than 9;
- (vii) the Borrower in respect of each Reference Obligation must not be on Level 3 of the Early Warning List of Barclays Bank PLC as at the Closing Date or the Replacement Date (as applicable);
- (viii) the aggregate of the Reference Obligation Notional Amounts of all Reference Obligations of any one Borrower (such Borrower’s “**Borrower Notional Amount**”) (as designated in the Reference Register) must not be greater than £35,000,000;
- (ix) the final maturity date of any Reference Obligation must not be later than 31 March 2025; and
- (x) the Borrower in respect of each Reference Obligation with a Moody’s 1 year Expected Default Frequency must have a Moody’s 1 year EDF of less than 17 per cent.

“**Moody’s 1 year Expected Default Frequency**” or “**Moody’s 1 year EDF**” means, in relation to any borrower, as at any date of determination, an expected default frequency as calculated by Moody’s RiskCalc™ for UK Companies.

Key Features of the Initial Reference Portfolio

Certain characteristics of the Reference Portfolio are set forth below and refer to the composition of the Initial Reference Portfolio. Such characteristics reflect the Initial Reference Portfolio as at the date on which the constituents thereof were selected by the CDS Counterparty, not as at the

Closing Date. The composition of the Reference Portfolio will vary over time (see “Replacements” below) and as a result, the characteristics of the Initial Reference Portfolio set forth below are not necessarily indicative of the characteristics of the Reference Portfolio at any subsequent time. However, due to the application of the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and the Replacement Reference Portfolio Criteria the CDS Counterparty does not expect that the Reference Portfolio characteristics will vary substantially throughout the term of the Notes.

Percentages and amounts in the tables set out below are rounded to two decimal places. This may give rise to rounding errors and consequently the sum of the percentages or amounts set out in a row or column (as applicable) of any table may not be exactly equal to 100.00 per cent. or the stated total.

Table 1

Reference Portfolio Notional Amount	£5,000,000,000
Reference Portfolio Aggregate Reference Obligation Outstanding Debt	£8,017,132,476
Number of Borrowers	577
Number of Reference Obligations	775
Largest Borrower Notional Amount	£35,000,000
Smallest Borrower Notional Amount	£1,496,000
Average Borrower Notional Amount	£8,665,511
Largest Borrower Aggregate Reference Obligation Outstanding Debt	£206,666,667
Smallest Borrower Aggregate Reference Obligation Outstanding Debt	£1,500,000
Average Borrower Aggregate Reference Obligation Outstanding Debt	£13,894,510
Weighted Average Time To Maturity of the Reference Obligations	3.03 years
Weighted Average Barclays Expected Loss Severity	46.31%

“**Borrower Aggregate Reference Obligation Outstanding Debt**” means the aggregate principal amount owed by a Borrower in respect of all of the Reference Obligations of that Borrower to Barclays Bank PLC.

“**Reference Obligation Outstanding Debt**” means the aggregate principal amount owed by the Borrower in respect of a Reference Obligation to Barclays Bank PLC. The Reference Obligation Notional Amount of a Reference Obligation may be less than the Reference Obligation Outstanding Debt of such Reference Obligation.

Distribution of Borrowers by Borrower Notional Amount

Table 2

<i>Borrower Notional Amount (£ million)</i>	<i>Number of Borrowers</i>	<i>Percentage of Total</i>	<i>Aggregate Borrower Notional Amount</i>	<i>Percentage of Total</i>
Less than 2.5	154	26.69%	£297,328,412	5.95%
2.5 – 5.0	159	27.56%	£570,121,345	11.40%
5.0 – 7.5	64	11.09%	£401,473,589	8.03%
7.5 – 10.0	47	8.15%	£405,423,671	8.11%
10.0 – 15.0	49	8.49%	£598,074,790	11.96%
15.0 – 20.0	32	5.55%	£563,899,063	11.28%
20.0 – 25.0	20	3.47%	£446,176,864	8.92%
25.0 – 30.0	9	1.56%	£249,751,671	5.00%
30.0 – 35.0	43	7.45%	£1,467,750,596	29.36%
Greater than 35.0	0	0.00%	£0	0.00%
Total	577	100.00%	£5,000,000,000	100.00%

Distribution of Borrowers by Borrower Aggregate Reference Obligation Outstanding Debt

Table 3

<i>Borrower Aggregate Reference Obligation Outstanding Debt (£ million)</i>	<i>Number of Borrowers</i>	<i>Percentage of Total</i>	<i>Aggregate Borrower Aggregate Reference Obligation Outstanding Debt</i>	<i>Percentage of Total</i>
Less than 5.0	230	39.86%	£725,255,663	9.05%
5.0 – 10.0	129	22.36%	£955,593,152	11.92%
10.0 – 15.0	62	10.75%	£756,894,782	9.44%
15.0 – 20.0	50	8.67%	£858,539,697	10.71%
20.0 – 30.0	40	6.93%	£1,000,253,101	12.48%
30.0 – 40.0	20	3.47%	£699,502,706	8.73%
40.0 – 50.0	22	3.81%	£1,001,055,376	12.49%
50.0 – 75.0	15	2.60%	£896,447,723	11.18%
75.0 – 100.0	3	0.52%	£255,429,017	3.19%
Greater than 100.0	6	1.04%	£868,161,259	10.83%
Total	577	100.00%	£8,017,132,476	100.00%

Distribution of Reference Obligations by Reference Obligation Notional Amount

Table 4

<i>Reference Obligation Notional Amount (£ million)</i>	<i>Number of Reference Obligations</i>	<i>Percentage of Total</i>	<i>Aggregate Reference Obligation Notional Amount</i>	<i>Percentage of Total</i>
Less than 2.5	245	31.61%	£476,779,751	9.54%
2.5 – 5.0	247	31.87%	£887,793,585	17.76%
5.0 – 7.5	75	9.68%	£466,273,542	9.33%
7.5 – 10.0	71	9.16%	£609,943,039	12.20%
10.0 – 15.0	56	7.23%	£681,293,914	13.63%
15.0 – 20.0	35	4.52%	£599,794,353	12.00%
20.0 – 25.0	20	2.58%	£444,481,911	8.89%
25.0 – 30.0	8	1.03%	£225,141,611	4.50%
30.0 – 35.0	18	2.32%	£608,498,295	12.17%
Greater than 35.0	0	0.00%	£0	0.00%
Total	775	100.00%	£5,000,000,000	100.00%

Distribution of Reference Obligations by Reference Obligation Outstanding Debt

Table 5

<i>Reference Obligation Outstanding Debt (£ million)</i>	<i>Number of Reference Obligations</i>	<i>Percentage of Total</i>	<i>Aggregate Reference Obligation Outstanding Debt</i>	<i>Percentage of Total</i>
Less than 2.5	135	17.42%	£271,951,195	3.39%
2.5 – 5.0	220	28.39%	£842,298,768	10.51%
5.0 – 7.5	107	13.81%	£651,477,586	8.13%
7.5 – 10.0	88	11.35%	£785,014,081	9.79%
10.0 – 15.0	82	10.58%	£1,021,694,966	12.74%
15.0 – 20.0	55	7.10%	£962,789,181	12.01%
20.0 – 30.0	44	5.68%	£1,116,798,112	13.93%
30.0 – 40.0	17	2.19%	£603,394,009	7.53%
40.0 – 50.0	14	1.81%	£635,259,595	7.92%
50.0 – 75.0	7	0.90%	£405,861,953	5.06%
75.0 – 100.0	2	0.26%	£197,000,000	2.46%
Greater than 100.0	4	0.52%	£523,593,032	6.53%
Total	775	100.00%	£8,017,132,478	100.00%

Distribution of Borrowers by Industry Sector

The table set out below shows the concentration of the Borrowers in respect of the Reference Obligations comprised in the Initial Reference Portfolio by size of Borrower Notional Amounts. The Industry classifications are derived from Moody's Industry Sectors.

Table 6

<i>Moody's Industry Sector</i>	<i>Number of Borrowers</i>	<i>Percentage of Total</i>	<i>Aggregate Borrower Notional Amount</i>	<i>Percentage of Total</i>
1 Aerospace and Defense	7	1.21%	£81,261,509	1.63%
2 Automobile	23	3.99%	£226,785,356	4.54%
3 Banking	43	7.45%	£409,653,083	8.19%
4 Beverage, Food and Tobacco	28	4.85%	£235,183,492	4.70%
5 Buildings and Real Estate	33	5.72%	£226,797,070	4.54%
6 Chemicals, Plastics and Rubber	22	3.81%	£178,888,338	3.58%
7 Containers, Packaging and Glass	9	1.56%	£56,279,698	1.13%
8 Personal and Non Durable Consumer Products (Manufacturing Only)	6	1.04%	£40,965,237	0.82%
9 Diversified/Conglomerate Manufacturing	6	1.04%	£110,098,631	2.20%
10 Diversified/Conglomerate Service	63	10.92%	£414,354,232	8.29%
11 Diversified Natural Resources, Precious	8	1.39%	£44,765,151	0.90%
12 Ecological	5	0.87%	£29,175,498	0.58%
13 Electronics	28	4.85%	£282,475,828	5.65%
14 Finance	0	0.00%	£0	0.00%
15 Farming and Agriculture	2	0.35%	£30,641,644	0.61%
16 Grocery	10	1.73%	£63,789,575	1.28%
17 Healthcare, Education and Childcare	32	5.55%	£291,737,407	5.83%
18 Home and Office Furnishings, Housewares, and Durable Consumer Products	15	2.60%	£89,158,084	1.78%
19 Hotels, Motels, Inns and Gaming	27	4.68%	£232,681,088	4.65%
20 Insurance	8	1.39%	£65,664,353	1.31%
21 Leisure, Amusement, Entertainment	25	4.33%	£148,178,885	2.96%
22 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	24	4.16%	£112,739,032	2.25%

<i>Moody's Industry Sector</i>	<i>Number of Borrowers</i>	<i>Percentage of Total</i>	<i>Aggregate Borrower Notional Amount</i>	<i>Percentage of Total</i>
23 Mining, Steel, Iron and Non Precious Metals	7	1.21%	£70,689,998	1.41%
24 Oil and Gas	6	1.04%	£41,959,328	0.84%
25 Personal, Food and Miscellaneous	20	3.47%	£246,748,107	4.93%
26 Printing and Publishing	16	2.77%	£96,796,049	1.94%
27 Cargo Transport	19	3.29%	£223,183,186	4.46%
28 Retail Stores	42	7.28%	£550,550,263	11.01%
29 Telecommunications	5	0.87%	£35,544,324	0.71%
30 Textiles and Leather	13	2.25%	£47,458,593	0.95%
31 Personal Transportation	15	2.60%	£253,251,220	5.07%
32 Utilities	4	0.69%	£28,089,413	0.56%
33 Broadcasting & Entertainment	6	1.04%	£34,456,329	0.69%
Total	577	100.00%	£5,000,000,000	100.00%

Distribution of Reference Obligations by Years to Maturity

Table 7

<i>Years to Maturity</i>	<i>Number of Reference Obligations</i>	<i>Percentage of Total</i>	<i>Aggregate Reference Obligation Notional Amount</i>	<i>Percentage of Total</i>
Within 1 year	431	55.61%	£2,434,635,342	48.69%
1-2 years	42	5.42%	£297,781,925	5.96%
2-3 years	58	7.48%	£373,974,790	7.48%
3-4 years	60	7.74%	£440,122,300	8.80%
4-5 years	72	9.29%	£795,891,793	15.92%
5-7 years	41	5.29%	£232,839,328	4.66%
7-10 years	55	7.10%	£222,760,235	4.46%
10-15 years	7	0.90%	£100,970,126	2.02%
15-20 years	9	1.16%	£101,024,161	2.02%
Greater than 20 years	0	0.00%	£0	0.00%
Total	775	100.00%	£5,000,000,000	100.00%

Distribution of Borrowers by Barclays Business Grade

Table 8

<i>Barclays Business Grade</i>	<i>Number of Borrowers</i>	<i>Percentage of Total</i>	<i>Aggregate Borrower Notional Amount</i>	<i>Percentage of Total</i>
1.2	66	11.44%	£803,357,320	16.07%
1.5	59	10.23%	£754,779,162	15.10%
1.8	50	8.67%	£544,983,343	10.90%
2.1	128	22.18%	£811,584,791	16.23%
2.5	20	3.47%	£243,247,391	4.86%
2.8	28	4.85%	£229,945,520	4.60%
3	97	16.81%	£894,793,276	17.90%
4	64	11.09%	£376,173,013	7.52%
5	37	6.41%	£204,516,133	4.09%
6	23	3.99%	£118,629,505	2.37%
7	2	0.35%	£9,093,182	0.18%
8	3	0.52%	£8,897,365	0.18%
Total	577	100.00%	£5,000,000,000	100.00%

Distribution of Reference Obligations by Barclays Expected Loss Severity

Table 9 shows the concentration of the Reference Obligations comprised in the Initial Reference Portfolio in Barclays Expected Loss Severity bands.

Table 9

<i>Barclays Expected Loss Severity Bands</i>	<i>Number of Reference Obligations</i>	<i>Percentage of Total</i>	<i>Aggregate Reference Obligation Notional Amount</i>	<i>Percentage of Total</i>
Less than 10.0%	3	0.39%	£8,264,315	0.17%
10.0 – 20.0%	90	11.61%	£444,518,291	8.89%
20.0 – 30.0%	131	16.90%	£647,475,819	12.95%
30.0 – 40.0%	140	18.06%	£1,178,125,502	23.56%
40.0 – 50.0%	113	14.58%	£824,651,326	16.49%
50.0 – 60.0%	215	27.74%	£1,385,609,079	27.71%
60.0 – 70.0%	21	2.71%	£190,767,808	3.82%
70.0 – 80.0%	17	2.19%	£86,299,926	1.73%
80.0 – 90.0%	4	0.52%	£8,963,770	0.18%
Greater than 90.0%	41	5.29%	£225,324,165	4.51%
Total	775	100.00%	£5,000,000,000	100.00%

Table 10 breaks down the concentration of the Reference Obligations comprised in the Initial Reference Portfolio by both Barclays Business Grades and Barclays Expected Loss Severity Bands showing the percentage of the Reference Portfolio Notional Amount in each Barclays Business Grade category and each Barclays Expected Loss Severity band.

Table 10

<i>Barclays Business Grade</i>	<i>Barclays Expected Loss Severity Bands</i>										<i>Total</i>
	<i>0 – 10%</i>	<i>10 – 20%</i>	<i>20 – 30%</i>	<i>30 – 40%</i>	<i>40 – 50%</i>	<i>50 – 60%</i>	<i>60 – 70%</i>	<i>70 – 80%</i>	<i>80 – 90%</i>	<i>90 – 100%</i>	
1.2	0.00%	3.66%	0.39%	4.29%	1.84%	4.34%	0.00%	0.31%	0.00%	1.24%	16.07%
1.5	0.00%	0.91%	0.94%	7.86%	0.94%	3.53%	0.00%	0.15%	0.00%	0.76%	15.10%
1.8	0.00%	0.36%	1.82%	3.47%	1.37%	3.55%	0.00%	0.07%	0.00%	0.25%	10.90%
2.1	0.03%	0.70%	2.82%	3.12%	2.41%	5.89%	0.14%	0.00%	0.08%	1.03%	16.23%
2.5	0.00%	0.00%	0.66%	0.63%	1.57%	1.19%	0.68%	0.00%	0.00%	0.14%	4.86%
2.8	0.00%	0.60%	1.42%	0.23%	0.73%	1.54%	0.08%	0.00%	0.00%	0.00%	4.60%
3.0	0.09%	1.36%	3.20%	2.45%	4.29%	3.82%	2.06%	0.41%	0.00%	0.22%	17.90%
4.0	0.00%	0.61%	0.43%	0.78%	1.64%	2.65%	0.48%	0.18%	0.10%	0.66%	7.52%
5.0	0.04%	0.45%	0.82%	0.20%	0.85%	0.76%	0.38%	0.51%	0.00%	0.07%	4.09%
6.0	0.00%	0.23%	0.45%	0.50%	0.71%	0.34%	0.00%	0.00%	0.00%	0.14%	2.37%
7.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	0.00%	0.08%	0.00%	0.00%	0.18%
8.0	0.00%	0.00%	0.00%	0.03%	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%
Total	0.17%	8.89%	12.95%	23.56%	16.49%	27.71%	3.82%	1.73%	0.18%	4.51%	100.00%

Distribution of Borrowers by Early Warning List Level

Table 11

<i>Early Warning List Level</i>	<i>Number of Borrowers</i>	<i>Percentage of Total Number of Borrowers</i>	<i>Aggregate Borrower Notional Amount</i>	<i>Percentage of Reference Portfolio Notional Amount</i>
Not on Early Warning List	506	87.69%	£4,449,158,404	88.98%
1	29	5.03%	£306,307,224	6.13%
2	42	7.28%	£244,534,372	4.89%
3	0	0.00%	£0	0.00%
Total	577	100.00%	£5,000,000,000	100.00%

Distribution of Reference Obligations by Barclays Expected Loss Severity and by Barclays Early Warning List Level

Table 12 breaks down the concentration of the Reference Obligations comprised in the Initial Reference Portfolio by both Barclays Expected Loss Severity bands and Barclays Early Warning List Level.

Table 12

<i>Barclays Expected Loss Severity Bands</i>	<i>Early Warning List Level</i>			<i>Total</i>
	<i>Not on Early Warning List</i>	<i>1</i>	<i>2</i>	
0-10%	0.17%	0.00%	0.00%	0.17%
10-20%	8.06%	0.14%	0.69%	8.89%
20-30%	11.15%	0.67%	1.12%	12.95%
30-40%	22.58%	0.69%	0.30%	23.56%
40-50%	14.00%	1.18%	1.31%	16.49%
50-60%	23.21%	3.38%	1.12%	27.71%
60-70%	3.46%	0.00%	0.35%	3.82%
70-80%	1.67%	0.05%	0.00%	1.73%
80-90%	0.18%	0.00%	0.00%	0.18%
90-100%	4.51%	0.00%	0.00%	4.51%
Total	88.98%	6.13%	4.89%	100.00%

Distribution of Borrowers by Equivalent Rating Classification

Table 13

<i>Equivalent Rating Classification</i>	<i>Number of Borrowers</i>	<i>Percentage of Total</i>	<i>Aggregate Borrower Notional Amount</i>	<i>Percentage of Total</i>
Normal	538	93.24%	£4,666,792,018	93.34%
Film Company	18	3.12%	£209,621,889	4.19%
University	16	2.77%	£107,159,535	2.14%
Publicly Rated	5	0.87%	£16,426,558	0.33%
Total	577	100.00%	£5,000,000,000	100.00%

Distribution of Reference Obligations by Number of Holders

Table 14

<i>Number of Holders</i>	<i>Number of Reference Obligations</i>	<i>Percentage of Total</i>	<i>Aggregate Notional Amount</i>	<i>Percentage of Total</i>
Bilateral	686	88.52%	£4,005,554,637	80.11%
Syndicated	89	11.48%	£994,445,363	19.89%
Total	775	100.00%	£5,000,000,000	100.00%

Replacements

Pursuant to the Credit Default Swap Agreement, if on any Replacement Date during the Revolving Period:

- (i) the Reference Obligation Principal Amount of a Reference Obligation is less than the Reference Obligation Notional Amount of such Reference Obligation; or
- (ii) a Reference Obligation is removed from the Reference Portfolio as a result of the Verification Agent being unable to give the confirmations required in a Credit Event Verification Report; or
- (iii) a Reference Obligation has been designated as a Liquidated Reference Obligation,

the CDS Counterparty may, at its own option, reallocate to the Reference Obligation Notional Amounts of either existing Reference Obligations or new Reference Obligations:

- (a) in the case of (i) above, an amount of such Reference Obligation Notional Amount of the Reference Obligation in question as is equal to some or all of such shortfall; or
- (b) in the case of (ii) above, some or all of the Reference Obligation Notional Amount of such removed Reference Obligation; or
- (c) in the case of (iii) above, some or all of the difference between the Reference Obligation Notional Amount of the Liquidated Reference Obligation and the Credit Protection Calculation Amount or the Credit Protection Verified Amount (if applicable) in respect of that Liquidated Reference Obligation.

“**Reference Obligation Principal Amount**” means the aggregate principal amount owed by the Borrower in respect of a Reference Obligation to the lender of record designated by the CDS Counterparty in respect of such Reference Obligation, as recorded in the internal systems of such lender of record. The Reference Obligation Notional Amount of a Reference Obligation may be less than the Reference Obligation Principal Amount thereof and the Reference Obligation Principal Amount of a Reference Obligation may be reduced by prepayment, repayment or amortisation and shall be reduced to zero upon the sale or transfer by the designated lender of record of all its rights, title and interest in and to such Reference Obligation to a third party.

Upon a Replacement, the Reference Obligation Notional Amount in respect of each Reference Obligation that is subject to such Replacement will be reduced or increased, as the case may be, by the amount reallocated and, if the Reference Obligation Notional Amount in respect of any Reference Obligation is reduced to zero, the relevant Reference Obligation will no longer be a Reference Obligation.

“**Replacement Date**” means the third Business Day prior to the 15th calendar day of any month.

Any such replacement (including an increase in an existing Reference Obligation’s Reference Obligation Notional Amount) in the circumstances described above is referred to as a “**Replacement**”.

On the Replacement Date upon which a Replacement is effected, each Replacement Reference Obligation must comply with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and, in aggregate with the other Reference Obligations, the Replacement Reference Portfolio Criteria. If the Reference Portfolio is not in compliance with Replacement Reference Portfolio Criteria (i), (ii), (iii), (vi), (vii), (viii) and/or (ix) on such Replacement Date, then such Replacement must not increase the extent of non-compliance with such criteria.

Replacement Reference Obligation Criterion

The “**Replacement Reference Obligation Criterion**” is as follows:

- (i) the Borrower in respect of a Reference Obligation must have a Moody’s Equivalent Rating determined other than under clause (vi) of the definition of “Moody’s Equivalent Rating”.

Replacement Reference Portfolio Criteria

The “**Replacement Reference Portfolio Criteria**” are as follows:

- (i) the aggregate of the Reference Obligation Notional Amounts in respect of Reference Obligations of Borrowers in the largest single Industry category represented in the Reference Portfolio together may not be greater than 15 per cent. of the Reference Portfolio Notional Amount;
- (ii) no more than 5 per cent. of the Reference Obligations (determined by reference to the Reference Obligation Notional Amounts thereof as a percentage of the Reference Portfolio Notional Amount) comprised in the Reference Portfolio may have an S&P Equivalent Rating that is determined under clause (vii) of the definition of “S&P Equivalent Rating”;
- (iii) no more than 1 per cent. of the Reference Obligations (determined by reference to the Reference Obligation Notional Amounts thereof as a percentage of the Reference Portfolio Notional Amount) comprised in the Reference Portfolio may have a Moody’s 1 year EDF of greater than 13 per cent.;
- (iv) the Weighted Average Barclays Expected Loss Severity of the Reference Portfolio (including the Replacement Reference Obligations) as at the Replacement Date must be less than or equal to 47.31 per cent.;
- (v) the Weighted Average Time to Maturity of the Reference Portfolio (including of the Replacement Reference Obligations) as at the Replacement Date must be less than or equal to 3.03 years;
- (vi) the aggregate of the Reference Obligation Notional Amounts in respect of Reference Obligations stated in the Reference Register to be obligations which have two or more holders together may not be greater than 20 per cent. of the Reference Portfolio Notional Amount;
- (vii) the aggregate of the Reference Obligation Notional Amounts in respect of Reference Obligations of Borrowers represented in the Reference Portfolio marked as “University” in the Reference Register together may not be greater than 2.5 per cent. of the Reference Portfolio Notional Amount;
- (viii) the aggregate of the Reference Obligation Notional Amounts in respect of Reference Obligations of Borrowers represented in the Reference Portfolio marked as “Film Company” in the Reference Register together may not be greater than 4.5 per cent. of the Reference Portfolio Notional Amount;
- (ix) the aggregate of the Reference Obligation Notional Amounts in respect of Reference Obligations of Borrowers represented in the Reference Portfolio marked as “Publicly Rated” in the Reference Register together may not be greater than 0.5 per cent. of the Reference Portfolio Notional Amount;
- (x) the S&P CDO Evaluator Condition is satisfied for each rating assigned by S&P to a Class of Rated Notes on the Closing Date; and
- (xi) the Moody’s CDOROM Condition is satisfied for each Class of Rated Notes.

“**S&P Equivalent Rating**” means, in relation to any Reference Obligation as at any date of determination (i) if such Reference Obligation is indicated in the Reference Register as both a film company borrowing and subject to a Qualifying Guarantee, the issuer credit rating of the Guarantor, or if not available, the senior unsecured rating of such Guarantor, (ii) if such Reference Obligation is indicated in the Reference Register as both a film company borrowing and as secured by Cash Collateral in an amount greater than or equal to the Reference Obligation Notional Amount, the issuer credit rating of the holder of such Cash Collateral or, if not available, the senior unsecured rating of the holder of such Cash Collateral, (iii) if such Reference Obligation is indicated in the Reference Register as a university borrowing, the rating of the Borrower as agreed with S&P, (iv) if such Reference Obligation is indicated in the Reference Register as a borrowing of a publicly rated institution, if S&P has assigned an issuer credit rating to the Borrower, such issuer credit rating, otherwise if S&P has assigned a senior unsecured rating to such Borrower, such senior

unsecured rating, (v) if S&P has assigned a rating to the Borrower in respect of such Reference Obligation via S&P's Credit Risk Tracker database, such S&P Credit Risk Tracker rating, (vi) if a rating can be assigned to the Borrower in respect of such Reference Obligation via S&P's Credit Risk Tracker quantitative analysis of such Borrower's financial information, such S&P Credit Risk Tracker rating, or (vii) in any other case, the Weighted Average S&P Equivalent Rating of the Reference Obligations whose S&P Equivalent Rating is determined under sub-paragraphs (i) to (vi) above (each such Reference Obligation, a "Determined Reference Obligation"),

where:

"Weighted Average S&P Equivalent Rating" means, as at any date of determination, the S&P Equivalent Rating in respect of the Weighted Average Default Probability, as set out in the table below (provided that, in the event that the Weighted Average Default Probability is equal to 0.000 per cent., the Weighted Average S&P Equivalent Rating shall be AAA); and

"Weighted Average Default Probability" means the sum of the rate, determined in respect of each Determined Reference Obligation, equal in each case to (i) the Midpoint Default Probability in respect of such Determined Reference Obligation (as set out in the table below based upon the S&P Equivalent Rating in respect of such Determined Reference Obligation) multiplied by (ii) the Reference Obligation Notional Amount of such Determined Reference Obligation divided by the Reference Portfolio Notional Amount (each as of the relevant date).

<i>S&P Equivalent Rating</i>	<i>Minimum Default Probability</i>	<i>Maximum Default Probability</i>	<i>Mid-point Default Probability</i>
AAA	0.000%	0.000%	0.000%
AA+	0.000%	0.000%	0.000%
AA	0.000%	0.000%	0.000%
AA-	0.000%	0.000%	0.000%
A+	0.000%	0.063%	0.032%
A	0.063%	0.089%	0.076%
A-	0.089%	0.115%	0.102%
BBB+	0.115%	0.436%	0.276%
BBB	0.436%	0.505%	0.471%
BBB-	0.505%	0.692%	0.599%
BB+	0.692%	0.955%	0.824%
BB	0.955%	1.883%	1.419%
BB-	1.883%	3.264%	2.573%
B+	3.264%	5.261%	4.263%
B	5.261%	12.563%	8.912%
B-	12.563%	18.531%	15.547%
CCC	18.531%	100.000%	59.265%

"Moody's Equivalent Rating" means, in relation to any Reference Obligation as at any date of determination (i) if such Reference Obligation is indicated in the Reference Register as both a film company borrowing and subject to a Qualifying Guarantee, the issuer credit rating of the Guarantor, or if not available, the senior unsecured rating of such Guarantor, (ii) if such Reference Obligation is indicated in the Reference Register as both a film company borrowing and as secured by Cash Collateral in an amount greater than or equal to the Reference Obligation Notional Amount, the issuer credit rating of the holder of such Cash Collateral or, if not available, the senior unsecured rating of the holder of such Cash Collateral, (iii) if such Reference Obligation is indicated in the Reference Register as a university borrowing, A3, (iv) if such Reference Obligation is indicated in the Reference Register as a borrowing of a publicly rated institution, if Moody's has assigned an issuer credit rating to the Borrower, such issuer credit rating, otherwise if Moody's has assigned a senior unsecured rating to such Borrower, such senior unsecured rating, (v) if a Moody's 1 year Expected Default Frequency can be calculated for the Borrower in respect of such Reference Obligation via Moody's RiskCalc™ quantitative analysis of such Borrower's financial information, such Moody's rating corresponding to the Moody's 1 year Expected Default Frequency as specified in the table below, or (vi) in any other case, the Moody's Rating set out in the table below corresponding to the weighted average (by Reference Obligation Notional Amount) of the Moody's 1 year Expected Default Frequency (as at the date on which the relevant Reference Obligation was first included in the Reference Portfolio) of each of the Reference Obligations the Moody's Equivalent Rating in respect of which is determined under sub-paragraph (v) above.

<i>Moody's Rating</i>	<i>Minimum weighted average Moody's 1 year Expected Default Frequency</i>	<i>Maximum weighted average Moody's 1 year Expected Default Frequency</i>
Aaa	0.0000%	0.0001%
Aa1	0.0001%	0.0006%
Aa2	0.0006%	0.0014%
Aa3	0.0014%	0.0030%
A1	0.0030%	0.0058%
A2	0.0058%	0.0109%
A3	0.0109%	0.0389%
Baa1	0.0389%	0.0900%
Baa2	0.0900%	0.1700%
Baa3	0.1700%	0.4200%
Ba1	0.4200%	0.8700%
Ba2	0.8700%	1.5600%
Ba3	1.5600%	2.8100%
B1	2.8100%	4.6800%
B2	4.6800%	7.1600%
B3	7.1600%	11.6200%
Caa1	11.6200%	17.3816%
Caa2	17.3816%	26.0000%
Caa3	26.0000%	50.9902%
Ca1	50.9902%	100.0000%

“**Industry**” means each of the following industry classifications (being derived from Moody's Industry Sectors):

1. Aerospace and Defense
2. Automobile
3. Banking
4. Beverage, Food and Tobacco
5. Buildings and Real Estate
6. Chemicals, Plastics and Rubber
7. Containers, Packaging and Glass
8. Personal and Non Durable Consumer Products (Manufacturing Only)
9. Diversified/Conglomerate Manufacturing
10. Diversified/Conglomerate Service
11. Diversified Natural Resources, Precious
12. Ecological
13. Electronics
14. Finance
15. Farming and Agriculture
16. Grocery
17. Healthcare, Education and Childcare
18. Home and Office Furnishings, Housewares, and Durable Consumer Products
19. Hotels, Motels, Inns and Gaming
20. Insurance
21. Leisure, Amusement, Entertainment
22. Machinery (Non-Agriculture, Non-Construction, Non-Electronic)
23. Mining, Steel, Iron and Non Precious Metals

24. Oil and Gas
25. Personal, Food and Miscellaneous
26. Printing and Publishing
27. Cargo Transport
28. Retail Stores
29. Telecommunications
30. Textiles and Leather
31. Personal Transportation
32. Utilities
33. Broadcasting & Entertainment

“Weighted Average Barclays Expected Loss Severity” means, in respect of the Reference Portfolio, on any date of determination, the number which equals (i) the number obtained by summing the products obtained by multiplying the Reference Obligation Notional Amount of each Reference Obligation in the Reference Portfolio by the Barclays Expected Loss Severity of each Reference Obligation in the Reference Portfolio, divided by (ii) the aggregate of the Reference Obligation Notional Amounts of such Reference Obligations.

“Weighted Average Time to Maturity” means, in respect of the Reference Portfolio, on any date of determination (the **“Weighted Average Time to Maturity Determination Date”**), the number which equals (i) the number obtained by summing the products obtained by multiplying the Reference Obligation Notional Amount of each Reference Obligation in the Reference Portfolio (excluding Defaulted Reference Obligations) by the period from the Weighted Average Time to Maturity Determination Date to the date when the Reference Obligation Notional Amount of each Reference Obligation in the Reference Portfolio (excluding Defaulted Reference Obligations) falls due, measured in years and rounded to the second decimal place, divided by (ii) the aggregate of the Reference Obligation Notional Amounts of such Reference Obligations (excluding Defaulted Reference Obligations).

“S&P CDO Evaluator Condition” means, on any Replacement Date, a condition that is satisfied in respect of the relevant S&P rating if the Scenario Default Rate Test, based upon the S&P Equivalent Rating and Reference Obligation Notional Amount of each Reference Obligation as of such Replacement Date (on the basis that the proposed Replacement in respect of which the Replacement Reference Portfolio Criteria are being applied is deemed to have been made), as determined by the CDS Calculation Agent using the S&P CDO Evaluator, applying the formula set out below, is not less than the lesser of:

- (i) the Scenario Default Rate Test based upon (a) the S&P Equivalent Rating as of such Replacement Date and (b) the Reference Obligation Notional Amount of each Reference Obligation as of the immediately preceding Replacement Date (taking into account any Replacement effected on such Replacement Date) or, if none, the Closing Date; and
- (ii) 100 per cent.

“Scenario Default Rate Test” means $\frac{A}{B}$,

where:

A = the S&P Break-even Default Rate; and

B = the S&P Scenario Default Rate.

“S&P CDO Evaluator” means a dynamic, analytical computer programme developed by S&P and used to determine the credit risk of the Reference Portfolio and provided to the CDS Counterparty by S&P on or before the Closing Date, as such programme may be modified by S&P from time to time.

“S&P Break-even Default Rate” means on any date of determination, in respect of any S&P rating, the maximum percentage of defaults that such S&P rating level can tolerate, as specified in the table below:

<i>S&P Rating</i>	<i>Break-even Default Rate (%)</i>
AAA	25.451
AA+	20.975
A+	18.333
BBB+	13.341
BB	9.789
B	6.666

“**S&P Scenario Default Rate**” means, in respect of any S&P rating on any Replacement Date or the Closing Date, an estimate (expressed as a percentage) of the current cumulative default rate for the Reference Portfolio as of such date, determined by the CDS Calculation Agent using the S&P CDO Evaluator, based upon the detailed assumptions set out in the Credit Default Swap Agreement.

“**Moody’s CDOROM Condition**” means, on any Replacement Date, a condition that is satisfied for a given Class of Rated Notes if the Moody’s Metric of the Reference Portfolio (including Replacement Reference Obligations) on the Replacement Date and as determined by the CDS Calculation Agent using the Moody’s CDOROM, is less than or equal to the greater of:

- (i) the Hurdle Moody’s Metric; and
- (ii) the Moody’s Metric as determined utilising the Moody’s Equivalent Rating and the Reference Obligation Notional Amount for each Reference Obligation as at the Replacement Date.

“**Moody’s CDOROM**” means a dynamic, analytical computer programme developed by Moody’s and used to determine the expected loss of the Reference Portfolio and provided to the CDS Counterparty by Moody’s on or before the Closing Date, as such programme may be modified by Moody’s from time to time.

“**Moody’s Metric**” means, in respect of any date of determination, a numerical equivalent of a rating deduced from the expected loss, determined by the CDS Calculation Agent using Moody’s CDOROM on such date in accordance with the detailed provisions set out in the Credit Default Swap Agreement. The Moody’s Metric measure is time independent and all else being constant will not change over the life of the Notes.

“**Hurdle Moody’s Metric**” means, in respect of a Class of Notes, on any date of determination, the initial rating hurdle expressed as a Moody’s Metric as shown in the table below in respect of such Class:

<i>Class of Notes</i>	<i>Hurdle Moody’s Metric</i>
Class AB Notes	1
Class B Notes	3
Class C Notes	6
Class D Notes	9
Class E Notes	12
Class F Notes	15

Reporting

On the last Business Day of each month from and including January 2006 (each, a “**Monthly Report Date**” and the period from (and including) one Monthly Report Date, or in the case of the first such period the Closing Date, to (but excluding) the next Monthly Report Date, a “**Monthly Reporting Period**”), the CDS Counterparty is required to provide to each of the Rating Agencies and the Verification Agent a periodic report on the Reference Portfolio (the “**Monthly Reference Portfolio Periodic Report**”).

On the last Business Day of February, May, August and November in each year (each, a “**Quarterly Report Date**” and the period from (and including) one Quarterly Report Date, or in the case of the first such period the Closing Date, to (but excluding) the next Quarterly Report Date, a “**Quarterly Reporting Period**”), the CDS Counterparty is required to provide to each of the Issuer, the Trustee and the Noteholders a periodic report on the Reference Portfolio (the “**Quarterly Reference Portfolio Periodic Report**”).

The Monthly Reference Portfolio Periodic Reports and the Quarterly Reference Portfolio Periodic Reports will update, as appropriate, the information set out in the Reference Register and including

details of all Credit Event Notices delivered during the preceding Monthly Reporting Period, in the case of Monthly Reference Portfolio Periodic Reports, or during the preceding Quarterly Reporting Period, in the case of Quarterly Reference Portfolio Periodic Reports. They will also specify the Reference Obligation Notional Amount of any Reference Obligation in respect of which the Conditions to Settlement have been satisfied together with the Credit Protection Amounts, if any, resulting therefrom as well as information relating to amortisation, prepayment or repayments, Defaulted Reference Obligations, Liquidated Reference Obligations and any Replacements during the relevant Monthly Reporting Period or Quarterly Reporting Period (including confirmation from the CDS Counterparty that any such Replacements made during the relevant Monthly Reporting Period or Quarterly Reporting Period, as the case may be, complied with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and the Replacement Reference Portfolio Criteria or, to the extent that the Reference Portfolio was not in compliance with Replacement Reference Portfolio Criteria (i), (ii), (iii), (vi), (vii), (viii) and/or (ix) on any Replacement Date on which a Replacement is effected, confirmation that the extent of non-compliance was not increased).

All information delivered pursuant to the Monthly Reference Portfolio Periodic Report and the Quarterly Reference Portfolio Periodic Report will be on a strictly anonymous and statistical basis and no data in relation to any Borrower, any Guarantor, any Reference Obligations or any Qualifying Guarantees that are subject to confidentiality requirements will be disclosed.

Other than the Monthly Reference Portfolio Periodic Report (in the case of the Rating Agencies) and the Quarterly Reference Portfolio Periodic Report (in the case of the Issuer, the Trustee and the Noteholders), none of the Issuer, the Trustee, the Rating Agencies or the Noteholders will be entitled to receive from the CDS Counterparty any information relating to the Reference Portfolio. In particular, none of the Issuer, the Trustee, the Rating Agencies or the Noteholders will be entitled to receive from the CDS Counterparty any information as to the identity of the Borrowers or the Reference Obligations from time to time designated in the Reference Register.

THE CREDIT DEFAULT SWAP AGREEMENT

The following description of the Credit Default Swap Agreement is a summary only of certain aspects of the Credit Default Swap Agreement and is subject in all respects to the terms of the Credit Default Swap Agreement. The following summary does not purport to be complete, and prospective investors must refer to the Credit Default Swap Agreement for detailed information regarding the Credit Default Swap Agreement.

On the Closing Date, the Issuer will, by entering into the Constituting Instrument, enter into a Credit Default Swap Agreement with Barclays Bank PLC as CDS Counterparty pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross Border), the schedule thereto and a Credit Default Swap confirmation having an effective date which is the same as the Closing Date (the “**Credit Default Swap Agreement**”). The Credit Default Swap Agreement will incorporate the 2003 ISDA Credit Derivatives Definitions (the “**2003 Definitions**”).

Reference Portfolio Notional Amount and Swap Notional Amount

The Reference Obligation Notional Amount in respect of each Reference Obligation under the Credit Default Swap Agreement will be denominated in pounds sterling. The aggregate of the Reference Obligation Notional Amounts of all Reference Obligations listed in the Reference Register at any time is referred to as the “**Reference Portfolio Notional Amount**” and shall be an amount equal to the following amount on any date of calculation:

- (i) £5,000,000,000 (the “**Initial Reference Portfolio Notional Amount**”); less
- (ii) the aggregate of the Reference Obligation Notional Amounts of all Reference Obligations that have been removed from the Reference Portfolio on or prior to such date of calculation; less
- (iii) without duplication with (ii), the amount by which the Reference Obligation Notional Amount of any Reference Obligation has been reduced by Replacements to the date of such calculation; plus
- (iv) the amount by which the Reference Obligation Notional Amount of any Reference Obligation has been increased by Replacements to the date of such calculation; plus
- (v) the Reference Obligation Notional Amounts of all Reference Obligations that have been added to the Reference Portfolio by Replacement to the date of such calculation; less
- (vi) without duplication with (ii) or (iii), the aggregate of the amounts, in respect of each Reference Obligation, by which the Reference Obligation Principal Amount of such Reference Obligation is less than the Reference Obligation Notional Amount of such Reference Obligation as at such date of calculation, subject in each case to a maximum of the initial Reference Obligation Notional Amount of such Reference Obligation and a minimum of zero.

Under the Credit Default Swap Agreement, the notional amount (the “**Swap Notional Amount**”) is calculated as the aggregate of the Adjusted Principal Balance in respect of each Class of Notes on the immediately preceding Payment Date or, if prior to the first Payment Date, the Closing Date. The initial notional amount of the Credit Default Swap Agreement (the “**Initial Swap Notional Amount**”) will be £5,000,000,000.

On the Closing Date, the Initial Swap Notional Amount, the Initial Reference Portfolio Notional Amount and the Outstanding Principal Balance of the Notes (calculated by reference to the Relevant FX Rate as applicable) will be equal to each other.

Reference Obligations

Under the Credit Default Swap Agreement, the CDS Counterparty will, on or prior to the Closing Date, designate Reference Obligations the Reference Obligation Notional Amounts of which will in aggregate equal the Initial Reference Portfolio Notional Amount. No third party (other than the Verification Agent) is legally permitted to have access to data related to a Reference Obligation or its corresponding Borrower that is subject to confidentiality obligations.

Reference Obligation Notional Amount in relation to each Reference Obligation

In respect of each Reference Obligation, the CDS Counterparty will designate a notional amount (the “**Reference Obligation Notional Amount**”) denominated in pounds sterling (and subject to adjustment as outlined further below) by reference to which any Credit Protection Calculation Amount in respect of such Reference Obligation will be calculated. The Reference Obligation

Notional Amount shall be adjusted from time to time (and updated in the Reference Register accordingly) as follows:

- (i) by a reduction to reflect prepayment, repayment or amortisation in relation to the relevant Reference Obligation if the Reference Obligation Principal Amount of the Reference Obligation is less than the Reference Obligation Notional Amount at such time or by a reduction to zero upon the sale or transfer by the designated lender of record in respect of the Reference Obligation of all of its rights, title and interest in and to such Reference Obligation to a third party;
- (ii) by a reduction pursuant to any removal of the Reference Obligation from the Reference Portfolio or where the relevant Reference Obligation (or, if applicable, relevant part thereof) is the subject of a Replacement;
- (iii) by a reduction in respect of any Reference Obligation which becomes a Liquidated Reference Obligation (and such reduction in respect of the Reference Obligation Notional Amount for the relevant Liquidated Reference Obligation shall be equal to the full amount of the Reference Obligation Notional Amount thereof); or
- (iv) by an increase pursuant to Replacement.

Reference Portfolio

The Reference Portfolio will be comprised of those obligations (the “**Reference Obligations**”) which are listed in a register maintained by the CDS Counterparty and updated from time to time to reflect any changes in the Reference Portfolio (the “**Reference Register**”). Each Reference Obligation that is listed in the Reference Register on the Closing Date is expected to comply as at the Closing Date with the Reference Obligation Criteria and, if a Reference Obligation is added to the Reference Portfolio (or if the Reference Obligation Notional Amount of a Reference Obligation is increased) as a result of a Replacement, such Reference Obligation is expected to comply on the relevant Replacement Date with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and, in aggregate, with the other Reference Obligations, with the Replacement Reference Portfolio Criteria, or if Replacement Reference Portfolio Criteria (i), (ii), (iii), (vi), (vii), (viii) and/or (ix) are not met, will not increase the extent of non-compliance. The Reference Obligation Criteria, the Replacement Reference Obligation Criterion and the Replacement Reference Portfolio Criteria are, respectively, set out in full in “*The Reference Portfolio – Reference Obligation Criteria*”, “*The Reference Portfolio – Replacement Reference Obligation Criterion*” and “*The Reference Portfolio – Replacement Reference Portfolio Criteria*”. No third party (other than the Verification Agent) will have access to the Reference Register.

The Reference Register will include, amongst other items, the following information:

- (i) in respect of each Borrower in respect of a Reference Obligation: (a) name; (b) identification number; (c) Industry; and (d) if applicable, any Guarantor in respect thereof;
- (ii) in respect of each Reference Obligation: (a) loan type; (b) identification number; (c) Reference Obligation Notional Amount; (d) the date on which it was first included in the Reference Portfolio; (e) maturity date; (f) whether such Reference Obligation has more than one holder and (g) if applicable, the amount of any Cash Collateral held by the lender of record, as designated by the CDS Counterparty, in respect of such Reference Obligation at the time it is included in the Reference Portfolio; and
- (iii) with effect from the relevant Replacement Date, each replaced Reference Obligation in respect of which the Reference Obligation Notional Amount has been reduced to zero as a result of the operation of the replacement provisions.

Subject to the Replacement Reference Portfolio Criteria, several Reference Obligations in relation to one Borrower may be included in the Reference Portfolio. The names of the Borrowers and any other data relating to any Borrower or Reference Obligation that are subject to confidentiality obligations will not be disclosed to any third party (other than the Verification Agent).

The CDS Counterparty will update the Reference Register on the Closing Date and as necessary from time to time (for example in relation to any Replacements, which may occur on any Replacement Date) to reflect any changes in relation to any information set out therein.

Periodic Reporting in relation to Reference Portfolio

The CDS Counterparty will deliver periodic reports in respect of the Reference Portfolio as described in more detail in “*The Reference Portfolio – Reporting*”.

Replacements

The CDS Counterparty will have the right to make changes to the composition of the Reference Portfolio by adding a new Reference Obligation and/or by increasing the notional amount of a Reference Obligation which is already in the Reference Portfolio in certain circumstances as described in more detail in “*The Reference Portfolio – Replacements*”.

Credit Events

The following “**Credit Events**” apply in relation to the Reference Obligations and the Borrowers (or, in relation to Reference Obligations that are subject to a Qualifying Guarantee, the Guarantors) in respect thereof for the purpose of the Credit Default Swap Agreement.

(1) **Bankruptcy:**

“**Bankruptcy**” means a Borrower (or, if a Reference Obligation is stated in the Reference Register to be the subject of a Qualifying Guarantee, the Guarantor in respect thereof):

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
 - (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (b) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified under clauses (i) to (vii) (inclusive).

(2) **Failure to Pay:**

“**Failure to Pay**” means, after the expiration of the longer of (i) any applicable grace period, and (ii) 90 calendar days, the failure by a Borrower (or, if a Reference Obligation is stated in the Reference Register to be the subject of a Qualifying Guarantee, the Guarantor in respect thereof) to make, where and when due, any payments under a Reference Obligation (or, in the case of any such Guarantor, under such Qualifying Guarantee), in accordance with the terms of such Reference Obligation (or, in the case of any such Guarantor, under such Qualifying Guarantee) at the time of such failure.

(3) **Restructuring:**

“**Restructuring**” means that, in respect of a Reference Obligation which is stated in the Reference Register to be an obligation which has two or more holders that are not affiliates of one another or to which two or more holders that are not affiliates of one another are entitled, any one or more of the following events occurs in a form that binds all holders of such Reference Obligation, is agreed between the Borrower and all the holders of such Reference Obligation or is announced by a Borrower in a form that binds all of the holders of such Reference Obligation, such event is not expressly provided for under the terms of such Reference Obligation in effect as at the later of the Closing Date and the date on which such Reference Obligation is added to the Reference Portfolio and such event is marked or recorded on the internal systems of the lender of record designated by the CDS Counterparty in respect of such Reference Obligation:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or deferral of a date or dates for either (a) the payment or accrual of interest or (b) the payment of principal or premium; or
- (iv) a change in the ranking in priority of payment of any obligation causing the subordination of such Reference Obligation to any other obligation,

in each case, that results in a value adjustment or other similar debit to the profit and loss account of the designated lender of record.

Notwithstanding the above provisions, neither of the following shall constitute a Restructuring:

- (v) the occurrence of, agreement to or announcement of any of the events described in (i) to (iv) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or
- (vi) the occurrence of, agreement to or announcement of any of the events described in (i) to (iv) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Borrower.

“**Guarantor**” means any entity with an investment grade rating by S&P and Moody’s at the time the corresponding Reference Obligation is included in the Reference Portfolio that has entered into a Qualifying Guarantee.

“**Qualifying Guarantee**” means an arrangement evidenced by a written instrument pursuant to which a Guarantor irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under a Reference Obligation for which a Borrower is the obligor.

Conditions to Settlement

A Credit Protection Calculation Amount will be calculated in respect of a Reference Obligation if the following conditions (the “**Conditions to Settlement**”) are satisfied:

- (i) the CDS Counterparty has delivered to the Issuer, the Verification Agent and the Trustee a Credit Event Notice confirming the occurrence of a Credit Event which is continuing and such Credit Event Notice is delivered during the period (the “**Credit Event Notice Delivery Period**”) commencing on the Closing Date and ending on the earlier of: (a) three years prior to the Legal Final Maturity Date and (b) the day which is 60 days after the CDS Counterparty first became aware of such Credit Event; and
- (ii) if a Verification Agent Trigger Event has occurred, the Verification Agent has delivered to the Issuer, the Trustee and the CDS Calculation Agent a Credit Event Verification Report within 30 days after the delivery of such Credit Event Notice.

For a description of the Credit Event Notice and the Credit Event Verification Report, see “*Calculation of Credit Protection Amounts and Verification Procedures – Verification of Credit Events*” below.

Calculation of Credit Protection Calculation Amount

If the Conditions to Settlement are satisfied in respect of a Reference Obligation (each such Reference Obligation, a “**Defaulted Reference Obligation**”), the CDS Calculation Agent will (subject to verification as further described below) calculate the Credit Protection Calculation Amount in

relation to that Defaulted Reference Obligation. For a description of how a Credit Protection Calculation Amount is calculated and verified, see *“Calculation of Credit Protection Amounts and Verification Procedures – Calculation and Verification of Credit Protection Calculation Amount”*.

Once the Valuation Period in respect of a Defaulted Reference Obligation has ended, the CDS Calculation Agent will deliver to the Issuer, the Verification Agent, the Cash Administrator and the Trustee during the period (the **“Credit Protection Calculation Notice Delivery Period”**) commencing on the final day of such Valuation Period and ending on the earlier of (a) 30 Business Days prior to the Legal Final Maturity Date and (b) the day that is 60 days after the CDS Calculation Agent first became aware of such Valuation Period ending, a Credit Protection Calculation Notice setting out the Credit Protection Calculation Amount in respect of such Defaulted Reference Obligation. If a Verification Agent Trigger Event has occurred, the Verification Agent shall, within 30 days after receipt of a Credit Protection Calculation Notice from the CDS Calculation Agent, deliver to the Issuer, the Cash Administrator, the CDS Calculation Agent and the Trustee a Credit Protection Verification Report confirming the calculation of the Credit Protection Calculation Amount the subject of such Credit Protection Calculation Notice.

A Defaulted Reference Obligation in respect of which a Credit Protection Calculation Notice has been delivered to the Issuer, the Verification Agent, the Cash Administrator and the Trustee or, following the occurrence of the Verification Agent Trigger Event, in respect of which a Credit Protection Verification Report has been delivered to the Issuer, the Cash Administrator, the CDS Calculation Agent and the Trustee will be a **“Liquidated Reference Obligation”**. A Credit Protection Calculation Amount that has been verified (and, if necessary, adjusted as further described in *“Calculation of Credit Protection Amounts and Verification Procedures – Calculation and Verification of Credit Protection Calculation Amount – Credit Protection Verification Report”* below) in a Credit Protection Verification Report will be a **“Credit Protection Verified Amount”**.

For a description of the Credit Protection Calculation Notice and the Credit Protection Verification Report, see *“Calculation of Credit Protection Amounts and Verification Procedures – Calculation and Verification of Credit Protection Calculation Amount”* below.

Calculation and Satisfaction of Credit Protection Amount

On each Assessment Date, the CDS Calculation Agent will calculate the Credit Protection Amount in respect of Defaulted Reference Obligations that became Liquidated Reference Obligations in the Assessment Period ending on such Assessment Date. On the next CDS Payment Date, the amount of the Credit Protection Amount will be satisfied by the Issuer liquidating relevant portions of the Cash Deposit and by paying the relevant amount to the CDS Counterparty and the CDS Counterparty will remove the related Liquidated Reference Obligation(s) from the Reference Portfolio.

The **“Credit Protection Amount”** in respect of any Assessment Period is an amount equal to (i) the aggregate of all Credit Protection Calculation Amounts (if any) that were the subject of Credit Protection Calculation Notices delivered during such Assessment Period or (ii) following the occurrence of the Verification Agent Trigger Event, the aggregate of all Credit Protection Verified Amounts (if any) and Credit Protection Shortfall Amounts (if any) that were the subject of Credit Protection Verification Reports delivered during such Assessment Period, where:

“Assessment Date” means each day that falls two Business Days prior to a CDS Payment Date or an Early Termination Date (as defined in the Credit Default Swap Agreement); and

“Assessment Period” means, in respect of any Assessment Date, the period from (and including) the immediately preceding Assessment Date (or, in the case of the first Assessment Date from and including the Closing Date) to (and excluding) such Assessment Date.

The Credit Protection Amount relating to an Assessment Period will be paid on the CDS Payment Date or Early Termination Date immediately following the Assessment Period in which the quantum of that Credit Protection Amount has been determined by the CDS Calculation Agent.

CDS Counterparty Payment and CDS Counterparty Expense Payments

On the Closing Date, the CDS Counterparty will make payment to the Issuer under the Credit Default Swap Agreement of an amount in pounds sterling equal to the Initial Swap Notional Amount minus (a) the aggregate amount received by the Issuer from the Cross-currency Swap Counterparty under each Cross-currency Swap Agreement on such date and (b) the issue proceeds

received by the Issuer on the Closing Date in respect of the Sterling Notes (the “**Initial CDS Payment**”).

On each CDS Payment Date, pursuant to the Credit Default Swap Agreement, the CDS Counterparty will pay to the Issuer the “**CDS Counterparty Payment**”, which shall be calculated by the CDS Calculation Agent, subject to the CDS Counterparty having the CDS Counterparty Required Rating, as the aggregate of the following:

- (i) the aggregate of the Class Payment Amount in respect of each Class of Notes at such date; minus
- (ii) the Issuer Income payable as at the immediately following Payment Date; plus
- (iii) the Additional Payment at such date.

In the event (a “**CDS Counterparty Downgrade Event**”) that the CDS Counterparty ceases to have a long-term rating of at least A1 by Moody’s or short-term ratings of at least A-1+ by S&P and P-1 by Moody’s (the “**CDS Counterparty Required Ratings**”), the CDS Counterparty will on the next CDS Payment Date following the date upon which it has ceased to have the CDS Counterparty Required Ratings pay to the Issuer in addition to the CDS Counterparty Payment then due and payable, an amount which is estimated as being equal to the CDS Counterparty Payment payable on the next CDS Payment Date, in the form of an advance payment of the CDS Counterparty Payment due on the next CDS Payment Date, which amount will be credited to an account established by the Issuer for such purpose (the “**CDS Prepayment Account**”), and on each subsequent CDS Payment Date until the CDS Counterparty does have the CDS Counterparty Required Ratings, the CDS Counterparty shall continue to make an advance payment of the CDS Counterparty Payment due on the next CDS Payment Date, provided that the amount of such payment shall be adjusted by an amount equal to the amount of interest (if any) which is estimated by the CDS Calculation Agent to accrue on such account during the succeeding Payment Period and any overpayment or underpayment by the CDS Counterparty as a result of such advance payment, which such overpayment or underpayment will be capable of being determined on the next Payment Date when amounts of Issuer Income among other things are capable of being ascertained (such payment, as so reduced, the “**CDS Prepayment Amount**”).

“**Class Payment Amount**” means, in respect of each Class of Notes on any CDS Payment Date, an amount calculated by the CDS Calculation Agent equal to the product of (i) the Adjusted Principal Balance of such Class on the immediately preceding Payment Date (or, in respect of the first CDS Payment Date, the Closing Date), (ii) the sum of three month Sterling LIBOR and the Spread in respect of such Class and (iii) the actual number of days in the corresponding Payment Period divided by 365 (or, if that Payment Period ends in a leap year, 366).

“**Spread**” means, in respect of each Class Payment Amount, the percentage spread (in the case of each Class of Sterling Notes) payable by the Issuer to the Noteholders in respect of such Class of Notes and (in the case of each Class of Non-Sterling Notes) payable by the Issuer to the Cross-currency Swap Counterparty under the Cross-currency Swap Agreement in respect of such Class (or, if such Cross-currency Swap Agreement has been terminated and not replaced, the amount that would have been payable by the Issuer to such Cross-currency Swap Counterparty had such Cross-currency Swap Agreement not been terminated).

“**Additional Payment**” means an amount payable by the CDS Counterparty to the Issuer on each CDS Payment Date equal to (i) 0.50 per cent. of the Swap Notional Amount on such CDS Payment Date, multiplied by (ii) the actual number of days in the corresponding Payment Period divided by 365 (or, if that Payment Period ends in a leap year, 366).

In addition, under the Credit Default Swap Agreement, on the Closing Date the CDS Counterparty will pay to the Issuer an amount (the “**Initial CDS Counterparty Expense Payment**”) and on each CDS Payment Date the CDS Counterparty will pay to the Issuer an amount (each a “**Periodic CDS Counterparty Expense Payment**”) in each case to be credited to the Issuer General Expense Account or a relevant Issuer Series Expense Account for use by the Issuer to pay certain of its costs and expenses pursuant to the Expense Account Agreement.

On the Closing Date, an amount equal to the Initial CDS Counterparty Expense Payment will become due but not payable from the Issuer to the CDS Counterparty. On each CDS Payment Date, an amount equal to the Periodic CDS Counterparty Expense Payment in respect of such date (if any) will become due but not payable from the Issuer to the CDS Counterparty. On each date, an amount equal to the interest, if any, in respect of such date accrued in the Issuer Series Expense

Account(s) in respect of the Notes will become due but not payable from the Issuer to the CDS Counterparty. Unless otherwise directed by the CDS Counterparty to pay a lesser amount, the Issuer shall pay the aggregate of such amounts together with all other amounts, if any, standing to the credit of the Issuer Series Expense Account(s) in respect of the Notes, to the extent of funds available in such account(s) to pay such amounts (the “Clean-Up Payment”) on the termination date of the Credit Default Swap Agreement.

Early Termination of the Credit Default Swap Agreement

The Credit Default Swap Agreement is scheduled to terminate on the Legal Final Maturity Date and is subject to early termination in certain specified circumstances:

- (i) payment default (being a failure to pay after an amount has been due and payable for three Local Business Days (as defined under the Credit Default Swap Agreement) after notice of such failure is given) by the Issuer or the CDS Counterparty;
- (ii) bankruptcy events related to the Issuer or the CDS Counterparty;
- (iii) tax events related to the Issuer or the CDS Counterparty (including tax events in relation to the CDS Counterparty that occur as a result of the CDS Counterparty consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to another party);
- (iv) illegality;
- (v) merger of the CDS Counterparty with another entity without assumption in whole of all of the obligations under the Credit Default Swap Agreement;
- (vi) termination of the arrangements in respect of the Collateral (being the Cash Deposit (and the Cash Deposit Agreement in respect thereof) as the case may be (without replacement thereof);
- (vii) early redemption of the Notes in full; or
- (viii) at the option of the CDS Counterparty on any CDS Payment Date on which the Reference Portfolio Notional Amount is less than 10 per cent. of the Initial Reference Portfolio Notional Amount.

If any Credit Protection Amount is subject by law to deduction or withholding for tax, the Issuer shall not be under any obligation to gross up such Credit Protection Amount. The CDS Counterparty may elect either (i) to receive any Credit Protection Amount net of such withholding or deduction for tax; or (ii) to terminate the Credit Default Swap Agreement.

If any CDS Counterparty Payment is subject by law to deduction or withholding for tax the CDS Counterparty may elect to gross up such CDS Counterparty Payment. If the CDS Counterparty does not so elect the Issuer will have the right to terminate the Credit Default Swap Agreement.

A “CDS Tax Event” means the termination of the Credit Default Swap Agreement as described in either of the two immediately preceding paragraphs.

Any early termination in whole of the Credit Default Swap Agreement will result in mandatory early redemption of the Notes.

Following the occurrence of an Early Termination Date (as defined in the Credit Default Swap Agreement) under the Credit Default Swap Agreement, the Issuer or the CDS Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which party may have caused such termination). Such termination payment will be payable on such Early Termination Date and will be based on the amounts owed but unpaid by each party to the other on the date on which such termination payment is payable.

Governing Law

The Credit Default Swap Agreement will be governed by, and construed in accordance with, English law. Each of the Issuer and the CDS Counterparty will submit to the jurisdiction of the English courts in connection with the Credit Default Swap Agreement. The Issuer will appoint Simmlaw Services Limited to accept service of process on its behalf.

CALCULATION OF CREDIT PROTECTION AMOUNTS AND VERIFICATION PROCEDURES

On the Closing Date, the Verification Agent will be appointed as agent of the CDS Counterparty pursuant to the Verification Agency Agreement to carry out certain verification procedures (the “**Agreed Upon Procedures**”) in connection with the Credit Default Swap Agreement. These procedures are intended to verify the occurrence of Credit Events, the calculation of Credit Protection Calculation Amounts and the compliance by each Defaulted Reference Obligation with the Reference Obligation Criteria on the Closing Date or, if such Defaulted Reference Obligation was a Replacement Reference Obligation, compliance with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and the Replacement Reference Portfolio Criteria on the corresponding Replacement Date.

Verification of Credit Events

Following the occurrence of a Verification Agent Trigger Event, the Verification Agent will be required to issue a Credit Event Verification Report within 30 days after receipt of a Credit Event Notice from the CDS Counterparty.

“**Verification Agent Trigger Event**” means that any of the following shall have occurred:

- (i) on any Assessment Date during the period from, and including, the Closing Date to, and including, the first anniversary of the Closing Date, the balance of the Principal Deficiency Ledger in respect of the Class G Notes would exceed 36 per cent. of the Outstanding Principal Balance of the Class G Notes on the immediately following Payment Date;
- (ii) on any Assessment Date during the period from, but excluding, the first anniversary of the Closing Date to, and including, the second anniversary of the Closing Date, the balance of the Principal Deficiency Ledger in respect of the Class G Notes would exceed 59 per cent. of the Outstanding Principal Balance of the Class G Notes on the immediately following Payment Date;
- (iii) on any Assessment Date during the period from, but excluding, the second anniversary of the Closing Date to, and including, the third anniversary of the Closing Date the balance of the Principal Deficiency Ledger in respect of the Class G Notes would exceed 77 per cent. of the Outstanding Principal Balance of the Class G Notes on the immediately following Payment Date;
- (iv) on any Assessment Date during the period from, but excluding, the third anniversary of the Closing Date to, and including, the fourth anniversary of the Closing Date the balance of the Principal Deficiency Ledger in respect of the Class G Notes would exceed 90 per cent. of the Outstanding Principal Balance of the Class G Notes on the immediately following Payment Date; or
- (v) on any Assessment Date during the period from, but excluding, the fourth anniversary of the Closing Date, to and including, the Legal Final Maturity Date the balance of the Principal Deficiency Ledger in respect of the Class G Notes would equal 100 per cent. of the Outstanding Principal Balance of the Class G Notes on the immediately following Payment Date.

Credit Event Notice

A “**Credit Event Notice**” will be a written notice by the CDS Counterparty to the Issuer, the Verification Agent and the Trustee that is effective during the Credit Event Notice Delivery Period and that states that:

- (i) a Credit Event occurred on or after the Closing Date and on or prior to the termination date of the Credit Default Swap Agreement; and
- (ii) a Credit Event Identification Annex is attached to the Credit Event Notice.

The “**Credit Event Identification Annex**” will set out the type of Credit Event that is the subject of the Credit Event Notice and contain a description of the facts and the date thereof relevant to the determination that a Credit Event has occurred with respect to a Reference Obligation or the corresponding Borrower or Guarantor.

No information in respect of a Borrower, a Guarantor or a Reference Obligation that is subject to confidentiality obligations will be included in any Credit Event Notice delivered to the Issuer or the Trustee but will be included in the same delivered to the Verification Agent.

Credit Event Verification Report

A “**Credit Event Verification Report**” will be a written report delivered by the Verification Agent to the Issuer, the Trustee and the CDS Calculation Agent in which the Verification Agent, in accordance with the Agreed Upon Procedures:

- (i) confirms that the Reference Obligation that was the subject of the Credit Event Notice was included in the Reference Register prior to the date of the relevant Credit Event;
- (ii) confirms:
 - (a) that the Reference Obligation that was the subject of the Credit Event Notice was correctly assigned a Moody’s Equivalent Rating and recovery rate and an S&P Equivalent Rating and recovery rate;
 - (b) that, should the assignment of a Moody’s Equivalent Rating or S&P Equivalent Rating at the Closing Date (in case of a Reference Obligation that was included in the Initial Reference Portfolio) or at the Replacement Date (in case of a Reference Obligation that was added to the Reference Portfolio or whose Reference Obligation Notional Amount was increased after the Closing Date by way of a Replacement) have involved quantitative analysis of financial data of a Borrower utilising Moody’s RiskCalc or S&P’s Credit Risk Tracker, repeating such quantitative analysis utilising audited financial data in respect of the same financial year of such Borrower obtained from the CDS Counterparty’s independent data providers does not result in a Moody’s 1 year Expected Default Frequency or S&P default probability that is less than 95 per cent. of the Moody’s 1 year Expected Default Frequency of S&P default probability in respect of such Borrower derived from the Borrower’s financial data used in determining such Moody’s Equivalent Rating or S&P Equivalent Rating; and
 - (c) that such equivalent ratings have been updated in the previous year; and
- (iii) confirms that, as at the Closing Date, the Reference Obligation that was the subject of the Credit Event Notice complied with the Reference Obligation Criteria or, if the Reference Obligation that was the subject of the Credit Event Notice was added to the Reference Portfolio (or its Reference Obligation Notional Amount was increased) after the Closing Date by way of Replacement, as at the relevant Replacement Date the Reference Obligation complied with the Reference Obligation Criteria, the Replacement Reference Obligation Criterion and, in aggregate with the other Reference Obligations, the Replacement Reference Portfolio Criteria or, if Replacement Reference Portfolio Criteria (i), (ii), (iii), (vi), (vii), (viii) and/or (ix) were not met, did not increase the extent of noncompliance with such criteria.

No information in respect of a Borrower, a Guarantor or a Reference Obligation that is subject to confidentiality obligations will be included in any Credit Event Verification Report.

Non-Compliance with Criteria

If the Verification Agent is unable for any reason to give the confirmations required in a Credit Event Verification Report issued in respect of a Credit Event Notice that was effective after the occurrence of a Verification Agent Trigger Event, the Conditions to Settlement in respect of the Reference Obligation that was the subject of the Credit Event Verification Report will not have been satisfied, the CDS Counterparty will be required to remove such Reference Obligation from the Reference Register on the next Replacement Date and, during the Revolving Period, the CDS Counterparty will be entitled, at its own option, to effect a Replacement on such Replacement Date in respect of some or all of the Reference Obligation Notional Amount of such Reference Obligation.

Calculation and Verification of Credit Protection Calculation Amount

If the Conditions to Settlement are satisfied in respect of a Reference Obligation, the CDS Calculation Agent will (subject to verification as further described below) calculate the “**Credit Protection Calculation Amount**” in relation to that Defaulted Reference Obligation, in an amount equal to:

- (i) the Reference Obligation Notional Amount of such Defaulted Reference Obligation on the date of the relevant Credit Event Notice; plus
- (ii) a special servicing fee (in relation to the costs of enforcement) equal to 5.00 per cent. per annum during the lesser of the Valuation Period and five years of the Reference Obligation Notional Amount of the Defaulted Reference Obligation as at the first day of the Valuation Period, subject to a maximum of £500,000 per annum; plus
- (iii) all accrued but unpaid interest in respect of a principal amount of that Defaulted Reference Obligation equal to the Reference Obligation Notional Amount of that Reference Obligation from the date of the relevant Credit Event Notice to the end of the Valuation Period in respect thereof and calculated in accordance with the terms of that Defaulted Reference Obligation; less
- (iv) any Recovery Amounts in respect of a principal amount of that Defaulted Reference Obligation equal to the Reference Obligation Notional Amount of that Reference Obligation realised or deemed to be realised during the Valuation Period,

subject to a minimum of zero and a maximum of the Reference Obligation Notional Amount of the Defaulted Reference Obligation.

“Recovery Amount” means, in respect of a Defaulted Reference Obligation, such Defaulted Reference Obligation’s *pro rata* portion of the sum of each of the following amounts received by the holder(s) in respect of such Defaulted Reference Obligation after the occurrence of the Credit Event: (i) any amounts repaid in respect of such Defaulted Reference Obligation by or on behalf of the Borrower or Guarantor; (ii) the amount of any Cash Collateral; (iii) to the extent not included in (ii), any amounts in respect of which the holder(s) in respect of such Defaulted Reference Obligation have successfully exercised against any obligor (including any Guarantor) of such Defaulted Reference Obligation (or Qualifying Guarantee, as the case may be) a right of set-off in respect of amounts due under such Defaulted Reference Obligation (or Qualifying Guarantee, as the case may be); (iv) the sale proceeds or other proceeds of enforcement of any Reference Collateral and (v) to the extent not included in (iv), any payments received by the holder(s) in respect of such Defaulted Reference Obligation from any other related security, including any related insurance policies, endowment policies or mortgage indemnity guarantees (if any).

“Cash Collateral” means, in respect of a Reference Obligation, such Reference Obligation’s *pro rata* portion of any cash deposit held by the lender of record in respect of such Reference Obligation as designated by the CDS Counterparty as security for the obligations of the obligor under such Reference Obligation and recorded in the Reference Register.

“Reference Collateral” means, in respect of a Reference Obligation, such Reference Obligation’s *pro rata* portion of any mortgage, charge, guarantee or other security interest granted to or held for the benefit of any holder in respect of such Reference Obligation as security for the obligations of the obligor under such Reference Obligation, provided that Reference Collateral does not include any such interest to the extent that it is held for the benefit of a person other than the lender of record in respect of such Reference Obligation as designated by the CDS Counterparty.

The CDS Calculation Agent will calculate the amount of the Credit Protection Calculation Amount and the Recovery Amount as at the last day of the Valuation Period in relation to the relevant Defaulted Reference Obligation. If a Verification Agent Trigger Event has occurred, the Verification Agent will verify certain specified components of such Credit Protection Calculation Amount and the Recovery Amount. In addition, with regard to any Defaulted Reference Obligation in relation to which the Valuation Period ended prior to any determination by the CDS Calculation Agent that there is no prospect of any further Recovery Amount in respect of such Defaulted Reference Obligation, the Recovery Amount will be deemed to be an amount calculated by the Verification Agent equal to the Reference Obligation Notional Amount of such Defaulted Reference Obligation multiplied by the Recovery Percentage.

“Recovery Percentage” means the greatest of:

- (i) the sum, as calculated by the Verification Agent, of (a) 100 per cent. minus the Barclays Expected Loss Severity for such Defaulted Reference Obligation and (b) the Barclays Expected Loss Severity for such Defaulted Reference Obligation multiplied by X,

where X is 45 per cent., if the Moody’s Equivalent Rating for such Defaulted Reference Obligation as recorded in the Reference Register immediately prior to the occurrence of the relevant Credit Event was Baa2 or above, or 25 per cent., otherwise;

- (ii) the recovery percentage in respect of such Defaulted Reference Obligation as specified by S&P;
- (iii) the Recovery Amount received in respect of such Defaulted Reference Obligation as of the final day of the relevant Valuation Period, divided by the Reference Obligation Notional Amount thereof (expressed as a percentage); and
- (iv) the recovery percentage in respect of such Defaulted Reference Obligation as estimated by the CDS Calculation Agent.

In such circumstances, the CDS Calculation Agent will notify the Verification Agent as soon as reasonably practicable that the Verification Agent is required to calculate the Recovery Amount and the corresponding Recovery Percentage, and upon receipt of such notice the Verification Agent will make such calculation and inform the CDS Calculation Agent thereof in writing within five Business Days.

In respect of any Defaulted Reference Obligation, in the event that the Credit Event is a Failure to Pay that relates to amounts of interest and not principal and (i) any delinquency (and any related penalty interest in respect thereof) is cured by the Borrower during the Valuation Period; (ii) the Borrower is not in default of any principal repayment obligation under that Defaulted Reference Obligation, and (iii) no enforcement proceedings are instituted in respect of that Defaulted Reference Obligation; then the Recovery Amount (whether estimated by the Verification Agent or otherwise) for that Defaulted Reference Obligation shall be deemed to be the Reference Obligation Notional Amount of that Reference Obligation, the related Credit Protection Calculation Amount shall be deemed to be zero, the Defaulted Reference Obligation shall be deemed not to be a Defaulted Reference Obligation and that Defaulted Reference Obligation shall remain in the Reference Portfolio.

The “**Valuation Period**”, for any Defaulted Reference Obligation, means the period from (and including) the date of the Credit Event in respect of such Defaulted Reference Obligation to (but excluding):

- (i) if at any time during the determination of the relevant Credit Protection Calculation Amount, the Notes have been called for redemption in whole for whatever reason, the date which is 30 Business Days prior to the date of such early redemption; or
- (ii) if paragraph (i) does not apply, the earlier of: (a) the date upon which the CDS Calculation Agent determines that there is no further prospect of any further Recovery Amounts in respect of the relevant Defaulted Reference Obligation; and (b) 30 Business Days prior to the Legal Final Maturity Date.

Once the Valuation Period in respect of a Defaulted Reference Obligation has ended, the CDS Calculation Agent will deliver to the Issuer, the Verification Agent, the Cash Administrator and the Trustee during the period (the “**Credit Protection Calculation Notice Delivery Period**”) commencing on the final day of such Valuation Period and ending on the earlier of (a) 30 Business Days prior to the Legal Final Maturity Date and (b) the day that is 60 days after the CDS Calculation Agent first became aware of such Valuation Period ending, a Credit Protection Calculation Notice setting out the Credit Protection Calculation Amount in respect of such Defaulted Reference Obligation.

If a Verification Agent Trigger Event has occurred, the Verification Agent shall, within 30 days after receipt of a Credit Protection Calculation Notice from the CDS Calculation Agent (but no later than six Business Days prior to any date of redemption of the Notes), deliver to the Issuer, the Cash Administrator, the CDS Calculation Agent and the Trustee a Credit Protection Verification Report confirming the calculation of the Credit Protection Calculation Amount the subject of such Credit Protection Calculation Notice.

Credit Protection Calculation Notice

A “**Credit Protection Calculation Notice**” will be a written notice by the CDS Calculation Agent to the Issuer, the Verification Agent, the Cash Administrator and the Trustee that is effective during the Credit Protection Calculation Notice Delivery Period and that states that:

- (i) a Valuation Period in respect of a Defaulted Reference Obligation occurred on or after the Closing Date and on or prior to the termination date of the Credit Default Swap Agreement and that a Credit Protection Calculation Amount has been calculated in respect of such Defaulted Reference Obligation; and

(ii) a Credit Protection Calculation Annex is attached to the Credit Protection Calculation Notice.

The “**Credit Protection Calculation Annex**” will set out the Credit Protection Calculation Amount (and the corresponding Recovery Amount) that is the subject of the Credit Protection Calculation Notice and contain a description of the facts and the dates thereof relevant to the verification of such Credit Protection Calculation Amount and Recovery Amount.

No information in respect of a Borrower, a Guarantor or a Reference Obligation that is subject to confidentiality obligations will be included in any Credit Protection Calculation Notice delivered to the Issuer, the Cash Administrator or the Trustee but will be included in the same delivered to the Verification Agent.

Credit Protection Verification Report

A “**Credit Protection Verification Report**” will be a written report delivered by the Verification Agent to the Issuer, the CDS Calculation Agent, the Cash Administrator and Trustee in which the Verification Agent, in accordance with the Agreed Upon Procedures:

- (i) confirms the occurrence of the Credit Event which is the subject of the Credit Protection Calculation Notice to which the Credit Protection Verification Report relates;
- (ii) verifies the information contained in the Credit Event Identification Annex in respect of such Credit Event;
- (iii) confirms, in the case of a Restructuring Credit Event, that the relevant Reference Obligation was included in the Reference Register as at the date of the such Credit Event as a Reference Obligation with two or more holders that are not affiliates of one another or to which two or more holders that are not affiliates of one another are entitled;
- (iv) confirms, in the case of a Reference Obligation with a Qualifying Guarantee, that a Credit Event occurred in respect of the Guarantor (if applicable);
- (v) verifies that the Valuation Period in respect of the Defaulted Reference Obligation referred to in the Credit Protection Calculation Notice has ended; and
- (vi) verifies or, if necessary, adjusts the Credit Protection Calculation Amount and, if necessary, the Recovery Amount contained in the Credit Protection Calculation Annex and sets out the Credit Protection Verified Amount, the adjusted Recovery Amount (if any) and the Credit Protection Shortfall Amount (if applicable) determined as a result of such verification or adjustment (see “*Additional Obligations of the Verification Agent*” below).

No information in respect of a Borrower, a Guarantor or a Reference Obligation that is subject to confidentiality obligations will be included in any Credit Protection Verification Report.

In the event that the Verification Agent determines, in the course of preparing a Credit Protection Verification Report, that it is unable to give the confirmations referred to in (i), (iii) or (iv) above or that it is unable to verify the matters referred to in (ii) or (v) above, it shall, in determining the Credit Protection Verified Amount, adjust the Credit Protection Calculation Amount and the Recovery Amount as it deems necessary to take account thereof, including (if necessary) reducing such Credit Protection Calculation Amount to zero and increasing such Recovery Amount to the amount of the Reference Obligation Notional Amount of the relevant Defaulted Reference Obligation.

If there is a discrepancy between the calculation of any amount by the CDS Calculation Agent and the calculation in connection with the verification of the Verification Agent, the amounts calculated pursuant to the verification of the Verification Agent will govern.

Additional Obligations of the Verification Agent

Following the occurrence of a Verification Agent Trigger Event, the Verification Agent will additionally be required to issue:

- (i) in respect of each Reference Obligation that became a Defaulted Reference Obligation before the occurrence of such Verification Agent Trigger Event, a Credit Event Verification Report within 30 days after the occurrence of such Verification Agent Trigger Event; and
- (ii) in respect of each Reference Obligation that became a Liquidated Reference Obligation before the occurrence of such Verification Agent Trigger Event, a Credit Protection Verification Report within 30 days after the occurrence of such Verification Agent Trigger Event.

In the event that the Verification Agent determines in the course of preparing a Credit Event Verification Report (of the type referred to in (i) above) that it is unable to give the confirmations required therein, the Credit Protection Verified Amount in respect of the Reference Obligation in question will be deemed to be zero.

Where a Credit Protection Verification Report is delivered in respect of a Reference Obligation that became a Liquidated Reference Obligation prior to the occurrence of a Verification Agent Trigger Event:

- (i) if the Credit Protection Verified Amount contained therein is equal to the Credit Protection Calculation Amount contained in the Credit Protection Calculation Notice delivered in respect of such Reference Obligation, no further action will be required in connection therewith;
- (ii) if the Credit Protection Verified Amount contained therein is less than the Credit Protection Calculation Amount contained in the Credit Protection Calculation Notice delivered in respect of such Reference Obligation, the Verification Agent will reduce each subsequent Credit Protection Verified Amount (if any) to the extent necessary to take account of any prior overpayment to the CDS Counterparty of Credit Protection Amounts under the Credit Default Swap Agreement as a result of such Credit Protection Calculation Amount having been larger than the corresponding Credit Protection Verified Amount; and
- (iii) if the Credit Protection Verified Amount contained therein is more than the Credit Protection Calculation Amount contained in the Credit Protection Calculation Notice delivered in respect of such Reference Obligation, the difference between such Credit Protection Verified Amount and such Credit Protection Calculation Amount (a “**Credit Protection Shortfall Amount**”) shall be used by the CDS Calculation Agent in determining the Credit Protection Amount in respect of the Assessment Period during which such Credit Protection Verification Report was delivered (in accordance with the definition of “Credit Protection Amount”).

THE CROSS-CURRENCY SWAP AGREEMENTS

The following description of the Cross-currency Swap Agreements is a summary only of certain aspects of the Cross-currency Swap Agreements and is subject in all respects to the terms of the Cross-currency Swap Agreements. The following summary does not purport to be complete, and prospective investors must refer to the Cross-currency Swap Agreements for detailed information regarding the Cross-currency Swap Agreements.

General

The Non-Sterling Notes will be denominated in euro and U.S. dollars respectively and the Issuer will be required to pay interest and principal in respect of such Notes in euro and U.S. dollars, respectively. However, CDS Counterparty Payments and Issuer Income will be made or paid in pounds sterling. In order that the Issuer is able to pay amounts due in respect of the Non-Sterling Notes in euro or U.S. dollars, as the case may be, on the Closing Date, the Issuer will enter into a Cross-currency Swap Agreement with the Cross-currency Swap Counterparty in respect of each Class of Non-Sterling Notes.

Under the terms of each Cross-currency Swap Agreement, the Issuer will pay to the Cross-currency Swap Counterparty:

- (i) on the Closing Date, the net proceeds received on the issue of the relevant Class of Non-Sterling Notes;
- (ii) on each Payment Date, an amount in pounds sterling based on three-month Sterling LIBOR plus the Margin in respect of the relevant Class of Notes applied to the Outstanding Principal Balance of such Class of Notes to the extent such amount is available to be so paid pursuant to the Available Income Funds Priority of Payments on that Payment Date; and
- (iii) on each Payment Date during the Amortisation Period, an amount in pounds sterling equal to the amount available in repayment of principal of the relevant Class of Notes on that Payment Date.

Under the terms of each Cross-currency Swap Agreement, the Cross-currency Swap Counterparty will pay to the Issuer or to its order:

- (i) on the Closing Date, an amount in pounds sterling equal to the net proceeds of the issuance of the relevant Class of Notes (net of underwriting commission), such proceeds to be converted from euro or U.S. dollars, as the case may be at the Relevant FX Rate;
- (ii) on each Payment Date, an amount in euro based on EURIBOR or in U.S. dollars based on U.S. dollar LIBOR, as the case may be, equal to the amount of interest to be paid on the relevant Class of Notes proportionate to the corresponding amount paid by the Issuer to the Cross-currency Swap Counterparty pursuant to the Available Income Funds Priority of Payments; and
- (iii) on each Payment Date during the Amortisation Period, an amount in euro or U.S. dollars, as the case may be, equal to the sterling amounts available to be applied in repayment of principal of the relevant Class of Notes on that Payment Date converted into the relevant currency at the Relevant FX Rate.

The Cross-currency Swap Counterparty will only be obliged to make payments to the Issuer under a Cross-currency Swap Agreement on any date for payment to the same extent that the Issuer complies with its payment obligations under such Cross-currency Swap Agreement on such date. In the event that the amount available to make payment to the Cross-currency Swap Counterparty under the Cross-currency Swap Agreement in respect of any Class of Notes, following application of the relevant Priority of Payments, is insufficient to make such payment in full, the amount in euro or U.S. dollars, as the case may be, payable by the Cross-currency Swap Counterparty to or to the order of the Issuer, for payment to the Noteholders of the relevant Class, shall be reduced accordingly.

Cross-currency Swap Counterparty Ratings Downgrade

The Cross-currency Swap Agreements each provide that if the short-term unsecured debt rating of the Cross-currency Swap Counterparty is withdrawn or reduced below A-1+ by S&P or if the long-term unsecured debt rating of the Cross-currency Swap Counterparty is withdrawn or reduced below A1 by Moody's (the "Cross-currency Swap Counterparty Required Ratings"), then within 30

days following that event, the Cross-currency Swap Counterparty will be required (at its own expense) to take one of the following steps:

- (i) transfer its rights and obligations under such Cross-currency Swap Agreement to a replacement counterparty with the Cross-currency Swap Counterparty Required Ratings; or
- (ii) obtain a co-obligor with the Cross-currency Swap Counterparty Required Ratings in respect of the obligations of the Cross-currency Swap Counterparty under such Cross-currency Swap Agreement; or
- (iii) take such other action as may be agreed with the relevant Rating Agency; or
- (iv) post collateral in an amount determined pursuant to the credit support annex in support of its obligations under such Cross-currency Swap Agreement,

provided further that if such Moody's downgrade results in a rating of the Cross-currency Swap Counterparty below A3 or P2, or such S&P downgrade results in a rating of the Cross-currency Swap Counterparty below BBB-, the Cross-currency Swap Counterparty will use its best efforts to attempt to:

- (1) transfer its rights and obligations under such Cross-currency Swap Agreement to a replacement counterparty with the Cross-currency Swap Counterparty Required Ratings;
- (2) obtain a co-obligor with the Cross-currency Swap Counterparty Required Ratings in respect of the obligations of the Cross-currency Swap Counterparty under such Cross-currency Swap Agreement; or
- (3) take such other action as may be agreed with the relevant Rating Agency,

pending compliance with (1), (2) or (3) above, the Cross-currency Swap Counterparty will post collateral in an amount determined pursuant to the credit support annex.

The Issuer will have the right to terminate each Cross-currency Swap Agreement in accordance with the terms of such Cross-currency Swap Agreement if the Cross-currency Swap Counterparty fails to take such steps.

Any collateral amounts that may be required to be provided by the Cross-currency Swap Counterparty following such rating downgrade may be delivered in the form of cash or securities. Cash amounts will be paid into a newly opened account of the Issuer designated "**Cross-currency Swap Collateral Cash Account**" and securities will be transferred to an account designated "**Cross-currency Swap Collateral Custody Account**" (the Cross-currency Swap Collateral Cash Account and the Cross-currency Swap Collateral Custody Account together referred to as the "**Cross-currency Swap Collateral Accounts**").

Any collateral provided in the above circumstances will not form part of the Available Income Funds of the Issuer unless, following termination of a Cross-currency Swap Agreement there is a surplus available to the Issuer (after such collateral as is required to be returned to the Cross-currency Swap Counterparty has been so returned or such collateral as is not required to be so returned has been used to fund any premium or upfront payment required in order to enter into a replacement Cross-currency Swap Agreement), in which event such surplus will form part of any relevant Cross-currency Swap Premium Excess and shall be paid into the Income Collection Account upon receipt by the Issuer.

Termination of the Cross-currency Swap Agreements

The Cross-currency Swap Agreements will terminate on the earlier of the Legal Final Maturity Date and the date on which all of the Notes are redeemed in full.

The Cross-currency Swaps Agreements may also be terminated early in accordance with certain termination events and events of default as set out in the Cross-currency Swaps Agreements (each, a "**Currency Swap Early Termination Event**").

Where a Cross-currency Swap Agreement is terminated (either wholly or partially), prior to the Legal Final Maturity Date, the Issuer or the Cross-currency Swap Counterparty may be liable to make a swap termination payment to the other. Any swap termination payment will be payable in pounds sterling. The amount of any swap termination payment will be based on market quotations of the cost of entering into a swap with terms and conditions that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that market quotations cannot be determined). Any such termination payment could be substantial.

To the extent that a termination results from a default of the Cross-currency Swap Counterparty (a “**Cross-currency Swap Counterparty Default**”), any swap termination payment arising from such termination will be made by the Issuer to the Cross-currency Swap Counterparty only after paying interest amounts due on the Notes and after paying any Cash Deposit Replenishment Amounts. However, if a Cross-currency Swap Agreement terminates for any other reason that results in a termination payment becoming due from the Issuer to the Cross-currency Swap Counterparty, such swap termination payment will be made by the Issuer in accordance with the relevant Priority of Payments. The Issuer shall apply amounts received from the Cross-currency Swap Counterparty in respect of swap termination payments in accordance with the Available Income Funds Priority of Payments, or, as the case may be, the Enforcement Priority of Payments, *provided that* the amount of any premium or other upfront payment paid to the Issuer to enter into a swap to replace a Cross-currency Swap Agreement shall to the extent of any such payment due to the Cross-currency Swap Counterparty be paid directly to the Cross-currency Swap Counterparty and not via any of the Priorities of Payments. The application by the Issuer of swap termination payments due to the Cross-currency Swap Counterparty may affect the funds available to pay amounts due to the Noteholders (see “*Risk Factors – Cross-currency Swap Agreements*”).

If a Cross-currency Swap Agreement is terminated prior to the service of an Enforcement Notice or the redemption in full of all of the Notes, the Issuer shall use its best efforts to enter into a replacement Cross-currency Swap Agreement in respect of the relevant Class of Notes. Any replacement Cross-currency Swap Agreement must be entered into on terms, and with a Cross-currency Swap Counterparty, acceptable to the Issuer and the Trustee and which the Rating Agencies have previously confirmed in writing to the Issuer and the Trustee will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified.

If a Cross-currency Swap Agreement is terminated for any reason and not replaced within 30 days, it will constitute an Event of Default under Condition 11.1 (*Events of Default*) of the Notes.

Taxation

Pursuant to the terms of each Cross-currency Swap Agreement, the Issuer is not required to gross up payments made by it to the Cross-currency Swap Counterparty if the Issuer is required to deduct or withhold an amount in respect of tax from payments made under such Cross-currency Swap Agreement.

Pursuant to the terms of each Cross-currency Swap Agreement, the Cross-currency Swap Counterparty is not required to gross up payments made by it to the Issuer if the Cross-currency Swap Counterparty is required to deduct or withhold an amount in respect of tax from payments made under such Cross-currency Swap Agreement.

Each Cross-currency Swap Agreement will provide that if, due to action taken by a taxing authority or court or any change in tax law, the Issuer or the Cross-currency Swap Counterparty will (or there is a substantial likelihood that it will) be required to (i) deduct or withhold an amount in respect of tax from payments due from it, or (ii) receive any payment from the other of them from which an amount is required to be deducted or withheld for or on account of tax, then each party will be entitled to terminate such Cross-currency Swap Agreement, provided that, if applicable, the Cross-currency Swap Counterparty shall only be entitled to terminate such Cross-currency Swap Agreement where it has satisfied its obligation described below to use best endeavours to arrange the substitution of an affiliate incorporated in another jurisdiction, and has failed to arrange such substitution.

Further, each Cross-currency Swap Agreement will provide that if the Cross-currency Swap Counterparty will (or there is a substantial likelihood that it will) be required by any relevant taxing authority or court of competent jurisdiction by operation of law to deduct or withhold an amount in respect of tax from payments due from it to the Issuer, the Cross-currency Swap Counterparty will use its best endeavours (provided that using its best endeavours will not require it to incur any loss (including additional capital costs), excluding immaterial, incidental expenses) to arrange the substitution of an affiliate incorporated in another jurisdiction to act as the Cross-currency Swap Counterparty under the relevant Cross-currency Swap Agreement or to change the office through which it acts as Cross-currency Swap Counterparty, but not so as in any event to (i) result in the ratings of the relevant Class of Notes by S&P or Moody’s being downgraded, withdrawn or qualified, or (ii) otherwise prejudice the position of the Issuer under the relevant Cross-currency Swap Agreement.

Governing Law

Each Cross-currency Swap Agreement will be governed by English law.

THE CASH DEPOSIT AGREEMENT

The following description of the Cash Deposit Agreement is a summary only of certain aspects of the Cash Deposit Agreement and is subject in all respects to the terms of the Cash Deposit Agreement. The following summary does not purport to be complete and prospective investors in the Notes must refer to the Cash Deposit Agreement for detailed information regarding the Cash Deposit Agreement.

Pursuant to the Cash Deposit Agreement, Barclays Bank PLC as Cash Deposit Bank will provide certain banking services and establish and operate the Cash Deposit Account.

Deposit of Funds

The net proceeds of the issuance of each Series of Notes (in the case of the Euro Notes and U.S. dollar Notes, following conversion into pounds sterling pursuant to the relevant Cross-currency Swap Agreement), together with the Initial CDS Payment to the Issuer under the Credit Default Swap Agreement, being the sum of £5,000,000,000, will be deposited by the Issuer in a segregated account (the “Cash Deposit Account”) in the name of the Issuer in respect of the Notes held with the Cash Deposit Bank.

Withdrawal from the Cash Deposit Account

Until such time as the Issuer has no further obligations under the Notes, the Issuer shall not be entitled to withdraw the moneys standing to the credit of the Cash Deposit Account or any part thereof without the prior consent in writing of the Trustee, and the Cash Deposit Bank shall not be under any obligation to repay any balance standing to the credit of the Cash Deposit Account unless and to the extent that such withdrawal is to make payments anticipated under the Conditions of the Notes and the Credit Default Swap Agreement.

The Trustee has in the Cash Deposit Agreement given its consent to moneys being withdrawn from the Cash Deposit Account (i) for the purpose of funding payments of interest and principal due in respect of the Notes and (ii) to fund the payment of any Credit Protection Amounts payable by the Issuer to the CDS Counterparty under the Credit Default Swap Agreement.

If the directions to withdraw funds to make payments are received by the Cash Deposit Bank before 12.30 p.m. London time on a Business Day, the Cash Deposit Bank shall, if so directed, comply with such directions by no later than the close of business on that day. With respect to directions received after 12.30 p.m. London time on any Business Day, or on a day which is not a Business Day, the Cash Deposit Bank is required to comply with such directions on the following Business Day, or such later Business Day as so directed.

Interest on Cash Deposit Account

The balance standing to the credit of the Cash Deposit Account from time to time will accrue interest payable at a rate determined in respect of each quarterly interest period by the Cash Deposit Bank based (for so long as Barclays Bank PLC is the Cash Deposit Bank) upon three month Sterling LIBOR (as of the first day of such period), payable quarterly on each Payment Date in respect of the Notes and based upon the weighted average balance of such Cash Deposit Account during the relevant quarterly period. The amount of interest accrued in respect of each such period shall be paid by the Cash Deposit Bank into the Income Collection Account on behalf of the Issuer on each Payment Date with respect to the Notes for payment to the Noteholders in respect of interest amounts due in respect of the Notes for the corresponding Payment Period in accordance with the Available Income Funds Priority of Payments. In addition, on each Payment Date any Cash Deposit Replenishment Amounts payable by the Issuer in accordance with the Available Income Funds Priority of Payments shall be credited by or on behalf of the Issuer to the Cash Deposit Account.

Payment of Credit Protection Amounts

In the event that a Credit Protection Amount is due and payable by the Issuer to the CDS Counterparty pursuant to the Credit Default Swap Agreement, the CDS Counterparty shall deliver a notice to the Cash Deposit Bank, with a copy to the Trustee, setting out the amount of the Credit Protection Amount and the details of the account to which such amount is to be credited. Such amount shall be deducted from the balance of the Cash Deposit Account and paid to the specified account of the CDS Counterparty as described in “*Withdrawal from the Cash Deposit Account*”

above. Barclays Bank PLC will have the right to set off amounts owed by it (in the capacity of Cash Deposit Bank) to the Issuer against amounts owed by the Issuer to it (in the capacity of CDS Counterparty under the Credit Default Swap Agreement).

Termination of Cash Deposit Agreement

The Cash Deposit Agreement will terminate on the earlier of the Legal Final Maturity Date and the date on which all of the Notes are redeemed in full.

The Cash Deposit Bank may resign its appointment upon not less than six months' written notice to the Issuer (with a copy to the Trustee, the CDS Counterparty and the Rating Agencies) ending on a Business Day which does not (i) fall on a Payment Date or (ii) less than 10 Business Days before or after a Payment Date, provided that (a) if such resignation would otherwise take effect less than 60 days before or after the Legal Final Maturity Date or other date for redemption of the Notes, it shall not take effect until such date and (b) such resignation will not take effect until a successor has been duly appointed (as described further below).

The Issuer may (with the prior written approval of the Trustee), or the Trustee may, revoke the appointment of the Cash Deposit Bank by not less than 30 days' notice to the Cash Deposit Bank (with a copy to the Trustee and the CDS Counterparty) if any of the following events occur: (i) a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the Cash Deposit Account held with the Cash Deposit Bank and the Cash Deposit Bank does not gross-up such interest payment in full or (ii) the Cash Deposit Bank fails to perform any of its obligations under the Cash Deposit Agreement and such failure remains unremedied for five Business Days after the CDS Counterparty, the Issuer or the Trustee has given notice of such failure or (iii) the service of an Enforcement Notice. Such revocation will not take effect until a successor has been duly appointed (as described further below).

The appointment of the Cash Deposit Bank will terminate forthwith if an insolvency event occurs in relation to the Cash Deposit Bank. If the appointment of the Cash Deposit Bank is so terminated in accordance with this provision, the Issuer will forthwith appoint a successor.

The Issuer may (with the prior written approval of the Trustee and the CDS Counterparty and provided that the Rating Agencies have previously confirmed in writing to the Issuer and the Trustee that such appointment will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified) appoint a successor Cash Deposit Bank and will forthwith give notice of any such appointment to the Trustee and the Rating Agencies, whereupon the Issuer, the CDS Counterparty, the Trustee and the successor Cash Deposit Bank will acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form of (and on the same terms as) the Cash Deposit Agreement. Any successor Cash Deposit Bank appointed by the Issuer will be a reputable and experienced financial institution which has at least the Cash Deposit Bank Required Ratings.

If the Cash Deposit Bank gives notice of its resignation and by the tenth day before the expiry of such notice a successor has not been duly appointed, the Cash Deposit Bank may itself, following such consultation with the Issuer as is practicable in the circumstances and with the prior written approval of the Trustee and the Rating Agencies, appoint as its successor any reputable and experienced financial institution which has at least the Cash Deposit Bank Required Ratings.

Downgrade of Cash Deposit Bank

On the Closing Date, the Cash Deposit Bank is expected to have a long-term rating by S&P of AA, a short-term rating by S&P of A-1+, a long-term rating by Moody's of Aa1 and a short-term rating by Moody's of P-1. Pursuant to the terms of the Cash Deposit Agreement, if the Cash Deposit Bank's S&P short-term rating falls below A-1+ or its Moody's long-term rating falls below A1 or its Moody's short-term rating falls below P-1 any such rating (the "**Cash Deposit Bank Required Ratings**") is withdrawn (a "**Cash Deposit Bank Downgrade Event**"), the Cash Deposit Bank will be obliged, within 14 calendar days:

- (a) to use commercially reasonable efforts to obtain (at its expense) a guarantee in respect of its obligations under the Cash Deposit Agreement from a third party acceptable to the Trustee;
- or

- (b) to find (at its expense) a replacement Cash Deposit Bank acceptable to the Trustee, meeting the requirements set out in the Cash Deposit Agreement including having at least the Cash Deposit Bank Required Ratings, to act as Cash Deposit Bank under the Cash Deposit Agreement; or
- (c) to take such other appropriate action acceptable to the Trustee which the Rating Agencies have previously confirmed in writing to the Issuer and the Trustee will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified.

It will constitute an “**Early Termination Event**” under the Cash Deposit Agreement if any of the following occur (i) the Cash Deposit Bank fails to take any of the actions set out in paragraphs (a) to (c) in “*Downgrade of Cash Deposit Bank*” within 14 calendar days after the occurrence of a Cash Deposit Bank Downgrade Event, (ii) the appointment of the Cash Deposit Bank is terminated and a successor Cash Deposit Bank is not appointed within the time period specified for such appointment or (iii) if the Cash Deposit Bank fails to pay an amount of quarterly interest payable by it to the Issuer in accordance with the terms of the Cash Deposit Agreement.

Governing Law

The Cash Deposit Agreement will be governed by English law and will provide for the parties thereto to submit to the jurisdiction of the English courts.

RATINGS OF THE RATED NOTES

It is expected that on issuance each Class of Rated Notes will be assigned the rating by S&P and the rating by Moody's stated in respect of such Class of Notes below on the Closing Date.

<i>Class of Notes</i>	<i>S&P Rating</i>	<i>Moody's Rating</i>
Class A1 Notes	AAA	Aaa
Class A2 Notes	AAA	Aaa
Class A3 Notes	AAA	Aaa
Class AB1 Notes	AAA	Aaa
Class AB2 Notes	AAA	Aaa
Class AB3 Notes	AAA	Aaa
Class B1 Notes	AA+	Aa2
Class B2 Notes	AA+	Aa2
Class B3 Notes	AA+	Aa2
Class C1 Notes	A+	A2
Class C2 Notes	A+	A2
Class C3 Notes	A+	A2
Class D1 Notes	BBB+	Baa2
Class D2 Notes	BBB+	Baa2
Class E Notes	BB	Ba2
Class F Notes	B	B2
Class G Notes	Unrated	Unrated

A credit rating is not a recommendation to buy, sell or hold a security and may be subject to revision or withdrawal at any time by the assigning rating agency. There can be no assurance that either Rating Agency will continue to monitor their ratings of the Notes during the life of the Notes or that any such rating may not be downgraded, withdrawn or qualified.

The ratings assigned by S&P to the Rated Notes address the timely payment of interest and ultimate payment of principal. The ratings assigned by Moody's to the Rated Notes address the expected loss posed to investors by the Legal Final Maturity Date. In Moody's opinion, the structure allows for timely payment of interest and ultimate payment of principal.

WEIGHTED AVERAGE LIVES OF THE NOTES

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses). The weighted average lives of the Notes will be influenced by, among other things, the actual rate of repayment of the Reference Obligations.

The model used in this Prospectus for the Reference Obligations represents an assumed constant per annum rate of prepayment (“CPR”) each month relative to the then outstanding principal balance of a pool of loans. CPR does not purport to be either an historical description of the prepayment experience of any pool of loans or a prediction of the expected rate of prepayment of any loans, including the Reference Obligations to be included in the Reference Portfolio.

The following tables were prepared based on the characteristics of the Reference Obligations to be included in the Reference Portfolio and the following additional assumptions (the “**Modelling Assumptions**”):

- (i) no Credit Event occurs with respect to any Borrower;
- (ii) no amount is credited to the Principal Deficiency Ledger in respect of any Class of Notes;
- (iii) each Reference Obligation is repayable by a single payment of principal at maturity;
- (iv) the characteristics of the Reference Obligations are assumed to remain unchanged throughout the Revolving Period; and
- (v) the notes are not redeemed early due to a Tax Redemption Event; and the Regulatory Call Option is not exercised.

The actual characteristics and performance of the Reference Obligations are likely to differ from the assumptions used in constructing the tables set forth below. The following tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Reference Obligations will prepay at a constant rate until maturity, that all of the Reference Obligations will prepay at the same rate or that there will be no Credit Events with respect to any Reference Obligations. Moreover, the diverse remaining terms to maturity of the Reference Obligations could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified, even if the weighted average remaining term to maturity of the Reference Obligations is assumed. Any difference between such assumptions and the actual characteristics and performance of the Reference Obligations will affect the percentage of the initial amount outstanding of the Notes which are outstanding over time and cause the weighted average lives of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage of CPR.

Subject to the foregoing discussion and assumptions, the following tables indicate the weighted average lives of the Class A Notes, Class AB Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes.

Weighted Average Life in Years

Class of Notes	Table 1						
	CPR						
	0%	10%	15%	20%	25%	30%	40%
Class A Notes	5.23	4.78	4.60	4.45	4.30	4.18	3.97
Class AB Notes	7.22	6.42	6.17	5.95	5.71	5.53	5.17
Class B Notes	7.22	6.42	6.17	5.95	5.71	5.53	5.17
Class C Notes	7.22	6.42	6.17	5.95	5.71	5.53	5.17
Class D Notes	7.22	6.42	6.17	5.95	5.71	5.53	5.17
Class E Notes	7.22	6.42	6.17	5.95	5.71	5.53	5.17
Class F Notes	7.22	6.42	6.17	5.95	5.71	5.53	5.17
Class G Notes	9.00	8.00	7.75	7.50	7.00	6.75	6.00

The above table assumes that the Notes are redeemed at their Principal Amount Outstanding on the Payment Date on which the aggregate Principal Amount Outstanding of the Notes is less than 10 per cent. of the initial Principal Amount Outstanding of the Notes.

Weighted Average Life in Years

Table 2

<i>Class of Notes</i>	<i>CPR</i>						
	<i>0%</i>	<i>10%</i>	<i>15%</i>	<i>20%</i>	<i>25%</i>	<i>30%</i>	<i>40%</i>
Class A Notes	5.45	4.86	4.66	4.49	4.34	4.22	4.01
Class AB Notes	7.75	6.63	6.32	6.06	5.85	5.66	5.34
Class B Notes	7.75	6.63	6.32	6.06	5.85	5.66	5.34
Class C Notes	7.75	6.63	6.32	6.06	5.85	5.66	5.34
Class D Notes	7.75	6.63	6.32	6.06	5.85	5.66	5.34
Class E Notes	7.75	6.63	6.32	6.06	5.85	5.66	5.34
Class F Notes	7.75	6.63	6.32	6.06	5.85	5.66	5.34
Class G Notes	18.94	14.49	13.08	11.91	10.83	9.93	8.68

The above table assumes that there is no early redemption of the Notes.

THE ISSUER

General

Lambda Finance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on 5 December 2003 for an unlimited period. The Issuer was established as a special purpose vehicle company for the purpose of issuing asset-backed securities. Its objects include issuing notes under the Programme, acquiring collateral (if any) and entering into and carrying out its obligations in relation to such notes.

The Issuer has not previously carried on any business or carried on any activities other than those incidental to its registration, the authorisation and issue of the previous Series of Notes listed under “*Capitalisation*” below, the authorisation and issue of the Notes contemplated in this Prospectus, matters incidental to such issues of notes, and the other matters described or contemplated in this Prospectus and the obtaining of all approvals and the effecting of all registrations and filings necessary or desirable for its business activities.

The Issuer has no subsidiaries.

Share Capital and Registered Office

The Issuer has an issued and outstanding share capital of €18,000, consisting of 180 shares with a nominal value of €100 each, all of which are fully paid up and held by Stichting Lambda Finance (the “**Foundation**”), a foundation (*stichting*) established under Dutch law on 3 December 2003. The Foundation has issued depository receipts in respect of such shares to SFM Investments (Netherlands) B.V.

The corporate seat (*statutair zetel*) of the Issuer is in Amsterdam, the Netherlands, its registered office is Amsteldijk 166, 1079 LH Amsterdam, the Netherlands (telephone number: +31(0) 2057 1177), and its correspondence address is Amsteldijk 166, 1079 LH Amsterdam, the Netherlands. The Issuer is registered in the trade register of the Chamber of Commerce and Industry in Amsterdam under number 34198975. The Foundation is registered in the trade register of the Chamber of Commerce and Industry in Amsterdam under number 34198822.

Management

As at the date of this Prospectus, Structured Finance Management (Netherlands) B.V. is the sole director of the Issuer and has been appointed the managing director (*statutair directeur*) (in such capacity, the “**Managing Director**”). The Managing Director’s corporate seat in Amsterdam, the Netherlands and its registered office and postal address is Amsteldijk 166, 1079 LH Amsterdam, the Netherlands.

The Managing Director is registered in the trade register of the Chamber of Commerce and Industry in Amsterdam, the Netherlands under number 34234797.

The directors of the Managing Director are:

Mr. H.S. Leijdesdorff

Mr. G. Kruizinga

The Managing Director is responsible for the management and administration of the Issuer and the Managing Director entered into a management agreement dated 23 November 2005 with the Issuer in respect thereof (the “**Management Agreement**”).

Pursuant to a letter agreement dated 23 November 2005 between, amongst others, the Issuer, the Managing Director and the Foundation, in order to ensure that neither the Managing Director nor the Foundation abuses its control of the Issuer, the Foundation and the Managing Director undertook (i) to manage the affairs of the Issuer in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practices, (ii) not to liquidate the Issuer without the prior written approval of the Trustee and Barclays Bank PLC and (iii) that the Issuer should undertake no business except the transactions contemplated by the documents relating to the Programme.

Financial Statements

In principle, the Issuer is not required by Dutch law to publish audited financial statements. However, a limited balance sheet with explanatory notes must be filed with the trade register of

the Chamber of Commerce and Industry in Amsterdam. Copies such limited balance sheets will be available for collection at the specified offices of the Registrar and Transfer Agent.

In respect of the financial year ending 31 December 2005 and in respect of all subsequent financial years during which notes are outstanding under the Programme, the Issuer has undertaken to prepare audited financial statements, and will distribute copies thereof as soon as reasonably practicable after preparation thereof to the Trustee. Copies of any such audited financial statements will be available for collection at the specified offices of the Registrar and the Transfer Agent.

Business of the Issuer

So long as any of the Notes remains outstanding, the Issuer will be subject to the restrictions set out in the Trust Deed and in each Constituting Instrument.

The Issuer has, and will have, no assets other than the amounts standing to the credit of the Issuer Dutch Account and any other assets on which the notes issued under the Programme are secured. Save in respect of the minimum profit to be retained according to the Dutch tax agreement obtained on behalf of the Issuer with the Dutch tax authorities in connection with each issue of notes and the proceeds of any deposits and investments made from such amounts or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses.

The Notes are obligations of the Issuer alone and not of, or guaranteed in any way by, the Managing Director, the Foundation or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by Structured Finance Management (Netherlands) B.V. and/or its group entities, the CDS Counterparty or the Cross-currency Swap Counterparty.

Capitalisation

The following table sets out the capitalisation of the Issuer as of the date of this Prospectus:

Shareholders' Funds:

Share capital (Authorised: EUR 18,000; Issued: 180 shares of EUR 100): EUR 18,000

Indebtedness:

Series 2003 – A1 £2,000,000 Secured Limited Recourse Floating Rate Notes due 2008
Series 2003 – A2 EUR 7,250,000 Secured Limited Recourse Floating Rate Notes due 2008
Series 2003 – B1 £3,000,000 Secured Limited Recourse Floating Rate Notes due 2008
Series 2003 – B1 (Fixed) £3,000,000 Secured Limited Recourse Fixed Rate Notes due 2008
Series 2003 – B2 EUR 22,800,000 Secured Limited Recourse Floating Rate Notes due 2008
Series 2003 – C1 £4,500,000 Secured Limited Recourse Floating Rate Notes due 2008
Series 2003 – C2 EUR 18,050,000 Secured Limited Recourse Floating Rate Notes due 2008
Series 2003 – D1 £4,500,000 Secured Limited Recourse Floating Rate Notes due 2008

Each Series of notes issued by the Issuer comprises a series of obligations of the Issuer, recourse in respect of which is limited to the collateral in respect of such Series.

Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. As at the date of this Prospectus, save as disclosed herein, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Tax Status of Issuer

The Issuer is a resident of the Netherlands for Dutch tax purposes.

The Managing Director of the Issuer

Business of the Managing Director

As part of its Corporate and Commercial Services for the capital markets in the Netherlands and abroad, Structured Finance Management group entities provide independent directors, management services and corporate administration services to Special Purpose Vehicles (SPVs) in structured finance and securitisation transactions.

Responsibilities of the Managing Director in relation to the Issuer

The Managing Director is responsible for the management and administration of the Issuer pursuant to the terms of the Management Agreement.

Retirement and Replacement of the Managing Director

The Managing Director may resign its appointment as managing director by written notice to the Issuer and observing a three month notice-period, provided however that (i) such termination shall only become effective as from the moment a new managing director (*statutair bestuurder*) has been appointed for the Issuer in accordance with the applicable provisions of the relevant Dutch Civil Code (which shall not be unreasonably delayed) and (ii) such three-month notice-period may be reduced to one month in such circumstances that if it were not reduced to one month it would be materially prejudicial to either the Issuer or the Managing Director.

BARCLAYS BANK PLC

Barclays Bank PLC will perform the following roles in connection with the issuance of the Notes:

- originator of Reference Obligations
- servicer of Reference Obligations
- CDS Counterparty
- Cross-currency Swap Counterparty
- Cash Deposit Bank
- Reserve Account Bank
- Cash Administrator
- Note Calculation Agent
- CDS Calculation Agent
- Lead Manager

Business

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London E14 5HP. Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank PLC was re-registered as a public limited company and its name was changed from “Barclays International Limited” to “Barclays Bank PLC”.

Barclays Bank PLC and its subsidiary undertakings (taken together, the “Group”) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The Group also operates in many other countries around the world. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC which is the ultimate holding company and one of the largest financial services companies in the world by market capitalisation. The principal trading market for Barclays PLC ordinary shares is the London Stock Exchange. Ordinary share listings were also obtained on the Tokyo Stock Exchange and the New York Stock Exchange with effect from 9 September 1986.

The short term unsecured obligations of Barclays Bank PLC are rated A-1+ by S&P, P-1 by Moody’s and F1+ by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated AA by S&P, Aa1 by Moody’s and AA+ by Fitch Ratings Limited.

From 2005, the Group will prepare financial statements on the basis of International Financial Reporting Standards (“IFRS”). Based on the unaudited interim financial information as at and for the six month period ended 30 June 2005, prepared in accordance with IFRS, the Group had total assets of £850,388 million, total net loans and advances of £272,348 million, total deposits of £302,253 million, and total shareholders’ equity of £22,050 million (including minority interests of £200 million). The profit before taxation for the period ended 30 June 2005 was £2,690 million after charging an impairment loss on loans and advances and other credit risk provisions of £706 million.

The Group’s audited financial statements for the year ended 31 December 2004 were prepared in accordance with UK Generally Accepted Accounting Principles (“UK GAAP”). On this basis, as at 31 December 2004, Barclays Bank PLC had total assets of £522,253 million, total net loans and advances of £330,077 million, total deposits of £328,742 million and shareholders’ funds of £18,271 million (including £690 million of non-equity funds). The profit before tax under UK GAAP for the year ended 31 December 2004 was £4,612 million after charging net provisions for bad and doubtful debts of £1,091 million.

The annual report on Form 20-F for the year ended 31 December 2004 of Barclays PLC and Barclays Bank PLC, and the amendment thereto, is on file with the Securities and Exchange Commission, and the Securities and Exchange Commission has been furnished with the interim report on Form 6-K for the semi-annual period ended 30 June 2005 of Barclays PLC and Barclays Bank PLC. Barclays Bank PLC will provide, without charge to each person to whom this prospectus is delivered, on the request of that person, a copy of the Form 20-F and Form 6-K referred to in

the previous sentence. Written requests should be directed to: Barclays Bank PLC, 1 Churchill Place, London E14 5HP, United Kingdom, Attention: Barclays Group Corporate Secretariat.

None of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class G Notes will be obligations of Barclays Bank PLC or any of its affiliates.

FORM OF THE NOTES

References below to Notes, to Global Registered Certificates and to the Definitive Registered Certificates representing such notes are to each respective Class of Notes.

Initial Issue of Notes

The Notes of each Class sold in reliance on Regulation S under the Securities Act will be represented by one or more Global Registered Certificates in fully registered form without interest coupons or principal receipts. Notes of any Class sold to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act will be represented by one or more Global Registered Certificates in fully registered form without interest coupons or principal receipts.

The Regulation S Global Registered Certificates and the Rule 144A Global Registered Certificates representing Sterling Notes or Euro Notes will be registered in the name of a nominee for Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”).

The Regulation S Global Registered Certificates and the Rule 144A Global Registered Certificates representing U.S. dollar Notes will be deposited with a custodian for The Depository Trust Company (“DTC”) and registered in the name of Cede & Co., as nominee for DTC. The U.S. dollar Notes sold in reliance on Regulation S will be made eligible for trading through Euroclear and Clearstream, Luxembourg as participants in DTC.

Beneficial interests in a Global Registered Certificate representing Sterling Notes or Euro Notes may be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg at any time. Beneficial interests in a Global Registered Certificate representing U.S. dollar Notes may be held through and transfers thereof will only be effected through, records maintained by DTC and its respective participants, including (where applicable) Euroclear and Clearstream, Luxembourg. See “*Book-Entry Clearance Procedures*” below. U.S. Persons (as defined in Regulation S under the Securities Act) may not hold interests represented by Regulation S Global Registered Certificates.

Amendments to Conditions

Each Global Registered Certificate contains provisions that apply to the Class of Notes that they represent, some of which modify the effect of the Conditions of the Notes set out in this Prospectus. The following is a summary of those provisions:

Prescription:

Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Registered Certificate will become void unless surrendered for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

Meetings:

The holder of each Global Registered Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each £10,000 of the Outstanding Principal Balance of the outstanding Note(s) for which the relevant Global Registered Certificate may be exchanged.

Trustee’s Powers:

In considering the interests of Noteholders while the Global Registered Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Registered Certificate and may consider such interests as if such account holders were the holders of any Global Registered Certificate.

Cancellation:

Cancellation of any Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of the applicable Global Registered Certificate and a corresponding notation made on the Register.

Exchange of Global Registered Certificates for Definitive Registered Certificates

Exchange

Holders of book-entry interests in a Global Registered Certificate will be entitled to receive Definitive Registered Certificates, free of charge (other than the costs of postage), in exchange for and commensurate with their respective holdings of such book-entry interests where any of the circumstances described in Condition 13.1 (*Issue of Definitive Registered Certificates*) occurs.

Exchange in Whole not Part

In the event that a Global Registered Certificate is exchanged for Definitive Registered Certificates, all the book-entry interests in such Global Registered Certificate will be exchanged for Definitive Registered Certificates.

Period of Non-Registration

The Registrar will not register an exchange of a Global Registered Certificate for a Definitive Registered Certificate, or an exchange of an interest in a Global Registered Certificate for a Definitive Registered Certificate, for a period of 15 calendar days prior to any date for payment of principal or interest in respect of such Global Registered Certificate.

Transfer Restrictions on Definitive Registered Certificates

If only one of the Global Registered Certificates (the “**Exchanged Global Registered Certificate**”) becomes exchangeable for Definitive Registered Certificates, there shall be no transfer of Notes between persons holding such Definitive Registered Certificates and persons wishing to purchase beneficial interests in the other Global Registered Certificates.

Delivery

In the circumstances set out in “*Exchange*” above, the relevant Global Registered Certificate will be exchanged in full for Definitive Registered Certificates and the Issuer, at its own cost (in addition to providing such indemnity as the Registrar or any relevant Transfer Agent may reasonably require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), will cause all such Definitive Registered Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Registered Certificate must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Registered Certificates and (ii) in the case of the Rule 144A Global Registered Certificates only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Registered Certificates issued in exchange for a beneficial interest in the Rule 144A Global Registered Certificates shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under “*Transfer Restrictions*” below.

Legends

The holder of a Definitive Registered Certificate may transfer the Notes represented thereby in whole or in part in the applicable Minimum Denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Definitive Registered Certificate bearing the legend referred to under “*Transfer Restrictions*” below, or upon specific request for removal of the legend on a Definitive Registered Certificate, the Issuer will deliver only Definitive Registered Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act and with Dutch banking and securities regulations.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg or DTC (together, the “Clearing Systems”) currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Lead Manager or any Agent (or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg which facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. (See “*Settlement and Transfer of Notes*” below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Investors may hold their interests in a Regulation S Global Registered Certificate and a Rule 144A Global Registered Certificate directly through Euroclear or Clearstream, Luxembourg if they are accountholders or indirectly through organisations which are accountholders therein.

Book-Entry Ownership

Each Regulation S Global Registered Certificate and Rule 144A Global Registered Certificate will have an ISIN and a Common Code and each Regulation S Global Registered Certificate and Rule 144A Global representing Sterling Notes or Euro Notes will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg.

Payments and Relationship of participants with Euroclear and Clearstream, Luxembourg

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Registered Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Registered Certificate and in relation to all other rights arising under the Global Registered Certificate held in Euroclear and Clearstream, Luxembourg, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Registered Certificate and the obligations of the Issuer will be discharged by payment to the holder of such Global Registered Certificate in respect of each amount so paid. None of the Issuer, the Trustee, or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Registered Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the U.S. Securities and Exchange Commission under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until the Closing Date will be required, by virtue of the fact the Notes initially will settle beyond T3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the Closing Date should consult their own advisers.

DTC

Upon issuance, the Global Registered Certificates representing U.S. dollar Notes will be deposited with the Registrar as custodian for DTC in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Registered Certificates representing U.S. dollar Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor or its nominee. Beneficial interests in the Global Registered Certificates representing U.S. dollar Notes may not be exchanged for Notes in definitive form except in the limited circumstances described above. See *“Form of the Notes – Exchange of Global Registered Certificates for Definitive Registered Certificates”*.

The Notes (including beneficial interests in the Global Registered Certificates) are subject to certain restrictions on transfer and bear restrictive legends. In addition, transfers of beneficial interest in the Global Registered Certificates representing U.S. dollar Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream, Luxembourg), which may change from time to time.

DTC Depository Procedures

The following is only a summary of the operations and procedures of DTC. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes from time to time. The Issuer takes no responsibility for these operations and procedures.

DTC has advised the Issuer that it is a limited-purpose trust company organised under the laws of the State of New York, a member of the Federal Reserve System, a “banking organization” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the UCC and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organisations and to facilitate the clearance and settlement of transactions in those securities between its participants through electronic book-entry changes in accounts of its participants. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Persons who are not DTC participants may beneficially own securities held by or on behalf of DTC only through the DTC participants or indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of DTC participants and indirect participants.

DTC has also advised that pursuant to DTC’s procedures (i) upon deposit of the Global Registered Certificates representing U.S. dollar Notes, DTC will credit the accounts of participants designated by the Lead Manager with portions of the principal amount of the Global Registered Certificates representing U.S. dollar Notes and (ii) ownership of such interests in the Global Registered Certificates representing U.S. dollar Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to DTC participants) or by DTC participants and indirect participants (with respect to other owners of beneficial interests in the Global Registered Certificates representing U.S. dollar Notes).

Investors in the Global Registered Certificates representing U.S. dollar Notes may hold their interests therein directly through DTC, if they are participants in such system, or indirectly through organisations (including Euroclear and Clearstream, Luxembourg) which are participants in such system. All interests in a Global Registered Certificate representing U.S. dollar Notes, including those held through Euroclear or Clearstream, Luxembourg, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Registered Certificate representing U.S. dollar Notes to such persons will be limited to that extent. Because DTC can act only on behalf of DTC participants, which in turn act on behalf of indirect participants and certain banks, the ability of a person having beneficial interests in a Global Registered Certificate representing U.S. dollar Notes to pledge such interests to person or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Payments in respect of principal, and interest in respect of the Global Registered Certificates representing U.S. dollar Notes will be payable to DTC (or its nominee) in its capacity as the registered holder under the Constituting Instrument. Under the terms of the Constituting Instrument, the Issuer, the Trustee and the Registrar will treat the persons in whose names the Notes, including the Global Registered Certificates representing U.S. dollar Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Issuer, the Trustee, the Registrar nor any agent of the Issuer, the Trustee or the Registrar have or will have any responsibility or liability for (i) any aspect of DTC's records or any DTC participant's or indirect participant's records relating to or payments made on account of beneficial ownership interest in the Global Registered Certificates representing U.S. dollar Notes, or for maintaining, supervising or reviewing any of DTC's records or any DTC participant's or indirect participant's records relating to the beneficial ownership interests in the Global Registered Certificates representing U.S. dollar Notes or (ii) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants. DTC has advised the Issuer that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on each Payment Date in amounts proportionate to their respective holdings in the principal amount of beneficial interest in the relevant security as shown on the records of DTC unless DTC has reason to believe it will not receive payment on such Payment Date. Payments by the DTC participants and indirect participants to the beneficial owners of Notes are governed by standing instructions and customary practices and are the responsibility of the DTC participants or indirect participants and are not the responsibility of DTC, the Issuer, the Trustee or the Registrar. None of the Issuer, the Trustee or the Registrar will be liable for any delay by DTC or any of DTC participants in identifying the beneficial owners of the Notes, and the Issuer, the Trustee and the Registrar may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all such purposes.

Interests in the Global Registered Certificates representing U.S. dollar Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will, therefore, settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its participants. See "*Same Day Settlement and Payment*" below.

Subject to the transfer restrictions set forth in this Prospectus, transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same day funds.

DTC has advised the Issuer that it will take any action permitted to be taken by a Noteholder only at the direction of one or more of its participants to whose account DTC has credited the interests in the Global Registered Certificates representing U.S. dollar Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction.

Although DTC has agreed to the foregoing procedures to facilitate transfers of interests in the Global Registered Certificates representing U.S. dollar Notes among participants in DTC, DTC is under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or the Registrar or any of their respective agents will have any responsibility for the performance by DTC, its participants or

indirect participants of their respective obligations under the rules and procedures governing their operations.

Same Day Settlement and Payment

The Notes represented by the Global Registered Certificates representing U.S. dollar Notes are eligible to trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Registered Certificate representing U.S. dollar Notes from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, Luxembourg) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream, Luxembourg as a result of a sale of interests in a Global Registered Certificate representing U.S. dollar Notes by or through a Euroclear or Clearstream, Luxembourg participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through direct participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note will in turn be recorded on the records of the direct participant or indirect participant (as the case may be). Beneficial owners will not receive written confirmation from any Clearing System of their purchase. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interest in such Notes unless and until any Global Registered Certificate in respect of which they have such an ownership interest held within a Clearing System in respect of which they have such an ownership interest is exchanged for Definitive Registered Certificates.

Exchanges Among Global Registered Certificates

Beneficial interests in the Regulation S Global Registered Certificate may be exchanged for beneficial interests in the Rule 144A Global Registered Certificate only if such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A and the transferor first delivers to the Registrar a written certificate to the effect that the Notes are being transferred to a person whom the transferor reasonably believes to be a Qualified Institutional Buyer that is also a QP purchasing for its own account or the account of a Qualified Institutional Buyer that is also a QP in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in the Rule 144A Global Registered Certificate may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Registered Certificate before the expiration of the 40 day distribution compliance period only if the transferor first delivers to the Registrar a written certificate to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulations S and that the interest transferred will be held immediately thereafter through Euroclear or Clearstream, Luxembourg.

Transfers involving an exchange of a beneficial interest in one of the Global Registered Certificates for a beneficial interest in another Global Registered Certificate will be effected in Euroclear and Clearstream, Luxembourg in the case of Global Registered Certificates denominated in pounds sterling and euro and in DTC in the case of Global Registered Certificates representing U.S. dollar Notes. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Global Registered Certificate representing the beneficial interest that is transferred and a corresponding increase in the principal amount of the other Global Registered Certificate, as applicable. Any beneficial interest in one of the Global Registered Certificates that is transferred to a person who takes delivery in the form of an interest in the other Global Registered Certificate will, upon transfer, cease to be an interest in such first

Global Registered Certificate and will become an interest in another Global Registered Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Registered Certificate for so long as it remains such an interest.

TAX CONSIDERATIONS

The following is a general discussion of the anticipated United Kingdom, Dutch and United States tax treatment of the Issuer and the holders of the Notes. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes.

Prospective investors should consult their own professional advisers concerning the possible tax consequences of buying, holding or selling any Notes under the applicable laws of their country of citizenship, residence or domicile.

United Kingdom Taxation

The following is a summary of the Issuer's understanding of current United Kingdom tax law and United Kingdom HM Revenue & Customs ("HMRC") practice as at the date of this Prospectus relating to certain aspects of the United Kingdom taxation of the Notes. The summary set out below is a general guide, applies only to the classes of persons mentioned below who are beneficial owners of the Notes and should be treated with appropriate caution. Some aspects do not apply to certain classes of taxpayer (such as dealers and persons connected with the Issuer). Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Interest on the Notes

Withholding Tax on Payments of Interest on the Notes

1. Interest on Notes may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances when such interest has a United Kingdom source.
2. Interest on Notes may have a UK source; for example interest on Notes secured on assets situate in the UK may have a UK source. Interest which has a United Kingdom source ("UK Interest") may be paid by the Issuer without withholding for or on account of UK income tax if the Notes in respect of which the UK Interest is paid constitute "quoted Eurobonds". Notes will constitute "quoted Eurobonds" if they carry a right to interest and are and continue to be issued by a company and listed on a "recognised stock exchange" (the Irish Stock Exchange is so recognised).
3. In addition to the exemptions referred to in paragraphs 1 to 2 above, the Issuer is entitled to make payments of UK Interest on the Notes without withholding or deduction for or on account of United Kingdom income tax if, at the time the relevant payments are made, the Issuer reasonably believes that, broadly, the person beneficially entitled to the income is a company within the charge to United Kingdom corporation tax in respect of the interest or falls within a list of specified United Kingdom tax-exempt entities and bodies, or has made a successful application for exemption from withholding tax under an application double taxation treaty.
4. In all other cases, UK Interest on the Notes will be paid under deduction of United Kingdom income tax at the lower rate applicable to savings income (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty.
5. Noteholders should note that neither the Issuer nor the Registrar nor the Transfer Agent will be obliged to make any additional payments to a Noteholder in respect of any withholding or deduction required to be made by applicable law. Any such withholding or deduction will not constitute an Event of Default under Condition 11 (*Events of Default and Enforcement*) of the Notes.

Provision of Information

Noteholders who are individuals should note that where any interest is paid to them (or to any person acting on their behalf) by any person in the United Kingdom acting on behalf of the Issuer (a paying agent), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (a collecting agent), then the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the Noteholder. These provisions will apply whether or not the interest has been

paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to HMRC may, in certain cases, be passed by HMRC to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

Further United Kingdom Income Tax Issues for Non-United Kingdom Resident Noteholders

UK Interest on the Notes may be subject to tax by direct assessment even where paid without withholding, subject to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty.

However, UK Interest received without deduction or withholding on account of United Kingdom income tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation through a branch or agency (or, in the case of a Noteholder which is a company, which carries on a trade through a permanent establishment) in the United Kingdom in connection with which the interest is received or to which the Notes are attributable. There are exemptions for interest received by certain categories of agent (such as certain brokers and investment managers).

Where UK Interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision under an applicable double taxation treaty.

United Kingdom Corporation Tax Payers

In general, Noteholders which are within the charge to United Kingdom corporation tax in respect of the Notes will be charged to tax and obtain relief as income on all returns on and fluctuations in value of the Notes broadly in accordance with their statutory accounting treatment.

Other United Kingdom Taxpayers

Taxation of Chargeable Gains

It is not expected that the Notes will be treated by the Inland Revenue as qualifying corporate bonds within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal of the Notes may give rise to a chargeable gain or an allowable loss for the purposes of the United Kingdom taxation of chargeable gains depending on the individual circumstances of the Noteholder.

Accrued Income Scheme

On a disposal of Notes by a Noteholder, any interest which has accrued since the last Payment Date may be chargeable to tax as income under the rules of the accrued income scheme if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable. Noteholders are advised to consult their own professional advisers for further information about the accrued income scheme in general and, in particular, the potentially adverse tax consequences of holding variable rate securities. Noteholders should note that, in December 2004, HMRC announced that the accrued income scheme is to be reformed following a further period of consultation, with legislation proposed to be included in Finance Act 2006. It is not currently known whether or in what form any changes arising from the consultations will be enacted and it is possible that, when any changes are created, they may affect the taxation treatment described in this paragraph.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on the issue or transfer by delivery of a Note.

Dutch Taxation

This section provides a general description of the principal Dutch tax consequences of the holding of the Notes. This summary provides general information only and is restricted to the matters of Dutch taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Dutch tax considerations that may be relevant to a decision to acquire, to hold, or to dispose of the Notes. This summary does not purport to deal with the tax consequences

applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Save as otherwise indicated, this summary only addresses the position of investors who do not have any connection with the Netherlands other than the holding of the Notes. As it is unlikely that any holder of a Note will have a substantial interest (*aanmerkelijk belang*) (as defined in section 4.3 of the Dutch Income Tax Act 2001), in the Issuer, this summary does not describe the tax consequences relating to a substantial interest.

Prospective investors should consult their own professional advisers with respect to the consequences of an investment in the Notes.

The summary provided below is based on the Dutch tax laws as generally interpreted and applied by the Dutch courts at the date of this Prospectus, without prejudice to any changes in law or the interpretation or application thereof, which changes may be implemented with or without retroactive effect.

Withholding Tax

All payments made by the Issuer of interest and principal under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Notes will not be issued under such terms and conditions that the Notes actually function as equity of the Issuer within the meaning of article 10, paragraph 1 under (d), of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Taxes on Income and Capital Gains

A holder of a Note (the “**Noteholder**”) who derives income from a Note or who realises a gain from the disposal or redemption of a Note will not be subject to Dutch taxation on such income or gain, provided that:

1. the Noteholder is neither resident nor deemed to be resident in the Netherlands for Dutch tax purposes and, if the Noteholder is an individual, has not elected to be treated as a resident of the Netherlands for the purpose of the relevant Dutch tax law provisions;
2. the Noteholder does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of that enterprise, as the case may be, the Notes are attributable;
3. the Noteholder is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Notes are attributable;
4. the Noteholder does not have a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer as defined in the Dutch Income Tax Act 2001;
5. the Noteholder does not carry out and has not carried out employment activities in the Netherlands nor carries or carried out employment activities outside the Netherlands for which the remuneration is subject to Dutch wage withholding tax and with which employment activities the holding of the Notes is connected; and
6. the Noteholder does not derive benefits from the Notes that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*) as defined in the Dutch Income Tax Act 2001, which include, but are not limited to, activities in respect of the Notes which are beyond the scope of “regular active asset management” (*normaal actief vermogensbeheer*).

Under the laws of the Netherlands a Noteholder will not be deemed a resident, domiciled or carrying on a business in the Netherlands by reason only of its holding of the Notes or the performance by the Issuer of its obligations under the Notes.

Gift and Inheritance Taxes

No gift, estate or inheritance taxes will arise in the Netherlands with respect to the acquisition of the Notes by way of gift by, or on the death of, a Noteholder who is neither resident nor deemed to be resident in the Netherlands, unless:

- (i) the Noteholder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable;
- (ii) the Notes are or were attributable to an enterprise that is effectively managed in the Netherlands and at the time of the gift the donor is, or at the time of his death the deceased was, entitled to a share in the profits of that enterprise or part thereof other than by way of securities or through an employment contract; or
- (iii) in the case of a gift of the Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or the date of his death.

For the purposes of Dutch gift and inheritance tax, an individual who does not have the Dutch nationality, or an entity, will be deemed to be a resident of the Netherlands at the date of the gift if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

Turnover Tax

No Value Added Tax (*Omzetbelasting*) will arise in the Netherlands in respect of any payment in consideration for the issue of the Notes or with respect to any payment by the Issuer of principal or interest on the Notes.

Other Taxes and Duties

No stamp duty, registration tax or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the Issuer's issue or performance, or a Noteholder's transfer, delivery or enforcement, of a Note.

Council Directive of the European Union

The provisions of the European Union Council Directive on the taxation of savings income became operative on 1 July 2005. Under this Directive Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction (a "**paying agent**") to an individual resident in another Member State, except that for a transitional period, Belgium, Luxembourg and Austria will instead operate a withholding system unless during that period they elect otherwise (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries and territories). Certain other jurisdictions, including Switzerland, have enacted equivalent legislation which imposes a withholding tax, or an obligation on a paying agent to provide information on a payment of interest or similar income, in substantially the same circumstances as envisaged by the Directive. Holders of the Notes who are individuals should note that, should any payment in respect of the Notes be subject to withholding imposed as a consequence of the Directive or under the equivalent legislation, no additional amounts would be payable by the Issuer.

United States Taxation

THIS SUMMARY IS NOT INTENDED TO WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING UNITED STATES FEDERAL TAX PENALTIES, AND WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THIS TRANSACTION. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE TRANSACTION DESCRIBED HEREIN AND THE ASSOCIATED TAX STRATEGIES ARE NOT CONFIDENTIAL, PROPRIETARY OR EXCLUSIVE. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THERE IS NO LIMITATION ON THE DISCLOSURE BY ANY RECIPIENT OF THIS PROSPECTUS OF THE TAX TREATMENT OT TAX STRUCTURE OF THE TRANSACTION DESCRIBED HEREIN.

This is a discussion of the important U.S. federal income tax consequences of purchasing, holding, and disposing of the Notes issued by the Issuer. Except to the limited extent discussed below, this discussion only applies to a “U.S. Holder”, defined as the beneficial owner of a Note who is or which is:

- (A) a citizen or resident of the United States;
- (B) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein;
- (C) an estate, the income of which is subject to U.S. federal income tax regardless of the source or
- (D) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder based on such holder’s particular circumstances (including the potential application of the U.S. alternative minimum tax), nor does it address any aspect of state, local, or non-U.S. tax laws or the possible application of U.S. federal gift or estate taxes. In particular, its discussion does not consider the tax treatment of persons who hold Notes through a partnership or other pass-through entity, nor does it address the United States federal income tax consequences to U.S. Holders that are subject to special treatment, including U.S. Holders that:

- (A) are broker-dealers, securities traders, insurance companies, tax-exempt organisations, or financial institutions;
- (B) hold Notes as part of a “straddle”, “hedge” or “conversation transaction” with other investments; or
- (C) own 10.00 per cent. or more of Issuer’s voting stock (directly, indirectly or constructively).

This discussion considers only U.S. Holders that will own Notes as capital assets and whose functional currency is the U.S. dollar. The discussion is generally limited to the tax consequences to initial holders that purchase Notes at the “issue” price, and does not address any special rules that may apply if the Notes are called before the Legal Final Maturity Date. For this purpose the “issue” price of a Note is the first price at which a substantial amount of the Notes are sold to the public for money, excluding sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters or wholesalers. It does not describe any tax consequences arising out of the tax laws of any state, local or foreign jurisdiction.

This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the “Code”), existing and proposed regulations thereunder, and current administrative rulings and court decisions. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion.

You should consult your tax adviser concerning the application of federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdiction, to your particular situation.

United States Taxation of the Issuer

The issuer does not expect that its activities will cause it to be treated as engaging in a United States trade or business, and the discussion below assumes that the Issuer will not be so engaged. If the Internal Revenue Service (the “IRS”) were to successfully assert that the Issuer is engaged in a United States trade or business, however, there could be a material adverse financial consequences to the Issuer and to persons who hold the Notes. In such a case, part of all of the income and gains of Issuer could be subject to United States income tax at a maximum corporate rate of 35.00 per cent., and the Issuer could be subject to an additional branch profits tax of 30.00 per cent., which would reduce or even eliminate cash available for distribution to the holders of Notes.

Characterisation of the Notes

Although all of the Notes are labelled as debt instruments, the Issuer intends to treat only the Class A, AB, B, C, D, E and F Notes as debt investments for U.S. federal income tax purposes and will treat the Class G Notes as equity for such purposes. Moreover, based upon their level of subordination, rating and other factors there is a substantial risk that the Class E and Class F Notes may be treated as equity, rather than as indebtedness, for such purposes. The summary below

assumes that the Class G Notes will be treated as equity rather than debt of the Issuer for U.S. federal income tax purposes and that all other Classes of Notes will be treated as indebtedness. Prospective investors should note, however, that the classification of an instrument as debt or equity is highly factual, and there is no certainty that other Notes may not be treated by the IRS as equity of the Issuer. Holders of the Notes should note that no rulings have been or will be sought from the IRS with respect to the classification of the Notes or the federal income tax consequences discussed below, and no assurance can be given that the Service or the courts will not take a contrary position to any of the views expressed herein.

PERSONS CONSIDERING THE PURCHASE OF THE NOTES, AND IN PARTICULAR THE CLASS E, F AND G NOTES, SHOULD REVIEW THE SECTION “PASSIVE FOREIGN INVESTMENT COMPANIES” BELOW AND SHOULD CONSULT THEIR OWN TAX ADVISERS CONCERNING THE CLASSIFICATION OF THE NOTES AND THE U.S. FEDERAL INCOME TAX CONSEQUENCES RELEVANT TO SUCH CLASSIFICATION FOR THEIR PURPOSES.

Tax Treatment of U.S. Holders of Notes (other than Notes Treated as Equity)

Interest and Discount on the Notes (other than Notes Treated as Equity)

In general, if the issue price of a Note (the first price at which a substantial amount of the Notes were sold to investors) is less than its principal amount by more than a *de minimis* amount, the Note will be considered to have been issued with original issue discount (“OID”) for U.S. federal income tax purposes. If a U.S. Holder acquires a Note with OID, then, regardless of such holder’s method of accounting, the holder will be required to include such OID in income as it accrues under a constant yield method. It is not anticipated that the Class A, AB or B Notes will be issued with OID. However, because payments of stated interest on the Class C, D, E and F Notes are contingent on available funds and subject to deferral, the Class C, D, E and F Notes will be treated as issued with OID. The total amount of such discount with respect of each such Note will equal to the sum of all payments to be received under the Notes less its issue price (the price at which a substantial amount of such Notes were sold to investors). A U.S. Holder of a Class C, D, E and F Note will be required to include OID in income as it accrues under a constant yield method, regardless of when paid.

The Issuer intends to take the position, and the foregoing discussion assumes, that the Notes will not be classified as “contingent payment debt obligations” for purposes of calculating OID. However, it is possible that the IRS will take a contrary view, and seek to so classify some or all of the Notes. If the IRS were successful in so classifying the Notes, among other consequences, any gain recognised on the sale or disposition of such Notes might be treated as ordinary income rather than as capital gain.

Sale and Retirement of the Notes (other than Notes Treated as Equity)

In general a U.S. Holder of a Note (other than a Note treated as equity) will have a basis in such Note equal to the cost of such Note to such Holder, (i) increased by any amount includable in income by such Holder as OID with respect to such note, and (ii) reduced by any amortised premium applied to reduce, or allowed as a deduction against, interest on a Note and any payments on such Note, other than payments of stated interest on a Class A, AB or B Note. Upon a sale, exchange, redemption or retirement of a Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the amount realised on the sale, exchange, redemption or retirement (other than amounts attributable to accrued interest on a Class A, AB or B Note, which will be taxable as described above) and the Holder’s tax basis in such Note. Such gain or loss will be long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

A U.S. Holder may also recognise gain upon receipt of a principal payment equal to the difference between the amount received and the portion of its basis that is considered to be allocable to such payment. Such gain may, under certain circumstances, be taxable as ordinary income.

Gain recognised by a U.S. Holder on the sale, exchange or retirement of a Note generally will be treated as from sources within the United States and loss so recognised generally will offset income from sources in the United States.

Foreign Currency Considerations

A U.S. Holder of a Class A, AB or B Note that uses the cash method of accounting must include in income the U.S. dollar value of pounds sterling interest paid when received. Pounds sterling interest received is translated at the U.S. dollar spot rate of pounds sterling on the date of receipt, regardless of whether the payment is converted into U.S. dollars on the date of receipt. A cash method U.S. Holder of a Class A, AB or B Note will therefore generally not have exchange gain or loss on receipt of a pounds sterling interest payment but may have exchange gain or loss upon disposing of the pounds sterling received.

A U.S. Holder of a Class A, AB or B Note that uses the accrual method of accounting and a U.S. Holder of a Class C, D, E or F Note regardless of the method of accounting used, will be required to include in income the U.S. dollar value of pounds sterling interest or OID, as the case may be, accrued during the accrual period. A U.S. Holder may determine the amount of income recognised with respect to such interest or OID using either of two methods. Under the first method, the U.S. dollar value of accrued interest or OID is translated at the average pounds sterling rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). A U.S. Holder of a Class A, AB, B, C, D, E or F Note that uses this first method will therefore recognise exchange gain or loss, as the case may be, on interest or OID paid to the extent that the U.S. dollar: Pounds sterling exchange rate on the date the payment is received differs from the rate at which the income was accrued. Under the second method, the U.S. Holder can elect to accrue interest at the pounds sterling spot rate on the last day of an accrual period or, if the last day of an accrual period is within five business days of the receipt, the spot rate on the date of receipt. An election to accrue interest or OID at the spot rate will generally apply to all foreign currency denominated debt instruments held by the U.S. Holder, and is irrevocable without the consent of the IRS. Regardless of the method used to accrue interest, a U.S. Holder may have additional exchange gain or loss upon a subsequent disposition of the pounds sterling received.

Interest on the Notes received by a U.S. Holder will generally be treated as foreign source “passive income” for U.S. foreign tax credit purposes, or, in the case of a financial services entity, as “financial services income”. Any foreign currency gain or loss recognised by a U.S. Holder will generally be treated as U.S. source ordinary income or loss.

The amount realised on the sale, exchange, redemption or repayment of a Note is determined by translating the pounds sterling proceeds into U.S. dollars at the spot rate on the date the Note is disposed of, while a U.S. Holder’s tax basis in a Note will generally be the cost of the Note to the U.S. Holder, determined by translating the pounds sterling purchase price into U.S. dollars at the spot rate on the date the Note was purchased. A U.S. Holder will have a tax basis in pounds sterling received on the sale, exchange or retirement of a Note equal to the U.S. dollar value of the pounds sterling on the date of receipt. Exchange gain or loss on a sale, exchange, redemption or repayment of a note is recognised only to the extent of total gain or loss on the transaction.

Foreign exchange gain or loss recognised by a U.S. Holder on the sale, exchange or other disposition of a Note (including repayment at maturity) will generally be treated as U.S. source ordinary income or loss. Gain or loss in excess of exchange gain or loss on a Note will generally be treated as U.S. source capital gain or loss. Non-corporate taxpayers may be subject to favourable tax rates with respect to their net long-term capital gains.

Tax Treatment of U.S. Holders of Notes Treated as Equity

The following discussion relates to the Class G Notes as any other Class of Notes that is characterised as equity for U.S. federal income tax purposes. Prospective investors in the Class E and Class F Notes are urged to consult with their tax advisors to determine whether it is advisable for such investors to make the “QEF” election described below on a protective basis.

Investment in a Passive Foreign Investment Company and Related Rules

Based on the assets that the Issuer expects to hold and the income anticipated thereon, the Issuer will be classified as a passive foreign investment company (a “PFIC”) for U.S. tax purposes. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term of the Notes, and U.S. holders of Class G Notes should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC.

Unless a U.S. Holder elects to treat the Issuer as a qualified electing fund (as described in the next paragraph), upon certain distributions by the Issuer and upon a disposition of the Class G Notes at

a gain the Holder will be liable to pay tax at the highest tax rate on ordinary income in effect for each period to which the income is allocated plus interest on the tax, as if such distributions and gain had been recognised rateably over the U.S. Holder's holding period for the Class G Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution. Finally, assuming that the Issuer is a PFIC, a U.S. Holder who acquires Class G Notes from a decedent would not receive the step-up of the income tax basis to fair market value for such Class G Notes, but would have a tax basis equal to the decedent's basis, if lower.

If a U.S. Holder elects to treat the Issuer as a "qualified electing fund" (a "QEF"), distributions and gain will not be taxed as if recognised rateably over the U.S. Holder's holding period or subject to an interest charge, nor will the denial of a basis step-up at death described above apply. Instead, a U.S. Holder that makes a QEF election is required for each taxable year to include in income the holder's *pro rata* share of the ordinary earnings of the qualified electing fund as ordinary income and a *pro rata* share of the net capital gain of the qualified electing fund as long-term capital gain of the company, regardless of whether such earnings or gain have in fact been distributed, and subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. Consequently, in order to comply with the requirements of a QEF election, a U.S. Holder must receive from the Issuer certain information. The Issuer does not intend to supply U.S. Holders with the information needed for such Holders to comply with the requirements of the QEF election, and U.S. Holders should assume that they will not receive such information from the Issuer.

Investment in a Controlled Foreign Corporation

The Issuer may be classified as a controlled foreign corporation ("CFC"). In general, a foreign corporation will be classified as a CFC if more than 50.00 per cent. of the shares of the corporation, measured by reference to combined voting power or value, is owned (actually or constructively) by "U.S. Shareholders". A U.S. Shareholder, for this purpose, is any U.S. person that possessed (actually or constructively) 10.00 per cent. or more of the combined voting power of all classes of shares of a corporation. It is possible that the IRS would assert that the Class G Notes are *de facto* voting securities and the U.S. Holders possessing (actually or constructively) 10.00 per cent. or more of the sum of the aggregate outstanding principal amount of the Class G Notes are U.S. Shareholders. If this argument were successful and more than 50.00 per cent. of the Class G Notes (determined with respect to aggregate value or aggregate outstanding principal amount) are owned (actually or constructively) by such U.S. Shareholders, the Issuer would be treated as a CFC.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a deemed dividend (taxable as ordinary income) at the end of the taxable year of the Issuer in an amount equal to that person's *pro rata* share of the "subpart F income" of the Issuer. Amongst other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all or most of its income would be subpart F income. If more than 70.00 per cent. of the Issuer's income is subpart F income, then 100.00 per cent. of its income will be so treated.

Furthermore, if the Issuer were treated as a CFC and a U.S. Holder were treated as a U.S. Shareholder of the Issuer, the Issuer would not be treated as a PFIC with respect to such U.S. Holder for the period during which the Issuer remained a CFC and such U.S. Holder remained a U.S. Shareholder therein the "qualified portion" of the U.S. Holder's holding period for the Class G Notes. If the qualified portion of such U.S. Holder's holding period for the Class G Notes subsequently ceased (either because the Issuer ceased to be a CFC or the U.S. Holder ceased to be a U.S. Shareholder), then solely for purposes of the PFIC rules, such U.S. Holder's holding period for the Class G Notes would be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder had owned any Class G Notes for any period of time prior to such qualified portion and had not made a QEF election with respect to the Issuer. In that case, the Issuer would again be treated as a PFIC which is not a QEF with respect to such U.S. Holder and the beginning of such U.S. Holder's holding period for the Class G Notes would continue to be the date upon which such U.S. Holder acquired the Class G Notes.

Disposition of the Class G Notes

In general, a U.S. Holder of a Class G Note will recognise gain or loss upon the sale, exchange, redemption or other taxable disposition of a Class G Note equal to the difference between the amount realised and such Holder's adjusted tax basis in the Class G Note. Except as discussed

below, such gain or loss will be long-term capital gain or loss if the U.S. Holder held the Class G Note for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals (or whose income is taxable to U.S. individuals) may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset losses against ordinary income is limited.

Initially, a U.S. Holder's tax basis for a Class G Note will equal to the amount for the Class G Note. Such basis will be increased by amounts taxable to such U.S. Holder by virtue of the CFC rules, as applicable, and decreased by actual dividends from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable reduction to the U.S. Holder's tax basis for the Class G Note (as described above).

If the Class G Notes are interests in a PFIC, any gain realised on the sale, exchange, redemption or other taxable disposition of a Class G Note will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See *"Investment in a Passive Foreign Investment Company and Related Rules"*.

If the Issuer were treated as a CFC and a U.S. Holder were treated as a U.S. Shareholder of the Issuer, then any gain realised by such U.S. Holder upon the disposition of Class G Notes, other than gain constituting an excess distribution under the PFIC rules, if applicable, would be treated as ordinary income to the extent of the U.S. Holder's share of the current and/or accumulated earnings and profits of the Issuer. In this regard, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules.

Foreign Currency Considerations

For purposes of calculating any deemed distribution of earnings of the Issuer under the CFC or PFIC rules, the amount of such earnings is determined in the functional currency of the Issuer, and translated into Dollars at the average exchange rate for the taxable year of the Issuer. Amounts which are included in the income of the U.S. Holder upon receipt are translated into U.S. dollars at the spot rate on the date of receipt. U.S. Holders of Class G Notes may recognise foreign currency gain or loss attributable to movements in exchange rates between the times of deemed and actual distributions by the Issuer. Any such currency gain or loss will be treated for as ordinary income from the same source as the associated income inclusion.

Tax Treatment of the Tax-Exempt U.S. Holders

In general, a tax-exempt U.S. Holder of Notes will not be subject to tax on unrelated business taxable income ("UBTI") with respect to income from such securities regardless of whether they are treated as equity or debt for U.S. federal income tax purposes, except to the extent that such securities are considered debt-financed property (as defined in the Code) of that entity. A tax-exempt holder that owns more than 50.00 per cent. of the outstanding Class G Notes and also owns other Notes should consider the possible application of the special UBTI rules for amounts received from controlled entities.

Transfer Reporting Requirements

A U.S. person (including a tax exempt entity) that purchases the Class G Notes for cash will be required to file a Form 926 or similar form with the IRS if (i) such person owned, directly or by attribution, immediately after the transfer at least 10.00 per cent. by vote or value of the Issuer or (ii) if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds U.S.\$100,000. In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to 10.00 per cent. of the gross amount paid for such Class G Notes (subject to a maximum penalty of U.S.\$100,000, except in cases involving intentional disregard). U.S. persons should consult their tax advisers with respect to this or any other reporting requirement which may apply with respect to their acquisition of Class G Notes.

Information Reporting and Backup Withholding

The amount of interest and principal paid or accrued on the Notes and the proceeds from the sale of a Note to a U.S. Holder (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a U.S. Holder may be subject, under certain circumstances, to "backup withholding" with respect to interest and principal on a Note or the gross proceeds from the sale of a Note. Backup withholding generally applies only if the U.S. Holder:

- (A) fails to furnish his social security or other taxpayer identification number within a reasonable time after the request therefor;
- (B) furnishes an incorrect taxpayer identification number;
- (C) fails to report properly interest or OID;
- (D) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is his correct number and that he is not subject to backup withholding; or
- (E) in the case of a non-U.S. Holder, fails to meet certain certification requirements for exemptions.

Any amount withheld from a payment to a U.S. Holder under the backup withholding rules will be refunded or allowed as a credit against the U.S. Holder's United States federal income tax liability, provided that the required information is furnished to the IRS. U.S. Holder of Note should consult their tax adviser as to their qualification for exemption from backup withholding and the procedure for obtaining such an exemption.

CERTAIN U.S. ERISA AND OTHER CONSIDERATIONS

General

The U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code impose strict requirements on all employee benefit plans which are subject to ERISA or Section 4975 of the Code, and certain individual retirement accounts and other retirement plans and arrangements, as well as on collective investment funds and separate accounts in which such plans or arrangements are invested (all of which are hereinafter referred to as “Plans”), and on persons who are fiduciaries with respect of Plans. Any Plan fiduciary which proposes to cause a Plan to acquire the Notes will be required to determine whether such an investment is permitted under the governing Plan instruments and is prudent and appropriate for the Plan in view of its overall investment policy and the composition and diversification of its portfolio.

Prohibited Transaction Rules

In addition to the general fiduciary requirements described above, ERISA and the Code prohibit certain transactions involving the assets of a Plan and “disqualified persons” (within the meaning of the Code) and “parties in interest” (within the meaning of ERISA) who have certain specified relationships to the Plan. A party in interest or disqualified person who engages in such a “prohibited transaction” may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Each of the Issuer and Barclays Bank PLC may be a party in interest or a disqualified person with respect to a Plan that is considering purchasing the Notes. Therefore, the purchase by a Plan of Notes may give rise to a direct or indirect prohibited transaction under ERISA or the Code. Certain exemptions from the prohibited transaction rules may, however, be applicable depending in part on the type and circumstances of the Plan fiduciary making the decision to acquire the Notes. Any purchaser or holder of any Notes will be deemed to have represented by its purchase and holding thereof that either (i) it is not and for so long as it holds a Note will not be a Plan (or another employee benefit plan subject to any federal, state, local or foreign law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code) or (ii) the purchase, holding and subsequent disposition of the Notes are and will be exempt from the prohibited transaction rules of ERISA and Section 4975 of the Code (or in the case of any such other plan, are not in violation of any such substantially similar law). See “*Transfer Restrictions*”.

Plan Assets Regulation

An additional issue concerns the extent to which assets of the Issuer could themselves be treated as subject to ERISA. The United States Department of Labor has issued final regulations concerning the definition of what constitutes the assets of a Plan for purposes of ERISA and the prohibited transaction provisions of the Code (the “**Plan Assets Regulation**”). Under the Plan Assets Regulation, generally when a Plan invests in another entity, the Plan’s assets do not include, solely by reason of such investment, any of the underlying assets of the entity. The Plan Assets Regulation provides, however, that if a Plan acquires an “equity interest” (including for these purposes debt with substantial equity features) in an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless equity participation in the entity by “benefit plan investors” is not significant. For this purpose, the term “benefit plan investors” includes not only Plans but also employee benefit plans that are not subject to ERISA (such as, for example, plans maintained by governmental agencies or non-US companies). Under the Plan Assets Regulation, equity participation by benefit plan investors is considered “significant” on any date if, immediately after the most recent acquisition of a particular class of equity interests, benefit plan investors held 25 per cent. or more of the aggregate value of the interests in such class.

Consistently with the discussion above under “*Tax Considerations*”, the Issuer intends to take the position that for purposes of the Plan Assets Regulation, the Class A, AB, B, C and D Notes will not be considered “equity interests”. However, if any Class of Note is deemed to comprise equity interests in the Issuer, the Issuer may be considered to hold plan assets subject to ERISA. In particular, for purposes of the Plan Assets Regulation, the Notes will not constitute publicly offered securities, and the Issuer will not be an investment company or an operating company. Further, there can be no assurance that benefit plan investors will hold less than 25 per cent. of the total

value of a class of Notes at the completion of the initial offering of thereafter, and no monitoring or other measures will be undertaken with respect to the level of such ownership. If the Issuer's assets were deemed to include plan assets, each of the CDS Counterparty, the Cross-currency Swap Counterparty, the Cash Deposit Bank and other parties might be considered a fiduciary of investing Plans, and therefore subject, among other things, to the general fiduciary requirements of ERISA in exercising authority with respect to the management of the assets of the Issuer. Inasmuch as the CDS Counterparty, the Cross-currency CDS Counterparty, the Cash Deposit Bank and other parties may become a fiduciary with respect to the Plans that will purchase Notes, there may be an improper delegation by such Plans of the responsibility to manage plan assets. In addition, among other adverse results, in the event the Issuer were deemed to hold plan assets, certain transactions involving the Issuer could be deemed to constitute direct or indirect prohibited transactions, to the extent such transactions involved a disqualified person or party in interest with respect to a Plan holding Notes or were deemed to involve prohibited self-dealing.

Each purchaser of a Class A Note, Class AB Note, Class B Note, Class C Note or Class D Note or any interest in such Notes will be deemed to have represented and agreed that either (A) it is not acquiring and will not hold such Notes or any interest in any such Notes with the assets of any Plan or with the assets of any employee benefit plan ("Non-ERISA Plan") subject to any federal, state, local, non-U.S. or other law or regulation that contains one or more provisions that are substantively similar to Section 406 of ERISA or Section 4975 of the Code ("Similar Law"), or (B) its acquisition and holding of such Notes (or interests) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code, or a violation of any applicable Similar Law.

In order to attempt to prevent the assets of the Issuer from being considered plan assets for purposes of ERISA and Section 4975 of the Code, the Class E, F and G Notes are not intended for purchase or holding by certain employee benefit plans and certain other plans. Each purchaser of Class E, F and G Notes or any interest in a Class E, F or G Note will be deemed to have represented and agreed that: (i) it is not and for so long as it holds any Class E, F or G Notes it will not be a Plan; and (ii)(A) it is not, and for so long as it holds any Notes will not be, an employee benefit plan which is subject to any Similar Law, or (B) the purchase and holding of the Notes do not and will not violate any such Similar Law. See "*Transfer Restrictions*".

Any insurance company proposing to invest assets of its general account in the Notes should consider the extent to which such investment would be subject to the requirements of ERISA in light of the U.S. Supreme Court's decision in *John Hancock Mutual Life Insurance Co v. Harris Trust and Savings Bank* and under any subsequent legislation or other interpretative guidance that has or may become available relating to that decision.

The foregoing discussion is general in nature and is not intended to be comprehensive. Any fiduciary of a Plan considering the purchase of Notes should consult its legal advisers regarding the consequences of such purchase under ERISA and the Code. Plans that are governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), and certain non-US and other plans, are not subject to the prohibited transaction rules under ERISA. Nevertheless, investments by such plans must be made in accordance with governing plan documents and any applicable U.S. federal, state or local, or non-US, law.

The sale of any Notes to an employee benefit plan is in no respect a representation by the Issuer or any Manager that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular plan, or that such an investment is appropriate for such plans generally or any particular plan.

Any Plan and any employee benefit plan whether or not subject to ERISA or Section 4975 of the Code proposing to invest in the Notes should consult with its counsel to confirm that such investment will not result in a prohibited transaction that is not subject to an exemption and will satisfy the other requirements of ERISA and the Code (and, in the case of any non-ERISA plans, any additional U.S. federal, state or local, or non-U.S. legal requirements).

SUBSCRIPTION AND SALE

Subscription

Pursuant to the terms of the subscription agreement dated on or about 6 December 2005 (the “**Subscription Agreement**”), Barclays Bank PLC in its capacity as lead manager (the “**Lead Manager**”) and the Co-Managers (together, the “**Managers**” and each a “**Manager**”) have severally agreed, subject to certain conditions, to subscribe for the following Classes of Notes in each case at the issue price to the public indicated in the following table (in each case expressed as a percentage of the Initial Principal Amount of the relevant Class of Notes):

<i>Class of Notes</i>	<i>Issue Price to Public</i>	<i>Commission Rate to Managers</i>
Class A1 Notes	100%	0.100%
Class A2 Notes	100%	0.100%
Class A3 Notes	100%	0.100%
Class AB1 Notes	100%	0.150%
Class AB2 Notes	100%	0.150%
Class AB3 Notes	100%	0.150%
Class B1 Notes	100%	0.375%
Class B2 Notes	100%	0.375%
Class B3 Notes	100%	0.375%
Class C1 Notes	100%	0.575%
Class C2 Notes	100%	0.575%
Class C3 Notes	100%	0.575%
Class D1 Notes	100%	1.000%
Class D2 Notes	100%	1.000%
Class E Notes	100%	0.000%
Class F Notes	100%	0.000%
Class G Notes	100%	0.000%

The Issuer has agreed to pay the Managers a combined selling, management and underwriting commission in connection with the offer and sale of each Class of the Notes at the rate indicated in the above table (in each case expressed as a percentage of the Initial Principal Amount of the relevant Class of the Notes). The Issuer has also agreed to reimburse the Lead Manager for certain of its expenses in connection with the issue of the Notes, and to indemnify the Managers and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Any Notes to be offered to a prospective purchaser in the United States on the date of issuance will be offered to such prospective purchaser by the Lead Manager through its affiliates (within the meaning ascribed to that term in the Exchange Act) that are registered broker-dealers under the Exchange Act in compliance with the selling restrictions contained therein.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any part thereof or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Manager will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any part thereof, any other offering material in all cases at its own expense unless otherwise agreed and neither the Issuer nor any other Manager shall have responsibility therefor.

United States

The Notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S.

persons (as defined in Regulation S) except in the case of Notes offered in the United States, in reliance on Rule 144A to QIBs who are also QPs within the meaning of Section 2(a)(51) of the Investment Company Act.

Notes offered and sold outside the United States to non-U.S. persons may be sold in reliance on Regulation S. The Subscription Agreement provides that the Managers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes only to persons whom they reasonably believe are QIBs and QPs who can represent that (a) they are QPs who are QIBs within the meaning of Rule 144A; (b) they are not broker-dealers who own and invest on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers; (c) they are not participant-directed employee plans, such as a 401(k) plan; (d) they are acting for their own account, or the account of one or more QIBs each of which is a QP; (e) they are not formed for the purpose of investing in the Issuer; (f) each account for which they are purchasing will hold and transfer at least £50,000, €50,000 or U.S.\$100,000, as applicable, in principal amount of Notes at any time; (g) they understand that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries; and (h) they will provide notice of the transfer restrictions set forth in this Prospectus to any subsequent transferees.

Each Manager has acknowledged and agreed that it will offer and sell the Notes: (a) (i) as part of its distribution at any time and; (ii) otherwise until 40 days after the Closing Date (the “**40-Day Distribution Compliance Period**”), only in accordance with Rule 903 of Regulation S or, pursuant to Rule 144A or another exemption from the registration requirements under the Securities Act, and (b) it will send to each dealer or person receiving a selling concession, fee or other remuneration in respect of such Notes that purchases Notes from it in reliance on Regulation S a notice stating that such dealer or person receiving a selling concession, fee or other remuneration is subject to the same restrictions during the 40-Day Distribution Compliance Period.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering of the Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

United Kingdom

Each Manager has agreed that:

- (A) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (B) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Manager has represented and agreed that:

- (A) it has not offered, sold, delivered or transferred, and will not offer, sell, deliver or transfer, any of the Notes (including rights representing an interest in any Global Registered Certificate), as part of their initial distribution or at any time thereafter, directly or indirectly, in the world other than to Professional Market Parties that trade or invest in securities in the conduct of their profession or business; and
- (B) it will have sent to each person to which it sells Notes (including rights representing an interest in any Global Registered Certificate) a confirmation or other notice setting forth the above restrictions and stating that by purchasing any Note, the purchaser represents and agrees that it will send to any other person to whom it sells any such note a notice containing substantially the same statement as is contained in this sentence.

“Professional Market Parties” are any of the following persons but no other person:

- (i) banks, insurance companies, securities firms, collective investment institutions or pension funds that are (x) supervised under Dutch law or (y) established in a European Union member state (other than the Netherlands), Monaco, Puerto Rico, Saudi Arabia, Turkey, South Korea, the United States of America, Japan, Australia, Canada, Mexico, New Zealand or Switzerland and are subject to prudential supervision in their country of establishment;
- (ii) collective investment institutions which offer their shares or participations exclusively to professional investors (or, as far as foreign investment institutions are concerned to such investors located in the Netherlands) and are not required to be supervised or licensed under Dutch law;
- (iii) the Dutch government (de Staat der Nederlanden), the Dutch Central Bank (De Nederlandsche Bank N.V.), a foreign government body being part of a central government, a foreign central bank, Dutch or foreign regional, local decentralised governmental institutions, international treaty organisations and supranational organisations;
- (iv) enterprises or entities with total assets of at least euro 500,000,000 (or the equivalent thereof in another currency) as per the balance sheet as of the year end preceding the issue of the Notes;
- (v) enterprises, entities or individuals with net assets of at least euro 10,000,000 (or the equivalent thereof in another currency) as of the year end preceding the issue of the Notes who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding the issue of the Notes;
- (vi) subsidiaries of the entities referred to under (i) above provided such subsidiaries are subject to supervision; and
- (vii) Professional Market Parties as defined in section 1a paragraph 3 subsection a, b, d, e, f of the Exemption Regulation to the Dutch Securities Supervision Act 1995.

Republic of Ireland

- (A) Each Manager has represented and agreed that it has not offered or sold and will not offer or sell any Notes other than pursuant to a “prospectus” approved and filed with the Irish Financial Services Regulatory Authority (or any delegated Competent Authority (as defined in the Prospectus (Directive 2003/71/EC) Regulations 2005 (the “**Prospectus Regulations**”))) pursuant to the Prospectus Regulations and Irish prospectus law (as such term is defined in the Irish Investment Funds, Companies and Miscellaneous Provisions Act, 2005).
- (B) To the extent applicable, each Manager has confirmed that it has not and will not offer or sell any Notes other than in compliance with the EU Directive 2003/61/EU on insider dealing and market manipulation and the Prospectus Regulations.
- (C) To the extent applicable, each Manager has represented and agreed that it will not underwrite the issue of or place the Notes otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9, 23 (including any advertising restrictions made thereunder) and Section 37 (including any codes of conduct issued thereunder) the provisions of the Irish Investor Compensation Act, 1998, including without limitation, Section 21.

Italy

Each Manager has represented and agreed that:

- (A) the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in a solicitation to the public, and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations;
- (B) it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute copies of the Prospectus or any other document relating to the Notes in the Republic of Italy except to “Professional investors”, as defined in Article 31.2 of Regulation No. 11522 of 1st July 1998 issued by the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) (“**Regulation No. 11522**”), as amended, pursuant to Articles 30.2 and 100 of Legislative Decree No. 58 of 24th February 1998 (“**Decree No. 58**”), or in any other circumstances where

an express exemption from compliance with the solicitation restrictions provided by Decree No. 58 or CONSOB Regulation No. 11971 of 14th May 1999, as amended, applies, provided however, that any such offer, sale or delivery of Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1st September 1993 (“Decree No. 385”), Decree No. 58, Regulation No. 11522 and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of Decree No. 385 and the implementing instructions of the Bank of Italy, pursuant to which the issue or placement of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending, *inter alia*, on the amount of the issue and the characteristics of the securities, applies; and
- (iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

TRANSFER RESTRICTIONS

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

United States

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. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Notes are being sold outside the United States to non-U.S. persons in reliance on Regulation S and in the United States only to QIBs who are also QPs in reliance on the exemption from registration under the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Issuer has not registered, and does not intend to register, as an investment company under the Investment Company Act.

Rule 144A Global Registered Certificates

Each holder and beneficial owner of the Rule 144A Global Registered Certificates offered hereby will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

- (1) It (i) is a QIB that is also a QP; (ii) is not a broker-dealer that owns and invests on a discretionary basis less than U.S. \$25 million in securities of unaffiliated issuers; (iii) is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of such plan; (iv) is aware that the sale to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act; (v) is acquiring such Notes for its own account or for the account of a QIB who is also a QP; (vi) will hold and transfer such Notes in at least the Minimum Denominations for itself and for each account for which it is purchasing; (vii) understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories; (viii) will provide notice of the transfer restrictions to any subsequent transferees; (ix) is not formed for the purpose of investing in the Issuer or the Notes, and (x) is aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- (2) It understands that the Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act.
- (3) All Classes of Rule 144A Notes will bear a legend substantially to the following effect unless the Issuer has determined otherwise in accordance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (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, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A "QIB") THAT IS A QUALIFIED PURCHASER ("QUALIFIED PURCHASER") WITHIN THE MEANING OF SECTION 2(a)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QUALIFIED PURCHASER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, AND IN AN AMOUNT NOT LESS THAN (A) £50,000 PRINCIPAL AMOUNT OF NOTES IN THE CASE OF STERLING NOTES, (B) €50,000 PRINCIPAL AMOUNT OF NOTES IN THE CASE OF EURO NOTES (C) U.S.\$100,000 PRINCIPAL AMOUNT OF NOTES IN THE CASE OF U.S. DOLLAR NOTES, OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN

ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OF THIS NOTE, THE TRUSTEE OR ANY INTERMEDIARY, NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

EACH BENEFICIAL OWNER HEREOF REPRESENTS THAT (1) IT IS A QIB THAT IS ALSO A QUALIFIED PURCHASER; (2) IT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN; (4) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB THAT IS ALSO A QUALIFIED PURCHASER; (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER THIS NOTE; (6) IT, AND EACH ACCOUNT FOR WHICH IT HOLDS NOTES, WILL HOLD AND TRANSFER AT LEAST £50,000, €50,000 or U.S.\$100,000, AS APPLICABLE, IN PRINCIPAL AMOUNT OF NOTES; (7) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITARIES AND (8) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES. THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A PERSON WHO IS NOT A QIB THAT IS ALSO A QUALIFIED PURCHASER, THE ISSUER MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS NOTE TO A PERSON (I) WHO IS ALSO A QUALIFIED PURCHASER AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE ISSUER OR AN AFFILIATE OF THE ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THIS NOTE TO A PERSON WHO IS NOT A QIB AND A QUALIFIED PURCHASER.

THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

[The following paragraph is to be included in the legend to be included in relation to the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes:

EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER ARRANGEMENT SUBJECT TO THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR ANY OTHER EMPLOYEE BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR (II) ITS ACQUISITION OR HOLDING OF THIS NOTE OR ANY INTEREST THEREIN SHALL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SUCH LAWS.]

[The following paragraph is to be included in the legend to be included in relation to the Class E Notes, the Class F Notes and the Class G Notes:

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN REPRESENTS AND WARRANTS THAT FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN (1) IT IS NOT AND WILL NOT BE (I) A BENEFIT PLAN INVESTOR (AS DEFINED IN 29 C.F.R. SECTION 2510.3-101) THAT IS SUBJECT TO THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), AND (II)(A) IT IS NOT

AND WILL NOT BE A GOVERNMENTAL PLAN OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR ANY ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, AND (B) THE PURCHASE AND HOLDING HEREOF WILL NOT VIOLATE ANY SUCH SIMILAR LAW, AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY NOTE OR INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING REPRESENTATIONS, WARRANTIES AND COVENANTS FROM THAT PERSON.]

THE ISSUER MAY COMPEL EACH BENEFICIAL OWNER HEREOF TO CERTIFY PERIODICALLY THAT SUCH OWNER IS A QIB AND A QUALIFIED PURCHASER.

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND THIS NOTE OR ANY INTEREST HEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

- (4) It understands and acknowledges that its purchase and holding of any Class E Notes, Class F Notes or Class G Notes or any interest in such Notes constitutes a representation and agreement by it that by its purchase and holding of such Notes or any interest therein, the purchaser and/or holder thereof and each transferee will be deemed to have represented and warranted at the time of its purchase and throughout the period that it holds such Note or interest therein, that (A) it is not (i) a Benefit Plan investor (as defined in the Plan Assets Regulation) or (ii) a governmental plan or church plan that is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or any entity whose assets are treated as assets of any such Plan, and (B) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing representations and warranties.
- (5) It acknowledges that the Issuer, the Lead Manager and their respective affiliates, and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer and the Lead Manager. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts who are QIBs that are also QPs, it represents that it has sole investment discretion with respect to each such account, and that it has full power to make the above acknowledgements, representations and agreements on behalf of each such account.
- (6) It understands that the Rule 144A Notes will be evidenced by the Rule 144A Global Registered Certificate. Before any interest in the Rule 144A Global Registered Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Constituting Instrument) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

- (7) In the case of any Class A Notes, Class AB Notes, Class B Notes, Class C Notes or Class D Notes or any interest in such Notes either: (A) it is not, and for so long as it holds such Notes will not be, an “employee benefit plan” subject to ERISA, a plan subject to Section 4975 of the Code, a person or entity whose assets include the assets of any such “employee benefit plan” or “plan” by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan subject to any US. federal, state or local, or non-US, law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code; or (B) the purchase and holding of the such Notes is and will be exempt from the prohibited transaction rules of ERISA and Section 4975 of the Code (or in the case of any such other employee benefit plan, is not in violation of any such substantially similar law).

- (8) In the case of any Class E Notes, Class F Notes or Class G Notes or any interest in such Notes: (A) (i) it is not, and for so long as it holds such Notes will not be, a “benefit plan investor” (as defined in 29 C.F.R. Section 2510.3-101) that is subject to ERISA or Section 4975 of the Code, and (ii) (a) it is not, and for so long as it holds such Notes will not be, a governmental plan or church plan that is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or any entity whose assets are treated as assets of any such plan and (b) the purchase and holding of any such Notes will not violate any such similar law, and (B) it will not sell or otherwise transfer any Note or interest therein to any person without first obtaining these same foregoing representations, warranties and covenants from that person.
- (9) It will not, at any time, offer to buy or offer to sell the Notes by any directed selling efforts or by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice of other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertisements.
- (10) If it is a U.S. person, (A) it has purchased the Notes in the ordinary course of its investment business, for a bona fide business purpose; and (B) it has not been formed for the purpose of investing in the Issuer.
- (11) It acknowledges and agrees that: (A) no Manager nor any affiliates of any Manager are acting as a fiduciary or financial or investment adviser 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 any Manager or any of its affiliates; and (C) it has consulted with its own legal, regulatory, tax, business, investment, financial, accounting and other advisers 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 advisers as it has deemed necessary and not upon any view expressed by any Manager or its affiliates.

Regulation S Global Registered Certificates

Each purchaser of Regulation S Notes outside the United States and each subsequent purchaser of Regulation S Notes in resales (A) in the case of (1), (2) and (3) below, prior to the expiration of the distribution compliance period, and (B) in the case of (4) and (5) below, throughout the period that it holds such Note, by accepting delivery of this Prospectus and the Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It (a) is, or at the time Regulation S Notes are purchased will be, the beneficial owner of such Regulation S Notes and (b) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (c) it is not an affiliate (as defined in the Securities Act) of the Issuer or a person acting on behalf of such an affiliate.
- (2) It understands that the Regulation S Notes have not been and will not be registered under the Securities Act and, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A in an amount of not less than (i) £50,000 principal amount of Notes in the case of Sterling Notes, (ii) €50,000 principal amount of Notes in the case of Euro Notes and (iii) U.S.\$100,000 principal amount of Notes in the case of U.S. dollar Notes, to a person that it and any person acting on its behalf reasonably believes is a QIB that is also a QP purchasing for its own account or the account of a QIB that is also a QP each of which is purchasing not less than (i) £50,000 principal amount of Notes in the case of Sterling Notes, (ii) €50,000 principal amount of Notes in the case Euro Notes and (iii) U.S.\$100,000 principal amount of Notes in the case of U.S. dollar Notes, or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that the Regulation S Notes will be evidenced by the Regulation S Global Registered Certificate. Before any interest in the Regulation S Global Registered Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Registered Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Constituting Instrument) as to compliance with applicable securities laws.

- (4) It acknowledges that the Issuer, Lead Manager and their respective affiliates and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Notes is no longer accurate, it shall promptly notify the Issuer and the Lead Manager. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.
- (5) it is not a U.S. person and is purchasing Notes in an offshore transaction pursuant to Regulation S and is located outside the United States (within the meaning of Regulation S). In the case of the U.S. Offered Notes, it understands that in the event that at any time the Issuer determines or is notified that it was in breach, at the time given, of any of the representations set forth in this paragraph (1), the Issuer or the Trustee may consider the acquisition of the U.S. Offered Notes or interest in the U.S. Offered Notes void and require that the U.S. Offered Notes or such interest be transferred to a person designated by the Issuer.
- (6) In the case of any Class A Notes, Class AB Notes, Class B Notes, Class C Notes or Class D Notes or any interest in such Notes either: (A) it is not, and for so long as it holds such Notes will not be, an “employee benefit plan” subject to ERISA, a plan subject to Section 4975 of the Code, a person or entity whose assets include the assets of any such “employee benefit plan” or “plan” by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan subject to any US. federal, state or local, or non-US, law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code; or (B) the purchase and holding of the such Notes is and will be exempt from the prohibited transaction rules of ERISA and Section 4975 of the Code (or in the case of any such other employee benefit plan, is not in violation of any such substantially similar law).
- (7) In the case of any Class E Notes, Class F Notes or Class G Notes or any interest in such Notes: (A) (i) it is not, and for so long as it holds such Notes will not be, a “benefit plan investor” (as defined in 29 C.F.R. Section 2510.3-101) that is subject to ERISA or Section 4975 of the Code, and (ii) (a) it is not, and for so long as it holds such Notes will not be, a governmental plan or church plan that is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or any entity whose assets are treated as assets of any such plan and (b) the purchase and holding of any such Notes will not violate any such similar law, and (B) it will not sell or otherwise transfer any Note or interest therein to any person without first obtaining these same foregoing representations, warranties and covenants from that person.

The Netherlands

Each purchaser of Notes, whether represented by a Rule 144A Global Registered Certificate or a Regulation S Global Registered Certificate, will be deemed to have represented and agreed as follows:

- (i) the purchaser is purchasing the Notes for its own account or for the account of a Professional Market Party to which notice has been given that the transfer is being made in reliance on it being a Professional Market Party, and not with a view to any public resale or distribution thereof;
- (ii) such purchaser has confirmed it is a Professional Market Party and is aware that any sale and transfer of the Notes to it will be made in reliance on such confirmation; and
- (iii) such purchaser has agreed and each subsequent purchaser of the Notes by its acceptance thereof will agree, to offer, to sell, to resell, or to transfer such Notes only (a) to the Issuer or (b) to a person it reasonably believes is a Professional Market Party that purchases for its own account or for the account of a Professional Market Party to which notice has been given that the transfer is being made in reliance on it being a Professional Market Party. Such purchaser acknowledges that the Notes bear a legend substantially to the following effect:

THIS NOTE (OR INTEREST THEREIN) MAY NOT, DIRECTLY OR INDIRECTLY, BE, OR ANNOUNCED TO BE, OFFERED, SOLD, RESOLD, TRANSFERRED, OR DELIVERED PRIOR TO ITS INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, TO OR TO THE ORDER OF OR FOR THE ACCOUNT OF ANY PERSON ANYWHERE IN THE WORLD, OTHER THAN PROFESSIONAL MARKET PARTIES

("PROFESSIONAL MARKET PARTIES"), INCLUDING, INTER ALIA, (I) REGULATED CREDIT INSTITUTIONS, INSURANCE COMPANIES, SECURITIES FIRMS, INVESTMENT INSTITUTIONS AND PENSION FUNDS IN A MEMBER STATE OF THE EUROPEAN UNION, LIECHTENSTEIN, ICELAND, NORWAY, HUNGARY, MONACO, POLAND, PUERTO RICO, SAUDI ARABIA, SLOVAKIA, THE CZECH REPUBLIC, TURKEY, SOUTH KOREA THE UNITED STATES OF AMERICA, JAPAN, AUSTRALIA, CANADA, MEXICO, NEW ZEALAND OR SWITZERLAND AND REGULATED SUBSIDIARIES THEREOF, (II) CENTRAL AND LOCAL GOVERNMENTS, CENTRAL BANKS, INTERNATIONAL TREATY ORGANISATIONS, SUPRANATIONAL INSTITUTIONS, (III) ENTERPRISES AND INSTITUTIONS WITH ASSETS TOTALLING EUR 500,000,000 OR MORE, (IV) ENTERPRISES, INSTITUTIONS OR NATURAL PERSONS WITH NET EQUITY OF AT LEAST EUR 10,000,000 AND WHICH OR WHO HAVE DURING TWO CALENDAR YEARS BEEN ACTIVE ON THE FINANCIAL MARKETS AT LEAST TWICE PER MONTH, AND (V) A PROFESSIONAL MARKET PARTY AS DEFINED IN SECTION 1A PARAGRAPH 3 SUBSECTION A, B, D, E, F, OF THE DUTCH SECURITIES SUPERVISION ACT 1995 ALL WITHIN THE MEANING OF AND AS FURTHER DESCRIBED AND DEFINED IN SECTION 1, PARAGRAPH E, OF THE DUTCH MINISTERIAL REGULATION OF 26 JUNE 2002, AS AMENDED FROM TIME TO TIME, IMPLEMENTING, INTER ALIA, SECTION 6, PARAGRAPH 2 OF THE 1992 ACT ON THE SUPERVISION OF THE CREDIT SYSTEM (WET TOEZICHT KREDIETWEZEN 1992) OF THE NETHERLANDS, AS AMENDED FROM TIME TO TIME.

THE HOLDER OF THIS NOTE (OR INTEREST THEREIN) BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL, RESELL, TRANSFER OR DELIVER SUCH NOTE ONLY (A) TO THE ISSUER OR (B) TO A PERSON IT REASONABLY BELIEVES IS A PROFESSIONAL MARKET PARTY THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A PROFESSIONAL MARKET PARTY TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON IT BEING A PROFESSIONAL MARKET PARTY.

EACH PURCHASER OF THIS NOTE (OR INTEREST THEREIN), BY ITS ACCEPTANCE HEREOF, WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS ACTING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ANOTHER PROFESSIONAL MARKET PARTY.

ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IF AT ANY TIME, THE ISSUER DETERMINES OR IS NOTIFIED THAT THE HOLDER OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN WAS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE REPRESENTATIONS SET FORTH IN THE TRUST DEED, THE ISSUER OR THE TRUSTEE WILL CONSIDER THE ACQUISITION OF THIS NOTE OR SUCH INTEREST IN THIS NOTE VOID AND REQUIRE THAT THIS NOTE OR SUCH INTEREST HEREIN BE TRANSFERRED TO A PERSON DESIGNATED BY THE ISSUER.

GENERAL INFORMATION

Interests of Natural and Legal Persons Involved in the Issue

Save as otherwise described in this document, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

Reasons for the Issue and Estimated Total Expenses

Reasons for the Issue:

On the Closing Date, the gross proceeds of the issue and sale of the Sterling Notes, the Euro Notes and the U.S. dollar Notes will be £1,403,000,000, €2,074,000,000, and \$3,758,000,000 respectively. After deducting the Managers' commissions from the gross proceeds and exchanging the net proceeds of the Euro Notes and U.S. dollar Notes under the relevant Cross-currency Swap Agreements, the aggregate net proceeds to the Issuer from the issue and sale of the Notes will be £4,993,750,000. This amount, together with the Initial CDS Payment to the Issuer under the Credit Default Swap Agreement in the amount of £6,250,000, will be credited to the balance of the Cash Deposit Account held in the name of the Issuer with the Cash Deposit Bank.

Estimated Total Expenses of Listing:

€26,000

Yield

Details of the interest payable under the Notes are set out in Condition 8 (*Interest*) of "*Conditions of the Notes*" above. Details of historic Sterling LIBOR and U.S. dollar LIBOR rates can be obtained from Moneyline Telerate page 3750 and details of historic EURIBOR rates can be obtained from Moneyline Telerate page 248.

Resolutions, Authorisations and Approvals by Virtue of which the Notes have been Issued

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes. The issue of the Notes was authorised by a resolution of the Managing Director of the Issuer passed on 23 November 2005.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the twelve months prior to the date hereof a significant effect on the Issuer's financial position or profitability in the context of the offering of the Notes.

Post-Issuance Reporting

Save as otherwise described in this document, the Issuer does not intend to provide post-issuance information.

Securities Codes

The Rule 144A Notes in respect of each Class of U.S. dollar Notes have been accepted for clearance through DTC and the Regulation S Notes in respect of each Class of U.S. dollar Notes have been accepted for clearance through Euroclear and Clearstream. The Regulation S Notes and Rule 144A Notes in respect of each Class of Sterling Notes and each Class of Euro Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The applicable securities codes for each Class of Notes are as follows:

<i>Class</i>	<i>Global Registered Certificate</i>	<i>Clearance and Settlement</i>	<i>Securities Codes</i>	
A1	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0236701784
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23670178
	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237697197
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23769719
A2	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237018048
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701804
	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237588651
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23758865
A3	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	USN5135GAW61
	Rule 144A Global Registered Certificate	DTC	CUSIP	N5135G AW6
AB1	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	US513275AA57
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	CUSIP	513275 AA5
AB2	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0236701941
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23670194
AB3	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237696462
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23769646
B1	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237017230
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701723
B2	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237590988
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23759098
B3	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	USN5135GAU06
	Rule 144A Global Registered Certificate	DTC	CUSIP	N51359 AU0
C1	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	US513275AB31
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	CUSIP	513275 AB3
C2	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0236702162
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23670216
C3	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237699482
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23769948
C4	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237016422
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701642
C5	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237591879
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23759187
C6	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	USN5135GAJ50
	Rule 144A Global Registered Certificate	DTC	CUSIP	N5135G AJ5
C7	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	US513275AC14
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	CUSIP	513275 AC1
C8	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0236702246
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23670224
C9	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237699722
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23769972
C10	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237016000
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701600
C11	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237592505
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23759250
C12	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	USN5135GAK24
	Rule 144A Global Registered Certificate	DTC	CUSIP	N5135G AK2
C13	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	US513275AD96
	Rule 144A Global Registered Certificate	DTC	CUSIP	513275 AD9

<i>Class</i>	<i>Global Registered Certificate</i>	<i>Clearance and Settlement</i>	<i>Securities Codes</i>	
D1	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0236702329
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23670232
D2	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237700249
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23770024
E	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237015374
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701537
F	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237593222
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23759322
G	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237014724
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701472
F	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237593909
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23759390
G	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237013833
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701383
G	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237594469
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23759446
G	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237013320
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23701332
G	Regulation S Global Registered Certificate	Euroclear/Clearstream, Luxembourg	ISIN	XS0237595193
	Rule 144A Global Registered Certificate	Euroclear/Clearstream, Luxembourg	Common Code	23759519

Documents Available for Inspection

From the date of this document and for so long as any Notes remain outstanding hard copies of the following documents will be available, during usual business hours, for inspection at the registered office of the Issuer, the principal office of the Trustee, the specified office of the Registrar and the specified office of the Transfer Agent:

- (1) the Deed of Incorporation of the Issuer;
- (2) the Management Agreement;
- (3) the Constituting Instrument in respect of the Notes and each document incorporated by reference into such Constituting Instrument;
- (4) the Subscription Agreement;
- (5) the Credit Default Swap Agreement;
- (6) each Cross-currency Swap Agreement;
- (7) the Cash Deposit Agreement;
- (8) the Transaction Account Bank Agreement;
- (9) the Reserve Account Agreement;
- (10) the Cash Administration Agreement;
- (11) the Verification Agency Agreement;
- (12) the forms of the Global Registered Certificates; and
- (13) Quarterly Reference Portfolio Periodic Reports.

Available Information

The Issuer has agreed that, for so long as any Rule 144A Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

Each time an annual or other periodic report of Issuer is sent to the holders of Rule 144A Notes, it will be accompanied by a reminder notice that: (a) each holder of Rule 144A Notes is required to be a QIB and a QP that can make the representations set forth in “*Transfer Restrictions – Rule*

144A Global Registered Certificates”, (b) the Rule 144A Notes can only be transferred to a QIB that is also a QP which is capable of making the same representations, and (c) the Issuer has the right to force any holder of Rule 144A Notes that is not a QIB and a QP to sell its Rule 144A Notes.

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CHARACTERISTICS OF THE INITIAL REFERENCE PORTFOLIO

This information in this table is correct as at 31 July 2005

Loan Number	Borrower Number	Reference Obligation Outstanding Debt (€)	Reference Obligation Notional Amount (€)	Industry (Moody's)	Reference Obligation	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Firm/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Previous Year's Assets Less Current Liabilities of Borrower (€)	Turnover of Borrower (€)	Previous Year's Turnover of Borrower (€)	Profit (Loss) of Borrower for Period (€)	Previous Year's Profit (Loss) of Borrower (€)
1	1	2,430,314	2,430,314	Retail Stores	Retailers (except food & drug)	12.00				2005	6,970,000	4,231,000	4,227,000	24,313,000	105,000	(347,000)
2	2	2,172,508	2,172,508	Retail Stores	Retailers (except food & drug)	2.00				2004	7,282,000	4,812,000	21,145,000	18,898,000	650,000	746,000
3	3	7,315,789	2,926,516	Hotels, Motels, Inns and Gaming	Hotels, Motels, Inns and Food service	10.00				2003	22,988,680	22,831,679	15,634,050	16,011,375	291,990	492,906
4	4	3,320,065	2,656,052	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Industrial equipment	12.00				2004	17,737,000	18,924,000	67,858,000	66,016,000	1,190,000	3,528,000
5	5	39,700,000	31,760,000	Healthcare, Education and Childcare	Conglomerates	12.00				2003	168,789,000	221,395,000	80,975,000	46,463,000	(24,486,000)	30,968,000
6	6	18,625,000	18,625,000	Automobile	Surface transport	85.00				N/A	N/A	N/A	N/A	N/A	N/A	8,029,000
7	7	13,000,000	13,000,000	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Conglomerates	12.00				2004	94,962,000	98,660,000	268,920,000	272,141,000	4,849,000	8,029,000
8	8	2,407,020	1,925,616	Diversified/ Conglomerate Service	Business equipment & services	46.60			Publicly Rated	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	9	6,503,445	5,202,756	Mining, Steel, Iron and Non Precious Metals	Industrial equipment	29.00		Y		2003	93,289,000	88,772,000	176,781,000	172,698,000	(11,105,000)	(244,000)
10	9	6,500,000	5,200,000	Mining, Steel, Iron and Non Precious Metals	Industrial equipment	29.00		Y		2003	93,289,000	88,772,000	176,781,000	172,698,000	(11,105,000)	(244,000)
11	10	2,000,000	1,600,000	Diversified Natural Resources, Precious	Home furnishings	12.00				2004	8,124,000	7,795,000	36,176,000	29,433,000	340,000	339,000
12	11	9,818,234	9,818,234	Beverage, Food and Tobacco	Food products	12.00				2003	18,270,000	16,712,000	42,120,000	36,955,000	2,257,000	2,759,000
13	12	1,500,746	1,500,746	Electronics	Business equipment & services	58.33				2004	132,347	51,382	0	0	0	0
14	13	2,868,798	2,295,039	Aerospace and Defense	Surface transport	12.00				2004	1,976,900,000	2,078,500,000	2,733,400,000	3,056,100,000	212,900,000	113,300,000
15	14	5,429,841	4,343,873	Aerospace and Defense	Surface transport	12.00				2003	13,682,000	15,102,000	891,800,000	74,248,000	(1,938,000)	(1,812,000)
16	15	4,546,000	3,636,800	Chemicals, Plastics and Rubber	Conglomerates	53.00				2004	16,086,000	15,047,000	31,319,000	31,071,000	740,000	371,000
17	16	15,338,295	15,338,295	Diversified Natural Resources, Precious	Nonferrous metals/ minerals	22.57		Y		2003	1,327,300,000	1,501,000,000	1,458,900,000	1,378,200,000	94,900,000	89,200,000
18	17	15,847,552	12,678,042	Personal, Food and Miscellaneous	Business equipment & services	46.50				2004	289,500,000	318,300,000	323,600,000	331,800,000	18,800,000	27,300,000
19	17	12,781,912	10,225,530	Personal, Food and Miscellaneous	Business equipment & services	22.50				2004	289,500,000	318,300,000	323,600,000	331,800,000	18,800,000	27,300,000
20	18	4,351,371	1,820,548	Printing and Publishing	Publishing	26.00				2004	10,403,434	10,019,723	15,760,074	8,032,035	1,047,076	592,792
21	19	2,700,000	2,160,000	Chemicals, Plastics and Rubber	Chemicals & plastics	12.00				2004	349,880,000	351,228,000	306,304,000	248,886,000	18,303,000	1,38,000
22	20	12,500,000	10,000,000	Chemicals, Plastics and Rubber	Chemicals & plastics	12.00				2003	(187,760,000)	(110,033,000)	0	0	(78,698,000)	(41,880,000)
23	21	15,026,236	12,020,989	Telecommunications	Surface transport	34.43		Y		2004	75,410,000	44,463,900	200,022,000	62,982,471	(3,414,000)	272,827
24	22	4,395,022	1,758,009	Hotels, Motels, Inns and Gaming	Food service	12.00	2			2003	11,167,743	12,463,105	9,352,327	4,525,280	(1,445,259)	(291,394)
25	22	4,308,368	1,723,347	Hotels, Motels, Inns and Gaming	Food service	1.37	2			2003	11,167,743	12,463,105	9,352,327	4,525,280	(1,445,259)	(291,394)
26	23	3,000,000	2,400,000	Retail Stores	Retailers (except food & drug)	6.00	2			2004	35,805,000	36,723,000	187,374,000	187,362,000	1,841,000	4,003,000
27	23	7,000,000	5,600,000	Retail Stores	Retailers (except food & drug)	12.00	2			2004	35,805,000	36,723,000	187,374,000	187,362,000	1,841,000	4,003,000
28	23	2,455,219	1,964,176	Retail Stores	Retailers (except food & drug)	12.00	2			2004	35,805,000	36,723,000	187,374,000	187,362,000	1,841,000	4,003,000
29	24	1,993,564	1,993,564	Diversified/ Conglomerate Service	Business equipment & services	12.00				N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	25	12,000,000	12,000,000	Diversified/ Conglomerate Service	Business equipment & services	47.63				2003	129,137,421	113,176,000	939,524	165,045,000	(6,669,422)	2,719,000
31	25	7,000,000	7,000,000	Diversified/ Conglomerate Service	Business equipment & services	47.63				2003	129,137,421	113,176,000	939,524	165,045,000	(6,669,422)	2,719,000
32	26	1,815,000	1,815,000	Cargo Transport	Oil & gas	97.50				2004	24,207,050	21,091,188	220,169,434	195,782,358	2,613,204	2,237,080
33	27	10,857,994	4,343,198	Personal and Non-Durable Consumer Products (Manufacturing Only)	Conglomerates	23.30				N/A	N/A	N/A	N/A	N/A	N/A	N/A

Loan Number	Borrower Number	Barclays Business Expect/Loss Grade	Barclays Severity (%)	Reference Obligation Outstanding Debt (€)	Reference Obligation National Amount (€) Industry (Moody's)	Reference Industry (S&P)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Firm/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Previous Year's Assets Less Current Liabilities of Borrower (€)	Turnover of Borrower (€)	Previous Year's Turnover of Borrower (€)	Profit (Loss) of Borrower for Period of Borrower(€)	Previous Year's Profit (Loss) of Borrower(€)	
74	59	1.2	60	4,800,000	4,800,000 Beverage, Food and Tobacco	Food products	31/07/2006	12.00	1			2003	226,636,000	221,159,000	436,235,000	400,945,000	28,907,000	17,777,000	
75	59	1.2	60	2,800,000	2,800,000 Beverage, Food and Tobacco	Food products	31/07/2006	12.00	1			2003	226,636,000	221,159,000	436,235,000	400,945,000	28,907,000	17,777,000	
76	59	1.2	60	2,700,000	2,700,000 Beverage, Food and Tobacco	Food products	31/07/2006	12.00	1			2003	226,636,000	221,159,000	436,235,000	400,945,000	28,907,000	17,777,000	
77	59	1.2	60	2,500,000	2,500,000 Beverage, Food and Tobacco	Food products	31/07/2006	12.00	1			2003	226,636,000	221,159,000	436,235,000	400,945,000	28,907,000	17,777,000	
78	59	1.2	60	2,000,000	2,000,000 Beverage, Food and Tobacco	Food products	31/07/2006	12.00	1			2003	226,636,000	221,159,000	436,235,000	400,945,000	28,907,000	17,777,000	
79	60	2.1	54	8,000,000	8,000,000 Retail Stores	Retailers (except food & drug)	27/06/2010	58.90				2003	7,040,340	15,494,519	49,196,749	39,983,070	6,050,085	5,947,850	
80	61	1.8	39	30,000,000	24,000,000 Retail Stores	Retailers (except food & drug)	04/11/2008	39.13		Y		2004	248,531,000	237,770,000	889,763,000	882,190,000	89,964,000	87,359,000	
81	62	2.1	10	4,288,429	1,715,972 Banking	Financial intermediaries	31/07/2006	12.00				2004	195,508,000	203,643,000	63,349,000	51,186,000	6,347,000	7,978,000	
82	63	2.1	60	2,017,918	2,017,918 Buildings and Real Estate	Building & Development	31/07/2006	12.00				2003	531,060	723,543	433,896	10,237,198	176,462	169,381	
83	64	6	28	5,703,656	2,281,463 Leisure, Amusement, Entertainment	Leisure, goods/ activities/movies	31/07/2006	12.00	2			2004	42,568,057	43,710,473	40,843,024	45,438,293	(5,107,053)	(12,005,192)	
84	64	6	28	6,123,000	2,450,000 Leisure, Amusement, Entertainment	Leisure, goods/ activities/movies	01/09/2011	73.03	2			2004	42,568,057	43,710,473	40,843,024	45,438,293	(5,107,053)	(12,005,192)	
85	65	5	28	7,168,920	2,867,568 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00	2			2003	9,884,000	948,000	98,399,000	86,157,000	26,000	(7,274,000)	
86	66	5	100	1,721,130	1,721,130 Healthcare, Education and Childcare	Public Administration / Non-corporate	31/07/2006	12.00			Publicly Rated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
87	67	3	36	10,548,387	8,438,710 Retail Stores	Retailers (except food & drug)	30/09/2015	122.00				2005	28,647,000	25,775,000	15,986,000	18,846,000	1,753,000	(573,000)	
88	68	2.1	25	16,000,000	6,400,000 Healthcare, Education and Childcare	Health care	30/04/2015	117.00				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
89	69	2.5	52	43,075,487	35,000,000 Mining, Steel, Iron and Non-Precious Metals	Industrial equipment	29/07/2006	11.97		Y		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90	70	4	15	8,000,000	3,200,000 Hotels, Motels, Inns and Gaming	Food service	28/11/2005	3.93				2004	713,000,000	654,100,000	457,200,000	448,400,000	18,900,000	(17,300,000)	
91	71	3	49	10,400,000	8,320,000 Farming and Agriculture	Conglomerates	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
92	71	3	49	7,000,000	5,600,000 Farming and Agriculture	Conglomerates	31/07/2006	12.00				2004	1,667,715	1,228,871	2,149,083	1,924,501	438,844	362,149	
93	72	2.1	28	4,507,826	1,803,130 Automobile	Surface transport	31/07/2006	12.00				2004	1,667,715	1,228,871	2,149,083	1,924,501	438,844	362,149	
94	73	1.2	15	6,322,680	2,520,072 Banking	Financial intermediaries	15/05/2014	103.50			Film	N/A	0	0	0	0	0	0	0
95	73	1.2	15	4,100,964	1,640,386 Banking	Financial intermediaries	15/05/2014	103.50			Film	N/A	0	0	0	0	0	0	0
96	74	3	22	10,944,338	3,591,582 Hotels, Motels, Inns and Gaming	Food service	31/07/2006	12.00		Y		N/A	0	0	0	0	0	0	0
97	74	3	22	32,016,665	9,921,531 Hotels, Motels, Inns and Gaming	Food service	31/10/2007	27.00		Y		2003	87,867,000	82,436,000	87,316,000	84,006,000	9,662,000	(2,529,000)	
98	74	3	22	30,911,115	9,578,936 Hotels, Motels, Inns and Gaming	Food service	31/10/2007	27.00		Y		2003	87,867,000	82,436,000	87,316,000	84,006,000	9,662,000	(2,529,000)	
99	74	3	22	19,621,480	6,080,431 Hotels, Motels, Inns and Gaming	Food service	31/10/2009	51.00		Y		2003	87,867,000	82,436,000	87,316,000	84,006,000	9,662,000	(2,529,000)	
100	74	3	22	19,450,740	6,027,521 Hotels, Motels, Inns and Gaming	Food service	31/10/2008	39.00		Y		2003	87,867,000	82,436,000	87,316,000	84,006,000	9,662,000	(2,529,000)	
101	75	6	28	4,430,863	1,772,345 Beverage, Food and Tobacco	Food products	31/07/2006	12.00	2			2003	12,702,000	13,371,000	51,728,000	51,301,000	(463,000)	(1,860,000)	
102	76	5	60	2,080,000	2,080,000 Automobile	Retailers (except food & drug)	20/05/2009	45.67				2004	5,185,096	0	34,750,402	0	467,793	0	0
103	76	5	60	1,746,857	1,746,857 Automobile	Retailers (except food & drug)	31/07/2006	12.00				2004	5,185,096	0	34,750,402	0	467,793	0	0
104	77	3	60	2,769,442	2,769,442 Oil and Gas	Oil & gas	31/07/2006	12.00				2003	59,462,000	68,424,000	107,142,000	99,045,000	348,000	2,240,000	
105	78	2.1	15	4,886,206	1,954,483 Leisure, Amusement, Entertainment	Leisure, goods/ activities/movies	31/07/2006	12.00				2004	1,221,226	1,339,713	2,915,000	2,915,660	(118,887)	(177,182)	
106	79	1.8	60	1,561,217	1,561,217 Chemicals, Plastics and Rubber	Chemicals & plastics	31/07/2006	12.00				2003	31,157,848	22,277,935	209,465,827	171,020,249	8,273,100	1,884,592	
107	80	3	47	4,063,625	3,250,900 Home and Office Furnishings, Housewares, and Durable Consumer Products	Conglomerates	31/07/2006	12.00				2004	43,515,000	31,543,000	142,442,000	139,046,000	1,487,000	2,745,000	
108	81	2.1	100	1,910,042	1,910,042 Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	31/07/2006	12.00				2003	12,259,593	12,764,925	10,129,047	10,854,555	(446,513)	(147,644)	
109	82	2.1	48	5,000,000	4,000,000 Cargo Transport	Oil & gas	30/06/2006	11.00				2003	71,390,000	5,065,000	28,990,000	27,274,000	(3,454,000)	(1,635,000)	
110	83	6	28	6,675,881	2,670,352 Automobile	Retailers (except food & drug)	31/07/2006	12.00				2003	34,222,000	56,429,000	586,254,000	717,384,000	2,745,000	3,701,000	

Loan Number	Borrower Number	Barclays Business Expectancy Grade	Barclays Severity (%)	Reference Obligation Outstanding Debt (€)	Reference Obligation National Amount (€) Industry (Moody's)	Reference Industry (S&P)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Firm/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Assets Less Current Liabilities of Borrower (€)	Turnover of Borrower (€)	Previous Year's Turnover of Borrower (€)	Profit (Loss) of Borrower for Period of Borrower (€)	Previous Year's Profit (Loss) of Borrower (€)
154	114	3	60	1,500,000	1,500,000 Machinery (Non-Agriculture, Non-Construction, Non-Electrical)	Industrial equipment services	31/07/2006	12.00	1			2003	169,920	1,133,843	6,939,767	5,877,642	(665,123)	(1,441,230)
155	115	2.1	61	4,950,000	4,950,000 Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00		Publicly Rated		N/A	N/A	N/A	N/A	N/A	N/A	N/A
156	116	4	28	4,000,000	1,600,000 Machinery (Non-Agriculture, Non-Construction, Non-Electrical)	Conglomerates	16/01/2006	5.53				2003	1,721,398	1,443,148	5,408,321	5,666,521	487,200	592
157	117	1.8	75	3,557,117	3,557,117 Personal Food and Miscellaneous	Food service	31/07/2006	12.00		Y		N/A	N/A	N/A	N/A	N/A	N/A	N/A
158	118	1.2	75	13,000,000	13,000,000 Home and Office Furnishings, Resources and Durable Consumer Products	Conglomerates	31/07/2006	12.00				2004	723,325,979	65,076,594	403,772,240	394,431,644	263,962,271	203,948,211
159	119	1.2	43	4,500,000	3,600,000 Buildings and Real Estate	Containers & glass products	10/11/2006	15.33		Y		2003	77,553,000	67,688,000	82,168,000	73,097,000	6,245,000	7,248,000
160	120	2.1	60	1,526,278	1,525,278 Cargo Transport	Surface transport	31/07/2006	12.00				2004	32,400,000	24,100,000	87,000,000	58,700,000	13,700,000	8,000,000
161	121	3	37	5,500,000	4,400,000 Banking	Financial intermediaries	12/06/2006	10.40				2004	2,300,000	2,072,000	16,463,000	14,107,000	298,000	325,000
162	122	2	39	2,255,646	1,780,516 Ecological	Utilities	31/07/2006	12.00				2004	245,161,000	252,663,000	461,578,000	484,630,000	2,856,000	1,381,000
163	123	3	60	9,303,906	9,303,906 Broadcasting & Entertainment	Business equipment & services	31/07/2006	12.00				2003	447,351,000	444,463,000	18,323,000	8,039,000	536,000	10,238,000
164	124	5	33	2,409,586	1,927,668 Buildings and Real Estate	Conglomerates	30/06/2006	1.00	2			2004	9,251,512	4,521,625	13,484,448	10,092,740	(848,675)	(949,191)
165	125	2.1	39	25,000,000	18,324,607 Retail Stores	Retailers (except food & drug)	18/11/2009	51.60		Y		N/A	0	0	0	0	0	0
166	125	2.1	39	22,750,000	16,675,939 Retail Stores	Retailers (except food & drug)	18/11/2009	51.60		Y		2005	113,761,000	98,082,000	392,773,000	336,735,000	22,106,000	17,468,000
167	126	2.1	15	4,000,000	1,600,000 Electronics	Telecom	01/07/2006	11.03				2005	16,263,000	17,285,000	23,459,000	16,322,000	419,000	(771,000)
168	127	1.2	39	38,360,005	30,693,204 Aerospace and Defense	Surface transport	26/07/2010	59.87				2004	777,808,000	758,400,000	852,600,000	852,600,000	85,000,000	185,000,000
169	128	6	60	2,200,000	2,800,000 Grocery	Retailers (except food & drug)	30/06/2008	35.00				2004	5,969,000	6,715,000	21,970,000	30,502,000	(1,748,000)	(3,620,000)
170	129	3	28	5,947,803	2,379,121 Buildings and Real Estate	Business equipment & services	30/04/2007	21.00				2004	51,885,000	51,342,000	66,803,000	56,706,000	2,907,000	1,826,000
171	130	2.1	100	1,500,000	1,500,000 Diversified/ Conglomerate	Home furnishings	31/07/2006	12.00				2003	13,241,000	5,260,000	24,832,000	28,922,000	35,000	1,104,000
172	131	3	28	12,300,000	4,920,000 Healthcare, Education and Childcare	Public Administration / Non-corporate	31/07/2006	12.00				2004	31,234,000	29,280,000	62,595,000	54,135,000	2,601,000	1,073,000
173	131	3	28	5,000,000	2,000,000 Healthcare, Education and Childcare	Public Administration / Non-corporate	30/09/2009	50.00				2004	31,234,000	29,280,000	62,595,000	54,135,000	2,601,000	1,073,000
174	132	3	61	2,000,000	2,000,000 Personal, Food and Miscellaneous	Food service	31/07/2006	12.00				2004	5,386,000,000	5,521,000,000	11,772,000,000	11,286,000,000	180,000,000	184,000,000
175	133	6	45	9,881,793	7,905,434 Chemicals, Plastics and Rubber	Chemicals & plastics	31/07/2006	12.00				2003	9,411,000	9,994,000	13,903,000	13,867,000	445,000	546,000
176	134	6	60	7,500,000	7,500,000 Buildings and Real Estate	Building & Development	31/07/2006	12.00	1			2004	40,783,000	38,264,000	208,610,000	159,418,000	(2,541,000)	3,126,000
177	135	4	28	6,475,000	2,590,000 Beverage, Food and Tobacco	Food products	30/09/2014	11.00	2			2004	47,045,000	25,777,000	142,176,000	121,832,000	80,000	(763,000)
178	136	2.8	38	2,230,091	1,784,072 Personal and Non Durable Consumer Products	Chemicals & plastics	15/03/2012	79.50				2004	17,285,000	22,169,000	26,821,000	26,546,000	1,266,000	326,000
179	137	1.5	39	10,000,000	8,000,000 Chemicals, Plastics and Rubber	Chemicals & plastics	23/12/2008	40.77				2004	237,500,000	233,400,000	294,400,000	303,400,000	26,400,000	29,400,000
180	137	1.5	39	5,295,883	4,236,706 Chemicals, Plastics and Rubber	Chemicals & plastics	31/07/2006	12.00				2004	237,500,000	233,400,000	294,400,000	303,400,000	26,400,000	29,400,000
181	138	5	28	4,205,679	1,682,272 Machinery (Non-Agriculture, Non-Construction, Non-Electrical)	Conglomerates	31/07/2006	12.00				2004	5,631,000	9,343,000	27,874,000	30,956,000	(3,970,000)	(5,936,000)
182	139	1.2	60	14,000,000	14,000,000 Electronics	Business equipment & services	31/07/2006	12.00				2004	55,938,000	29,350,000	167,520,000	41,191,000	26,588,000	2,469,000
183	140	2.1	60	4,184,956	4,184,956 Buildings and Real Estate	Building & Development	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A	N/A
184	141	1.2	60	4,132,418	4,132,418 Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A	N/A
185	142	5	5	5,514,363	2,205,745 Textiles and Leather	Conglomerates	31/07/2006	12.00				2004	18,032,000	17,068,000	22,135,000	24,282,000	883,000	(196,000)

Loan Number	Borrower Number	Barclays Business Grade	Barclays Business Expect/Loss Severity (%)	Reference Obligation Outstanding Debt (€)	Reference Obligation Amount (€)	Reference Industry (Moody's)	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Film/University/Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Previous Year's Turnover of Borrower (€)	Prof/Loss of Borrower for Period	Previous Year's Profit/Loss of Borrower (€)		
186	143	2.1	60	2,352,460	2,352,460	Diversified/ Conglomerate Service Furnishings, Home and Office Furnishings, and Durable Consumer Products	31/07/2006	12.00			N/A	3,600,000	660,600,000	N/A	N/A	7,400,000	
187	144	4	29	6,000,000	2,400,000	Home and Office Furnishings, and Durable Consumer Products	09/12/2009	52.30			2004	8,100,000	660,600,000	10,900,000	N/A		
188	145	3	15	4,000,000	1,600,000	Leisure, Amusement, Entertainment	11/07/2015	119.37			2003	1,156,002	0	17,165	0		
189	146	1.8	40	2,102,243	1,681,794	Diversified/ Entertainment	31/07/2006	12.00			N/A	N/A	N/A	N/A	N/A	N/A	
190	147	1.5	60	5,894,935	5,894,935	Conglomerate Service	23/08/2013	96.77			2003	17,443	255,845	41,692	(10,634)		
191	148	2.1	15	17,095,452	6,838,181	Leisure, Amusement, Entertainment	07/03/2022	199.23			2004	44,445,340	5,266,459	366,644	13,414,174		
192	149	4	34	2,435,000	1,948,000	Retailers (except food & drug)	13/09/2007	25.43			2004	4,131,000	21,870,000	(250,000)	(410,000)		
193	150	1.5	39	5,000,000	4,000,000	Beverage, Food and Tobacco	31/07/2006	12.00			2004	121,250,000	146,130,000	13,360,000	12,866,000		
194	150	1.5	39	4,750,000	3,800,000	Beverage, Food and Tobacco	31/07/2006	12.00			2004	121,250,000	146,130,000	13,360,000	12,866,000		
195	151	4	61	9,066,667	9,066,667	Personal Transportation	29/09/2020	181.97			2003	92,687,075	2,059,864	10,343,177	4,313,605		
196	152	4	49	15,000,000	12,000,000	Insurance	01/04/2010	56.03			N/A	N/A	N/A	N/A	N/A	N/A	
197	153	1.5	48	5,300,000	4,240,000	Machinery (Non-Agriculture, Non-Electronic)	31/07/2006	12.00			2004	61,189,000	158,239,000	8,381,000	8,366,000		
198	154	2.1	60	1,757,347	1,757,347	Buildings and Real Estate	31/07/2006	12.00			N/A	N/A	N/A	N/A	N/A	N/A	
199	155	7	79	3,976,881	3,976,881	Mining, Steel, Iron and Non-Precious Metals	31/07/2006	12.00			2003	306,592,000	194,802,000	2,633,000	12,789,000		
200	156	2.1	39	2,116,058	1,692,846	Healthcare, Education and Childcare	05/08/2008	36.17		University	N/A	0	0	0	0	0	
201	157	4	15	6,013,498	2,405,399	Hotels, Motels, Inns and Gaming	31/05/2014	106.00			2004	6,500,449	7,099,844	(337,359)	(661,964)		
202	158	2.1	24	8,892,000	3,556,800	Buildings and Real Estate	28/05/2013	93.93			2004	33,428,732	28,187,960	(373,942)	(303,703)		
203	159	1.5	60	24,120,015	24,120,015	Buildings and Real Estate	31/01/2007	16.00			2004	791,300,000	8,300,000	8,800,000	14,700,000		
204	160	7	55	3,600,000	3,600,000	Buildings and Real Estate	31/07/2006	12.00			2004	19,034,000	66,213,000	2,485,000	(3,564,000)		
205	160	7	55	1,516,300	1,516,300	Buildings and Real Estate	31/07/2006	12.00			2004	19,034,000	66,213,000	2,485,000	(3,564,000)		
206	161	2.8	60	1,932,909	1,932,909	Machinery (Non-Agriculture, Non-Electronic)	31/07/2006	12.00			2004	12,224,940	26,855,412	1,409,430	872,296		
207	162	2.1	60	2,908,469	2,908,469	Leisure, Amusement, Entertainment	31/07/2006	12.00			2003	1,300,000	89,828,000	786,000	722,000		
208	163	1.5	60	26,146,341	26,146,341	Cargo Transport	22/01/2009	41.73		Y	2004	263,600,000	483,400,000	(500,000)	37,600,000		
209	164	1.8	60	227,500,000	227,500,000	Diversified/ Building & Development	06/09/2007	25.20		Y	2004	150,000,000	416,200,000	5,300,000	10,000,000		
210	164	1.8	60	5,525,000	5,525,000	Manufacturing Conglomerate	05/09/2005	1.17		Y	2004	150,000,000	416,200,000	5,300,000	10,000,000		
211	165	3	43	25,000,000	20,000,000	Chemicals, Plastics and Rubber	31/07/2006	12.00			2004	43,255,000	41,313,000	9,790,000	7,693,000		
212	165	3	43	2,391,140	1,912,912	Chemicals, Plastics and Rubber	31/07/2006	12.00			2004	43,255,000	41,313,000	9,790,000	7,693,000		
213	165	3	43	10,000,000	8,000,000	Chemicals, Plastics and Rubber	16/06/2010	58.53			2004	43,255,000	41,313,000	9,790,000	7,693,000		
214	166	2.5	60	2,018,582	2,018,582	Machinery (Non-Agriculture, Non-Electronic)	31/07/2006	12.00			2003	11,104,196	11,077,402	294,646	45,469		
215	167	1.8	40	11,250,000	9,000,000	Diversified/ Conglomerate Service	28/10/2010	62.93			2004	8,700,000	324,100,000	2,100,000	(100,000)		
216	168	2.1	15	4,722,969	1,889,188	Hotels, Motels, Inns and Gaming	30/09/2005	2.00			2003	11,152,615	8,578,218	(4,603,069)	(4,633,105)		
217	169	1.2	15	14,106,232	5,642,493	Banking	11/03/2011	67.37		Film	N/A	0	0	0	0	0	

Loan Number	Borrower Number	Barclays Business Expect/Loss Grade	Barclays Severity (%)	Reference Obligation Outstanding Debt (£)	Reference Obligation National Amount (£) Industry (Moody's)	Reference Obligation Industry (S&P)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Film/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (£)	Previous Year's Turnover of Borrower (£)	Profit (Loss) of Borrower for Period (£)	Previous Year's Profit (Loss) of Borrower (£)	
257	201	2.8	28	28,000,000	11,200,000 Hotels, Inns and Gaming	Food service	03/02/2007	18.10				2004	256,860,045	37,274,546	1,625,477	8,942	
258	201	2.8	28	7,664,516	3,065,806 Hotels, Inns and Gaming	Food service	30/09/2014	110.00				2004	256,860,045	37,274,546	1,625,477	8,942	
259	202	2.8	67	3,796,063	3,796,063 Textiles and Leather	Conglomerates	31/07/2009	12.00				2003	1,136,288	9,883,455	(133,176)	232,347	
260	203	4	60	15,000,000	15,000,000 Insurance	Financial intermediaries	19/12/2009	52.63	2	Y		2004	200,221,000	15,270,000	(1,757,000)	66,238,000	
261	203	4	60	13,634,040	13,634,040 Insurance	Financial intermediaries	24/12/2007	28.80	2	Y		2004	200,221,000	15,270,000	(1,757,000)	66,238,000	
262	204	2.8	15	38,000,000	15,200,000 Hotels, Inns and Gaming	Food service	19/12/2012	88.63				2004	32,961,000	3,980,597	602,000	444,000	
263	204	2.8	15	12,000,000	4,800,000 Hotels, Inns and Gaming	Food service	19/12/2012	88.63				2004	32,961,000	3,980,597	602,000	444,000	
264	205	1.5	43	11,000,000	8,800,000 Diversified Natural Resources, Precious Metals and Office	Home furnishings	10/11/2011	75.33				2003	77,028,367	64,464,209	14,001,414	9,380,856	
265	206	2.1	60	6,187,500	6,187,500 Home and Office Furnishings, Housewares, and Durable Consumer Products	Conglomerates	11/02/2008	30.37	1			N/A	N/A	N/A	N/A	N/A	N/A
266	207	2.8	60	42,000,000	35,000,000 Petrol, Food and Miscellaneous	Food service	09/12/2009	52.30	Y			2004	1,139,400,000	552,700,000	52,000,000	47,200,000	
267	208	1.2	15	9,281,446	3,712,578 Banking	Financial intermediaries	11/03/2011	67.37			Film	N/A	0	0	0	0	
268	208	1.2	15	6,372,412	2,548,926 Banking	Financial intermediaries	11/03/2011	67.37			Film	N/A	0	0	0	0	
269	209	1.2	15	12,007,810	4,893,124 Banking	Financial intermediaries	15/12/2014	110.50			Film	N/A	0	0	0	0	
270	210	1.2	15	8,938,978	3,573,591 Banking	Financial intermediaries	22/10/2014	110.73			Film	N/A	0	0	0	0	
271	211	2.1	48	68,456,432	34,953,214 Diversified/ Conglomerate Service	Business equipment & services	26/06/2010	58.93	Y			2004	1,702,900,000	3,173,900,000	(94,900,000)	(3,200,000)	
272	212	3	68	2,610,054	2,610,054 Home and Office Furnishings, Housewares, and Durable Consumer Products	Conglomerates	31/07/2006	12.00				2003	4,784,354	2,268,668	(1,006,624)	(508,957)	
273	213	2.1	28	4,125,000	1,650,000 Ecological Products	Utilities	30/09/2010	62.00				2004	45,402,074	52,220,344	2,108,224	33,028,933	
274	214	6	15	8,470,089	3,986,956 Printing and Publishing	Business equipment & services	31/07/2006	12.00	2			2004	7,419,885	17,975,242	(2,026,822)	(85,720)	
275	215	1.5	39	6,378,360	1,923,435 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00				2004	4,529,000,000	7,548,000,000	473,000,000	251,000,000	
276	215	1.5	39	109,686,189	33,976,565 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00				2004	4,529,000,000	7,548,000,000	473,000,000	251,000,000	
277	216	3	34	3,871,889	3,097,511 Broadcasting & Entertainment	Surface transport	31/07/2006	12.00				2004	128,109,000	128,740,000	9,117,000	(16,914,000)	
278	217	1.5	60	1,632,297	1,632,297 Banking	Financial intermediaries	31/07/2006	12.00				2003	460,204,000	39,182,000	15,548,000	12,594,000	
279	218	2.8	60	2,536,902	2,536,902 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Conglomerates	31/07/2006	12.00	1			2004	10,285,000	48,300,000	262,000	72,000	
280	218	2.8	60	3,000,000	3,000,000 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Conglomerates	31/07/2006	12.00	1			2004	10,285,000	48,300,000	262,000	72,000	
281	219	1.2	15	17,091,705	6,856,682 banking	Financial intermediaries	05/04/2018	152.17			Film	N/A	0	0	0	0	
282	220	2.1	60	3,769,278	3,769,278 Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	
283	221	5	47	2,252,413	1,894,331 Aerospace and Defense	Surface transport	31/07/2006	12.00				2004	41,569,000	68,556,000	(1,126,000)	1,564,000	
284	221	5	47	10,500,000	8,400,000 Aerospace and Defense	Surface transport	31/07/2006	12.00				2004	41,569,000	68,556,000	(1,126,000)	1,564,000	
285	221	5	47	2,900,000	2,000,000 Aerospace and Defense	Surface transport	31/07/2006	12.00				2004	41,569,000	68,556,000	(1,126,000)	1,564,000	
286	222	2.1	28	10,000,000	4,000,000 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00	2			2004	31,629,000	131,392,000	1,809,000	6,805,975	
287	223	3	45	3,317,017	2,653,614 Personal, Food and Miscellaneous	Business equipment & services	13/09/2007	25.43				N/A	N/A	N/A	N/A	N/A	
288	224	1.2	60	4,290,753	4,290,753 Home and Office Furnishings, Housewares, and Durable Consumer Products	Conglomerates	31/07/2006	12.00				2004	18,711,732	493,073,472	1,996,374	1,920,552	
289	225	3	28	17,857,143	7,142,857 Diversified/ Conglomerate Service	Business equipment & services	31/12/2006	17.00				2004	105,485,074	29,633,938	1,869,694	4,161,381	
290	226	1.5	60	4,986,446	4,986,446 Home and Office Furnishings, Housewares, and Durable Consumer Products	Conglomerates	31/07/2006	12.00				2004	128,057,000	464,789,000	26,346,000	22,129,000	

Loan Number	Borrower Number	Barclays Business Expect/Loss Grade	Barclays Severity (%)	Reference Obligation Outstanding Debt (€)	Reference Obligation National Amount (€) Industry (Moody's)	Industry (S&P)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Firm/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Previous Year's Turnover of Borrower (€)	Profit (Loss) of Borrower for Period	Previous Year's Profit (Loss) of Borrower (€)	
373	281	2.1	60	1,743,922	1,743,922 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00				2003	33,451,136	103,610,550	6,774,523	6,032,295	
374	282	2.1	60	3,880,759	3,880,759 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00				2004	51,259,000	136,051,000	4,613,000	4,544,000	
375	283	4	39	5,568,494	4,454,795 Buildings and Real Estate	Business equipment & services	31/07/2006	12.00	1			2004	4,719,000	59,405,000	3,002,000	3,115,000	
376	284	6	45	13,716,592	10,973,274 Chemicals, Plastics and Rubber	Chemicals & plastics	31/07/2006	12.00				2003	5,126,000	20,574,000	525,000	689,000	
377	285	4	100	17,000,000	17,000,000 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Conglomerates	24/05/2007	21.80				2003	15,238,570	7,014,044	1,258,214	936,360	
378	286	2.1	60	2,860,588	2,860,588 Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00			N/A	N/A	N/A	N/A	N/A	N/A	N/A
379	287	4	100	3,000,000	3,000,000 Diversified/ Conglomerate Service	Business equipment & services	25/10/2007	26.83				2005	71,986,345	1,800,000	1,590,082	1,130,154	
380	288	6	51	2,906,578	2,906,578 Automobile	Surface transport services	31/07/2006	12.00				2003	74,208,000	141,102,000	(11,829,000)	7,826,000	
381	289	1.2	60	2,096,979	1,516,332 Banking	Financial intermediaries	30/11/2007	26.00				2003	408,428,000	504,14,000	168,530,000	(656,000)	
382	289	1.2	60	2,164,575	1,565,211 Banking	Financial intermediaries	30/09/2008	38.00				2003	408,428,000	168,530,000	71,68,000	(656,000)	
383	289	1.2	60	5,971,300	4,317,665 Banking	Financial intermediaries	29/05/2009	45.97				2003	408,428,000	504,14,000	168,530,000	(656,000)	
384	289	1.2	60	2,270,485	1,641,803 Banking	Financial intermediaries	30/06/2009	47.00				2003	408,428,000	504,14,000	168,530,000	(656,000)	
385	289	1.2	60	4,182,782	3,024,582 Banking	Financial intermediaries	31/07/2006	12.00				2003	408,428,000	504,14,000	168,530,000	(656,000)	
386	289	1.2	60	2,392,416	1,729,063 Banking	Financial intermediaries	29/05/2009	45.97				2003	408,428,000	504,14,000	168,530,000	(656,000)	
387	290	3	59	2,044,551	2,044,551 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Conglomerates	31/07/2006	12.00				2004	11,977,722	20,689	796,301	351,962	
388	291	3	28	3,892,027	1,552,811 Banking	Financial intermediaries	31/07/2006	12.00				2005	221,882,000	110,443,000	1,038,000	316,000	
389	292	1.2	39	4,120,736	3,296,588 Chemicals, Plastics and Rubber	Chemicals & plastics	31/07/2006	12.00				2005	86,328,000	48,355,000	3,464,000	3,512,000	
390	293	2.1	100	2,273,461	2,273,461 Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A
391	294	1.2	60	1,537,200	1,537,200 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00				2003	725,290,000	515,180,000	471,137,000	41,875,000	
392	295	1.8	39	2,319,644	1,855,575 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Industrial equipment	31/07/2006	12.00				2004	21,796,544,540	12,921,500,380	1,742,562,545	1,106,440,798	
393	295	1.8	39	5,000,000	4,000,000 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Industrial equipment	31/07/2006	12.00				2004	21,796,544,540	12,921,500,380	1,742,562,545	1,106,440,798	
394	296	1.2	60	2,200,000	2,200,000 Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A
395	297	2.5	48	27,500,000	22,000,000 Personal Transportation	Air transport	31/07/2006	12.00				2004	70,486,744	23,531,166	(2,113,963)	(520,191)	
396	298	4	53	5,286,751	5,286,751 Retail Stores	Retailers (except food & drug)	31/07/2006	12.00				2004	6,239,773	36,121,078	1,070,994	548,454	
397	299	2.1	15	10,000,000	4,000,000 Banking	Financial intermediaries	21/07/2009	47.70		Y		2005	31,064,000	0	92,000	0	
398	300	3	60	19,947,253	19,884,530 Electronics	Business equipment & services	02/07/2009	47.07		Y		2003	778,000,000	1,706,600,000	(437,000,000)	(458,600,000)	
399	300	3	60	151,633,149	151,115,470 Electronics	Business equipment & services	31/07/2006	12.00				2003	778,000,000	1,706,600,000	(437,000,000)	(458,600,000)	
400	301	1.5	28	6,082,403	2,482,961 Hotels, Inns and Gaming	Food service	20/07/2010	59.67				2004	54,317,000	19,465,000	(664,000)	(1,987,000)	
401	302	3	61	60,000,000	30,000,000 Personal Transportation	Air transport	15/11/2009	51.50				2004	77,253,000	69,214,000	1,098,000	4,532,000	
402	302	3	61	10,000,000	5,000,000 Personal Transportation	Air transport	15/11/2009	51.50				2004	77,253,000	69,214,000	1,098,000	4,532,000	
403	303	1.2	60	5,735,495	5,735,495 Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A
404	304	2.1	28	6,071,447	2,482,979 Diversified/ Conglomerate Service	Business equipment & services	20/02/2012	78.67				2003	11,121,000	113,294,000	3,695,000	4,728,000	
405	305	3	29	50,400,000	20,160,000 Personal, Food and Miscellaneous	Food service	20/12/2009	52.67		Y		2004	691,700,000	393,700,000	(25,500,000)	31,000,000	
406	306	2.1	15	7,964,713	3,185,885 Hotels, Inns and Gaming	Food service	23/03/2014	103.77	2			2003	6,548,828	2,785,748	151,619	228,247	
407	307	1.8	28	14,625,000	5,850,000 Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Conglomerates	01/12/2014	11.203				2003	50,808,000	208,520,000	11,186,000	6,829,000	
408	308	1.2	45	11,728,894	9,383,115 Buildings and Real Estate	Industrial equipment	31/07/2006	12.00				2003	160,101,000	179,391,000	34,635,000	34,129,000	

Loan Number	Borrower Number	Barclays Business Grade	Barclays Expect/Loss Severity (%)	Reference Obligation Outstanding Debt (€)	Reference Obligation National Amount (€)	Industry (Moody's)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Firm/University/Publicity Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Turnover of Borrower (€)	Previous Year's Turnover of Borrower (€)	Profit (Loss) of Borrower for Period (€)	Previous Year's Profit (Loss) of Borrower (€)	
530	396	1.8	28	5,266,425	2,106,570	Furnishings, Housewares, and Durable Consumer Products	31/07/2006	12.00				2004	61,739,002	146,057,622	161,594,228	(3,556,063)	(748,558)	
531	396	1.8	28	4,800,000	1,920,000	Beverage, Food and Tobacco	30/07/2009	48.00				2004	61,739,002	146,057,622	161,594,228	(3,556,063)	(748,558)	
532	396	1.8	28	7,500,000	3,000,000	Beverage, Food and Tobacco	31/07/2006	12.00				2004	61,739,002	146,057,622	161,594,228	(3,556,063)	(748,558)	
533	397	1.8	34	2,908,123	2,326,499	Banking	31/07/2006	12.00				2004	1,393,200,000	1,166,700,000	1,134,200,000	151,400,000	141,100,000	
534	397	1.8	34	10,000,000	8,000,000	Banking	31/07/2006	12.00				2004	1,393,200,000	1,166,700,000	1,134,200,000	151,400,000	141,100,000	
535	397	1.8	34	3,000,000	2,400,000	Banking	31/07/2006	12.00				2004	1,393,200,000	1,166,700,000	1,134,200,000	151,400,000	141,100,000	
536	398	2.1	31	30,269,872	24,215,988	Personal, Food and Miscellaneous	31/10/2010	66.00				2004	0	354,000	0	0	0	
537	399	1.2	60	14,000,000	14,000,000	Personal and Non-Durable Consumer Products	31/07/2006	12.00				2004	333,907,000	488,545,000	465,878,000	38,279,000	30,553,000	
538	399	1.2	60	21,653,000	2,165,000	Personal and Non-Durable Consumer Products	31/07/2006	12.00				2004	333,907,000	488,545,000	465,878,000	38,279,000	30,553,000	
539	400	3	28	4,413,534	1,765,414	Manufacturing (Only)	31/07/2006	12.00		Y		N/A	N/A	N/A	N/A	N/A	N/A	N/A
540	401	2.5	60	8,434,144	6,494,144	Oil and Gas	31/07/2006	12.00				2003	(39,000)	3,792,000	N/A	(39,000)	0	
541	402	2.8	60	6,879,892	6,879,892	Printing and Publishing	18/07/2007	23.53		Y		2003	33,300,000	32,818,000	32,818,000	2,025,000	2,809,000	
542	403	1.2	48	12,591,594	10,073,275	Automobile	08/01/2008	29.27				2004	686,500,000	1,189,300,000	1,215,700,000	52,500,000	9,500,000	
543	404	1.8	48	3,000,000	2,400,000	Banking	31/12/2005	5.00				2004	111,477,000	109,987,000	91,973,000	13,129,000	9,568,000	
544	405	2.1	100	1,503,760	1,503,760	Diversified/ Conglomerate Service	30/07/2006	12.00				2004	1,182,000	4,987,000	4,528,000	225,000	886,000	
545	406	2.1	39	9,700,000	7,760,000	Buildings and Real Estate	31/07/2006	12.00				2004	773,600,000	854,900,000	0	(81,200,000)	(14,600,000)	
546	407	1.5	39	41,000,000	28,700,000	Automobile	31/07/2006	12.00				2004	263,989,000	1,610,351,000	1,325,416,000	33,279,000	28,124,000	
547	407	1.5	39	9,000,000	6,300,000	Automobile	31/07/2006	12.00				2004	263,989,000	1,610,351,000	1,325,416,000	33,279,000	28,124,000	
548	408	2.8	28	7,050,000	2,820,000	Personal, Food and Miscellaneous	26/07/2006	11.87	1			2004	85,094,000	126,736,000	114,262,000	(7,596,000)	2,222,000	
549	409	2.1	60	4,000,000	4,000,000	Retail Stores	04/04/2008	32.97				2005	14,558,000	10,822,000	28,677,000	3,216,000	1,314,000	
550	410	3	54	2,473,783	2,473,783	Retail Stores	31/07/2006	12.00				2005	14,858,000	10,823,000	28,677,000	3,216,000	1,315,000	
551	411	3	60	5,132,622	5,132,622	Machinery (Non-Agriculture, Non-Electronic)	31/07/2006	12.00	1			2005	108,400,000	197,000,000	192,100,000	(5,200,000)	5,400,000	
552	411	3	60	9,202,977	9,202,977	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	31/03/2009	44.00	1			2005	108,400,000	197,000,000	192,100,000	(5,200,000)	5,400,000	
553	411	3	60	4,784,516	4,784,516	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	31/03/2007	20.00	1			2005	108,400,000	197,000,000	192,100,000	(5,200,000)	5,400,000	
554	411	3	60	1,866,565	1,866,565	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	31/03/2006	8.00	1			2005	108,400,000	197,000,000	192,100,000	(5,200,000)	5,400,000	
555	412	2.1	28	4,653,225	1,861,290	Diversified/ Conglomerate Service	02/06/2014	106.07				2004	20,386,000	79,526,000	71,651,000	2,052,000	469,000	
556	413	5	48	14,870,799	11,896,639	Broadcasting & Entertainment	26/04/2010	56.87				N/A	N/A	N/A	N/A	N/A	N/A	N/A
557	413	5	48	5,248,517	4,198,814	Broadcasting & Entertainment	26/04/2011	68.87				N/A	N/A	N/A	N/A	N/A	N/A	N/A
558	414	5	15	6,070,000	2,428,000	Retail Stores	01/10/2008	38.03				2004	22,619,000	6,239,000	6,059,000	343,000	(16,000)	
559	415	5	15	3,740,000	1,496,000	Retail Stores	01/10/2008	38.03				2004	5,902,000	6,461,000	3,813,000	(24,000)	(4,613,000)	
560	416	5	15	5,390,000	2,156,000	Retail Stores	01/10/2008	38.03				2003	1,782,000	11,837,000	4,060,000	(9,488,000)	(864,000)	

Loan Number	Borrower Number	Barclays Business Expect/Loss Grade	Barclays Severity (%)	Reference Obligation Outstanding Debt (£)	Reference Obligation National Amount (£)	Reference Obligation Industry (Moody's)	Reference Obligation Industry (S&P)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Firm/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (£)	Previous Year's Assets Less Current Liabilities of Borrower (£)	Turnover of Borrower (£)	Turnover of Borrower (£)	Previous Year's Turnover of Borrower (£)	Profit (Loss) of Borrower (£)	Previous Year's Profit (Loss) of Borrower (£)
598	447	2.1	32	2,630,000	2,104,000	Chemicals, Plastics and Rubber	Chemicals & plastics	12/04/2012	80.40	1			2003	14,849,641	14,303,864	21,181,108	21,316,633	501,438	406,929	
599	448	3	59	2,068,340	2,068,340	Textiles and Leather	Clothing/textiles	31/07/2006	12.00				2004	5,146,000	4,878,000	19,531,600	12,395,500	586,200	322,400	
600	449	1.5	39	7,984,868	6,387,895	Aerospace and Defense	Surface transport	31/07/2006	12.00				2003	1,978,000	3,951,000	0	9,774,000	0	(745,000)	
601	450	3	42	2,750,000	2,200,000	Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	06/05/2009	45.20				2004	5,032,100	4,362,800	4,483,700	3,873,900	563,300	151,200	
602	451	2.1	60	1,534,527	1,534,527	Automobile	Surface transport	31/07/2006	12.00				2003	14,431,000	16,701,000	53,391,000	51,592,000	8,615,000	2,759,000	
603	452	1.8	28	58,224,636	23,289,854	Electronics	Business equipment & services	30/01/2007	18.00				2004	49,947,000	86,128,000	2,270,000	1,033,561,000	631,000	13,236,000	
604	453	2.1	53	2,666,667	2,666,667	Retail Stores	Retailers (except food & drug)	04/06/2008	34.13				2005	18,018,000	17,338,000	74,069,000	62,047,000	2,238,000	853,000	
605	454	1.5	28	26,775,000	10,710,000	Personal Food and Miscellaneous	Business equipment & services	30/06/2006	11.00		Y		2004	174,100,000	117,244,000	170,231,000	170,231,000	17,610,000	13,261,000	
606	454	1.5	28	8,750,000	3,500,000	Personal Food and Miscellaneous	Business equipment & services	30/06/2006	11.00		Y		2004	174,100,000	117,244,000	170,231,000	170,231,000	17,610,000	13,261,000	
607	455	2.1	53	1,800,000	1,800,000	Beverage, Food and Tobacco	Food products	02/06/2009	46.07	2			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
608	456	5	15	5,423,839	2,171,935	Food and Miscellaneous	Food service	01/02/2010	54.03				2004	5,251,000	1,886,000	1,839,000	964,000	276,000	(68,000)	
609	457	2.8	29	5,611,352	2,244,541	Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	31/07/2006	12.00				2004	6,210,816	4,515,949	7,875,480	7,875,480	1,969,867	1,064,897	
610	458	4	60	1,941,206	1,941,206	Healthcare, Education and Childcare	Chemicals & plastics	31/07/2006	12.00				2005	244,800,000	346,000,000	458,800,000	602,400,000	20,600,000	(8,000,000)	
611	459	2.1	60	7,500,000	7,500,000	Beverage, Food and Tobacco	Food products	31/07/2006	12.00				2005	39,657,000	36,426,000	78,029,000	73,390,000	5,745,000	5,567,000	
612	460	3	28	29,437,500	11,775,000	Hotels, Motels, Inns and Gaming	Food service	20/08/2011	72.67				2004	99,285,356	103,635,381	18,388,559	17,974,829	(2,836,910)	(3,024,776)	
613	461	3	28	15,234,845	6,093,938	Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				2003	32,895,000	29,008,000	142,894,000	144,734,000	2,685,000	223,000	
614	461	3	60	2,338,207	2,338,207	Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				2003	32,895,000	29,008,000	142,894,000	144,734,000	2,685,000	223,000	
615	461	3	60	2,935,051	2,935,051	Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				2003	32,895,000	29,008,000	142,894,000	144,734,000	2,685,000	223,000	
616	462	5	36	2,309,214	1,847,371	Telecommunications	Surface transport	31/07/2006	12.00				2004	4,443,000	(666,608)	0	0	0	0	
617	463	4	72	2,600,000	2,600,000	Electronics	Telecom	30/09/2009	50.00	1			2004	4,486,000	0	3,509,000	0	(34,000)	0	
618	464	3	60	3,000,000	3,000,000	Home and Office Furnishings, Housewares, and Durable Consumer Products	Conglomerates	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
619	465	6	31	8,000,000	6,400,000	Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	31/07/2006	12.00				2004	34,925,000	24,811,000	28,531,000	42,454,000	(783,000)	(20,328,000)	
620	465	6	31	4,700,000	3,760,000	Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	31/07/2006	12.00				2004	34,925,000	24,811,000	28,531,000	42,454,000	(783,000)	(20,328,000)	
621	465	6	31	14,000,000	11,200,000	Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	20/01/2011	65.67				2004	116,348,000	109,590,000	57,051,000	51,547,000	8,089,000	5,533,000	
622	466	1.8	43	4,700,000	3,760,000	Insurance	Financial intermediaries	31/07/2006	12.00				2004	34,925,000	24,811,000	28,531,000	42,454,000	(783,000)	(20,328,000)	
623	467	6	28	4,870,701	1,948,288	Cargo Transport	Surface transport	31/07/2006	12.00				2003	5,621,723	6,256,392	45,368,063	11,495,978	(3,332,932)	373,423	
624	468	1.8	28	15,000,000	6,000,000	Electronics	Business equipment & services	31/07/2006	12.00				2004	123,896,000	116,101,000	104,230,000	78,427,000	3,925,000	5,672,000	
625	469	8	44	4,785,000	3,828,000	Retail Stores	Retailers (except food & drug)	29/07/2013	95.97				2003	13,870,000	18,207,000	227,001,000	227,001,000	(3,939,000)	(9,409,000)	
626	470	4	28	7,375,000	2,950,000	Automobile	Retailers (except food & drug)	30/01/2015	11.40				2003	28,329,766	26,091,040	83,753,333	83,753,333	627,480	466,105	
627	471	1.5	39	27,962,477	22,969,982	Aerospace and Defense	Surface transport	31/07/2006	12.00				2003	1,613,942,000	1,526,895,000	32,379,000	121,619,000	(25,773,000)	113,662,000	
628	472	5	15	5,440,851	2,176,340	Leisure, Amusement, Entertainment	Food service	03/02/2013	90.10				2004	15,249,800	12,794,700	17,492,800	18,769,300	(1,594,200)	51,800	
629	472	5	15	4,750,000	1,900,000	Leisure, Amusement, Entertainment	Food service	31/07/2006	12.00				2004	15,249,800	12,794,700	17,492,800	18,769,300	(1,594,200)	51,800	
630	473	1.5	48	9,302,187	7,441,750	Diversified/ Conglomerate Manufacturing	Building & Development	31/07/2006	12.00				2003	1,405,986,000	1,309,474,000	1,366,750,000	1,323,784,000	91,128,000	68,074,000	
631	474	3	61	59,822,802	35,000,000	Personal Transportation	Air transport	15/11/2009	51.50				2004	473,300,000	493,545,000	186,200,000	177,618,000	(800,000)	4,598,000	
632	475	1.2	17	5,000,000	2,000,000	Grocery	Conglomerates	31/07/2006	12.00				2003	1,594,143	2,816,330	19,421,638	13,990,891	(11,222,387)	(9,574,030)	
633	476	1.5	48	4,098,774	3,279,019	Cargo Transport	Surface transport	31/07/2006	12.00	1			2003	182,900,000	184,400,000	392,100,000	392,100,000	15,200,000	17,600,000	
634	476	1.5	48	10,351,967	8,281,573	Cargo Transport	Surface transport	10/03/2006	7.33	1			2003	182,900,000	184,400,000	392,100,000	392,100,000	15,200,000	17,600,000	
635	477	5	48	2,720,000	2,176,000	Home and Office Furnishings, Housewares, and Durable Consumer Products	Containers & glass products	30/06/2012	85.00				2004	5,128,000	8,264,000	11,768,000	11,206,000	704,000	768,000	

Loan Number	Borrower Number	Barclays Business Expect/Loss Grade	Barclays Severity (%)	Reference Obligation Outstanding Debt (€)	Reference Obligation National Amount (€)	Industry (Moody's)	Reference Industry (ISIF)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Film/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Previous Year's Assets Less Current Liabilities of Borrower (€)	Turnover of Borrower (€)	Previous Year's Turnover of Borrower (€)	Profit (Loss) of Borrower for Period (€)	Previous Year's Profit (Loss) of Borrower (€)	
636	478	2.1	60	4,302,381	4,302,381	Mining, Steel, Iron and Non Precious Metals	Steel	31/07/2006	12.00				2004	42,409,000	40,629,000	115,312,000	119,924,000	6,481,000	2,384,000	
637	479	1.2	39	19,859,291	15,887,432	Automobile	Retailers (except food & drug)	31/07/2006	12.00				2003	382,818,000	349,615,000	479,480,000	479,480,000	50,920,000	28,322,000	
638	480	5	15	5,700,000	2,280,000	Hotels, Inns and Gaming	Food service	11/11/2007	27.37	2			2003	16,986,640	4,878,165	7,258,318	7,785,021	3,257	(633,886)	
639	481	1.8	60	21,098,153	21,098,153	Retail Stores	Retailers (except food & drug)	24/09/2009	49.80				2004	637,893,000	546,882,000	1,849,011,000	1,841,525,000	27,704,000	22,069,000	
640	481	1.8	60	10,881,230	10,881,230	Retail Stores	Retailers (except food & drug)	15/07/2008	35.50				2004	637,893,000	546,882,000	1,849,011,000	1,841,525,000	27,704,000	22,069,000	
641	482	3	28	351,500,000	14,060,000	Hotels, Inns and Gaming	Food service	19/11/2013	99.63				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
642	483	1.2	15	8,308,194	3,323,278	Banking	Financial intermediaries	14/10/2014	110.47			Film	N/A	0	806,028,000	0	0	0	0	0
643	484	1.8	39	34,412,834	27,530,567	Personal Food and Miscellaneous	Business equipment & services	23/06/2010	58.77				2004	739,241,000	797,662,000	797,662,000	995,353,000	26,481,000	10,372,000	
644	485	5	15	4,665,000	1,866,000	Hotels, Inns and Gaming	Food service	04/04/2008	32.13				2004	7,623,795	0	0	0	0	0	0
645	486	3	56	16,492,815	9,114,273	Retail Stores	Retailers (except food & drug)	31/07/2006	12.00		Y		2004	57,377,000	66,012,000	153,551,000	153,551,000	892,000	238,000	
646	486	3	56	15,120,000	8,355,627	Retail Stores	Retailers (except food & drug)	25/02/2010	54.83		Y		2004	57,377,000	66,012,000	153,551,000	153,551,000	892,000	238,000	
647	486	3	45	31,721,753	17,530,101	Retail Stores	Retailers (except food & drug)	31/07/2006	12.00		Y		2004	57,377,000	66,012,000	153,551,000	153,551,000	892,000	238,000	
648	487	2.1	84	2,612,903	2,612,903	Retail Stores	Retailers (except food & drug)	31/03/2010	56.00				2004	6,059,470	8,107,192	15,624,089	14,343,573	(80,643)	492,998	
649	488	1.8	60	5,000,000	5,000,000	Retail Stores	Retailers (except food & drug)	31/07/2006	12.00				2004	158,548,000	155,679,000	606,660,000	606,660,000	10,637,000	16,557,000	
650	489	2.5	39	19,000,000	15,200,000	Personal Transportation	Oil & gas	10/03/2006	7.33				2004	194,100,000	250,300,000	1,224,900,000	1,083,400,000	(16,300,000)	13,000,000	
651	490	2.1	15	5,000,000	2,000,000	Healthcare, Education and Childcare	Public Administration / Non-corporate	22/01/2010	53.73			University	N/A	0	0	0	0	0	0	0
652	491	2.8	28	6,000,000	2,400,000	Hotels, Inns and Gaming	Food service	14/09/2009	49.47				2004	105,278,059	103,828,515	32,623,158	36,311,437	1,565,116	1,491,976	
653	492	2.5	50	2,223,380	1,793,504	Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	31/07/2006	12.00				2004	55,418,000	69,845,000	91,576,000	102,504,000	(18,220,000)	2,304,000	
654	492	2.5	50	8,123,032	6,593,226	Leisure, Amusement, Entertainment	Leisure goods/ activities/movies	31/07/2008	36.00				N/A	0	0	0	0	0	0	0
655	493	1.2	60	13,815,123	7,885,971	Printing and Publishing	Publishing	31/07/2006	12.00				2004	158,781,000	96,933,000	891,780,000	84,284,000	2,993,000	9,739,000	
656	493	1.2	60	27,000,000	15,697,335	Printing and Publishing	Publishing	31/07/2006	12.00				2004	158,781,000	96,933,000	891,780,000	84,284,000	2,993,000	9,739,000	
657	493	1.2	60	20,000,000	11,416,433	Printing and Publishing	Publishing	31/07/2006	12.00				2004	158,781,000	96,933,000	891,780,000	84,284,000	2,993,000	9,739,000	
658	494	3	60	18,088,498	18,088,498	Electronics	Telecom	24/03/2010	55.80				2005	542,200,000	647,100,000	793,900,000	849,600,000	(6,130,000)	(7,560,000)	
659	495	2.1	36	2,333,333	2,333,333	Home and Office Furnishings, Housewares, and Durable Consumer Products	Conglomerates	26/09/2008	37.87				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
660	496	4	75	4,800,000	4,800,000	Electronics	Business equipment & services	31/03/2009	44.00				2004	31,444,000	31,092,000	14,519,000	1,901,000	510,000	29,000	
661	497	3	60	4,000,000	4,000,000	Printing and Publishing	Publishing	31/07/2006	12.00				2003	16,003,000	(3,444,000)	63,348,000	0	3,551,000	2,491,000	
662	498	3	28	5,500,000	2,800,000	Banking	Financial intermediaries	01/06/2011	70.03				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
663	498	3	28	5,500,000	2,800,000	Banking	Financial intermediaries	01/06/2011	70.03				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
664	499	1.5	60	15,619,048	15,619,048	Retail Stores	Retailers (except food & drug)	03/07/2007	23.10				2005	148,194,000	122,154,000	548,172,000	490,396,000	25,009,000	22,645,000	
665	499	1.5	60	7,000,000	7,000,000	Retail Stores	Retailers (except food & drug)	03/07/2007	23.10				2005	148,194,000	122,154,000	548,172,000	490,396,000	25,009,000	22,645,000	
666	500	1.2	15	15,405,295	6,162,118	Banking	Financial intermediaries	31/07/2006	12.00			Film	N/A	0	0	0	0	0	0	0
667	500	1.2	15	15,395,822	6,158,235	Banking	Financial intermediaries	31/07/2006	12.00			Film	N/A	0	0	0	0	0	0	0
668	500	1.2	15	3,764,358	1,905,743	Banking	Financial intermediaries	31/07/2006	12.00			Film	N/A	0	0	0	0	0	0	0
669	501	2.1	100	2,022,581	2,022,581	Diversified/ Conglomerate Service	Public Administration / Non-corporate	27/01/2015	11.990				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
670	502	1.8	45	5,637,000	4,509,600	Banking	Leisure goods/ activities/movies	30/07/2006	12.00			Film	N/A	0	0	0	0	0	0	0
671	503	4	15	4,390,467	1,756,187	Diversified/ Conglomerate Service	Business equipment & services	31/07/2006	12.00				2003	155,980,676	144,485,767	14,529,795	14,635,890	1,014,817	3,418,851	
672	504	1.2	15	48,716,917	19,486,767	Banking	Financial intermediaries	31/07/2006	12.00			Film	N/A	0	0	0	0	0	0	0
673	504	1.2	15	18,644,999	7,458,000	Banking	Financial intermediaries	31/07/2006	12.00			Film	N/A	0	0	0	0	0	0	0
674	505	2.1	28	10,654,839	4,261,935	Healthcare, Education and Childcare	Public Administration / Non-corporate	08/12/2008	40.27			University	N/A	0	0	0	0	0	0	0
675	506	1.8	60	9,000,000	9,000,000	Beverage, Food and Tobacco	Food products	31/07/2006	12.00				2004	647,600,000	74,182,000	178,746,000	167,095,000	4,969,000	4,423,000	
676	506	1.8	60	3,000,000	3,000,000	Beverage, Food and Tobacco	Food products	31/07/2006	12.00				2004	647,600,000	74,182,000	178,746,000	167,095,000	4,969,000	4,423,000	

Loan Number	Borrower Number	Barclays Business Grade	Barclays Business Expects/Loss Severity (%)	Reference Obligation Outstanding Debt (€)	Reference Obligation National Amount (€)	Reference Obligation Industry (Moody's)	Reference Obligation Industry (S&P)	Maturity Date	Remaining Term (Months)	Barclays Early Warning List Level	Syndicated	Firm/University/ Publicly Rated	Date of Financial Information	Total Assets Less Current Liabilities of Borrower (€)	Total Assets Less Current Liabilities of Borrower (€)	Turnover of Borrower (€)	Turnover of Borrower (€)	Previous Year's Turnover of Borrower (€)	Profit (Loss) of Borrower for Period (€)	Previous Year's Profit (Loss) of Borrower (€)	
758	567	4	28	11,500,000	4,600,000	Buildings and Real Estate	Business equipment & services	28/02/2007	18.93		Y		2004	144,151,000	91,520,000	308,246,000	283,553,000	4,789,000	2,152,000		
759	568	2.1	39	26,666,667	21,333,333	Retail Stores	Retailers (except food & drug)	29/10/2009	50.97		Y		2005	297,396,000	285,645,000	192,529,000	190,045,000	8,675,000	13,748,000		
760	568	2.1	39	15,000,000	12,000,000	Retail Stores	Retailers (except food & drug)	29/10/2009	50.97		Y		2005	297,396,000	285,645,000	192,529,000	190,045,000	8,675,000	13,748,000		
761	569	4	35	4,600,000	3,680,000	Beverage, Food and Tobacco	Food products	31/07/2006	12.00				2004	11,435,000	11,541,000	36,635,000	35,147,000	481,000	(529,000)		
762	569	4	35	1,928,562	1,542,850	Beverage, Food and Tobacco	Food products	16/05/2008	33.53				2004	11,435,000	11,541,000	36,635,000	35,147,000	481,000	(529,000)		
763	570	3	42	9,500,000	7,600,000	Printing and Publishing	Publishing	06/12/2014	112.20				2004	78,225,000	81,577,000	123,628,000	123,220,000	1,421,000	3,979,000		
764	570	3	42	3,883,315	3,106,652	Printing and Publishing	Publishing	31/07/2006	12.00				2004	78,225,000	81,577,000	123,628,000	123,220,000	1,421,000	3,979,000		
765	570	3	42	5,000,000	4,000,000	Printing and Publishing	Publishing	31/07/2006	12.00				2004	78,225,000	81,577,000	123,628,000	123,220,000	1,421,000	3,979,000		
766	571	4	60	12,088,889	12,088,889	Electronics	Business equipment & services	22/06/2007	22.73	1			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
767	572	6	15	11,300,000	4,520,000	Automobile	Surface transport services	21/07/2006	11.70				2003	86,335,000	85,542,000	31,540,000	31,540,000	949,000	(1,598,000)		
768	573	1.8	28	26,250,000	10,500,000	Diversified/ Conglomerate Service	Business equipment & services	11/03/2009	43.37		Y		2003	258,118,000	228,726,000	84,102,000	76,021,000	14,892,000	12,461,000		
769	573	1.8	28	7,650,000	3,060,000	Diversified/ Conglomerate Service	Business equipment & services	30/09/2007	26.00		Y		2003	258,118,000	228,726,000	84,102,000	76,021,000	14,892,000	12,461,000		
770	574	2.1	29	5,741,935	2,296,774	Beverage, Food and Tobacco	Food products	30/05/2009	46.00				2004	23,957,128	13,264,692	62,248,748	52,858,054	1,455,001	818,038		
771	575	2.8	28	8,709,677	3,483,871	Leisure, Amusement, Entertainment	Food service	23/05/2006	2.27	2			2004	43,405,000	42,091,000	35,840,000	36,960,000	953,000	4,057,000		
772	575	2.8	28	5,042,896	2,017,159	Leisure, Amusement, Entertainment	Food service	31/07/2006	12.00	2			2004	43,405,000	42,091,000	35,840,000	36,960,000	953,000	4,057,000		
773	576	3	60	5,700,000	5,700,000	Chemicals, Plastics and Rubber	Chemicals & plastics	31/07/2006	12.00		Y		2004	380,425,000	370,776,000	536,567,000	539,627,000	5,929,000	23,337,000		
774	576	3	60	5,902,778	5,902,778	Chemicals, Plastics and Rubber	Chemicals & plastics	16/11/2009	51.53		Y		2004	380,425,000	370,776,000	536,567,000	539,627,000	5,929,000	23,337,000		
775	577	2.1	85	1,511,978	1,511,978	Broadcasting & Entertainment	Surface transport	31/07/2006	12.00				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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