

**PROSPECTUS SUPPLEMENT/FINAL TERMS DATED 16 OCTOBER 2008**

(to the Base Prospectus dated 13 October 2008)

**Penarth Master Issuer plc**

*(incorporated in England and Wales with limited liability under registered number 6615304)*

Issuer

**Bank of Scotland plc**

Sponsor, Transferor and Servicer

Issue of £1,350,000,000 Class A Asset Backed Floating Rate Notes due 2010 under

**the Penarth Medium Term Note Programme**

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

The Issuer will issue	Class A Notes
Principal Amount	£1,350,000,000
Interest Rate	0.095 per cent. per annum plus 1 month LIBOR
Interest Payment Dates	On the 18th day of each month, in each case subject to adjustment for non-Business Days
Scheduled Redemption Date	18 April 2010
Final Redemption Date	18 April 2012
Price to public	£1,350,000,000 (or 100 per cent.)
Underwriting discount	£ 0 (or 0 per cent.)
Proceeds to Sponsor	£1,350,000,000 (or 100 per cent.)

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

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

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

Please review and carefully consider the Risk Factors beginning on page 18 of the Base Prospectus and any additional Risk Factors on page 7 of this Prospectus Supplement/Final Terms before purchasing any notes.

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

If issued under this Prospectus Supplement/Final Terms, Regulation S Notes (as defined herein) of each class will be represented on issue by beneficial interests in one or more permanent global note certificates (each a "Regulation S Global Note Certificate"), in fully registered form, without interest coupons attached, which will be registered in the name of a nominee for and deposited with a Common Depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream"). Ownership interests in the Regulation S Global Note Certificates (the "Global Note Certificates") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream (as relevant), and their respective participants. Notes in definitive certificated, fully registered form will be issued only in the limited circumstances described herein. In each case, purchasers and transferees of notes will be deemed to have made certain representations and agreements. See "Forms of the notes" and "Plan of Distribution" in the Base Prospectus and "Purchase and Transfer Restrictions" in this Prospectus Supplement/Final Terms.

*Arranger*

✳️ **BANK OF SCOTLAND**

*Lead Manager and Dealer*

**Bank of Scotland plc, Treasury Division**

## IMPORTANT NOTICES

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

This document constitutes a Prospectus Supplement/Final Terms for the purposes of Article 5.4 of the Prospectus Directive and is supplemental to and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the notes is only available on the basis of the combination of this Prospectus Supplement/Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the specified offices of the Dealer or the Principal Paying Agent and copies may be obtained from the specified offices of the Dealer or the Principal Paying Agent.

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

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

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

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

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

The information about these Series 2008-1A Notes appears in two separate documents: a Base Prospectus and this Prospectus Supplement/Final Terms. The Base Prospectus provides general information about each Note Series issued under the Programme, some of which may not apply to the Series 2008-1A Notes described in this Prospectus Supplement/Final Terms. With respect to the Series 2008-1A Notes, this Prospectus Supplement/Final Terms is the "relevant Prospectus Supplement/Final Terms" or the "applicable Prospectus Supplement/Final Terms" referred to in the Base Prospectus.

This Prospectus Supplement/Final Terms may be used to offer and sell the Series 2008-1A Notes only if accompanied by the Base Prospectus.

This Prospectus Supplement/Final Terms may supplement the disclosure in the Base Prospectus. If the terms in this Prospectus Supplement/Final Terms differ from the terms in the Base Prospectus, the terms in this Prospectus Supplement/Final Terms will apply to the Series 2008-1A Notes.

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

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## TRANSACTION FEATURES

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

### NOTE SERIES

<b>Series Number:</b>	Series 2008-1A
<b>Class of Note:</b>	Class A
<b>Issue Date:</b>	16 October 2008
<b>Issue Price:</b>	100 per cent.
<b>Ratings:</b>	Standard & Poor's (AAA)/Fitch Ratings (AAA)
<b>Principal Amount:</b>	£1,350,000,000
<b>Net Proceeds:</b>	£1,350,000,000
<b>Specified Currency:</b>	Notes are to be denominated in Sterling
<b>Fixed or Floating Designation:</b>	Floating rate Sterling notes
<b>Scheduled Redemption Date:</b>	18 April 2010
<b>Final Redemption Date:</b>	18 April 2012
<b>Rate of Interest:</b>	1 month LIBOR plus the Margin
<b>Margin:</b>	0.095%
<b>Day Count Fraction:</b>	Actual/365 (Fixed)
<b>Interest Determination Date:</b>	Each Interest Payment Date
<b>Distribution Date:</b>	On the 18th day of each month, in each case subject to adjustment for non-Business Days.
<b>First Interest Payment Date:</b>	18 December 2008
<b>Floating Rate Commencement Date (if applicable):</b>	N/A
<b>Interest Payment Dates:</b>	On the 18th day of each month, in each case subject to adjustment for non-Business Days.
<b>Interest Rate Calculations:</b>	Condition 6(a)
<b>LIBOR:</b>	1 month except for the first Interest Period where LIBOR will be based on the linear interpolation of two-month and three-month sterling LIBOR
<b>Redenomination, Renominalisation and Reconventioning:</b>	YES
<b>Indication of Yield:</b>	Not applicable
<b>Denomination:</b>	£50,000 and amounts in excess thereof which are integral multiples of £1,000.
<b>Listing:</b>	The London Stock Exchange - Regulated Market

<b>Clearing and Settlement:</b>	Euroclear and Clearstream
<b>Other External Credit Enhancement:</b>	None
<b>Additional Business Centre(s):</b>	None
<b>Additional Financial Centre(s):</b>	None
<b>Business Day Convention:</b>	Modified Following Business Day Convention
<b>Form of notes:</b>	Registered Notes:  Regulation S Global Note Certificates registered in the name of a nominee for a Common Depository for Euroclear and Clearstream, Luxembourg
<b>Call Date:</b>	Any Interest Payment Date
<b>Debt or Equity for US taxation purposes:</b>	N/A
<b>Issued with Original Issue Discount for US taxation purposes:</b>	N/A
<b>Estimated total expenses related to admission to trading:</b>	£3,650
<b>Additional Events of Default:</b>	None
<b>Screen Rate</b>	Yes
<b>Minimum Adjusted Transferor Interest:</b>	20% or such lower percentage as the Servicer may certify in its opinion formed on the basis of due consideration, such reduction will not result in a reduction or withdrawal of each Rating Agency's then current rating of any outstanding Associated Debt

## LOAN NOTE SUPPORTING SERIES

The notes of this Note Series will be collateralised by the class A 2008-1A Loan Note (the "Related Loan Note") which shall have the following terms as set out in the class A 2008-1A Loan Note Supplement.

<b>Designation for the purposes of the STDCMA:</b>	Class A
<b>Issuance Date:</b>	16 October 2008
<b>Initial Principal Amount:</b>	£1,350,000,000
<b>Class A Required Subordinated Percentage:</b>	27.5 per cent.
<b>First Monthly Period End Date:</b>	1 December 2008
<b>First Loan Note Interest Payment Date:</b>	18 December 2008
<b>Loan Note Interest Payment Date:</b>	18 December 2008 and each Distribution Date thereafter up to and including the Distribution Date falling in April 2012.
<b>Loan Note Interest Period:</b>	From, and including, a Loan Note Interest Payment Date or, for the first Loan Note Interest Period, the Issuance Date, to, but excluding, the next Loan Note Interest Payment Date.
<b>Loan Note Interest Rate:</b>	0.095 per cent. plus 1 month LIBOR
<b>Scheduled Redemption Date:</b>	18 April 2009
<b>Stated Monthly Accumulation Amount:</b>	£112,500,000
<b>Final Redemption Date:</b>	18 April 2012
<b>Additional Early Redemption Events:</b>	None
<b>Required Accumulation Reserve Account Amount:</b>	On any Transfer Date on or after the Accumulation Reserve Account Funding Date, 2.25 per cent. of the Outstanding Principal Amount of the Class A 2008-1A Loan Note as of the close of business on the last day of the preceding Monthly Period.
<b>Additional Junior Cost Items:</b>	None
<b>Accumulation Period Commencement Date:</b>	18 April 2009
<b>Programme Reserve Account Percentage:</b>	27.5%

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

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

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



## PARTIES

<b>Dealer:</b>	Bank of Scotland plc, Treasury Division
<b>Issuer:</b>	Penarth Master Issuer plc
<b>Note Trustee:</b>	Deutsche Bank Trust Company Americas
<b>Principal Paying Agent, Calculation Agent, Paying Agent and Agent Bank for the notes:</b>	Deutsche Bank AG, London branch. The Principal Paying Agent will make payments of interest and principal when due on the notes. The Agent Bank will calculate the interest rates applicable to each class of notes. The Principal Paying Agent and Agent Bank's address in London is, at the date of this Prospectus Supplement/Final Terms, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
<b>US Paying Agent</b>	No
<b>Custodian:</b>	No
<b>Receivables Trustee:</b>	Penarth Receivables Trustee Limited
<b>Loan Note Issuer No.1:</b>	Penarth Funding 1 Limited
<b>Sponsor, Transferor, Transferor Beneficiary and Servicer:</b>	Bank of Scotland plc
<b>Security Trustee:</b>	Deutsche Bank Trust Company Americas
<b>Cash Manager:</b>	Bank of Scotland plc
<b>Servicer:</b>	Bank of Scotland plc

## OTHER NOTE SERIES ISSUED

Note Series	Ratings (S&P/Moody's /Fitch)	Issuance Date	Tranche Size	Note Interest Rate	Scheduled Redemption Date	Final Redemption Date
N/A	N/A	N/A	N/A	N/A	N/A	N/A

**ADDITIONAL RISK FACTORS**

None.

## BANK PORTFOLIO INFORMATION

The following tables show information relating to the historic performance of Eligible Accounts originated using Bank of Scotland's underwriting criteria. The Receivables from certain of these accounts will ultimately back the notes and comprise the Receivables Trust (the "Securitised Portfolio").

### Receivable Yield Considerations

The following table sets forth the gross revenues from finance charges and fees billed to Accounts in the Bank Portfolio for each of the years ended 31 December 2004, 2005, 2006, 2007, and for the 8 months ended 31 August 2008. These revenues vary for each account based on the type and volume of activity for each account. The historical yield figures in these tables are calculated on an accrual basis. Collections of Receivables included in Penarth Receivables Trust will be on a cash basis and may not reflect the historical yield experience in the table. For further detail, please see the Base Prospectus.

### Bank Portfolio Yield

	YTD Aug 2008	2007	2006	2005	2004
Average Account Monthly Accrued Finance Charges and Fees <sup>(1)</sup> .....	£ 92,256,569	£ 90,065,589	£ 90,360,515	£85,624,220	£73,624,586
Average Account Balance <sup>(2)</sup> .....	£7,022,209,284	£6,760,128,699	£7,087,282,839	£6,628,406,001	£5,512,727,504
Yield from Charges and Fees .....	15.8%	16.0%	15.3%	15.5%	16.0%
Yield from Interchange.....	1.0%	1.0%	1.0%	1.2%	1.5%
Yield from Charges, Fees and Interchange.....	16.8%	17.0%	16.3%	16.7%	17.6%

Notes:

<sup>(1)</sup> Finance Charges and fees are comprised of monthly periodic charges and other credit card fees. This represents the average monthly balance.

<sup>(2)</sup> Internal reporting includes charged off balances within the "Account Balance".

All ratios are annualised.

### Delinquency and Loss Experience

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

**Delinquency Experience  
Bank Portfolio**

*(non percentage amounts are expressed in sterling)*

	YTD Aug 2008	%	2007	%	2006	%	2005	%	2004	%
Receivables Outstanding	7,068,862,836		6,785,722,243		7,004,346,122		7,414,818,477		6,077,069,878	
Receivables Delinquent	220,383,219	3.1%	227,026,653	3.3%	273,643,833	3.9%	268,581,957	3.6%	222,882,032	3.7%
5-29	97,398,181	1.4%	105,652,904	1.6%	96,047,252	1.4%	89,712,706	1.2%	63,189,587	1.0%
30-59	88,473,621	1.3%	77,334,594	1.1%	65,658,846	0.9%	60,923,146	0.8%	40,153,992	0.7%
60-89	203,719,350	2.9%	180,516,895	2.7%	127,523,705	1.8%	121,490,621	1.6%	79,430,041	1.3%
90+	912,188,347	12.9%	719,573,667	10.6%	762,739,009	10.9%	568,427,734	7.7%	430,100,621	7.1%
Charged-off	1,522,162,717	21.5%	1,310,104,713	19.3%	1,325,612,644	18.9%	1,109,136,164	15.0%	835,756,274	13.8%
Total										

Notes:

(1) End of period balances have been used.

(2) Repayment Plans not in arrears are not classified as delinquent.

(3) Receivables outstanding include charged-off accounts but exclude accounts that have been written off.

## Gross Charge-off Experience

### Bank Portfolio

*(non percentage amounts are expressed in sterling)*

	YTD Aug 2008	2007	2006	2005	2004
Receivables Outstanding .....	7,068,862,836	6,785,722,243	7,004,346,122	7,414,818,477	6,077,069,878
Total gross charge-offs .....	513,987,579	539,118,615	542,209,925	391,325,717	278,212,990
Total gross charge-offs as % of receivables .....	10.9%	7.9%	7.7%	5.3%	4.6%

**Notes:**

End of period balances have been used.

Receivables outstanding include charged-off accounts but exclude accounts that have been written off.

### Maturity Assumptions

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

#### Cardholder Monthly Payments Rates

##### Bank Portfolio

	YTD Aug. 2008	2007	2006	2005	2004
Lowest Month .....	11.4%	12.1%	11.3%	12.6%	15.9%
Highest Month .....	13.7%	15.0%	14.9%	16.7%	21.2%
Monthly Average .....	12.7%	13.4%	13.4%	14.7%	17.5%

## RECEIVABLES INFORMATION

As at 26 September 2008

The following tables summarise the Securitised Portfolio by various criteria as of the beginning of the day on 26 September 2008. Because the future composition of the Securitised Portfolio may change over time, these tables are not necessarily indicative of the composition of the Securitised Portfolio at any time subsequent to 26 September 2008.

The Securitised Portfolio data set forth below includes data relating to Accounts for which the billing address is located in Northern Ireland. Receivables arising on such Accounts will not be Eligible Receivables on the Issue Date and will not therefore form part of the Securitised Portfolio. The Accounts for which the billing address is located in Northern Ireland account for only 2 per cent. of the Securitised Portfolio data set forth below (see *Geographic Distribution of Accounts* below) and as such the data relating to such Accounts is not therefore material in the context of the total Securitised Portfolio.

### Receivable Yield Considerations

The following table sets forth the gross revenues from finance charges and fees billed to accounts in the Securitised Portfolio, for each of the years ended 31 December 2004, 2005, 2006, 2007, and for the 8 months ended 31 August 2008. Each table has been provided by Bank of Scotland. These revenues vary for each account based on the type and volume of activity for each account. The historical yield figures in these tables are calculated on an accrual basis. Collections of receivables included in the receivables trust will be on a cash basis and may not reflect the historical yield experience in the table. For further detail, please see the Base Prospectus.

### Securitised Portfolio Yield

(non percentage amounts are expressed in sterling)

	Months Ended August 2008	2007	2006	2005	2004
Average Receivables Outstanding .....	5,348,350,199	5,362,200,730	5,625,765,463	5,102,250,133	4,150,483,237
Average Monthly Finance Charges .....	60,731,678	58,446,493	56,166,619	48,661,590	36,117,778
Average Monthly Fees (Incl. Insurance) .....	18,271,019	17,695,213	20,691,484	22,569,849	18,068,626
Average Monthly Interchange .....	5,306,516	4,967,058	4,884,231	5,514,747	6,064,256
Yield From Finance Charges .....	13.6%	13.1%	12.0%	11.4%	10.4%
Yield from Fees (Incl. Insurance) .....	4.1%	4.0%	4.4%	5.3%	5.2%
Yield from Interchange .....	1.2%	1.1%	1.0%	1.3%	1.8%
Total Yield from Charges, Fees and Interchange .....	18.9%	18.2%	17.4%	18.0%	17.4%

#### Notes:

- (1) Average receivables outstanding is the average of the month end balances for the period indicated.
- (2) Finance Charges and fees are comprised of monthly periodic charges and other credit card fees net of adjustments made pursuant to Bank of Scotland normal servicing procedures, including removal of incorrect or disputed monthly periodic finance charges.
- (3) Interchange has been estimated as a proportion of the bank total interchange revenue.
- (4) Yield percentages for the 8 months ended August 2008 are presented on an annualised basis.

### Composition by Account Balance Securitised Portfolio

Balance (£'s) Bandings	Total Number of Accounts	Percentage of Total Number of Accounts	Receivables (£'s)	Percentage of Total Receivables
Credit Balance .....	434,249	11%	(9,998,101)	0%
No Balance .....	1,464,892	37%	-	0%
£0.01 - £5,000.00 .....	1,815,567	46%	2,167,274,187	49%
£5,000.01 - £10,000.00 .....	202,597	5%	1,420,805,320	32%
£10,000.01 - £15,000.00 .....	65,241	2%	793,410,051	18%
£15,000.01 - £20,000.00 .....	3,766	0%	60,274,802	1%
£20,000.01 - £25,000.00 .....	51	0%	1,123,425	0%
£25,000.01 or more .....	16	0%	472,019	0%
<b>Total .....</b>	<b>3,986,379</b>	<b>100%</b>	<b>4,433,361,704</b>	<b>100%</b>

**Composition by Credit Limit  
Securitized Portfolio**

<b>Credit Limit Banding</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Receivables (£'s)</b>	<b>Percentage of Total Receivables</b>
Less than £5,000.00 .....	2,211,872	55%	1,086,239,015	25%
£5,000.01 - £10,000.00 .....	1,151,670	29%	1,438,260,512	32%
£10,000.01 - £15,000.00 .....	590,009	15%	1,789,566,382	40%
£15,000.01 - £20,000.00 .....	31,936	1%	115,153,998	3%
£20,000.01 - £25,000.00 .....	612	0%	2,589,216	0%
£25,000.01 or more .....	280	0%	1,552,581	0%
<b>Total .....</b>	<b>3,986,379</b>	<b>100%</b>	<b>4,433,361,704</b>	<b>100%</b>

**Composition by Period of Delinquency  
Securitized Portfolio**

<b>Delinquency Status</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Receivables (£'s)</b>	<b>Percentage of Total Receivables</b>
Not Delinquent .....	3,911,195	98%	4,215,642,535	95%
5 - 29 Days Past Due .....	56,101	1%	150,888,778	3%
30 - 59 Days Past Due .....	8,297	0%	27,268,381	1%
60 - 89 Days Past Due .....	4,180	0%	16,143,287	0%
90 - 119 Days Past Due .....	2,941	0%	12,543,791	0%
120 - 149 Days Past Due .....	2,098	0%	9,122,606	0%
150 or More Days Past Due .....	1,567	0%	1,752,326	0%
<b>Total .....</b>	<b>3,986,379</b>	<b>100%</b>	<b>4,433,361,704</b>	<b>100%</b>

**Composition by Account Age  
Securitized Portfolio**

<b>Account Age Bandings</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Receivables (£'s)</b>	<b>Percentage of Total Receivables</b>
Not More Than 6 Months .....	-	0%	-	0%
Over 6 Months to 12 Months .....	210,563	5%	362,925,145	8%
Over 12 Months to 24 Months .....	452,593	11%	464,115,305	10%
Over 24 Months to 36 Months .....	402,678	10%	427,174,353	10%
Over 36 Months to 48 Months .....	402,306	10%	435,319,138	10%
Over 48 Months to 60 Months .....	474,540	12%	532,414,370	12%
Over 60 Months to 72 Months .....	376,679	9%	332,869,690	8%
Over 72 Months .....	1,667,020	42%	1,878,543,703	42%
<b>Total .....</b>	<b>3,986,379</b>	<b>100%</b>	<b>4,433,361,704</b>	<b>100%</b>

**Geographic Distribution of Accounts  
Securitised Portfolio**

Region	Total Number of Accounts	Percentage of Total Number of Accounts	Receivables (£'s)	Percentage of Total Receivables
East Anglia.....	413,144	10%	490,467,450	11%
London.....	248,681	6%	337,267,605	8%
Midlands.....	425,186	11%	446,065,059	10%
North East England.....	620,171	16%	604,480,525	14%
Northern Ireland.....	74,775	2%	77,644,591	2%
North West England.....	504,856	13%	529,513,783	12%
Scotland.....	619,955	16%	673,618,297	15%
South Central England.....	338,767	8%	412,431,354	9%
South East England.....	320,093	8%	399,605,902	9%
South West England.....	273,270	7%	300,061,328	7%
Wales.....	137,371	3%	148,228,603	3%
Other.....	10,110	0%	13,977,207	0%
<b>Total.....</b>	<b>3,986,379</b>	<b>100%</b>	<b>4,433,361,704</b>	<b>100%</b>



## PURCHASE AND TRANSFER RESTRICTIONS

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

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

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

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

Each prospective purchaser of the notes offered in reliance on Regulation S ("**Regulation S**") under the Securities Act (a "**Offeree**") by accepting delivery of this prospectus, will be deemed to have represented, acknowledged and agreed as follows:

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

### **Notes**

#### **Legend**

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

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

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

The following paragraph is to be included in the legend for Regulation S Global Note Certificate only:

EACH TRANSFEROR OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE NOTE TRUST DEED TO THE TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL ANY INTEREST IN THIS NOTE PREVIOUSLY TRANSFERRED TO HOLDERS NOT ELIGIBLE TO PURCHASE SUCH INTERESTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE NOTE TRUST DEED. HOWEVER, WITHOUT PREJUDICE TO THE RIGHTS OF THE ISSUER AGAINST ANY BENEFICIAL OWNER OR PURPORTED BENEFICIAL OWNER OF NOTES, NOTHING IN THE NOTE TRUST DEED OR THE NOTES SHALL BE INTERPRETED TO CONFER ON THE ISSUER, THE NOTE TRUSTEE OR ANY PAYING AGENT ANY RIGHT AGAINST EUROCLEAR BANK S.A./N.V. ("EUROCLEAR") AND/OR CLEARSTREAM BANKING, SOCIÉTÉ ANONYME ("CLEARSTREAM"), TO REQUIRE THAT EUROCLEAR AND/OR CLEARSTREAM, AS THE CASE MAY BE, REVERSE OR RESCIND ANY TRADE COMPLETED IN ACCORDANCE WITH THE RULES OF EUROCLEAR AND/OR CLEARSTREAM, AS THE CASE MAY BE.

The following paragraph is to be included in the legend for Rule 144A Global Note Certificate only:

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

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

The following paragraph is to be included in the legend for Individual Debt Note Certificates only:

EACH ORIGINAL PURCHASER AND EACH TRANSFEREE OF THIS NOTE OR OF AN INTEREST HEREIN IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) THE HOLDER IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE WILL NOT BE, AN "EMPLOYEE BENEFIT PLAN" SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A "PLAN" WITHIN THE MEANING OF SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

(THE "**CODE**"), ANY PERSON OR ENTITY WHOSE ASSETS INCLUDE THE ASSETS OF ANY SUCH "EMPLOYEE BENEFIT PLAN" OR "PLAN" BY REASON OF 29 C.F.R. 2510.3-101 OR OTHERWISE, 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, AND IS NOT PURCHASING THIS NOTE ON BEHALF OF ANY SUCH PERSON, OR (B) THE PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THIS NOTE WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF ANY SUCH OTHER EMPLOYEE BENEFIT PLAN, ARE NOT IN VIOLATION OF ANY SUCH SUBSTANTIALLY SIMILAR LAW).

The following paragraph is to be included in the legend for Individual Equity Note Certificates only:

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

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

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

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

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

ANY TRANSFERS, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO. ("**CEDE**"), HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE).

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

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

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

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

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

- (i) It understands that the notes have been offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the notes have not been and will not be registered under the Securities Act and, if in the future it decides to offer, resell, pledge or otherwise transfer the notes, such notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Note Trust Deed and the legend on such notes. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the notes.
- (ii) In connection with the purchase of the notes: (a) the Issuer is not acting as a fiduciary or financial or investment advisor for it; (b) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the Dealers (in its capacity as such) or any of their agents, other than any statements in a current prospectus for such notes and any representations expressly set forth in a written agreement with such party; (c) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer or the Dealers; (d) its purchase of the notes will comply with all applicable laws in any jurisdiction in which it resides or is located; (e) it is acquiring the notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; and (f) it is a sophisticated investor and is purchasing the notes with a full understanding of all of the terms, conditions and risks thereof and is capable of assuming and willing to assume those risks.
- (iii) Either: (i) it is not (and is not deemed for purposes of ERISA or Section 4975 of the Code to be) and for so long as it holds an equity note, as applicable, will not be (or be deemed for such purposes to be) (A) an "employee benefit plan" as defined in ERISA and that is subject to Part 4 of Subtitle B of Title I of ERISA, (B) a "plan" as defined in and subject to Section 4975 of the Code or (C) any entity whose underlying assets are deemed for purposes of ERISA or the Code

to include "plan assets" by reason of such plan investment in the entity (each of the foregoing, a "Benefit Plan Investor"), or (ii) (A) it is an employee benefit plan that is not a Benefit Plan Investor which is subject to any Federal, state or local law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code ("Similar Law") and (B) the purchase and holding of such equity notes, as applicable, do not and will not violate any such substantially Similar Law.

- (iv) It acknowledges that it is its intent and that it understands it is the Issuer's intent, that for purposes of U.S. federal, state and local income taxes, the Issuer will be treated as a corporation and the notes will be treated as indebtedness of the Issuer; it agrees to such treatment, to report all income (or loss) in accordance with such treatment and to take no action inconsistent with such treatment, except as otherwise required by any taxing authority under applicable law.
- (v) It is aware that, except as otherwise provided in the Note Trust Deed, the notes being sold to it will be represented by one or more Global Note Certificates, and that beneficial interests therein may be held only through Euroclear and Clearstream or DTC or one of their nominees, as applicable.
- (vi) It understands that the Issuer, the Note Trustee, the Dealer and their counsel will rely on the accuracy and truth of the foregoing representation, and it hereby consents to such reliance.
- (vii) It is aware that the sale of notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the notes offered in reliance on Regulation S will bear the legend set forth above and be represented by one or more Regulation S Global Note Certificate. The notes so represented may not at any time be held by or on behalf of U.S. Persons as defined in Regulation S. It and each beneficial owner of the notes that it holds is not, and will not be, a U.S. Person (as defined in Regulation S) and its purchase of the notes will comply with all applicable laws in any jurisdiction in which it resides or is located.
- (viii) If it is not a "United States person" as defined in Section 7701(a)(30) of the Code, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income taxes owed, owing or potentially owed or owing.
- (ix) It understands that the Note Trust Deed permits the Issuer to demand that any beneficial owner of Regulation S Global Notes who is determined to be a U.S. Person to sell all its right, title and interest in such Regulation S Global Note Certificate (a) to a person who is not a U.S. Person in a transaction meeting the requirements of Regulation S or (b) to a person who will take delivery of the Holder's Regulation S Global Notes in the form of an interest in a Rule 144A Global Note Certificate, who is a QIB in a transaction meeting the requirements of Rule 144A or another exemption from registration under the Securities Act and, if it does not comply with such demand within thirty (30) days thereof, the Issuer may sell its interest in the Note.

#### **Settlement**

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

## PLAN OF DISTRIBUTION

Name of Dealer: Bank of Scotland plc, Treasury Division  
Additional Selling Restrictions: None  
Class A  
ISIN: XS0394129349  
Common Code: 039412934

For the purposes of the U.S. federal securities laws, the Dealer engaged in the distribution of these Series 2008-1A Notes may be deemed to be "underwriters". Subject to the terms and conditions of the Dealer Agreement as supplemented by the relevant subscription agreement for these Series 2008-1A Notes, the Issuer has agreed to sell to the Dealer named below, and the Dealer has agreed to purchase, the Principal Amount of these Series 2008-1A Notes set forth opposite its name:

Dealer	Class A	Aggregate Amount
Bank of Scotland plc, Treasury Division	100 per cent.	£1,350,000,000
Total		£1,350,000,000

The Dealer has agreed, subject to the terms and conditions of the Dealer Agreement (as supplemented by the relevant subscription agreement) to purchase all £1,350,000,000 aggregate Principal Amount of these Series 2008-1A Notes if any of these Series 2008-1A Notes are purchased.

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

The gross proceeds of the issue of the notes will be £1,350,000,000. The sum of the fees payable on the issue of the notes is estimated to be £0. The fees payable on the issue of the notes will be met through a drawing by the Loan Note Issuer under the Expenses Loan. The gross proceeds of the issue of the notes will be applied by the Issuer to purchase the Series 2008-1A Loan Note issued by Loan Note Issuer No.1 on the Issue Date.


## **LISTING APPLICATION**

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

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Prospectus Supplement/Final Terms.

Signed on behalf of the Issuer:

By:  .....

*duly authorised*

per pro SFM Directors Limited  
as Director



## GENERAL INFORMATION

The admission of the Programme to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange took effect on 16 October 2008. The listing of the notes on the Regulated Market of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). This Note Series is intended to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the Regulated Market of the London Stock Exchange will be so admitted to listing and trading upon submission to the UK Listing Authority and the Regulated Market of the London Stock Exchange of this Prospectus Supplement/Final Terms and any other information required by the UK Listing Authority and the Regulated Market of the London Stock Exchange, subject in each case to the issue of the relevant notes. Prior to official listing, dealings will be permitted by the Regulated Market of the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

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

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

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

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

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

There has been no material adverse change in the financial position or prospects of the Issuer, since the Issuer's date of incorporation on 10 June 2008.

There has been no material adverse change in the financial position or prospects of Loan Note Issuer No.1, since Loan Note Issuer No.1's date of incorporation on 1 August 2008.

**ISSUER**

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

**TRANSFEROR, TRANSFEROR BENEFICIARY, SERVICER AND CASH MANAGER**

**Bank of Scotland plc**  
The Mound  
Edinburgh  
EH1 1YZ  
United Kingdom

**LOAN NOTE ISSUER NO.1**

**Penarth Funding 1 Limited**  
47 Esplanade  
St. Helier  
Jersey JE1 0BD

**PRINCIPAL PAYING  
AGENT AND AGENT BANK**

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

**RECEIVABLES TRUSTEE**

**Penarth Receivables Trustee Limited**  
47 Esplanade  
St. Helier  
Jersey JE1 0BD

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

**Deutsche Bank Trust  
Company Americas**  
60 Wall Street  
New York, NY 10005  
United States of America

**LEGAL ADVISERS**

*To Loan Note Issuer No. 1 and  
the Receivables Trustee as to  
Jersey law*

**Carey Olsen**  
47 Esplanade  
St. Helier  
Jersey JE1 0BD

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

**Tods Murray LLP**  
Edinburgh Quay  
133 Fountainbridge  
Edinburgh EH3 9AG  
United Kingdom

*To the Joint Lead Manager and  
Dealer as to English law*

**Weil, Gotshal & Manges**  
One South Place  
London EC2M 2WG  
United Kingdom

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

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

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

**Weil, Gotshal & Manges**  
One South Place  
London EC2M 2WG  
United Kingdom