

Penarth Master Issuer plc - Monthly Report June 2014

Combined Series Report For IPD Ending: 18 July 2014

Reporting Date 17 July 2014
Reporting Period 01 June 2014 - 30 June 2014
Interest Payment Date 18 July 2014

Contact Details

| Name | Telephone | Email | Address |
|----------------|--------------|--|--|
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Key Parties

| Name | Role |
|-------------------------------------|---------------------------------|
| Receivables Trustee | Penarth Receivables Trustee Ltd |
| Depositors | Penarth Funding 1 Ltd |
| Transferor | Bank of Scotland plc |
| Material Originator | Lloyds Bank plc |
| Servicer | Bank of Scotland plc |
| Cash Manager | Bank of Scotland plc |
| Account Bank | Bank of Scotland plc |
| | Lloyds Bank plc |
| Issuer | Penarth Master Issuer plc |
| Issuing Entity | Penarth Funding 1 Ltd |
| Issuer Corporate Servicers Provider | Structured Finance Management |
| Security Trustee | Deutsche Bank Trust Company |
| Note Trustee | Deutsche Bank Trust Company |
| Principal Paying Agent | Deutsche Bank AG, London Branch |
| Paying Agent | Deutsche Bank AG, London Branch |
| Agent Bank | Deutsche Bank AG, London Branch |
| Calculation Agent | Deutsche Bank AG, London Branch |
| Registrar | Deutsche Bank Trust Company |
| Exchange Agent | Deutsche Bank Trust Company |
| US Paying Agent | Deutsche Bank Trust Company |
| Arranger & Dealer | Lloyds Bank plc |
| Swap provider | Natixis, London |

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Credit Card Trust Portfolio Data

Trust Receivables

| | |
|-------------------------------------|---------------------------|
| BOP Principal Receivables | £ 5,782,269,762.46 |
| Principal Collections | - £ 1,343,717,613.01 |
| Customer New Advances & Adjustments | £ 1,330,678,714.66 |
| New Principal Additions | £ 592,574,308.87 |
| Removals - breach of warranty | £ 0.00 |
| Charge Offs | - £ 17,409,666.50 |
| EOP Principal Receivables | £ 6,344,395,506.48 |

| | BOP Receivables | % Share | Minimum Requirement |
|-----------------------|--------------------|---------|---------------------|
| Investor Share | £ 3,792,450,666.67 | 59.49% | |
| Sellers Share | £ 2,582,393,404.66 | 40.51% | 6% |
| Principal Receivables | £ 6,374,844,071.33 | 100.00% | |

| | | |
|------------------------|--------|--|
| Principal Payment Rate | 21.08% | The Payment Rate numerator excludes non-cash collections |
| Monthly Payment Rate | 21.31% | Includes Principal and Finance Charges |

Investor Yield and Expense Rate

| | |
|---|---------------|
| Gross Yield Rate | 19.87% |
| Less Charge off Rate | 3.32% |
| Portfolio Yield (net of charge offs) | 16.54% |
| Less Expense Rate | 2.35% |
| Excess Available Funds Percentage | 14.19% |

| Delinquent Principal Receivables | EOP Principal Receivables | % of Total Principal Receivables | Number of Accounts | % of Total Accounts |
|----------------------------------|---------------------------|----------------------------------|--------------------|---------------------|
| 30 - 59 days delinquent | £ 31,067,281.86 | 0.49% | 13,050 | 0.20% |
| 60 - 89 days delinquent | £ 20,846,164.46 | 0.33% | 8,302 | 0.13% |
| 90 - 119 days delinquent | £ 13,340,931.02 | 0.21% | 6,100 | 0.09% |
| 120-149 days delinquent | £ 8,336,067.04 | 0.13% | 3,805 | 0.06% |
| 150 -179 days delinquent | £ 6,713,005.49 | 0.11% | 2,821 | 0.04% |
| 180+ days delinquent | £ 7,294,573.45 | 0.11% | 3,055 | 0.05% |
| Non-Delinquent | £ 6,256,797,483.16 | 98.62% | 6,583,478 | 99.44% |
| Total | £ 6,344,395,506.48 | 100.00% | 6,620,611 | 100.00% |

Unaudited Stratification Tables as at 30 June 2014

| Composition by Account Balance | Aggregate Account Balance | % of Total Aggregate Account Balance | Number of Accounts | % of Total Accounts |
|--------------------------------|---------------------------|--------------------------------------|--------------------|---------------------|
| Credit Balance | - £ 25,484,221.60 | -0.38% | 941,203 | 14.22% |
| No Balance | £ 0.00 | 0.00% | 1,998,451 | 30.19% |
| £0.01 - £5,000.00 | £ 3,696,092,967.87 | 54.66% | 3,306,122 | 49.94% |
| £5,000.01 - £10,000.00 | £ 1,978,320,382.99 | 29.26% | 285,667 | 4.31% |
| £10,000.01 - £15,000.00 | £ 1,043,732,223.92 | 15.44% | 85,065 | 1.28% |
| £15,000.01 - £20,000.00 | £ 61,218,844.31 | 0.91% | 3,799 | 0.06% |
| £20,000.01 or more | £ 8,004,466.74 | 0.12% | 304 | 0.00% |
| Total | £ 6,761,884,664.23 | 100.00% | 6,620,611 | 100.00% |

| Composition by Credit Limit | Aggregate Account Balance | % of Total Aggregate Account Balance | Number of Accounts | % of Total Accounts |
|-----------------------------|---------------------------|--------------------------------------|--------------------|---------------------|
| Less than £5,000.00 | £ 1,979,142,406.82 | 29.27% | 3,947,365 | 59.62% |
| £5,000.01 - £10,000.00 | £ 2,321,773,020.81 | 34.34% | 1,771,351 | 26.76% |
| £10,000.01 - £15,000.00 | £ 2,349,838,207.47 | 34.75% | 868,198 | 13.11% |
| £15,000.01 - £20,000.00 | £ 96,489,094.92 | 1.43% | 30,955 | 0.47% |
| £20,000.01 or more | £ 14,641,934.21 | 0.22% | 2,742 | 0.04% |
| Total | £ 6,761,884,664.23 | 100.00% | 6,620,611 | 100.00% |

| Composition by Account Age | Aggregate Account Balance | % of Total Aggregate Account Balance | Number of Accounts | % of Total Accounts |
|-----------------------------|---------------------------|--------------------------------------|--------------------|---------------------|
| Not More Than 6 Months | £ 94,363,528.85 | 1.40% | 64,979 | 0.98% |
| Over 6 Months to 12 Months | £ 277,568,084.28 | 4.10% | 206,221 | 3.11% |
| Over 12 Months to 24 Months | £ 392,930,738.91 | 5.81% | 479,596 | 7.24% |
| Over 24 Months to 36 Months | £ 393,457,690.94 | 5.82% | 523,490 | 7.91% |
| Over 36 Months to 48 Months | £ 445,402,002.06 | 6.59% | 627,739 | 9.48% |
| Over 48 Months to 60 Months | £ 403,978,784.48 | 5.97% | 446,507 | 6.74% |
| Over 60 Months to 72 Months | £ 427,861,516.50 | 6.33% | 474,910 | 7.17% |
| Over 72 Months | £ 4,326,322,318.21 | 63.98% | 3,797,169 | 57.35% |
| Total | £ 6,761,884,664.23 | 100.00% | 6,620,611 | 100.00% |

| Geographic Distribution of Accounts | Aggregate Account Balance | % of Total Aggregate Account Balance | Number of Accounts | % of Total Accounts |
|-------------------------------------|---------------------------|--------------------------------------|--------------------|---------------------|
| East Anglia | £ 821,131,549.98 | 12.14% | 769,540 | 11.62% |
| London | £ 483,280,056.67 | 7.15% | 435,295 | 6.57% |
| Midlands | £ 815,035,757.77 | 12.05% | 868,481 | 13.12% |
| North East England | £ 851,816,743.06 | 12.60% | 873,916 | 13.20% |
| North West England | £ 770,348,952.16 | 11.39% | 779,310 | 11.77% |
| Scotland | £ 645,635,278.92 | 9.55% | 638,062 | 9.64% |
| South Central England | £ 757,202,956.47 | 11.20% | 691,215 | 10.44% |
| South East England | £ 690,798,840.05 | 10.22% | 610,191 | 9.22% |
| South West England | £ 626,639,673.25 | 9.27% | 652,021 | 9.85% |
| Wales | £ 284,825,403.68 | 4.21% | 283,515 | 4.28% |
| Other | £ 15,169,452.22 | 0.22% | 19,065 | 0.29% |
| Total | £ 6,761,884,664.23 | 100.00% | 6,620,611 | 100.00% |

Waterfall

Revenue Waterfall

| | |
|---|------------------------|
| Trust Finance Charge Collections | £ 103,645,908.12 |
| Sellers Share | £ 41,720,857.73 |
| Investor Share | £ 61,925,050.39 |
| Funding 1 | |
| Finance Charge Collections | £ 50,985,017.71 |
| Interchange | £ 6,201,888.55 |
| Recoveries | £ 3,884,514.05 |
| Investment proceeds | £ 265,862.10 |
| Principal Funding Account Interest | £ 114,125.00 |
| Interest and earnings accrued on Accumulation Reserve | £ 6,079.62 |
| Accumulation reserve Draw Amount | £ 467,563.36 |
| Total LNI Available Funds | £ 61,925,050.39 |
| Application of Funds: | |
| Senior Cost Items | £ 90,350.72 |
| Monthly Distribution Amount | £ 4,531,603.13 |
| Servicer Payment | £ 3,148,778.64 |
| Aggregate Investor Default Amount | £ 10,357,163.34 |
| Excess Available Funds | £ 43,797,154.56 |
| Expenses Loan | £ 0.00 |
| Accumulation reserve funding | £ 467,563.36 |
| Junior Costs | £ 1,000.00 |
| Excess Spread | £ 43,328,591.20 |

Principal Waterfall

| | |
|---|-------------------------|
| Trust Principal Collections | £ 1,343,717,613.01 |
| Distributed to Funding 1 | £ 109,583,333.33 |
| Funding 1 | |
| Principal Collections | £ 109,583,333.33 |
| Investor Defaults transferred from LNI Available Funds | £ 10,357,163.34 |
| Total LNI Available Principal Amounts | £ 119,940,496.67 |
| Application of Funds: | |
| Senior costs shortfall | £ 0.00 |
| Monthly distribution shortfall | £ 0.00 |
| Servicer payment shortfall | £ 0.00 |
| Expenses loan shortfall | £ 0.00 |
| Accumulated principal deposited to Principal Funding Account | £ 109,583,333.33 |
| Principal payments | £ 0.00 |
| Targeted pre-funding amounts deposited to Principal Funding A/c | £ 0.00 |
| Loss make Up (Investor Defaults) transferred to Investment A/c | £ 10,357,163.34 |
| Total | £ 119,940,496.67 |

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Notes in Issue as at 30 June 2014

| Series Name | Class A: Series 2013-1 | | | |
|-----------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| | Class A: Series 2010-2 A3 | Class A: Series 2011-1 A2 | A1 | Class A: Series 2013-1 A2 |
| Issue Date | 22 December 2010 | 08 June 2011 | 21 November 2013 | 21 November 2013 |
| ISIN | XS0558891049 | XS0627216772 | US70659PAE16 XS0991658120 | XS0991658989 |
| Stock Exchange Listing | LSE | LSE | LSE | LSE |
| Original Rating* | Aaa/AAA/AAA | Aaa/AAA/AAA | Aaa/AAA/AAA | Aaa/AAA/AAA |
| Current Rating* | Aaa/AAA/AAA | Aaa/AAA/AAA | Aaa/AAA/AAA | Aaa/AAA/AAA |
| Currency | GBP | GBP | USD | GBP |
| Issue Size | £300,000,000 | £125,000,000 | \$750,000,000 | £1,300,000,000 |
| Issue Size (GBP Equivalent) | £300,000,000 | £125,000,000 | £466,534,000 | £1,300,000,000 |
| Outstanding Amount (GBP) | £300,000,000 | £125,000,000 | £466,534,000 | £1,300,000,000 |
| Nominal Liquidation Amount (GBP) | £150,000,000 | £114,583,333 | £466,534,000 | £1,300,000,000 |
| Scheduled Redemption Date | 18 December 2014 | 18 May 2015 | 18 November 2015 | 18 November 2017 |
| Final Maturity Date | 18 December 2016 | 18 May 2017 | 18 November 2017 | 18 November 2019 |
| Reference Rate | 1 month LIBOR | 1 month LIBOR | 1 month USD LIBOR | 1 month LIBOR |
| Current Reference Rate | 0.49000% | 0.49000% | 0.15400% | 0.49000% |
| Margin | 1.05% | 1.00% | 0.39% | 0.45% |
| Expected Interest Amount | £379,726.03 | £153,082.19 | £384,066.13 | £1,004,383.56 |
| Interest Amount Paid | £379,726.03 | £153,082.19 | £384,066.13 | £1,004,383.56 |
| Interest paid in currency of Note | n/a | n/a | \$340,000.00 | n/a |
| Interest Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Cumulative Interest Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Scheduled Principal Payment | £0.00 | £0.00 | £0.00 | £0.00 |
| Principal Amount Paid | £0.00 | £0.00 | £0.00 | £0.00 |
| Principal Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Cumulative Principal Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |

| Series Name | Class B: Series 2010 | | | |
|-----------------------------------|------------------------------|------------------------------|---------------|---------------------------|
| | Class A: Series 2014-1 A1 | Class A: Series 2014-1 A2 | B1 | Class B: Series 2010-2 B1 |
| Issue Date | 10 April 2014 | 10 April 2014 | 02 June 2010 | 25 November 2010 |
| ISIN | XS1042115771 XS1042115698 | XS1053089659 XS1053089576 | XS0512839969 | XS0558891478 |
| Stock Exchange Listing | LSE | LSE | LSE | LSE |
| Original Rating* | Aaa/AAA/AAA | Aaa/AAA/AAA | Aa3/A/A+ | Aa3/A/A+ |
| Current Rating* | Aaa/AAA/AAA | Aaa/AAA/AAA | Aa3/AA/AA | Aa3/AA/AA |
| Currency | GBP | GBP | GBP | GBP |
| Issue Size | £150,000,000 | £500,000,000 | £200,000,000 | £330,000,000 |
| Issue Size (GBP Equivalent) | £150,000,000 | £500,000,000 | £200,000,000 | £330,000,000 |
| Outstanding Amount (GBP) | £150,000,000 | £500,000,000 | £200,000,000 | £330,000,000 |
| Nominal Liquidation Amount (GBP) | £150,000,000 | £500,000,000 | £183,333,333 | £220,000,000 |
| Scheduled Redemption Date | 18 March 2016 | 18 March 2019 | 18 May 2015 | 18 February 2015 |
| Final Maturity Date | 18 March 2018 | 18 March 2021 | 18 May 2017 | 18 February 2017 |
| Reference Rate | 1 month LIBOR | 1 month LIBOR | 1 month LIBOR | 1 month LIBOR |
| Current Reference Rate | 0.49000% | 0.49000% | 0.49000% | 0.49000% |
| Margin | 0.30% | 0.50% | 1.00% | 1.25% |
| Expected Interest Amount | £97,397.26 | £406,849.32 | £244,931.51 | £471,945.21 |
| Interest Amount Paid | £97,397.26 | £406,849.32 | £244,931.51 | £471,945.21 |
| Interest paid in currency of Note | n/a | n/a | n/a | n/a |
| Interest Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Cumulative Interest Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Scheduled Principal Payment | £0.00 | £0.00 | £0.00 | £0.00 |
| Principal Amount Paid | £0.00 | £0.00 | £0.00 | £0.00 |
| Principal Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Cumulative Principal Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |

| Series Name | Class D: Series 2010 | | | |
|----------------------------------|-------------------------|---------------------------|---------------|---------------------------|
| | Class C: Series 2010 C1 | Class C: Series 2010-2 C1 | D1 | Class D: Series 2010-2 D1 |
| Issue Date | 02 June 2010 | 22 December 2010 | 02 June 2010 | 22 December 2010 |
| ISIN | XS0512840389 | XS0558963483 | XS0512840629 | XS0558963566 |
| Stock Exchange Listing | LSE | LSE | LSE | LSE |
| Original Rating* | Baa1/BBB+ | Baa1/BBB+ | Not Rated | Not Rated |
| Current Rating* | Baa1/A | Baa1/A | Not Rated | Not Rated |
| Currency | GBP | GBP | GBP | GBP |
| Issue Size | £228,000,000 | £175,000,000 | £240,000,000 | £185,000,000 |
| Issue Size (GBP Equivalent) | £228,000,000 | £175,000,000 | £240,000,000 | £185,000,000 |
| Outstanding Amount (GBP) | £228,000,000 | £175,000,000 | £240,000,000 | £185,000,000 |
| Nominal Liquidation Amount (GBP) | £228,000,000 | £116,666,667 | £240,000,000 | £123,333,333 |
| Scheduled Redemption Date | 18 May 2017 | 18 February 2015 | 18 May 2017 | 18 February 2015 |
| Final Maturity Date | 18 May 2019 | 18 February 2017 | 18 May 2019 | 18 February 2017 |
| Reference Rate | 1 month LIBOR | 1 month LIBOR | 1 month LIBOR | 1 month LIBOR |
| Current Reference Rate | 0.49000% | 0.49000% | 0.49000% | 0.49000% |
| Margin | 1.50% | 1.50% | 1.60% | 1.60% |
| Expected Interest Amount | £372,920.55 | £286,232.88 | £412,273.97 | £317,794.52 |
| Interest Amount Paid | £372,920.55 | £286,232.88 | £412,273.97 | £317,794.52 |
| Interest Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Cumulative Interest Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Scheduled Principal Payment | £0.00 | £0.00 | £0.00 | £0.00 |
| Principal Amount Paid | £0.00 | £0.00 | £0.00 | £0.00 |
| Principal Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |
| Cumulative Principal Shortfall | £0.00 | £0.00 | £0.00 | £0.00 |

* Rating - Moody's/S&P/Fitch

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Swaps and Credit Enhancement

Issuing Entity Swaps

| Issue & Class | Currency Swap Provider | Payments to Swap Provider | | Payments to Investor | |
|---------------------------|------------------------|---------------------------|-------------|----------------------|--------------|
| | | Principal | Interest | Principal | Interest |
| Class A: Series 2013-1 A1 | Natixis, London Branch | £0.00 | £384,066.13 | \$0.00 | \$340,000.00 |

Credit Enhancement

| | Nominal Liquidation Amount | % of Total | Actual Credit Enhancement | Required Credit Enhancement* |
|---------------|----------------------------|------------|---------------------------|------------------------------|
| Class A Notes | £2,681,117,333 | 70.7% | 29.3% | 21.9% |
| Class B Notes | £403,333,333 | 10.6% | 18.7% | 15.6% |
| Class C Notes | £344,666,667 | 9.1% | 9.6% | 8.0% |
| Class D Notes | £363,333,333 | 9.6% | | |
| Total notes | £3,792,450,667 | 100.0% | | |

* Required credit enhancement reduced to 21% for Class A notes issued on or after 8th June 2011, and to 17.9% for Class A notes issued on or after 21 November 2013

All Class A notes will benefit from 21.9% credit enhancement until Class A notes issued prior to 22nd December 2010 are redeemed

Excess Available Funds Percentage

| | |
|---|---------------|
| Current Month | 14.19% |
| 1 Month Previous | 16.78% |
| 2 Month Previous | 13.72% |
| 3 Month Average | 14.90% |
| Excess Available Funds - 3 Month Average Trigger | 0% |

Reserves

Accumulation Reserve

| | |
|--|-------------|
| Accumulation Reserve - Required Amount | £29,587,500 |
| Accumulation Reserve - Actual Amount | £29,587,500 |

Series Cash Reserve

| | |
|---------------------------------------|-------|
| Series Cash Reserve - Required Amount | £0.00 |
| Series Cash Reserve - Actual Amount | £0.00 |

Provides liquidity support in relation to shortfalls of interest payable on certain Class A series. A Cash Reserve Fund will be funded upon the requisite ratings downgrade, (see Ratings Triggers).

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Ratings and Triggers

Rating Triggers

| Transaction Party | Name | Required Rating (Moody's/S&P/Fitch) | Current Rating | Consequences of Trigger Breach |
|---------------------|----------------------|--|---|---|
| Swap provider | Natixis, London | Short Term: P-1/A-1/F1 Long Term: A2/A/A | Short term: P-1/A-1/F1 Long term: A2/A/A | Requirement to post collateral or transfer rights and obligations to a replacement swap provider or obtain a guarantee from a guarantor that satisfies the minimum rating. |
| Account Bank | Bank of Scotland plc | Short Term: P-1 / A-1 / F1 Long Term: A2/ n/a / A | Short term: P-1/A-1/F1 Long term: A1/A/A | Within 30 days from the downgrade below the minimum rating open substitute accounts at a suitable Qualified Institution and transfer all funds standing to the credit of the accounts to the substitute accounts. |
| Account Bank | Lloyds Bank plc | Short Term: P-1 / A-1 / F1 Long Term: A2/ n/a / A | Short term: P-1/A-1/F1 Long term: A1/A/A | Within 30 days from the downgrade below the minimum rating open substitute accounts at a suitable Qualified Institution and transfer all funds standing to the credit of the accounts to the substitute accounts. |
| Transferor | Bank of Scotland plc | Long Term: Baa2, BBB+, BBB+ | Short term: P-1/A-1/F1 Long term: A1/A/A | Perfection of Title Rapid amortisation of notes, principal and interest paid monthly and all series of notes become pass through. |
| Material Originator | Lloyds Bank plc | Long Term: Baa2, BBB+, BBB+ | Short term: P-1/A-1/F1 Long term: A1/A/A | Perfection of Title Rapid amortisation of notes, principal and interest paid monthly and all series of notes become pass through. |

Non Rating Triggers

| Trigger Type | Trigger Event | Level | Breached | Consequences of Trigger Breach |
|-------------------|---|--|----------|--|
| Non Asset Trigger | Breach of minimum sellers share | < 6% | No | Regulated amortisation of notes, principal is accumulated as defined in the final terms. |
| Non Asset Trigger | Insolvency event | n/a | No | Perfection of Title Rapid amortisation of notes |
| Non Asset Trigger | Servicer default | n/a | No | Termination of Servicer and appointment of Successor Servicer |
| Asset Trigger | Breach of excess available funds percentage | 3 month average less than or equal to 0% | No | Regulated amortisation of notes, principal is accumulated as defined in the final terms. |

Reserve & Step Up Triggers

| Test | Level | Breached | Consequences of Trigger Breach |
|-----------------|------------------------------------|----------|---|
| Moody's Rating | Short term P1, long term A2 | No | Requirement to increase the series cash reserve account to the specified targeted amount for certain class A notes. |
| Step Up Trigger | Any notes not paid on step up date | No | Step up premium applies to future interest payments on certain Class A notes. |

Ratings values taken at :30 June 2014