IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY US PERSON OR TO ANY PERSON OR ADDRESS IN THE US EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED BELOW)

IMPORTANT: You must read the following before continuing. The following applies to the base prospectus attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached base prospectus. In accessing the attached base prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

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

This base prospectus has been delivered to you on the basis that you are a person into whose possession this base prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the base prospectus to any other person. By accessing the base prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the base prospectus by electronic transmission, (c) you are either (i) not a US person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a US person and the electronic mail address that you have given to us and to which this e-mail has been delivered is in an "offshore transaction" within the meaning of Regulation S under the Securities Act or (ii) a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and (d) if you are a person in the United Kingdom, then you are a person who (i) is an investment professional within the meaning of Article 19 of the Financial Services and Markets Act (Financial Promotions) Order 2005 (the "FPO") or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO (all such persons together being referred to as "Relevant Persons"). The base prospectus must not be acted on or relied on by persons who are not Relevant Persons.

This base prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuing Entity nor Barclays Bank PLC nor any lead managers nor any dealers nor any person who controls, nor any director, officer, employee or agent of the Issuing Entity or Barclays Bank PLC or any lead managers or any dealers nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the base prospectus distributed to you in electronic format and the hard copy version

available to you on request from the Issuing Entity or Barclays Bank PLC or any lead managers or any dealers.

Financial Conduct Authority
Document Approved
Date: 13 November 2013
Signed: Kara Woods

GRACECHURCH CARD PROGRAMME FUNDING PLC

(incorporated under the laws of England and Wales with limited liability under registered number 6714746)

Medium Term Note Programme

(ultimately backed by trust property in the Receivables Trust)

Programme	Gracechurch Card Programme Funding plc (the "**Issuing Entity**") has established a medium term note programme (the "**Programme**"). Notes issued under the Programme have been and will be issued in series (each, a "**Note Series**"). Each Note Series has been and will be: (a) issued on a single date; and (b) subject to identical terms and conditions. Notes of the same Class rank *pari passu* and *pro rata* among themselves. Each Note Series of the same Class will not, however, be subject to identical terms in all respects (for example, interest rates, interest calculations, expected maturity and final maturity dates will differ). Details of the then outstanding Note Series at the time of issuance of any Note Series will be set out in the relevant Final Terms or Drawdown Prospectus.
Final Terms/Drawdown Prospectus	Each Note Series will be subject to a Final Terms or Drawdown Prospectus, which, for the purpose of that Note Series only, supplements the Conditions of the notes in this Base Prospectus and must be read in conjunction with this Base Prospectus.
Underlying Assets	The Issuing Entity's primary source of funds to make payments on the notes will be derived from, among other things, payments made by the MTN Issuing Entity to the Issuing Entity under a Medium Term Note Certificate. Each Medium Term Note Certificate is governed by English law and is subject to the jurisdiction of the English courts in the event of proceedings relating to the Medium Term Note Certificate. The ultimate source of payment on the notes will be Collections on designated consumer credit card accounts originated and/or acquired by Barclays Bank PLC in England and Wales, Scotland and Northern Ireland. The Receivables arising on these consumer credit card accounts have been and will be purchased by the Receivables Trustee, subject to certain criteria being satisfied (please see "*The Receivables*" for further details of these criteria), and held on trust for certain beneficiaries (including the MTN Issuing Entity).
Credit Enhancement	• subordination of more junior ranking notes (please see "*Securitisation Cashflows*" for further details); • subordination of more junior ranking Investor Interests (please see "*Securitisation Cashflows*" for further details); and • excess spread (please see "*Securitisation Cashflows*" for further details);
Liquidity Support	• use of principal to fund shortfalls for the senior Investor Interests (please see "*Securitisation Cashflows*" for further details); • use of Available Funds to assist with the payment by the MTN Issuing Entity of the monthly distribution amounts in respect of a Medium Term Note Certificate (please see "*Securitisation Cashflows*" for further details); • if specified as applying to a particular Note Series, use of funds advanced by Barclays Bank PLC to the Issuing Entity under an Expenses Loan Agreement to fund the expenses related to the issue of such Note Series (please see "*The Issuing Entity – Series Expenses Loan Drawings*" for further details); and • use of funds deposited in the Series Cash Reserve Account in respect of any individual Medium Term Note Certificate to assist with the payment by the MTN Issuing Entity of amounts payable in respect of such Medium Term Note Certificate (please see

"*Securitisation Cashflows*" for further details).

Redemption Provisions Information on any optional and mandatory redemption of the notes is summarised on page 222 and set out in full in Condition 8 (*Redemption and Purchase*).

Rating Agencies In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"). Each of Standard & Poor's Credit Market Services Europe Limited, Standard & Poor's Credit Market Services France SAS and Standard & Poor's Credit Market Services Italy S.r.l. (each, as applicable, "**S&P**"), Moody's Investors Service Limited, Moody's France S.A.S., Moody's Deutschland GmbH, Moody's Italia S.r.l. and Moody's Investors Service España S.A. (each, as applicable, "**Moody's**") and Fitch Ratings Limited ("**Fitch**" and, together with each of the entities set out above, the "**Rating Agencies**") is a credit rating agency established and operating in the European Community and registered under the CRA Regulation.

Ratings Ratings assigned by Fitch and S&P address the likelihood of (a) timely payment of interest due to the Noteholders on each Interest Payment Date and (b) full payment of principal by a date that is not later than the Final Redemption Date. Ratings assigned by Moody's address the expected loss to a Noteholder in proportion to the initial principal amount of the Class of notes held by the Noteholder by the Final Redemption Date.

Each credit rating assigned to your notes reflects the rating agency's assessment only of the likelihood that interest and principal on the notes will be paid to you by the Final Redemption Date, not that it will be paid when expected or scheduled, and may not reflect the potential impact of all risks related to the transaction structure, the other risk factors in this Base Prospectus, or any other factors that may affect the value of the notes. These ratings are based on the rating agencies' determination of, *inter alia*, the value of the Receivables, the reliability of the payments on the Receivables, the creditworthiness of the Swap Counterparty (where relevant) and the availability of credit enhancement.

The ratings do not address the following:

(i) the likelihood that the principal or the interest on your notes will be redeemed or paid, as expected, on the Scheduled Redemption Dates;

(ii) the possibility of the imposition of United Kingdom or any other withholding tax;

(iii) the marketability of the notes, or any market price for the notes; or

(iv) that an investment in the notes is a suitable investment for you.

Ratings will be assigned to the notes which are to be rated as set out above on or before the Closing Date for the relevant Note Series. **The assignment of ratings to the notes is not a recommendation to invest in the notes. Any credit rating assigned to the notes may be revised or withdrawn at any time.**

Listing This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the notes issued under the Programme during the period of twelve months after the date hereof. Applications will be made for such notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FCA and to trading

	on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"), the Irish Stock Exchange or the Luxembourg Stock Exchange. The Regulated Markets of the London Stock Exchange, the Irish Stock Exchange and the Luxembourg Stock Exchange are each a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments.
Obligations	The notes will be obligations of the Issuing Entity alone and will not be guaranteed by, or be the responsibility of, any other entity. The notes will not be obligations of Barclays Bank PLC, its affiliates or any other party named in this Base Prospectus or the relevant Final Terms or Drawdown Prospectus.
Retention Undertaking	Barclays as Originator Beneficiary confirms that it will from the point in time such obligations arise under Regulation 648/2012 (as amended by Regulation 575/2013) (the "**CRR**") (i) retain a material net economic interest of not less than 5 per cent. of the nominal value of the securitisation to which this Base Prospectus relates in accordance with Article 405 of the CRR until the Final Redemption Date and (ii) provide on a timely basis all information required to be made available by Barclays pursuant to Article 409 of the CRR as implemented by its regulator, subject always to any requirement of law.
Prime Collateral Securities Initiative	The Issuing Entity may or may not make use of the Prime Collateral Securities initiative (the "**PCS**"). If the Issuing Entity makes use of the PCS, it will seek to comply with the relevant eligibility criteria in order that notes issued under the Programme may benefit from a PCS label. The Issuing Entity intends to provide further details of any compliance with the PCS once such details are known.

THE "*RISK FACTORS*" SECTION ON PAGE 2 CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.

Notes issued under the Programme are being offered and sold: (i) outside the United States to non-U.S. Persons in reliance on Regulation S; and/or, in the case of Registered Notes (as defined herein) only (ii) within the United States (a) to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act in reliance on Rule 144A and/or (b) in reliance on Rule 506 of Regulation D under the US Securities Act of 1933 (the "**Securities Act**"). Prospective purchasers are hereby notified that sellers of the notes issued under the Programme may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or Rule 506 of Regulation D of the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of notes issued under the Programme and distribution of the Base Prospectus, see "*Plan of Distribution – Selling Restrictions*" and "*– Transfer Restrictions*".

Registered Notes (as defined herein) may be sold (i) outside the United States in "offshore transactions" within the meaning of Regulation S ("**Regulation S Notes**" and the "**Reg S Registered Uncleared Notes**") and/or (ii) within the United States (a) to QIBs in reliance on Rule 144A ("**Rule 144A Notes**") and/or (b) in reliance on Rule 506 of Regulation D under the Securities Act (the "**Reg D Registered Uncleared Notes**" and, together with the Reg S Registered Uncleared Notes the "**Registered Uncleared Notes**"). In general, (i) Regulation S Notes will be represented on issue by a permanent global note in registered form (each, a "**Regulation S Global Note**"), and (ii) Rule 144A Notes will be represented on issue by a permanent global note in registered form (each, a "**Rule 144A Global Note**" and, together with the Regulation S Global Note, the "**Global Registered Notes**" and each, a "**Global Registered Note**"). The provisions governing the exchange of interests in the Global Registered Notes for definitive notes in registered form (each, a "**Definitive Registered Note**") in certain limited circumstances are described in "*The Notes – Transfers of Notes Represented by Global Note Certificates*". On the relevant Issue Date, Global Registered Notes of each Note Series will be (i) registered in the name of, and deposited with, a common depositary on behalf of Euroclear and Clearstream, Luxembourg; and/or (ii) deposited with Euroclear or Clearstream, Luxembourg (each an "**ICSD**") acting as common safekeeper and registered in the name of a nominee for the common safekeeper; and/or (iii) registered in the name of Cede & Co. as

nominee for, and deposited with a custodian for, The Depository Trust Company ("**DTC**"); and/or (iv) registered and deposited with any other agreed clearing system, as specified in the applicable Final Terms or Drawdown Prospectus. If specified in the relevant Final Terms or Drawdown Prospectus, notes may also be represented on issue in definitive certificated, fully registered form, which will not be cleared through any of the Clearing Systems ("**Registered Uncleared Note Certificates**"). Notes issued under the Programme, including Registered Notes, are subject to certain restrictions on transfer. See "*Plan of Distribution – Selling Restrictions*" and "*– Transfer Restrictions*".

Arranger

Barclays

Series Dealer

Barclays

13 November 2013

IMPORTANT NOTICES

The Issuing Entity is furnishing this Base Prospectus in connection with an offering solely for the purpose of enabling a prospective investor to consider the purchase of the notes. Delivery of this Base Prospectus to any person or any reproduction of this Base Prospectus, in whole or in part, without the Issuing Entity's consent is prohibited. The Series Dealers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Base Prospectus. None of the information contained in this Base Prospectus is, or should be relied upon as, a promise or representation by the Series Dealers. Prospective purchasers should be aware that since the date of this Base Prospectus there may have been changes in the affairs of the Issuing Entity or otherwise that could affect the accuracy or completeness of the information set forth in this Base Prospectus.

This Base Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the notes in any jurisdiction in which such offer or invitation is not authorized or to any person whom it is unlawful to make such an offer or invitation. Prospective purchasers must comply with all applicable laws and regulations in force in any jurisdiction in connection with the distribution of this Base Prospectus and the offer or sale of the notes. If a prospective purchaser decides to invest in the notes such a purchaser and any subsequent purchaser will be deemed, by acceptance or purchase of a note, to have made certain acknowledgements, representations and agreements to, and with the Issuing Entity, and any applicable Series Dealer, intended to restrict the resale or other transfer of the notes as described in this Base Prospectus. In addition, a prospective purchaser and any subsequent purchaser may be required to provide confirmation of compliance with resale or other transfer restrictions in certain cases. See the section entitled "*Plan of Distribution*" and "*Transfer Restrictions*" for more information on these restrictions.

In making the decision whether to invest in the notes, prospective purchasers must rely on their own examination of the Issuing Entity and the terms of this offering, including the merits and risks involved. Prospective purchasers should not construe the contents of this Base Prospectus as legal, business, financial or tax advice. Prospective purchasers should consult their own attorney, business advisor, financial advisor or tax advisor. Certain documents and other information is summarized in this Base Prospectus, but we refer you to the actual documents for a more complete understanding of what is summarized or discussed in this Base Prospectus.

The MTN Issuing Entity confirms that the securitised assets backing the issue of each series of Medium Term Note Certificates have characteristics that demonstrate capacity to produce funds to service any payments due and payable on such series of Medium Term Note Certificates. However, investors are advised that this confirmation is based on the information available to the MTN Issuing Entity at the date of the Base Prospectus and may be affected by future performance of such securitised assets.

The Issuing Entity confirms that the securitised assets backing the issue of each Note Series have characteristics that demonstrate capacity to produce funds to service any payments due and payable on such Note Series. However, investors are advised that this confirmation is based on the information available to the Issuing Entity at the date of the Base Prospectus and may be affected by future performance of such securitised assets.

Prospective purchasers should direct any inquiries relating to the Issuing Entity, this Base Prospectus or the Programme to the Series Dealers.

In general, investors should consult their own advisers as to their own regulatory position, including the regulatory capital requirements in respect of the notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes described in the "*Risk Factors*" section below) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor of the notes or otherwise.

You, as a prospective purchaser of the notes of any Note Series should ensure that you understand the nature of such notes and the extent of their exposure to risk, that you have sufficient knowledge, experience and access to professional advisers to make your own legal, tax, accounting and financial evaluation of the merits and risks of investment in such notes and that you consider the suitability of such notes as an investment in the light of your own circumstances and financial condition.

FATCA is particularly complex and its application is uncertain at this time. The description set out in the risk factor entitled "*U.S. Foreign Account Tax Compliance Withholding*" is based in part on proposed regulations, official guidance and the US-UK IGA, all of which are subject to change or may be

implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuing Entity and to payments they may receive in connection with the Notes.

This document, which includes the appendices hereto, constitutes a "**Base Prospectus**" for the purposes of article 5(4) of the Directive 2003/71/EC as amended (the "**Prospectus Directive**") for the purposes of giving information with regard to the issue of notes under the Programme during the period of 12 months after the date of this Base Prospectus.

In this Base Prospectus, we will refer to Barclays Bank PLC as "**Barclays**", we will refer to Barclays acting through its investment banking division as "Barclays, acting through its investment bank" – and we will refer to Barclays acting through its business division, Barclaycard in its capacity as the originator and acquirer of accounts and as originator of Receivables as "**Barclaycard**" and as the Sponsor of the Programme, as the "**Sponsor**". "**We**" or "**we**" means Gracechurch Card Programme Funding plc, Barclaycard Funding PLC and Gracechurch Receivables Trustee Limited. Where we refer to these companies separately, we will identify them specifically. We will refer to Gracechurch Receivables Trustee Limited, a special purpose vehicle incorporated in Jersey, Channel Islands, as the "**Receivables Trustee**", Barclaycard Funding PLC, a special purpose vehicle incorporated in England and Wales, as the "**MTN Issuing Entity**" and to Gracechurch Card Programme Funding plc, a special purpose vehicle incorporated in England and Wales as the "**Issuing Entity**".

You can find an index in Appendix E, the "*Index of Defined Terms*" which lists where some terms used in this document are explained.

In connection with the issue of any Note Series, the Series Dealer or Series Dealers (if any) named as the stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) in the applicable Final Terms or Drawdown Prospectus may over allot notes or effect transactions with a view to supporting the price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilising manager(s)) will undertake such stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms or Drawdown Prospectus of the offer of the relevant Note Series 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 relevant Note Series and 60 days after the date of the allotment of the relevant Note Series. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.

None of the Issuing Entity, the Arranger and the Series Dealers represent that this Base Prospectus may be lawfully distributed, or that notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction. In particular, no action has been taken by the Issuing Entity, the Arranger or any Series Dealer appointed under the Programme which would permit a public offering of the notes or distribution of this document in any jurisdiction where action for that purpose is required.

The notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon or endorsed the merits of the offering of the notes or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

This offering is being made in the United States in reliance upon an exemption from registration under the Securities Act for an offer and sale of the notes which does not involve a public offering. Each purchaser or holder of interests in the notes will be deemed, by its acceptance or purchase of any such notes, to have made certain acknowledgements, representations and agreements as set out in "*Plan of Distribution*" and "*Transfer Restrictions*".

This Base Prospectus has been prepared by the Issuing Entity solely for use in connection with the issue of the notes. In the United States, this Base Prospectus is personal to each person or entity to whom it has been delivered by the Issuing Entity or any Series Dealer or an affiliate of such Series Dealer. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. Person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Series Dealer or their U.S. broker-dealer affiliates. Any reproduction or distribution

of this Base Prospectus, in whole or in part, in the United States and any disclosure of their contents or use of any information herein or therein in the United States for any purpose, other than in considering an investment by the recipient in the notes, is prohibited. Each potential investor in the notes, by accepting delivery of this Base Prospectus agrees to the foregoing.

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 ANNOTATED, 1955 ("RSA 421-B"), 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 RSA 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 OF NEW HAMPSHIRE 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.

ENFORCEMENT OF FOREIGN JUDGMENTS

The Issuing Entity is a public limited company incorporated under the laws of England and Wales. All of the officers and directors named herein reside outside of the United States and all or a substantial portion of the assets of the Issuing Entity and its officers and directors are located outside the United States. As a result, prospective investors may have difficulties effecting service of process in the United States upon the Issuing Entity or such persons in connection with any lawsuits related to the notes, including actions arising under the federal securities laws of the United States. In addition, investors may have difficulties in enforcing in original actions brought in courts in jurisdictions outside the United States, liabilities predicated upon U.S. securities laws.

AVAILABLE INFORMATION

The Issuing Entity has agreed that, for so long as any notes issued under the Programme are "*restricted securities*" as defined in Rule 144(a)(3) under the Securities Act, it will during any period that it is neither subject to section 13 or 15(d) of the U.S. Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder furnish, upon request, to any Holder or Beneficial Owner of notes or any prospective purchaser designated by any such Holder or Beneficial Owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

FORWARD-LOOKING STATEMENTS

This Base Prospectus contains statements which constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements appear in a number of places in this Base Prospectus and reflect significant assumptions and subjective judgments by the Issuing Entity that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans", or similar terms. Consequently, future results may differ from the Issuing Entity's expectations due to a variety of factors, including (but not limited to) the economic environment in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuing Entity. 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 series, the relevant Final Terms.

SUPPLEMENTARY BASE PROSPECTUS

The Issuing Entity has undertaken, in connection with the admission of the notes to listing on the Official List of the UKLA and the admission to trading on the Regulated Market of the London Stock Exchange, that if there shall occur any adverse change in the business or financial position of the Issuing Entity or any change in the information set out under "*Terms and Conditions of the Notes*", that is material in the context of issuance of notes under the Programme, the Issuing Entity will prepare or procure the preparation of an amendment or supplement to this Base Prospectus or, as the case may be, publish a new Base Prospectus, for use in connection with any subsequent issue by the Issuing Entity of notes to be listed on the Regulated Market of the London Stock Exchange.

When delivered in the United States, this Base Prospectus must be accompanied by a Final Terms pursuant to which the Note Series referred to therein will be offered. Such Final Terms constitute, with respect to the Note Series offered thereby, the "relevant Final Terms" or the "applicable Final Terms" referred to herein. Note Series may also be issued pursuant to a drawdown prospectus which constitutes, with respect to the Note Series offered thereby, the "relevant Drawdown Prospectus" or the "applicable Drawdown Prospectus" referred to herein.

The Issuing Entity will, at the Specified Offices of the Paying Agents, provide, free of charge, upon oral or written request, a copy of this Base Prospectus. Written or telephone requests for such documents should be directed to the Specified Office of any Paying Agent.

The Trust Cash Manager and the Servicer intend to provide (on behalf of the Issuing Entity) certain post-issuance transaction information to investors regarding the notes to be admitted to trading on the Regulated Market of the London Stock Exchange and the performance of any underlying collateral on a monthly basis, as required by each series supplement to the Declaration of Trust and Trust Cash Management Agreement. With respect to any Note Series issued under the Programme and offered and sold in the United States pursuant to an effective registration statement under the Securities Act, if required by the United States Securities Exchange Act of 1934 (as amended, the "**Exchange Act**") and the rules and Regulations of the SEC thereunder, these monthly reports will be filed with the SEC and available to the public on the SEC internet site (http://www.sec.gov).

RESPONSIBILITY STATEMENT

The Issuing Entity accepts responsibility for the information contained in this Base Prospectus. The Issuing Entity declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

The Issuing Entity confirms that the information relating to Barclays has been accurately reproduced from information provided by Barclays. So far as the Issuing Entity is aware and/or is able to ascertain from information provided by Barclays, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuing Entity confirms that the information relating to Barclaycard Funding PLC and Gracechurch Receivables Trustee Limited has been accurately reproduced from information provided by Barclaycard Funding PLC and Gracechurch Receivables Trustee Limited, respectively. So far as the Issuing Entity is aware and/or is able to ascertain from information provided by Barclaycard Funding PLC and Gracechurch Receivables Trustee Limited, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS PROSPECTUS

We include cross-references to captions in this Base Prospectus where you can find further related discussions. The following table of contents provides the pages on which these captions are located.

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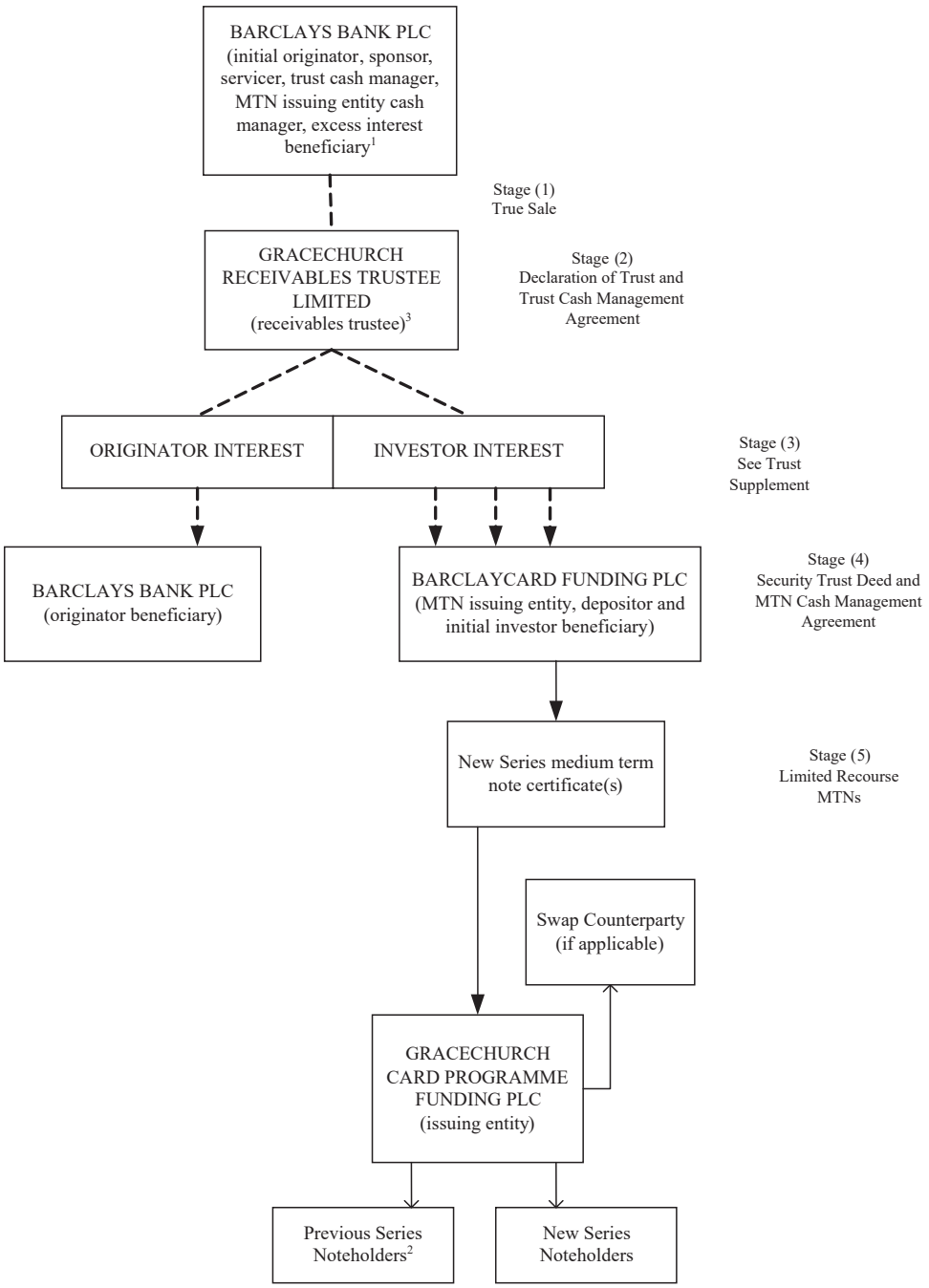
STRUCTURAL DIAGRAM OF THE PROGRAMME



1 Barclays Bank PLC will transfer excess interest attributable to each series to MTN issuing entity pursuant to an agreement between beneficiaries

2 Series 11-1
Series 11-2
Series 11-3
Series 11-4
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Series 12-2
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3 An Investor certificate is issued by the receivables trustee to the MTN issuing entity in relation to each MTN certificate relating to a corresponding series

RISK FACTORS

Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

Investing in notes issued under the Programme involves certain risks. Prospective investors should carefully consider the following principal risk factors and any additional risk factors set out in the applicable Drawdown Prospectus (if any) before deciding to invest in the notes offered by this Base Prospectus and the applicable Final Terms or Drawdown Prospectus and prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and the applicable Final Terms or Drawdown Prospectus and form their own views prior to making any investment decision. Prospective investors should consider the following:

Risks relating to the Notes

Noteholders Cannot Rely on Any Person Other Than the Issuing Entity to Make Payments on the Notes

The notes will not represent an obligation or be the responsibility of any party to the Transaction Documents other than the Issuing Entity. If the assets of the Issuing Entity are not sufficient to make payments of interest and/or principal on the notes when due, there is therefore a risk that such payments may be delayed or reduced or lost.

Absence of Secondary Market, Limited Liquidity

There is not, at present, any active and/or liquid secondary market for any Class of Notes. There can be no assurance that a secondary market for the notes will develop or, if it does develop, that such market will subsequently continue to exist. Any investor in the notes must be prepared to hold its notes for an indefinite period of time or until they are redeemed or alternatively such investor may only be able to sell its notes at a discount to the original purchase price of those notes.

Moreover, as at the date of this Base Prospectus, the secondary market for asset-backed securities is experiencing significant disruptions resulting from reduced investor demand for such securities. This has resulted in the secondary market for asset-backed securities similar to the notes experiencing very limited liquidity. Limited liquidity in the secondary market has had and may continue to have a material adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. These market conditions may continue or worsen in the future.

Whilst central bank schemes such as the Bank of England's Discount Window Facility (which was launched in October 2008) and the European Central Bank liquidity scheme provide an important source of liquidity in respect of Eligible Securities, such as asset-backed securities, the eligibility criteria have become and are expected to continue to become more restrictive, which is likely to adversely impact secondary market liquidity for asset-backed securities in general, regardless of whether the notes are Eligible Securities for the purpose of such facilities.

In addition, potential investors should be aware of the prevailing global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the notes. In particular, it should be noted that the market for the notes is likely to be affected by any restructuring of sovereign debt by

countries in the Eurozone.

Integral Multiples of Less Than €100,000

Although notes which are admitted to trading on a regulated market in the EEA or offered to the public in a member state of the EEA in circumstances which otherwise require the publication of a prospectus under the Prospectus Directive are required to have a minimum denomination of €100,000 (or, where the specified currency is not euro, its equivalent in the specified currency), it is possible that the notes may be traded in the clearing systems in amounts in excess of €100,000 or its equivalent in other currencies that are not integral multiples of €100,000 or its equivalent in other currencies. In relation to any issue of notes which have a denomination consisting of the minimum specified denomination plus a higher integral multiple of another smaller amount, it is possible that the notes may be traded in amounts in excess of €100,000 or its equivalent in other currencies that are not integral multiples of €100,000 or its equivalent in other currencies. In such a case a noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum specified denomination may not receive an individual note certificate (should individual note certificates be printed) and may need to purchase a principal amount of notes such that its holding is an integral multiple of the minimum specified denomination.

If individual note certificates are issued, noteholders should be aware that individual note certificates which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

Increased Regulation

Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United Kingdom, the United States and elsewhere have provided additional capital and funding and are implementing other measures including increased regulatory control (including by way of enhanced capital requirements) in their respective banking sectors. It is uncertain how the more rigorous regulatory climate will impact financial institutions and entities involved in securitisations of assets originated by such financial institutions, including the Issuing Entity and the MTN Issuing Entity.

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II Framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

It should also be noted that the Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit

exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2013, the new Liquidity Funding Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general, and the European Commission's amendments to the Capital Requirements Directive (known as "**CRD IV**") were published in the Official Journal of the European Union on 27 June 2013. EU member states are required to implement most rules by 1 January 2014 with the principal exception being that the Liquidity Coverage Ratio must be implemented in 2015. The changes approved by the Basel Committee may have an impact on incentives to hold the notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the notes.

Regulatory Initiatives May Result in increased Regulatory Capital Requirements for Certain Investors and/or Decreased Liquidity in respect of the notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

Allocations of Charged-Off Receivables Could Reduce Your Payments

We anticipate that the Servicer will charge off or write off as uncollectible some of the Receivables. Each Class of Investor interest in the Receivables Trust will be allocated a portion of those charged-off Receivables. If the amount of charged-off Receivables allocated to the Investor Interest exceeds the amount of funds available to cover those charge-offs, the Investor Interest will be reduced. This could cause the Holders of the notes to not receive the full amount of principal and interest due to them. Any loss will be borne by the Noteholders in the order of subordination of the different Classes of notes, with the Class D notes (if any) bearing the first losses, followed by the Class C notes, then the Class B notes and finally the Class A notes as further described in this Base Prospectus. See "*Securitisation Cashflows: Defaulted Receivables; Investor Charge-Offs*"; "*Barclaycard and the Barclaycard Card Portfolio: Delinquency and Loss Experience.*"

The Issuing Entity's Ability to Meet its Obligations on Your Notes Depends on Payments Under the Relevant Medium Term Note Certificate

The ability of the Issuing Entity to pay the principal of and interest on your notes will depend on the receipt by it of payments under the relevant Medium Term Note Certificate issued by the MTN Issuing Entity.

The Issuing Entity will be entitled to receive interest payments under the relevant Medium Term Note Certificate for each series which will be applied (i) to pay the fees, costs and expenses of the Issuing Entity and the Note Trustee, (ii) to meet its obligations to pay interest on the notes to Noteholders (either directly or indirectly via payments made to and received from swap counterparties), (iii) to make any necessary payments to a Swap Counterparty, (iv) to pay amounts representing the earnings

for the Issuing Entity, and (v) to meet any other payments required to be made by the Issuing Entity. Additionally, the Issuing Entity will be entitled to receive certain principal payments under the relevant Medium Term Note Certificate which will be applied in redeeming the notes (either directly or indirectly via payments made to and received from any Swap Counterparty).

If the Issuing Entity fails to receive sufficient funds under the relevant series Medium Term Note Certificate, then the payment of interest and/or the repayment of principal on your notes may be delayed or reduced or lost.

The Issuing Entity's receipt of sufficient funds under the relevant Medium Term Note Certificate to pay the amounts due and to repay the entire principal amount of the notes will be dependent on, amongst other things: (i) payments actually being made by cardholders (from whom no Security has been taken in support of those payments) and the proceeds of any relevant guarantees or insurance policies in respect of cardholders (to the extent such are capable of assignment), (ii) those payments being collected by the Servicer in accordance with the provisions of the Beneficiaries Servicing Agreement and paid to the Receivables Trustee, (iii) distribution being made by the Receivables Trustee to the MTN Issuing Entity of amounts allocable to the MTN Issuing Entity in accordance with the Beneficiaries Servicing Agreement in respect of the relevant Medium Term Note Certificate, (iv) payment being made by the relevant Swap Counterparty, if any, in respect of its obligations to the Issuing Entity under the Swap Agreements (if any), and (v) payment being made by the MTN Issuing Entity in respect of its obligations to the Issuing Entity under the relevant Medium Term Note Certificate.

Amounts paid to the Issuing Entity by the MTN Issuing Entity in respect of each Medium Term Note Certificate will be used to pay principal and interest on the notes of the corresponding Note Series in accordance with the Conditions for that Note Series (subject to payment of amounts for fees, costs and expenses of the Issuing Entity and amounts representing Issuing Entity profit).

The Subordinated Notes Bear Additional Risk Because They Are Subject to the Prior Payment of Amounts due on Notes Senior to them

The Class B notes are subordinated in right of payment of principal and interest to the Class A notes in the same Note Series. Principal payments to the Class B Noteholders will not be made until the Class A Noteholders are paid in full. On each Payment Date interest is paid to the Class A Noteholders before payments of interest are made to the Class B Noteholders of the same Note Series. This could cause the Class B Noteholders not to receive the full amount of principal or interest due to them.

The Class C notes are subordinated in right of payment of principal and interest to the Class A notes and the Class B notes in the same Note Series. Principal payments to the Class C Noteholders will not be made until the Class A Noteholders and the Class B Noteholders are paid in full. On each Payment Date interest is paid to the Class A Noteholders and the Class B Noteholders before payments of interest are made to the Class C Noteholders of the same Note Series. This could cause the Class C Noteholders not to receive the full amount of principal or

	interest due to them. The Class D notes are subordinated in right of payment of principal and interest to the Class A notes, the Class B notes and the Class C notes in the same Note Series. Principal payments to the Class D Noteholders will not be made until the Class A Noteholders, the Class B Noteholders and the Class C Noteholders are paid in full. On each Payment Date interest is paid to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders before payments of interest are made to the Class D Noteholders of the same Note Series. This could cause the Class D Noteholders not to receive the full amount of principal or interest due to them.
Permitted Investments	Volatility in financial markets may adversely affect the credit ratings of Permitted Investments (as defined herein). Although Permitted Investments are required to have specified credit ratings by the rating agencies at the time of purchase or to otherwise meet rating agency standards intended to minimise risk of loss on such investments, risk of loss cannot be entirely eliminated. Numerous fixed income securities, especially structured finance or asset-backed securities, have been recently downgraded.
Inability of Noteholders to Receive the Full Percentage Allocation of Principal Collections During the Regulated Amortisation Period Could Delay Payments on Your Notes or Cause a Loss on Your Notes	Some Series Pay Out Events with respect to a series issued under this Base Prospectus will cause the start of the Regulated Amortisation Period rather than the Rapid Amortisation Period. During a Regulated Amortisation Period, not all of the Principal Collections allocated to the Investor Interest may be used to make payments of principal to the MTN Issuing Entity as they would be during a Rapid Amortisation Period. Instead, principal payments to the MTN Issuing Entity – and thus ultimately on your notes – will be limited to the Controlled Deposit Amount. This could cause you to receive payments of principal more slowly than you would during a Rapid Amortisation Period. Since some of the Series Pay Out Events, which are described below in "*Securitisation Cashflows – Series Pay Out Events*", that result in the start of a Regulated Amortisation Period are caused by a deterioration in the performance of the Receivables, a delay in the principal payments on your notes could expose you to an increased risk of losses on your notes or a delay in payment on your notes.
Grouping of the MTN Issuing Entity with Barclays for Tax Purposes Could Jeopardise the Bankruptcy Remote Status of the MTN Issuing Entity Causing an Early Redemption of Your Notes or a Loss on Your Notes	Contractual provisions are contained in the Security Trust Deed and MTN Cash Management Agreement and the other agreements to which the MTN Issuing Entity is a party by which the other parties to those agreements agree not to take any actions against the MTN Issuing Entity that might lead to its insolvency. Furthermore, the MTN Issuing Entity is contractually restricted from undertaking any business other than in connection with the financings described in this Base Prospectus. In particular, the MTN Issuing Entity is expressly prohibited from incurring any additional Indebtedness, having any employees, owning any premises and establishing or acquiring any subsidiaries. Together, these provisions ensure that the likelihood of the MTN Issuing Entity becoming insolvent or bankrupt is remote. Notwithstanding the steps that have been and may be taken to ensure that the insolvency of the MTN Issuing Entity will be remote, the MTN Issuing Entity is included in the Barclays Group registration for VAT purposes. As a company included in

that Group registration, broadly, it will be liable, on a joint and several basis with all other companies in the VAT Group registration, for the VAT liability of the representative member of the VAT Group – Barclays – arising only during the MTN Issuing Entity's period of membership. Accordingly, these liabilities for VAT could increase the likelihood of the MTN Issuing Entity becoming insolvent. In addition, there are provisions in the U.K. tax Code that are designed to enable HMRC to collect corporation tax from one member of a Group where another member of the Group has failed to discharge certain taxes due and payable by it within a specified time period.

If the MTN Issuing Entity were required to pay any VAT due from the representative member of the Barclays VAT Group or were to become liable for corporation tax liabilities of another member of the Barclays Group, which the MTN Issuing Entity was unable to meet, HMRC could seek to put the MTN Issuing Entity into insolvency. This could cause an early redemption of your notes or a loss on your notes.

U.S. Foreign Account Tax Compliance Withholding

In certain circumstances payments made on or with respect to the Notes after 31 December 2016 may be subject to U.S. withholding tax under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**"). This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which the final regulations that define "foreign passthru payments" are published unless the Notes are "materially modified" after that date or are characterized as equity for U.S. federal income tax purposes.

Whilst the Notes are in global form and held within Euroclear and Clearstream (together, the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see "*Tax Considerations - U.S. Withholding Tax Under FATCA*"). However, FATCA may affect payments made to other clearing organizations, custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once payment has been made to the depositary, common depositary or common safekeeper for the clearing systems (as holder of the Notes) and the Issuer will have no responsibility for any amount thereafter transmitted through

hands of the clearing systems and custodians or intermediaries.

Issuance of Additional Series of Medium Term Note Certificates May Adversely Affect Your Rights by Diluting Your Voting Power

The MTN Issuing Entity has issued twenty-four previous series of Medium Term Note Certificates of which ten remain outstanding and may issue additional series of Medium Term Note Certificates in connection with the issuance of other series of Investor Certificates. The Holder of the Medium Term Note Certificates of each series – including the Issuing Entity – may require the MTN Issuing Entity, as investor beneficiary, to take action or direct actions to be taken under the Declaration of Trust and Trust Cash Management Agreement or a supplement. However, the consent or approval of Holders of a percentage of the total principal balance of the Medium Term Note Certificates of all series might be necessary to require or direct those actions. These actions include terminating the appointment of the Servicer under the Beneficiaries Servicing Agreement or the Trust Cash Manager under the Declaration of Trust and Trust Cash Management Agreement. Thus, the Holder of any new series of Medium Term Note Certificates will have voting rights that will reduce the percentage interest of the Issuing Entity as Holder of the Medium Term Note Certificate. Holders of Medium Term Note Certificates of other series – or persons with the power to direct their actions – may have interests that do not coincide with the interests of the Issuing Entity – or the persons with the power to direct the Issuing Entity. This may restrict your ability to ultimately direct the MTN Issuing Entity to take the actions referred to above.

The Issuance of Additional Note Series from Time to Time May, in Certain Circumstances, Adversely Affect Your Rights by Diluting Your Voting Power

The Issuing Entity may issue additional Note Series from time to time. Noteholders of a given Note Series may be entitled to instruct the Note Trustee to enforce their rights against the Issuing Entity. Under the Note Trust Deed, the giving of some instructions to the Note Trustee may only necessitate the vote of the Noteholders of one particular Note Series. However, the giving of other instructions to the Note Trustee may require the consent or approval of a percentage of the Noteholders of all outstanding Note Series. Thus, under the latter scenario, the issuance of future Note Series that will be entitled to vote together with pre-existing Note Series will dilute the voting power of Holders of those pre-existing Note Series.

Insolvency of the Originator May Result in an Inability to Repurchase Receivables

None of the MTN Issuing Entity, the Receivables Trustee, the Issuing Entity or the Series Dealer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables – other than steps taken by the Issuing Entity to verify the details of the Receivables that are presented in this Base Prospectus or any Final Terms – or to establish the creditworthiness of any cardholder on the Designated Accounts. The MTN Issuing Entity, Receivables Trustee and the Issuing Entity will rely solely on the representations given by the Originator to the Receivables Trustee about the Receivables, the cardholders on the Designated Accounts, the Designated Accounts and the effect of the assignment of the Receivables.

If any representation made by the Originator about the Receivables proves to have been incorrect when made, the Originator will be required to, *inter alia*, repurchase the affected Receivables from the Receivables Trustee. If the Originator

becomes bankrupt or insolvent, the Receivables Trustee may be unable to compel the Originator to repurchase Receivables, and you could incur a loss on your notes or an early redemption of your notes.

Insolvency of the Issuing Entity, the MTN Issuing Entity or the Receivables Trustee Could Cause an Early Redemption of Your Notes or a Loss on Your Notes

The ability of each of the Issuing Entity, the MTN Issuing Entity and the Receivables Trustee to meet its obligations under the notes, the Medium Term Note Certificate and the Receivables Securitisation Agreement and the Declaration of Trust and Trust Cash Management Agreement will depend upon their continued solvency.

A company that has assets in the United Kingdom will be insolvent if its liabilities exceed its assets or if it is unable to pay its debts as they fall due. Each of the Issuing Entity, the MTN Issuing Entity and the Receivables Trustee have been structured so that the likelihood of their becoming insolvent is remote. Each of these entities is contractually restricted from undertaking any business other than in connection with the financings described in this Base Prospectus. They each are expressly prohibited from incurring any additional Indebtedness, having any employees, owning any premises and establishing or acquiring any subsidiaries. Contractual provisions are contained in each of the agreements to which each of these entities is a party which will prohibit the other parties to those agreements from taking any actions against these entities that might lead to their insolvency. Together, these provisions help ensure that the likelihood of any of these entities becoming insolvent is remote.

Notwithstanding these actions, it is still possible that the Issuing Entity, the MTN Issuing Entity or the Receivables Trustee could become insolvent. If this were to occur, you could suffer a loss on your notes or an early redemption of your notes.

Enforcement of the Security for the notes

If the Security for the notes of a Note Series created by the relevant Note Trust Deed Supplement is enforced following an Event of Default in respect of such Note Series, the Note Trustee will have recourse to payments due from the MTN Issuing Entity under the Medium Term Note Certificate securing the Note Series of which the notes are a part. However, enforcement of the Security for the notes of a Note Series will not necessarily result in accelerated repayment of such notes. The Note Trustee will be able to distribute to Noteholders within a particular Note Series only those funds which are available under the Medium Term Note Certificate securing that Note Series. Prospective investors should also note that enforcement of the Security for the notes of a Note Series will not automatically result in acceleration of the payments under the corresponding Medium Term Note Certificate or enforcement of the relevant Medium Term Note Certificate Security. If the Security for the notes of a Note Series is enforced, the monies deposited in respect of the Medium Term Note Certificate securing that Note Series on each Transfer Date in the Issuing Entity Distribution Account will be applied first to meet any remuneration due to any receiver appointed pursuant to the Note Trust Deed and the Note Trustee and to meet, *inter alia*, other fees, costs and expenses due to the Note Trustee as provided in the Note Trust Deed and relevant Note Trust Deed Supplement, secondly (as qualified by the next paragraph) to meet payments to the Swap Counterparty and then payments of principal and interest on the notes.

In the event that the Security for the notes of a Note Series becomes enforceable in accordance with the Conditions of such notes and, as a result of this the swap transaction(s) documented by way of the Swap Agreement(s) in relation to such Class or Note Series (if any) is (or are) terminated (either by the Swap Counterparty or the Issuing Entity (with the consent of the Noteholders and Note Trustee of the relevant Note Series)), the net sums realised on assets subject to such Security may be insufficient to pay all the amounts due, if any, to the respective Swap Counterparty pursuant to such termination of the relevant Swap Agreement(s). In such event, the shortfall between amounts realised in relation to the relevant Medium Term Note Certificate and such amounts payable to the swap counterparties shall be borne first by the Noteholders of the relevant Note Series and then by the swap counterparties. However, in the event that a swap transaction documented by way of a Swap Agreement in relation to notes of a note Class or Note Series is terminated as a result of a Swap Counterparty swap Event of Default (see "*The Swap Agreements*"), then in respect of any Early Termination payment to be paid by the Issuing Entity to the relevant Swap Counterparty, the Swap Counterparty will rank subordinate to the Noteholders of the relevant Note Series. For a complete description of the priority of termination payments please refer to "*Securitisation Cashflows – Your Payment Flows*" and "*Payment of an Early Termination Payment to the Swap Counterparty (if any) may Reduce Payments on Your Notes*". See also "*Insolvency Proceedings and Subordination Provisions*".

Enforcement of the Medium Term Note Certificate Security

Upon enforcement of the Security for a Medium Term Note Certificate comprised in the Security Trust Deed and MTN Cash Management Agreement, the Security Trustee will have recourse only to the MTN Issuing Entity's beneficial entitlement to trust property under the Receivables Trust to the extent of that part of the Series Investor Interest backing the relevant Medium Term Note Certificate. However, enforcement of the Medium Term Note Certificate Security in respect of a single series will not result in accelerated repayment of all of the Medium Term Note Certificates, except in the event of a Trust Pay Out Event (see *"The Receivables Trust – Trust Pay Out Events*"). The Security Trustee will be able to pay to the Issuing Entity as beneficial Holder of the Medium Term Note Certificate only those funds which are credited to the Distribution Ledger for the relevant series in the Series Distribution Account. The MTN Issuing Entity and the Security Trustee will have no recourse to Barclaycard other than the ability (in certain circumstances) to call upon the Receivables Trustee to exercise its rights against Barclaycard as Originator under the Beneficiaries Servicing Agreement for any breach of certain representations in respect of the Receivables and for any breach of certain other obligations as therein specified. In summary, if the Medium Term Note Certificate Security in relation to a series is enforced, the monies deposited in the Series Distribution Account for such series on each Transfer Date will be applied first to meet any remuneration due to any receiver appointed pursuant to the Security Trust Deed and MTN Cash Management Agreement and the Security Trustee, to meet other fees, costs and expenses due to the Security Trustee as provided in the Security Trust Deed and MTN Cash Management Agreement and to meet the fees, costs and expenses of the MTN Issuing Entity, and secondly to meet payments of principal and interest on the Medium Term Note

	Certificate. If funds credited to the Series Distribution Account are insufficient to meet payments of principal and interest on the Medium Term Note Certificate, payments of principal and interest on the notes may be delayed, reduced or lost.
The Obligations of the Cardholders under the Designated Accounts are Unsecured	The Originator may in the future assign only the benefit of the Receivables arising under Designated Accounts, which consists or will consist of unsecured monetary obligations of cardholders under the credit card agreements establishing the Designated Accounts, together with the benefit of certain amounts of Acquired Interchange, acquired recoveries, insurance proceeds and payments under certain guarantees of cardholders' obligations (to the extent capable of assignment). No Security has been given by any cardholder for any such monetary obligations, and the Originator has no interest (and, therefore, cannot assign the benefit of any interest) in any property acquired by a cardholder with the proceeds of any credit extended to a cardholder under a Designated Account. Should enforcement action be necessary against a cardholder, no direct recourse could be had to any assets of such cardholder. There is a risk that, in such circumstances, the Receivables may not be recoverable in full.
Reliance on Third Parties	Each of the Receivables Trustee, the MTN Issuing Entity and the Issuing Entity is a party to contracts with a number of other third parties that have agreed to perform certain services in relation to the Receivables. For example, the Servicer has agreed to provide services in respect of the Receivables under the beneficiaries servicing agreement, the cash manager has agreed to provide certain cash management and calculation services under the Security Trust Deed and MTN Cash Management Agreement, the relevant Swap Counterparty may agree to provide currency and/or interest rate swaps under the relevant Swap Agreement(s), the Paying Agents and the Agent Bank have agreed to provide payment and calculation service in connection with the notes under the Paying Agency and Agent Bank Agreement. Each of the Servicer and cash manager may delegate all or part of their service obligations to another party in accordance with the terms of the beneficiaries servicing agreement and Security Trust Deed and MTN Cash Management Agreement as applicable. Each of the Receivables Trustee, the MTN Issuing Entity and the Issuing Entity will rely on the relevant third party or its delegate to exercise the rights and carry out the obligations under the respective agreement to which it is a party. In the event that any relevant third party or its delegate fails to perform its obligations under the respective agreement, one or more Note Series may be adversely affected. For example, disruptions in the servicing process, which may be caused by the failure to appoint a Successor Servicer or the failure of the Servicer to carry out its services, could lead to a loss on the notes and/or the early redemption of the notes.
Ratings Can Be Lowered or Withdrawn After You Purchase Your Notes	Any rating agency may lower its rating or withdraw its rating if, in the sole judgement of the rating agency, the credit quality of the notes has declined or is in question or for other tangible and intangible reasons. If any rating assigned to your notes is lowered or withdrawn, the market value of your notes may be reduced.

In addition, recent rules adopted by the United States Securities Exchange Commission require nationally recognised statistical rating organisations ("**NRSROs**") that are hired by issuers and sponsors of a structured finance transaction to facilitate a process by which other NRSROs not hired in connection with the transaction can obtain the same information available to the hired NRSROs. Non-hired NRSROs may use this information to issue (and maintain) an unsolicited rating of the notes. Failure to make information available as required could lead to the ratings of the notes being withdrawn by the applicable rating agency or a non-hired NRSRO.

NRSROs have different methodologies, criteria, models and requirements, which may result in ratings on the notes that are lower than those assigned by the applicable rating agency. Unsolicited ratings of the notes may be assigned by a non-hired NRSRO at any time, even prior to the Closing Date. Such unsolicited ratings of the notes by a non-hired NRSRO may be lower than those assigned by the applicable rating agency. If a non-hired NRSRO issues a lower rating, the liquidity and market value of the affected Class or Classes of the notes could be materially and adversely affected and, in certain circumstances, the affected notes could become ineligible for investment by a Rule 2a-7 money market fund. In addition, the mere possibility that such a rating could be issued may affect price levels in any secondary market that may develop.

Ratings confirmation in relation to the notes in respect of certain actions

The terms of certain Transaction Documents require the rating agencies to confirm that certain action proposed to be taken by the Issuing Entity and the Note Trustee will not have an adverse effect on the then current rating of the notes (a "**Rating Confirmation**").

A Rating Confirmation that any action proposed to be taken by the Issuing Entity or the Note Trustee will not have an adverse effect on the then current rating of the notes does not, for example, confirm that such action: (i) is permitted by the terms of the Transaction Documents; or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While each of the secured creditors of the Issuing Entity (including the Noteholders), the Issuing Entity or the Note Trustee (as applicable) are entitled to have regard to the fact that rating agencies have confirmed that the then current rating of the relevant Class of notes would not be adversely affected, the above does not impose or extend any actual or contingent liability on the rating agencies to the secured creditors (including the Noteholders), the Issuing Entity, the Note Trustee or any other person or create any legal relationship between the rating agencies and the secured creditors (including the Noteholders), the Issuing Entity, the Note Trustee or any other person whether by way of contract or otherwise.

Any such Rating Confirmation may or may not be given at the sole discretion of each rating agency. It should be noted that, depending on the timing of delivery of the request and any information required to be provided as part of any such request, it may be the case that a rating agency cannot provide a Rating Confirmation in the time available or at all, and the rating agency is likely to state that it is not responsible for the consequences thereof. A Rating Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the contexts of cumulative changes to the transactions

of which Security from part since the relevant Closing Date.

A Rating Confirmation represents only a restatement of the current rating of the notes and cannot be construed as advice for the benefit of any parties to the transaction. The rating agencies have indicated that they will no longer provide Rating Confirmations as a matter of policy. To the extent that a Rating Confirmation cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provision of the relevant transaction document and specifically the relevant modification and waiver provisions.

Change in Law May Result in Withholding Taxes on the Medium Term Note Certificates and this May Reduce the Amount You Are Paid on Your Notes

If any withholding taxes would be imposed – by any jurisdiction – on payments to the Issuing Entity under a Medium Term Note Certificate as a result of a change in applicable law, then the MTN Issuing Entity Additional Interest Payments, to the extent available, will be converted into the relevant currency at the spot exchange rate to cover the shortfall in the amounts available for payment to the Noteholders caused by the amount withheld. If the MTN Issuing Entity Additional Interest Payments are not sufficient to cover the shortfall, then payments to first the Class D Noteholders, second the Class C Noteholders, third the Class B Noteholders and finally the Class A Noteholders will be reduced by the amount withheld that is not covered by the MTN Issuing Entity Additional Interest Payments. Such deficiency in payment shall be deferred to the next and succeeding Distribution Date.

If any withholding tax would be imposed on any payments made or required to be made by the Swap Counterparty to the Issuing Entity or by the Issuing Entity to the Swap Counterparty under a Swap Agreement, the amounts paid by the Swap Counterparty or the Issuing Entity may, if so indicated in the section entitled "*Swap Agreements*" below, be reduced. In these circumstances, the MTN Issuing Entity Additional Interest Payments, to the extent available, will be converted into the relevant currency at the spot exchange rate to cover the shortfall in the amounts available for payment to the Noteholders caused by the amount withheld. If the MTN Issuing Entity Additional Interest Payments are not sufficient to cover the shortfall, then payments to Noteholders will be reduced by the amount withheld that is not covered by the MTN Issuing Entity Additional Interest Payments, with Holders of subordinated notes first suffering such a reduction.

Change in Law May Result in Withholding Taxes on Your Notes and this May Reduce the Amount You Are Paid on Your Notes

If any U.K. withholding taxes are imposed on any payments made or required to be made by the Issuing Entity or any Paying Agent on any Class of notes, then payments to that Class of Noteholders will be reduced *pro rata* by any amount withheld for any withholding taxes, and in addition, if the relevant Noteholders so elect to direct the Issuing Entity, the Issuing Entity will terminate the swap. See "*The Swap Agreements.*"

Where the Issuing Entity has Entered into a Swap Agreement

Where the notes of a relevant Note Series are denominated in a currency other than Sterling, in order to reduce the risk of potential adverse movements between Sterling and the currency in which such notes are denominated, on or about the Issue Date of the relevant Class or Note Series, the Issuing Entity may enter into one or more currency swap transactions with a Swap Counterparty. Such currency swap transaction(s) shall be documented under a swap confirmation which is subject to an ISDA master agreement between the Issuing Entity and the

relevant Swap Counterparty and dated as of a date on or around the relevant Issue Date (together with the schedule thereto, as amended from time to time, the "**Swap Agreement**").

The Swap Agreement in relation to a Note Series containing non-Sterling denominated notes will provide that, upon the occurrence of certain events (including certain tax events, events of default under the swap, rating events in relation to the Swap Counterparty (see below) and enforcement of Security under the notes, the Issuing Entity or the Swap Counterparty may terminate the currency swap transaction(s). If a relevant currency swap transaction is terminated in such circumstances, then, (a) to the extent that one or more comparable replacement currency swap transactions cannot be entered into, the Issuing Entity will be exposed on a continuing basis to potential adverse movements in the relevant exchange rates and (b) the Issuing Entity may be required to pay a swap termination payment to the Swap Counterparty based, initially, on the cost of procuring a replacement transaction, and, as a result of the occurrence of the circumstances referred to in either (a) or (b) above, the Issuing Entity may have insufficient funds to make payments due on the notes of the relevant Note Series.

Any rating agency may lower or withdraw its rating with respect to a Swap Counterparty. In the event that a Swap Counterparty's rating is lowered below the rating specified in the relevant Swap Agreement, the Issuing Entity may terminate the applicable currency swap transaction(s) unless the relevant Swap Counterparty remedies such rating downgrade. Each Swap Agreement will specify the manner in which the applicable Swap Counterparty can effect such a remedy, but these remedies are likely to include the Swap Counterparty procuring a suitable guarantor for its obligations under the Swap Agreement, the Swap Counterparty transferring or novating its obligations under the Swap Agreement to a replacement and/or the Swap Counterparty posting collateral to the Issuing Entity. From time to time, the relevant rating agencies may also specify that additional remedies are available to a Swap Counterparty so that a ratings downgrade of such Swap Counterparty will not cause a ratings downgrade of the associated notes. Additional remedies may be available if agreed with the relevant rating agencies. Potential investors should be aware that, following a downgrade, there can be no assurance that the Swap Counterparty will be able to find a suitable guarantor or replacement counterparty (or, if the Swap Counterparty is able locate such a guarantor or replacement counterparty, there can be no assurance as to the identity or credit rating of such entity) or that the Swap Counterparty will be able to post collateral to the Issuing Entity and/ or enter into other suitable arrangements. Failure to comply with the rating agency requirements (as set out in the relevant Swap Agreement) is likely to be a termination event and, if so, will give rise to a right, exercisable by the Issuing Entity, to terminate the related currency swap transaction(s). As below, it is likely that a ratings downgrade of the Swap Counterparty will have an adverse effect on the rating and marketability of the relevant notes.

If a currency swap transaction is terminated, any swap termination payment payable by the Issuing Entity to the Swap Counterparty (other than a swap termination payment due from the Issuing Entity to the Swap Counterparty in circumstances where the Swap Counterparty's default or failure to remedy a

ratings downgrade has given rise to the termination of the currency swap transaction) will rank senior in the relevant priorities of payments to payments by the Issuing Entity in respect of the related Class of the notes. In such case, payment by the Issuing Entity of such swap termination payment may reduce amounts available to the Issuing Entity to pay interest and principal on the relevant Class of notes and on any subordinate Classes of notes (see "*Payment of an Early Termination Payment to the Swap Counterparty (if any) May Reduce Payments on Your Notes*" and "*Insolvency Proceedings and Subordination Provisions*") In addition, no assurance can be given as to the ability of the Issuing Entity to enter into one or more replacement transactions. In the event that a Swap Agreement is terminated without replacement, an Event of Default will occur under the Conditions of the related Classes of notes. In the event that one or more replacement transactions are entered into, no assurance can be given as to the identity or the credit rating of the Swap Counterparty(s) for such replacement transaction(s). The identity or the credit rating of a replacement Swap Counterparty may adversely affect the rating and/or the marketability of the notes.

Termination of Currency Swap without replacement

Finance Charge Collections and Principal Collections are allocated on the basis of the Floating Investor Percentage or the Fixed Investor Percentage (as applicable, see the sections entitled "*Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*" and "*Allocation of Principal Collections to the Investor Interest*" for further information). The Floating Investor Percentage and Fixed Investor Percentage both allocate funds based on the amount of the Investor Interest in the Receivables Trust, which is calculated on a Sterling basis for all Classes of notes, including any Classes of notes denominated in other currencies, and is the Sterling equivalent (if applicable) value of the relevant Class of notes on closing less (among other things) the total principal payments made to the MTN Issuing Entity treated as referable to that Class of notes and which are also paid in Sterling. Accordingly, if a currency Swap Agreement for a particular Class of notes is terminated and not replaced, the foreign exchange risk is borne by the Noteholders of that Class of notes only and will not impact on any other Class of notes.

Withholding Tax in Relation to Currency Swap Transactions

Except where the terms of the relevant Swap Agreement provides otherwise, it is not proposed that either party will be obliged to gross up its payments to the other under the Swap Agreement if that party is required to account for any withholding or deduction for or on account of any tax. However, in relation to notes of a particular Note Series, the Swap Agreement may specify that the Swap Counterparty will be obliged to gross up payments to the Issuing Entity in circumstances in which such a withholding or deduction is applied to such payment. The Issuing Entity will never be obliged to gross up its payments to the Swap Counterparty.

If a withholding or deduction for or on account of any tax is imposed and the recipient receives a reduced payment from the other party (or, if the relevant Swap Agreement specifies that the Swap Counterparty is obliged to gross up payments, the Swap Counterparty pays such a grossed up amount to the Issuing Entity), then such recipient (or, as applicable, the Swap Counterparty) may be obliged to use its reasonable endeavours either to appoint a substitute entity as a party to the swap (or act

through another office) or to replace the swap with one or more economically equivalent transactions, in either case so the withholding or deduction is no longer required. In circumstances in which the recipient (or, as applicable, the Swap Counterparty) is not able to make such a substitution or effect such restructuring, then the other party may be entitled to attempt to procure a replacement or effect a restructuring so that withholding or deduction is no longer required. If neither party is able to effect such a replacement or restructuring, the recipient (or, as applicable, the Swap Counterparty) may be entitled to terminate the currency swap transaction, and, if it does so, there may be a swap termination payment to be made (or received) by the Issuing Entity which could reduce (or increase) the funds available to the Issuing Entity to make payments in respect of the notes of the relevant Note Series. If the Issuing Entity is required to make such payment to the Swap Counterparty then the Issuing Entity may not have sufficient funds to make payments due in respect of the notes and to the extent that one or more comparable replacement currency swap transactions cannot be entered into, the Issuing Entity will be exposed on a continuing basis to the potential adverse movements in the relevant Sterling/non-Sterling exchange rates.

Payment of an Early Termination Payment to the Swap Counterparty (If any) May Reduce Payments on Your Notes

If a swap transaction is terminated before its scheduled termination date, the Issuing Entity or the Swap Counterparty may be liable to make an Early Termination payment to the other party. Initially, the amount of any Early Termination payment will be based on the market value of the terminated swap transaction. This market value will be determined on the basis of market quotations of the cost of entering into a swap transaction with the same terms and conditions that would have the effect of preserving the economic positions of the parties prior to termination of such swap transaction. Alternatively, if such market quotations are not available or if using such market quotations to calculate the Early Termination payment would not produce a commercially reasonably result, the Early Termination payment will be determined on the basis of the relevant party's loss arising out of the termination of the swap. Any Early Termination payment could, if the relevant exchange or interest rate has changed significantly, be substantial.

Any Early Termination payment made by the Issuing Entity to the Swap Counterparty under a Swap Agreement will be made from MTN Issuing Entity interest payments and from repayments of principal on the Medium Term Note Certificate equal to the amount of principal repayments received by the Issuing Entity on the Medium Term Note Certificate. That could cause the Sterling amounts available for conversion to the relevant currency, and possibly payments to Noteholders, to be reduced – perhaps substantially. If the amount of available MTN Issuing Entity Additional Interest Payments and repayments of principal on the Medium Term Note Certificate is insufficient to pay an Early Termination payment due to the Swap Counterparty under the relevant Swap Agreement, the balance of the Early Termination payment will be paid to the extent that such amounts are available on the next Interest Payment Date together with interest.

You May Not Receive Physical Notes, Which May Cause Delays in Distributions and Hamper Your

Unless the Global Note Certificates are exchanged for Individual Note Certificates, which will only occur under a limited set of circumstances, your beneficial ownership of the notes will only

Ability to Pledge or Resell the Notes

be registered in book-entry form with DTC, Euroclear or Clearstream, Luxembourg. The lack of physical notes could, among other things:

(i) result in payment delays on the notes because we will be sending distributions on the notes to DTC, Euroclear or Clearstream, Luxembourg instead of directly to you;

(ii) make it difficult for you to pledge or otherwise grant Security over the notes if physical notes are required by the party demanding the pledge or other Security; and

(iii) hinder your ability to resell the notes because some investors may be unwilling to buy notes that are not in physical form.

Restrictions on transfer

Notes issued under the Programme have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issuing Entity has not undertaken to effect any exchange offer for the notes issued under the Programme in the future. Notes issued under the Programme may not be offered, sold or delivered within the United States, or to or for the account or benefit of U.S. Persons (as defined in Regulation S), except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable United States state securities laws, or pursuant to an effective registration statement. The notes issued under the Programme and the Paying Agency and Agent Bank Agreement (as defined in "*Terms and Conditions of the Notes*") will contain provisions that will restrict the notes issued under the Programme from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A or Rule 506 of Regulation D, or in offshore transactions in accordance with and Regulation S, or another exemption from registration under the Securities Act. Furthermore, the Issuing Entity has not registered, and does not intend to Register the notes issued under the Programme under any other country's securities laws. The liquidity of the Notes will therefore be limited as a consequence of where and to whom offers and sales of the Notes may be made. Investors must ensure that their offers and sales of the notes issued under the Programme within the United States and other countries comply with applicable securities laws. See "*Plan of Distribution – Selling Restrictions*" and "*– Transfer Restrictions*".

Risks relating to the Rule 2a-7 suitability of the relevant notes

If a Note Series is able to be redeemed on a Mandatory Transfer Date, those notes are intended to be "**Eligible Securities**" for purchase by money market funds under Rule 2a-7 of the Investment Company Act. However, none of the Issuing Entity, the Note Trustee, the Security Trustee, the Arranger or the Series Dealers nor any other party to any transaction document makes or will make any representation as to the suitability of any notes as "money market notes" for investment by money market funds subject to Rule 2a-7 under the Investment Company Act and any determination as to such qualification and compliance with any aspects of Rule 2a-7 is solely the responsibility of each money market fund and its investment adviser. In particular, the Mandatory Transfer that is associated with the relevant notes would be likely to be deemed to be a "conditional demand feature" (as such item is defined in Rule 2a-7). One of the

conditions of determination by the board of directors of the relevant money market fund of the eligibility of the relevant notes for investment by such money market fund will be the determination that there is minimal risk that circumstances would occur that would result in the relevant notes not being able to be transferred on a particular Mandatory Transfer Date. No representation is made and no assurance can be given in this regard. Among other things, no assurance can be given that any such board of directors will be able to satisfy conclusively the pre-condition for Rule 2a-7 eligibility of the relevant notes that it is able to monitor readily the conditions limiting the availability of the Mandatory Transfer, as this is partially dependent on the ability of the Mandatory Purchaser to purchase the relevant notes on the relevant Mandatory Transfer Date and there is no affirmative obligation in the Documents that information regarding the Mandatory Purchaser's ability in this regard be made available. Non-compliance with Condition 8(f) (*Mandatory Transfer Arrangements*) for reason of any failure on the part of the Mandatory Purchaser to perform its obligations under the Relevant Documents shall not constitute an Event of Default (as defined in Condition 11 (*Events of Default*)) under the Conditions. See Condition 8 (*Redemption and Purchase*), Condition 11 (*Events of Default*) below. No representation is made and no assurance can be given in this regard.

In circumstances where the Issuing Entity will enter into a currency swap transaction in respect of the relevant notes, the eligibility of the relevant notes for investment by money market funds will be dependent on timely receipt of proceeds from the relevant Swap Counterparty. Under the terms of the currency swap transaction in relation to the relevant notes the Swap Counterparty will be required to make a principal payment under the relevant currency Swap Agreement to the Issuing Entity to enable the Issuing Entity to redeem the relevant notes in full on their Scheduled Redemption Date provided that the Swap Counterparty has received the corresponding principal payment required to be made by the Issuing Entity under the relevant currency swap transaction. In such circumstances Noteholders in respect of the relevant notes will be dependent on the performance of the Issuing Entity and no assurance can be given that the Issuing Entity will have sufficient funds to make payments on the relevant notes. Further details on the currency swap transaction (if any) in relation to the relevant notes can be found in the section entitled "*Swap Agreements*" below.

Prospective investors should also be aware that any relevant rating agency may lower its rating or withdraw its rating if, in the sole judgement of that rating agency, the credit quality of a Note Series has declined or is in question. If any rating assigned to the relevant notes is lowered or withdrawn or if another rating agency issues a lower rating of the relevant notes on an unsolicited basis, the relevant notes may no longer be eligible for investment by money market funds in accordance with Rule 2a-7.

Ability of the Issuing Entity to procure payment of the Mandatory Transfer Price may affect timely payment on the notes

The ability of the Issuing Entity to procure payment of the relevant Mandatory Transfer Price by the Mandatory Purchaser will be dependent upon the Issuing Entity exercising its rights under the relevant Mandatory Purchase Agreement against the Mandatory Purchaser to require the relevant Mandatory Purchaser to acquire some or all of the relevant notes.

If a Mandatory Purchaser defaults upon its obligation to pay the amounts otherwise due under the relevant Mandatory Purchase Agreement on the relevant Mandatory Transfer Date, the Issuing Entity may not be able to procure the purchase of all or any of the relevant notes on any Mandatory Transfer Date. The Issuing Entity will not be liable for such failure to the extent such failure is a result of the failure of the Mandatory Purchaser to perform its respective obligations under the relevant Mandatory Purchase Agreement. Accordingly, in such circumstances, failure to pay the Mandatory Transfer Price and complete the purchase of the relevant notes on any Mandatory Transfer Date will not constitute an Event of Default in respect of the notes.

Under Rule 2a-7 a money market fund may be required to dispose of the money market notes upon the occurrence of any of the following events:

- a rating currently assigned to the money market notes is lowered or withdrawn or another rating agency issues a lower rating of the money market notes on an unsolicited basis;
- a material default occurs in relation to the money market notes;
- the money market fund determines that the money market notes no longer present minimal credit risk;
- upon certain events of insolvency with respect to the Issuing Entity; or
- the money market notes otherwise cease to meet the eligibility criteria under Rule 2a-7.

Investors should therefore consider carefully the risk posed if the relevant notes cannot be transferred on a Mandatory Transfer Date (for example if the Mandatory Purchaser defaults in its obligation to purchase the relevant notes on such Mandatory Transfer Date under the Mandatory Purchase Agreement) as no assurance can be given that the Mandatory Purchaser will comply with and perform its obligations under a Mandatory Purchase Agreement and in those circumstances a Noteholder of the relevant notes may be unable to sell its notes on the relevant Mandatory Transfer Date or at any other time. In addition, purchasers of the relevant notes will have no recourse against either the Issuing Entity or the relevant Mandatory Purchaser for any default or failure to purchase by the Mandatory Purchaser under the related Mandatory Purchase Agreement. Although the parties to these agreements may be able to enforce their rights against each other, they have no obligation to do so.

Unless and Until Individual Note Certificates are Issued, Persons Acquiring Notes (other than Registered Uncleared Notes) will not be the Legal Owners or Holders of Such Notes, But Will Hold Only Book- Entry Interests, Which May Result in Delays in Distributions and Hamper Their Ability to Both Participate in Votes

Unless and until Individual Note Certificates are issued, persons acquiring notes will not be the legal owners or Holders of such notes but will have rights in their capacity as participants in accordance with the rules and procedures of the relevant clearing system and in the case of indirect participants, their agreements with direct participants (such rights, "**Book-Entry Interests**"). After payment to the common depositary, the common safekeeper and the DTC custodian, the Issuing Entity will have no responsibility or liability for the payment of interest, principal or other amounts to Euroclear, Clearstream, the DTC custodian,

of Noteholders and Pledge their Notes

the common depositary, the common safekeeper or to Holders of Book-Entry Interests. Either the common depositary, the nominee for the common safekeeper or Cede & Co. as nominee of DTC will be the registered Holder and legal owner of each Class of notes for so long as such Class is represented by one or more Global Note Certificates. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of the common depositary, the common safekeeper, the DTC custodian, Euroclear, Clearstream and DTC and, if such person is an indirect participant in such entities, on the procedures of the direct participant through which such person holds its interest, to exercise any rights of Noteholders under the Note Trust Deed. So long as the notes are in global form, payments of principal and interest on, and other amounts due in respect of, notes will be made to the common depositary, the common safekeeper and to Cede & Co. as nominee of DTC. Upon receipt of any payment, Euroclear, Clearstream and DTC will promptly credit direct participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests, as shown on their records. The Issuing Entity expects that payments by direct participants or indirect participants to owners of interests in Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in 'street name', and will be the responsibility of such direct participants or indirect participants. None of the Issuing Entity, the Note Trustee, the DTC custodian, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Holders of Individual Note Certificates, Holders of the Book-Entry Interests will not have direct rights under the Note Trust Deed to act upon solicitations of consents or requests by the Issuing Entity for waivers or other actions from Noteholders. Instead, a Holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear, Clearstream or DTC (as the case may be) and, if applicable, direct participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable Holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default, Holders of Book-Entry Interests will be restricted to acting through the Euroclear, Clearstream, DTC or the DTC custodian (as the case may be) unless and until Individual Note Certificates are issued. There can be no assurance that the procedures to be implemented by the Euroclear, Clearstream, DTC and the DTC custodian under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed. See "*The Notes – Clearance and Settlement*".

Holders of beneficial interests in notes which are denominated in Sterling or Euros and which are held directly with DTC or through its participants must give advance notice to the Exchange Agent 15 days prior to each Interest Payment Date that they wish payments on such Global Note Certificates to be made to them in Sterling or Euro (as applicable) outside DTC. If such instructions

are not given, Sterling or Euro payments on such notes will be exchanged for U.S. Dollars by the Exchange Agent prior to their receipt by DTC and the affected Holders will receive U.S. Dollars on the relevant Interest Payment Date.

Persons acquiring notes in the form of Global Note Certificates may also be hindered from granting Security over the notes if physical notes are required by the party demanding the pledge or other form of Security.

Modifications to the Transaction Documents without Noteholder consent

Pursuant to the terms of the Note Trust Deed, the Note Trustee has an ability in certain circumstances to concur with the Issuing Entity in making modifications to the Transaction Documents without the prior consent of the Noteholders, as further described in Condition 15 (*Meetings of Noteholders, Modification and Waiver, Substitution and Addition and Enforcement*) of the section entitled "*Terms and Conditions of the Notes*" on page 159 of this Base Prospectus. The Security Trustee has similar rights under the Security Trust Deed and MTN Cash Management Agreement.

Certain Legal, Tax and Regulatory Considerations

Application of the Consumer Credit Act 1974, as Amended by the Consumer Credit Act 2006 and Other Legislation May Impede Collection Efforts and Could Cause Early Redemption of Your Notes or a Loss on Your Notes

There is an increasing volume of legislation that is applicable to consumer credit in the United Kingdom. Of particular importance are the Consumer Credit Act 1974 (the "**CCA 1974**"), as amended by the Consumer Credit Act 2006 (the "**CCA 2006**") (together the "**CCA**"), the related Unfair Terms in Consumer Contracts Regulations 1999, as amended (the "**UTCCR**") and the 2010 Regulations implementing the second EU directive relating to consumer credit (the "**Consumer Credit Directive**"). The CCA and UTCCR are administered by, amongst others, the Office of Fair Trading (the "**OFT**"). The OFT is responsible for the issue of licences under, and the superintendence of, the CCA, related consumer credit regulations and other consumer protection legislation including the UTCCR. The OFT may review businesses and operations, provide guidelines to follow and take action when necessary. The CCA and UTCCR apply, in whole or in part, to the transactions occurring on the Designated Accounts and to the underlying credit or charge card agreements, which may result in adverse consequences for your investment in the notes, such as possible unenforceability of, or possible liabilities for misrepresentation or breach of contract in relation to, an underlying credit or charge card agreement. The FCA also has powers under the UTCCR to challenge unfair terms in standard form consumer contracts. On 2 April 2013 the OFT and the FCA entered into a memorandum of understanding establishing a framework for co-operation. Annexed to this are various concordats detailing how the responsibility for financial services contracts should be shared.

The Law Commission and the Scottish Law Commission (the "**Law Commissions**") recently published advice to BIS on the UTCCR and recommended certain clarifications to the fairness test and recommended additions to the list of indicative unfair terms. They also recommended combining the consumer rules in the UTCCR and the Unfair Contract Terms Act 1977 ("**UTCA**"). In some paces this would require a "rounding-up" where there is a gap between consumer protection under UTCA and the UTCCR. The Ministry of Justice was expected to publish the government's response in May 2013. On 13 June 2013, the government published the Draft Consumer Rights Bill (the

"**Draft Bill**"), along with its response to the reform on unfair terms and impact assessment. As proposed by the Law Commissions, the Draft Bill will merge the consumer protection rules under UCTA and UTCCRs. This has the important effect of extending the fairness test to consumer notices.

Any credit or charge card agreement that is wholly or partly regulated by the CCA or treated as such has to comply with requirements under the CCA as to licensing of lenders and brokers, documentation and procedures and (in so far as applicable) pre-contract disclosure. In relation to charge card agreements entered into prior to November 2010, only the cash withdrawal element of the product is regulated by the CCA. Barclaycard does not currently offer a charge card product for new customers. If a credit or the regulated part of the charge card agreement does not comply with the CCA documentation requirements or is made with an unlicensed lender then, it may, depending upon the nature of the non-compliance and origination of the agreement, be either totally unenforceable or enforceable only with a court order. Total unenforceability only applies to agreements entered into before 6 April 2007, where such agreement is improperly executed, in circumstances where the credit card agreements have failed to comply with the requirements of the CCA as to form and content, signing and provision of copies including cancellation Notices.

In respect of credit or the regulated part of charge card agreements entered into on or after 6 April 2007, the CCA 2006 abolished the total unenforceability provisions. Accordingly, if such an agreement does not comply with the relevant requirements, the court is able to exercise its discretion as to whether the agreement may be enforced.

In cases where a failure to comply strictly with the CCA requirements renders the agreement unenforceable without a court order, the Originator cannot guarantee that a court order could be obtained if required. In deciding whether to enforce the agreement, the court will take into account any prejudice suffered by the cardholder and any culpability of the creditor. The court has the discretion, if it appears just to do so, to amend the credit or charge card agreement, impose conditions upon its performance or to make a time order (for example, give extra time for arrears to be cleared). Where the court is able to exercise its discretion, it will do so on a case-by-case basis and we are therefore unable to confirm the likelihood of court orders being obtained.

The drafting requirements which relate to consumer credit agreements are prescriptive and intricate, although these requirements were relaxed by the Consumer Credit Directive in relation to new agreements entered into by Barclaycard from November 2010. As is common with many other UK credit card issuers, there is a risk that a court may decide that Barclaycard has not complied with a technical aspect of the CCA or that a term of the agreement is unfair under the UTCCRs.

In addition, Barclaycard, in common with many other UK credit card issuers, has received and expects to receive correspondence from and to have discussions with, the OFT in relation to concerns the OFT may raise from time to time in respect of compliance with the consumer credit legislation and guidance in

the UK, including in relation to advertising, marketing or administration of the card accounts.

If a credit or charge card agreement related to a Designated Account has not been executed or modified in accordance with the provisions of the CCA and is completely unenforceable as a result, the Principal Receivables arising thereon will be treated as Ineligible Receivables. See "*The Receivables: Representations*".

The CCA 2006 introduced an unfair relationship test to all new and existing credit agreements. There is no statutory definition of what constitutes an unfair relationship. The test allows the courts to be able to consider a wide range of circumstances, including the creditor's conduct before and after making the agreement. Once the debtor alleges that an unfair relationship exists, the burden of proof is on the creditor to prove the contrary.

If a credit or charge card agreement is found to be the subject of an unfair relationship, the court may require the creditor to repay sums to the debtor, do, not do or cease doing anything in relation to the agreement, reduce or discharge any sums payable by the debtor or surety, return property provided by a surety, alter the terms of the agreement or direct accounts to be taken. In addition, it is possible that certain clauses of the credit or charge card agreement may be found to be unfair under UTCCR. Such unfair clauses may be found by the courts to be unenforceable against the consumer.

The possible unenforceability of liabilities due to an underlying credit or charge card agreement constituting an unfair relationship may result in unrecoverable losses on accounts to which such agreements apply. If losses arise on these accounts, they will be written off and borne by the investor beneficiary and Originator Beneficiary based on their interests in the Receivables Trust. Accordingly, this may result in adverse consequences such as a loss on the notes or early redemption of the notes.

If an agreement were held by a court to be non-compliant with the CCA, it will still be possible to collect payments and seek arrears from cardholders who are falling behind with their payments. The Originator will have no obligation to repay or account to a cardholder for any payments received by a cardholder because of this non-compliance with the CCA. However, if losses ultimately arise on these accounts, they will be written off and borne by the investor beneficiary and Originator Beneficiary based on their interests in the Receivables Trust. Accordingly, if this were to occur, you could suffer a loss on your notes or an early redemption on your notes.

Transactions involving the use of a credit card may constitute transactions under debtor-creditor-supplier agreements for the purposes of the creditor's liability under section 75 of the CCA. A debtor-creditor-supplier agreement includes an agreement by which the creditor advances funds to finance the debtor's purchase of goods or services from a supplier with whom the creditor has a pre-existing arrangement.

Section 75 of the CCA provides that if a supplier breaches a contract between the supplier and a cardholder in a transaction under certain debtor-creditor-supplier agreements, or if the supplier makes a misrepresentation about the contract, the

creditor may also be liable to the cardholder for the breach or misrepresentation. An example of a supplier's breach of contract would include the supplier selling the cardholder merchandise that is defective or unsuitable for its purpose. In these circumstances, the cardholder may have the right to reduce the amount owed to the Originator under his or her credit or charge card account. This right would survive the sale of the Receivables to the Receivables Trustee. As a result, the Receivables Trustee may not receive the full amount otherwise owed by a cardholder. However, the creditor will not be liable where the cash price of the item or service supplied underlying the claim is £100 or less, or greater than £30,000.

The Receivables Trustee has agreed on a limited recourse basis to indemnify the Originator for any loss suffered by the Originator from a cardholder claim under section 75 of the CCA. This indemnity cannot exceed the original outstanding principal balance of the affected charges on a Designated Account.

The Receivables Trustee's indemnity will be payable only from and to the extent of excess spread on the Receivables. Any amounts that the Originator recovers from the supplier will reduce the Originator's loss for purposes of the Receivables Trustee's indemnity. This is described under "*Securitisation Cashflows: Aggregate Investor Indemnity Amount*". The Originator will have rights of indemnity against suppliers under section 75 of the CCA. The Originator may also be able to charge-back the transaction in dispute to the supplier under the operating regulations of VISA® or MasterCard®.

If the Originator's loss for purposes of the Receivables Trustee's indemnity exceeds the excess spread available to satisfy the loss, the Originator Interest in the Receivables Trust will be reduced by the amount of the excess loss.

Satisfaction by the Receivables Trustee of any such indemnity payment (as described above) could have the effect of reducing or eliminating excess spread which might otherwise have been available to the MTN Issuing Entity. These consequences could result in you incurring a loss on your investment or an early redemption of your notes.

Barclaycard will have rights of indemnity against suppliers under section 75 of the CCA. Barclaycard may also be able to "charge-back" the transaction in dispute with the supplier under the operating Regulations of MasterCard® and VISA®. Any amount that Barclaycard recovers from the supplier will reduce Barclaycard's loss for the purposes of the Receivables Trustee's indemnity.

Through amendments made to the CCA 1974 by the Financial Services Act 2012 (the "**FS 2012**"), as of 19 February 2013, the OFT has had the power to suspend consumer credit licences with immediate effect if there is an urgent need to protect consumers' interests. This new power enables the OFT to suspend all aspects of the business covered under the licence with immediate effect or on a date specified in a notice, with the consequence that any consumer credit activity undertaken by the suspended licensee from that point on will be unlicensed, and therefore illegal and (if applicable to the type of activity) unenforceable, until the suspension is ended. If a credit or charge card agreement relating

to a Designated Account has been entered into or varied during such a period of suspension the agreement or variation will be unenforceable resulting in possible losses on these accounts. Consequently this may lead to a loss on the notes or an early redemption of the notes.

Recent and Proposed Legislative Changes Regarding Consumer Credit Agreements and Related Matters may Affect the Yield Obtained by/on the Securitised Portfolio and Cause a Loss on or the Early Redemption of the notes

The regulation of consumer credit agreements and related matters is subject to regular legislative intervention both at a European and UK level. There are several recent and proposed changes in law that may have an impact on the performance of the Securitised Portfolio:

(A) EU Directive Concerning Unfair Commercial Practices Could Cause Early Redemption of Your Notes or a Loss on Your Notes

In May 2005, the European Parliament and the Council adopted a directive on unfair business-to-consumer commercial practices (the "**Unfair Practices Directive**"). The Unfair Practices Directive has been implemented in the UK through the Consumer Protection from Unfair Practices Regulations (the "**CPR**") which came into force on 26 May 2008. The CPR prohibits certain practices which are deemed "unfair" within the terms of the CPR. Such practices include misleading acts or omissions, aggressive sales tactics and failure to comply with the requirements of professional diligence. In addition, the CPR lists 31 specific practices which are always considered to be unfair. Breach of the CPR does not, of itself, render an agreement void or unenforceable but the possible liabilities for misrepresentation or breach of contract, in relation to an underlying credit or charge card agreement, may result in unrecoverable losses on accounts to which such agreements apply. The OFT may also take enforcement action. If losses arise on these accounts, they will be written off and borne by the investor beneficiary and Originator Beneficiary based on their interests in the Receivables Trust. Accordingly, if this were to occur, you could suffer a loss on your notes or an early redemption on your notes.

In December 2009, the Commission published non-binding guidance on the implementation and application of the Unfair Practices Directive, which it states is aimed at developing a common understanding and a convergence of practices when implementing and applying the Directive.

On 14 March 2013 the Commission published the results of its review on the application of the Unfair Practices Directive. The Commission does not propose amending the directive but has indicated that intensified national enforcement and re-enforced cooperation in cross-border enforcement are needed. Going forward, the Commission will consider how it can play a more active role in enforcement and will continue to perform in-depth reviews of how the directive works in practice.

(B) Change of law – Payment Services Directive

The Payment Services Directive (the "**PSD**") is part of the EU's development of the Single European Payments Area which is intended to harmonise and remove legal barriers for payments throughout the EU. The PSD sets out conduct of business requirements which may, in practice, operate to require changes to the terms and conditions applying to the Receivables and operational requirements.

The UK Government implemented the PSD on 1 November 2009 through the Payment Services Regulations. All other member

states have now implemented the PSD. The PSD introduces authorisation and conduct of business requirements including rules covering pre and post contract information requirements, notice of variation of terms, termination rights and information on transactions. Other provisions address authorisation procedures for payments, refunds, liability for unauthorised or incorrect payments, procedure for execution and value dating. However, fully regulated credit or charge card agreements are exempt from many of the key requirements and are instead subject to similar, pre-existing provisions which are found in the CCA.

Pursuant to the PSD, the Commission is required to review the implementation and impact of the PSD and, where appropriate, prepare proposals for its revision. In July 2013, the Commission issued a proposal to amend and restate the existing PSD, with a second PSD ("**PSD2**"). The timing for adoption of the PSD2 is still uncertain and the text is still at an early stage which means it will not be possible to predict accurately to what extent any changes will affect the yield on credit card agreements and Receivables.

(C) EU Directive relating to consumer credit

The Consumer Credit Directive relates to consumer loans between €200 and €75,000 which are not required to be repaid within a month. The main effects of the Consumer Credit Directive are: the standardisation of information to be provided in advertising, the requirement for pre-contractual and contractual information, consumer withdrawal rights, the right to early repayment and rules for the calculation of compensation and a requirement to specify the annual percentage rate of charge.

The Consumer Credit Directive has been implemented in the UK through 6 new regulations which became law in May 2010. The regulations amend the CCA and secondary legislation. The industry had to implement the new requirements by 1 February 2011 or earlier if the creditor triggered the new requirements by using Consumer Credit Directive-compliant pre-contractual information. This is with the exception of the rules on advertising, which had to be implemented between 1 February 2011 and 1 March 2011.

The key changes to the UK consumer credit regime that resulted from the implementation of the Consumer Credit Directive are as follows:

(a) a duty on the lender to provide adequate explanations to the consumer about the credit on offer including the costs which may be incurred by a consumer who takes out the credit being offered;

(b) an obligation on the lender to check the creditworthiness of the consumer before offering or increasing credit, which has been reinforced by the OFT's requirement for lenders to assess affordability;

(c) a right for consumers to withdraw from a credit agreement within 14 days for any reason, replacing the customer's right to cancel under the CCA;

(d) requirements to inform consumers when debts are sold

on;

(e) requirements on credit intermediaries to disclose fees and links to creditors;

(f) the right for borrowers to make partial early repayments of credit; and

(g) a new requirement to provide certain items of "standard information" including a representative annual percentage rate, to be provided in credit advertising where the creditor refers to an interest rate, to enable consumers to compare offers.

On 14 November 2011 the European Commission adopted a new directive amending the Consumer Credit Directive and providing additional assumptions for the calculation of the annual percentage rate of charge in credit agreements. The Consumer Credit (Total Charge for Credit) (Amendment) Regulations (SI 2012 No 1745) became law on 1 January 2013 and implemented the amending directive into UK law. Given this recent implementation it is not possible to determine or predict accurately to what extent they will affect the yield on credit card agreements and Receivables.

(D) Banking Act 2009

The Banking Act 2009 (the "**Act**") provides a permanent regime to allow the Prudential Regulation Authority (the "**PRA**"), the Treasury and the Bank of England to address a situation where a UK Bank (a UK institution with permission to accept deposits under the Financial Services and Markets Act 2000, which would include the Originator) (the "**UK Bank**"), is likely to encounter financial difficulties. The Act gives the Treasury, the PRA and the Bank of England certain wide powers to support the implementation of the stabilisation measures contemplated by the Act. The FS 2012 contains provisions extending the scope of the Act's special resolution regime to a wider range of entities including certain UK investment firms and certain group companies of UK banks and UK investment firms. On 26 September 2013, the Treasury published a consultation on the secondary legislation relating to the extension of the special resolution regime to investment firms, CCPs and group companies, closing on 21 November 2013.

These powers, which apply regardless of any contractual restrictions, include (a) power to issue share transfer instruments and/or orders pursuant to which there may be transferred to a commercial purchaser or a nominee of or a company wholly owned by the Treasury, all or some of the Securities issued by a UK Bank (or any UK holding company of the UK Bank). The share transfers can extend to a wide range of "Securities" including shares and bonds issued by the UK Bank (or any UK holding company of the UK Bank) and warrants for such and also deferred shares or private membership rights in a building society and (b) the power to transfer all or some of the property, rights and liabilities of a UK Bank or a building society to a commercial purchaser or Bank of England entity. In certain circumstances encumbrances and trusts can be over-reached or varied or the terms of a trust removed or altered (although in the case of partial property transfers the terms of a trust can only be removed or altered to the extent that it is necessary or expedient to transfer to the transferee: (i) the legal or beneficial title of the UK Bank in

the property held on trust or (ii) any powers, rights or obligations of the UK Bank in respect of the property held on trust) and provision may be made concerning how any powers, provisions and liabilities in respect of trust property are to be exercisable or have effect. Power also exists to override any default provisions which arise as a result of the transfer, provisions restricting transfer, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation. As a result, the making of an instrument or order in respect of a relevant entity may affect the ability of the Issuing Entity to meet its obligations in respect of the notes and may result in a change in the contractual terms applicable to the notes without the consent of the Noteholders. While there is provision for compensation in certain circumstances under the Banking Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred. In the case of share transfer instruments or orders any compensation payable will be paid to the transferor, who may not be the encumbrancer. The Act also includes provisions relating to two new insolvency procedures which may be commenced by specified UK authorities (bank insolvency and bank administration).

The Act also vests power in the Bank of England (amongst other things) to override, vary or impose contractual obligations between the UK Bank (or any UK holding company of the UK Bank) and its former Group undertakings (as defined in the Act), for reasonable consideration, in order to enable any Transferee or successor bank of the UK Bank (or any UK holding company of the UK Bank) to operate effectively. There is also power for the Treasury to amend the law (save for a provision made by or under the Act) by order for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

If an instrument or order were to be made under the Act in respect of the Originator, such instrument or order may (amongst other things) affect the ability of the Originator to satisfy its obligations under the Transaction Documents and/or result in modifications to the Transaction Documents. As a result, the making of an instrument or order in respect of the Originator may affect the ability of the Issuing Entity to meet its obligations in respect of the notes. While there is provision for compensation in certain circumstances under the Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

As at the date of this Base Prospectus, no order or action has been taken by the Treasury, the PRA (prior to 1 April 2013 known as the Financial Services Authority ("**FSA**")) or the Bank of England under the Banking Act 2009 in respect of the Originator and there has been no indication that any such instrument or order will be made, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made.

(E) OFT irresponsible lending guidance

The OFT launched in August 2008 draft guidance setting out practices that the OFT considers would constitute irresponsible lending. A further consultation on draft guidance was launched in July 2009. The OFT published its guidance in March 2010. The guidance covers each stage of the lending process and a

range of potential issues for lending, including identifying types of policies and procedures the OFT would expect lenders to put into practice and setting out some specific practices that the OFT considers to constitute irresponsible lending. Subsequently, in August 2010, the OFT published a summary of the main issues raised in its March 2010 guidance along with its view on those issues and also published an updated version of its guidance. In February 2011 the OFT published a further updated version of its guidance which made a limited number of additions and amendments to the March 2010 guidance.

Investors should note that where the OFT considers a practice to constitute irresponsible lending, there will be a risk of enforcement action against that lender. Enforcement action could include a penalty of up to £50,000 per instance of non-compliance or a variation of the consumer credit licence held, which may include the imposition of certain requirements on the lender. In serious cases, not complying with the guidance could result in a consumer credit licence being revoked altogether. If enforcement action were taken against the Originator this could affect the ability of the Originator to generate Receivables in respect of the Designated Accounts and have an impact on the performance of the Receivables Trust.

There is also a risk that consumers may claim compensation where creditors are alleged to have breached principles set out by the OFT's guidance. There is a particular risk in relation to affordability where Barclaycard has seen a number of claims that historic credit assessment processes pre-dating the publication of the guidance were non-compliant resulting in loss to consumers. Given the early stage of such claims, the Issuing Entity is unable to determine what effect, if any, they may have on the Securitised Portfolio.

(F) OFT guidance on sections 77/78/79 of the CCA

In January 2010, the OFT launched a consultation on draft guidance on a creditor's duty to give information to debtors and the consequences of noncompliance with such a duty on a creditor's ability to enforce a CCA regulated credit agreement. The consultation closed on 21 April 2010 and the OFT published its guidance in October 2010. The guidance is intended to reflect the findings of recent High Court cases that have clarified a number of technical issues. For example, sections 77 to 79 of the CCA 1974 allow a consumer to request a 'true copy' of their executed agreement. The High Court ruled that a true copy does not have to be a photocopy or an exact copy of the original; the lender is allowed to provide a reconstituted agreement, as long as that version is accurate and contains all the original information apart from the few exceptions that the law allows. Investors should note that the guidance states that if a lender cannot comply with the sections – making an agreement unenforceable – then it is restricted in the debt collection activities it can undertake. Whilst lenders are able to request repayment and to record any arrears or default with a credit reference agency, the OFT considered it would be wrong to threaten court action if the lender knows it is not possible.

Investors should be aware that the guidance could affect use of credit, default rates, the yield on the card portfolio generally and cardholder repayment patterns.

(G) BIS review of the regulation of

The UK Department for Business, Innovation and Skills ("**BIS**")

credit and store cards

issued a consultation paper in October 2009 covering options for change in four specific aspects of the way credit and store cards operate: minimum payments, unsolicited credit line increases, the re-pricing of existing debt and the allocation of payments. BIS has also identified scope to improve the simplicity and transparency of credit and store cards more generally. The consultation closed in January 2010.

The Government's response to this consultation was published in March 2010 following an agreement with the UK Cards Association on behalf of the credit card industry. It outlines five new rights for credit and store card users. The new rights are:

(i) Right to repay – consumers will have the right that payments should be put against the highest rate debt first, and also alters the minimum payment for customers opening new accounts;

(ii) Right to control – consumers will be given the right to reduce and choose not to increase their credit limits;

(iii) Right to reject – consumers will be given more time to reject increases in their interest rate or their credit limit and consumers who are at risk of financial difficulties cannot have their interest rate increased or receive a credit line increase;

(iv) Right to information – consumers at risk of financial difficulties will be given guidance on the consequences of paying back too little; and all consumers will be given clear information on increases in their interest rate or their credit limit including the right to reject; and

(v) Right to compare – consumers will have an annual statement that allows for easy cost comparison with other providers.

Rather than passing new legislation in order for consumers to benefit from these measures, as agreed between the Government and the card companies, the above rights came into effect voluntarily on 1 January 2011 (with the exception of annual statements, which had a deadline of 1 January 2012) and have been incorporated into industry lending codes. The OFT will take the new rights into account for enforcement purposes. These rights were incorporated into the Lending Code in March 2011, becoming subject to the review of the Lending Standards Board.

Barclaycard implemented the Code proposed by BIS voluntarily in November 2010, with the exception of the requirement to provide annual statements. After an initial fall, the yield on the Securitised Portfolio has improved significantly since such implementation.

(H) The Financial Services Act 2010

The Financial Services Act 2010 (the "**Financial Services Act**"), intended to respond to the banking and financial crisis received Royal Assent on 8 April 2010. It includes measures designed to improve the position of customers of credit card providers. These measures include a total prohibition on the issuance of credit card cheques to individuals other than on request and limits the total number of credit card cheques which can be issued in respect of a request to three. Investors should note that the

Financial Services Act also gives the FCA the power to require credit card providers to set up consumer redress schemes if it appears there has been a widespread failure to comply with the rules about how firms carry out their activities.

Investors should be aware that the introduction of the Financial Services Act could affect future use of credit, default rates, the yield on the card portfolio generally and cardholder repayment patterns.

(I) The Financial Services Act 2012

The Financial Services Act 2012 (Consumer Credit) Order 2013 (the "**CCO**") and the Financial Services and Markets Act 2000 (Regulated Activies) (Amendment) (No.2) Order 2013 (the "**RAO Amendment Order**") were made on 25 July 2013 in relation to the transfer of consumer credit regulation from the OFT to the FCA. The RAO Amendment Order transfers consumer credit activites into the FSMA framework, modifies how parts of the FSMA are to apply to the sector and amends relevant secondary legislation under the FSMA, including those dealing with regulated activities, exclusions, appointed representatives and the financial promotions regime. It repeals provisions of the CCA which are incompatible with credit being regulated under the FSMA (such as provisions which relate to the licensing regime or which relate to matters that the FCA can address via its rule-making powers) and provides for how the provisions that will be retained (as they cannot be easily replicated through FCA rules) will operate and be enforced. Certain Provisions of the CCO and the RAO Amendment Order, including provisions allowing the FCA to prepare and issue policy statements and make determinations or impose requirements under the CCA, came into force on 26 July 2013. The remainder of the provisions of the CCO and the RAO Amendment Order will come into force on 1 April 2014, when the transfer of consumer credit regulation to the FCA will take effect.

Some of the key differences between the existing consumer credit regime and the new regime following the transfer of regulation to the FCA include:

(a) Authorisation: firms applying for a CCA licence under the OFT regime must pass a basic fitness test. To become authorised by the FCA, firms must meet threshold conditions which are more demanding, report more information which will be subject to greater scrutiny by the FCA and obtain pre-approval for those in key roles in the applicant firm. Since 2 September 2013, firms with existing OFT consumer credit licences have been able to register with the FCA for interim permission, meaning that they are able to continue to carry out their consumer credit activites from 1 April 2014 until they become fully authorised by the FCA;

(b) Supervision: firms licensed by the OFT pursuant to the CCA are not subject to ongoing supervision. The OFT is reliant on third party information, data gathering and reviews of compliance. Under the new regime, there will be close supervision of firms engaged in higher risk activities and a less intensive regime for lower risk firms. Firms will be subject to regular reporting requirements and the FCA will engage in thematic work in response to systemic

issues;

(c) Rules: Much of the existing guidance published by the OFT and many of the provisions in the CCA that will be repealed in April 2014 will be replaced by FCA rules and guidance. The FCA published a consultation paper setting out its detailed proposals for the FCA regime for consumer credit on 3 October 2013 and its aiming to publish final rules and guidance in February or March 2014. In addition, the FSMA financial promotions regime will apply and is more stringent than current CCA advertising requirements;

(d) Enforcement: breaches of the FCA's rules can be penalised and the FCA will have much stronger enforcement powers than the OFT, including bringing criminal, civil and disciplinary proceedings, power to withdraw authorisations, ban firms from undertaking financial services, suspend firms or individuals for 12 months, power to issue unlimited fines and product intervention powers in the consumer credit market which can include restrictions on product features and selling practices or product bans; and

(e) Complaints and redress: consumers will continue to have access to the Financial Ombudsman Service (the "**FOS**"). The FCA will also have the power to require firms to reimburse consumers when they have lost out due to a firm's actions.

The FCA has the power to render unenforceable contracts made in contravention of its product intervention rules. The FS 2012 permits the FCA to make temporary product intervention rules ("**TPIRs**") prohibiting authorised persons from taking a number of actions, including entering into specified contracts with any person or with a specified person. TPIRs are intended to offer protection to consumers in the short term whilst either the FCA or the industry develop more permanent solutions and, in any event, are limited to a maximum duration of 12 months. In relation to agreements entered into in breach of a TPIR, the FCA's rules may provide (i) for the relevant agreement or obligation to be unenforceable; (ii) for the recovery of any money or other property paid or transferred under the agreement; or (iii) provide for the payment of compensation for any loss sustained under the relevant agreement or obligation. In March 2013 the FSA published a policy statement "*The FCA's use of temporary product intervention rules*" following a consultation addressing when and how the FCA will consider making TPIRs. The FCA will consider making TPIRs where it identifies a risk of consumer detriment arising from a product or practice and will make the rules if it deems prompt action is necessary to reduce or prevent that detriment. In particular, the FCA will consider factors such as the potential scale of detriment in the market and potential scale of detriment to individual customers, whether particular groups of customers (especially vulnerable customer groups) are more likely to suffer detriment and whether the use of TPIRs will have any unintended consequences. The transfer of consumer credit regulation from the OFT to the FCA in April 2014 will result in the FCA having power to make TPIRs in relation to a much wider range of consumer credit products and practices than currently as CCA licence holders will be brought within its remit.

The FS 2012 also permits the FCA to make rules limiting the cost of credit and duration of credit agreements. These rules may prohibit an authorised person from entering into regulated credit agreements the terms of which infringe these limits. In relation to agreements entered into in breach of the limits, the FCA's rules may (i) provide that the agreement be unenforceable; (ii) provide for the recovery of any money or other property paid or transferred under the agreement; or (iii) provide for the payment of compensation for any loss sustained under the agreement.

The transfer of responsibilities from the OFT to the FCA represents a fundamental change to the way consumer credit agreements are regulated and until the relevant legislation and FCA rules have been finalised it is not possible at this stage to determine or predict accurately to what extent they will affect the yield on credit card agreements and Receivables.

(J) The Independent Commission on Banking (the "ICB"): Changes to the structure of financial institutions

The ICB was charged by the UK Government with reviewing the UK banking system and its findings were published on 12 September 2011. The ICB recommended (amongst other things) that: (i) the UK and EEA retail banking activities of a UK Bank or building society should be placed in a legally distinct, operationally separate and economically independent entity (so-called "ring-fencing"); and (ii) the loss-absorbing capacity of ring-fenced banks and UK-headquartered global systemically important banks (such as Barclays) should be increased to levels higher than the Basel III proposals. The UK Government published a white paper setting out its proposals for taking forward implementation of the ICB recommendations in June 2012 and indicated that primary and secondary legislation will be completed by May 2015, with UK banks required to be compliant by 1 January 2019. The Financial Services (Banking Reform) Bill was introduced to Parliament on 4 February 2013. The Government has stated it is on track to have all legislation (including secondary legislation) in place by the end of the current Parliament in 2015. Changes to the structure of UK banks and an increase in the amount of loss-absorbing capital issued by UK banks may have an adverse impact on the MTN Issuing Entity and the Barclays Group.

Changes of Law May Adversely Affect Interests of Noteholders

The structure of the Receivables Trust and the ratings of the notes are based on English law, UK tax law and Jersey law in effect as at the date of this Base Prospectus. The transactions described in this Base Prospectus (including the issuance of the notes) and the ratings which are to be assigned to the notes are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to the law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this Base Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuing Entity to make payments under the notes.

Taxable Nature of the MTN Issuing Entity or the Issuing Entity Could Cause a Loss on Your Notes

The MTN Issuing Entity and the Issuing Entity will be liable to U.K. corporation tax. So long as the MTN Issuing Entity and the Issuing Entity respectively are within the application of the Taxation of Securitisation Companies Regulations 2006 (as amended from time to time) for periods of accounts beginning on

or after 1 January 2007 (the "**Regulations**"), their taxable profit for U.K. corporation tax purposes will in each case be equal to certain cash amounts retained by them respectively in accordance with the application of Available Funds as required by the relevant series supplement to the Security Trust Deed and MTN Cash Management Agreement and the relevant Note Trust Deed Supplement.

In order to fall within the application of the Regulations, a company must fulfil certain conditions, including ones which relate to its ongoing asset holdings (e.g. that the assets should be "financial assets" according to applicable accounting practice at the time of acquisition) and its ongoing cash flow management. These conditions are designed to ensure that the Regulations will apply to a company which is genuinely established and operated as a securitisation vehicle in a securitisation of money debts. **Provided that** the MTN Issuing Entity and the Issuing Entity are as a matter of fact managed at all times so as to meet the conditions laid down by the Regulations, the MTN Issuing Entity and the Issuing Entity can be expected to fall within the application of the Regulations.

The U.K. tax authorities have worked very closely with the securitisation industry on developing the Regulations and related practices, and the Regulations are designed to allow genuine securitisation vehicle companies to be taxed on a basis which is compatible with market and rating requirements. However, the Regulations are in short form and advisers rely significantly upon guidance from the U.K. tax authorities when advising on the scope and operation of the Regulations including advising as to whether any particular company falls within the new regime.

If the MTN Issuing Entity or the Issuing Entity failed to satisfy any of the applicable conditions, and so did not fall within the application of the Regulations (as amended), the taxable profits of the company in question would be computed on the basis of generally accepted accounting practice (as referred to in the U.K. tax legislation) (subject to certain adjustments and disallowances under the U.K. tax legislation). This could potentially lead to the affected company having taxable profits which were different from its net cash position, giving rise to unfunded tax liabilities for that company, and you could suffer losses on your notes as a result. It should be noted that the failure of either entity to meet any of the applicable conditions in respect of one Note Series will result in that entity ceasing to be within the application of the Regulations in respect of all of its U.K. tax liabilities. This means that all Note Series outstanding at that time will be affected.

The above description is based on the MTN Issuing Entity and the Issuing Entity being resident for tax purposes in the U.K. On the basis that each of them is incorporated in the United Kingdom, each of them will be so resident if and for so long as it is not regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom and not resident in the United Kingdom.

Taxable Nature or Basis of Taxation of (or Change in the Taxation of) the Receivables Trustee, MTN Issuing Entity or Issuing Entity Could Cause a Loss on Your Notes

If there is a relevant change of law in the United Kingdom or Jersey, or change of practice of HMRC, this could result in a change in the basis of taxation of the Receivables Trustee, the MTN Issuing Entity or the Issuing Entity and/or the taxable profits of the MTN Issuing Entity or the Issuing Entity being greater than expected and you could suffer losses on your notes as a result.

An opinion of U.K. tax advisers is not binding on HMRC or the courts, and no specific transaction rulings will be obtained from HMRC. In addition, there is no case law authority on a number of features of the transactions that raise difficult questions.

The proposed Financial Transactions Tax ("FTT") could apply to dealings in the Notes and/or adversely affect the amounts available to the Issuing Entity to make payments of interest and principal on the Notes

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

At this stage, it is too early to say whether the FTT proposals will be adopted and in what form. However, if the FTT is adopted based on the current proposals, then it may operate in a manner giving rise to tax liabilities for the Issuing Entity with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as Authorised Investments)). Any such liabilities may reduce amounts available to the Issuing Entity to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuing Entity, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuing Entity (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the

FTT.

A Finding that the Issuing Entity or the Receivables Trustee Should Have Registered Under the Investment Company Act Could Materially Adversely Affect Such Entity

Neither the Issuing Entity nor the Receivables Trustee has registered with the SEC as an investment company pursuant to the Investment Company Act. If the SEC or a court of competent jurisdiction were to find that the Issuing Entity or the Receivables Trustee is required, but in violation of the Investment Company Act, had failed to Register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuing Entity or the Receivables Trustee could sue the Issuing Entity or the Receivables Trustee and recover any damages caused by the violation; and (iii) any contract to which the Issuing Entity or the Receivables Trustee is party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuing Entity or the Receivables Trustee be subjected to any or all of the foregoing, such entity would be materially and adversely affected.

The Enterprise Act 2002 – Appointment of an Administrative Receiver Remains Possible

The provisions of the Enterprise Act 2002 (the "**Enterprise Act**") amending certain corporate insolvency provisions of the Insolvency Act 1986, came into force on 15 September 2003. As a result of the amendments made by the Enterprise Act, unless a floating charge was created prior to 15 September 2003, or falls within one of the exceptions contained in the Enterprise Act, the Holder of a qualifying floating charge will be prohibited from appointing an administrative receiver to a company and, consequently, the ability to prevent the appointment of an Administrator to such company will be lost.

Although the floating charge to be granted by the Issuing Entity pursuant to the terms of the Note Trust Deed is a qualifying floating charge for the purposes of the Enterprise Act, it will fall within the "**Capital Market Arrangement**" exception to the prohibition on appointment of an administrative receiver and accordingly the Note Trustee will still be able to appoint an administrative receiver pursuant to the Note Trust Deed and any Note Trust Deed Supplement.

EU directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**"), each member state is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other member state; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States (including Jersey) have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a

person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Tax Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Insolvency Proceedings and Subordination Provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a Swap Counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms included in the Transaction Documents relating to the subordination of the amount equal to any termination payment due and payable to a Swap Counterparty pursuant to the relevant Swap Agreement where the relevant Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default ("**Swap Excluded Termination Amounts**").

The English Supreme Court has affirmed the decisions of the English High Court and Court of Appeal that such a subordination provision is valid under English law.

Contrary to the determination of the English courts, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. BNY Corporate Trustee Services Limited had indicated that they intended to appeal this decision but, whilst leave to appeal was granted, the case was settled before an appeal was heard. It should be noted that on 8 February 2012, Belmont Park Investments PTY Limited and others commenced proceedings in the U.S. Bankruptcy Court in relation to Lehman Brothers Special Financing Inc. seeking an order recognising and enforcing the judgment of the English Supreme Court on Noteholder priority. Declaratory relief that the Noteholder priority is valid and that the collateral can be distributed accordingly and without liability to the trustee, is also being sought. Those proceedings remain pending and are subject to a request to be transferred to the District Court. This is an aspect of cross border insolvency law which remains untested. So whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may adversely affect the

Issuing Entity's ability to make payments on the notes.

If a creditor of the Issuing Entity (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including the U.S.), and it is owed a payment by the Issuing Entity, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the priorities of payments which refers to the ranking of the Swap Counterparty's payment rights in respect of Swap Excluded Termination Amounts). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy law. While the Swap Counterparty is established under the laws of England and Wales, it has assets and operations in the U.S.. If a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the notes and/or the ability of the Issuing Entity to satisfy its obligations under the notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of Swap Excluded Termination Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the notes. If any rating assigned to the notes is lowered, the market value of the notes may reduce.

Risks relating to the Receivables

Failure to Notify Cardholders of the Transfer of Receivables Could Delay or Reduce Payments on Your Notes

The transfer by the Originator to the Receivables Trustee of the benefit of the Receivables is governed by English law and does not give the Receivables Trustee full legal title to the Receivables. Notice to the cardholders of the assignment of the benefit of such Receivables would perfect the legal title of the Receivables Trustee to the Receivables. No notice has been given to cardholders of any transfers previously effected, and no notice is expected to be given to the cardholders of any future transfers of Receivables to the Receivables Trustee. The Receivables Trustee has agreed that notice of the transfer will not be given to cardholders unless the Originator's long-term senior unsecured Indebtedness as rated by Moody's, S&P or Fitch Ratings (if Fitch Ratings is then rating a Note Series) were to fall below Baa2, BBB or BBB, respectively. The lack of notice has several legal consequences that could delay or reduce payments on your notes.

Until Notice of Assignment is given to a cardholder and, where necessary, a legal transfer of the receivable is made, the cardholder will discharge his or her obligation under the Designated Account by making payment to the Originator.

Prior to the insolvency of the Originator, unless Notice of Assignment was given to a cardholder who is a depositor or other

creditor of the Originator, equitable set-offs may accrue in favour of the cardholder against his or her obligation to make payments to the Originator under the Designated Account. These rights may result in the Receivables Trustee receiving reduced payments on the Receivables. The transfer of the benefit of any Receivables to the Receivables Trustee will continue to be subject both to any prior equities that a cardholder had and to any equities the cardholder may become entitled to after the transfer. Where Notice of Assignment is given to a cardholder, however, some rights of set-off may not arise after the date notice is given.

Failure to give notice to the cardholder means that the Receivables Trustee would not take priority over any interest of a later encumbrancer or Transferee of the Originator's rights who has no notice of the transfer to the Receivables Trustee where such later encumbrancer or Transferee gives notice. This could lead to a loss on your notes.

Failure to give notice to the cardholder also means that the Originator or the cardholder can amend the card agreement without obtaining the Receivables Trustee's consent. This could adversely affect the Receivables Trustee's interest in the Receivables, which could lead to a loss on your notes.

Competition in the UK Credit Card Industry Could Lead to Early Redemption of Your Notes

The credit and charge card industry in the United Kingdom is highly competitive. There is increased competitive use of advertising, targeted marketing and pricing competition in interest rates, loyalty schemes and cardholder fees as both traditional and new card issuing entities seek to expand their presence in or enter the UK sector and compete for customers.

Certain card issuers may rely on customer loyalty and may have particular ways of reaching and attracting customers. For example, major supermarket retailers are promoting the use of their own cards through extensive in-store campaigns and low introductory interest rates ("**Teaser Rates**"). The UK credit and charge card sector has seen a period of consolidation in recent years with the amalgamation of some industry participants, and the retrenchment of others. Barclaycard continues to assess sector developments, and explore opportunities itself, in the face strong competition.

This competitive environment may affect the Originator's ability to originate new accounts and generate new Receivables and may also affect the level of retention of existing accounts. Some of the recently originated or acquired accounts in the bank portfolio of the Originator were originated with the use of promotions or Teaser Rates. Such accounts are more susceptible to attrition upon expiration of the teaser rate (i.e. at repricing) than accounts originated without a teaser rate. Until recently, market attrition rates for such accounts have been increasing. However, the introduction of balance transfer fees has meant that this trend has softened. If the rate at which new Receivables are generated declines significantly and if the Originator is unable to nominate Additional Accounts or product lines for the Receivables Trust, a Pay Out Event could occur with respect to any series issued under this Base Prospectus. Such a Pay Out Event could result in an early redemption of your notes.

Social, Legal, Political and Economic Factors Affect Credit

Changes in card use, credit and payment patterns, amounts of yield on the card portfolio generally and the rate of defaults by

Card Payments and Are Unpredictable

cardholders may result from a variety of social, legal, political and economic factors in the United Kingdom. Social factors include changes in public confidence levels, attitudes toward incurring debt and perception of the use of credit and charge cards. Economic factors include the rate of inflation, the unemployment rate and relative interest rates offered for various types of loans. Political factors include lobbying from interest groups, such as consumers and retailers, and government initiatives in consumer and related affairs. For example, on 12 December 2008, the Department of Business Enterprise and Regulatory Reform (now BIS) announced that certain credit card companies had agreed to a new set of 'fair principles'; a statement of risk based assessment principles to apply when a credit card company increases the interest rate applicable to a credit card account, including giving 30 days' notice of increased rates and allowances for struggling borrowers who have failed to make their minimum payments for two months or more or have sought help from a debt advice agency; and an agreement that interest rates would not be increased in the first 12 months of an account being opened, and no more frequently than every 6 months thereafter. These principles were supplemented in March 2010 by the card industry's agreement with BIS to provide consumers with enhanced rights to notification of interest rate increases. We are unable to determine and have no basis on which to predict accurately whether, or to what extent, social, legal, political or economic factors, including any OFT investigations and correspondence, will affect the future use of credit, default rates, the yield on the card portfolio generally or cardholder repayment patterns.

Ongoing Regulatory Investigations may Affect the Yield Obtained by/ on the Securitised Portfolio and Cause a Loss on and/or the Early Redemption of the notes

There are various ongoing regulatory investigations into consumer credit and related financial services, in particular by the European Commission, the OFT and the FCA (and, prior to 1 April 2013, the FSA). The outcome of these investigations is uncertain but they may have an impact on the yield obtained on the Securitised Portfolio.

(A) Inquiries into Payment Protection Insurance

Following the conclusion of the 2011 Judicial Review regarding the assessment and redress of payment protection insurance ("**PPI**"), a provision for PPI redress of £1.0 billion was raised in May 2011 based on FSA guidelines and historic industry experience in resolving similar claims. Subsequently, further provisions totalling £1.6 billion were raised during 2012.

Due to the rate of decline in monthly claims volumes being less than previously expected, an additional provision of £1.35 billion was recognised in June 2013 (bringing the total provisions to £3.95 billion) to reflect updated assumptions regarding future claims volumes, including a provision for operational costs through to December 2014. As at 30 June 2013 £2.3 billion of the provision has been utilised, leaving a residual provision of £1.65 billion.

The basis of the current provision is calculated from a number of key assumptions which continue to involve significant management judgement and modelling:

• Customer initiated claim volumes - claims received but not yet processed and an estimate of future claims initiated by customers where the volume is anticipated to decline over time.

• Proactive response rate - volume of claims in response to proactive mailing.

• Uphold rate - the percentage of claims that are upheld as being valid upon review.

• Average claim redress - the expected average payment to customers for upheld claims based on the type and age of the policy / policies.

The provision also includes an estimate of the Group's claims handling costs and those costs associated with claims that are subsequently referred to the FOS. The Group will continue to monitor actual claims volumes and the assumptions underlying the calculation of its PPI provision. It is possible that the eventual costs may materially differ to the extent that actual experience is not in line with management estimates.

(B) Reduction in the Rate of Interchange Caused by Potential Adverse Regulatory Rulings and Draft Regulation May Adversely Affect Payments on Your Notes

Barclaycard receives fees called "Interchange" from the banks that clear transactions for merchants as partial compensation for amongst other things, taking credit risk and absorbing fraud losses. See "*The Receivables*".

There have historically been and continue to be various cases brought in respect of, and regulatory investigations into, Interchange.

In particular, in December 2007, the European Commission found that MasterCard's® default interchange fees for cross-border transactions within the EEA breached EU competition laws. The finding is currently on appeal to the European Court of Justice. Judgment is not expected until 2014. Pending resolution of the appeal MasterCard® has been applying the terms of a 2009 interim settlement with the European Commission, which capped its interchange fees on cross border transactions within the EEA.

On 9 April 2013 the European Commission announced a further investigation into, among other things, the interchange fees set by MasterCard® on transactions made in the EEA by cardholders from non-EEA countries.

On 26 March 2008, the European Commission announced an investigation into the compatibility of VISA's® interchange fees with EU competition law. On 31 July 2012 the European Commission announced that it had sent Visa® a further statement of objections covering, among other things, interchange fees on credit card transactions.

On 13 June 2013 the Commission published for consultation an offer by Visa Europe to, among other things, reduce its interchange fees for credit card transactions occurring across borders within the EEA and within certain EEA Member States. Visa Europe has also offered to allow the cross border interchange rate to be applied to domestic transactions in certain circumstances. The Commission decision on the offer is pending.

On 24 July 2013 the European Commission published a draft regulation on interchange. The draft proposes an absolute cap on interchange fees for cross border credit card transactions within

the EEA. Within 2 years of coming into force the draft proposes that the same caps apply to domestic transactions.

In the United Kingdom, the Office of Fair Trading ("**OFT**") has been conducting investigations into the compatibility of VISA® and MasterCard® domestic Interchange rates with competition law. The OFT is currently considering the implications of the MasterCard® appeal to the European Court of Justice.

The Financial Services (Banking Reform) Bill, currently with the House of Lords, will establish a UK payments services regulator. It is proposed that this regulator will have powers, among other things, to enforce competition rules with regard to regulated payment systems and to require operators of regulated payment systems to amend the system rules. The government currently intends to designate the card schemes as regulated payment systems. The payments services regulator could require changes that result in a reduction in Interchange.

The outcome of these and other investigations and measures is uncertain, but it is possible that they, together with increased regulation in this area, will result in a reduction in the rate of Interchange. This could affect the future yield on the Securitised Portfolio and adversely affect payment on the notes, cause a loss on and/or the early redemption of the notes.

Decisions of the FOS Could Adversely Affect Payments on Your Notes

Under the FSMA, the FOS is required to make decisions on (among other things) complaints relating to the terms in agreements under its jurisdiction on the basis of what, in the FOS's opinion, would be fair and reasonable in all circumstances of the case, taking into account (among other things) law and guidance. Complaints brought before the FOS for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the FOS. The FOS may make a money award to a borrower, which may adversely affect the value at which loans could be realised and accordingly the ability of the Issuing Entity to make payments in full when due on the notes.

A Change in the Terms of the Designated Accounts May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption of Your Notes or a Downgrade of Your Notes

Only the Receivables arising under the Designated Accounts are transferred to the Receivables Trustee. The Originator will continue to own those accounts. As the owner of the accounts, the Originator retains the right to change the terms of the accounts. For example, the Originator could change the monthly interest rate, increase or reduce the credit limits on the accounts, reduce or eliminate fees on the accounts or reduce the required minimum monthly payment.

The Originator may change the terms of the accounts to maintain its competitive position in the UK credit and charge card industry. Changes in interest rates and fees could lower the amount of Finance Charge Receivables generated by those accounts. This could cause a Pay Out Event to occur with respect to any series issued under this Base Prospectus, which might cause an early redemption of or a loss on your notes. This could also cause a reduction in the credit ratings on your notes.

The Originator has agreed that, except as otherwise required by law or as may be determined by the Originator to be necessary in order to maintain its credit card business, based upon a good faith assessment by the Originator, in its sole discretion, of the nature of competition in the credit card business in the UK as a whole or, in the case of accounts in an additional jurisdiction, the nature of competition in the credit card business in that additional jurisdiction as a whole, the Originator will not reduce the monthly interest rate assessed on Receivables existing or arising under any Designated Account ("**Periodic Finance Charges**") or other fees otherwise required by law on the Designated Accounts if, as a result of such reduction, the Originator's reasonable expectation is that a Pay Out Event would occur. See "*The Receivables*" and also see "*Barclaycard and the Barclaycard Portfolio*".

In addition, the Originator may change the terms of the card agreements or its usual policies, procedures and practices relating to the operation of its general credit card business (Barclaycard's "**Credit and Charge Card Guidelines**") (including, without limitation, the reduction of the required minimum monthly payment and the calculation of the amount or the timing of finance charges, credit card fees, and charge offs), if such change (i) would not, in the reasonable belief of the Originator, cause a Pay Out Event to occur and (ii) is made applicable to the comparable segment of revolving credit card accounts owned and serviced by the Originator which have characteristics the same as or substantially similar to the Designated Accounts which are subject to such change (unless the Originator may not do so by the terms of an endorsement, sponsorship or other agreement between the Originator and an unrelated third party or by the terms of the relevant card agreement).

Notwithstanding the above, the Originator may not amend the terms and conditions of the card agreements relating to the governing law of the agreements, the assignability of the agreements or the ability of the Originator to provide information regarding cardholders to any person assuming the Originator's rights under the card agreements.

Except as specified above, there are no restrictions (other than restrictions at law) on the Originator's ability to change the terms of the card agreements. Changes in applicable law, changes in the marketplace or prudent business practice may result in the Originator seeking to make changes of terms as referred to above.

A change in the terms of the card agreements or the Credit and Charge Card Guidelines may result in reduced, delayed or accelerated payments on the notes.

Principal on Your Notes May Be Paid Earlier Than Expected – Creating a Re-investment Risk to You – or Later than Expected

The Receivables in the Receivables Trust may be paid at any time and we cannot assure you that new Receivables will be generated or will be generated at levels needed to maintain the Receivables Trust. To prevent the early redemption of the notes, new Receivables must be generated and added to the Receivables Trust or new accounts must be originated and nominated for the Receivables Trust. The Receivables Trust is required to maintain a minimum amount of Receivables. The generation of new Receivables or Receivables in new accounts is affected by the Originator's ability to compete in the then current industry environment and by customers' changing borrowing and payment

patterns. If there is a decline in the generation of new Receivables or new accounts, you may be repaid your principal before the expected date.

One factor that affects the level of finance charges and Principal Collections is the extent of convenience usage. Convenience usage means that the cardholders pay their account balances in full on or prior to the due Date. The cardholder, therefore, avoids all finance charges on his or her account. An increase in the convenience usage by cardholders would decrease the effective yield on the accounts and could cause a Pay Out Event with respect to any series issued under this Base Prospectus, as applicable and therefore possibly an early redemption of your notes.

No premium will be paid upon an early redemption of your notes. If you receive principal on your notes earlier than expected, you may not be able to reinvest the principal at a similar rate of return.

Alternatively, a decrease in convenience usage may reduce the principal payment rate on the accounts. This could result in you receiving the principal on your notes later than expected.

Additionally, should a series be specified as having an Accelerated Amortisation Period, Optional Amortisation Period or Partial Amortisation Period, all or part of the principal of the related Note Series may be repaid early if the Beneficiaries choose to commence such an Amortisation Period.

Credit Enhancement May Be Insufficient to Prevent a Loss on Your Notes

The only assets that will be available to make payment on your notes are the assets of the Issuing Entity charged to secure payment of your notes. If problems develop with the Receivables, such as an increase in losses on the Receivables, or if there are problems in the collection and transfer of the Receivables to the Receivables Trust, or if the Swap Counterparty fails to make payments on the Swap Agreement, it is possible that you may not receive the full amount of interest and principal that you would otherwise receive.

Issuance of Additional Series by the Receivables Trustee on Behalf of the Receivables Trust May Adversely Affect Payments on Your Notes

Additional series may from time to time be created within the Receivables Trust. Any new series of Investor Certificates – and Medium Term Note Certificates and notes – will also be payable from the Receivables in the Receivables Trust. The principal terms of any new series of Investor Certificates will be contained in a new series supplement. The terms of a new series contained in the new supplement to the declaration of trust and trust cash management will not be subject to your prior review or consent.

The principal terms of a new series may include methods for determining Investor Percentages and allocating Collections, provisions creating different or additional Security or other credit enhancement for the new series, provisions subordinating the new series to other series, and other amendments or supplements to the Declaration of Trust and Trust Cash Management Agreement that apply only to the new series. It is a condition to the issuance of a new series that each rating agency that has rated any debt ultimately payable from a prior series of Investor Certificates that is outstanding –including your notes – confirms in writing that the issuance of the new series will not result in a

reduction or withdrawal of its then current rating.

However, the terms of a new series could adversely affect the timing and amounts of payments on any outstanding Note Series, including Note Series of which your notes are a part.

Credit Quality of the Receivables Trust's Assets May Be Eroded by the Addition of New Accounts Which Could Adversely Affect Collections of Receivables

The Originator may designate additional credit or charge card accounts as Designated Accounts and offer the Receivables Trustee an assignment of the Receivables arising under the Additional Accounts. The Originator may be required at times to nominate Additional Accounts as Designated Accounts. These accounts may include accounts that were originated or acquired using criteria that are different from those applicable to the accounts from which Receivables were originally assigned to the Receivables Trustee before the issuance of the Note Series issued pursuant to this Base Prospectus. For example, they could be originated at a different date with different underwriting standards, or they could be acquired from another institution that used different underwriting standards. Consequently, there can be no assurance that accounts that become Designated Accounts in the future will have the same credit quality as the Designated Accounts on the Closing Date. This could adversely affect Collections on the Receivables. If this occurred you could suffer an early redemption of or a loss on your notes.

Notwithstanding the foregoing, the Originator is entitled to nominate Additional Accounts which do not satisfy the Maximum Addition Amount criteria without the confirmation from each rating agency that it will not withdraw or reduce its then existing rating of any outstanding Related Beneficiary Debt (including any Note Series). See "*The Receivables: Assignment of Receivables to the Receivables Trustee*".

If the designation of Additional Accounts decreases the average credit quality of the Receivables in the Receivables Trust, payments of principal and Interest on the notes may be reduced, delayed, lost or accelerated.

Breach of Originator's Representations

The Originator has represented or (as the case may be) will represent in the Receivables Securitisation Agreement that the assignment of each receivable to the Receivables Trustee will pass good and marketable title to the receivable and the benefit of the receivable to the Receivables Trustee free of any encumbrances upon the receivable in favour of any person claiming through or under the Originator or its affiliates subject to (a) payment of any United Kingdom stamp duty, (b) giving a Notice of Assignment to the cardholders and (c) any limitations arising on enforcement in the jurisdiction of the relevant cardholder.

If any representation made by the Originator in respect of any Principal Receivable assigned to the Receivables Trustee proves to have been incorrect when made, the Originator will pay to the Receivables Trustee an amount equal to the face amount thereof and that Principal Receivable may thereafter be reassigned to the Originator for nominal consideration and will not be funded by the MTN Issuing Entity. The obligation of the Originator to make such payment to the Receivables Trustee may be fulfilled in whole or in part by a reduction in the amount of the Originator Interest; **provided**, **however**, **that** such decrease will not cause the Originator Interest to be decreased to an amount less than

zero. See "*The Receivables: Representations*".

Interest Rate Payable on Each Medium Term Note Certificate May Increase Without a Corresponding Change in Card Interest Rates Potentially Causing a Loss on Your Notes or Early Redemption of Your Notes

In line with the rest of the U.K. sector, Barclaycard may apply differential interest rates to each product offering, some of which may be fixed for predetermined periods. The majority of the Designated Accounts have monthly interest rates that are constant, except for Barclaycard's ability to change the interest rate at its discretion. This affects the amount of Finance Charge Collections the Receivables Trustee can pay to the MTN Issuing Entity to fund interest payments on the Medium Term Note Certificates then outstanding. The interest rate paid on the Medium Term Note Certificate will be based on the London interbank offered rate ("**LIBOR**") for deposits in Sterling, which changes from time to time. Accordingly, the interest payable on the Medium Term Note Certificate could increase without a corresponding increase in the amount of Finance Charge Collections. If this occurred, you could suffer a loss on your notes or a Pay Out Event could occur causing an early redemption of your notes.

Yield of Finance Charge Collections may be affected by changes in the rate of Periodic Finance Charges

The Originator has reserved the right to change the rate of Periodic Finance Charges and other fees which will be applicable from time to time to the Designated Accounts. There can be no guarantee that the yield represented by the amount of Finance Charge Collections received during any Interest Period in which there has been a change in such charges or fees will remain at the same level relative to the Rate of Interest payable by the MTN Issuing Entity on the Medium Term Note Certificates.

Commingling of Collections with Originator May Delay or Reduce Payments on Your Notes

Collections from cardholders for the Designated Accounts and other Barclaycard cardholders of non-securitised accounts will initially be paid to an operating account of the Originator. The Originator has declared a trust over the operating account in favour of the Receivables Trustee for Collections that are deposited in it. Collections on the Designated Accounts will be transferred from the operating account to the Trustee Collection Account within three Business Days of being identified.

For the limited time that Collections on the Designated Accounts are in the operating account, they may be commingled with other funds of the Originator or future beneficiaries and they may be untraceable. Consequently, if the Originator were to become insolvent, there may be a delay in the transfer of Collections to the Receivables Trustee if the Originator – or a liquidator or Administrator of the Originator –attempted to freeze the operation of the operating account pending completion of any rights of tracing. This could ultimately cause a delay or reduction in the payments you receive on your notes.

Basis risk

The Originator has reserved the right to change the rate of monthly Periodic Finance Charges (see "*A Change in the Terms of the Designated Accounts May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption of Your Notes or a Downgrade of Your Notes*"). However, if the rate of monthly Periodic Finance Charges is changed, the new rate of monthly Periodic Finance Charges will not be applicable until the following monthly period. There can be no guarantee that the yield represented by the amount of Finance Charge Collections received during that monthly period, following a change in the rate of monthly Periodic Finance Charges, will remain at the same level relative to the Rate of Interest payable

by the MTN Issuing Entity on the Medium Term Note Certificate.

If the Originator Opts to Treat a Portion of Principal Receivables as Finance Charge Receivables, an Early Redemption of Your Notes Could Occur or Could Be Delayed

The Originator may opt to cause a percentage of Receivables that would otherwise be treated as Principal Receivables to be treated as Finance Charge Receivables. This is called a discount option (the "**Discount Option**"). If the Originator were to exercise this Discount Option, it could prevent a Pay Out Event from occurring because of a reduction of the Portfolio Yield, which could delay an early redemption of your notes at a time when the performance of the Receivables is deteriorating. Once this Discount Option is exercised, the Originator may also reduce the percentage or stop using the percentage at any time. However, this Discount Option, if exercised, will reduce the aggregate amount of Principal Receivables, which may increase the likelihood that the Originator will be required to designate Additional Accounts from which Receivables will be assigned to the Receivables Trustee. If the Originator were unable to designate Additional Accounts, a Pay Out Event could occur and you could receive payments of principal on your notes before you expect them.

If Optional Early Redemption Occurs, It Will Result in an Early Redemption of Your Notes Creating a Re-investment Risk

If a Call Date (as defined below) applies in relation to a Note Series then on any Interest Payment Date falling on or after the relevant Call Date and upon giving not more than 60 nor less than 30 days' prior written notice to the Note Trustee, the Swap Counterparty and the Noteholders, the Issuing Entity has the option to redeem the notes in full. This early redemption ("**Optional Early Redemption**") may result in an early return of the investment. No premium will be paid in the event of an exercise of the early redemption option. If Noteholders receive principal on the notes earlier than expected, they may not be able to reinvest the principal at a similar rate of return. Optional Early Redemption is to be contrasted with early redemption due to an early repayment of principal, as to which see "*Principal on Your Notes May be Paid Earlier than Expected – Creating a Pre-investment Risk to You – or Later than Expected*".

If Cardholders are Concentrated in a Geographic Region, Economic Downturn in that Region may Adversely Affect Collections of Receivables

If the Receivables Trust has a high concentration of Receivables from cardholders located in a single region, an economic downturn in that region may have a magnified adverse effect on the Receivables Trust because of that concentration. The relevant Final Terms or Drawdown Prospectus will contain a geographic breakdown of accounts and the amount of Receivables generated in the regions of the United Kingdom although geographic concentrations may vary from time to time and the Issuing Entity can't predict when or where such concentrated regional economic declines may occur or to what extent or for how long. See "*Receivables Information: Geographic Distribution of Accounts – Securitised Portfolio*".

Future adverse economic conditions affecting any of these regions or any of the other regions, however, could adversely affect the performance of the Receivables which could result in a loss on your notes.

Termination of the Servicer May Cause Disruptions in the Collection Process that Could Affect the Timeliness of Your

If the appointment of Barclaycard as Servicer is terminated under the terms of the Beneficiaries Servicing Agreement, it will be necessary for the Receivables Trustee to appoint a Successor Servicer to undertake the obligations and to perform the services of card services. See "*Servicing of Receivables and Trust Cash*

Payments on Your Notes	*Management*" for a description of the circumstances in which such termination may occur and the consequences of such termination. The transfer to a new Servicer may create disruptions in the collection process that could cause delays in the payments received by the MTN Issuing Entity and the Issuing Entity and, ultimately, in payments due on your notes.

REGULATORY DISCLOSURE

Articles 404 to 410 of the Capital Requirements Regulation

Barclays as Originator Beneficiary confirms that it will from the point in time such obligations arise under Regulation 648/2012 (as amended by Regulation 575/2013) (the "**CRR**") (i) retain a material net economic interest of not less than 5 per cent. of the nominal value of the securitisation to which this Base Prospectus relates in accordance with Article 405 of the CRR until the Final Redemption Date and (ii) provide on a timely basis all information required to be made available by Barclays pursuant to Article 409 of the CRR as implemented by its regulator, subject always to any requirement of law.

Each prospective investor that is required to comply with Articles 404 to 410 of the CRR (as implemented in each member state of the European Economic Area) is required to independently assess and determine the sufficiency of the information described above, in this Base Prospectus and otherwise which may be made available to investors (if any) generally for the purposes of complying with Articles 404 to 410 of the CRR and none of the Issuing Entity, the Receivables Trustee, the MTN Issuing Entity, the Originator, the Arranger, any Dealer or any of the other transaction parties makes any representation that the information described above, in this Base Prospectus and otherwise which may be made available to such investors (if any) is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to the requirements under Articles 404 to 410 of the CRR which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

PRIME COLLATERAL SECURITIES INITIATIVE

Application may or may not be made to Prime Collateralised Securities (PCS) UK Limited for Class A Notes issued under the Programme to receive the Prime Collateralised Securities label (the "**PCS Label**"). There can be no assurance that any notes will receive the PCS Label (either before issuance or at any time thereafter) if applied for and if any Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Notes at a later date. The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended by the Credit Agency Reform Act of 2006). Prime Collateralised Securities (PCS) UK Limited is not an "expert" as defined in the United States Securities Acts of 1933 (as amended). By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities. Investors should conduct their own research regarding the nature of the PCS Label.

TRANSACTION OVERVIEW

The information set out below is an overview of various aspects of the transaction. This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by references to, the detailed information presented elsewhere in this Base Prospectus.

TRANSACTION PARTIES

Party	Name	Address	Document under which appointed and further information
Arranger	Barclays, acting through its investment bank (the "**Arranger**")	5 The North Colonnade, London E14 4BB	N/A
Series Dealer	Barclays, acting through its investment bank, and/or Barclays Capital Inc. and any other Series Dealer appointed from time to time by the Issuing Entity either generally in respect to the Programme or in relation to a particular Note Series or Class of notes in accordance with the terms of the Programme dealer agreement and the relevant Note Series subscription agreement (the "**Series Dealer**") (see "*Plan of Distribution*").	5 The North Colonnade, London E14 4BB	Dealer Agreement; please see "*Plan of Distribution*" for further details
Issuing Entity	Gracechurch Card Programme Funding plc, a public limited company incorporated under the laws of England and Wales with company number 6714746	1 Churchill Place, London E14 5HP	N/A; please see "*The Issuing Entity*" for further details
Originator	Barclaycard (the "**Originator**")	1234 Pavilion Drive, Northampton NN4 7SG, United Kingdom	Receivables Securitisation Agreement; please see "*The Receivables*" for further details.
Receivables Trustee	Gracechurch Receivables Trustee Limited, a private limited liability company incorporated under the laws of Jersey, Channel Islands on 29 September 1999.	26 New Street, St. Helier, Jersey JE2 3RA.	Declaration of Trust and Trust Cash Management Agreement; please see *"The Receivables Trust*" for further details.
Sponsor, Servicer and Trust Cash Manager	Barclaycard (the "**Sponsor**", the "**Servicer**" and the "**Trust Cash Manager**")	1234 Pavilion Drive, Northampton NN4 7SG, United Kingdom	Declaration of Trust and Trust Cash Management Agreement; please see "*The Initial Originator, Sponsor, Servicer, Trust Cash*

Party	Name	Address	Document under which appointed and further information
			Manager, MTN Issuing Entity Cash Manager and Excess Interest Beneficiary" for further details
Originator Beneficiary	Barclays (the "**Originator Beneficiary**")	1 Churchill Place, London, E14 5HP	N/A, please see *"The Receivables Trust*" for further information.
Account Bank	Barclays (the "**Account Bank**")	1 Churchill Place, London, E14 5HP	Issuing Entity Distribution Account Bank Agreement.
MTN Issuing Entity	Barclaycard Funding PLC, a public limited company incorporated under the laws of England and Wales. The MTN Issuing Entity is a Subsidiary of Barclays.	1 Churchill Place, London E14 5HP	N/A; please see "*The Depositor, MTN Issuing Entity and Initial Investor Beneficiary*" for further details.
MTN Issuing Entity Cash Manager	Barclays (the "**MTN Issuing Entity Cash Manager**")	1 Churchill Place, London E14 5HP	Security Deed and MTN Cash Management Agreement.
Principal Paying Agent, Paying Agent, Agent Bank, Exchange Agent and Calculation Agent	The Bank of New York Mellon, acting through its London Branch (the "**Principal Paying Agent**", "**Paying Agent**", "**Agent Bank**" and "**Exchange Agent**").	One Canada Square, London E14 5AL	Paying Agency Agreement; please see "*The Note Trustee, Registrar, Principal Paying Agent, US Paying Agent, Exchange Agent and Agent Bank*" for further details
Swap Counterparty	Barclays (the "**Swap Counterparty**"), or such other entity as may be specified in the relevant Drawdown Prospectus.	1 Churchill Place, London, E14 5HP	Swap Agreements; please see "*The Swap Agreements"* for further details.
Note Trustee	The Bank of New York Mellon, acting through its London Branch (the "**Note Trustee**")	One Canada Square, London E14 5AL	Note Trust Deed; please see "*The Note Trust Deed*" for further details.
Security Trustee	The Bank of New York Mellon, acting through its London Branch (the "**Security Trustee**")	One Canada Square, London E14 5AL,	Security Trust Deed and MTN Cash Management Agreement; please see "*The Note Trustee and*

Party	Name	Address	Document under which appointed and further information
			Security Trustee" for further details.
Registrar	The Bank of New York Mellon (Luxembourg) S.A. (the "**Registrar**")	Vertigo Building – Polaris, 2 4 rue Eugène Ruppert, L 2453 Luxembourg	Paying Agency Agreement; please see "*The Note Trustee, Registrar, Principal Paying Agent, US Paying Agent, Exchange Agent and Agent Bank*" for further details
U.S. Paying Agent	The Bank of New York Mellon, acting through its New York Branch	101 Barclay Street, Floor 21 West, New York, New York 10286	Paying Agency Agreement; please see "*The Note Trustee, Registrar, Principal Paying Agent, US Paying Agent, Exchange Agent and Agent Bank*" for further details
MTN Issuing Entity Corporate Services Provider	Structured Finance Management Ltd, a private limited company incorporated under the laws of England and Wales on 1 October 1999 with registered number 3853947 (the "**MTN Issuing Entity Corporate Services Provider**").	35 Great St. Helen's, London EC3A 6AP	MTN Issuing Entity Corporate Services Agreement, please see "*The Depositor, MTN Issuing Entity and Initial Investor Beneficiary"* for further details.
Issuing Entity Corporate Services Provider	Structured Finance Management Ltd, a private limited company incorporated under the laws of England and Wales on 1 October 1999 with registered number 3853947 (the "**Issuing Entity Corporate Services Provider**")	35 Great St. Helen's, London EC3A 6AP	Issuing Entity Corporate Services Agreement; please see "*The Issuing Entity*" for further details.
HoldCo	Gracechurch Card (Holdings) Limited, a private limited company incorporated under the laws of England and Wales on 30 July 1999 with company number 3817404	1 Churchill Place, London, E14 5HP	N/A; please see "*The Issuing Entity*" for further details.

Party	Name	Address	Document under which appointed and further information
Share Trustee	SFM Nominees Limited, a private limited company incorporated under the laws of England and Wales on 22 November 2000 with company number 4115230	35 Great St. Helen's, London EC3A 6AP	N/A, please see "*The Issuing Entity*" for further details.

RECEIVABLES AND SERVICING OF RECEIVABLES

Please refer to the sections entitled "The Receivables" and "Servicing of Receivables and Trust Cash Management" for further detail in respect of the characteristics of the Securitised Portfolio and the sale and the servicing arrangements in respect of the Securitised Portfolio. Note: pool stratification information in relation to the Securitised Portfolio is set out at Appendix B to this Base Prospectus. The Final Terms or Drawdown Prospectus for each Note Series will contain updated pool stratification information.

The Receivables

The Receivables consist of amounts charged by cardholders to designated MasterCard® and VISA® revolving credit and charge card accounts of Barclaycard originated or acquired in the United Kingdom by the Sponsor for the acquisition of merchandise, services and cash advances. The Receivables also include the Periodic Finance Charges and fees charged to the credit and charge card accounts.

As at 30 September 2012, the aggregate face value of the Principal Receivables in the Securitised Portfolio was £11,987,774,670. The Final Terms or Drawdown Prospectus in respect of each Note Series will contain more detailed information regarding the composition of the Securitised Portfolio at the time of the offering of such Note Series.

Terms of the Credit Card Agreements

The Originator only assigns Receivables arising on Designated Accounts to the Receivables Trustee and does not assign all of its rights under credit card agreements relating to the Designated Accounts. Accordingly, in respect of Designated Accounts owned by the Originator, the Originator retains the right to determine the monthly Periodic Finance Charges and other fees which will be applicable from time to time to such Designated Accounts, to alter the minimum monthly payment required on such Designated Accounts and to change various other terms with respect to such Designated Accounts, including increasing or decreasing the annual percentage rate.

Interchange

Members participating in the VISA® and MasterCard® associations receive fees called "**Interchange**" as partial compensation, for amongst other things, taking credit risk and absorbing fraud losses. Under the VISA® and MasterCard® systems, Interchange is passed from the banks that clear the transactions for merchants to card issuing banks. Interchange fees are calculated as a percentage of the amount of a credit or charge card transaction for the purchase of goods or services. This percentage varies from time to time.

Interchange arising on the Designated Accounts has also been assigned to the Receivables Trustee and is treated in the same way as collections of finance charges.

Eligibility Criteria

Only Receivables that meet specified conditions will be added to the Securitised Portfolio. Those conditions, broadly speaking, include:

- that the receivable be payable in Sterling (or, in the case of Receivables from accounts in other Permitted Additional Jurisdictions, the currency of that jurisdiction);
- that the receivable does not derive from a credit or charge card account which has been classified by the Originator as counterfeit, cancelled, fraudulent, stolen or lost;
- that the receivable not be a Defaulted Receivable; and
- that the cardholder be an individual whose most recent billing address is located in England, Wales, Scotland, Northern Ireland or a Permitted Additional Jurisdiction or a Restricted Additional

Jurisdiction.

Sale and assignment

The Receivables arising on Designated Accounts will be assigned to the Receivables Trustee pursuant to the Receivables Securitisation Agreement.

Consideration

The consideration payable by the Receivables Trustee for the Receivables is the outstanding face amount of such Receivables (being principal plus accrued interest less any discount). In the event that the Receivables Trustee does not have enough cash available to purchase a Receivable that arises on a Designated Account on any day, such shortfall may be met by an increase of the Originator Beneficiary's interest in the Receivables Trust.

Representations

Each previous offer and all future offers of Receivables to the Receivables Trustee included, or will include, representations by the Originator about the relevant Receivables. The representations for Receivables in existence at the time of such offer will be given as of the Pool Selection Date or relevant Addition Date and the representations for Receivables yet to come into existence will be given as of the date they are processed and broadly speaking will include, in each case, that:

- unless identified as an Ineligible Receivable, the receivable is an Eligible Receivable and has arisen from an Eligible Account in the amount specified in the offer or daily activity report, as applicable;

- each assignment passes good and marketable title for that receivable to the Receivables Trustee, together with the benefit of all Collections and other rights in connection with it, free from encumbrances of any person claiming on it through the Originator to the Receivables and, unless such receivable does not comply with the CCA, nothing further needs to be done to enforce these rights in the courts of England and Wales, Scotland or Northern Ireland, or any Permitted Additional Jurisdiction, without the participation of the Originator, except for payment of any United Kingdom stamp duty and giving a Notice of Assignment to the cardholders and subject to any limitations arising on enforcement in the jurisdiction of the relevant cardholder; and

- each assignment complies with all applicable laws on the date of such assignment.

If a representation relating to the eligibility criteria given in connection with any principal receivable proves to be incorrect when made, then the Originator is obliged to pay the Receivables Trustee an amount equal to the face value of that receivable on the following Business Day. A receivable of this type will afterwards be treated as an Ineligible Receivable.

For further details of the eligibility criteria, together with the definitions of Eligible Receivable and Eligible Account, please see "*The Receivables*".

Redesignation and removal of Designated Accounts

Each Designated Account will continue to be a Designated Account until such time as the Originator reclassifies it as being no longer a Designated Account-called a "**Redesignated Account**".

A Designated Account becomes a Redesignated Account on the date specified by the Originator. No Designated Account will become a Redesignated Account this way unless (1) it has become a Cancelled Account, a Defaulted Account or a Zero Balance Account or (2) the Originator delivers an officer's certificate confirming the satisfaction of various conditions.

A "**Cancelled Account**" is a Designated Account that has had its charging

privileges permanently withdrawn. A "**Defaulted Account**" is a Designated Account where the Receivables have been charged off by the Servicer as uncollectible in line with the Credit and Charge Card Guidelines or the usual servicing procedures of the Servicer for similar credit and charge card accounts. A "**Zero Balance Account**" is a Designated Account that has had a nil balance of Receivables for a considerable period of time and has been identified by the Servicer as a Zero Balance Account under the Credit and Charge Card Guidelines or the usual servicing procedures of the Servicer.

Redesignated Accounts include all accounts that become Cancelled Accounts, Defaulted Accounts or Zero Balance Accounts from the date on which they are redesignated in any of these ways. The Principal Receivables that exist before the date of redesignation will be paid for by the Receivables Trustee. Any future Receivables that come into existence after that time will not be assigned to the Receivables Trustee as set out in the Receivables Securitisation Agreement. No receivable that has been assigned to the Receivables Trustee will be reassigned to the Originator except in the limited circumstances described under the heading "*The Receivables - Representations*".

Until money has been received for the assigned Receivables that have not been charged off, a Redesignated Account will not be identified as having been removed. The amount identified will be equal to the outstanding face amount of each principal receivable and finance charge receivable. Once these payments have been received or any reassignment has occurred, the account will be identified to indicate that it has become a Redesignated Account.

Discount Option Receivables

The Originator may, by giving at least thirty days' prior notice to the Servicer, the Receivables Trustee and the rating agencies, nominate a fixed or variable percentage – called the "**Discount Percentage**" – of Principal Receivables in the Designated Accounts. If a Discount Percentage has been nominated previously, an extension to the period for which it applies can be applied for in the same way. From the date and for the length of time stated in the notice: (i) the amount payable by the Receivables Trustee to accept an offer of Receivables will be reduced by the Discount Percentage and (ii) a percentage of the Principal Receivables equal to the Discount Percentage will be treated by the Receivables Trustee as Finance Charge Receivables.

Perfection events

The Receivables Trustee has agreed that notices of assignment will not be given to cardholders of the assignment of the benefit of such Receivables unless the Originator's long-term senior unsecured Indebtedness as rated by Moody's or Standard & Poor's were to fall below Baa2 or BBB, respectively.

The transfer by the Originator to the Receivables Trustee of the benefit of the Receivables takes effect in equity only. This has certain legal consequences as described in the risk factor entitled "*Failure to Notify Cardholders of the Transfer of Receivables Could Delay or Reduce Payments on Your Notes*".

Servicing of the Receivables

Barclays was appointed on the Initial Relevant Closing Date by the beneficiaries of the Receivables Trust as initial Servicer under the terms of the Beneficiaries Servicing Agreement. Among other things, the Servicer's functions include crediting and debiting cardholders' accounts as appropriate.

The appointment of the Originator as Servicer under the Beneficiaries Servicing Agreement and the appointment of any person as joint Servicer to replace anyone then acting as the Servicer – called a "**Successor Servicer**" – will terminate when a Servicer default occurs and is continuing, which includes:

- material non-performance of its obligations;
- material misrepresentations;
- Insolvency Events; and
- delegation of its duties other than as permitted by the Beneficiaries Servicing Agreement.

The Servicer will not resign from its obligations and duties as Servicer under the Beneficiaries Servicing Agreement unless its performance is no longer permitted under applicable law and there is no reasonable action that it could take to make it permissible. The Servicer's resignation will not be effective until a Successor Servicer has been properly appointed. Barclaycard, as initial Servicer, performs account processing and administration in-house, but has subcontracted some cardholder payment processing services, which are undertaken on Barclaycard's behalf by RRD.

Please see "*Servicing of Receivables and Trust Cash Management*" for further details.

Delegation

The Servicer may delegate some of its servicing function to a third party provided that the Servicer remains responsible for the performance of any of its servicing function so delegated. Please see "*Servicing of Receivables and Trust Cash Management*" for further details.

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the Terms and Conditions of the Notes.

Issuance of Notes in Series	Notes issued under the Programme will be issued in Note Series. Each Note Series will comprise up to four Classes of notes issued on a single Issue Date. The notes of the same Class within a given Note Series will all be subject to identical terms and conditions in all respects. Each Class of notes within a Note Series may be comprised of sub—Classes, each denominated in any of Sterling, U.S. dollar, Euro or such other currency as specified in the relevant Final Terms or Drawdown Prospectus. These Sub-Classes within a Class of notes will rank *pari passu* among themselves and rateably without priority or preference among themselves. The notes of each Note Series will not necessarily be subject to identical terms in all respects. Differences may include interest rates, interest calculations, the date of expected maturity and the date of final maturity.
Ranking	Each Class of notes in each Note Series are direct, secured and unconditional obligations of the Issuing Entity that will, at all times, rank *pari passu* and *pro rata* without preference or priority amongst themselves. Each Class may comprise Sub-Classes of notes, which will rank *pari passu* and with no priority or preference among them. The Class A notes will rank in priority to the Class B Notes, the Class C Notes and the Class D Notes; the Class B Notes will rank in priority to the Class C Notes and the Class D Notes and the Class C Notes will rank in priority to the Class D Notes. "**Most Senior Class of Notes**" means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding and thereafter the Class D Notes.
Relationship between a particular Note Series and the corresponding Medium Term Note Certificate	In relation to any particular Note Series, the Issuing Entity will make payments of interest and principal on the Class A notes, the Class B notes, the Class C notes and the Class D notes, if required, from payments of interest and principal made by the MTN Issuing Entity on the Medium Term Note Certificate issued in relation to such Note Series, including MTN Issuing Entity Additional Interest Payments, and from amounts paid by the Swap Counterparty. The Issuing Entity will also make payment of the deferred subscription price in respect of the Medium Term Note Certificates out of unutilised MTN Issuing Entity Additional Interest Payments received by it.
Issuing Entity Security	As Security for the payment of all monies payable in respect of the notes of a Note Series under the Note Trust Deed, the Issuing Entity will, pursuant to the Note Trust Deed and each subsequent Series Note Trust Deed Supplement, create Security in favour of the Note Trustee for itself and on trust for, among others, the Noteholders of each Note Series over, among other things, its rights to receive payments from the MTN Issuing Entity under the corresponding Medium Term Note Certificate.
MTN Issuing Entity Security	To secure its obligations to the Issuing Entity and certain other secured creditors, the MTN Issuing Entity has entered into the Security Trust Deed and MTN Cash Management Agreement where it has granted Security over *inter alia* its interest in the Receivables Trust. On each Closing Date, the MTN Issuing Entity will enter into a series supplement with, among others, the Security Trustee.

Interest provisions	Interest will be payable in arrears and accrue at a fixed rate or a floating rate (see "*Terms and Conditions of the Notes*") and the method of calculating interest will be specified in the relevant Final Terms or Drawdown Prospectus for each Note Series. An Interest Payment Date for each Note Series will be specified in the relevant Final Terms or Drawdown Prospectus. Please refer to the Final Terms or Drawdown Prospectus for the relevant Note Series for the applicable interest provisions.
Interest Deferral	To the extent that the monies which are deposited by the MTN Issuing Entity in the Issuing Entity Distribution Account to the credit of the relevant Distribution Ledger for a Note Series on a Transfer Date in accordance with the provisions of the related Medium Term Note Certificate are insufficient to pay the full amount of interest on the relevant Class or Sub-Class of notes of such Note Series on such Interest Payment Date, payment of the interest shortfall will be deferred until the Interest Payment Date occurring thereafter on which funds are available to the Issuing Entity to make such payment. Such Deferred Interest will accrue interest ("**Additional Interest**") at the then current Rate of Interest (or, in the case of a fixed rate Note, the Initial Rate (during the Initial Period) or the Redemption Rate (during the Redemption Period)) and payment of any Additional Interest will also be deferred until the Interest Payment Date thereafter on which funds are available to the Issuing Entity to pay such Additional Interest. Deferral of interest on any Class of notes is not an Event of Default.
Gross-up	None of the Issuing Entity or any Agent will be obliged to gross-up if there is any withholding or deduction in respect of the notes on account of taxes.
Redemption	The notes are subject to the following mandatory or optional redemption events: • the notes will be redeemed on the Scheduled Redemption Date specified in the relevant Final Terms or Drawdown Prospectus to the extent that principal repayments are made under the corresponding Medium Term Note Certificate on such Date, as fully set out in Condition 8(a); • if an Amortisation Period commences on or prior to the relevant Scheduled Redemption Date, the notes will be partially or fully redeemed on each Interest Payment Date during such Amortisation Period to the extent principal payments are made under the corresponding Medium Term Note Certificate until the notes are redeemed in full or until the Final Maturity Date, as fully set out in Condition 8(b); • the notes will be redeemed in full on the Final Redemption Date specified in the relevant Final Terms or Drawdown Prospectus, as fully set out in Condition 8(c); and • on any Interest Payment Date falling on or after the Call Date specified in the relevant Final Terms or Drawdown Prospectus, the Issuing Entity may redeem all (but not some only) of the notes of a Series upon giving not more than 60 and not less than 30 days' prior written notice to the Note Trustee, the Swap Counterparty (if any) and the Noteholders. Any note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the

relevant note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant note up to (but excluding) the date of redemption.

Swap Agreement

The notes to be issued by the Issuing Entity from time to time may be denominated in either Sterling, Euro, U.S. Dollars or such other currency as specified in the relevant Final Terms or Drawdown Prospectus and may have a fixed or floating Rate of Interest (as specified in the relevant Final Terms or Drawdown Prospectus). The Issuing Entity may, in relation to certain Classes of notes, enter into an ISDA master agreement and related schedule and confirmations (each, referred to herein as a "**Swap Agreement**") with the relevant Swap Counterparty. For additional details of the Swap Agreements that may be entered into see "*The Swap Agreements*" below.

Events of Default

As fully set out in Condition 11, which broadly includes (where relevant, subject to the applicable grace period):

- non-payment of interest or principal on any note of the relevant Series when due;
- material breach of contractual obligations by the Issuing Entity under or in respect of the relevant Note Series, the Note Trust Deed (other than, in such case, any obligation for the payment of any principal or interest on the notes) or the Paying Agency and Agent Bank Agreement;
- a judgment is made against the Issuing Entity and continues unsatisfied;
- enforcement action is taken against the assets of the Issuing Entity;
- the occurrence of an Insolvency Event;
- failure by the Issuing Entity to take any action to perform and comply with its obligations under the notes and the Issuing Entity Related Documents;
- it becomes unlawful for the Issuing Entity to perform or comply with its obligations under the notes or the related documents;
- specified government intervention occurs; and
- the Early Termination, without replacement, of a Swap Agreement (if any) relating to the relevant Note Series.

Insolvency Events include, among other things, situations where:

- an order is made or a petition is presented for the winding up of the Issuing Entity;
- the Issuing Entity stops payment of its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or otherwise becomes insolvent; and
- proceedings are initiated against the Issuing Entity under any applicable liquidation, administration, reorganisation, insolvency or other similar laws.

Enforcement

Following the occurrence of an Event of Default, the Note Trustee may, at its discretion, and, if so required by Holders of at least one-quarter of the

	aggregate Principal Amount Outstanding of the Class A notes, if any remain outstanding, and if none remain outstanding, the Class B notes, and if none of these remain outstanding, the Class C notes, and if none of these remain outstanding, the Class D notes or if so directed by an Extraordinary Resolution of Holders of outstanding Class A notes, and if there are none, of Holders of outstanding Class B notes, and if there are none, of Holders of outstanding Class C notes, and if there are none, of Holders of outstanding Class D notes or if so directed by the relevant Swap Counterparty (if any) (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction), shall be bound to give written notice to the Issuing Entity to accelerate the notes and render the Security enforceable.
Limited recourse	If at any time following: (i) the Final Redemption Date or any earlier date upon which a Note Series is due and payable; and (ii) Realisation of the Security and application in full of any amounts available to pay amounts due and payable under the relevant notes in accordance with the applicable priority (or priorities) of payments, the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable priority (or priorities) of payments, to pay in full all amounts then due and payable under such notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (ii) above) under such notes shall, on the day following such application in full of the amounts referred to in (ii) above, cease to be due and payable by the Issuing Entity.
Non-petition	No Noteholder may institute any proceedings against the Issuing Entity to enforce its rights under or in respect of the notes or the Note Trust Deed unless (1) the Note Trustee has become bound to institute proceedings and has failed to do so within a reasonable time and (2) the failure is continuing.
Denominations	Notes will be issued in such denominations as may be specified in the relevant Final Terms or Drawdown Prospectus, as applicable. Notes will be issued in minimum denominations of at least €100,000 (or such amount as shall be at least equal to its equivalent in any other currency as at the date of issue of those notes as specified in the relevant Final Terms or Drawdown Prospectus) in the case of any notes which are to be admitted to trading on a regulated market within the European Economic Area (the "**EEA**") or offered to the public in a Member State of the EEA in circumstances which require the publication of a Base Prospectus under the Prospectus Directive.
ERISA	Subject to important considerations described under "*ERISA and Certain Other U.S. Considerations*" in this Base Prospectus and unless otherwise stated in an applicable Drawdown Prospectus, the notes are eligible for purchase by persons investing assets of Class A Notes, Class B Notes and Class C Plans (as defined in "*ERISA and Certain Other U.S. Considerations*") and Class D Notes may not be purchased by Plans.
Governing law	The notes and all non-contractual obligations arising from or connected with them are governed by English law.

RIGHTS OF NOTEHOLDERS

Please refer to section entitled "The Notes" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and their relationship with other Secured Creditors.

Prior to an Event of Default

Prior to the occurrence of an Event of Default, Noteholders are entitled to participate in a Noteholders' meeting convened by the Issuing Entity or Note Trustee to consider any matter affecting their interests. In addition, Noteholders representing 10% of the aggregate Principal Amount Outstanding of the relevant Note Series are entitled to convene a Noteholders' meeting.

Following an Event of Default

Following the occurrence of an Event of Default, Noteholders of the relevant Note Series holding not less than 25% of the Principal Amount Outstanding of the Class A notes of the relevant Note Series, if any remain outstanding, and if none remain outstanding, the Class B notes, and if none remain outstanding, the Class C notes, and if none remain outstanding the Class D notes or by an Extraordinary Resolution of the Holders of the outstanding Class A notes of the relevant Note Series, and if there are none, of Holders of the outstanding Class B notes, and if there are none, of Holders of the outstanding Class C notes, and if there are none, of Holders of the outstanding Class D notes or the relevant Swap Counterparty (if any), may direct the Note Trustee to deliver an Enforcement Notice declaring all of the notes of the relevant Note Series to be immediately due and payable.

Enforcement

At any time after the notes become due and repayable and without prejudice to its rights of enforcement in relation to the Security, the Note Trustee may, at its discretion and without notice, institute such proceedings as it thinks fit to enforce payment of the notes, including the right to repayment of the notes together with accrued interest thereon, and shall be bound to do so only if it has been so directed by an Extraordinary Resolution of the Noteholders of the relevant Class and it has been indemnified to its satisfaction against all fees, costs, expenses and other liabilities which it may incur by so acting.

No Noteholder may institute any proceedings against the Issuing Entity to enforce its rights under or in respect of the notes or the Note Trust Deed unless (1) the Note Trustee has become bound to institute proceedings and has failed to do so within a reasonable time and (2) the failure is continuing.

Noteholder meetings

Notice Periods

Initial Meeting:	At least 21 days (exclusive of the day on which notice is given and the day of the meeting)
Adjourned Meeting:	Not less than 14 and no more than 42 days after the original meeting

Quorums for Extraordinary Resolutions

Initial Meeting:	Two or more persons holding more than 10% of the aggregate Principal Amount Outstanding (for matters other than voting on an Extraordinary Resolution), two or more persons holding a clear majority of the aggregate Principal

		Amount Outstanding (for voting on an Extraordinary Resolution that does not relate to a Basic Terms Modification) and two or more persons holding more than 75% of the aggregate Principal Amount Outstanding (for voting on an Extraordinary Resolution that relates to a Basic Terms Modification).
	Adjourned Meeting:	Two or more persons holding or representing notes of the relevant Note Series whatever the Principal Amount Outstanding of notes so held or represented for the time being outstanding (for matters other than those relating to a Basic Terms Modification) and two or more persons holding at least 33⅓% of the aggregate Principal Amount Outstanding (for matters relating to a Basic Terms Modification).
	Required Majorities	
	Extraordinary Resolution:	75 % of votes cast.
	Written Resolution:	100% of the aggregate Principal Amount Outstanding. A Written Resolution takes effect as an Extraordinary Resolution.

Matters Requiring an Extraordinary Resolution

Broadly speaking, the following matters require an Extraordinary Resolution:

- Basic Terms Modifications;
- delivery of an Enforcement Notice and enforcement of the Security;
- modification of any provision of the Conditions or the Note Trust Deed or any Note Trust Deed Supplement or any obligations of the Issuing Entity under or in respect of the notes;
- other than as permitted under the Note Trust Deed, to approve the substitution of any person for the Issuing Entity as principal obligor under the notes;
- other than as permitted under the Note Trust Deed, to waive any breach or to authorise any permitted breach by the Issuing Entity of its obligations under or in respect of the Note Trust Deed or the notes or any act or omission which might otherwise constitute an Event of Default under the notes;
- removal of any Note Trustee;
- appointment of a new Note Trustee;
- the discharge or exoneration of the Note Trustee from any

liability in respect of any act or omission for which it may become responsible under the Security Documents or the notes;

- the appointment of any persons 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; and

- authorising the Note Trustee (subject to its being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

Basic Terms Modification

Broadly, the following matters are Basic Terms Modifications:

- any change to any date fixed for payment or principal or interest in respect of the notes;

- to reduce the amount of principal or interest payable on any date in respect of the notes;

- to alter the method of calculating the amount of any payment in respect of the notes;

- to change the currency of any payment under the notes;

- to change the quorum requirements relating to meeting or the majority required to pass an Extraordinary Resolution;

- (except in accordance with the Conditions and the Note Trust Deed) to effect the exchange, conversion or substitution of the notes for, or the conversion of the notes into, share, bonds or other obligations or securities of the Issuing Entity or any other person or body corporate formed or to be formed;

- to alter the priority of payment of interest or principal in respect of the notes of any Class or Sub-Class; and

- to amend the definition of "**Basic Terms Modification**".

Relationship between Classes of Noteholders

Subject to the provisions in respect of a Basic Terms Modification, an Extraordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes and would override any resolutions to the contrary of the Classes ranking behind such Class.

A Basic Terms Modification requires an Extraordinary Resolution of all Classes of notes then outstanding.

Originator as Noteholder

There are no restrictions on the rights of the Originator in respect of any notes that it or its affiliates may hold.

Relationship between Noteholders and other Secured Creditors

So long as any notes are outstanding and there is a conflict between the interests of the Noteholders and the other Secured Creditors, the Note Trustee will only take into account the interests of the Noteholders in the exercise of its discretion.

Provision of information to the Noteholders

The Servicer will (on behalf of the Issuing Entity) prepare monthly and annual reports that will contain information about the notes. With respect to any Note Series issued under the Programme,

which, as set forth in the Final Terms or Drawdown Prospectus attached to this Base Prospectus, are to be offered and sold in the United States pursuant to an effective registration statement under the Securities Act, if required by the Exchange Act and the rules and Regulations of the SEC thereunder, these monthly reports will be filed with the SEC and available to the public on the SEC internet site (http://www.sec.gov). No reports will be sent to Noteholders.

The Trust Cash Manager and the Servicer will provide (on behalf of the Issuing Entity) certain post-issuance transaction information to investors regarding the notes to be admitted to trading on the Regulated Market of the London Stock Exchange and the performance of any underlying collateral on a monthly basis, as required by each series supplement to the Declaration of Trust and Trust Cash Management Agreement. As at the date of this Base Prospectus, such information is available on the Barclays website at http://group.barclays.com/prospectuses-and-documentation/secured-funding/securitisation/gracechurch-card-funding. Such information is not to be considered as incorporated by reference into this Base Prospectus.

Communication with Noteholders

Any notice to be given by the Issuing Entity or Note Trustee to Noteholders shall be given in the following manner:

- published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, in the case of Registered Uncleared Notes, sent by first class mail (or its equivalent) or (if posted to an overseas address) by airmail to the relevant Noteholder(s) at their respective addresses on the Register or, so long as the notes are held in the Clearing Systems, delivered to the relevant Clearing System for communication by them to Noteholders;

- on the London Stock Exchange or an equivalent recognised stock exchange, delivered in accordance with the notice requirements of the London Stock Exchange or such equivalent recognised stock exchange; and

- any notice specifying a Rate of Interest, an Interest Amount, an amount of shortfall or interest on it, principal payment or a Principal Amount Outstanding will be treated as having been duly given if the information contained in that notice appears on the relevant page of the Reuters Screen or other similar service approved by the Note Trustee and notified to you. The notice will be deemed given when it first appears on the screen. If it cannot be displayed in this way, it will be published as described in the previous paragraphs,

with a copy of any such notice or communication to be provided in the immediately following investor report.

CREDIT STRUCTURE AND CASHFLOWS

Please refer to the sections entitled "Servicing of Receivables and Trust Cash Management" and "Securitisation Cashflows" for further detail in respect of the credit structure and cashflows of the transaction.

Receivables Trust

The Receivables Trustee was established to:

- acquire credit card Receivables from the Originator;
- hold those Receivables and the related Collections on trust for the Originator Beneficiary and the Investor Beneficiary; and
- make payments to the Originator Beneficiary, the Excess Interest Beneficiary and the Investor Beneficiary in accordance with the terms of the Declaration of Trust and Trust Cash Management Agreement.

The Receivables Trustee may not engage in any unrelated activities.

The "**Receivables Trust**" was established on 1 December 1999 under the terms of the Declaration of Trust and Trust Cash Management Agreement, under which the Originator Beneficiary, the Excess Interest Beneficiary and, from time to time, multiple Investor Beneficiaries have an undivided beneficial interest in the trust property equal to the proportion of their contributions to the Receivables Trust. Broadly speaking, the MTN Issuing Entity will become a new Investor Beneficiary in respect of each new series.

Investor Interest

The Originator Beneficiary may direct the Receivables Trustee, in exchange for tendering the certificate it holds showing its entitlement to the trust property – called the "**Originator Certificate**" – to issue a new series of Investor Certificates and to reissue the Originator Certificate evidencing the Originator's beneficial entitlement to the Receivables Trust's property.

The MTN Issuing Entity (as an investor beneficiary) will make payments of principal and interest on each Medium Term Note Certificate using distributions made to it by the Receivables Trustee with respect to the relevant Investor Certificate.

Adjusted Originator Interest

That part of the Receivables Trust which is not held on trust for the MTN Issuing Entity is held on trust for the Originator Beneficiary and the Excess Interest Beneficiary. The beneficial entitlement of the Originator Beneficiary is determined by reference to the Originator Percentage.

Allocation of Collections

Each series will be entitled to receive varying percentages of Principal Collections, Finance Charge Collections and Receivables in Designated Accounts. Each of these percentages is called an "**Investor Percentage**". The Originator Beneficiary will be entitled to its applicable Originator Percentage of Principal Collections and Finance Charge Collections and Receivables in Designated Accounts. The Excess Interest Beneficiary is entitled to Finance Charge Collections allocated to a series that are not allocated to:

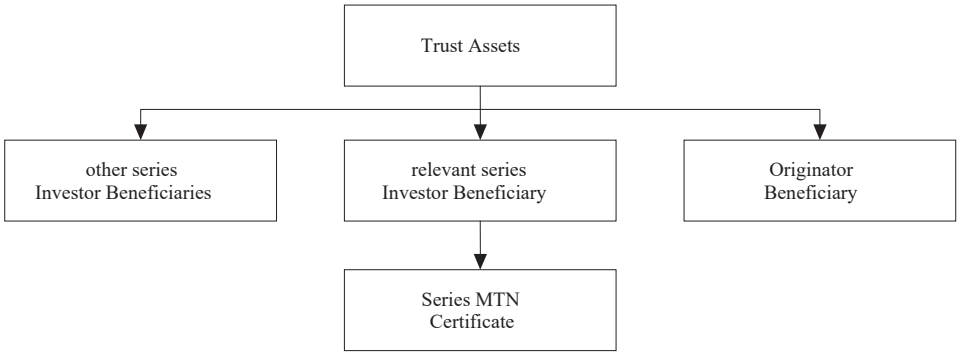
- any other beneficiary, whether or not a member of that series; or
- any enhancement provider, as set out in the relevant series supplement to the Declaration of Trust and Trust Cash

Management Agreement.

Each series supplement to the Declaration of Trust and Trust Cash Management Agreement will set out, for its series, the entitlement of each investor beneficiary to Principal Collections, Finance Charge Collections and Acquired Interchange.

The allocations described above will be done on the basis of varying percentages that are described in more detail below.

The allocation of Collections is summarised in the diagram below:



Principal Allocation Periods

During the Revolving Period, Principal Collections calculated as referable daily to the Class A Investor Interest will be used by the Receivables Trustee as Shared Principal Collections and, to the extent not used as Shared Principal Collections, to make payments to the Originator:

(i) to accept new offers of Eligible Receivables made by the Originator to the Receivables Trustee; and

(ii) to make payments to the Originator for future Receivables assigned by the Originator to the Receivables Trustee by offers that have already been made and accepted.

Principal Collections calculated as referable to the Class B Investor Interest, the Class C Investor Interest and the Class D Investor Interest will be used by the Receivables Trustee as described in the previous paragraph on the next following Transfer Date to the extent (i) not required to fund shortfalls for the Class A Investor Interest and – for Principal Collections calculated as referable to the Class C Investor Interest – the Class B Investor Interest and – for Principal Collections calculated as referable to the Class D Investor Interest – the Class B Investor Interest and the Class C Investor Interest and (ii) not required to be used by the Receivables Trustee as Shared Principal Collections (see "*Securitisation Cashflows – Shared Principal Collections*" below).

The Revolving Period for each series is the period from the relevant Closing Date to the start of the Controlled Accumulation Period or, if earlier, the start of the Rapid Amortisation Period, the Regulated Amortisation Period or the Accelerated Amortisation Period, the triggers for which are described in "*Securitisation Cashflows*".

Controlled Accumulation

The "**Controlled Accumulation Period**" for each series is the period scheduled to begin on the date specified in the relevant Final Terms

Period	or Drawdown Prospectus and ending when the Investor Interest is paid in full, unless a Pay Out Event occurs and the Regulated Amortisation Period or the Rapid Amortisation Period begins. If the Regulated Amortisation Period or Rapid Amortisation Period begins before the start of the Controlled Accumulation Period, there will not be a Controlled Accumulation Period for the relevant series. The start of the Controlled Accumulation Period may be delayed until no later than the close of business on the date specified in the relevant Final Terms or Drawdown Prospectus. During the Controlled Accumulation Period: • the Receivables Trustee will accumulate Principal Collections equal to the Controlled Deposit Amount with the intention of accumulating enough principal for the Receivables Trust to be able to re-pay the principal outstanding in respect of such MTN Certificate to the MTN Issuing Entity on the Scheduled Redemption Date; and • no payments of principal will be made to the Issuing Entity.
Controlled Deposit Amount	During the Controlled Accumulation Period the Principal Collections allocated to the Investor Interest for the relevant series less any Required Retained Investor Allocation, up to the Controlled Deposit Amount, will be accumulated by the Receivables Trustee on each Transfer Date in the Principal Funding Account for distribution to the MTN Issuing Entity as the investor beneficiary for the relevant series on the Series Scheduled Redemption Date. Any Principal Collections allocated to the Investor Interest for the relevant series over the amount that will be deposited in the Principal Funding Account will be used by the Receivables Trustee first as Shared Principal Collections and then to make payments to the Originator as described above under "*Securitisation Cashflows – Revolving Period*".
Regulated Amortisation Period	Following certain specified events (described in "*Rating and Non-Rating Triggers – Non-Rating Triggers*" below), the Regulated Amortisation Period will commence. During the Regulated Amortisation Period the amount of Principal Collections allocated to the Investor Interest for the relevant series less any Required Retained Investor Allocation, up to the Controlled Deposit Amount, will be paid each month to the MTN Issuing Entity first for the Class A Investor Interest, second for the Class B Investor Interest, third for the Class C Investor Interest and fourth for the Class D Investor Interest until the Series Termination Date. Any Principal Collections allocated to the Investor Interest for the series over the Controlled Deposit Amount paid to the MTN Issuing Entity will be used by the Receivables Trustee first as Shared Principal Collections and then to make payments to the Originator as described under "*Securitisation Cashflows– Revolving Period*". The Regulated Amortisation Period will end on the earlier to occur of (a) the start of the Rapid Amortisation Period and (b) the Series Termination Date.
Rapid Amortisation Period	Following certain specified events (described in "*Rating and Non-Rating Triggers – Non-Rating Triggers*" below), the Rapid Amortisation Period will commence. During the Rapid Amortisation Period, Principal Collections allocable to the Investor Interest of the relevant series will be paid each month to the MTN Issuing Entity first for the Class A Investor Interest, second for the Class B Investor Interest, third for the Class C Investor Interest and fourth for the

Class D Investor Interest until the Series Termination Date.

The Rapid Amortisation Period will end on the earlier to occur of (a) the Series Termination Date and (b) the dissolution of the Receivables Trust following the occurrence of an Insolvency Event.

Allocation of Principal Collections

Principal Collections are allocated in amounts determined by reference to each Investor Interest, taking into account whether a series and its Medium Term Note Certificate is in:

- a Revolving Period;
- Controlled Accumulation Period; or
- an Amortisation Period.

Shared Principal Collections

Each series is expected to be in Group One, which means that it shares with other series in Group One any excess Principal Collections that it is not required to accumulate or pay down in a specified period.

Defaulted Receivables

If the Servicer determines that the Receivables in a Designated Account are uncollectible, the principal balance of such Defaulted Account will be allocated, on an aggregate monthly basis, to each series by reference to the Floating Investor Percentage. All Principal Receivables which come into existence under a Designated Account prior to such date of determination will be paid for by the Receivables Trustee in accordance with the Receivables Securitisation Agreement. All future Receivables which come into existence under a Defaulted Account after such date of determination which are Principal Receivables or Finance Charge Receivables in respect of Receivables which were not in existence prior to such date of determination will not be assigned to or held on trust for the Receivables Trustee. All future Receivables which are Finance Charge Receivables in respect of Receivables which were in existence prior to such date of determination, and which future Receivables came into existence on or following such date of determination, will continue to be assigned to or held on trust for the Receivables Trustee.

The amounts allocated to each series comprise, *inter alia*, the Investor Default Amount.

The Investor Default Amount will be calculated for each notional Class of the relevant series based on its floating allocation during the monthly period. If the Investor Default Amount for a particular Class exceeds Available Funds allocated to that Class and any reallocated Principal Collections allocated to that Class, the Investor Interest for subordinate Classes of the same series and, if necessary, of the relevant Class, will be reduced to cover the shortfall. This is referred to as an "**Investor Charge-Off**".

Receivables Trustee Priority of Payments	**MTN Issuing Entity Priority of Payments**
On each Transfer Date, the Receivables Trustee will withdraw the Available Funds from the Finance Charge Collections Ledger, and they will be distributed in the following order:	On each Transfer Date, the MTN Issuing Entity will then transfer from the Series Distribution Account to the extent there are sufficient funds on deposit:
(1) the Investor Trustee Payment Amount *plus* any unpaid Investor Trustee Payment	(i) *first*, the costs and expenses of the MTN Issuing Entity for the relevant

Amounts from prior Transfer Dates will be used by the Receivables Trustee to satisfy the Investor Trustee Payment Amounts;

(2) the MTN Issuing Entity Costs Amounts will be credited to the Series Distribution Ledger;

(3) the Servicing Fee and Cash Management Fee and any due and unpaid Servicing Fees or Cash Management Fees from prior Transfer Dates will be distributed to the Servicer or Trust Cash Manager, as applicable;

(4) the sum of the Class A Monthly Finance Amount, the Class A Deficiency Amount and the Class A Additional Finance Amount will be credited to the Series Distribution Ledger;

(5) if required, the Monthly Loan Expenses Amount will be credited to the Series Distribution Ledger;

(6) the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount – called the "**Class B Monthly Distribution Amount**" – will be credited to the Series Distribution Ledger;

(7) an amount equal to the Class A Investor Default Amount will be allocated to Class A and treated as a portion of Investor Principal Collections referable to Class A and credited to the Principal Collections Ledger;

(8) an amount equal to the total amount of Class A Investor Charge-Offs that have not been previously reimbursed will be used to reinstate the Class A Investor Interest, treated as a portion of Investor Principal Collections allocated to Class A and credited to the Principal Collections Ledger;

(9) to fund the Class B Investor Default Amount; any amount available to pay the Class B Investor Default Amount will be allocated to Class B and treated as a portion of Investor Principal Collections allocated to Class B and credited to the Principal Collections Ledger;

(10) an amount equal to the total amount by which the Class B Investor Interest has been reduced below the Class B Initial Investor Interest for reasons other than the payment of principal – but not in excess of the aggregate amount of such reductions which have not been previously reimbursed– will be used to reinstate the Class B Investor Interest, treated as a portion of Investor Principal Collections and credited to the Principal Collections

monthly period;

(ii) *second*, the lesser of (1) the amounts credited to the MTN Issuing Entity coupon ledger, after paying or reserving for the MTN Issuing Entity's costs and expenses described in the first bullet point above and (2) the interest due and payable on the Medium Term Note Certificate, excluding the MTN Issuing Entity Additional Interest Payments, will be deposited in the Issuing Entity Distribution Account;

(iii) *third*, an amount equal to the Monthly Loan Expenses Amount *plus*, on the Series Termination Date, an amount equal to the principal calculated as payable in accordance with the Expenses Loan Agreement, if any, will be deposited in the Issuing Entity Distribution Account;

(iv) *fourth*, an amount equal to 1/2 of the Series Extra Amount will be paid to the MTN Issuing Entity;

(v) *fifth*, an amount equal to 1/2 of the Series Extra Amount will be deposited in the Issuing Entity Distribution Account;

(vi) *sixth*, an amount equal to the MTN Issuing Entity Additional Interest Payments will be deposited in the Issuing Entity Distribution Account.

Please see "*Securitisation Cashflows – Your Payment Flows*" for further information.

Issuing Entity Priority of Payments

Before the delivery of an Enforcement Notice in relation to a particular Note Series, on each Interest Payment Date, the Issuing Entity will pay:

(i) *first*, from MTN Issuing Entity Additional Interest, the costs and expenses of the Issuing Entity for the relevant monthly period will be paid or reserved for within the Issuing Entity;

(ii) *second*, the costs and expenses of the Issuing Entity for the relevant monthly period remaining after the first item will be paid or reserved for within the Issuing Entity proportionately to the Class A notes', the Class B notes', the Class C notes'

Ledger;

(11) an amount equal to the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount – called the "**Class C Monthly Distribution Amount**" – will be credited to the Series Distribution Ledger;

(12) an amount equal to the Class C Investor Default Amount will be allocated to Class C and treated as a portion of Investor Principal Collections allocated to Class C and credited to the Principal Collections Ledger;

(13) an amount equal to the total amount by which the Class C Investor Interest has been reduced below the Class C Investor Interest for reasons other than the payment of principal – but not in excess of the total amount of the reductions that have not been previously reimbursed – will be used to reinstate the Class C Investor Interest, treated as a portion of Investor Principal Collections and credited to the Principal Collections Ledger;

(14) an amount equal to the sum of the Class D Monthly Finance Amount, the Class D Deficiency Amount and the Class D Additional Finance Amount – called the "**Class D Monthly Distribution Amount**" – will be credited to the Series Distribution Ledger;

(15) if a series is specified as having a Class D, then an amount equal to the Class D Investor Default Amount will be allocated to Class D and treated as a portion of Investor Principal Collections allocated to Class D and credited to the Principal Collections Ledger;

(16) if a series is specified as having a Class D, then an amount equal to the total amount by which the Class D Investor Interest has been reduced below the Class D Investor Interest for reasons other than the payment of principal – but not in excess of the total amount of the reductions that have not been previously reimbursed – will be used to reinstate the Class D Investor Interest, treated as a portion of Investor Principal Collections and credited to the Principal Collections Ledger;

(17) on each Transfer Date from and after the Re-investment Account Funding Date, but before the date on which the Re-investment Account terminates, an amount up to the excess, if any, of the Required Re-investment Amount over the amount on deposit in the

and the Class D notes' share, if any, for such payment to be used to pay, or reserve for, the costs and expenses of the Issuing Entity;

(iii) *third*, from the Class A notes coupon ledger, the lesser of (1) the amount credited to the Class A notes coupon ledger after paying or reserving for the Class A notes' proportionate share of the Issuing Entity's costs and (2) expenses and the amounts due and payable, if applicable, to a Swap Counterparty under a Class A Swap Agreement (other than amounts payable under item (xiii) below) for the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor, to the Holder of a Class A note (or, to the extent that a Class A Swap Agreement has been terminated and not replaced, the lesser of (i) the amount in (1) above converted into the relevant currently at the spot exchange rate and (ii) the amount due under a Class A note to the Holder of the Class A note);

(iv) *fourth*, from the Class B notes coupon ledger, the lesser of (1) the amount credited to the Class B notes coupon ledger after paying or reserving for the Class B notes' proportionate share of the Issuing Entity's costs and (2) the amounts due and payable, if applicable, to a Swap Counterparty under a Class B Swap Agreement (other than amounts payable under item (xiv) below) for the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor, to the Holder of a Class B note (or, to the extent that a Class B Swap Agreement has been terminated and not replaced, the lesser of (i) the amount in (1) above converted into the relevant currency at the spot exchange rate and (ii) the amount due under a Class B note to the Holder of the Class B note;

(v) *fifth*, the lesser of the remaining amount on deposit in the Issuing Entity Distribution Account and an amount equal to the Monthly Loan Expenses Amount will be paid to the

Re-investment Account will be deposited into the Re-investment Account;

(18) on each Distribution Date prior to the Release Date, if the available amount on deposit in the Series Cash Reserve Account is less than the Required Series Cash Reserve Account Amount, an amount up to any excess will be deposited into the Series Cash Reserve Account;

(19) an amount (if any) equal to the aggregate of any Approved Conduit Payment to be paid to the affected conduit payment on the immediately following Distribution Date;

(20) an amount equal to any Aggregate Investor Indemnity Amount for the relevant series will be paid to the Originator and will then cease to be property of the Receivables Trust;

(21) the Series Extra Amount will be paid into the Series Distribution Account and will be owned by the MTN Issuing Entity;

(22) on any Distribution Date, an amount equal to the principal calculated as payable in accordance with the Expenses Loan Agreement, if any, will be paid into the Series Distribution Account; and

(23) the balance, if any, after giving effect to the payments made under paragraphs (1) through (22) above will be paid to the MTN Issuing Entity as assignee of the Excess Interest beneficiary and will then cease to be property of the Receivables Trust.

On each Distribution Date, all amounts credited to the Series Distribution Ledger for the amounts in (2), (3) and (4) above will be deposited in the Series Distribution Account. The aggregate of amounts in (2), (3) and (4) above are called the "**Class A Monthly Distribution Amount**".

Please see "*Securitisation Cashflows – Application of Available Funds*" for further information.

lender under the Expenses Loan Agreement, if any;

(vi) *sixth*, from the Class C notes coupon ledger, the lesser of (1) the amount credited to the Class C notes coupon ledger after paying or reserving for the Class C notes' proportionate share of the Issuing Entity's costs and (2) the amounts due and payable, if applicable, to a Swap Counterparty under a Class C Swap Agreement (other than amounts payable under item (xv) below) in respect of the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor to the Holder of a Class C note (or, to the extent a Class C Swap Agreement has been terminated and not replaced, the lesser of (i) the amount in (1) above converted into the relevant currency at the spot exchange rate and (ii) the amount due under a Class C note to the Holder of the Class C note;

(vii) *seventh*, from the Class D notes coupon ledger, if applicable, the lesser of (1) the amount credited to the Class D notes coupon ledger after paying or reserving for the Class D notes' proportionate share of the Issuing Entity's costs and (2) the amounts due and payable, if applicable, to the Swap Counterparty under a Class D Swap Agreement (other than amounts payable under item (xvi) below) in respect of the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor to the Holder of a Class D note, if any, (or, to the extent a Class D Swap Agreement has been terminated and not replaced, the lesser of (i) the amount in (1) above converted into the relevant currency at the spot exchange rate and (ii) the amount due under a Class D note to the Holder of the Class D note;

(viii) *eighth*, the lesser of the remaining amount on deposit in the Issuing Entity Distribution Account and an amount equal to the principal calculated as payable in accordance with the Expenses Loan Agreement, if

	any, will be paid to the lender under the Expenses Loan Agreement; (ix) *ninth*, the lesser of the remaining amount on deposit in the Issuing Entity Distribution Account and an amount equal to 1/2 of the Series Extra Amount, will be paid to the Issuing Entity; (x) *tenth*, any amounts due from or required to be provided for by the Issuing Entity to meet its liabilities to any taxation authority; (xi) *eleventh*, any amounts due to third parties under obligations incurred in the course of the Issuing Entity's business; (xii) *twelfth*, an amount equal to the lesser of (A) the amount on deposit in the Additional Interest ledger of the Issuing Entity Distribution Account (such amount to be denominated in the relevant currency or, if not dominated in the relevant currency, such amount will be converted into the relevant currency at the spot exchange rate); and (B) the amount needed to cover any shortfall with respect to the notes caused by the imposition of withholding taxes on payments made under the Medium Term Note Certificate or the Swap Agreements, will be paid to the relevant Noteholders; (xiii) *thirteenth*, the amount equal to any termination payment due and payable to a Swap Counterparty pursuant to a Class A Swap Agreement where the Class A Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default; (xiv) *fourteenth*, the amount equal to any termination payment due and payable to a Swap Counterparty pursuant to a Class B Swap Agreement where the Class B Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default; (xv) *fifteenth*, the amount equal to any termination payment due and payable to a Swap Counterparty pursuant to a Class C Swap Agreement where the Class C Swap Agreement has been terminated as a result of a Swap

	Counterparty Swap Event of Default; (xvi) *sixteenth*, if applicable, the amount equal to any termination payment due and payable to the Swap Counterparty pursuant to a Class D Swap Agreement where the Class D Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default; (xvii) *seventeenth*, any amounts remaining will constitute Deferred Subscription Price and will be paid to the MTN Issuing Entity. The order of priority following the service of an Enforcement Notice is substantially the same save that investment proceeds are not set aside on a separate ledger. Please see "*Securitisation Cashflows – Your Payment Flows*" for more information.

Bank accounts and cash management

Collections from cardholders are paid to Barclaycard's bank accounts before being cleared on a same day basis to the Barclaycard Operating Account.

All money in the Barclaycard Operating Account will be held on trust for the Receivables Trustee and transferred to the Trustee Collection Account within three Business Days after processing. All money in the Trustee Collection Account will be treated as Collections from Receivables of Designated Accounts unless it has been incorrectly paid into the account. Incorrect payments will be deducted from the appropriate Collections on the Business Day on which the error is notified to the Receivables Trustee.

Amounts incorrectly categorised as Principal Collections of Eligible Receivables but which are really Collections of Ineligible Receivables will be given back to the Originator Beneficiary, after making adjustments for errors but before allocating amounts of Principal Collections that are property of the Receivables Trust. The Receivables Trustee will treat all money deposited in the Trustee Collection Account as property of the Receivables Trust unless notified otherwise by the Trust Cash Manager.

The Eligible Receivables Pool and the Originator Interest are increased or decreased, as applicable, to account for the errors made.

In addition, on a daily basis, the Receivables Trustee will transfer the total amount of Principal Collections allocated to the Investor Interest of any outstanding series, *minus* the Investor Cash Available for Acquisition of that series from the Principal Collections Ledger to the account specified in the supplement for that series.

On each Transfer Date, the Receivables Trustee will withdraw the Available Funds from the Finance Charge Collections Ledger, and they will be distributed in the order of priority specified under "*Securitisation Cashflows – Application of Available Funds*".

The MTN Issuing Entity will credit the amount received in respect of

the Monthly Distribution Amounts for each Class and the portion of the Excess Interest attributable to the relevant series to the MTN Issuing Entity coupon ledger and will record for calculational purposes the amounts treated as referable to each Class.

On each Transfer Date, the MTN Issuing Entity will apply amounts credited to the relevant Series Distribution Account on such Transfer Date, in the order of priority specified under "*Securitisation Cashflows – Your Payment Flows*".

On each Distribution Date the aggregate of the amounts (other than amounts in respect of principal) transferred on or before the immediately preceding Transfer Date by the MTN Issuing Entity to the Issuing Entity Distribution Account and credited to the Distribution Ledger for the relevant Note Series together with any Interest earned on the Distribution Ledger for the relevant Note Series since the previous Distribution Date, shall be applied in the order of priority specified under "*Securitisation Cashflows – Your Payment Flows*".

TRIGGERS TABLE

Rating Triggers Table

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached include the following
Originators	Long-term unsecured debt rating of at least BBB by Standard & Poor's and Baa2 by Moody's.	Notification Event taking place and legal title to the Receivables to be transferred to the Receivables Trustee.
	The consequences of the relevant required rating being breached are set out in more detail in the risk factor entitled "*Failure to Notify Cardholders of the Transfer of Receivables Could Delay or Reduce Payments on Your Notes*".	
Swap Counterparty	Swap counterparty is downgraded below the ratings specified in the Swap Agreement (in accordance with the requirements of Standard & Poor's and Moody's).	• Providing collateral in accordance with the Credit Support Annex;
	Rating of the Swap Counterparty is withdrawn by either Standard & Poor's or Moody's	• Obtaining a guarantee from the guarantor that satisfies the requirements specified in the Swap Agreement; • Issuing Entity may terminate Issuing Entities Swap Agreement if Swap Provider fails to take such measures; • Transferring the Swap Agreement to an entity that satisfies the requirements specified in the Swap Agreement; or • Any other action as permitted by the relevant rating agency which would avoid a downgrade of the relevant Class of notes.
	The consequences of the relevant required rating being breached are set out in more detail in "*The Swap Agreements*".	
Receivables Trustee Account Bank	(1) Short-term unsecured debt rating of at least A-1+ by Standard & Poor's and P-1 by Moody's, or (2) an institution acceptable to each rating agency	The Receivables Trustee will, within 10 Business Days, establish a new account to replace the affected account or accounts, and will transfer any cash and interest to that new account or accounts. The Receivables Trustee may in its discretion elect to move any or all of these accounts and the amounts credited to them from the Qualified Institution at which they are kept as at the date of this document to another or other Qualified Institutions.

Non-Rating Triggers

Description of trigger	Consequence of trigger
Notification events	
The occurrence of any of the following: • an Originator's long-term senior unsecured Indebtedness as rated by Moody's or Standard & Poor's falls below Baa2 or BBB, respectively; • an Insolvency Event in relation to the Originator; and • The Originator failing to pay to the Receivables Trustee any sum due to it under the Receivables Securitisation Agreement within five Business Days of the due date or (if payable on demand) the demand and such failure continues unremedied for ten Business Days following notice thereof from the Receivables Trustee.	A number of perfection acts will occur, including cardholders being notified of the sale to the Receivables Trustee and legal title to the Securitised Portfolio being transferred to the Receivables Trustee.
Servicer Termination Events	
The occurrence of any of the following: • Failure to duly observe or perform any covenant or agreement; • Delegation by the Servicer of its duties to any other entity except as permitted by the Beneficiaries Servicing Agreement; • Any relevant representation, warranty or certification was incorrect when made; or • An Insolvency Event in relation to the Servicer.	Termination of appointment of Servicer. See the sections entitled "*Servicing of Receivables and Trust Cash Management – Termination of Appointment of Servicer*" for further information
Trust Cash Manager Termination Events	
The occurrence of any of the following: • Trust Cash Manager payment default; • Failure to comply with any of its other covenants or obligations; • Delegation of its duties to any other entity, except as permitted by the Declaration of Trust and Trust Cash Management Agreement; • Any relevant representation, warranty or certification was incorrect when made; or • On Insolvency Event in relation to the Trust Cash Manager.	Termination of appointment of Trust Cash Manager. See the sections entitled "*Servicing of Receivables and Trust Cash Management – Termination of Appointment of Trust Cash Manager*" for further information
Regulated Amortisation Trigger Event	
The occurrence of any of the following: • On any Transfer Date the amount of excess Available Funds averaged over the three preceding monthly periods being	Regulated Amortisation Period will begin.

less than the Required Excess Available Funds for such monthly period; and

- either:
  - the average over any period of thirty consecutive days of the amount of the adjusted Originator Interest is less than the minimum adjusted Originator Interest and the adjusted Originator Interest does not increase on or before the tenth Business Day following such thirty day period to such an amount; or
  - on any loan note Record Date the aggregate amount of Eligible Principal Receivables is less than the Minimum Aggregate Principal Receivables and the aggregate amount of Eligible Principal Receivables fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth Business Day following such loan note Record Date.

Rapid Amortisation Trigger Event

The occurrence of any of the following:

- an MTN Issuing Entity Pay Out Event or a Trust Pay Out Event;
- the outstanding principal amount of a loan note shall not be reduced to zero on the Scheduled Redemption Date for such note; or
- the MTN Issuing Entity has or will become obligated to deduct or withhold amounts from payments to be made in respect of the related debt on any Distribution Date, for or on account of any tax assessment or other governmental charge by any jurisdiction as a result of any change in the laws of such jurisdiction or any political subdivision or taxing authority thereof which change becomes effective on or after the Closing Date.

Rapid Amortisation Period will begin.

Redemption Trigger

The occurrence of any of the following:

- Regulated Amortisation Period or Rapid Amortisation Period commences on the Scheduled Redemption Date for the relevant series;
- the Redemption Protection Period has earlier commenced and on or prior to the Scheduled Redemption Date for the relevant series there have been credited to the Issuing Entities's Distribution Ledger for the relevant series insufficient funds to redeem the relevant series in full; or
- in the event that the Regulated Amortisation Period or the Rapid Amortisation Period commences on or prior to the Scheduled Redemption Date for the relevant series in relation to a Swap Agreement without the benefit of the

The termination date under the relevant Swap Agreement shall be amended to be the Redemption Period End Date. Please see "*The Swap Agreements*" for further information.

Redemption Protection Period.

Trust Pay Out Events

The occurrence of any of the following:
• the Originator consents or takes any corporate action to appoint a receiver, Administrator, administrative receiver, liquidator, trustee or similar officer of it or over all or substantially all of its revenues and assets;
• proceedings are started against the Originator under any applicable liquidation, insolvency, composition or re-organisation or similar laws for its winding up, dissolution, administration or reorganisation and the proceedings are not discharged within 60 days, or a receiver, Administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all or substantially all of its revenues and assets is legally and validly appointed and is not discharged within 14 days;
• a duly authorised officer of the Originator admits in writing that the Originator Beneficiary or Excess Interest beneficiary is unable to pay its debts when they fall due within the meaning of Section 123(1) of the Insolvency Act 1986 or the Originator makes a general assignment or trust for the benefit of or a composition with its creditors or voluntarily suspends payment of its obligations to generally readjust or reschedule its debt;
• the Originator cannot transfer Receivables in the Designated Accounts to the Receivables Trust in the manner described in the Receivables Securitisation Agreement;
• the Originator stops being either a resident in the United Kingdom for tax purposes or liable for United Kingdom corporation tax; or
• either:
  • a change in law or its interpretation or administration results in the Receivables Trustee becoming liable to make any payment on account of tax – other than stamp duty payable in the United Kingdom for the transfer of Receivables under the Receivables Securitisation Agreement; or
  • any tax authority asserts a tax liability or takes other actions against Barclays or any of its subsidiaries in relation to the transaction which would have an adverse affect on them which is more than trivial, if Barclays obtains an opinion of counsel stating that the tax liability would be due. This event will be treated as occurring when Barclays, as Originator Beneficiary, gives written notice of it to the Receivables Trustee.
	A Trust Pay Out Event will occur for all series and each Originator Beneficiary and Investor Beneficiary in respect of each series.

Series Pay-Out Events

The occurrence of any of the following:	A Series Pay-Out Event will occur in respect of the relevant

- default by the Originator of its obligations under the Receivables Securitisation Agreement;
- any representation or warranty made by the Originator in the Receivables Securitisation Agreement or the series supplement, or any information contained in a computer file or microfiche list required to be delivered by the Originator under the Receivables Securitisation Agreement is incorrect and has a material adverse effect on the MTN Issuing Entity;
- the average Portfolio Yield for any three consecutive monthly periods is less than the average Expense Rate for those periods, or on any Determination Date before the end of the third monthly period from the relevant Closing Date the Portfolio Yield is less than the average Expense Rate for that period;
- either:
    - over any period of thirty consecutive days, the Originator Interest averaged over that period is less than the Minimum Originator Interest for that period and the Originator Interest does not increase on or before the tenth Business Day following that thirty day period to an amount so that the average of the Originator Interest as a percentage of the Average Principal Receivables for such thirty day period, computed by assuming that the amount of the increase of the Originator Interest by the last day of the ten Business Day period, as compared to the Originator Interest on the last day of the thirty day period, would have existed in the Receivables Trust during each day of the thirty day period, is at least equal to the Minimum Originator Interest; or
    - on the last day of any monthly period the total balance of Eligible Receivables is less than the Minimum Aggregate Principal Receivables, adjusted for any series having a Companion Series as described in the supplement for that series, and the total balance of Eligible Receivables fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth Business Day following that last day;
- any Servicer default or Trust Cash Manager default occurs that would have a material adverse effect on the MTN Issuing Entity in respect of the relevant series;
- the Investor Interest is not reduced to zero on the Series Scheduled Redemption Date in respect of the relevant series;
- if applicable, the Early Termination, without replacement, of the Swap Agreements, if any, in respect of the relevant series; or
- the MTN Issuing Entity is required to withhold or deduct any amounts for or on account of tax on the payment of any principal or interest in respect of the Medium Term Note

Note Series and each Originator Beneficiary and Investor Beneficiary in respect of such Note Series.

Certificate in respect of the relevant series.

Issuing Entity Events of Default

Broadly speaking, the occurrence *inter alia* of any of the following: • non-payment of principal or interest due on the notes; • breach of other obligations under the relevant Note Series or Note Trust Deed; • unsatisfied judgement for payment; • Security enforced; • Insolvency Event or winding up order; • unlawfulness; or • governmental intervention	An Enforcement Notice issued to the Issuing Entity declaring all of the notes of the relevant Note Series to be immediately due and payable.

FEES

The table below sets out the principal on-going transaction fees.

Expense	*Amount*	*Priority in cashflow*	*Frequency*
Servicing fee	Estimated £45,800,000 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Distribution Date
Cash management fee	Estimated £60,000 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Distribution Date
Corporate expenses of Receivables Trustee	Estimated £15,800 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Distribution Date
Corporate expenses of the MTN Issuing Entity	Estimated £46,000 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Distribution Date
Corporate expenses of the Issuing Entity	Estimated £66,500 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Interest Payment Date
Fee payable by Issuing Entity to Note Trustee	Estimated $25,000 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Interest Payment Date
Fee payable by the MTN Issuing Entity to Security Trustee	Estimated £183,500 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Distribution Date
Total fee payable by Issuing Entity to Principal Paying Agent, U.S. Paying Agent and Agent Bank	Estimated $20,000 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Interest Payment Date
Total fee payable by Issuing Entity to Registrar	Estimated $0 each year	In priority to Class A, B, C and D Monthly Distribution Amounts	Each Interest Payment Date

TAX CONSIDERATIONS

U.K. Tax Status

The following summary is based on United Kingdom taxation law and H.M. Revenue & Customs published practice in force at the date of this Base Prospectus and does not constitute legal or tax advice. Prospective investors should be aware that law and practice, and their interpretation by the courts, may change. The summary is subject to finalisation of documents relating to the Programme and specifically to each Note Series and is based on certain assumptions which cannot be verified with respect to any given Note Series before closing of that Note Series:

(i) U.S. Persons who have no connection with the United Kingdom will not be subject to United Kingdom taxation (other than tax withheld at source as discussed below) in respect of payment of principal and interest on the notes as described more fully in the section of this Base Prospectus headed "*United Kingdom Taxation Treatment of the Notes*";

(ii) As described more fully in the section of this Base Prospectus headed "*United Kingdom Taxation Treatment of the Notes*", so long as the notes are included in the United Kingdom Official List within the meaning of Part 6 of the Financial Services and Markets Act 2000 and admitted to trading on the London Stock Exchange, no U.K. withholding in respect of U.K. tax will be required in respect of payments on the notes; if these conditions are not satisfied, U.K. withholding tax, currently at the rate of 20 per cent., may be required in respect of these payments;

(iii) No U.K. stamp duty or stamp duty reserve tax is payable on the issue or transfer of, or any agreement to transfer, the global notes or an Individual Note Certificate, if the relevant notes meet certain conditions. The conditions are, broadly speaking, that the notes must be loan capital which does not carry and has at no time carried a right of conversion into, or to the acquisition of, shares or other securities, and which does not carry and has at no time carried (i) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the notes, (ii) (subject to a limited exception) a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or of any part of, a business or to the value of any property or (iii) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the UKLA. The above is a general description, and should not be relied upon in relation to notes issued pursuant to any particular Final Terms or Drawdown Prospectus without seeking further advice;

(iv) The MTN Issuing Entity and the Issuing Entity will be subject to U.K. corporation tax. So long as the MTN Issuing Entity and the Issuing Entity respectively are within the application of the Taxation of Securitisation Companies Regulations 2006 (the "**Regulations**"), their taxable profit for U.K. corporation tax purposes will in each case be based on certain cash amounts retained by each of them respectively in accordance with the application of Available Funds as required by the relevant series supplement to the Security Trust Deed and MTN cash management agreement and the relevant Note Trust Deed Supplement;

(v) In order to fall within the application of the Regulations, a company must fulfil certain conditions, including ones which relate to its ongoing asset holdings (e.g. that the assets should be "financial assets" according to applicable accounting practice at the time of acquisition) and its ongoing cash flow management. These conditions are designed to ensure that the Regulations will apply to a company which is genuinely established and operated as a securitisation vehicle in a securitisation of money debts. **Provided that** the MTN Issuing Entity and the Issuing Entity are as a matter of fact managed at all times so as to meet the conditions laid down by the Regulations, the MTN Issuing Entity and the Issuing Entity can be expected to fall within the application of the Regulations. Investors should note, however, that the Regulations are in short form and that advisers rely significantly upon guidance from the U.K. tax authorities when advising on the scope and operation of the Regulations including advising as to whether any particular company falls within the new regime;

(vi) The Receivables Trustee will have no U.K. tax liabilities and accordingly, the Receivables Trustee will have no liability to U.K. tax in relation to amounts which it receives on behalf of the MTN Issuing Entity or amounts which it is obliged to pay to the MTN Issuing Entity; and

(vii) The above description is based on the MTN Issuing Entity and the Issuing Entity being resident for tax purposes in the United Kingdom. On the basis that each of them is incorporated in the United Kingdom, each of them will be so resident if and for so long as it is not regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom and not resident in the United Kingdom.

Subject to finalisation of documents, including those relating specifically to each Note Series, in a form satisfactory to them and which is not inconsistent with the descriptions in this Base Prospectus, Clifford Chance LLP, as special U.K. tax advisers, expect to give an opinion at closing by reference to the final documentation and based on certain assumptions listed in that opinion, some of which cannot be verified with respect to any given Note Series before closing of that Note Series and some of which are dependent on ongoing factors, which will cover in detail the matters referred to under this heading "U.K. Tax Status". See "*Risk Factors: Taxable Nature of the MTN Issuing Entity or the Issuing Entity Could Cause a Loss on Your Notes*".

United States Federal Income Tax Status

Clifford Chance U.S. LLP, ("**U.S. Tax Counsel**") is of the opinion that each of the Receivables Trust, the MTN Issuing Entity and the Issuing Entity will not be subject to U.S. federal income tax.

Except as otherwise provided in the applicable Drawdown Prospectus, of the notes that are offered for sale in the United States (the "**U.S. Offered Notes**"), the Issuing Entity will treat the Class A Notes, the Class B Notes and the Class C Notes as debt in the Issuing Entity for U.S. federal income tax purposes. Each investor of such a U.S. Offered Note, by acceptance of such note, will agree to treat such note as debt in the Issuing Entity or as otherwise provided in the applicable Drawdown Prospectus for U.S. federal income tax purposes. The Issuing Entity also intends to treat the Class D Notes as debt for U.S. federal income tax purposes. However, the IRS could assert, and a court could ultimately hold, that the Class D Notes are equity in the Issuer for U.S. federal income tax purposes.

For the U.S. Offered Notes that will be treated as debt by the Issuing Entity for U.S. federal income tax purposes, then, although there is no authority addressing the characterisation of securities with terms similar to the U.S. Offered Notes under current law, and while not free from doubt, U.S. Tax Counsel will render an opinion that such notes will be treated as debt for U.S. federal income tax purposes.

The opinions of U.S. Tax Counsel are not binding on the U.S. Internal Revenue Service (the "**IRS**"), and no assurance can be given that the determination about whether any person is subject to U.S. federal income tax or the characterisation of the U.S. Offered Notes as debt would prevail if the issues were challenged by the IRS. Prospective U.S. investors should review the discussion of the U.S. federal income tax matters below under "*Material United States Federal Income Tax Considerations*" and consult with their own tax advisers as to the consequences of an investment in the notes in their particular circumstances, including the effect of an opinion of U.S. Tax Counsel being effectively challenged.

ERISA Considerations for Investors

Subject to important considerations described under "*ERISA and Certain Other U.S. Considerations*" in this Base Prospectus and unless otherwise stated in an applicable Drawdown Prospectus, the Class A notes, the Class B notes and the Class C notes are eligible for purchase by persons investing assets of Plans (as defined in "*ERISA and Certain Other U.S. Considerations*".

U.S. DOLLAR AND STERLING EXCHANGE RATE

References throughout this document to "**£**", "**Pounds**", "**Sterling**" or "**Pounds Sterling**" are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland. References in this document to "**U.S.$**", "**$**" "**U.S. Dollars**" or "**Dollars**" are to the lawful currency of the United States of America. References in this document to "**Euro**" or "**€**" are to the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

The Barclaycard business is conducted in the UK and all of its net revenues are denominated in Pounds Sterling. This Base Prospectus contains translations of Pounds Sterling amounts into U.S. Dollars at specific rates solely for the convenience of the reader. Conversions of Pounds Sterling into U.S. Dollars in this Base Prospectus are based on the noon buying rate in The City of New York for cable transfers of Pounds Sterling as certified for customs purposes by the Federal Reserve Bank of New York. Unless otherwise noted, all translations from Pounds Sterling to U.S. Dollars and from U.S. Dollars to Pounds Sterling in this Base Prospectus were made at a rate of £0.6224 to US$1.00, the noon buying rate in effect as of 31 October 2013. None of the Issuing Entity, the Originator, the Arranger or Series Dealers or any other person makes any representation that any Pounds Sterling or U.S. dollar amounts could have been, or could be, converted into U.S. dollar or Pounds Sterling, as the case may be, at any particular rate, the rates stated below, or at all. On 31 October 2013, the noon buying rate was £0.6224 to US$1.00.

The following table sets forth, for each of the periods indicated, the low, average, high and period-end noon buying rates in New York City for cable transfers, in Pounds Sterling per U.S. dollar, as certified for customs purposes by the Federal Reserve Bank of New York.

Period	*Noon Buying Rate Period End*	*Average*[*]	*Low*	*High*
		(£ per US$1.00)		
2007	0.5040	0.4982	0.5199	0.4738
2008	0.6840	0.5428	0.6947	0.4923
2009	0.6185	0.6367	0.7322	0.5890
2010	0.6497	0.6487	0.6972	0.6109
2011	0.6436	0.6209	0.6511	0.5991
2012	0.6149	0.6280	0.6536	0.6144
January 2013	0.6307	0.6264	0.6375	0.6152
February 2013	0.6582	0.6462	0.6617	0.6324
March 2013	0.6582	0.6631	0.6722	0.6562
April 2013	0.6435	0.6531	0.6617	0.6435
May 2013	0.6585	0.6537	0.6650	0.6419
June 2013	0.6575	0.6455	0.6575	0.6366
July 2013	0.6589	0.6588	0.6740	0.6507
August 2013	0.6465	0.6449	0.6603	0.6378
September 2013	0.6181	0.6295	0.6433	0.6181
October 2013	0.6224	0.6212	0.6288	0.6164

Note

[*] Determined by averaging rates on the last Business Day of each month during the relevant period for annual and quarterly periods and each Business Day for monthly periods or any part thereof.

None of the Issuing Entity, the Originator, the Arranger or Series Dealers or any other person makes any representation that any Pounds Sterling or U.S. amounts referred to in this Base Prospectus could have been or could be converted into U.S. Dollars or Pounds Sterling, as the case may be, at any particular rate or at all.

THE ISSUING ENTITY

The Issuing Entity, Gracechurch Card Programme Funding PLC, is a public limited liability company which was incorporated as a special purpose vehicle for the issue of asset backed securities under the laws of England and Wales, under the Companies Act 1985 (as amended), on 3 October 2008 as Tynestream Public Limited Company with registered number 6714746. It changed its name to Tynestream PLC on 6 October 2008 and then again to Gracechurch Card Programme Funding PLC on 18 November 2008. Its registered office and principal place of business are located at 1 Churchill Place, London E14 5HP. The Issuing Entity has no subsidiaries.

The memorandum and articles of association of the Issuing Entity may be inspected at the registered office of the Issuing Entity (Telephone: +44 (0)207 116 1000).

The Issuing Entity was incorporated with an authorised share capital of £50,000 comprising 50,000 ordinary shares of £1 each. Two ordinary shares were allotted for cash, and fully paid, on incorporation. On 10 November 2008, 49,998 ordinary shares were resolved to be allotted and on 28 November 2008 were each quarter paid. 49,999 shares are held by Gracechurch Card (Holdings) Limited and one share is held by a share trustee under the terms of a share declaration of trust. It has a fiscal year end date of 31 December.

The Issuing Entity was formed principally to:

(i) issue the notes from time to time;

(ii) enter into and perform its duties under all financial arrangements in order to issue the notes in connection with the Programme;

(iii) purchase each relevant Medium Term Note Certificate; and

(iv) enter into and perform its duties under all the documents necessary to purchase each relevant Medium Term Note Certificate and issue each Note Series as specified in the Final Terms or Drawdown Prospectus, as applicable.

The assets of the Issuing Entity consist of:

(i) each relevant MTN certificate; and

(ii) if applicable, Swap Agreements that the Issuing Entity enters into from time to time to manage currency risk.

The Issuing Entity does not expect to have any other significant assets.

Directors and Secretary

The following sets out the directors of the Issuing Entity and their business addresses and principal activities. Because the Issuing Entity is organised as a special purpose vehicle and will be largely passive, it is expected that the directors of the Issuing Entity in that capacity will participate in its management to a limited extent.

Name	*Nationality*	*Business Address*	*Principal Activities*	*Age*
Melanie Campbell	British	1 Churchill Place, London E14 5HP	Financial Controller	39
Jonathan Eden Keighley	British	35 Great St. Helen's, London EC3A 6AP	Company Director	63
SFM Directors Limited		35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies	—
SFM Directors (No. 2) Limited		35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies	—

Jonathan Keighley, J-P Nowacki, Vinoy Nursiah, Claudia Wallace, Helena Whitaker, Debra Parsall and Robert Berry are the directors of SFM Directors Limited.

Jonathan Keighley, J-P Nowacki, Vinoy Nursiah, Claudia Wallace, Helena Whitaker, Debra Parsall and Robert Berry are the directors of SFM Directors (No. 2) Limited.

Fees are payable to Structured Finance Management Limited pursuant to and in accordance with the terms of the corporate services agreement referred to below. The Issuing Entity is aware that the payment of such fees and the appointments of such directors may result in potential conflicts of interests between the duties owed to it and the private interests of its board of directors.

Melanie Campbell is also a director of the Receivables Trustee and the MTN Issuing Entity and is a Financial Controller for Barclays Capital Inc.. Therefore, a conflict of interests may arise between the duties owed by Melanie Campbell to the Issuing Entity and her private interests and/or other duties, which in this case include duties owed to the Receivables Trustee and the MTN Issuing Entity in her capacity as director and to Barclays Capital Inc. in her role as Financial Controller. Melanie Campbell would be obliged to declare any interest in a proposed transaction or arrangement with the Issuing Entity that would be likely to give rise to a conflict of interest to the other directors of the Issuing Entity. Except as described in this paragraph, the directors of the Issuing Entity and SFM Directors Limited have no potential conflicts of interest between any duties to the Issuing Entity and their private interests and/or other duties.

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The secretary of the Issuing Entity is:

Name	*Business Address*
Barcosec Limited	1 Churchill Place, London E1 4 5HP

The directors of Barcosec Limited are Clare Barrett, Lynsey Burton, Patrick Gonsalves, Michelle Holt, Emma Hunt, Spenta Magol, Rosamund Rule, Marie Smith, Lisa Thomson and Olubunmi Williams. The business address of the directors of Barcosec Limited is 1 Churchill Place, London E14 5HP. Barcosec Limited will provide the Issuing Entity with general secretarial and company administration services. The fees of Barcosec Limited for providing such services will be included in the MTN Issuing Entity Costs Amounts. See "*Securitisation Cashflows: Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*".

For each Note Series, the net proceeds of the sale of the notes converted into Sterling under the relevant Swap Agreement will be used by the Issuing Entity to purchase a Medium Term Note Certificate. The Issuing Entity will be prohibited by the Note Trust Deed and the Conditions of the notes from engaging in business other than:

(i) the business described in this Base Prospectus;

(ii) preserving and exercising its rights under the notes, the Paying Agency and Agent Bank Agreement, the Note Trust Deed, the Swap Agreements, the corporate services agreement, the Programme dealer agreement and the relevant Note Series subscription agreement for the notes; and

(iii) purchasing Medium Term Note Certificates.

The Issuing Entity's ability to incur, assume or guarantee debt will also be restricted by the Note Trust Deed and the Conditions of the notes.

Barclays does not own, directly or indirectly, any of the share capital of the Issuing Entity.

Bankruptcy Matters Relating to the Issuing Entity

The Issuing Entity has been organized, and its activities are limited, to minimize the likelihood of bankruptcy proceedings being commenced against the Issuing Entity and to minimize the likelihood that there would be claims against the Issuing Entity if bankruptcy proceedings were commenced against it.

The Issuing Entity has not engaged in and will not engage in any activity other than the business and activities described or referred to in this Base Prospectus.

Indebtedness

As at the date of this Base Prospectus, the Issuing Entity has no loan capital outstanding or created but unissued, no term loans outstanding and no other borrowings or Indebtedness in the nature of borrowings guaranteed or unguaranteed, secured or unsecured nor any contingent liabilities other than the Note Series already issued under the Programme and still outstanding, as to which see "*The Notes Overview – Previous Note Series*".

There is no goodwill in the balance sheet of the Issuing Entity, nor will any goodwill need to be written off upon the issue of the notes.

Financial Position

The Issuing Entity has published audited financial statements in respect of the periods from 1 January 2011 to 31 December 2011 and from 1 January 2012 to 31 December 2012. There has been (i) no significant change in the financial or trading position of the Issuing Entity and (ii) no material adverse change in the financial position or prospects of the Issuing Entity, since 31 December 2012.

The Administrator

Structured Finance Management Limited will provide company administration services to the Issuing Entity under the relevant corporate services agreement.

Structured Finance Management Limited is a private limited company which was incorporated under the laws of England and Wales on 1 October 1999 with registered number 3853947. Its registered office is located at 35 Great St. Helen's, London EC3A 6AP.

Use of Proceeds

The proceeds of the issue of each Note Series (after taking into account the conversion into Sterling of any other currency received with respect to the issue of the notes) will be used to purchase from the MTN Issuing Entity the corresponding Medium Term Note Certificate of such value and on such terms as further specified in the relevant Final Terms or Drawdown Prospectus. The MTN Issuing Entity will use the proceeds from the sale of such Medium Term Note Certificate to purchase the Investor Certificate of the same series. Alternatively, the MTN Issuing Entity may repay principal on a Medium Term Note Certificate. Fees and commissions arising from the issue of each Note Series will be covered by the Issuing Entity. The Issuing Entity will in turn be indemnified for such amount by the Originator pursuant to the Indemnity Agreement, defined below.

Indemnity Agreement

On or prior to the Closing Date of the first Note Series to be issued by the Issuing Entity, the Issuing Entity entered into an indemnification agreement (the "**Indemnity Agreement**") made with Barclays as the provider of the indemnity. On the date of issuance of each Note Series, the Issuing Entity – as the indemnified party – may request indemnification in relation to each Note Series, under which Barclays will pay to the Issuing Entity an amount corresponding to the amount (and any such amount will be set out in the Final Terms or Drawdown Prospectus corresponding to such Note Series) expected to be expended by the Issuing Entity to meet its costs and expenses relating to issuing such Note Series.

Barclays and the Receivables Trustee have agreed, pursuant to an agreement supplementing the Receivables Securitisation Agreement dated 8 December 2008, to make the unconditional entry by Barclays into such an Indemnity Agreement a condition precedent to the Receivables Trustee being under any obligation to purchase the Receivables, or to pay any purchase price, under the Receivables Securitisation Agreement.

Series Expenses Loan Drawings

The Issuing Entity may, if specified in the relevant Final Terms or Drawdown Prospectus, enter into a revolving facility under a loan agreement (the "**Expenses Loan Agreement**") made with Barclays as

lender, this facility being an "**Expenses Loan Facility**". Under such a facility, the Issuing Entity – as borrower – may request a drawing of an advance under the Expenses Loan Facility under which Barclays, if it agrees to make such advance, would lend to the Issuing Entity in respect of such Note Series such amount (and any such amount will be set out in the relevant Final Terms or Drawdown Prospectus). Each such drawing under an Expenses Loan Facility is called a "**Series Expenses Loan Drawing**". The amount outstanding under a Series Expenses Loan Drawing would bear interest at the rate of one-month Sterling LIBOR plus a Margin that will be specified in the relevant Final Terms or Drawdown Prospectus. The payment of interest under each Expenses Loan Agreement would be paid monthly on each Distribution Date. The payment of interest and repayment of any principal then specified as being due and repayable under the Expenses Loan Agreement would be monthly on each Distribution Date. To the extent the Issuing Entity had insufficient funds left after making all payments of principal and interest on the notes, the amount of that interest or any repayment of principal then due would be deferred until the next Distribution Date. Further details regarding the Expenses Loan Agreement, if any, relating to a Note Series or Class of notes will be set out in the applicable Final Terms or Drawdown Prospectus.

THE DEPOSITOR AND MTN ISSUING ENTITY

The depositor of the Programme and the MTN Issuing Entity is Barclaycard Funding PLC and was formed under the laws of England and Wales on 13 August 1990 as Barshelfco (No. 28) Limited, with registered number 2530163, as a company with limited liability under the Companies Acts 1985 and 1989, which is the primary legislation under which the MTN Issuing Entity operates. It reregistered as a public limited company and changed its name to Barclaycard Funding PLC on 19 October 1999. Its registered office and principal place of business are located at 1 Churchill Place, London E14 5HP, United Kingdom (tel: +44 (0)207 1161000).

The MTN Issuing Entity has a fiscal year end of 31 December. The statutory financial statements for the years ended 31 December 2008, 31 December 2009, 31 December 2010, 31 December 2011 and 31 December 2012 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS**").

For IFRS purposes, the MTN Issuing Entity is deemed to control Gracechurch Card Programme Funding PLC which would be included in any consolidated financial statements prepared by the MTN Issuing Entity. The MTN Issuing Entity is exempt from having to prepare consolidated financial statements as Barclays is the controlling parent undertaking of the smallest Group that presents consolidated financial statements which are available for public use and comply with IFRS. The ultimate holding company and the parent company of the largest Group that presents Group accounts is Barclays PLC.

The MTN Issuing Entity was formed principally to:

(i) issue Medium Term Note Certificates from time to time in series;

(ii) enter into and perform its duties under the financial arrangements to issue the Medium Term Note Certificates in connection with the Programme;

(iii) purchase each relevant series of Investor Certificates from time to time representing a beneficial interest in the Receivables Trust; and

(iv) enter into the program documents and exercise its powers connected to the above.

The MTN Issuing Entity has not engaged in any activities since its incorporation other than the above.

The £12,501.50 called up share capital of the MTN Issuing Entity comprises 37,498 A ordinary £1 shares that have been authorised, issued, quarter called and paid, 2 A ordinary £1 shares that have been authorised, issued and fully paid and 12,500 B ordinary £1 shares that have been authorised, issued and quarter paid up.

Barclays holds 75 per cent. of the issued share capital of the MTN Issuing Entity, representing 51 per cent. of the issued voting share capital and a 49 per cent. entitlement to distributable profits. The remaining share capital is held by Structured Finance Management Limited.

The annual accounts of the MTN Issuing Entity for the years ending 31 December 2010, 2011 and 2012 have been audited.

Capitalisation and Indebtedness

Set out below is the capitalisation and Indebtedness statement of the MTN Issuing Entity as at 31 December 2012.

Share Capital

Total authorised and issued share capital (being 2 fully paid A ordinary shares and 37,498 quarter paid A ordinary shares and 12,500 quarter paid B ordinary shares)	£12,502
Medium Term Note Certificates	
Series 11–1 floating rate Medium Term Note Certificate due 2016	£919,581,000
Series 11-2 floating rate Medium Term Note Certificate due 2014	£376,193,000
Series 11-3 floating rate Medium Term Note Certificate due 2014	£381,280,000

Series 11-4 floating rate Medium Term Note Certificate due 2014	£1,134,119,000
Series 11-5 floating rate Medium Term Note Certificate due 2013	£753,328,000
Series 12-1 floating rate Medium Term Note Certificate due 2015	£823,591,000
Series 12-2 floating rate Medium Term Note Certificate due 2014	£352,942,000
Series 12-3 floating rate Medium Term Note Certificate due 2017	£446,366,000
Series 12-4 floating rate Medium Term Note Certificate due 2015	£548,023,000
Capitalisation and Indebtedness as at 31 December 2012	**£5,735,435,502**

There are no other outstanding loans or subscriptions, allotments or options in respect of the MTN Issuing Entity. Save as disclosed herein, as at the date of this Base Prospectus, the MTN Issuing Entity has no loan capital outstanding. There are no guarantees, other borrowings or Indebtedness in the nature of borrowings guaranteed or unguaranteed, secured or unsecured, no unsecured or guaranteed issued loan capital or contingent liabilities in respect of the MTN Issuing Entity.

The capitalisation and Indebtedness of the MTN Issuing Entity as set out above is correct as of the date of this Base Prospectus, however, the capitalisation and Indebtedness of the MTN Issuing Entity will change as new series are issued from time to time. Each Final Terms or Drawdown Prospectus will contain information regarding all series issued under the Programme then outstanding.

There is no goodwill in the balance sheet of the MTN Issuing Entity, nor will any goodwill need to be written off upon the issue of the Medium Term Note Certificate.

The MTN Issuing Entity considers related parties to be entities which the MTN Issuing Entity can significantly influence or has an ownership interest in that allows it influence to an extent that the other party might be prevented from fully pursuing its own separate interests. Examples of related parties include affiliates of the company; entities for which investments are accounted for by the equity method by the MTN Issuing Entity; trusts for the benefit of employees, principal owners of the enterprise; its management; and members of the immediate families of principal owners of the enterprise and its management.

Parties are considered to be related if one party, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an enterprise.

The related party transactions of the MTN Issuing Entity comprise the sale of the Medium Term Note Certificates; some transfers in relation to the Investor Interest; derivative transactions; bank accounts; and loan arrangements.

The MTN Issuing Entity's primary source of liquidity are payments of principal and interest on each series of Investor Certificates.

Directors and Secretary

The following sets out the directors of the MTN Issuing Entity and their business addresses and principal activities. Because the MTN Issuing Entity is organised as a special purpose company and will be largely passive, it is expected that the directors of the MTN Issuing Entity in that capacity will participate in its management to a limited extent.

Name	*Nationality*	*Business Address*	*Principal Activities*	*Age*
Melanie Campbell	British	1 Churchill Place, London E14 5HP	Financial Controller	39
SFM Directors Limited		35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies	—

Jonathan Keighley, J-P Nowacki, Vinoy Nursiah, Claudia Wallace, Helena Whitaker, Debra Parsall and Robert Berry are the directors of SFM Directors Limited.

Fees are payable to Structured Finance Management Limited, an affiliate of SFM Directors Limited, pursuant to and in accordance with the terms of a corporate services agreement. The MTN Issuing Entity is aware that the payment of such fees and the appointment of SFM Directors Limited may result in

potential conflicts of interests between the duties owed to it and the private interests of its board of directors.

Melanie Campbell is also a director of the Receivables Trustee and the Issuing Entity and is a Financial Controller for Barclays Capital Inc.. Therefore, a conflict of interests may arise between the duties owed by Melanie Campbell to the MTN Issuing Entity and her private interests and/or other duties, which in this case include duties owed to the Receivables Trustee and the Issuing Entity in her capacity as director and to Barclays Capital Inc. in her role as Financial Controller. Melanie Campbell would be obliged to declare any interest in a proposed transaction or arrangement with the MTN Issuing Entity that would be likely to give rise to a conflict of interest to the other directors of the MTN Issuing Entity. Except as described in this paragraph, the directors of the MTN Issuing Entity and SFM Directors Limited have no potential conflicts of interest between any duties to the MTN Issuing Entity and their private interests and/or other duties.

The secretary of the MTN Issuing Entity is:

Name	*Business Address*
Barcosec Limited	1 Churchill Place, London E14 5HP

The directors of Barcosec Limited are Clare Barrett, Lynsey Burton, Patrick Gonsalves, Michelle Holt, Emma Hunt, Spenta Magol, Rosamund Rule, Marie Smith, Lisa Thomson and Olubunmi Williams. The business address of the directors of Barcosec Limited is 1 Churchill Place, London E14 5HP. Barcosec Limited will provide the MTN Issuing Entity with general secretarial and company administration services. The fees of Barcosec Limited for providing such services will be included in the MTN Issuing Entity Costs Amounts. See "*Securitisation Cashflows: Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*". The directors of Barcosec Limited have no potential conflicts of interest between any duties to the MTN Issuing Entity and their private interests and/or other duties.

The initial subscription proceeds of the sale of each series' Medium Term Note Certificate will be used by the MTN Issuing Entity to acquire a certificate representing a beneficial interest in the corresponding series of the Receivables Trust – called the "**Investor Certificate**". The Deferred Subscription Price payable for the Medium Term Note Certificate will be used by the MTN Issuing Entity to pay deferred consideration to Barclaycard for the transfer of its entitlement to receive Excess Interest attributable to the relevant series.

THE RECEIVABLES TRUSTEE

The Receivables Trustee was formed under the laws of Jersey, Channel Islands on 29 September 1999. Its registered office is at 26 New Street, St Helier, Jersey JE2 3RA and you can inspect its memorandum and articles of association at the offices of Clifford Chance LLP at 10 Upper Bank Street, London E14 5JJ, United Kingdom.

All of the issued share capital of the Receivables Trustee is held by bare nominees for Bedell Trustees Limited, a company formed under the laws of Jersey, which holds on the terms of a general charitable trust.

The Receivables Trustee was formed principally to:

(i) act as a trustee of the Receivables Trust;

(ii) purchase and accept transfer of the Receivables from the Originator;

(iii) issue series of Investor Certificates from time to time on behalf of the Receivables Trust; and

(iv) enter into Transaction Documents incidental to or relating to those activities.

Directors and Secretary

Bedell Trust Company Limited, a company formed under the laws of Jersey, provides the Receivables Trustee with company secretarial, Registrar and company administration services. Its fees for providing these services are included in the fees paid to the Receivables Trustee. See the section *"The Receivables Trust: Trustee Payment Amount*". The company secretary is Bedell Secretaries Limited, a company formed under the laws of Jersey.

The following sets out the directors of the Receivables Trustee and their business addresses and principal activities. The Receivables Trustee is organised as a special purpose company and is largely passive, engaging only in the types of transactions described in this Base Prospectus. The Receivables Trustee is managed and controlled by its directors in Jersey; however it is expected that it will require only a small amount of active management.

Name	*Nationality*	*Business Address*	*Principal Activities*	*Age*
Melanie Campbell	British	1 Churchill Place, London E14 5HP	Financial Controller	39
Shane Michael Hollywood	British	26 New Street, St. Helier, Jersey JE2 3RA	Advocate of the Royal Court of Jersey	45
Alasdair James Hunter	British	26 New Street, St. Helier, Jersey JE2 3RA	Advocate of the Royal Court of Jersey	41

Shane Michael Hollywood is also a director of Bedell Trustees Limited, Bedell Secretaries Limited and Bedell Trust Company Limited and a partner in the Bedell Group Partnership (which ultimately owns the aforesaid companies).

Alasdair James Hunter is also a director of Bedell Trustees Limited, Bedell Secretaries Limited and a partner of Bedell Cristin and the Bedell Group Partnership (which ultimately owns the aforesaid companies). Melanie Campbell is also a director of the MTN Issuing Entity and the Issuing Entity. The Receivables Trustee is aware that the appointment of Melanie Campbell may result in potential conflicts of interests between the duties owed to it and the private interests of its board of directors.

The directors of the Receivables Trustee do not have a specific term of office but each may be removed by a resolution passed at a shareholders' meeting.

Barclays does not own, directly or indirectly, any of the share capital of the Receivables Trustee.

Fees are payable to Bedell Trust Company Limited pursuant to and in accordance with the terms of the Receivables Trustee corporate services agreement and to Bedell Cristin from time to time as Jersey legal adviser. The Receivables Trustee is aware that the payment of such fees and the appointments of Shane Michael Hollywood, Alasdair James Hunter and Melanie Campbell as directors as disclosed above may result in potential conflicts of interest between the duties owed to it and their private interests.

Management and Activities

The Receivables Trustee has been established specifically to act as trustee of the Receivables Trust. Its activities are restricted by the Declaration of Trust and Trust Cash Management Agreement and the related supplements.

Since it was formed, the Receivables Trustee has:

(i) engaged in activities incidental to the declaration of the Receivables Trust;

(ii) obtained the necessary consumer credit licence and data protection registrations in the United Kingdom and/or Jersey;

(iii) authorised and executed the documents that it is a party to in order to establish the Receivables Trust;

(iv) purchased and accepted transfers of the Receivables from the Originator;

(v) issued certificates to beneficiaries in respect of their interests in the Receivables Trust;

(vi) established and maintained a Register of the entitlements of beneficiaries under the Receivables Trust;

(vii) engaged in activities incidental to the transfer to it of Receivables under the Designated Accounts; and

(viii) authorised and executed the other documents to which it is party.

The Receivables Trustee has not engaged in any activities since its incorporation other than the above and matters incidental to the above.

The Receivables Trustee has made a number of covenants in the Declaration of Trust and Trust Cash Management Agreement, including that it will not without the prior written consent of each of the beneficiaries of the Receivables Trust:

(i) carry on any business other than as trustee of the Receivables Trust and will not engage in any activity or do anything at all except:

  (1) hold and exercise its rights in the trust property of the Receivables Trust and perform its obligations in respect of the Receivables Trust's property;

  (2) preserve, exercise and enforce any of its rights and perform and observe its obligations under the Declaration of Trust and Trust Cash Management Agreement, the Receivables Securitisation Agreement, the master definitions schedule, each supplement and each other related document, including any documents secured directly or indirectly by a series of Investor Certificates issued under the Receivables Trust, any mandate and other agreement about a Trust Account or a bank account in which the Receivables Trustee has a beneficial interest, the trust section 75 indemnity, and any other document contemplated by and executed in connection with any of the preceding documents. We refer to these documents collectively as "**Relevant Documents**";

  (3) pay dividends or make other distributions to the extent required by applicable law;

  (4) use, invest or dispose of any of its property or assets in the manner provided in or contemplated by the Relevant Documents; and

(5) perform any and all acts incidental to or otherwise necessary in connection with (1), (2), (3) or (4) above;

(ii) incur any debt other than debt that is described by this Base Prospectus or a supplement or contemplated by the Relevant Documents;

(iii) give any guarantee or indemnity in respect of any debt;

(iv) create any mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or other type of preferential arrangement having similar effect, over any of its assets, or use, invest, sell or otherwise dispose of any part of its assets, including any uncalled capital, or undertaking, present or future, other than as expressly contemplated by the Relevant Documents;

(v) consolidate or merge with any other person or convey or transfer its properties or assets to any person;

(vi) permit the validity or effectiveness of the Receivables Trust to be supplemented, amended, varied, terminated, postponed or discharged – other than as expressly contemplated in the Declaration of Trust and Trust Cash Management Agreement or in any supplement; or

(vii) have an interest in any bank account other than a trust account and its own bank account opened for the purpose of receiving and making payments to be made otherwise than in its capacity as Receivables Trustee – including paying the Servicing Fee to the Servicer or Cash Management Fee to the Trust Cash Manager and the fee due and paid quarterly to Bedell Trust Company Limited for the provision of corporate services to the Receivables Trustee.

THE NOTE TRUSTEE AND SECURITY TRUSTEE

The Bank of New York Mellon acts as initial Note Trustee and initial Security Trustee under the Programme. The initial Note Trustee will act as trustee for the Noteholders of each Note Series under the Note Trust Deed (and each relevant Note Trust Deed Supplement), as described below under "*The Notes*". The initial Note Trustee will also hold the Security for the notes of each Note Series under the terms of the Note Trust Deed (and the relevant Note Trust Deed Supplement), as described below under "*Terms and Conditions of the Notes*"). The Security Trustee will act as trustee for the Holder of the Medium Term Note Certificates under the Security Trust Deed and MTN Cash Management Agreement.

The Bank of New York Mellon, a wholly owned Subsidiary of The Bank of New York Mellon Corporation, is incorporated under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, offering superior investment management and investment services through a worldwide client-focused team. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on www.bnymellon.com. Such additional information is not to be considered as incorporated by reference into this base prospectus.

For a description of The Bank of New York Mellon's duties and responsibilities under the governing documents and applicable law, its functions, limitations of its liability, indemnification and contractual provisions regarding its replacement as Note Trustee, please see the section "*The Note Trust Deed*" below.

BARCLAYS

Barclays acting through its business division, Barclaycard, will perform the following roles in connection with the issuance of the notes:

(i) initial Originator;

(ii) Servicer;

(iii) Sponsor;

(iv) cash manager for the Receivables Trust and the Medium Term Note Certificates;

(v) Originator Beneficiary and Excess Interest Beneficiary;

(vi) lender under Expenses Loan Agreement, if any; and

(vii) indemnity provider under the Indemnity Agreement.

Barclays, acting through its investment bank, and/or Barclays Capital Inc., the United States affiliate of Barclays investment bank, will act as Series Dealer in connection with the issuance of the notes and as Market Repricing Agent with respect to any Repricing Notes.

If applicable, Barclays will act as Swap Counterparty, unless otherwise specified in the relevant Drawdown Prospectus.

Barclays has sponsored programmes in the United Kingdom of securitisation of consumer credit Receivables since 1999 through the establishment of the Programme. Through these vehicles, Barclays has, as at the date of this Base Prospectus, sponsored the issuance of approximately £17.7bn of credit-card receivable-backed securities over twenty-four separate transactions.

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, United Kingdom (telephone number +44 (0)20 7116 1000). 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 was re-registered as a public limited company and its name was changed from "Barclays Bank 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 whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays Bank PLC are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated A by Standard & Poor's Credit Market Services Europe Limited, A2 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2012, the Group had total assets of £1,490,747 million (2011: £1,563,402 million), total net loans and advances[1] of £466,627 million (2011: £478,726 million), total deposits[2] of £462,806 million (2011: £457,161 million), and total shareholders' equity of £62,894 million (2011: £65,170 million) (including non-controlling interests of £2,856 million (2011: £3,092 million)). The profit before tax from continuing operations of the Group for

[1] Total net loans and advances include balances relating to both bank and customer accounts.

[2] Total deposits include deposits from bank and customer accounts.

the year ended 31 December 2012 was £99 million (2011: £5,974 million) after credit impairment charges and other provisions of £3,596 million (2011: £3,802 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays Bank PLC for the year ended 31 December 2012.

Based on the Group's unaudited financial information for the six months ended 30 June 2013, the Group had total assets of £1,533,378 million, total net loans and advances[3] of £516,949 million, total deposits[4] of £538,624 million, and total shareholders' equity of £59,394 million (including non-controlling interests of £2,620 million). The profit before tax from continuing operations of the Group for the six months ended 30 June 2013 was £1,648 million after credit impairment charges and other provisions of £1,631 million. The financial information in this paragraph is extracted from the unaudited Interim Results Announcement of Barclays Bank PLC for the six months ended 30 June 2013.

[3] Total net loans and advances include balances relating to both bank and customer accounts.

[4] Total deposits include deposits from bank and customer accounts.

AFFILIATIONS AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Barclays, acting through its business division, Barclaycard, will serve as the Sponsor, Servicer, Originator of the Receivables, cash manager, Originator Beneficiary, Excess Interest Beneficiary and lender under the Expenses Loan Agreement, if any. Barclays, acting through its investment banking division and/or Barclays Capital Inc., the United States affiliate of Barclays investment banking division, will serve as Series Dealer, Market Repricing Agent (if specified in the relevant Final Terms or Drawdown Prospectus) and (if specified in the relevant Final Terms or Drawdown Prospectus) the Swap Counterparty in respect of Classes or Sub-Classes of notes identified in the relevant Final Terms or Drawdown Prospectus as having the benefit of a Swap Agreement. Additionally, Barclays is the parent of the MTN Issuing Entity.

CREDIT CARD USAGE IN THE UNITED KINGDOM

The United Kingdom credit card market is the most mature market in terms of card penetration. The total population of the United Kingdom in mid-2010 was estimated to be 62.3[5] million, with the adult population (aged 16+) accounting for 81[6] per cent. of this. It is estimated that approximately half of the adult population holds at least one credit card.

The number of cards issued in the United Kingdom has risen from 27.5[7] million in December 1995 to 57.9[8] million in August 2013.

Credit and charge card purchases in the United Kingdom totalled £137.7[9] billion in the twelve months to August 2013.

UK credit card outstanding balances have almost doubled since 2000. The amount of credit card balances outstanding was £56.7[10] billion in August 2013.

[5]Source: UK National Statistics

[6]Source: UK National Statistics

[7]Source: British Bankers' Association

[8]Source: British Bankers' Association

[9]Source: British Bankers' Association

[10]Source: British Bankers' Association

BARCLAYCARD AND THE BARCLAYCARD CARD PORTFOLIO

General

Barclaycard is a business division of Barclays and is a multi-brand credit card and consumer lending business which also processes card payments for retailers and merchants and issues credit and charge cards to corporate customers and the UK Government. It is one of Europe's leading credit card businesses and has an increasing presence in the United States. In the UK, Barclaycard comprises Barclaycard UK Cards, Barclaycard Partnerships, Barclays Partner Finance, Global Payment Acceptance, Global Commercial Payments and UK Secured Lending (formerly known as FirstPlus, which is now closed to new business).

Outside the UK, Barclaycard provides credit cards in the United States, Germany, South Africa (through management of the Absa credit card portfolio encompassing Woolworths Financial Services and the recently acquired Edcon cards portfolio), Southern Europe (Italy, Portugal and Spain), Western Europe and in the Nordic region, where Barclaycard operates through Entercard, a joint venture with Swedbank.

Barclaycard works closely with other parts of the Group, including Retail & Business Banking and Barclays Corporate. For European Retail & Business Banking, Barclaycard has responsibility for the credit card strategy; allowing the Group to leverage the expertise in this area.

The Receivables being securitised come from transactions made by MasterCard® and VISA® card accountholders.

A cardholder may use his or her card for purchases, cash advances and balance transfers (including Transfer to Bank). A purchase is when cardholders use their cards to acquire goods or services. A cash advance is when cardholders use their cards to get cash from a financial institution or automated teller machine. It also includes certain specified transactions such as betting or wire orders. A balance transfer is when cardholders transfer the balance from a credit card held with another credit card company to their credit card held with Barclaycard. "**Transfer to Bank**" is a restricted offer allowing selected cardholders to deposit cash into their bank account from a credit card.

See "*Servicing of Receivables and Trust Cash Management*" for a description of how Barclaycard services Receivables included in the securitisation. Barclaycard undertakes all the processing and administering of accounts making use of external suppliers as appropriate.

Barclaycard uses a brand led, value driven marketing strategy to focus new origination campaigns. This process is assisted by the use of financial forecasting models for each method it uses to solicit cardholders. Barclaycard recruits a significant proportion of its customers via the internet. Barclaycard also recruits customers through the Barclays branch network, targeted mailings and other media interfaces.

Credit application details are screened by a combination of system based checking, external credit bureau data and manual verification, where appropriate.

Barclaycard uses a range of application scorecards to assess the credit quality of new account applications. Scorecards are derived using a combination of factors including Barclays account history (if appropriate), annual income, time at and place of residence, current employment and credit bureau data. A proprietary cash flow model is used to help determine the acceptance score levels for each scorecard.

The initial limit of an account is determined using credit score and other applicant characteristics including income matrices. Limits are increased in a controlled and regular manner using behaviour score and credit bureau data. Behaviour scoring was introduced in 1989 and is one of the key tools used by Barclaycard in risk management and underpins all risk decisions applied to accounts once they have been opened.

Credit limits are adjusted based upon Barclaycard's continuing evaluation of an account Holder's credit behaviour and suitability using a range of statistical models.

As part of the asset origination procedure, the processing and "know-your-customer" validation of each credit card application is performed by RR Donnelley Global Document Solutions Ltd ("**RRD**") based in

Huntingdon, England, a wholly owned Subsidiary of RR Donnelley and Sons Company, unaffiliated with the Barclays Group.

Reference data for the credit scoring process is also provided by Experian Ltd, a wholly owned Subsidiary of Experian Group Ltd located in operational headquarters in Nottingham, England, and Equifax Plc a company unaffiliated with the Barclays Group based in London, England.

Barclays believes that should RRD, Experian or Equifax cease to provide any of the above services to its card business, it will be able to contract for comparable services from other qualified entities.

Each cardholder has a card agreement with Barclaycard governing the terms and conditions of their MasterCard or VISA account. Under each card agreement, Barclaycard is able, if it gives advance notice to the cardholder, to add or change any terms, conditions, services or features of the MasterCard or VISA accounts at any time. This includes increasing or decreasing Periodic Finance Charges, or minimum payment terms. Each card agreement enables Barclaycard to apply charges to current outstanding balances as well as to future transactions.

Barclaycard regularly reviews its credit and charge card agreement forms to determine their compliance with applicable law and regulatory codes and guidance, as well as the suitability of their Terms and Conditions. If they need to be updated or amended, this will be done on a timetable consistent with the issues identified.

Description of Processing

Barclaycard settlement systems have links to VISA® and MasterCard® to enable cardholder transactions to be transferred. Barclaycard also acquires transactions from merchants. Transactions acquired in this way relating to Barclaycard cardholders are passed to the card account processing systems directly rather than via VISA® or MasterCard®.

Billing and Payment

Barclaycard generates and mails monthly statements to cardholders (except where the cardholder has opted to receive online statements only) which give details of the transactions for their account, making use of one external outsource partner in particular. It also started providing cardholders with an annual summary of their transactions, the annual credit card statement, from May 2012.

RRD carry out the printing of statements and also perform cardholder postal payment processing.

Data files for monthly statement production are produced by the Triumph cards system, and transmitted to RRD who carry out the printing of statements. Printed statements are then returned inserted into envelopes along with marketing and customer service material that may be of interest to cardholders. Cardholders have the option to view their statement online, receiving an SMS text message advising them when it is ready to view or via an email in a secured PDF file. Cardholders may choose to receive no printed statements and view their statement solely online or via email.

Cardholders generally receive up to 56 days interest free on purchases before they are required to make a payment.

For the majority of the accounts in the Securitised Portfolio, cardholders must make a monthly minimum payment which is at least equal to the greater of:

(i) 2.25 per cent to 3 per cent the amount owed on the monthly statement (dependent on product);

(ii) the stated minimum payment, which is currently £5, or the entire amount owed if less than £5; or

(iii) any interest, account fees and default charges that have been added to a customer's account since the previous statement plus 1% of the remaining balance.

Notwithstanding the above, in the case of the Premier Card, Barclaycard's charge card product, cardholders must pay the statement balance in full, which is collected via direct debit 14 days after the date of the statement.

There are also certain products which have contractual requirements which differ to those detailed above but the related balances are immaterial in terms of the overall securitised pool.

Barclaycard charges late and over-limit fees of £12 as well as charges for returned cheques and returned direct debits of £12. Charges may also be made, to a lesser extent, for copy statements and copy vouchers. Whilst Barclaycard does not charge an annual fee on most products, annual fees can be up to £275 on those products on which an annual fee is charged. On most of its products, Barclaycard also assesses a cash advance fee on pound sterling cash advances which is currently 2.99 per cent. (minimum £2.99). Purchases and cash advances which are not in sterling are subject to a 2.99 per cent non-sterling transaction fee, with no minimum fee, but no additional cash advance fee will be charged.

The finance charges on purchases and non-sterling cash balances are assessed monthly and are currently calculated by multiplying the account's average daily purchase balance over the billing period by the applicable monthly rate and adjusted for the actual number of days in the relevant billing period. Finance charges are calculated on the posting Date. Monthly Periodic Finance Charges are not assessed on purchases and non-sterling cash advances if all balances shown in the billing statement are paid by the date they are due (which is usually 25 days after the billing date) both in the month that the purchase appears on the statement and in the previous statement month.

The finance charges on sterling cash advances assessed monthly are currently calculated by multiplying the account's average daily balance of cash advances over the billing period by the applicable monthly rate and adjusted for the actual number of days in the relevant billing period. Finance charges are calculated on cash advances from the date of the transaction.

The interest rates on Barclaycard's credit card accounts may be changed by Barclaycard and most are not directly linked to any index. This is industry practice in the United Kingdom. At the moment, the standard annual percentage rate of charge for purchases on accounts ranges from 6.8 per cent. to 34.9 per cent. (excluding introductory offers). Barclaycard may sometimes offer temporary promotional rates.

Barclaycard also offers activation programs and other incentives.

As well as the risk profile of a customer, pricing decisions are based upon:

(i) actual and anticipated movements in underlying interest rates;

(ii) marketing strategies and recruitment campaigns;

(iii) regulatory requirements; and

(iv) competitive environment.

English law does not prescribe a maximum rate that may be charged as interest for a debt.

However, the obligation to make interest payments may not be enforceable or could be reduced to the extent that a court considers the Rate of Interest charged renders the relationship between Barclaycard and the borrower unfair under the Consumer Credit Act 1974 (CCA 1974). In contrast to the previous extortionate credit bargain provisions, the unfair relationships test under section 140A CCA 1974 does not expressly refer to interest rates. Nevertheless, section 140A(2) requires the court to have regard to all relevant matters including any of the terms of the agreement or of any related agreement. What constitutes an unfair relationship in this context has not yet been determined by the courts. Nevertheless, Barclaycard believes that the interest rates charged on its cards do not contravene any laws relating to unfair relationships.

The future regulator of consumer credit, the Financial Conduct Authority, also possesses a power to cap interest rates on credit products. The Financial Conduct Authority does not take responsibility for consumer credit until April 2014 and it is not known how it intends to use this power.

Delinquency and Loss Experience

An account is contractually delinquent if the minimum payment is not received by the due date indicated on the customer's statement. Once an account is recognised as delinquent, the account is electronically flagged as delinquent. The basis upon which the account is transferred to a collections team within

Barclaycard may include the product type, the age of the account, the amount outstanding, the past performance and behaviour score, and any information that is available from external credit bureaus or Barclays Bank. The collections team utilise a strategic decision making process to determine the timing and type of contact that will be made to the customer in respect of the delinquency.

Efforts to deal with delinquent Receivables occur at each stage of delinquency. Activities include statement messages, telephone calls, formal letters, SMS Text Messages and residential visits. Accounts are automatically charged off at 180 days of delinquency unless there is specialist activity in place. An account may be charged off before it is 180 days delinquent; for example, insolvent accounts are charged off on notification and accounts of deceased customers are charged off 90 days after notification. In addition, there are instances where accounts are not charged-off after 180 days of delinquency because of the presence of "specialist activities". Specialist activities include insurance claims, authorised user disputes, voucher disputes and complaints. However, this is rare and charge-off would not exceed 210 days delinquent under these circumstances.

Barclaycard may reduce the minimum repayment terms for a cardholder who is experiencing temporary financial difficulties and place the account on a repayment plan if it is believed that this would improve the likelihood of returning the account to performing status. This is normally done by means of a temporary concession rather than a change to the Terms and Conditions.

Three types of forbearance programmes are available in the case of revolving products:

(i) Short Term Plan: An agreement to accept less than the contractual minimum due for a defined period of no more than 12 months. The agreed monthly payment must be at least 50bps of the original balance. Proposals below this threshold may be accepted but must be charged off in line with standard policy;

(ii) Longer Term Plan: An agreement to accept less than the contractual minimum due for a period of up to 60 months. The agreed monthly payment must be at least 100bps of the original balance; and

(iii) Restructure: Full amortisation over a period of up to 60 months, followed by account closure.

The forbearance and loss recognition policy is subject to regular review by senior credit risk management and may be subject to change in the future.

As part of any recovery activity, accounts may be passed to external debt collection agencies to seek recovery. In addition, once charged-off, a portion of the Receivables are typically sold to debt collection agencies to maximize recoveries.

Forbearance programmes may have the effect of delaying charge offs. If charge offs are delayed, certain events related to the performance of the Receivables, such as Pay Out Events, may be delayed.

Once charged-off, a portion of the Receivables are typically sold to debt collection agencies to maximise recoveries. Post charge-off account rehabilitation may occur where improved credit circumstances and significant recovery occurs. However, charging privileges can only be re-instated once the cardholder has been accepted for a new account.

Each Final Terms or Drawdown Prospectus will contain tables which set forth the delinquency and loss experience of Barclaycard's Securitised Portfolio of VISA® and MasterCard® credit and charge card accounts denominated in Pounds Sterling – called the "**Securitised Portfolio**" – including the historic contractual delinquencies of accounts in the Securitised Portfolio, broken down according to the number of days by which payments are overdue, as well as loss experience and provisions for bad and doubtful debt. Equivalent tables as at 30 September 2013 are set out at Appendix B to this Base Prospectus. Please note, however, that the information provided in Appendix B is historical and will not be updated and that the statistical information as of 30 September 2013 may be different as of any other time. The Securitised Portfolio includes platinum, gold and Classic VISA and MasterCard credit cards and the Premier VISA charge card. Certain accounts in the portfolio of Egg credit accounts purchased from Citigroup by Barclays were designated as Additional Accounts in accordance with the procedure set out in the Receivables Securitisation Agreement (see "*The Receivables – Assignment of Receivables to the Receivables Trustee*") on 30 September 2013. Barclays will also assign newly originated accounts on the relevant product codes to the Receivables Trustee pursuant to the Future Receivables Transfer. The

Securitised Portfolio does not currently include American Express credit card accounts, however it is envisaged that these accounts will be included in the Securitised Portfolio during the course of 2014. The Securitised Portfolio currently does not include the portfolio of store card accounts purchased from Clydesdale Financial Services in May 2003 or the portfolio of small business credit card accounts purchased from MBNA Europe Bank in April 2011, though Barclays may seek to add certain of these acquired Receivables to the Securitised Portfolio, following consultation with relevant stakeholders such as the Rating Agencies at a future point in time.

The delinquency statistics are obtained from billing cycle information as opposed to month end positions.

THE RECEIVABLES

Assignment of Receivables to the Receivables Trustee

Under the terms of a Receivables Securitisation Agreement dated 23 November 1999 and amended and restated on 7 July 2000 – which we will call the "**Receivables Securitisation Agreement**" – Barclaycard as the initial Originator offered on 23 November 1999 – called the "**Initial Relevant Closing Date**" – to the Receivables Trustee an assignment of all Receivables that had arisen or would arise in accounts originated under the designated product lines, where such accounts were in existence on or before 31 October 1999 –called the "**Pool Selection Date**". Under a series of subsequent assignments, Receivables arising on further accounts on designated product lines were assigned to the Receivables Trustee. Under the terms of a deed of assignment of Receivables dated 7 July 2000 called the "**Future Receivables Transfer**", Barclaycard as initial Originator assigned to the Receivables Trustee all Receivables that would arise on all accounts opened on or after 1 August 2000 on certain product lines identified (or to be identified) in the manner described below.

An account of the initial Originator will be designated as a "**Designated Account**" if the account has been originated under and continues to conform to the credit card and charge card products described in this Base Prospectus, comes within a product line named in an accepted offer or transfer and has not been identified on the initial Originator's system as being excluded from such accepted offer or transfer. Only credit and charge card products available to the Originator's individual account Holders may be designated.

Under the terms of the Future Receivables Transfer, whenever Barclaycard creates a new product line, Barclaycard will be able, if it so chooses, to allocate to that product line one of the codes referred to in the Future Receivables Transfer, being a code which has not previously been allocated to any product line. By allocating, or not allocating, one of those codes to the new product line, Barclaycard will be able to choose whether or not to nominate the Receivables on that product line as being included in the sale to the Receivables Trustee. If Barclaycard chooses to make a nomination, it will be able to do so by allocating one of the relevant product line codes to the product line in question. Once one of the relevant product line codes has been attached to a particular product line, all Receivables arising thereafter on all accounts opened thereafter on that product line will be included in the sale to the Receivables Trustee subject to and in accordance with the terms of the Receivables Securitisation Agreement. Further, where Barclaycard acquires new portfolios of credit card accounts, it can elect to transfer those portfolios onto one of the product codes referred to in the Future Receivables Transfer, and if those accounts are eligible, to designate those accounts and to include the Receivables arising on those accounts in the sale to the Receivables Trustee.

If for any reason there are Receivables from Designated Accounts that cannot be assigned to the Receivables Trustee, the Originator will hold those Receivables, and any Collections on those Receivables, on trust for the Receivables Trustee. These Collections will be treated as if the Receivables had been properly assigned.

Under the terms of the Receivables Securitisation Agreement, the Originator also has the right to select accounts that conform to the conditions in the first paragraph of this section above and that are not Designated Accounts and nominate them to be Designated Accounts by offering the Receivables Trustee an assignment of all future and existing Receivables in these accounts. These accounts are called "**Additional Accounts**". An Additional Account will be treated as a Designated Account from the date on which its Receivables are offered to the Receivables Trustee, assuming that such offer is accepted. This date is called the "**Addition Date**". When Additional Accounts are nominated the Originator must, amongst other things:

(i) provide the Receivables Trustee with a certificate stating that it is solvent;

(ii) confirm, in the document that offers to assign the Receivables in the Additional Accounts to the Receivables Trustee, that:

(1) the offer of the Receivables in the Additional Accounts meets the Maximum Addition Amount criteria; or

(2) if the offer does not meet the Maximum Addition Amount criteria, the rating agencies have confirmed that the designation of Additional Accounts will not result in a reduction or withdrawal of the current rating of any outstanding debt that is secured directly or indirectly by the Receivables in the Receivables Trust, including your notes;

(iii) obtain a legal opinion addressed to the Receivables Trustee about any Receivables from a jurisdiction outside of the United Kingdom; and

(iv) in relation to a nomination made in accordance with the terms of the Future Receivables Transfer, obtain a legal opinion addressed to the Receivables Trustee in respect of the Future Receivables Transfer in a form satisfactory to the Receivables Trustee.

Any of these preconditions may be waived by the Receivables Trustee if the rating agencies confirm in writing that the waiver will not result in the reduction or withdrawal of their rating on any Related Beneficiary Debt (for further information on Rating Confirmations please see "*Risk Factors - Ratings confirmation in relation to the notes in respect of certain actions*" above). At the time that it is nominated, each Additional Account must also meet the eligibility criteria as at the time of its designation. These criteria are explained in "*Representations*" below. Additional Accounts may have been originated or purchased using underwriting standards that are different from the underwriting standards used by Barclaycard in selecting the original Designated Accounts. As a result, Additional Accounts that are selected in future may not have the same credit quality. The Originator may choose to add an entire portfolio of accounts from those portfolios which it owns but which currently do not form part of the Securitised Portfolio (see "*Barclaycard and the Barclaycard Card Portfolio*" above) and currently plans to include the portfolio of credit card accounts purchased from Discover Financial Service's UK operations in April 2008 in the Securitised Portfolio during 2013. In the event that such an addition would be in excess of the Maximum Addition Amount, rating agency confirmation would be sought in accordance with paragraph (ii)(2) above.

"**Maximum Addition Amount**" means, for any Addition Date, the number of Additional Accounts originated by the Originator after the Pool Selection Date and nominated as Additional Accounts without prior rating agency confirmation that would either:

(i) for any three consecutive monthly periods starting with the monthly period beginning on the first day of the month before the Pool Selection Date, exceed 15 per cent. of the number of Designated Accounts at the end of the ninth monthly period before the start of such three monthly periods; or

(ii) for any twelve-month period, be equal to 20 per cent. of the Designated Accounts as of the first day of the twelve month period, or if later, as of the Pool Selection Date.

Notwithstanding what we just said, if the total principal balance of Receivables in the Additional Accounts described in either of the two prior bullet points is more than either:

(1) 15 per cent. of the total amount of Eligible Principal Receivables determined as of the later of the Pool Selection Date and the first day of the third preceding monthly period, minus the amount of Eligible Principal Receivables in each Additional Account that was nominated since the later of the Initial Relevant Closing Date and the first day of the third preceding monthly period – calculated for each Additional Account on its Addition Date; or

(2) 20 per cent. of the total amount of Eligible Principal Receivables as of the later of the Initial Relevant Closing Date and the first day of the calendar year in which the Addition Date occurs, minus the total amount of Eligible Principal Receivables in each Additional Account that was nominated since the later of the Initial Relevant Closing Date and the first day of the calendar year, calculated for each Additional Account as of its Addition Date,

then the Maximum Addition Amount will be the lesser of (1) and (2) above.

Every offer of Receivables to the Receivables Trustee under the Receivables Securitisation Agreement will comprise offers of the following:

(i) all existing Receivables in the Designated Accounts;

(ii) all future Principal Receivables under the Designated Accounts, until the first to occur of (1) the time a Designated Account becomes a Redesignated Account, or (2) the Receivables Trust is terminated;

(iii) all future Finance Charge Receivables under those Designated Accounts that have accrued on Receivables that have been assigned to the Receivables Trustee as described in the two prior bullet points;

(iv) if capable of being assigned the benefit of any guarantee or insurance policy obtained by the Originator for any obligations owed by a cardholder on a Designated Account; and

(v) the benefit of all amounts representing Acquired Interchange for the relevant monthly period.

Where Barclaycard acquires portfolios of significant amounts of Receivables (please see "*Barclaycard and the Barclaycard Portfolio*" for more information), it may seek to add such portfolios to the trust where the principal amount of such Receivables is greater than the Maximum Addition Amounts with prior rating agency confirmation.

The Originator will ensure that each Redesignated Account is identified on the Originator's computer system on the date that a Designated Account becomes a Redesignated Account.

Throughout the term of the Receivables Trust, the Designated Accounts from which the Receivables will arise will be the Designated Accounts *plus* any Additional Accounts designated by the Originator from time to time, *minus* any Redesignated Accounts.

Existing Receivables and future Receivables arising under the Designated Accounts are either Principal Receivables or Finance Charge Receivables. "**Principal Receivables**" are Receivables that are not Finance Charge Receivables. Principal Receivables are amounts owing by cardholders for the purchase of merchandise or services and from cash advances, including foreign exchange commissions charged for merchandise and services payable, or cash advances denominated in, a currency other than Sterling. They are reduced by any credit balance on the Designated Account on that day. Collections in respect of Principal Receivables which are Eligible Receivables are "**Principal Collections**".

"**Finance Charge Receivables**" (together with Principal Receivables, the "**Receivables**") are amounts owing from cardholders for transaction fees, Periodic Finance Charges, special fees and annual fees – see "*Special Fees and Annual Fees*" below – and any Interchange and Discount Option Receivables and collections and other monies in respect of Finance Charge Receivables are "**Finance Charge Collections**"(and together with Principal Collections, the "**Collections**").

Under the Receivables Securitisation Agreement, each offer of Receivables made by the Originator may be accepted by paying the purchase price for the offered Receivables. If the Receivables Trustee chooses to accept the offer, payment for existing Receivables has to be made no later than the Business Day following the date on which the offer is made. Alternatively, the parties can agree to a longer period if the rating agencies consent. Payment is made monthly for the assignment of the benefit of Acquired Interchange to the Receivables Trustee.

A "**Business Day**" means a day (i) other than a Saturday or a Sunday or a day on which banking institutions in London, Jersey and New York are authorised or obliged by law to be closed and (ii) on which TARGET 2 is open.

It was agreed between the Originator and the Receivables Trustee that, for the purposes of the offer made on the Initial Relevant Closing Date:

(1) the Receivables Trustee was entitled to use the Collections in the Designated Accounts before the date that the offer was accepted as if the offer had been accepted on the Initial Relevant Closing Date;

(2) the amount paid on the Initial Relevant Closing Date for the Designated Accounts equalled the outstanding face amount of all existing Principal Receivables, together with an obligation of the Receivables Trustee to pay for all future Receivables generated on the Designated Accounts that were part of the offer on an ongoing, daily basis when those future Receivables are generated.

The payments in (2) are net of any payments made in (1), subject to a minimum of £1.

The amount payable by the Receivables Trustee to the Originator if it chooses to accept an offer or to make payment for any future Receivables will be reduced by the amount of any shortfall in the amount funded by the Originator as a beneficiary, **providing that** the Originator Interest is increased accordingly.

Redesignation and Removal of Accounts

Each Designated Account will continue to be a Designated Account until such time as the Originator reclassifies it as being no longer a Designated Account-called a "**Redesignated Account**".

A Designated Account becomes a Redesignated Account on the date specified by the Originator. No Designated Account will become a Redesignated Account this way unless (1) it has become a Cancelled Account, a Defaulted Account or a Zero Balance Account or (2) the Originator delivers an officer's certificate confirming the following conditions are satisfied:

(i) the redesignation will not cause a Pay Out Event to occur;

(ii) the Originator has represented that its selection procedures for the selection of Designated Accounts for redesignation are not believed to have any material adverse effect on any investor beneficiary;

(iii) the rating agencies have confirmed that the action will not result in a downgrade in rating of any outstanding debt that is secured directly or indirectly by the Receivables in the Receivables Trust; and

(iv) the Originator and the Servicer can certify that Collections equal to the outstanding face amount of each Principal Receivable and the outstanding balance of each Finance Charge Receivable have been received by the Receivables Trustee on all Receivables assigned for that account other than any Receivables charged off as uncollectible.

A "**Cancelled Account**" is a Designated Account that has had its charging privileges permanently withdrawn. A "**Defaulted Account**" is a Designated Account where the Receivables have been charged off by the Servicer as uncollectible in line with the Credit and Charge Card Guidelines or the usual servicing procedures of the Servicer for similar credit and charge card accounts. A "**Zero Balance Account**" is a Designated Account that has had a nil balance of Receivables for a considerable period of time and has been identified by the Servicer as a Zero Balance Account under the Credit and Charge Card Guidelines or the usual servicing procedures of the Servicer.

Redesignated Accounts include all accounts that become Cancelled Accounts, Defaulted Accounts and Zero Balance Accounts from the date on which they are redesignated in any of these ways. The Principal Receivables that exist before the date of redesignation will be paid for by the Receivables Trustee. Any future Receivables that come into existence after that time will not be assigned to the Receivables Trustee as set out in the Receivables Securitisation Agreement. No existing receivable that has been assigned to the Receivables Trustee will be reassigned or released to the Originator except in the limited circumstances described under the heading "- *Representations*".

Until money has been received for the assigned Receivables that have not been charged off, a Redesignated Account will not be identified as having been removed. The amount identified will be equal to the outstanding face amount of each Principal Receivable and Finance Charge Receivable. Once these payments have been received or any reassignment or release has occurred, the account will be identified to indicate that it has become a Redesignated Account.

On 2 November 2010, the Receivables Trustee and the beneficiaries entered into, amongst other documents, a sale and call option agreement with the Originator, whereby the Originator offered to purchase for cash certain Debt Management Receivables, the purchase price being the aggregate principal

balance of such Debt Management Receivables, and to re-designate the Debt Management Accounts (each as defined below). The first such sale and re-designation was completed on 3 November 2010.

"**Debt Management Receivables**" means the present and future Receivables arising on certain Designated Accounts of obligors who have been placed on repayment plans. For further information on repayment plans, please see "*Barclaycard and the Barclaycard Card Portfolio - Delinquency and Loss Experience*".

"**Debt Management Accounts**" means the accounts to which the Debt Management Receivables relate."

Discount Option Receivables

The Originator may, by giving at least thirty days' prior notice to the Servicer, the Receivables Trustee and the rating agencies, nominate a fixed or variable percentage – called the "**Discount Percentage**" – of Principal Receivables in the Designated Accounts. If a Discount Percentage has been nominated previously, an extension to the period for which it applies can be applied for in the same way. From the date and for the length of time stated in the notice:

(i) the amount payable by the Receivables Trustee to accept an offer of Receivables will be reduced by a percentage amount equal to the Discount Percentage; and

(ii) a percentage of the Principal Receivables equal to the Discount Percentage will be treated by the Receivables Trustee as Finance Charge Receivables. These are called "**Discount Option Receivables**".

The nomination of a Discount Percentage or increase in the time it is in place will be effective only if the rating agencies consent to the proposed nomination or increase and confirm that it will not result in the downgrade or withdrawal of the current rating of any debt that is secured directly or indirectly by the Receivables in the Receivables Trust, including your notes. The Originator must also provide the Receivables Trustee with a certificate confirming:

(i) that the performance of the portfolio of Designated Accounts, in their reasonable opinion, is not generating adequate cash flows for the beneficiaries of the Receivables Trust and the size of the Discount Percentage is not intended solely to accelerate distributions to the Excess Interest Beneficiary; and

(ii) that the Originator is solvent and will remain so following the nomination or increase.

The Originator may have different reasons to designate a Discount Percentage. The Finance Charge Collections on the Designated Accounts may decline for various reasons or may stay constant. The notes have interest rates that are variable and that could increase. Any of these variables could cause a Series Pay Out Event to occur based in part on the amount of Finance Charge Collections and the interest rate on the notes. The Originator could avoid the occurrence of this Series Pay Out Event by designating a Discount Percentage, causing an increase in the amount of Finance Charge Collections. The Originator, however, is under no obligation to designate a Discount Percentage and we cannot assure you that the Originator would designate a Discount Percentage to avoid a Series Pay Out Event.

Special Fees and Annual Fees

The Originator charges special fees – currently late, over limit and non-sufficient funds fees – on its credit or charge card accounts. These special fees as well as additional special fees may be assessed at one time or on an ongoing basis. Certain of the Receivables assigned or to be assigned to the Receivables Trustee include annual fees on a small number of the Designated Accounts. Any special fees and annual fees that are charged on Designated Accounts are regarded as Finance Charge Receivables and Collections of these special fees are treated as Finance Charge Collections. The Originator may, however, decide that these special fees or annual fees will be viewed as Principal Receivables and Collections on them will be allocated accordingly. This can be done only if the Originator certifies that it has an opinion from legal counsel that the special fees or annual fees amount to repayment, for United Kingdom tax purposes, in whole or in part of an advance to a cardholder.

Interchange

Members participating in the VISA® and MasterCard® associations receive fees called "**Interchange**" as partial compensation, for amongst other things, taking credit risk and absorbing fraud losses. Under the VISA® and MasterCard® systems, Interchange is passed from the banks that clear the transactions for merchants to card issuing banks. Interchange fees are calculated as a percentage of the amount of a credit or charge card transaction for the purchase of goods or services. This percentage varies from time to time.

On each Transfer Date the Originator will deposit into the Trustee Collection Account an amount equal to the Interchange received for the preceding monthly period. This amount is called the "**Acquired Interchange**". Interchange is received by Barclaycard on a daily basis and is posted to the general ledger with a flag identifying the product to which it relates. The amount of Acquired Interchange applicable to the Receivables in the trust is arrived at monthly by interrogation of the general ledger. All Interchange relating to products included in the trust is extracted and posted to the Trustee Collection Account.

A "**Transfer Date**" is, with respect to any series and its corresponding Note Series, the Business Day immediately prior to each Distribution Date, unless otherwise specified in the relevant Final Terms or Drawdown Prospectus.

Reductions in Receivables, Early Collections and Credit Adjustments

If a Principal Receivable that has been assigned to the Receivables Trustee is reduced – for reasons other than because of Section 75 of the Consumer Credit Act or a credit adjustment – after the offer date because of set off, counterclaim or any other matter between the cardholder and the Originator, and the Originator has received a benefit, then the Originator will pay an amount equal to that reduction to the Receivables Trustee. Similarly, if an existing receivable has already been assigned to the Receivables Trustee and the Originator has received full or partial payment of that receivable before the date that the receivable was purportedly assigned or a trust declared in respect of it, then the Originator will pay the amount of that collection to the Receivables Trustee.

If any Principal Receivable assigned to the Receivables Trustee is reduced for credit adjustment reasons after the offer Date, then the Originator will pay that amount to the Receivables Trustee. A credit adjustment is the outstanding face amount of a principal receivable that:

(i) was created by virtue of a sale of merchandise that was subsequently refused or returned by a cardholder or against which the cardholder has asserted any defence, dispute, set off or counterclaim;

(ii) is reduced because the cardholder had received a rebate, refund, charge back or adjustment; or

(iii) is fraudulent or counterfeit.

Alternatively, instead of paying these amounts to the Receivables Trustee, the Originator can reduce the Originator Interest by the amount of the credit adjustment, but not below zero.

Representations

Each offer of Receivables to the Receivables Trustee under the Receivables Securitisation Agreement and the Future Receivables Transfer includes representations by the Originator about the offer or transfer of the existing Receivables and the future Receivables. The representations for the existing Receivables were or will be given as of the Pool Selection Date or an Addition Date, as applicable, and the representations for the future Receivables are given on the date they are processed, and include, in each case, that:

(i) unless identified as an Ineligible Receivable, the receivable is an Eligible Receivable and has arisen from an Eligible Account in the amount specified in the offer or daily activity report, as applicable;

(ii) each assignment passes good and marketable title for that receivable to the Receivables Trustee, together with the benefit of all Collections and other rights in connection with it, free from encumbrances of any person claiming on it through the Originator to the Receivables and,

unless such Receivable does not comply with the Consumer Credit Act, nothing further needs to be done to enforce these rights in the courts of England and Wales, Scotland or Northern Ireland, or any Permitted Additional Jurisdiction, without the participation of the Originator, except for (a) payment of any United Kingdom stamp duty; (b) giving a Notice of Assignment to the cardholders; and (c) subject to any limitations arising on enforcement in the jurisdiction of the relevant cardholder; and

(iii) the assignment complies with all applicable laws on the date of assignment.

If a representation relating to the eligibility criteria given in connection with any Principal Receivable proves to be incorrect when made, then the Originator is obliged to pay the Receivables Trustee an amount equal to the face value of that receivable on the following Business Day. A Receivable of this type will afterwards be treated as an Ineligible Receivable.

The Originator's obligation to pay amounts due as a result of any breach of a representation can be fulfilled, in whole or in part, by a reduction in the amount of the Originator Interest. The Originator Interest, however, may not be reduced below zero. If the Originator meets a payment obligation in this way, the Receivables Trustee will have no further claim against the Originator for the breached representation. However, a breach of a representation may result in a Series Pay Out Event in relation to any relevant series (see "*Securitisation Cashflows – Series Pay Out Event*").

If:

(i) all Principal Receivables arising under a Designated Account become ineligible as a result of incorrect representations;

(ii) that account has become a Redesignated Account; and

(iii) the Originator has complied with the payment obligations for the Principal Receivables,

then the Originator can require the Receivables Trustee to reassign or release all those Receivables to the Originator.

The Receivables Trustee has not made and will not make any initial or periodic examination of the Receivables to determine if they are Eligible Accounts or if the Originator's representations and warranties are true.

The term "**Eligible Account**" means, as of the Pool Selection Date, an Addition Date or date on which the account is opened, as applicable, a credit or charge card account:

(i) where the cardholder is not a company or partnership for the purposes of Section 874 of the Income Tax Act 2007, (which succeeds Section 349(2) of the Income and Corporation Taxes Act 1988);

(ii) which, except in the case of a future Designated Account as defined in any offer or a relevant account as defined in the Future Receivables Transfer, was in existence and maintained with the Originator before it became a Designated Account;

(iii) which is payable in Pounds Sterling or the currency of the Permitted Additional Jurisdiction where the account is in a Permitted Additional Jurisdiction, as applicable;

(iv) which is governed by one of the Originator's standard form card agreements or, if it was acquired by the Originator, it is originated on contractual terms not materially different from that standard form;

(v) which is governed in whole or in part by the Consumer Credit Act and creates legal, valid and binding obligations between the Originator and the cardholder which, except in the case of an account on which Restricted Eligible Receivables arise, is enforceable against the cardholder in accordance with the relevant card agreement and the Consumer Credit Act, subject to bankruptcy laws, general principles of equity and limitations on enforcement in any cardholder jurisdiction and was otherwise created and complies with all other applicable laws;

(vi) where the cardholder's most recent billing address is located in England, Wales, Scotland, Northern Ireland, or a Permitted Additional Jurisdiction or a Restricted Additional Jurisdiction;

(vii) which has not been classified by the Originator as counterfeit, cancelled, fraudulent, stolen or lost;

(viii) which has been originated or purchased by the Originator;

(ix) which has been operated in all material respects in accordance with the Originator's policies and procedures and usual practices for the operation of its credit and charge card business; and

(x) the Receivables in respect of which have not been charged off by the Originator on the date the account is specified as a Designated Account.

If all these conditions have not been satisfied, then an account may still be an Eligible Account if each rating agency gives their approval.

A "**Restricted Eligible Receivable**" is a Receivable arising on an Eligible Account, the terms of which fail to comply with the Consumer Credit Act, such that a court would have no discretion to grant a court order.

A "**Defaulted Receivable**" is any receivable in a Defaulted Account.

A "**Permitted Additional Jurisdiction**" is a jurisdiction – other than England, Wales, Scotland and Northern Ireland – agreed by the Originator and the Receivables Trustee, and which each rating agency has confirmed in writing that its inclusion as a Permitted Additional Jurisdiction will not result in its withdrawing or reducing its rating on any Related Beneficiary Debt.

A "**Restricted Additional Jurisdiction**" is a jurisdiction – other than England, Wales, Scotland and Northern Ireland or a Permitted Additional Jurisdiction – which together with each other account with a billing address in that jurisdiction and any other jurisdiction other than England, Wales, Scotland, Northern Ireland or a Permitted Additional Jurisdiction represent less than 5 per cent. of Receivables by outstanding Receivables balance.

A "**Notice of Assignment**" means a notice given to a cardholder of the assignment of the Receivables – and the benefit of any guarantees – to the Receivables Trustee.

An "**Eligible Receivable**" means a receivable that:

(i) has arisen under an Eligible Account;

(ii) was originated under one of the Originator's standard form credit or charge card agreements and is governed, in whole or in part, by the Consumer Credit Act, or else, if the related account was acquired by the Originator, contractual terms that are materially the same as the standard form credit or charge card agreements and are governed, in whole or in part, by the Consumer Credit Act;

(iii) was otherwise created in compliance with all other applicable laws;

(iv) was originated in accordance with the Originator's policies and procedures and usual practices for its credit and charge card business;

(v) is not a Defaulted Receivable as at the offer date or Addition Date, as applicable;

(vi) is free of any encumbrances exercisable against the Originator arising under or through the Originator or any of its affiliates;

(vii) to which the Originator has good and marketable title;

(viii) is the legal obligation of the cardholder, enforceable – except in the case of Restricted Eligible Receivables – in accordance with the terms of the credit or charge card agreement, subject to bankruptcy, general principles of equity and limitations on enforcement in any cardholder jurisdiction; and

(ix) is not currently subject to any defence, dispute, event, set-off, counterclaim or enforcement order,

and an "**Eligible Principal Receivable**" is an Eligible Receivable that is a Principal Receivable.

As is market practice in the United Kingdom for credit and charge card securitisation transactions, Principal Receivables that are delinquent will still constitute Eligible Receivables if they comply with the eligibility requirements. See the table captioned "*Delinquency Experience – Securitised Portfolio*" in "*Barclaycard and the Barclaycard Card Portfolio – Delinquency and Loss Experience*" in the accompanying Final Terms or Drawdown Prospectus and its equivalent as at 30 September 2013 in Appendix B to this Base Prospectus for data showing the percentage of delinquent Receivables.

"**Ineligible Receivables**" means Principal Receivables which arise under a Designated Account but which do not comply with all the criteria set out in the definition of Eligible Receivables as at the Pool Selection Date or an Addition Date, as applicable.

Amendments to Card Agreements and Card Guidelines

The Originator may amend the terms and conditions of its standard form card agreements or change its policies and procedures and usual practices for its general card business. These amendments may include reducing or increasing the amount of monthly minimum required payments or may involve changes to Periodic Finance Charges or other charges that would apply to the Designated Accounts. See "*Risk Factors: A Change in the Terms of the Designated Accounts May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption of Your Notes or a Downgrade of Your Notes*".

Overview of Securitised Portfolio

Each Final Terms or Drawdown Prospectus relating to a Note Series will contain tables summarising information in relation to Designated Accounts on which Receivables that have been assigned to the Receivables Trustee arise. The tables will contain information in relation to the various criteria as of a particular date that is relevant to such Final Terms or Drawdown Prospectus. The tables will indicate, among other things, composition by account balance, composition by credit limit, composition by period of delinquency, composition by account age and geographic distribution of accounts. Equivalent tables as at 30 September 2013 are set out at Appendix B to this Base Prospectus. Please note, however, that the information provided in Appendix B is historical and will not be updated and that the statistical information as of 30 September 2013 may be different to as of any other time.

MATURITY ASSUMPTIONS

In relation to any relevant series, on each Transfer Date during the Controlled Accumulation Period an amount equal to the Controlled Deposit Amount will be deposited in the Principal Funding Account until the balance of the Principal Funding Account equals the Investor Interest for such series. Although it is anticipated that Principal Collections will be available on each Transfer Date during the Controlled Accumulation Period to make a deposit of the Controlled Deposit Amount and that the Investor Interest will be paid to the MTN Issuing Entity on the Series Scheduled Redemption Date, allowing the MTN Issuing Entity to redeem the Medium Term Note Certificate fully, no assurance can be given that sufficient Principal Collections will be available. If the amount required to pay the Investor Interest in full is not available on the Series Scheduled Redemption Date, a Series Pay Out Event will occur and the Rapid Amortisation Period will begin.

If a Regulated Amortisation Trigger Event occurs during the Controlled Accumulation Period, the Regulated Amortisation Period will begin. If any other Pay Out Event occurs during the Controlled Accumulation Period, the Rapid Amortisation Period will begin. In each case, any amount on deposit in the Principal Funding Account will be paid to the MTN Issuing Entity for the Investor Interest on the first Payment Date relating to the Regulated Amortisation Period or the Rapid Amortisation Period. In addition, to the extent that the Investor Interest for each Class has not been distributed in full, the MTN Issuing Entity will be entitled to monthly distributions of Principal Collections during the Rapid Amortisation Period equal to the Available Investor Principal Collections until the Investor Interest has been distributed in full or, during the Regulated Amortisation Period or the Accelerated Amortisation Period, an amount equal to the Controlled Deposit Amount until the Investor Interest has been distributed in full. A Pay Out Event occurs, either automatically or after specified notice, after a Trust Pay Out Event or a Series Pay Out Event occurs. See *"The Receivables Trust: Trust Pay Out Events*" and "*Securitisation Cashflows: Series Pay Out Events*". If a Series Pay Out Event occurs, it will automatically trigger an early redemption event under the Medium Term Note Certificate.

Each Final Terms or Drawdown Prospectus will contain a table that presents the highest and lowest cardholder monthly payment rates for the bank portfolio during any month in the period shown and the average cardholder monthly payment rates for all months during the periods shown. These are calculated as a percentage of total opening Receivables balances during the periods shown. The payment rates are based on amounts which would be deemed payments of Principal Collections and Finance Charge Collections for the related accounts. An equivalent table as at 30 September 2013 is set out at Appendix B to this Base Prospectus.

Collections may vary from month to month due to:

(i) seasonal variations;

(ii) promotional offerings – such as payment holidays;

(iii) general economic conditions; and

(iv) payment habits of individual cardholders.

There is no guarantee that the future monthly payment rates for the Securitised Portfolio will be similar to the historical experience set forth in each Final Terms or Drawdown Prospectus or that there will be enough Principal Collections to deposit the Controlled Deposit Amount into the Principal Funding Account each month to fully redeem your notes by the Series Scheduled Redemption Date. If a Pay Out Event occurs, the average life and maturity of your notes could be significantly reduced, since you may start receiving principal distributions before the Series Scheduled Redemption Date.

Because there may be a slowdown in the payment rate below the payment rates used to determine the Controlled Deposit Amount or a Pay Out Event may occur which would start the Rapid Amortisation Period or the Regulated Amortisation Period, there is no guarantee that the actual number of months elapsed from the relevant Closing Date to the final Distribution Date for your notes will equal the expected number of months. As described under "*Securitisation Cashflows: Postponement of Controlled Accumulation Period*", if the Servicer shortens the Controlled Accumulation Period there is no guarantee that there will be enough time to accumulate all amounts necessary to fully pay the Investor Interest on

the Series Scheduled Redemption Date. See "*Risk Factors: Principal on your Notes May Be Paid Earlier Than Expected Creating a Re-investment Risk to You or Later than Expected*".

RECEIVABLES YIELD CONSIDERATIONS

The gross revenues from finance charges and fees billed to accounts in the portfolio of credit and charge card accounts for the most recent available periods will be presented in the relevant Final Terms or Drawdown Prospectus.

Prior to the creation of the Receivables Trust, Barclaycard recorded yield information on an accruals basis, which includes earned but not necessarily paid finance charges and fees. A system change to allocate cash in priority against finance charges ahead of principal was made in October 1999. This resulted in increased yield in 2000. Cash yields from 2000 onwards include principal and interest recovered on charged—off accounts, which typically results in higher cash yields than accrual yields.

Yield information is calculated by allocating cash in priority against finance charges ahead of principal in line with the Barclaycard standard billing processes. The yield will be affected by many factors, including the monthly Periodic Finance Charges on the Receivables, the amount of the annual fees and other fees, changes in the delinquency rate on the Receivables and the percentage of cardholders who pay their balances in full each month and do not incur monthly Periodic Finance Charges. For example, the Originator could change the monthly interest rate applied to the accounts or reduce or eliminate fees on the accounts. See "*Risk Factor: A Change in the Terms of the Receivables May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption or a Downgrade of Your Notes*".

The table presented in the relevant Final Terms or Drawdown Prospectus will set forth the revenue for the Securitised Portfolio of card accounts. The revenue is comprised of monthly Periodic Finance Charges, card fees, special fees, annual fees and Interchange. These revenues vary for each account based on the type and volume of activity for each account. See "*Barclaycard and the Barclaycard Card Portfolio*".

THE RECEIVABLES TRUST

General Legal Structure

The Receivables Trust was constituted on 1 November 1999 and is a trust formed under English law by the Receivables Trustee as trustee and Barclays as Trust Cash Manager, initial Originator, initial Originator Beneficiary and Excess Interest Beneficiary. The Receivables Trust was declared for the financings described in this Base Prospectus. The terms and conditions of the Receivables Trust are contained in the declaration of trust dated 1 November 1999 as amended and restated by the Declaration of Trust and Trust Cash Management Agreement dated 23 November 1999, and supplemented by the series supplements to the Declaration of Trust and Trust Cash Management Agreement, as amended and restated from time to time, which are governed by English law. This section will describe to you the material terms of the Receivables Trust and Declaration of Trust and Trust Cash Management Agreement dated 23 November 1999 (as amended, redated and supplemented from time to time) and made between the Receivables Trustee and the Beneficiaries (the "**Declaration of Trust and Trust Cash Management Agreement**"). The terms of the Declaration of Trust and Trust Cash Management Agreement may be varied or added to by executing a supplement – but only for the series of Investor Certificates issued under the supplement. A precondition to the Receivables Trustee entering into a supplement is obtaining confirmation from the rating agencies that entering into the supplement will not result in any rating agency withdrawing or downgrading its rating of any debt that is ultimately secured by the Receivables in the Receivables Trust. Under the Declaration of Trust and Trust Cash Management Agreement, the Receivables Trustee holds all of the Receivables Trust's property on trust for:

(i) the initial Originator Beneficiary and the Excess Interest Beneficiary as the initial beneficiaries of the trust; and

(ii) for any other person who may become an additional Originator Beneficiary or additional beneficiary of the trust as allowed by the Declaration of Trust and Trust Cash Management Agreement.

Other than the Excess Interest Beneficiary and an Originator Beneficiary, the two categories of beneficiary are:

(i) an investor beneficiary, which may include any investor beneficiary subordinate to another investor beneficiary as a provider of credit enhancement; or

(ii) an enhancement provider for a series of Investor Certificates, if provided for in the supplement for that series.

The Excess Interest Beneficiary and the initial Originator Beneficiary are the initial beneficiaries of the Receivables Trust. Any Subsidiary of the initial Originator that, with the prior written consent of all existing beneficiaries of the Receivables Trust, accedes to the Receivables Securitisation Agreement as an additional Originator will upon its accession become an additional Originator Beneficiary of the Receivables Trust.

By making payments to the Receivables Trustee as a contribution to the Receivables Trust's property, as set out in the Declaration of Trust and Trust Cash Management Agreement, other persons can form a series of the Receivables Trust. These persons are called additional beneficiaries. When payment is made, the additional beneficiaries will be given a certificate evidencing a beneficial interest in the Receivables Trust to show that they are an investor. This process is called an acquisition and the certificate is called an Investor Certificate. When an acquisition takes place a notice will be given that will list the parties to the acquisition. A new series supplement will govern each new series of the Receivables Trust that is created.

Two types of acquisitions may be made:

(i) the Originator Beneficiary may direct the Receivables Trustee, in exchange for tendering the certificate it holds showing its entitlement to the Receivables Trust's property – called the "**Originator Certificate**" – to issue a new series of Investor Certificates and to reissue the Originator Certificate evidencing the Originator's beneficial entitlement to the Receivables Trust's property. This is known as an "**Originator Acquisition**". Twenty four series of Investor Certificates have been previously issued by the Receivables Trust and were created by

an Originator Acquisition. The first series Investor Certificate (for series 99-1) is no longer in existence as series 99-1 was fully paid out in November 2002. The second series Investor Certificate (for series 02-1) is no longer in existence as series 02-1 was fully paid out in October 2007. The third series Investor Certificate (for series 03-1) is no longer in existence as series 03-1 was fully paid out in March 2008. The fourth series Investor Certificate (for series 03-2) is no longer in existence as series 03-2 was fully paid out in June 2006. The fifth series Investor Certificate (for series 03-3) is no longer in existence as series 03-3 was fully paid out in August 2006. The sixth series Investor Certificate (for series 04-1) is no longer in existence as series 04-1 was fully paid out in February 2007. The seventh series Investor Certificate (for series 04-2) is no longer in existence as series 04-2 was fully paid out in November 2007. The eighth series Investor Certificate (for series 05-1) is no longer in existence as series 05-1 was fully paid out in June 2008. The ninth series Investor Certificate (for series 05-2) is no longer in existence as series 05-2 was fully paid out in September 2008. The tenth series Investor Certificate (for series 05-3) is no longer in existence as series 05-3 was fully paid out in October 2010. The eleventh series Investor Certificate (for series 05-4) is no longer in existence as series 05-4 was fully paid out in November 2008. The twelfth series Investor Certificate (for series 06-1) is no longer in existence as series 06-1 was fully paid out in October 2010. The thirteenth series Investor Certificate (for series 08-1) is no longer in existence as series 08-1 was fully paid out in October 2011. The fourteenth series Investor Certificate (for series 08-2) is no longer in existence as series 08-2 was fully paid out in October 2011. The fifteenth series Investor Certificate (for series 10-1) is no longer in existence as series 10-1 was fully paid out in November 2012. The twentieth series Investor Certificate (for series 11-5) is no longer in existence as series 11-5 was fully paid out in April 2013.

(ii) the second type of acquisition which may be made is an investor acquisition where, if the supplement permits, an investor beneficiary together with the Originator Beneficiary may direct the Receivables Trustee, in exchange for tendering their Investor Certificates and the Originator Certificate to issue one or more new Investor Certificates and a reissued Originator Certificate.

The Receivables Trustee will authenticate and deliver a series of Investor Certificates only when it has first received:

(i) a supplement signed by the parties to the new series, including the Receivables Trustee and the Originator Beneficiary, specifying the principal terms of the series;

(ii) a solvency certificate from the Originator and any additional Originators;

(iii) written confirmation from the rating agencies that the proposed acquisition will not result in the reduction or withdrawal of their ratings on any notes issued by the Issuing Entity or any other Issuing Entity of any Note Series that is ultimately secured by the Receivables in the Receivables Trust – called "**Related Beneficiary Debt**";

(iv) written confirmation from each additional beneficiary and enhancement provider, if any, that:

(1) its usual place of abode is in the United Kingdom and it will be within the charge to United Kingdom corporation tax for all amounts regarded as interest for U.K. tax purposes received by it under the transactions contemplated by the series of Investor Certificates; or

(2) it is a bank, as defined for purposes of section 879 of the Income Tax Act 2007, and it will be within the charge to United Kingdom corporation tax for all amounts regarded as interest for U.K. tax purposes received by it under the series of Investor Certificates;

(v) the existing Originator Certificate and, if it is an investor acquisition, the applicable Investor Certificates;

(vi) an officer's certificate provided by the Originator certifying either:

(1) that:

(a) each Class of Related Beneficiary Debt issued as part of the acquisition and described in the related supplement will be rated in one of the three highest

rating categories by at least one rating agency recognised in the United Kingdom;

(b) each investor beneficiary – other than any enhancement provider – will have associated with it, either directly or indirectly, a Class of Related Beneficiary Debt; and

(c) the enhancement for each series will be provided by any combination of subordination, a letter of credit, a cash collateral loan, a surety bond, an insurance policy, or a Series Cash Reserve Account funded from excess Finance Charge Collections ultimately reverting to the Excess Interest Beneficiary or Originator to the extent not utilised as enhancement, but through no other means; or

(2) it has determined that, based on legal advice, the acquisition is in the best interests of the Originator Beneficiary and its affiliates.

Each series supplement will specify the principal terms for its series of Investor Certificates, including the accumulation period or Amortisation Period for the payment of principal. For each series these may be of different lengths and begin on different dates. Enhancement is specific to each series and will be held and used by the Receivables Trustee only for the benefit of the relevant series. Certain series may be subordinated to other series, and Classes within a series may have different priorities. Whether or not a series or Class is subordinated will be set out in the related supplement. There will be no limit on the number of acquisitions that may be performed.

The Receivables Trustee will not be able to arrange for additional supplements without obtaining the consent of all the beneficiaries constituting each existing series. Even if the Receivables Trustee receives all these consents, no acquisition will be effective unless the rating agencies confirm that the additional supplement will not result in the reduction or withdrawal of their rating of any Related Beneficiary Debt.

The Receivables Trust's Property

The property of the Receivables Trust will include all present and future Receivables located on the Triumph accounting system or any other accounting system used by the Originator from time to time, arising under all MasterCard® and VISA® credit and charge card accounts of Barclaycard's individual cardholders on designated product lines that have not been identified as non Designated Accounts and that are denominated in Pounds Sterling with a billing address within England, Wales, Scotland, Northern Ireland or a Permitted Additional Jurisdiction or a Restricted Additional Jurisdiction. We refer to these accounts as the "**Designated Accounts**". See "*The Receivables: Representations*". The Receivables have been and will continue to be assigned to the Receivables Trustee under the Receivables Securitisation Agreement between Barclaycard as Originator and the Receivables Trustee. The Receivables Securitisation Agreement is governed by English law. Occasionally some accounts may be removed from the pool of Designated Accounts. These accounts we refer to in this Base Prospectus as the "**Redesignated Accounts**".

Other than Ineligible Receivables (which are held separately, solely for the benefit of the Originator Beneficiary as described below) and certain amounts that are held in segregated accounts for the benefit of particular beneficiaries, the property of the Receivables Trustee is held on trust on an undivided basis for all beneficiaries.

The Originator is required to ensure that any of Barclaycard's credit and charge card accounts that are to be excluded from or otherwise outside the scope of the offer or transfer to the Receivables Trustee under the Receivables Securitisation Agreement or that are to be removed from the pool of Designated Accounts are identified on its computer system prior to the date of offer or the date of transfer.

The property of the Receivables Trust will also include:

(i) all monies due in payment of the Receivables under Designated Accounts from time to time;

(ii) all proceeds of the Receivables and proceeds of any guarantees and insurance policies for the Receivables – to the extent that they are capable of assignment – including proceeds of disposals by the Receivables Trustee of charged off Receivables to Barclaycard;

(iii) the benefit of any Acquired Interchange; see "*The Receivables: Interchange*";

(iv) all monies on deposit in the Trust Accounts;

(v) any credit enhancement for the benefit of any series or class of beneficiary; and

(vi) all monies provided by beneficiaries of the Receivables Trust to fund the purchase of receivables, until these monies are applied as intended.

The Receivables are divided into Eligible Receivables and Ineligible Receivables. Each investor beneficiary, the Excess Interest Beneficiary and the Originator Beneficiary are beneficially entitled to interests in the pool of Eligible Receivables.

The Originator Beneficiary is beneficially entitled to the entire pool of Ineligible Receivables and is solely entitled to all Collections of Ineligible Receivables.

The total amount of the interest of the Originator Beneficiary in the Receivables Trust is called the "**Originator Interest**" and reflects the Originator Beneficiary's entitlement to Principal Receivables not allocated to each outstanding series.

General Entitlement of Beneficiaries to Trust Property

The Originator Beneficiary and each investor beneficiary will acquire undivided interests (or will increase their existing undivided interests) in the Receivables Trust by (in the case of the Originator Beneficiary) assigning Receivables to the Receivables Trustee and accepting such undivided interest in full or partial settlement of the purchase price payable for such assignments or (in the case of an investor beneficiary) making a payment to the Receivables Trustee. The beneficiaries of the Receivables Trust are each beneficially entitled to share in the Receivables Trust's property and each beneficiary has or will acquire interests in the pool of Eligible Receivables – called the "**Eligible Receivables Pool**". See "*Securitisation Cashflows*" for a description of the beneficial entitlement of the Issuing Entity to Receivables and for a description of the manner in which Collections will be allocated to the Issuing Entity.

Under the Receivables Trust as originally created, the beneficial entitlement of Barclaycard as the Excess Interest Beneficiary to the property of the Receivables Trust at any time was called the "**Excess Interest**". The Excess Interest consisted of a beneficial entitlement to the residue of the Finance Charge Collections and Acquired Interchange apportioned to any series for each monthly period after amounts have been allocated to each beneficiary forming part of that series or group of series, if applicable, and have been used to make payments to the enhancement provider, if it were not a beneficiary. These payments will include amounts deemed to represent Finance Charge Collections as stated in the supplement for the series.

Because Barclaycard may transfer its entitlement to the portion of the Excess Interest attributable to each series to the MTN Issuing Entity, the portion of the Excess Interest attributable to each series will be paid to the MTN Issuing Entity.

To understand the beneficial entitlement of the Originator Beneficiary and each additional Originator Beneficiary you have to understand the definition of "**Originator Percentage**". The Originator Percentage is the percentage equal to 100 per cent. less the sum of the applicable Investor Percentages of each outstanding series.

The aggregate beneficial entitlement of the Originator Beneficiary at any time consists of the following:

(i) the Originator Percentage of Eligible Principal Receivables; the Originator Percentage is calculated for this purpose using the Floating Investor Percentage for the Investor Percentage of each series;

(ii) the Originator Percentage of Finance Charge Receivables; the Originator Percentage is calculated for this purpose using the Floating Investor Percentage as the Investor Percentage for each series;

(iii) all Ineligible Receivables; and

(iv) all monies held in the Trust Accounts that represent investment earnings on Permitted Investments made using monies deposited in those Trust Accounts, unless something else is provided for in the supplement.

"**Permitted Investments**" means the following:

(i) demand or time deposits, certificates of deposit and other short term unsecured debt obligations **provided that**, in each case, at the time the deposit is made or the certificate or obligation is acquired the then current rating of the unsecured and unguaranteed debt obligations of that institution (or, where the investment in question is guaranteed, of the guaranteeing institution) is (a) A-1 or at least A+ (where no short term rating is available) from S&P and (b) P-1 and at least A1 (if applicable) from Moody's; and

(ii) short term unsecured debt obligations (including commercial paper) issued by a body corporate **provided that** the then current rating of the unsecured and unguaranteed debt obligations of that body corporate (or where the debt obligations in question are guaranteed, of the guaranteeing institution) is (a) A-1 or at least A+ (where no short term rating is available) from S&P and (b) P-1 and at least A1 (if applicable) from Moody's,

provided that, any debt obligation or other item referred to in (i) or (ii) above will be a Permitted Investment only if and for so long as it fulfils all of the following conditions:

(a) no withholding or deduction for or account of tax will be made on any payments of interest or principal in respect of any such deposit, bond, debenture, note or other investment or security evidencing debt;

(b) such instrument is not a volatile instrument (as specified in the rating agencies' published criteria) and/or an instrument issued by a mutual fund or similar investment vehicle; and

(c) such instrument shall mature at the latest on the Business Day preceding the following Transfer Date so that such funds will be available for withdrawal on or prior to the following Transfer Date.

The aggregate beneficial entitlement of the Originator Beneficiary to any other trust property at any time is equal to the proportion that the Originator Interest bears to the amount of Eligible Principal Receivables at that time. The initial Originator Beneficiary's and each additional Originator Beneficiary's entitlement to the aggregate beneficial entitlement of the Originator Beneficiary is equal to its proportionate share described in the Originator Certificate.

Allocation and Application of Collections

The following accounts have been opened by the Receivables Trustee at 1234 Pavilion Drive, Northampton, NN4 7SG, England:

(i) a collection account called the "**Trustee Collection Account**", which is where Principal Collections and Finance Charge Collections are credited; and

(ii) the acquisition account called the "**Trustee Acquisition Account**", which is where amounts are credited that can be used to purchase beneficial interests in receivables for the investor or Originator beneficiaries.

The Trustee Acquisition Account, the Trustee Collection Account and any additional bank accounts of the Receivables Trust that the Receivables Trustee may open for particular beneficiaries are collectively called "**Trust Accounts**". The Receivables Trustee will have legal title to the funds on deposit in each Trust Account.

Collections from cardholders for Designated Accounts and cardholders for other card accounts of Barclaycard are initially paid to Barclaycard's bank accounts before being cleared on a same day basis to a bank account called the "**Barclaycard Operating Account**". The Barclaycard Operating Account is currently held by Barclaycard at its branch located at 1234 Pavilion Drive, Northampton NN4 7SG, England. The Originator has declared a trust over the Barclaycard Operating Account.

All money in the Barclaycard Operating Account will be held on trust for the Receivables Trustee and transferred to the Trustee Collection Account within three Business Days after processing. All money in the Trustee Collection Account will be treated as Collections from Receivables of Designated Accounts unless it has been incorrectly paid into the account. Incorrect payments will be deducted from the appropriate Collections on the Business Day on which the error is notified to the Receivables Trustee.

Amounts incorrectly categorised as Principal Collections of Eligible Receivables but which are really Collections of Ineligible Receivables will be given back to the Originator Beneficiary, after making adjustments for errors but before allocating amounts of Principal Collections that are property of the Receivables Trust. The Receivables Trustee will treat all money deposited in the Trustee Collection Account as property of the Receivables Trust unless notified otherwise by the Trust Cash Manager.

The Eligible Receivables Pool and the Originator Interest are increased or decreased, as applicable, to account for the errors made.

Eligible Principal Receivables in Defaulted Accounts are allocated between the Originator Beneficiary and each series of Investor Certificates in accordance with their respective beneficial entitlements to the property of the Receivables Trust at the time the account becomes a Defaulted Account. Credit adjustments for Principal Receivables are allocated to the Originator Beneficiary as a reduction of the Originator Interest until the Originator Interest reaches zero. Ineligible Principal Receivables in Defaulted Accounts reduce the Originator's Interest in Ineligible Receivables – called the "**Originator Ineligible Interest**" – until it reaches zero.

Collections that are property of the Receivables Trust are categorised as:

(i) Principal Collections;

(ii) Finance Charge Collections; or

(iii) ineligible Collections.

If a Discount Percentage is nominated by the Originator, the Discount Percentage of Principal Collections will be treated as Finance Charge Collections. The Originator has no current intention to nominate a Discount Percentage. See "*The Receivables: Discount Option Receivables*".

If the related supplement says so, each series will also be entitled to a portion of Acquired Interchange. To the extent that any Acquired Interchange is not allocated to all those series, it will be allocated to the Originator Beneficiary.

Each series will be entitled to receive varying percentages of Principal Collections, Finance Charge Collections and Receivables in Defaulted Accounts. Each of these percentages is called an "**Investor Percentage**". The Originator Beneficiary will be entitled to its applicable Originator Percentage of Principal Collections and Finance Charge Collections and Receivables in Defaulted Accounts. The Excess Interest Beneficiary is entitled to Finance Charge Collections allocated to a series that are not allocated to:

(i) any other beneficiary, whether or not a member of that series; or

(ii) any enhancement provider, as set out in the supplement relating to that series.

Each supplement will set out, for its series, the entitlement of each investor beneficiary to Principal Collections, Finance Charge Collections and Acquired Interchange.

The Originator may fulfil any obligation to make payments to the Receivables Trustee for Principal Receivables for which it has breached a warranty by:

(i) reducing the Originator Interest – but not below zero; and

(ii) increasing the Originator Ineligible Interest.

However, if the Originator Interest would be reduced below zero, the Originator must make a similar payment in immediately Available Funds to the Receivables Trustee under the Declaration of Trust and Trust Cash Management Agreement and the Receivables Securitisation Agreement.

The Receivables Trustee will pay the Trust Cash Management Fee (which is inclusive of VAT) to the Trust Cash Manager from payments made by the beneficiaries and this amount will be deducted from the Originator Beneficiary's and each series' portion of the Finance Charge Collections.

The Receivables Trustee will transfer money daily from the Trustee Collection Account in the following priority:

(1) the amount of any incorrect payments notified to the Receivables Trustee not previously allocated as Collections, to the Barclaycard Operating Account, after which the Originator Beneficiary will own the money absolutely;

(2) the amount of ineligible Collections notified to the Receivables Trustee not previously allocated as Principal Collections, to a bank account opened in the name of the Originator to deposit the cash proceeds of the purchase price of the Receivables, called the "**Barclaycard Proceeds Account**", after which the Originator Beneficiary will own the money absolutely;

(3) the total amount of Principal Collections allocated to the Investor Interest of any outstanding series, *minus* the Investor Cash Available for Acquisition of that series from the Principal Collections Ledger to the account specified in the supplement for that series;

(4) the total amount of Investor Cash Available for Acquisition and Originator Cash Available for Acquisition needed on that day from the ledger of the Trustee Collection Account for Principal Collections – called the "**Principal Collections Ledger**" – to the Trustee Acquisition Account;

(5) the Originator Percentage of Finance Charge Collections and the amount of Acquired Interchange deposited in the Trustee Collection Account not allocated to the Investor Interest of any outstanding series, from the ledger of the Trustee Collection Account for Finance Charge Collections– called the "**Finance Charge Collections Ledger**" – to the Barclaycard Proceeds Account, or as the Originator Beneficiary may direct, after which the money will be owned by the Originator Beneficiary absolutely; and

(6) each finance charge amount and all Acquired Interchange allocable to any outstanding series, from the Finance Charge Collections Ledger to any account that may be specified in the supplement for that series.

Acquiring Additional Entitlements to Trust Property and Payments for Receivables

To understand what a Revolving Period is, see "*Securitisation Cashflows: Allocation, Calculation and Distribution of Principal Collections to the MTN Issuing Entity*".

During the Revolving Period for a series, the Receivables Trustee will use the portion of Principal Collections allocated to the investor beneficiaries of that series and which is available to fund the acquisition of the beneficial entitlement to Receivables to pay for the purchase of the beneficial entitlement to Receivables that are eligible. These available Principal Collections are called "**Investor Cash Available for Acquisition**". No Investor Cash Available for Acquisition will be used to fund Ineligible Receivables.

On any day a series may be allocated more money for acquisitions than is needed to purchase existing or future Receivables that are eligible and available for a series to fund. In that case, that series will use the excess Investor Cash Available for Acquisition to acquire available Originator Interest from the Originator Beneficiary and, if allowed under its supplement, Investor Interest from other designated series. Any money left over will be used to fund acquisitions on subsequent Business Days.

The Originator Beneficiary will fund the amount payable by the Receivables Trustee for all the existing and future Receivables that all series are unable to fund plus the amount of any Ineligible Receivables that need to be funded. Consequently, the amount payable by the Receivables Trustee to the Originator for all existing and future Receivables it is purchasing on any Business Day will be funded first by the series to the extent of all of the Investor Cash Available for Acquisition and then by the Originator Beneficiary to

the extent of the Originator Cash Available for Acquisition. "**Originator Cash Available for Acquisition**" for any day means an amount equal to the Originator Percentage of Principal Collections processed on that day.

On each Business Day after making all adjustments, the beneficial interest of each series in the Eligible Receivables Pool:

(i) will be decreased by the amount of Principal Collections allocated to that series that constitutes Investor Cash Available for Acquisition; and

(ii) will be increased by the amount of Investor Cash Available for Acquisition used by the Receivables Trustee to pay for existing and future Receivables and the amount of Investor Cash Available for Acquisition allocated to the Originator Interest or the Investor Interest of other series to increase the proportion of the beneficial interest of that series.

These changes will not affect the beneficial entitlement of:

(i) any beneficiary to monies credited to any Trust Account to which it is beneficially entitled; or

(ii) any series to monies credited to any Trust Account to which the beneficiaries constituting that series are together beneficially entitled.

On each Business Day after making all adjustments, the beneficial interest of the Originator Beneficiary in the Eligible Receivables Pool:

(i) will be decreased by the amount of Principal Collections and Investor Cash Available for Acquisition allocated to the Originator Beneficiary; and

(ii) will be increased by the amount of Originator Cash Available for Acquisition and the increase in the Originator Interest resulting from the decrease described in the immediately prior point (i).

However, any change in the beneficial interest of the Originator Beneficiary in the Eligible Receivables Pool will not affect the beneficial entitlement of the Originator Beneficiary to money credited to any Trust Account to which it is beneficially entitled.

The Investor Interest of each series and the beneficial interest in the Receivables Trust of each additional beneficiary will increase or decrease as described in the related supplement.

On each Business Day, after making all adjustments, the Originator Interest:

(i) will be decreased by the amount of Originator Cash Available for Acquisition not used to pay for new Receivables and Investor Cash Available for Acquisition transferred to the Originator Beneficiary by credit to the Barclaycard Proceeds Account; and

(ii) will be increased by the purchase price payable to the Originator by the Receivables Trustee to be funded by the Originator Beneficiary.

These changes will not affect the beneficial entitlement of the Originator Beneficiary to money credited to any Trust Account to which it is beneficially entitled.

Other adjustments to the Originator Interest are explained in *"The Receivables Trust: Allocation and Application of Collections*".

Refinancing an Interest in the Receivables Trust

Should the Final Terms or Drawdown Prospectus of a Note Series and the related supplement to the Declaration of Trust and Trust Cash Management Agreement so indicate, the Issuing Entity may request that, in order for the Issuing Entity to obtain the funds necessary to redeem such Note Series in full in accordance with Condition 8(e) if such Note Series has an option to be redeemed on a Call Date, the MTN Issuing Entity may sell its beneficial interest in the Receivables Trust in relation to such series. The proceeds received from such sale shall then be used by the MTN Issuing Entity to redeem in full the

relevant Medium Term Note Certificate and, in turn, the Issuing Entity shall use such funds to redeem in full all notes of the relevant Note Series.

Non-Petition Undertaking of Beneficiaries

Each beneficiary of the Receivables Trust, including Barclaycard as Originator Beneficiary and Excess Interest Beneficiary, the Originator, the Trust Cash Manager and any Successor Trust Cash Manager, by entering into a supplement, will agree with the Receivables Trustee for itself and as trustee that it will not attempt to take any action or legal proceedings for the winding up, dissolution or reorganisation of, or for the appointment of a receiver, Administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer for, any investor beneficiary, the Receivables Trustee or the Receivables Trust. These parties will also agree not to seek to enforce any judgments against any of those person s.

Pay out events

A Pay Out Event will cause the Investor Interest in relation to a particular series to enter an Amortisation Period.

A "**Pay Out Event**" may be a Trust Pay Out Event or a Series Pay Out Event. Each series will have certain Pay Out Events that relate only to such series (such a Pay Out Event being for a series a "**Series Pay Out Event**"). The Series Pay Out Events are listed below under "*Securitisation Cashflows – Series Pay Out Events*".

The following is a list of what we refer to in this Base Prospectus as the "**Trust Pay Out Events**":

(1) the Originator consents or takes any corporate action to appoint a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or over all or substantially all of its revenues and assets;

(2) proceedings are started against the Originator under any applicable liquidation, insolvency, composition or re-organisation or similar laws for its winding up, dissolution, administration or reorganisation and the proceedings are not discharged within 60 days, or a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all or substantially all of its revenues and assets is legally and validly appointed and is not discharged within 14 days;

(3) a duly authorised officer of the Originator admits in writing that the Originator Beneficiary or Excess Interest Beneficiary is unable to pay its debts when they fall due within the meaning of Section 123(1) of the Insolvency Act 1986 or the Originator makes a general assignment or trust for the benefit of or a composition with its creditors or voluntarily suspends payment of its obligations to generally readjust or reschedule its debt;

(4) the Originator cannot transfer Receivables in the Designated Accounts to the Receivables Trust in the manner described in the Receivables Securitisation Agreement;

(5) the Originator stops being either a resident in the United Kingdom for tax purposes or liable for United Kingdom corporation tax; or

(6) either:

  (a) a change in law or its interpretation or administration results in the Receivables Trustee becoming liable to make any payment on account of tax – other than stamp duty payable in the United Kingdom for the transfer of Receivables under the Receivables Securitisation Agreement; or

  (b) any tax authority asserts a tax liability or takes other actions against Barclays or any of its subsidiaries in relation to the transaction which would have an adverse affect on them which is more than trivial, if Barclays obtains an opinion of counsel stating that the tax liability would be due. This event will be treated as occurring when Barclays, as Originator Beneficiary, gives written notice of it to the Receivables Trustee.

The Trust Pay Out Events in paragraphs (1), (2) and (3) are called "**Insolvency Events**". If an Insolvency Event occurs, a Pay Out Event will occur for each series, each beneficiary within a series and for the Originator Beneficiary. If any other Trust Pay Out Event occurs, a Pay Out Event will occur for each series and each beneficiary within a series. Trust Pay Out Events will occur without any notice or other action on the part of the Receivables Trustee or any beneficiary, as soon as the event happens.

Following the occurrence of an Insolvency Event, future Receivables may continue to be assigned to the Receivables Trustee and the Receivables Trustee entitled to accept offers of Receivables, subject to the Receivables Trustee being required to dispose of the Receivables on commercially reasonable terms (see below). Any Finance Charge Receivables accruing on Principal Receivables that have been assigned to the Receivables Trustee, whether before or after the Insolvency Event will still be part of the Receivables Trust's property and Finance Charge Collections from them will continue to be allocated and applied as set out in the Declaration of Trust and Trust Cash Management Agreement and each supplement.

The Receivables Trustee will notify each beneficiary if an Insolvency Event occurs and will dispose of the Receivables on commercially reasonable terms, unless within the later of:

(i) 60 days of that notice; and

(ii) **provided that** any notes remain outstanding, five Business Days from the date on which the MTN Issuing Entity as beneficiary is notified in writing that all Noteholder resolutions sought by the Note Trustee in accordance with the trust and cash management agreement, following receipt by the Note Trustee of notification of the Insolvency Event and request for instruction, have been duly passed or that the voting procedures have been completed in respect of at least one Class of Noteholders and the Noteholder resolution has not been passed by that Class of Noteholders,

the Receivables Trustee shall have received written instructions from beneficiaries representing more than 50 per cent. of the Investor Interest of every series, both the Originator Beneficiary and the Excess Interest Beneficiary – in each case, if not subject to an Insolvency Event – and every other person identified in any supplement disapproves of the liquidation of the Receivables and wishes to continue with the Receivables Trustee accepting offers and purchasing Receivables under the Receivables Securitisation Agreement. Money from this sale will be treated as Collections on the Receivables and will be distributed in accordance with the provisions of the Declaration of Trust and Trust Cash Management Agreement and each supplement. See "*Securitisation Cashflows*".

Termination of the Receivables Trust

If the Receivables Trust has not already been dissolved after an Insolvency Event, then the Originator Beneficiary can instruct the Receivables Trustee to dissolve the Receivables Trust when:

(i) the total amount of all of the Investor Interests is reduced to zero;

(ii) there are no Finance Charge Collections or other trust property allocated to any beneficiaries other than the Originator Beneficiary or the Excess Interest Beneficiary; and

(iii) no beneficiary is committed to fund payments to the Originator for purchases of Receivables by the Receivables Trust.

After the Receivables Trust is dissolved, all of the Receivables Trust's property will be controlled by the Originator Beneficiary as residual beneficiary, and the Receivables Securitisation Agreement will be terminated.

For the purposes of Section 1 of the Perpetuities and Accumulations Act 1964, the duration of the perpetuity period for the Receivables Trust's property will be a period ending not later than 80 years from the date of execution of the declaration of trust and cash management agreement. Any property of the Receivables Trust after this period will vest in the current beneficiaries in accordance with their entitlements to the Receivables Trust's property at that date.

Amendments to the Declaration of Trust and Trust Cash Management Agreement

The Declaration of Trust and Trust Cash Management Agreement may be amended with the prior consent of each related beneficiary. No amendment will be effective unless each rating agency has confirmed that the amendment will not result in a reduction or withdrawal of its then current rating of any outstanding Related Beneficiary Debt.

No investor beneficiary will consent to any proposed amendment unless instructed to do so by Noteholders holding in total not less than two thirds of the Medium Term Note Certificates then outstanding of each outstanding series adversely affected. The investor beneficiary may not consent to any proposed amendment that would:

(i) reduce or delay required distributions to any investor beneficiary for the affected series;

(ii) change the definition or the manner of calculating the Investor Interest, the Investor Percentage or the Investor Default Amount of the affected series or any Class of the affected series; or

(iii) reduce the percentage required to consent to any amendment, unless instructed to do so by all the Noteholders of the Medium Term Note Certificates then outstanding of the affected series.

Disposals

Beneficiaries may not transfer or dispose of their beneficial entitlements in the Receivables Trust or create any encumbrance over its beneficial entitlement, except that:

(i) the Originator Beneficiary or the Excess Interest beneficiary may dispose of the Originator Interest or the Excess Interest by transferring all or substantially all of its properties and assets to any person, if that person also expressly assumes the duties and obligations of the Originator, the Originator Beneficiary and the Excess Interest Beneficiary under the Relevant Documents; after the transfer, the new person will be the person used to determine if an Insolvency Event has occurred;

(ii) the Originator Beneficiary or the Excess Interest Beneficiary may transfer or create any encumbrance over the whole or any part of the Originator Interest or the Excess Interest with the consent of investor beneficiaries representing in total more than one-half of the total Investor Interest of each series; however, the rating agencies must first confirm that the transfer or encumbrance will not result in a downgrade or withdrawal of its rating of any outstanding Related Beneficiary Debt; and

(iii) any beneficiary – except for the Originator Beneficiary or the Excess Interest Beneficiary – may transfer all or any part of their beneficial entitlement or grant an encumbrance over their beneficial entitlement with the prior written consent of the Originator Beneficiary, which consent will not be unreasonably withheld; however, the Receivables Trustee must first receive confirmation in writing from the person to whom the transfer will be made or for whom the encumbrance will be granted or created, that it complies with the criteria referred to in the fifth and sixth prerequisite to the completion of an issuance as referred to on page 95 in "-*General Legal Structure*" above.

The Receivables Trustee will, upon the direction of all of the beneficiaries, be authorised to reassign or release to Barclaycard the beneficial interest in Defaulted Receivables for a purchase price equal to the amount received or recovered, if any, by Barclaycard from those Defaulted Receivables less the fees, costs and expenses incurred by Barclaycard in the recovery of that amount.

Trustee Payment Amount

The Receivables Trustee will be paid its remuneration, which is inclusive of VAT (if any), and reimbursed and indemnified (under the terms of the Declaration of Trust and Trust Cash Management Agreement) for any costs and expenses incurred by it in connection with its duties and activities as Receivables Trustee, including the part of these costs and expenses that represents VAT (if any) out of the property of the Receivables Trust allocated to the investor beneficiaries. The Receivables Trustee will be paid monthly in arrears on each Transfer Date the amounts certified by the Trust Cash Manager to the Receivables Trustee by the end of any monthly period as being due to it for that monthly period. This

payment is called the "**Trustee Payment Amount**". The proportion of the Trustee Payment Amount to be paid by each series and the MTN Issuing Entity is described in "*Securitisation Cashflows: Trustee Payment Amount*".

SERVICING OF RECEIVABLES AND TRUST CASH MANAGEMENT

General – Servicing

Barclays was appointed on the Initial Relevant Closing Date by the beneficiaries of the Receivables Trust as initial Servicer under the terms of the Beneficiaries Servicing Agreement dated 23 November 1999 (the "**Beneficiaries Servicing Agreement**"). Any additional Originator Beneficiary or beneficiary must accede to the Beneficiaries Servicing Agreement. The Servicer will service, administer and manage the Receivables and request and receive payments on the Receivables using its usual procedures and normal market practices for servicing credit and charge card Receivables comparable to the Receivables in the Designated Accounts. The Servicer has full power and authority, acting alone or through any other party properly designated, to undertake all actions concerning the servicing, administration and management of the Receivables it considers necessary or desirable.

The Servicer's duties include carrying out all servicing, administration and management functions in relation to the Receivables and, insofar as the interests of the beneficiaries are affected, the Designated Accounts in accordance with Barclaycard's policies and procedures from time to time and in accordance with normal market practice, insofar as consistent with Barclaycard's policy and procedures. These functions include:

(i) carrying out valuations of Receivables on Designated Accounts for the purpose of determining whether any Receivables should be charged off in accordance with Barclaycard's Credit and Charge Card Guidelines;

(ii) ensuring that the interests of the beneficiaries are taken into account in making decisions regarding the granting of credit to obligors;

(iii) on its own behalf, preparing and keeping its own records as regards all of these matters, including in particular but without limitation, the matters referred to in (i) and (ii) above;

(iv) monitoring payments by obligors and notifying obligors of overdue payments; and

(v) crediting and debiting obligors' accounts as appropriate.

The Servicer will at all times be required to take all practicable steps to:

(i) ensure that payments made to the Originator by obligors are received into the Barclaycard Operating Account;

(ii) identify any funds in the Barclaycard Operating Account which are required to be transferred to the Trustee Collection Account for the benefit of the beneficiaries; and

(iii) ensure that such funds are so transferred when required.

The Servicer will not resign from its obligations and duties as Servicer under the Beneficiaries Servicing Agreement unless its performance is no longer permitted under applicable law and there is no reasonable action that it could take to make it permissible. The Servicer's resignation will not be effective until a Successor Servicer has been properly appointed. Barclaycard, as initial Servicer, performs account processing and administration in-house, but has subcontracted some cardholder payment processing services, which are undertaken on Barclaycard's behalf by RRD.

The Servicer will indemnify each investor beneficiary against all reasonable loss, liability, expense, damage or injury caused by the Servicer's fraud, wilful misconduct or negligence in performing its servicing functions. However, the Servicer will not indemnify any investor beneficiary:

(i) if any acts or omissions are caused by the negligence, fraud or wilful misconduct of that investor beneficiary or its agents;

(ii) for any liabilities, costs or expenses of the Receivables Trust for any action taken by the Receivables Trustee at the request of any investor beneficiary of any series to which that investor beneficiary belongs;

(iii) for any loss, claims or damages that are incurred by any of them acting in their capacity as beneficiaries, including those resulting from Defaulted Accounts; or

(iv) for any liabilities, costs or expenses arising under any tax law, or any penalties or interest caused by a failure to comply with any tax law, payable by it in connection with the Beneficiaries Servicing Agreement to any tax authority.

The directors, officers, employees or agents of the Servicer and the Servicer itself will not be under any liability to the Receivables Trustee, the Receivables Trust, the investor beneficiaries, any enhancement provider or any other person under the Beneficiaries Servicing Agreement or any related provider except in the case of intentional wrongdoing, bad faith or gross negligence in performing its duties under the Beneficiaries Servicing Agreement.

Any person into which the Servicer may be merged or consolidated, or any person succeeding to or acquiring the business of the Servicer in whole or in part, after executing a supplemental agreement to the Beneficiaries Servicing Agreement and the delivery of a legal opinion, will become the successor to the Servicer or co Servicer with the Servicer under the Beneficiaries Servicing Agreement.

General – Trust Cash Management

Barclaycard was appointed on the Initial Relevant Closing Date by the Receivables Trustee as initial Trust Cash Manager under the terms of the Declaration of Trust and Trust Cash Management Agreement. The Trust Cash Manager will carry out cash management functions in relation to the Receivables on behalf of the Receivables Trustee.

The Trust Cash Manager's duties include but are not confined to:

(i) making calculations on the allocations of Receivables; and

(ii) advising the Receivables Trustee to transfer money between the Trust Accounts and to make withdrawals and payments from the Trust Accounts as set forth in the Declaration of Trust and Trust Cash Management Agreement.

The Trust Cash Manager will not resign from its obligations and duties as Trust Cash Manager under the Declaration of Trust and Trust Cash Management Agreement unless its performance is no longer permitted under applicable law and there is no reasonable action that it can take to remedy the situation. The Trust Cash Manager's resignation will not be effective until a Successor Trust Cash Manager has been properly appointed.

The Trust Cash Manager will indemnify the Receivables Trustee and the Receivables Trust against all reasonable loss, liability, expense, damage or injury, in each case including VAT, if any, caused by its fraud, wilful misconduct or negligence in performing its cash management functions. However, the Trust Cash Manager will not indemnify the Receivables Trustee:

(i) if any acts or omissions are caused by the negligence, fraud or wilful misconduct of the Receivables Trustee or its agents;

(ii) for any liabilities, costs or other expenses of the Receivables Trust for any action taken by the Receivables Trustee at the request of any investor beneficiary of any series to which that investor beneficiary belongs;

(iii) for any losses, claims or damages incurred by the Receivables Trustee in its capacity as a beneficiary of the Receivables Trust; or

(iv) for any liabilities or other costs of it or the Receivables Trust arising under any tax law or any penalties or interest caused by a failure to comply with any tax law, payable by it or the Receivables Trust in connection with the Declaration of Trust and Trust Cash Management Agreement to any tax authority.

The directors, officers and other employees and agents of the Trust Cash Manager and the Trust Cash Manager itself will not be under any liability to the Receivables Trustee or the Receivables Trust or any other person under the Declaration of Trust and Trust Cash Management Agreement except in the case of

intentional wrongdoing, bad faith or negligence in performing its duties under the Declaration of Trust and Trust Cash Management Agreement.

Any person into which the Trust Cash Manager may be merged or consolidated, or any person succeeding to or acquiring the business of the Trust Cash Manager in whole or in part, after executing a supplemental agreement to the Declaration of Trust and Trust Cash Management Agreement and the delivery of a legal opinion, will become the successor to the Trust Cash Manager or co Trust Cash Manager under the Declaration of Trust and Trust Cash Management Agreement.

Servicer and Trust Cash Manager Compensation

The Servicer is entitled to receive an annual fee from the beneficiaries for each monthly period. This fee is called the "**Servicing Fee**" and is payable monthly on each Transfer Date, to the extent that those monies are available. Any amounts payable in respect of the Servicing Fee will be inclusive of VAT, if any. The Servicing Fee will be equal to one-twelfth of the product of:

(i) the weighted average of the percentages specified in each series supplement as being the "**Series Servicing Fee Percentage**" for each outstanding series – weighted by the Adjusted Investor Interest for each series as at the last day of the relevant monthly period; and

(ii) the average daily total outstanding face amount of Principal Receivables during that monthly period.

The share of the Servicing Fee payable by the Receivables Trustee to the Servicer for each series on any Transfer Date is called the "**Investor Servicing Fee**" and will be equal to:

(i) one twelfth of the product of:

(1) 0.75 per cent.; or

(2) another percentage agreed with the investor beneficiaries as long as Barclaycard is the Servicer **provided that** the rating agencies confirm in writing that the new percentage will not cause them to reduce or withdraw their then current rating on any Related Beneficiary Debt; and

(ii) the Adjusted Investor Interest as at the last day of the monthly period before that Transfer Date.

The balance of the Servicing Fee not payable in respect of each series or any other series will be payable by the Originator and is called the "**Originator Servicing Fee**". If the Servicer is also the Originator Beneficiary in any monthly period, the Originator Servicing Fee for that monthly period will not be payable.

The Trust Cash Manager is entitled to receive a VAT inclusive fee from the Receivables Trustee for each monthly period. This fee is called the "**Trust Cash Management Fee**" and is payable monthly on each Transfer Date. The Trust Cash Management Fee will be equal to one twelfth of the product of the sum of the annual fees in each supplement as being the Investor Trust Cash Management Fees for each series.

The share of the Trust Cash Management Fee payable by the Receivables Trustee to the Trust Cash Manager for each series on any Transfer Date for which each series agrees to indemnify the Receivables Trustee is called the "**Investor Trust Cash Management Fee**" and will be equal to one twelfth of £6,000. The Trust Cash Management Fee can be any other amount that the Receivables Trustee may agree to as long as Barclaycard is the Trust Cash Manager **provided that** the rating agencies confirm in writing that the new amount will not cause them to reduce or withdraw their then current rating on any Related Beneficiary Debt.

The balance of the Trust Cash Management Fee, in respect of which the Receivables Trustee is not indemnified by any series, will be payable by the Originator and is called the "**Originator Trust Cash Management Fee**". If the Trust Cash Manager is also the Originator Beneficiary in any monthly period, the Originator Trust Cash Management Fee for that monthly period will not be paid.

Evidence as to Compliance

The fiscal year for the Issuing Entity will end on 31 December of each year. If required by the Exchange Act, and the rules and Regulations of the SEC thereunder in respect of any Note Series offered and sold in the United States pursuant to an effective registration statement under the Securities Act, the Servicer will file with the SEC an annual report on Form 10-K on behalf of the Issuing Entity, 90 days after the end of its fiscal year.

If required by the Exchange Act and the rules and Regulations of the SEC thereunder in respect of any Note Series offered and sold in the United States pursuant to an effective registration statement under the Securities Act, the Servicer will deliver to the Receivables Trustee, the Originator, the rating agencies and each beneficiary, as applicable, and file with the SEC as part of an annual report on Form 10-K filed on behalf of the Issuing Entity the following documents:

(i) a report regarding its assessment of compliance during the preceding fiscal year with all applicable servicing criteria set forth in relevant SEC Regulations with respect to asset-backed securities transactions taken as a whole involving the Servicer that are backed by the same types of assets as those backing the notes;

(ii) with respect to each assessment report described immediately above, a report by a registered public accounting firm that attests to, and reports on, the assessment made by the asserting party, as set forth in relevant SEC Regulations; and

(iii) a Servicer compliance certificate, signed by an authorised officer of the Servicer, to the effect that: (i) a review of the Servicer's activities during the reporting period and of its performance under the beneficiary servicing agreement has been made under such officer's supervision; and (ii) to the best of such officer's knowledge, based on such review, the Servicer has fulfilled all of its obligations under the Beneficiaries Servicing Agreement in all material respects throughout the reporting period or, if there has been a failure known to such officer, the nature and status thereof.

The Servicer's obligation to deliver any servicing assessment report or attestation report and, if required, to file the same with the SEC, is limited to those reports prepared by the Servicer and, in the case of reports prepared by any other party, those reports actually received by the Servicer.

Copies of all statements, certificates and reports may be obtained by any Noteholder by a request in writing to the Receivables Trustee addressed to the director. Except as described above or as described in this Base Prospectus or the related prospectus supplement there will not be any independent verification that any duty or obligation to be performed by any transaction party – including the Servicer– has been performed by that party.

Termination of Appointment of Servicer

The appointment of an Originator as Servicer under the Beneficiaries Servicing Agreement and the appointment of any person as joint Servicer to replace anyone then acting as the Servicer – called a "**Successor Servicer**" – will terminate when a Servicer default occurs and is continuing.

"**Servicer Default**" means any one of the following events:

(1) failure on the part of the Servicer duly to observe or perform in any respect any other covenant or agreement of the Servicer contained in the Beneficiaries Servicing Agreement, or any other relevant document, that has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will constitute a Servicer Default only if it remains unremedied and continues to have an adverse effect on the interests of the investor beneficiaries for 60 days after the receipt of a notice of the failure is given by the investor beneficiaries to the Servicer; if the notice is given by the investor beneficiaries it will be on the instruction of a group of Holders of Medium Term Note Certificates representing more than fifty per cent. of the total face value of the Medium Term Note Certificates outstanding of any outstanding series adversely affected;

(2) delegation by the Servicer of its duties under the Beneficiaries Servicing Agreement to any other entity, except as permitted by the Beneficiaries Servicing Agreement;

(3) any relevant representation, warranty or certification made by the Servicer in the Beneficiaries Servicing Agreement or in any certificate delivered under the Beneficiaries Servicing Agreement was incorrect when made, which has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will only be a Servicer Default if it remains unremedied and continues to have an adverse effect on the interests of the investor beneficiaries for 60 days after the receipt of a notice of the failure is given; the notice of the failure will be given by either (1) the Receivables Trustee to the Servicer, or (2) the investor beneficiaries to the Receivables Trustee and the Servicer; if the notice is given by the investor beneficiaries it will be on the instruction of Holders of the Medium Term Note Certificate representing more than fifty per cent. of the total face value of the Medium Term Note Certificate outstanding of any outstanding series adversely affected;

(4) any of the following:

(a) the Servicer agrees to or takes any corporate action to appoint a receiver, administrator, administrative receiver, trustee or similar officer of it or of all of its revenues and assets; or

(b) an order of the court is made for its winding up, dissolution, administration or reorganisation that has remained in force undischarged or unstayed for 60 days; or

(c) a receiver, Administrator, administrative receiver, trustee or similar officer of it or all of its revenues and assets, is appointed; and

(5) any of the following:

(a) a duly authorised officer of the Servicer admits in writing that the Servicer is unable to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act 1986; or

(b) the Servicer makes a general assignment or trust for the benefit of or a composition with its creditors or it voluntarily suspends payment of its obligations with a view to the general readjustment or rescheduling of its Indebtedness.

In the case of (1), (2) or (3) above the grace period will be 60 Business Days. The grace period is the extra number of days before a Servicer Default can be called, allowing the Servicer to remedy a Servicer Default that has been caused by so called acts of God or uncontrollable circumstances. These circumstances are called force majeure events and are listed in the Beneficiaries Servicing Agreement.

Within two Business Days after the Servicer becomes aware of any Servicer default, the Servicer must notify the beneficiaries, each rating agency, the Security Trustee and any enhancement provider as soon as possible in writing. The beneficiaries must give each rating agency notice of any removal of the Servicer or appointment of a Successor Servicer.

Investor beneficiaries acting on the instructions of Holders of Medium Term Note Certificates representing in total more than two thirds of the total face value of Medium Term Note Certificates then outstanding of each series adversely affected by any default by the Servicer or the Originator in the performance of its obligations under the Beneficiaries Servicing Agreement and any other Relevant Documents, may waive the default unless it is a failure to make any required deposits, or payments of interest or principal for the adversely affected series.

After the Servicer receives a termination notice and a Successor Servicer is appointed, the duties of acting as Servicer of the Receivables under the Beneficiaries Servicing Agreement will pass from the then Servicer to the Successor Servicer. The Beneficiaries Servicing Agreement contains the requirements for the transfer of the servicing role, including the transfer of authority over Collections, the transfer of electronic records and the disclosure of information.

After it receives a termination notice, the Servicer will continue to act as Servicer until agreed by it and the beneficiaries. The beneficiaries must try to appoint a Successor Servicer that is an Eligible Servicer.

If the Receivables Trustee cannot appoint a Successor Servicer and the Servicer delivers a certificate that says it cannot in good faith cure the Servicer default, then the Receivables Trustee will start the process of

selling the Receivables. The beneficiaries will notify any enhancement providers of the proposed sale of the Receivables by the Receivables Trustee to a third party and will provide each enhancement provider an opportunity to bid on purchasing the Receivables.

The proceeds of the sale will be deposited in the Trust Accounts for distribution to the beneficiaries as set out in the Declaration of Trust and Trust Cash Management Agreement and the series supplements.

An "**Eligible Servicer**" means an entity that, when it is Servicer:

(i) is servicing a portfolio of consumer revolving credit or charge card accounts or other consumer credit accounts;

(ii) is legally qualified and has the capacity to service the Designated Accounts;

(iii) is qualified or licensed to use the software that the Servicer is then currently using to service the Designated Accounts or obtains the right to use, or has its own, software that is adequate to perform its duties under the Beneficiaries Servicing Agreement; and

(iv) has, in the opinion of each rating agency, demonstrated the ability to service, professionally and competently, a portfolio of similar accounts in accordance with customary standards of skill and care.

Termination of Appointment of Trust Cash Manager

The appointment of the Originator as Trust Cash Manager under the Declaration of Trust and Trust Cash Management Agreement and the appointment of any person as joint Trust Cash Manager or to replace anyone then acting as the Trust Cash Manager – called a "**Successor Trust Cash Manager**" – will terminate when a Trust Cash Manager default occurs.

"**Trust Cash Manager Default**" means any one of the following events:

(1) any failure by the Trust Cash Manager to direct the making of any payment, transfer or deposit or to give instructions or notice to the Receivables Trustee pursuant to an agreed schedule of collections and allocations; any failure by the Trust Cash Manager to advise the Receivables Trustee to make any required drawing, withdrawal, or payment under any credit enhancement; these events will be considered failures if they do not happen within five Business Days after the date that they were supposed to happen under the terms of the Declaration of Trust and Trust Cash Management Agreement or any other relevant document;

(2) failure on the part of the Trust Cash Manager duly to observe or perform in any respect any other covenant or agreement of the Trust Cash Manager contained in the Declaration of Trust and Trust Cash Management Agreement, or any other relevant document, that has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will constitute a Servicer Default only if it remains unremedied and continues to have a material adverse effect on the interests of the investor beneficiaries for 60 days after the receipt of a notice of the failure is given; the notice of the failure will be given by either (1) the Receivables Trustee to the Trust Cash Manager, or (2) the investor beneficiaries to the Receivables Trustee and the Trust Cash Manager; if the notice is given by the investor beneficiaries it will be on the instruction of a group of Holders of Medium Term Note Certificates representing more than fifty per cent. of the total face value of the Medium Term Note Certificates outstanding of any outstanding series adversely affected;

(3) delegation by the Trust Cash Manager of its duties under the Declaration of Trust and Trust Cash Management Agreement to any other entity, except as permitted by the Declaration of Trust and Trust Cash Management Agreement;

(4) any relevant representation, warranty or certification made by the Trust Cash Manager in the Declaration of Trust and Trust Cash Management Agreement or in any certificate delivered under the Declaration of Trust and Trust Cash Management Agreement was incorrect when made, which has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will be a Trust Cash Manager Default only if it remains unremedied and continues to have a material adverse effect on the interests of the investor

beneficiaries for 60 days after the receipt of a notice of the failure is given; the notice of the failure will be given by either (1) the Receivables Trustee to the Trust Cash Manager, or (2) the investor beneficiaries to the Receivables Trustee and the Trust Cash Manager; if the notice is given by the investor beneficiaries it will be on the instruction of Holders of Medium Term Note Certificates representing more than fifty per cent. of the total face value of the Medium Term Note Certificates outstanding of any outstanding series adversely affected;

(5) any of the following:

(a) the Trust Cash Manager agrees to or takes any corporate action to appoint a receiver, Administrator, administrative receiver, liquidator, trustee or similar officer of it or of all of its revenues and assets; or

(b) an order of the court is made for its winding up, dissolution, administration or reorganisation that has remained in force undischarged or unstayed for 60 days; or

(c) a receiver, Administrator, administrative receiver, liquidator, trustee or similar officer of it or all of its revenues and assets is appointed; and

(6) any of the following:

(a) a duly authorised officer of the Trust Cash Manager admits in writing that the Trust Cash Manager is unable to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act 1986; or

(b) the Trust Cash Manager makes a general assignment or trust for the benefit of or a composition with its creditors or it voluntarily suspends payment of its obligations with a view to the general readjustment or rescheduling of its Indebtedness.

In the case of (1) above the grace period will be 10 Business Days and in the case of (2), (3) or (4) above it will be 60 Business Days. The grace period is the extra number of days before a Trust Cash Manager default will be effective allowing the Trust Cash Manager to remedy a Trust Cash Manager default that has been caused by so-called acts of God or uncontrollable circumstances. These circumstances are called *force majeure* events and are listed in the Declaration of Trust and Trust Cash Management Agreement.

Within two Business Days after the Trust Cash Manager becomes aware of any Trust Cash Manager default, the Trust Cash Manager must notify the Receivables Trustee, each rating agency, each investor beneficiary and any enhancement provider as soon as possible in writing. The Receivables Trustee must give each investor beneficiary and rating agency notice of any removal of the Trust Cash Manager or appointment of a Successor Trust Cash Manager. The Receivables Trustee must give each rating agency notice of any removal of the Trust Cash Manager.

Investor beneficiaries acting on the instructions of Holders of Medium Term Note Certificates representing in total more than two-thirds of the total face value of Medium Term Note Certificates then outstanding of each series adversely affected by any default by the Trust Cash Manager or the Originator in the performance of its obligations under the Declaration of Trust and Trust Cash Management Agreement and any other Relevant Documents, may waive the default unless it is a failure to make any required deposits, or payments of interest or principal, for the adversely affected series.

After the Trust Cash Manager receives a termination notice and a Successor Trust Cash Manager is appointed, the duties of acting as Trust Cash Manager of the Receivables under the declaration trust and trust cash management agreement will pass from the then Trust Cash Manager to the Successor Trust Cash Manager. The Declaration of Trust and Trust Cash Management Agreement contains the requirements for the transfer of the trust cash management role, including the transfer of authority over Collections, the transfer of electronic records and the disclosure of information.

After it receives a termination notice, the Trust Cash Manager will continue to act as Trust Cash Manager until a date agreed by the Receivables Trustee and the Trust Cash Manager. The Receivables Trustee must try to appoint a Successor Trust Cash Manager that is an Eligible Trust Cash Manager.

If the Receivables Trustee cannot appoint a Successor Trust Cash Manager and the Trust Cash Manager delivers a certificate that says it cannot in good faith cure the Trust Cash Manager default, then the Receivables Trustee will start the process of selling the Receivables. The Receivables Trustee will notify each enhancement provider of the proposed sale of the Receivables by the Receivables Trustee to a third party and will provide each enhancement provider an opportunity to bid on purchasing the Receivables.

The proceeds of the sale will be deposited in the Trust Accounts for distribution to the beneficiaries as set out in the Declaration of Trust and Trust Cash Management Agreement and the series supplements.

An "**Eligible Trust Cash Manager**" means an entity that, when it is Trust Cash Manager:

(i) is legally qualified and has the capacity to carry out the trust cash management functions as set forth in the Declaration of Trust and Trust Cash Management Agreement;

(ii) is qualified or licensed to use the software that the Trust Cash Manager is then currently using to carry out cash management of the Receivables or obtains the right to use, or has its own, software that is adequate to perform its duties under the Declaration of Trust and Trust Cash Management Agreement; and

(iii) has, in the opinion of each rating agency, demonstrated the ability to professionally and competently act as a Trust Cash Manager in accordance with customary standards of skill and care.

SECURITISATION CASHFLOWS

General

The MTN Issuing Entity is an Investor Beneficiary of the Receivables Trust. Its initial beneficial interest was conferred under a series supplement called the series 99-1 supplement (series 99-1 was fully repaid in November 2002) and subsequent beneficial interests were conferred under series supplements called the series 02-1 (series 02-1 was fully repaid in October 2007), series 03-1 (series 03-1 was fully repaid in March 2008), series 03-2 (series 03-2 was fully repaid in June 2006), series 03-3 (series 03-3 was fully repaid in August 2006), series 04-1 (series 04-1 was fully repaid in February 2007), series 04-2 (series 04-2 was fully repaid in November 2007), series 05-1 (series 05-1 was fully repaid in June 2008), series 05-2 (series 05-2 was fully repaid in September 2008), series 05-3 (series 05-3 was fully repaid in October 2010), series 05-4 (series 05-4 was fully repaid in November 2008), series 06-1 (series 06-1 was fully repaid in October 2010), series 08-1 (series 08-1 was fully repaid in October 2011), series 08-2 (series 08-2 was fully repaid in October 2011), series 10-1 (series 10-1 was fully repaid in November 2012), series 11-1, series 11-2, series 11-3, series 11-4, series 11-5 (series 11-5 was fully repaid in April 2013), series 12-1, series 12-2, series 12-3 and series 12-4 supplements. The MTN Issuing Entity will increase its entitlement under the Receivables Trust under series supplements and will decrease its entitlement to the extent such series are repaid. The parties to each series supplement are the Receivables Trustee and Barclaycard as the Originator Beneficiary, the Excess Interest Beneficiary, the Servicer, the Trust Cash Manager, the Originator and the MTN Issuing Entity as the investor beneficiary.

With respect to each series supplement, the MTN Issuing Entity will increase its beneficial entitlement to the Receivables Trust as investor beneficiary by paying a Sterling amount specified in each Note Series' Final Terms or Drawdown Prospectus to the Receivables Trustee on each series' Closing Date; we call this amount the "**Initial Investor Interest**". For purposes of making calculations about the performance of the undivided beneficial interest of each series in the Receivables Trust, the Investor Interest will be referable to notional Classes called "**Class A**", "**Class B**", "**Class C**" and "**Class D**" (if applicable).

The MTN Issuing Entity will receive an Investor Certificate in respect of each series. This Investor Certificate will be evidence of the Initial Investor Interest for each series in the Receivables Trust, calculated as referable to Class A, Class B, Class C and Class D, and will be governed by English law.

The MTN Issuing Entity will confirm the following in each series supplement:

(i) that its usual place of abode is within the United Kingdom for the purposes of section 874(1)(d) of the Income Tax Act 2007; and

(ii) that it has a business establishment, for the purposes of Section 9 of the Value Added Tax Act 1994, in the United Kingdom which is either its sole business establishment, with no other fixed establishment anywhere else in the world, or is its business or other fixed establishment which is most directly concerned with any services supplied and received by it as contemplated in the Relevant Documents.

Each series will be part of a group of series. "**Group One**" included series 99-1 (now repaid) and includes series 02-1 (now repaid), series 03-1 (now repaid), series 03-2 (now repaid), series 03-3 (now repaid), series 04-1 (now repaid), series 04-2 (now repaid), series 05-1 (now repaid), series 05-2 (now repaid), series 05-3 (now repaid), series 05-4 (now repaid), series 06-1 (now repaid), series 08-1 (now repaid), series 08-2 (now repaid) and now includes, series 10-1 (now repaid), series 11-1, series 11-2, series 11-3, series 11-4, series 11-5 (now repaid), series 12-1, series 12-2, series 12-3 and series 12-4. Each series in Group One will not be subordinated to any other investor beneficiary or series. See "*Shared Principal Collections*" for the ramifications of a series being included in a particular group (including specifically Group One).

Following execution of the series supplement the MTN Issuing Entity will acquire from Barclays as Excess Interest Beneficiary that part of the rights of Barclays to the Excess Interest attributable to the relevant series.

Definitions

In order for you to understand the following description of the securitisation cashflows, you will need to understand the following definitions.

"**Adjusted Investor Interest**" means the sum of the Class A Adjusted Investor Interest, the Class B Adjusted Investor Interest, the Class C Adjusted Investor Interest and the Class D Adjusted Investor Interest (if any).

"**Available Investor Principal Collections**" means, for any monthly period:

(i) the Investor Principal Collections; *minus*

(ii) the Investor Cash Available for Acquisition that has been calculated as being available to be used during that monthly period; *minus*

(iii) if there are any Class D Notes in the relevant series, the Reallocated Class D Principal Collections that are required to fund the Class A Required Amount, the Class B Required Amount and the Class C Required Amount; *minus*

(iv) the Reallocated Class C Principal Collections that are required to fund the Class A Required Amount and the Class B Required Amount; *minus*

(v) the Reallocated Class B Principal Collections for that monthly period that are required to fund the Class A Required Amount; *plus*

(vi) the Shared Principal Collections from other series in Group One that are allocated to the relevant series; *plus*

(vii) for a monthly period in which the Rapid Amortisation Period starts, any previously identified Investor Cash Available for Acquisition that was not used to acquire Receivables.

"**Average Principal Receivables**" means, for any period, an amount equal to:

(i) the sum of the total balance of Eligible Principal Receivables at the end of each day during that period divided by;

(ii) the number of days in that period.

"**Available Series Cash Reserve Account Amount**" means, with respect to any Transfer Date, the lesser of (a) the amount on deposit in the Series Cash Reserve Account on such date (before giving effect to any deposit made or to be made pursuant to item (18) under " – *Application of Available Funds*" below in the Series Cash Reserve Account on such Date) and (b) the Required Series Cash Reserve Account Amount;

"**Calculation Period**" means, for any Distribution Date, the period from and including the previous Distribution Date or, in the case of the first Distribution Date, from and including the relevant Closing Date, to but excluding the date specified in the relevant Final Terms or Drawdown Prospectus.

The "**Cash Management Fee**" is that portion of the Trust Cash Management Fee attributable to a particular series, as set out in the relevant Final Terms or Drawdown Prospectus.

"**Class A Additional Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The Class A Finance Rate plus 2.0 per cent.} \times \text{Any unpaid Class A Deficiency Amount on the prior Transfer Date}$$

"**Class A Adjusted Investor Interest**" means at any time an amount equal to the Class A Investor Interest *minus* the balance on deposit in the Principal Funding Account, but not more than the Class A Investor Interest.

"**Class A Debt Amount**" means the Class A Initial Investor Interest *minus* the total principal payments made to the MTN Issuing Entity referable to the Class A Investor Interest from the property of the Receivables Trust. On the Series Termination Date, the Class A Debt Amount will be zero.

"**Class A Deficiency Amount**" is the excess, if any, of the Class A Monthly Required Expense Amount for the prior Transfer Date – disregarding for this purpose the MTN Issuing Entity Costs Amount – over

the funds referable to Class A actually credited to the Series Distribution Ledger for payment of the Class A Monthly Required Expense Amount on that Transfer Date.

The "**Class A Finance Rate**" for any Calculation Period will be specified in the relevant Final Terms or Drawdown Prospectus.

"**Class A Initial Investor Interest**" means the Sterling equivalent of the amount set out in the relevant Final Terms or Drawdown Prospectus using, if applicable, the fixed exchange rate in the relevant Swap Agreements.

"**Class A Investor Charge-Off**" means, with reference to a particular series, a reduction in the Class A Investor Interest on any Transfer Date by the amount, if any, by which the Class A Investor Default Amount exceeds the total amount of Available Funds, Reallocated Class B Principal Collections, Reallocated Class C Principal Collections, Reallocated Class D Principal Collections (if any), the Class D Investor Interest (if any), the Class C Investor Interest and the Class B Investor Interest, in each case available and allocated on that Transfer Date to fund the Class A Investor Default Amount.

"**Class A Investor Interest**" means at any time, with reference to a particular series, an amount equal to:

(i) the Class A Initial Investor Interest, *minus*

(ii) the total principal payments made to the MTN Issuing Entity for the purposes of calculation treated as referable to the Class A Investor Interest from the property of the Receivables Trust, *minus*

(iii) the total amount of Class A Investor Charge-Offs for all prior Transfer Dates, *plus*

(iv) the total amount of any reimbursements of Class A Investor Charge-Offs on all prior Transfer Dates.

The Class A Investor Interest, however, may not be reduced below zero.

"**Class A Monthly Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The Class A Finance Rate} \times \text{The Class A Debt Amount}$$

The "**Class A Monthly Principal Amount**" is the least of:

(i) the Available Investor Principal Collections standing to the credit of the Principal Collections Ledger on that Transfer Date;

(ii) for each Transfer Date for the Controlled Accumulation Period or the Regulated Amortisation Period or the Accelerated Amortisation Period before the Series Scheduled Redemption Date, the Controlled Deposit Amount for that Transfer Date; and

(iii) the Class A Adjusted Investor Interest – adjusted to account for any unreimbursed Class A Investor Charge-Offs.

The "**Class A Monthly Required Expense Amount**" for any Transfer Date will be the sum of the following items:

(i) the Investor Trustee Payment Amount;

(ii) the MTN Issuing Entity Costs Amount;

(iii) the Class A Monthly Finance Amount;

(iv) the Class A Deficiency Amount;

(v) the Class A Additional Finance Amount; and

(vi) the Monthly Loan Expenses Amount.

The "**Class A Required Amount**" for any Transfer Date will be the amount, if any, by which the sum of:

(i) the Class A Monthly Required Expense Amount;

(ii) the Class A Servicing Fee (as defined in the series supplement) and the Class A Cash Management Fee (as defined in the series supplement); and

(iii) the Class A Investor Default Amount,

exceeds the Available Funds allocated and available to meet such purposes.

"**Class B Additional Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The Class B Finance Rate plus 2 per cent.} \times \text{Any unpaid Class B Deficiency Amount on the prior Transfer Date}$$

"**Class B Adjusted Investor Interest**" means, at any time, an amount equal to the Class B Investor Interest *minus* the balance on deposit in the Principal Funding Account in excess of the Class A Investor Interest, but not more than the Class B Investor Interest.

"**Class B Debt Amount**" means the Class B Initial Investor Interest *minus* the total principal payments made to the MTN Issuing Entity referable to the Class B Investor Interest from the property of the Receivables Trust. On the Series Termination Date, the Class B Debt Amount will be zero.

"**Class B Deficiency Amount**" is the excess, if any, of the Class B Monthly Required Expense Amount for the prior Transfer Date over the funds referable to Class B actually credited to the Series Distribution Ledger for payment of the Class B Monthly Required Expense Amount on that Transfer Date.

The "**Class B Finance Rate**" for any Calculation Period will be specified in the relevant Final Terms or Drawdown Prospectus.

"**Class B Fixed Allocation**" means, with respect to any monthly period following the Revolving Period, the percentage equivalent of a fraction, the numerator of which is the Class B Investor Interest as of the close of business on the last day of the Revolving Period and the denominator of which is equal to the Investor Interest as of the close of business on the last day of the Revolving Period.

"**Class B Floating Allocation**" means, with respect to any monthly period, the percentage equivalent of a fraction, the numerator of which is the Class B Adjusted Investor Interest as of the close of business on the last day of the preceding monthly period and the denominator of which is equal to the Adjusted Investor Interest as of the close of business on such day **provided**, **however**, **that**, with respect to the first monthly period, the Class B Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class B Initial Investor Interest and the denominator of which is the Initial Investor Interest.

"**Class B Initial Investor Interest**" means the Sterling equivalent of the amount set out in the relevant Final Terms or Drawdown Prospectus using, if applicable, the fixed exchange rate in the relevant Swap Agreements.

"**Class B Investor Allocation**" means for any monthly period, (a) with respect to Receivables in Defaulted Accounts and Finance Charge Receivables at any time or Principal Receivables during the Revolving Period, the Class B Floating Allocation, and (b) with respect to Principal Receivables during the Controlled Accumulation Period, the Regulated Amortisation Period, the Rapid Amortisation Period or an Accelerated Amortisation Period, the Class B Fixed Allocation.

"**Class B Investor Charge-Off**" means, with reference to a particular series, a reduction in the Class B Investor Interest on any Transfer Date by the amount, if any, by which the Class B Investor Default Amount exceeds the total amount of Available Funds, Reallocated Class C Principal Collections, Reallocated Class D Principal Collections (if any), the Class C Investor Interest and the Class D Investor Interest (if any), in each case available and allocated on that Transfer Date to fund the Class B Investor Default Amount.

"**Class B Investor Interest**" means, at any time, with reference to a particular series, an amount equal to:

(i) the Class B Initial Investor Interest, *minus*

(ii) the total principal payments made to the MTN Issuing Entity, for the purposes of calculation treated as referable to the Class B Investor Interest from the property of the Receivables Trust, *minus*

(iii) the total amount of Class B Investor Charge-Offs for all prior Transfer Dates, *minus*

(iv) the total amount of Reallocated Class B Principal Collections allocated on all prior Transfer Dates that have been used to fund the Class A Required Amount, excluding any Reallocated Class B Principal Collections that have resulted in a reduction in the Class C Investor Interest, *minus*

(v) an amount equal to any reductions in the Class B Investor Interest on all prior Transfer Dates to fund the Class A Investor Default Amount, *plus*

(vi) the total amount of Available Funds allocated and available on all prior Transfer Dates to reimburse amounts deducted under (iii), (iv) and (v) above.

The Class B Investor Interest, however, may not be reduced below zero.

"**Class B Monthly Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The Class B Finance Rate} \times \text{The Class B Debt Amount}$$

The "**Class B Monthly Principal Amount**" is the least of:

(i) the Available Investor Principal Collections standing to the credit of the Principal Collections Ledger on that Transfer Date *minus*, if applicable, the Class A Monthly Principal Amount;

(ii) for each Transfer Date for the Controlled Accumulation Period or the Regulated Amortisation Period or the Accelerated Amortisation Period before the Series Scheduled Redemption Date, an amount equal to the Controlled Deposit Amount *minus*, if applicable, the Class A Monthly Principal Amount; and

(iii) the Class B Adjusted Investor Interest – adjusted to account for any unreimbursed reductions in the Class B Investor Interest for reasons other than principal payments.

"**Class B Monthly Required Expense Amount**" for any Transfer Date will be the sum of the following items:

(i) the Class B Monthly Finance Amount;

(ii) the Class B Deficiency Amount; and

(iii) the Class B Additional Finance Amount.

The "**Class B Required Amount**" for any Transfer Date will be the sum of (1) the Class B Monthly Required Expense Amount, (2) the Class B Servicing Fee plus the Class B Cash Management Fee (each as defined in the series supplement), and (3) the Class B Investor Default Amount, exceeds the Available Funds exceeds the Available Funds allocated and available to meet such purposes.

"**Class C Additional Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The Class C Finance Rate plus 2 per cent.} \times \text{Any unpaid Class C Deficiency Amount on the prior Transfer Date}$$

"**Class C Adjusted Investor Interest**" means, at any time, an amount equal to the Class C Investor Interest *minus* the balance on deposit in the Principal Funding Account in excess of the sum of the Class A Investor Interest and the Class B Investor Interest, but not more than the Class C Investor Interest.

"**Class C Debt Amount**" means the Class C Initial Investor Interest *minus* the total principal payments made to the MTN Issuing Entity referable to the Class C Investor Interest from the property of the Receivables Trust. On the Series Termination Date, the Class C Debt Amount will be zero.

"**Class C Deficiency Amount**" is the excess, if any, of the Class C Monthly Required Expense Amount for the prior Transfer Date over the funds allocable to Class C actually credited to the Series Distribution Ledger for payment of the Class C Monthly Required Expense Amount on that Transfer Date.

The "**Class C Finance Rate**" for any Calculation Period will be specified in the relevant Final Terms or Drawdown Prospectus.

"**Class C Fixed Allocation**" means, with respect to any monthly period following the Revolving Period, the percentage equivalent of a fraction, the numerator of which is the Class C Investor Interest as of the close of business on the last day of the Revolving Period and the denominator of which is equal to the Investor Interest as of the close of business on the last day of the Revolving Period.

"**Class C Floating Allocation**" means, with respect to any monthly period, the percentage equivalent of a fraction, the numerator of which is the Class C Adjusted Investor Interest as of the close of business on the last day of the preceding monthly period and the denominator of which is equal to the Adjusted Investor Interest as of the close of business on such day **provided**, **however**, **that**, with respect to the first monthly period, the Class C Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class C Initial Investor Interest and the denominator of which is the Initial Investor Interest.

"**Class C Initial Investor Interest**" means the Sterling equivalent of the amount specified in the relevant Final Terms or Drawdown Prospectus using, if applicable, the fixed exchange rate in the relevant Swap Agreements.

"**Class C Investor Allocation**" means for any monthly period, (a) with respect to Receivables in Defaulted Accounts and Finance Charge Receivables at any time or Principal Receivables during the Revolving Period, the Class C Floating Allocation, and (b) with respect to Principal Receivables during the Controlled Accumulation Period, the Regulated Amortisation Period, the Rapid Amortisation Period or the Accelerated Amortisation Period, the Class C Fixed Allocation.

"**Class C Investor Charge-Off**" means, with reference to a particular series, a reduction in the Class C Investor Interest on any Transfer Date by the amount, if any, by which the Class C Investor Default Amount exceeds the total amount of Available Funds, Reallocated Class D Principal Collections (if any) and the Class D Investor Interest (if any), in each case available and allocated on that Transfer Date to fund the Class C Investor Default Amount.

"**Class C Investor Interest**" means at any time, with reference to a particular series, an amount equal to:

(i) the Class C Initial Investor Interest, *minus*

(ii) the total principal payments made to the MTN Issuing Entity for the purposes of calculation treated as referable to the Class C Investor Interest from the property of the Receivables Trust, *minus*

(iii) the total amount of Class C Investor Charge-Offs for all prior Transfer Dates, *minus*

(iv) the total amount of Reallocated Class B Principal Collections allocable to the Class C Investor Interest and Reallocated Class C Principal Collections on all prior Transfer Dates that have been used to fund the Class A Required Amount or the Class B Required Amount, *minus*

(v) an amount equal to any reductions in the Class C Investor Interest on all prior Transfer Dates to fund the Class A Investor Default Amount and the Class B Investor Default Amount, *plus*

(vi) the total amount of Available Funds allocated and available on all prior Transfer Dates to reimburse amounts deducted under (iii), (iv) and (v) above.

The Class C Investor Interest, however, may not be reduced below zero.

"**Class C Monthly Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The Class C Finance Rate} \times \text{The Class C Debt Amount}$$

The "**Class C Monthly Principal Amount**" is the lesser of:

(i) the Available Investor Principal Collections standing to the credit of the Principal Collections Ledger on that Transfer Date *minus*, if applicable, the Class A Monthly Principal Amount and the Class B Monthly Principal Amount; and

(ii) the Class C Adjusted Investor Interest – adjusted to account for any unreimbursed reductions in the Class C Investor Interest for reasons other than principal payments.

The "**Class C Monthly Required Expense Amount**" will be the sum of the following items:

(i) the Class C Monthly Finance Amount;

(ii) the Class C Deficiency Amount; and

(iii) the Class C Additional Finance Amount.

The "**Class C Required Amount**" for any Transfer Date will be the sum of (1) the Class C Monthly Required Expense Amount, (2) the Class B Servicing Fee plus the Class B Cash Management Fee (each as defined in the series supplement), and (3) the Class C Investor Default Amount, exceeds the Available Funds exceeds the Available Funds allocated and available to meet such purposes.

"**Class D Additional Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \begin{array}{c}\text{The Class D Finance Rate} \\ \text{plus 2 per cent.}\end{array} \times \begin{array}{c}\text{Any unpaid Class D Deficiency} \\ \text{Amount on the prior Transfer Date}\end{array}$$

"**Class D Adjusted Investor Interest**" means, at any time, an amount equal to the Class D Investor Interest *minus* the balance on deposit in the Principal Funding Account in excess of the sum of the Class A Investor Interest, the Class B Investor Interest and the Class C Investor Interest, but not more than the Class D Investor Interest.

"**Class D Debt Amount**" means the Class D Initial Investor Interest *minus* the total principal payments made to the MTN Issuing Entity referable to the Class D Investor Interest from the property of the Receivables Trust. On the Series Termination Date, the Class D Debt Amount will be zero.

"**Class D Deficiency Amount**" is the excess, if any, of the Class D Monthly Required Expense Amount for the prior Transfer Date over the funds allocable to Class D actually credited to the Series Distribution Ledger for payment of the Class D Monthly Required Expense Amount on that Transfer Date.

The "**Class D Finance Rate**" for any Calculation Period will be specified in the relevant Final Terms or Drawdown Prospectus.

"**Class D Fixed Allocation**" means, with respect to any monthly period following the Revolving Period, the percentage equivalent of a fraction, the numerator of which is the Class D Investor Interest as of the close of business on the last day of the Revolving Period and the denominator of which is equal to the Investor Interest as of the close of business on the last day of the Revolving Period.

"**Class D Floating Allocation**" means, with respect to any monthly period, the percentage equivalent of a fraction, the numerator of which is the Class D Adjusted Investor Interest as of the close of business on the last day of the preceding monthly period and the denominator of which is equal to the Adjusted

Investor Interest as of the close of business on such day **provided**, **however**, **that**, with respect to the first monthly period, the Class D Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class D Initial Investor Interest and the denominator of which is the Initial Investor Interest.

"**Class D Initial Investor Interest**" means the Sterling equivalent of the amount specified in the relevant Final Terms or Drawdown Prospectus using, if applicable, the fixed exchange rate in the Swap Agreements.

"**Class D Investor Allocation**" means for any monthly period, (a) with respect to Receivables in Defaulted Accounts and Finance Charge Receivables at any time or Principal Receivables during the Revolving Period, the Class D Floating Allocation, and (b) with respect to Principal Receivables during the Controlled Accumulation Period, the Regulated Amortisation Period, the Rapid Amortisation Period or the Accelerated Amortisation Period, the Class D Fixed Allocation.

"**Class D Investor Charge-Off**" means, with reference to a particular series, a reduction in the Class D Investor Interest on any Transfer Date by the amount, if any, by which the Class D Investor Default Amount exceeds the amount of Available Funds available and allocated on that Transfer Date to fund the Class D Investor Default Amount.

"**Class D Investor Interest**" means at any time, with reference to a particular series, an amount equal to:

(i) the Class D Initial Investor Interest, *minus*

(ii) the total principal payments made to the MTN Issuing Entity for the purposes of calculation treated as referable to the Class D Investor Interest from the property of the Receivables Trust, *minus*

(iii) the total amount of Class D Investor Charge-Offs for all prior Transfer Dates, *minus*

(iv) the total amount of Reallocated Class C Principal Collections allocable to the Class D Investor Interest and Reallocated Class D Principal Collections on all prior Transfer Dates that have been used to fund the Class A Required Amount, the Class B Required Amount or the Class C Required Amount, *minus*

(v) an amount equal to any reductions in the Class D Investor Interest on all prior Transfer Dates to fund the Class A Investor Default Amount, the Class B Investor Default Amount and the Class C Investor Default Amount, *plus*

(vi) the total amount of Available Funds allocated and available on all prior Transfer Dates to reimburse amounts deducted under (iii), (iv) and (v) above.

The Class D Investor Interest, however, may not be reduced below zero.

"**Class D Monthly Finance Amount**" means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The Class D Finance Rate} \times \text{The Class D Debt Amount}$$

The "**Class D Monthly Principal Amount**" is the lesser of:

(i) the Available Investor Principal Collections standing to the credit of the Principal Collections Ledger on that Transfer Date *minus*, if applicable, the Class A Monthly Principal Amount, the Class B Monthly Principal Amount and the Class C Monthly Principal Amount; and

(ii) the Class D Adjusted Investor Interest – adjusted to account for any unreimbursed reductions in the Class D Investor Interest for reasons other than principal payments.

The "**Class D Monthly Required Expense Amount**" will be the sum of the following items:

(i) the Class D Monthly Finance Amount;

(ii) the Class D Deficiency Amount; and

(iii) the Class D Additional Finance Amount.

"**Companion Series**" means:

(i) each series that has been paired with another series so that the reduction of the Investor Interest of the paired series results in the increase of the Investor Interest of the other series, as described in the related series supplements; and

(ii) the other series.

A "**Determination Date**" means the date falling two Business Days before a Transfer Date.

The first "**Distribution Date**" will be the relevant First Interest Payment Date and each subsequent Distribution Date will be the relevant Regular Interest Payment Date (unless otherwise specified in the relevant Final Terms or Drawdown Prospectus).

"**Expense Rate**" means, for any Transfer Date:

$$\frac{A+B+C}{D} \times 12$$

where:

A	=	the sum of the Class A Monthly Required Expense Amount, the Class B Monthly Required Expense Amount, the Class C Monthly Required Expense Amount and the Class D Monthly Required Expense Amount;
B	=	the Investor Servicing Fee;
C	=	the Investor Trust Cash Management Fee; and
D	=	the Investor Interest.

"**Investor Interest**" means, in relation to a particular series, the sum of the Class A Investor Interest, the Class B Investor Interest, the Class C Investor Interest and the Class D Investor Interest (if any).

"**Initial Investor Interest**" means, in relation to a particular series, the sum of the Class A Initial Investor Interest, the Class B Initial Investor Interest, the Class C Initial Investor Interest and the Class D Initial Investor Interest (if any).

"**Investor Principal Collections**" means, for any monthly period, the sum of:

(i) Principal Collections credited to the Principal Collections Ledger identified for each series, after adjustments for Unavailable Principal Collections during the Controlled Accumulation Period or an Amortisation Period; *plus*

(ii) amounts treated as Investor Principal Collections up to the Class A Investor Default Amount and distributed out of Available Funds, Reallocated Class D Principal Collections, Reallocated Class C Principal Collections and Reallocated Class B Principal Collections; *plus*

(iii) amounts treated as Investor Principal Collections up to the Class B Investor Default Amount and distributed out of Available Funds and Reallocated Class D Principal Collections and Reallocated Class C Principal Collections; *plus*

(iv) amounts treated as Investor Principal Collections up to the Class C Investor Default Amount and distributed out of Available Funds and Reallocated Class D Principal Collections; *plus*

(v) amounts treated as Investor Principal Collections up to the Class D Investor Default Amount and distributed out of Available Funds; *plus*

(vi) Available Funds treated as Investor Principal Collections used to reimburse Class A Investor Charge- Offs, any reductions in the Class B Investor Interest, any reductions in the Class C Investor Interest and any reductions in the Class D Investor Interest; *plus*

(vii) Unavailable Principal Collections credited to the Principal Collections Ledger and to be treated as Investor Principal Collections; see "– *Unavailable Principal Collections*".

The "**Issuing Entity Distribution Account**" is a bank account in the name of the Issuing Entity that will be used to deposit amounts distributed to the Issuing Entity on the Medium Term Note Certificates from the MTN Issuing Entity.

"**Minimum Aggregate Principal Receivables**" means, an amount equal to the sum of the numerators used in the calculation of the Investor Percentages for Principal Collections for all outstanding series on that Date. For any series in its rapid accumulation period, as defined in its supplement, with an Investor Interest as of that date of determination equal to the balance on deposit in the Principal Funding Account for that series, the numerator used in the calculation of the Investor Percentage for Principal Collections for that eligible series will, only for the purpose of the definition of Minimum Aggregate Principal Receivables, be zero.

"**Minimum Originator Interest**" means 5 per cent. of the Average Principal Receivables. The Originator may reduce the Minimum Originator Interest in the following circumstances:

(i) upon 30 days prior notice to the Receivables Trustee, each rating agency and any enhancement provider entitled to receive notice under its supplement;

(ii) upon written confirmation from each rating agency that the reduction will not result in the reduction or withdrawal of the ratings of the rating agency for any outstanding Related Beneficiary Debt, including, for the relevant series, the notes; and

(iii) delivery to the Receivables Trustee and each enhancement provider of an officer's certificate stating that the Originator reasonably believes that the reduction will not, based on the facts known to the officer at the time of the certification, cause, at that time or in the future, a Pay Out Event to occur for any investor beneficiary.

The Minimum Originator Interest will never be less than 2 per cent. of the Average Principal Receivables.

"**Monthly Loan Expenses Amount**" means, for any Transfer Date, the amount equal to any monthly interest accrual which is due and payable, including any amount outstanding in respect of previous Transfer Dates, if any, under the Expenses Loan Agreement.

"**MTN Issuing Entity Costs Amount**" means an amount equal to any third party fees, costs and expenses payable by the MTN Issuing Entity that are accrued and due and payable on a Transfer Date. This amount includes the fees, costs and expenses of the Security Trustee and any receiver appointed pursuant to the Security Trust Deed and MTN Cash Management Agreement, *plus*, any fees, costs and expenses remaining unpaid from previous Transfer Dates including in each case, any part of such fees, costs and expenses as represents VAT (if any).

"**Portfolio Yield**" means, for any monthly period:

$$\frac{(A+B+C+D+E+F)-G}{H} \times 12$$

where:

A = the Finance Charge Collections allocable to the relevant series;
B = The amount, if any, with respect to annual fees allocable to the relevant series;
C = the Acquired Interchange allocable to the relevant series;
D = the Principal Funding Investment Proceeds up to the Covered Amount;
E = the reserve draw amount (as defined in the series supplement);
F = the amount, if any, to be withdrawn from the Re-investment Account that is included in Available Funds;
G = the Investor Default Amount; and
H = the Investor Interest.

"**Qualified Institution**" means (1) an institution which at all times has a short-term unsecured debt rating of at least A-1+ by Standard & Poor's and P-1 by Moody's, or (2) an institution acceptable to each rating agency.

The "**Re-investment Account Funding Date**" will be the Transfer Date that starts no later than three months before the start of the Controlled Accumulation Period. This date will be an earlier date if the Portfolio Yield decreases below levels described in the series supplement. In any case, this date will be no earlier than 12 months before the start of the Controlled Accumulation Period.

"**Reallocated Class B Principal Collections**" means, for any Transfer Date, the Principal Collections allocable to the Class B Investor Interest for the related monthly period in an amount not to exceed the Class A Required Amount, after applying Available Funds and Reallocated Class C Principal Collections to cover the Class A Required Amount. Reallocated Class B Principal Collections cannot exceed the Class B Investor Interest after giving effect to any unreimbursed Class B Investor Charge-Offs. Reallocated Class B Principal Collections will reduce the Class B Investor Interest.

"**Reallocated Class C Principal Collections**" means, for any Transfer Date, the Principal Collections allocable to the Class C Investor Interest for the related monthly period in an amount not to exceed the Class A Required Amount and the Class B Required Amount after applying Available Funds and Reallocated Class D Principal Collections to cover the Class A Required Amount and the Class B Required Amount. Reallocated Class C Principal Collections cannot exceed the Class C Investor Interest after giving effect to any unreimbursed Class C Investor Charge-Offs. Reallocated Class C Principal Collections will reduce the Class C Investor Interest.

"**Reallocated Class D Principal Collections**" means, for any Transfer Date, the Principal Collections allocable to the Class D Investor Interest for the related monthly period in an amount not to exceed the Class A Required Amount and the Class B Required Amount and the Class C Required Amount after applying Available Funds to cover the Class A Required Amount, the Class B Required Amount and the Class C Required Amount. Reallocated Class D Principal Collections cannot exceed the Class D Investor Interest after giving effect to any unreimbursed Class D Investor Charge-Offs. Reallocated Class D Principal Collections will reduce the Class D Investor Interest.

"**Reinvested Investor Principal Collections**" means, for any Business Day during a monthly period:

(i) Principal Collections credited to the Principal Collections Ledger identified for the relevant series, after adjustments for Unavailable Principal Collections during the Controlled Accumulation Period, or an Amortisation Period for any day called the "**Daily Investor Principal Collections**"; *minus*

(ii) the amount specified in the Final Terms or Drawdown Prospectus by reference to the percentage of notes that are not the Most Senior Class of Notes for such Series.

"**Release Date**" means the date specified as such in the relevant Final Terms or Drawdown Prospectus.

The "**Required Re-investment Amount**" for any Transfer Date on or after the Re-investment Account Funding Date will be:

(i) 0.50 per cent. of the relevant series' Class A Investor Interest; or

(ii) the amount specified in the relevant Final Terms or Drawdown Prospectus.

"**Required Retained Investor Allocation**" means, those Principal Collections retained in the undivided Principal Collections Ledger each month calculated by reference to the Required Retained Principal Percentage, that can be utilised, if needed, as Utilised Required Retained Investor Allocation.

"**Required Retained Principal Percentage**" means, on the date of processing of the relevant Principal Collections, the sum of (a) the Class D Investor Allocation, (b) the Class C Investor Allocation and (c) the Class B Investor Allocation.

"**Series Debt Amount**" means, in relation to a particular series, the sum of the Class A Debt Amount, the Class B Debt Amount, the Class C Debt Amount and the Class D Debt Amount (if any).

The "**Series Distribution Account**" is a bank account in the name of the MTN Issuing Entity that will be used to deposit amounts distributed to the MTN Issuing Entity for the relevant series Investor Certificates from the Receivables Trust.

The "**Series Distribution Ledger**" is a ledger for a particular series in the Trustee Collection Account. See "*– Distribution Ledgers*".

The "**Series Termination Date**" is the earlier of the Distribution Date on which the Investor Interest has been reduced to zero and the Distribution Date falling on the Final Redemption Date of the relevant series.

"**Utilised Required Retained Investor Allocation**" means amounts utilised as Reallocated Class D Principal Collections, Reallocated Class C Principal Collections or (as the case may be) as Reallocated Class B Principal Collections.

Beneficial Entitlement of the MTN Issuing Entity to Trust Property Other Than in Respect of the Excess Interest

The beneficial entitlement of the MTN Issuing Entity as the investor beneficiary for each series to Eligible Principal Receivables – which includes Principal Collections that are the property of the Receivables Trust but excludes the amount on deposit in the Principal Funding Account – is equal to the proportion that the Adjusted Investor Interest bears to the amount of Eligible Principal Receivables assigned to or purported to be assigned to the Receivables Trust at any time. However, the beneficial entitlement for each notional Class will not exceed the Class A Adjusted Investor Interest, the Class B Adjusted Investor Interest, the Class C Adjusted Investor Interest or the Class D Adjusted Investor Interest, as applicable, at any time.

The beneficial entitlement of the MTN Issuing Entity as the investor beneficiary for each series to Finance Charge Collections during any monthly period is equal to the proportion that the floating allocation for each notional Class bears to the Investor Percentage of Finance Charge Collections for such monthly period credited to the Finance Charge Collections Ledger from time to time during that monthly period. However, the beneficial entitlement will not exceed the sum of the monthly required expense amount, the Investor Servicing Fee, the Investor Trust Cash Management Fee and the Investor Default Amount for any notional class of each series during any monthly period.

The beneficial entitlement of the MTN Issuing Entity as the investor beneficiary for each series at any time to any other property of the Receivables Trust will be equal to the proportion that the aggregate of the Class A Adjusted Investor Interest, the Class B Adjusted Investor Interest, the Class C Adjusted Investor Interest and the Class D Adjusted Investor Interest bears to the amount of Eligible Principal Receivables from time to time assigned to or purported to be assigned to the Receivables Trust.

The MTN Issuing Entity will be beneficially entitled to all monies held in any Trust Account other than:

(i) the Trustee Collection Account – except for the Distribution Ledger for each series; or

(ii) the Trustee Acquisition Account;

that are expressly segregated by separate account or by ledger entry or otherwise, as allocated to the MTN Issuing Entity.

Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity

On each day on which Collections are transferred to the Trustee Collection Account during the Revolving Period, the Controlled Accumulation Period and, if applicable, an Amortisation Period, the Receivables Trustee will credit to the Finance Charge Collections Ledger for each series an amount calculated as follows:

$A \times B$

Where:

A = the Floating Investor Percentage; and

B = the total amount of Finance Charge Collections processed on that Date.

"**Floating Investor Percentage**" means, for any monthly period, the following fraction expressed as a percentage:

$$\frac{A}{\textit{the greater of } B \textit{ or } C}$$

Where:

A = the Adjusted Investor Interest;
B = the total balance of Eligible Principal Receivables in the Receivables Trust *plus* the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger
C = the sum of the numerators used to calculate the Floating Investor Percentages for all outstanding series.

These amounts will be calculated for any monthly period other than the first monthly period as of the last day of the prior monthly period. For the first monthly period, they will be calculated as of the relevant Closing Date. The Floating Investor Percentage will never exceed 100 per cent.

Notwithstanding the above, for a monthly period in which an Addition Date occurs, B in the fraction used to calculate the Floating Investor Percentage will be:

(i) for the period from the first day of the monthly period to the Addition Date, the total balance of Eligible Principal Receivables in the Receivables Trust *plus* the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger at the close of business on the last day of the prior monthly period; and

(ii) for the period from the Addition Date through the last day of the monthly period, the total balance of Eligible Principal Receivables in the Receivables Trust *plus* the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger on the Addition Date – taking into account the Eligible Principal Receivables added to the Receivables Trust.

If, in any monthly period the Investor Interest would be zero if the payments to be made on the Distribution Date in that monthly period were made on the last day of the prior monthly period, the Floating Investor Percentage will be zero.

Available Funds

"**Available Funds**" for any monthly period equals the sum of the following amounts credited to the Finance Charge Collections Ledger for that monthly period:

(i) the Finance Charge Collections allocated to the relevant series;

(ii) the Acquired Interchange allocated to the relevant series;

(iii) for any monthly period during the Controlled Accumulation Period before payment in full of the Investor Interest, the Principal Funding Investment Proceeds – up to a maximum amount equal to the Covered Amount; see "*– Principal Funding Account*";

(iv) any amounts withdrawn from the Re-investment Account; see "*– Re-investment Account*"; and

(v) any amounts withdrawn from the Series Cash Reserve Account; see "*– Series Cash Reserve Account*".

The amount of Acquired Interchange allocated to the relevant series for any monthly period will be the product of the Acquired Interchange and the Floating Investor Percentage. This allocated Acquired Interchange will be credited to the Finance Charge Collections Ledger.

Application of Available Funds

On each Transfer Date, the Receivables Trustee will debit the Finance Charge Collections Ledger up to the amount of Available Funds, such amounts to be distributed in the following order:

(1) the Investor Trustee Payment Amount *plus* any unpaid Investor Trustee Payment Amounts from prior Transfer Dates will be used by the Receivables Trustee to satisfy the Investor Trustee Payment Amounts;

(2) the MTN Issuing Entity Costs Amounts will be credited to the Series Distribution Ledger;

(3) the Servicing Fee and Cash Management Fee and any due and unpaid Servicing Fees or Cash Management Fees from prior Transfer Dates will be distributed to the Servicer or Trust Cash Manager, as applicable;

(4) the sum of the Class A Monthly Finance Amount, the Class A Deficiency Amount and the Class A Additional Finance Amount will be credited to the Series Distribution Ledger;

(5) if required, the Monthly Loan Expenses Amount will be credited to the Series Distribution Ledger;

(6) the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount – called the "**Class B Monthly Distribution Amount**" – will be credited to the Series Distribution Ledger;

(7) an amount equal to the Class A Investor Default Amount will be allocated to Class A and treated as a portion of Investor Principal Collections referable to Class A and credited to the Principal Collections Ledger;

(8) an amount equal to the total amount of Class A Investor Charge-Offs that have not been previously reimbursed will be used to reinstate the Class A Investor Interest, treated as a portion of Investor Principal Collections allocated to Class A and credited to the Principal Collections Ledger;

(9) to fund the Class B Investor Default Amount; any amount available to pay the Class B Investor Default Amount will be allocated to Class B and treated as a portion of Investor Principal Collections allocated to Class B and credited to the Principal Collections Ledger;

(10) an amount equal to the total amount by which the Class B Investor Interest has been reduced below the Class B Initial Investor Interest for reasons other than the payment of principal – but not in excess of the aggregate amount of such reductions which have not been previously reimbursed– will be used to reinstate the Class B Investor Interest, treated as a portion of Investor Principal Collections and credited to the Principal Collections Ledger;

(11) an amount equal to the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount – called the "**Class C Monthly Distribution Amount**" – will be credited to the Series Distribution Ledger;

(12) an amount equal to the Class C Investor Default Amount will be allocated to Class C and treated as a portion of Investor Principal Collections allocated to Class C and credited to the Principal Collections Ledger;

(13) an amount equal to the total amount by which the Class C Investor Interest has been reduced below the Class C Investor Interest for reasons other than the payment of principal – but not in excess of the total amount of the reductions that have not been previously reimbursed – will be used to reinstate the Class C Investor Interest, treated as a portion of Investor Principal Collections and credited to the Principal Collections Ledger;

(14) an amount equal to the sum of the Class D Monthly Finance Amount, the Class D Deficiency Amount and the Class D Additional Finance Amount – called the "**Class D Monthly Distribution Amount**" – will be credited to the Series Distribution Ledger;

(15) if a series is specified as having a Class D, then an amount equal to the Class D Investor Default Amount will be allocated to Class D and treated as a portion of Investor Principal Collections allocated to Class D and credited to the Principal Collections Ledger;

(16) if a series is specified as having a Class D, then an amount equal to the total amount by which the Class D Investor Interest has been reduced below the Class D Investor Interest for reasons other than the payment of principal – but not in excess of the total amount of the reductions that have not been previously reimbursed – will be used to reinstate the Class D Investor Interest, treated as a portion of Investor Principal Collections and credited to the Principal Collections Ledger;

(17) on each Transfer Date from and after the Re-investment Account Funding Date, but before the date on which the Re-investment Account terminates, an amount up to the excess, if any, of the Required Re-investment Amount over the amount on deposit in the Re-investment Account will be deposited into the Re-investment Account;

(18) on each Distribution Date prior to the Release Date, if the available amount on deposit in the Series Cash Reserve Account is less than the Required Series Cash Reserve Account Amount, an amount up to any excess will be deposited into the Series Cash Reserve Account;

(19) an amount (if any) equal to the aggregate of any Approved Conduit Payment to be paid to the affected conduit on the immediately following Distribution Date;

(20) an amount equal to any Aggregate Investor Indemnity Amount for the relevant series will be paid to the Originator and will then cease to be property of the Receivables Trust;

(21) the Series Extra Amount will be paid into the Series Distribution Account and will be owned by the MTN Issuing Entity;

(22) on any Distribution Date, an amount equal to the principal calculated as payable in accordance with the Expenses Loan Agreement, if any, will be paid into the Series Distribution Account and will be owned by the MTN Issuing Entity; and

(23) the balance, if any, after giving effect to the payments made under paragraphs (1) through (22) above will be paid to the MTN Issuing Entity as assignee of the Excess Interest Beneficiary and will then cease to be property of the Receivables Trust.

On each Distribution Date, all amounts credited to the Series Distribution Ledger for the amounts in (2), (3) and (4) above will be deposited in the Series Distribution Account. The aggregate of amounts in (2), (3) and (4) above are called the "**Class A Monthly Distribution Amount**".

"**Approved Conduit Payment**" means any payment designated as an "Approved Conduit Payment" in the relevant supplement to the Declaration of Trust and Cash Management Agreement.

Allocation, Calculation and Distribution of Principal Collections to the MTN Issuing Entity

The amount of Principal Collections transferred on a daily basis (see *"The Receivables Trust – Allocation and Application of Collections*") during any monthly period to the Principal Collections Ledger of the Trustee Collection Account will only be transferred and distributed to the MTN Issuing Entity as investor beneficiary (to the extent of its beneficial interest) after making the calculations described below. These calculations and the amounts actually transferred differ depending upon whether a particular series is in the Revolving Period, the Controlled Accumulation Period, or an Amortisation Period.

Allocation of Principal Collections to the Investor Interest

During the Revolving Period, Principal Collections will be allocated to the Investor Interest on the basis of the Floating Investor Percentage. During the Controlled Accumulation Period, or an Amortisation Period, Principal Collections will be allocated to the Investor Interest on the basis of the Fixed Investor Percentage. The amount of Principal Collections allocated to the Investor Interest and allocated to the MTN Issuing Entity at any time will be credited to the Principal Collections Ledger of the Trustee Collection Account for the relevant series. The Principal Collections credited to the Principal Collections Ledger from time to time that will be allocated to the MTN Issuing Entity will be:

(a) during the Revolving Period, equal to the total of the floating allocations for each Class of the relevant series; and

(b) during the Controlled Accumulation Period, or an Amortisation Period, equal to the total of the fixed allocations for each Class of the relevant series.

"**Fixed Investor Percentage**" means, for any monthly period, the following calculation expressed as a percentage:

$$\frac{A}{\textit{the greater of } B \textit{ or } C}$$

Where:

A = the Investor Interest calculated at close of business on the last day of the Revolving Period;
B = the total balance of Eligible Principal Receivables in the Receivables Trust *plus* the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger; and
C = the sum of the numerators used to calculate the fixed Investor Percentages for all outstanding series.

Items B and C above will be calculated for any monthly period as of the last day of the prior monthly period. For the first monthly period, they will be calculated as of the relevant Closing Date. The Fixed Investor Percentage will never exceed 100 per cent.

Notwithstanding the above, for a monthly period in which an Addition Date occurs, B in the fraction used to calculate the Fixed Investor Percentage above will be:

(i) for the period from the first day of the monthly period to the Addition Date, the total balance of Eligible Principal Receivables in the Receivables Trust *plus* the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger at the close of business on the last day of the prior monthly period; and

(ii) for the period from the Addition Date to the last day of the monthly period, the total balance of Eligible Principal Receivables in the Receivables Trust *plus* the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger on the Addition Date, taking into account the Eligible Principal Receivables added to the Receivables Trust.

If in any monthly period the Investor Interest would be zero if the payments to be made on the Distribution Date during that monthly period were made on the last day of the prior monthly period, the Fixed Investor Percentage will be zero.

Revolving Period

The "**Revolving Period**" for each series is the period from the relevant Closing Date to the start of the Controlled Accumulation Period or, if earlier, the start of an Amortisation Period, the triggers for which are described below.

During the Revolving Period, Principal Collections calculated as referable daily to the Class A Investor Interest will be used by the Receivables Trustee as Shared Principal Collections and, to the extent not used as Shared Principal Collections, to make payments to the Originator:

(i) to accept new offers of Eligible Receivables made by the Originator to the Receivables Trustee, and

(ii) to make payments to the Originator for future receivables assigned by the Originator to the Receivables Trustee by offers that have already been made and accepted.

Principal Collections calculated as referable to the Class B Investor Interest, the Class C Investor Interest and the Class D Investor Interest will be used by the Receivables Trustee as described in the previous paragraph on the next following Transfer Date to the extent (i) not required to fund shortfalls for the Class A Investor Interest and – for Principal Collections calculated as referable to the Class C Investor Interest and the Class D Investor Interest – shortfalls for the Class B Investor Interest (to the extent not required to fund shortfalls in the Class A Investor Interest) and – for Principal Collections calculated as referable to the Class D Investor Interest – to fund shortfalls for the Class C Investor Interest (to the extent not required to fund shortfalls in the Class A Investor Interest or the Class B Investor Interest) and (ii) not required to be used by the Receivables Trustee as Shared Principal Collections (see "*Shared Principal Collections*" below).

For a further description, please see "*The Receivables*".

As noted above, a specified percentage of Principal Collections calculated by reference to the notes of each series which are not the Most Senior Class, specified as the Required Retained Principal Percentage of such Principal Collections will be retained within the Trustee Collection Account and may be used to meet certain payments or distributions to the MTN Issuing Entity on a Transfer Date in respect of each relevant series which it is not able to satisfy from Finance Charge Collections distributed as described above under "*Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*". Any Required Retained Investor Allocation not utilised shall be available as Shared Principal Collections and any amounts remaining will be paid to the Originator.

For calculation purposes, to the extent amounts of Required Retained Investor Allocation are distributed to the MTN Issuing Entity to help it make certain of its payments or distributions, these amounts are defined as "**Utilised Required Retained Investor Allocation**".

For calculation purposes, Utilised Required Retained Investor Allocation are divided into amounts utilised as Reallocated Class D Principal Collections, Reallocated Class C Principal Collections or (as the case may be) as Reallocated Class B Principal Collections. See "*Defaulted Receivables; Investor Charge-offs*" below for further information on Reallocated Class B Principal Collections, Reallocated Class C Principal Collections and Reallocated Class D Principal Collections.

Controlled Accumulation Period

The "**Controlled Accumulation Period**" for each series is the period scheduled to begin on the date specified in the relevant Final Terms or Drawdown Prospectus and ending when the Investor Interest is paid in full, unless an Amortisation Period begins. If the Regulated Amortisation Period or Rapid Amortisation Period begins before the start of the Controlled Accumulation Period, there will not be a Controlled Accumulation Period for the relevant series. The start of the Controlled Accumulation Period may be delayed until no later than the close of business on the date specified in the relevant Final Terms or Drawdown Prospectus. See "*Postponement of Controlled Accumulation Period*".

During the Controlled Accumulation Period the Principal Collections allocated to the Investor Interest for the relevant series less any Required Retained Investor Allocation, up to the Controlled Deposit Amount, will be accumulated by the Receivables Trustee in a trust account called the "**Principal Funding Account**" for distribution to the MTN Issuing Entity as the investor beneficiary for the relevant series on the Distribution Date specified for the redemption of the notes – called the "**Series Scheduled Redemption Date**". Any Principal Collections allocated to the Investor Interest for the relevant series over the amount that will be deposited in the Principal Funding Account will be used by the Receivables Trustee first as Shared Principal Collections and then to make payments to the Originator as described above under "*Revolving Period*".

As in the Revolving Period, during each monthly period during the Controlled Accumulation Period, a specified percentage of Principal Collections as calculated by reference to each series equal to the Required Retained Principal Percentage of such Principal Collections will be retained within the Trustee Collection Account and may be used on a Transfer Date to make certain payments or distributions to the MTN Issuing Entity in respect of the relevant series which it is not able to satisfy from Finance Charge Collections distributed as described under "*Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*". For calculation purposes, these amounts of Utilised Required Retained Investor Allocation are divided into amounts utilised as Reallocated Class D Principal Collections, Reallocated Class C Principal Collections or (as the case may be) Reallocated Class B Principal Collections. See "*Defaulted Receivables; Investor Charge-offs*" below for further information on Reallocated Class D Principal Collections, Reallocated Class C Principal Collections and Reallocated Class B Principal Collections.

The "**Controlled Deposit Amount**" for any Transfer Date for the Controlled Accumulation Period, the Regulated Amortisation Period or the Accelerated Amortisation Period will be the Sterling equivalent of the amount specified in the relevant Final Terms or Drawdown Prospectus, using, if applicable, the fixed exchange rate in the Swap Agreements, which equals the Initial Investor Interest divided by 12, or for a Regulated Amortisation Period or Accelerated Amortisation Period if greater, may be an amount not exceeding 1/12 of the total sum of all Investor Interests of all series in Group One – except Companion Series – that are scheduled to be in their Revolving Periods. If the start of the Controlled Accumulation Period is delayed as described in "- *Postponement of Controlled Accumulation Period*", the Controlled Deposit Amount will be greater than the Sterling equivalent of the amount specified in the relevant Final Terms or Drawdown Prospectus. This higher amount will be determined by the Servicer based on the principal payment rates on the Designated Accounts and on the Investor Interests of series in Group One – except Companion Series – that are scheduled to be in their Revolving Periods. In any case, during the Controlled Accumulation Period, the Controlled Deposit Amount will be the amount that, if deposited in the Principal Funding Account on each Transfer Date for the Controlled Accumulation Period, will cause the balance of the Principal Funding Account to equal the Investor Interest on the Series Scheduled Redemption Date. The Controlled Deposit Amount for any Transfer Date will include the amount of any shortfall in payment of the Controlled Deposit Amount for the previous Transfer Date.

Regulated Amortisation Period

A "**Regulated Amortisation Period**" will start on the day, if there is one, that any of the following Series Pay Out Events occur, each of which is referred to as a "**Regulated Amortisation Trigger Event**":

(i) the average Portfolio Yield for any three consecutive monthly periods is less than the average Expense Rate for those periods or, on any Determination Date before the end of the third monthly period from the relevant Closing Date, the Portfolio Yield is less than average Expense Rate for that period; or

(ii) either:

(1) over any period of thirty consecutive days, the Originator Interest averaged over that period is less than the Minimum Originator Interest for that period and the Originator Interest does not increase on or before the tenth Business Day following that thirty day period to an amount so that the average of the Originator Interest as a percentage of the Average Principal Receivables for such thirty day period, computed by assuming that the amount of the increase of the Originator Interest by the last day of that ten Business Day period, as compared to the Originator Interest on the last day of the thirty day period, would have existed in the Receivables Trust during each day of the thirty day period, is at least equal to the Minimum Originator Interest; or

(2) on the last Business Day of any monthly period the total balance of Eligible Principal Receivables is less than the Minimum Aggregate Principal Receivables, adjusted for any series having a Companion Series as described in the supplement for that series and the Companion Series, and the total balance of Eligible Principal Receivables fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth Business Day following that last day.

The Regulated Amortisation Period will continue until the earlier of:

(i) the start of the Rapid Amortisation Period; and

(ii) the Series Termination Date.

During the Regulated Amortisation Period the amount of Principal Collections allocated to the Investor Interest for the relevant series less any Required Retained Investor Allocation, up to the Controlled Deposit Amount, will be paid each month to the MTN Issuing Entity first for the Class A Investor Interest, second for the Class B Investor Interest, third for the Class C Investor Interest and fourth for the Class D Investor Interest until the Series Termination Date. Any Principal Collections allocated to the Investor Interest for the series over the Controlled Deposit Amount paid to the MTN Issuing Entity will be used by the Receivables Trustee first as Shared Principal Collections and then to make payments to the Originator as described above under "*– Revolving Period*".

As in the Revolving Period and the Controlled Accumulation Period, during each monthly period during the Regulated Amortisation Period, a specified percentage of Principal Collections as calculated by reference to the relevant series equal to the Required Retained Principal Percentage of such Principal Collections will be retained within the Trustee Collection Account and may be used on a Transfer Date to make certain payments or distributions to the MTN Issuing Entity in respect of the relevant series which it is not able to satisfy from Finance Charge Collections distributed as described under "*Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*". For calculation purposes, these amounts of Utilised Required Retained Investor Allocation are divided into amounts utilised as Reallocated Class D Principal Collections, Reallocated Class C Principal Collections or (as the case may be) Reallocated Class B Principal Collections. See "*Defaulted Receivables; Investor Charge-offs*" below for further information on Reallocated Class D Principal Collections, Reallocated Class C Principal Collections and Reallocated Class B Principal Collections.

Rapid Amortisation Period

A "**Rapid Amortisation Period**" will start on the first day of the monthly period next following the day on which any Pay Out Event other than a Regulated Amortisation Trigger Event occurs.

The Rapid Amortisation Period will continue until the earlier of:

(i) the Series Termination Date; or

(ii) the dissolution of the Receivables Trust following the occurrence of an Insolvency Event; see *"The Receivables Trust: Trust Pay Out Events*".

During the Rapid Amortisation Period, Principal Collections allocable to the Investor Interest of the relevant series will be paid each month to the MTN Issuing Entity first for the Class A Investor Interest, second for the Class B Investor Interest, third for the Class C Investor Interest and fourth for the Class D Investor Interest until the Series Termination Date.

As in the Revolving Period, the Controlled Accumulation Period and the Regulated Amortisation Period, during each monthly period during the Regulated Amortisation Period, a specified percentage of Principal Collections as calculated by reference to the relevant series equal to the Required Retained Principal Percentage of such Principal Collections will be retained within the Trustee Collection Account and may be used on a Transfer Date to make certain payments or distributions to the MTN Issuing Entity in respect of the relevant series which it is not able to satisfy from Finance Charge Collections distributed as described under "*Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*". For calculation purposes, these amounts of Utilised Required Retained Investor Allocation are divided into amounts utilised as Reallocated Class D Principal Collections, Reallocated Class C Principal Collections or (as the case may be) Reallocated Class B Principal Collections. See "*Defaulted Receivables; Investor Charge-offs*" below for further information on Reallocated Class D Principal Collections, Reallocated Class C Principal Collections and Reallocated Class B Principal Collections.

If specified in the relevant Final Terms or Drawdown Prospectus, the following additional Amortisation Periods will apply:

Accelerated Amortisation Period

If specified in the relevant Final Terms or Drawdown Prospectus, an "**Accelerated Amortisation Period**" may apply. The Accelerated Amortisation Period shall commence at the close of business on the last day of the Monthly Period in which the Originator Beneficiary and the investor beneficiary deliver a notice to the Receivables Trustee, in accordance with the applicable supplement to the Declaration of Trust and Trust Cash Management Agreement, to the effect that they intend to commence an Accelerated Amortisation Period. The Accelerated Amortisation Period shall end on the earlier of the commencement of the Regulated Amortisation Period or the Rapid Amortisation Period, the Scheduled Redemption Date or the Series Termination Date.

During the Accelerated Amortisation Period, the amount of Principal Collections allocated to the Investor Interest for the relevant series less any Required Retained Investor Allocation, up to the Controlled Deposit Amount, will be paid each month to the MTN Issuing Entity first for the Class A Investor Interest, second for the Class B Investor Interest, third for the Class C Investor Interest and fourth for the Class D Investor Interest until the Series Termination Date. Any Principal Collections allocated to the Investor Interest for the series over the Controlled Deposit Amount paid to the MTN Issuing Entity will be used by the Receivables Trustee first as Shared Principal Collections and then to make payments to the Originator as described above under "*– Revolving Period*".

As in the Revolving Period and the Controlled Accumulation Period, during each monthly period during the Accelerated Amortisation Period, a specified percentage of Principal Collections as calculated by reference to the relevant series equal to the Required Retained Principal Percentage of such Principal Collections will be retained within the Trustee Collection Account of the Receivables Trust and may be used on a Transfer Date to make certain payments or distributions to the MTN Issuing Entity in respect of the relevant series which it is not able to satisfy from Finance Charge Collections distributed as described under "*Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*". For calculation purposes, these amounts of Utilised Required Retained Investor Allocation are divided into amounts utilised as Reallocated Class D Principal Collections, Reallocated Class C Principal Collections or (as the case may be) Reallocated Class B Principal Collections. See "*Defaulted Receivables; Investor Charge-offs*" below for further information on Reallocated Class D Principal Collections, Reallocated Class C Principal Collections and Reallocated Class B Principal Collections.

Optional Amortisation Period

If specified in the relevant Final Terms or Drawdown Prospectus, an "**Optional Amortisation Period**" may apply. The Optional Amortisation Period shall begin at the close of business on the date on which notification is given by the Originator Beneficiary and the investor beneficiary to the Receivables Trustee, in accordance with the applicable supplement to the Declaration of Trust and Trust Cash Management Agreement, of an optional amortisation in whole or in part of the relevant medium term note. Such optional amortisation shall be in a minimum amount of £10,000,000 and an integral multiple of £1,000,000 and shall utilise amounts standing to the credit of the Principal Collections Ledger for the relevant series on the date that such optional amortisation is to be made. The Optional Amortisation Period will end on the date specified in such notification for the completion of such amortisation.

Partial Amortisation Period

If specified in the relevant Final Terms or Drawdown Prospectus, a "**Partial Amortisation Period**" may apply. The Partial Amortisation Period shall begin at the close of business on any Distribution Date as notified by the Originator Beneficiary and the investor beneficiary to the Receivables Trustee specifying the commencement of a partial amortisation in accordance with the applicable supplement to the Declaration of Trust and Trust Cash Management Agreement. Such partial amortisation shall be in a minimum amount of £10,000,000 and an integral multiple of £1,000,000 and shall utilise amounts standing to the credit of the Principal Collections Ledger for the relevant series on each Distribution Date during the Partial Amortisation Period subject to the provisions of the Declaration of Trust and Trust Cash Management Agreement. The Partial Amortisation Period shall end on the earlier of (i) the Distribution Date on which the applicable amount to be amortised shall has been paid in full and (ii) the commencement of the Regulated Amortisation Period or the Rapid Amortisation Period.

Distribution of Reinvested Investor Principal Collections

On each Business Day during the Revolving Period which is not a Transfer Date, the Reinvested Investor Principal Collections for that day will be distributed in the following priority:

(i) the Reinvested Investor Principal Collections will be applied as Shared Principal Collections and allocated to other outstanding series in Group One; see "– *Shared Principal Collections*"; and

(ii) the balance remaining will be applied as Investor Cash Available for Acquisition in the manner described in *"The Receivables Trust: Acquiring Additional Entitlements to Trust Property and Payments for Receivables*".

Distribution of Principal Collections

On each Transfer Date during the Controlled Accumulation Period, the Regulated Amortisation Period, the Accelerated Amortisation Period or the Rapid Amortisation Period, the Receivables Trustee will withdraw the Class A Monthly Principal Amount from the Principal Collections Ledger and:

(i) for a Transfer Date for the Controlled Accumulation Period, deposit it into the Principal Funding Account; or

(ii) for a Transfer Date during the Regulated Amortisation Period, the Accelerated Amortisation Period or the Rapid Amortisation Period, credit it to the Series Distribution Ledger.

The first Distribution Date (1) for the Controlled Accumulation Period, on which an amount equal to the Class A Investor Interest has been deposited in the Principal Funding Account, or (2) during an Amortisation Period, on which the Class A Investor Interest is paid in full, is called the "**Class B Principal Commencement Date**".

Starting with the Class B Principal Commencement Date, to the extent there are funds remaining after distributing the Class A Monthly Principal Amount, the Receivables Trustee will withdraw the Class B Monthly Principal Amount from the Principal Collections Ledger and:

(i) for a Transfer Date for the Controlled Accumulation Period, deposit it into the Principal Funding Account; or

(ii) for a Transfer Date during an Amortisation Period, credit it to the Series Distribution Ledger.

The first Distribution Date (1) for the Controlled Accumulation Period, on which an amount equal to the sum of the Class A Investor Interest and the Class B Investor Interest has been deposited in the Principal Funding Account, or (2) during an Amortisation Period, on which the Class B Investor Interest is paid in full, is called the "**Class C Principal Commencement Date**".

Starting with the Class C Principal Commencement Date, to the extent there are funds remaining after distributing the Class A Monthly Principal Amount and the Class B Monthly Principal Amount, as applicable, the Receivables Trustee will withdraw the Class C Monthly Principal Amount from the Principal Collections Ledger and:

(i) for a Transfer Date for the Controlled Accumulation Period, deposit it into the Principal Funding Account; or

(ii) for a Transfer Date during an Amortisation Period, credit it to the Series Distribution Ledger.

The first Distribution Date (1) for the Controlled Accumulation Period, on which an amount equal to the sum of the Class A Investor Interest, the Class B Investor Interest and the Class C Investor Interest has been deposited in the Principal Funding Account, or (2) during an Amortisation Period, on which the Class C Investor Interest is paid in full, is called the "**Class D Principal Commencement Date**".

Starting with the Class D Principal Commencement Date, to the extent there are funds remaining after distributing the Class A Monthly Principal Amount, the Class B Monthly Principal Amount and the Class

C Monthly Principal Amount, as applicable, the Receivables Trustee will withdraw the Class D Monthly Principal Amount from the Principal Collections Ledger and:

(i) for a Transfer Date for the Controlled Accumulation Period, deposit it into the Principal Funding Account; or

(ii) for a Transfer Date during an Amortisation Period, credit it to the Series Distribution Ledger.

On the earlier of (1) the first Distribution Date during an Amortisation Period (save for in relation to an Optional Amortisation Period, which shall be on any date) and (2) the Series Scheduled Redemption Date, and on each Distribution Date after that, the Receivables Trustee will distribute the following amounts in the following priority:

(1) from the Principal Funding Account, an amount equal to the lesser of:

(a) the amount on deposit in the Principal Funding Account; and

(b) the Class A Investor Interest;

will be deposited in the Series Distribution Account for Class A and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate;

(2) from the Series Distribution Ledger an amount equal to the lesser of:

(a) the amount credited to the Series Distribution Ledger; and

(b) the Class A Investor Interest, after taking into account the amounts described in clause (1) above;

will be deposited to the Series Distribution Account for Class A and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate.

Starting on the earlier of (1) if the amount on deposit in the Principal Funding Account exceeds the Class A Investor Interest, the Series Scheduled Redemption Date and (2) during an Amortisation Period, the Class B Principal Commencement Date, and on each Distribution Date after that, the Receivables Trustee will distribute the following amounts in the following priority:

(1) from the Principal Funding Account, an amount equal to the lesser of:

(a) the amount on deposit in the Principal Funding Account in excess of the Class A Investor Interest; and

(b) the Class B Investor Interest;

will be deposited to the Series Distribution Account for Class B and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate;

(2) from the Series Distribution Ledger an amount equal to the lesser of:

(a) the amount credited to the Series Distribution Ledger; and

(b) the Class B Investor Interest, after taking into account the amount described in clause (1) above;

this amount will be deposited in the Series Distribution Account for Class B and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate.

Starting on the earlier of (1) if the amount on deposit in the Principal Funding Account exceeds the sum of the Class A Investor Interest and the Class B Investor Interest, the Series Scheduled Redemption Date,

and (2) during an Amortisation Period, the Class C Principal Commencement Date, and on each Distribution Date after that, the Receivables Trustee will distribute the following amounts in the following priority:

(1) from the Principal Funding Account, an amount equal to the lesser of:

(a) the amount on deposit in the Principal Funding Account in excess of the sum of the Class A Investor Interest and the Class B Investor Interest; and

(b) the Class C Investor Interest;

will be deposited in the Series Distribution Account for Class C and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate.

(2) from the Series Distribution Ledger, an amount equal to the lesser of:

(a) the amount credited to the Series Distribution Ledger; and

(b) the Class C Investor Interest after taking into account the amount described in clause (1) above;

will be deposited to the Series Distribution Account for Class C and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate.

Starting on the earlier of (1) if the amount on deposit in the Principal Funding Account exceeds the sum of the Class A Investor Interest, the Class B Investor Interest and the Class C Investor Interest, the Series Scheduled Redemption Date, and (2) during an Amortisation Period, the Class D Principal Commencement Date, and on each Distribution Date after that, the Receivables Trustee will distribute the following amounts in the following priority:

(1) from the Principal Funding Account, an amount equal to the lesser of:

(a) the amount on deposit in the Principal Funding Account in excess of the sum of the Class A Investor Interest, the Class B Investor Interest and the Class C Investor Interest; and

(b) the Class D Investor Interest;

will be deposited in the Series Distribution Account for Class D and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate.

(2) from the Series Distribution Ledger, an amount equal to the lesser of:

(a) the amount credited to the Series Distribution Ledger; and

(b) the Class D Investor Interest after taking into account the amount described in clause (1) above;

will be deposited to the Series Distribution Account for Class D and will be owned by the MTN Issuing Entity. The MTN Issuing Entity will use this amount to repay principal outstanding on the Medium Term Note Certificate.

Postponement of Controlled Accumulation Period

The Controlled Accumulation Period is scheduled to begin on the date specified in the relevant Final Terms or Drawdown Prospectus (the "**Controlled Accumulation Period Commencement Date**"). If the Controlled Accumulation Period Length, which is explained in the next paragraph, is less than 12 months, the Revolving Period may be extended and the start of the Controlled Accumulation Period will be postponed.

On the Determination Date right before the commencement of the Controlled Accumulation Period for a potential series, and on each Determination Date after that, until the Controlled Accumulation Period begins, the Servicer will determine the "**Controlled Accumulation Period Length**". This is the number of months that the Servicer expects will be needed to fully fund the Principal Funding Account no later than the Series Scheduled Redemption Date. This calculation is based on:

(i) the expected monthly Principal Collections that the Servicer calculates will be available to the Investor Interests of all series other than excluded series, assuming a principal payment rate no greater than the lowest monthly principal payment rate on the Receivables for the twelve months before; and

(ii) the amount of principal expected to be distributable to the Investor Interests of all series in Group One – other than Companion Series – that are not expected to be in their Revolving Periods during the Controlled Accumulation Period.

If the Controlled Accumulation Period Length is less than twelve months, the Servicer may, at its option, postpone the start of the Controlled Accumulation Period such that the number of calendar months in the Controlled Accumulation Period will be at least equal to the Controlled Accumulation Period Length.

The effect of this is to permit the reduction of the length of the Controlled Accumulation Period based on the Investor Interest of future series that are scheduled to be in their Revolving Periods during the Controlled Accumulation Period and on increases in the principal payment rate occurring after the relevant Closing Date. The length of the Controlled Accumulation Period will not be less than one month.

Unavailable Principal Collections

If:

(i) during the Controlled Accumulation Period, the Regulated Amortisation Period or the Accelerated Amortisation Period, the amount credited to the Principal Collections Ledger identified for the relevant series during any monthly period *minus* the amount of Investor Cash Available for Acquisition calculated the relevant series for that monthly period, exceeds the sum of:

(1) the Adjusted Investor Interest as of the last day of the prior monthly period, after taking into account any deposits to be made to the Principal Funding Account on the Transfer Date for that monthly period, any unreimbursed Investor Charge-Offs for any Class and any other adjustments to the Investor Interest for that monthly period; and

(2) any Reallocated Class B Principal Collections, Reallocated Class C Principal Collections or Reallocated Class D Principal Collections on the Transfer Date for that monthly period; or

(ii) during the Rapid Amortisation Period, the amount credited to the Principal Collections Ledger identified for the relevant series during any monthly period exceeds the sum of:

(1) the Investor Interest as of the last day of the prior monthly period, after taking into account any deposits to be made to the Series Distribution Account on the Transfer Date for that monthly period, any unreimbursed Investor Charge-Offs for any Class and any other adjustments to the Investor Interest for that monthly period; and

(2) any Reallocated Class B Principal Collections, Reallocated Class C Principal Collections or Reallocated Class D Principal Collections on the Transfer Date for that monthly period,

the amount of any excess will be allocated and transferred to the Originator Beneficiary only to the extent that the Originator Interest on that date is greater than zero. If the Originator Interest on that date is not greater than zero, the amount will be identified as unavailable Originator Principal Collections credited to the Principal Collections Ledger. This sum, together with any Unavailable Investor Principal Collections that have been credited to the Principal Collections Ledger, will be identified as "**Unavailable Principal Collections**". Unavailable Investor

Principal Collections are Principal Collections identified for the Originator Beneficiary but not transferred to the Originator Beneficiary because the Originator Interest at the Relevant Date is not greater than zero.

Unavailable Principal Collections will, to the extent they arise during the Revolving Period, be allocated to the Originator Beneficiary but will be transferred to the Originator Beneficiary only if and to the extent that the Originator Interest at that time is greater than zero. On each Transfer Date for the Controlled Accumulation Period or an Amortisation Period, any Unavailable Principal Collections which arise after the end of the Revolving Period which are credited to the Principal Collections Ledger will be allocated to the investor beneficiary and included as Investor Principal Collections to be distributed as Available Investor Principal Collections.

Shared Principal Collections

Principal Collections for any monthly period allocated to the Investor Interest of each series, which are not required as Reallocated Class B Principal Collections, Reallocated Class C Principal Collections or Reallocated Class D Principal Collections will first be used to cover:

(i) until the Series Scheduled Redemption Date, for any monthly period during the Controlled Accumulation Period, deposits of the Controlled Deposit Amount to the Principal Funding Account;

(ii) during the Regulated Amortisation Period, deposits of the Controlled Deposit Amount to the relevant Series Distribution Account; and

(iii) during the Controlled Accumulation Period, on the Series Scheduled Redemption Date and during the Rapid Amortisation Period, payments to the MTN Issuing Entity for the relevant series.

The Receivables Trustee will determine the amount of Principal Collections for any monthly period allocated to the Investor Interest remaining after covering required distributions to the MTN Issuing Entity for each Class of the relevant series and any similar amount remaining for any other outstanding series in Group One. These remaining Principal Collections are called "**Shared Principal Collections**". The Receivables Trustee will allocate the Shared Principal Collections to cover any scheduled or permitted principal distributions to beneficiaries, and deposits to Principal Funding Accounts, if any, for any series in Group One that have not been covered out of the Principal Collections allocable to that series. These uncovered principal distributions and deposits are called "**Principal Shortfalls**". Shared Principal Collections will not be used to cover Investor Charge-Offs for any Class of any series.

If Principal Shortfalls exceed Shared Principal Collections for any monthly period, Shared Principal Collections will be allocated in proportion among the outstanding series in Group One based on the amounts of Principal Shortfalls for each series. To the extent that Shared Principal Collections exceed Principal Shortfalls, the balance will in the normal course be paid to the Originator Beneficiary.

Defaulted Receivables; Investor Charge-Offs

On each Transfer Date, the Receivables Trustee will calculate the Investor Default Amount for the previous monthly period. The "**Investor Default Amount**" will be the total of, for each Defaulted Account, the product of the Floating Investor Percentage and the Default Amount.

The "**Default Amount**" for any Defaulted Account will be the amount of Eligible Principal Receivables in the Defaulted Account on the day the account became a Defaulted Account.

The Investor Default Amount will be calculated for each notional class of the relevant series based on its floating allocation during the monthly period. These allocations will be called the "**Class A Investor Default Amount**", the "**Class B Investor Default Amount**", the "**Class C Investor Default Amount**" and the "**Class D Investor Default Amount**".

On each Transfer Date, if the Class A Investor Default Amount for the prior monthly period exceeds the sum of:

(i) Available Funds;

(ii) Reallocated Class D Principal Collections;

(iii) Reallocated Class C Principal Collections; and

(iv) Reallocated Class B Principal Collections;

in each case, to the extent available to cover the Class A Investor Default Amount, then the Class D Investor Interest will be reduced by the amount of the excess, but not by more than the remaining Class A Investor Default Amount. This reduction to the Class D Investor Interest will be made only after giving effect to reductions to the Class D Investor Interest for any Class D Investor Charge-Offs, any Reallocated Class B Principal Collections, Reallocated Class C Principal Collections and Reallocated Class D Principal Collections.

If this reduction would cause the Class D Investor Interest to be a negative number, it will be reduced to zero. In this case, the Class C Investor Interest will be reduced by the amount by which the Class D Investor Interest would have been reduced below zero, but not by more than the Class B Investor Default Amount not covered by a reduction in the Class D Investor Interest. This reduction in the Class C Investor Interest will be made only after giving effect to reductions for any Class C Investor Charge-Offs and Reallocated Class C Principal Collections not covered by a reduction in the Class D Investor Interest.

If this reduction would cause the Class C Investor Interest to be a negative number, it will be reduced to zero. In this case, the Class B Investor Interest will be reduced by the amount by which the Class C Investor Interest would have been reduced below zero, but not by more than the Class A Investor Default Amount not covered by a reduction in the Class C Investor Interest. This reduction in the Class B Investor Interest will be made only after giving effect to reductions for any Class B Investor Charge-Offs and Reallocated Class B Principal Collections not covered by a reduction in the Class C Investor Interest.

If this reduction would cause the Class B Investor Interest to be a negative number, the Class B Investor Interest will be reduced to zero. In this case, the Class A Investor Interest will be reduced by the amount by which the Class B Investor Interest would have been reduced below zero, but not by more than the remaining Class A Investor Default Amount not covered by a reduction in the Class C Investor Interest or the Class B Investor Interest. This is called a "**Class A Investor Charge-Off**" and may have the effect of slowing or reducing the return of principal to the MTN Issuing Entity calculated in respect of Class A.

If the Class A Investor Interest has been reduced by any Class A Investor Charge-Offs, it will be reimbursed on any Transfer Date by the amount of Available Funds allocated and available for that purpose, but not by more than the total amount by which the Class A Investor Interest has been reduced. See "*Application of Available Funds*".

On each Transfer Date, if the Class B Investor Default Amount for the prior monthly period exceeds the sum of:

(i) Available Funds;

(ii) Reallocated Class D Principal Collections; and

(iii) Reallocated Class C Principal Collections,

in each case, to the extent available to cover the Class B Investor Default Amount, then the Class D Investor Interest will be reduced by the amount of the excess, but not by more than the remaining Class B Investor Default Amount. This reduction to the Class D Investor Interest will be made only after giving effect to reductions to the Class D Investor Interest for any Class D Investor Charge-Offs, any Reallocated Class C Principal Collections and Reallocated Class D Principal Collections.

If this reduction would cause the Class D Investor Interest to be a negative number, it will be reduced to zero. In this case, the Class C Investor Interest will be reduced by the amount by which the Class D Investor Interest would have been reduced below zero, but not by more than the Class B Investor Default Amount not covered by a reduction in the Class D Investor Interest. This reduction in the Class C Investor Interest will be made only after giving effect to reductions for any Class C Investor Charge-Offs and Reallocated Class C Principal Collections not covered by a reduction in the Class D Investor Interest.

If this reduction would cause the Class C Investor Interest to be a negative number, the Class C Investor Interest will be reduced to zero. In this case, the Class B Investor Interest will be reduced by the amount by which the Class C Investor Interest would have been reduced below zero, but not by more than the remaining Class B Investor Default Amount not covered by a reduction in the Class D Investor Interest or the Class C Investor Interest. This is called a "**Class B Investor Charge-Off**" and may have the effect of slowing or reducing the return of principal to the MTN Issuing Entity calculated in respect of Class A.

If the Class B Investor Interest has been reduced by any Class B Investor Charge-Offs, it will be reimbursed on any Transfer Date by the amount of Available Funds allocated and available for that purpose, but not by more than the total amount by which the Class A Investor Interest has been reduced. See "*– Application of Available Funds*".

On each Transfer Date, if the Class C Investor Default Amount for the prior monthly period exceeds the sum of:

(i) Available Funds; and

(ii) Reallocated Class D Principal Collections,

in each case to the extent available to cover the Class C Investor Default Amount, then the Class D Investor Interest will be reduced by the amount of the excess, but not by more than the remaining Class C Investor Default Amount. This reduction to the Class D Investor Interest will be made only after giving effect to any reductions to the Class D Investor Interest for any Class D Investor Charge-Offs, any Reallocated Class C Principal Collections, any Reallocated Class D Principal Collections and any reductions in the Class D Investor Interest to cover the Class A Investor Default Amount and Class B Investor Default Amount.

If this reduction would cause the Class D Investor Interest to be a negative number, it will be reduced to zero. In this case, the Class C Investor Interest will be reduced by the amount by which the Class D Investor Interest would have been reduced below zero, but not by more than the remaining Class C Investor Default Amount not covered by a reduction to the Class D Investor Interest. This is called a "**Class C Investor Charge-Off**" and may have the effect of slowing or reducing the return of principal to the MTN Issuing Entity calculated in respect of Class C.

If the Class C Investor Interest has been reduced for any reasons other than the payment of principal, it will be reimbursed on any Transfer Date by the amount of Available Funds allocated and available for that purpose, but not by more than the total amount by which the Class C Investor Interest has been reduced. See "*Application of Available Funds*".

On each Transfer Date, if the Class D Investor Default Amount for the prior monthly period exceeds the amount of Available Funds available to cover the Class D Investor Default Amount, the Class D Investor Interest will be reduced by the amount of the excess, but not by more than the Class D Investor Default Amount. This is called a "**Class D Investor Charge-Off**", which may have the effect of slowing or reducing the return of principal to the MTN Issuing Entity calculated in respect of Class D.

If the Class D Investor Interest has been reduced for any reasons other than the payment of principal, it will be reimbursed on any Transfer Date by the amount of Available Funds allocated and available for that purpose, but not by more than the total amount by which the Class D Investor Interest has been so reduced. See "*Application of Available Funds*".

Extra Amount

The relevant "**Series Extra Amount**" is calculated as follows:

$$\frac{\text{Days in Calculation Period}}{\text{365 (366 in a leap year)}} \times \text{The greater of (i) £1200 and (ii) the aggregate of £600 per series outstanding during the course of the previous 365 days (366 in a leap year)} \times 2$$

Aggregate Investor Indemnity Amount

By each Transfer Date, the Receivables Trustee will calculate the Aggregate Investor Indemnity Amount for each outstanding series. The "**Aggregate Investor Indemnity Amount**" is the sum of all Investor Indemnity Amounts for the related monthly period.

An "**Investor Indemnity Amount**" means for any series, the amount of any Originator Section 75 Liability claimed from the Receivables Trustee by the Originator under the trust section 75 indemnity allocated to that series, calculated as follows:

Originator Section 75 Liability × Floating Investor Percentage for that series

The "**Originator Section 75 Liability**" is the liability that the Originator has for any Designated Account because of Section 75 of the Consumer Credit Act. The Originator Section 75 Liability cannot exceed the original outstanding face amount of the principal receivable relating to the transaction giving rise to the liability. See "*Risk Factors: Application of the Consumer Credit Act 1974 May Impede Collection Efforts and Could Cause Early Redemption of the Notes or a Loss on your Notes*".

Aggregate Investor Indemnity Amounts for each series will be payable only if amounts are available from Available Funds to pay them. See "*Application of Available Funds*". If Available Funds available on any Transfer Date is not enough to pay the Aggregate Investor Indemnity Amount for the relevant series otherwise payable on that Date, the excess will be carried forward and paid on subsequent Transfer Dates to the extent amounts of Available Funds are available to pay them.

Principal Funding Account

The Receivables Trustee will establish and maintain the Principal Funding Account at a Qualified Institution – currently Barclays Bank PLC at its branch located at 1234 Pavilion Drive Northampton NN4 7SG – as a segregated Trust Account held for the benefit of the MTN Issuing Entity as the investor beneficiary for the relevant series and the Originator Beneficiary. During the Controlled Accumulation Period, the Receivables Trustee will transfer the amounts described under "*– Allocation, Calculation and Distribution of Principal Collections to the MTN Issuing Entity*" to the Principal Funding Account.

Funds on deposit in the Principal Funding Account will be invested on the following Transfer Date by the Receivables Trustee at the direction of the Servicer in Permitted Investments. Investment earnings net of investment losses and expenses, on funds on deposit in the Principal Funding Account are called "**Principal Funding Investment Proceeds**".

Principal Funding Investment Proceeds will be used to pay the Covered Amount.

The "**Covered Amount**" is calculated as follows:

Days in Calculation Period / 365 (366 in a leap year)	x	The Class A Finance Rate	The amount equal to the amount on deposit in the Principal Funding Account

where the amount on deposit in the Principal Funding Account is calculated as of the last day of the monthly period before the monthly period in which the relevant Transfer Date occurs.

Principal Funding Investment Proceeds up to the Covered Amount will be transferred to the Trustee Collection Account on each Transfer Date and credited to the Finance Charge Collections Ledger for application as Available Funds.

If on any Transfer Date during the Controlled Accumulation Period, the Principal Funding Investment Proceeds exceed the Covered Amount, that excess will be paid to the Originator Beneficiary. If on any Transfer Date the Principal Funding Investment Proceeds are less than the Covered Amount, a withdrawal will be made from the Re-investment Account – to the extent funds are available – and will be deposited in the Finance Charge Collections Ledger, for application as Available Funds. The amount of this withdrawal will be reduced to the extent Available Funds would be available for deposit in the Re-investment Account. See "*Re-investment Account*" and "*Application of Available Funds*".

Re-investment Account

The Receivables Trustee will establish and maintain a re-investment account at a Qualified Institution – currently, Barclays Bank PLC at its branch located at 1 Churchill Place, London E14 5HP – as a Trust Account segregated for the benefit of each series. This account is called the "**Re-investment Account**". The Re-investment Account will be established to assist with the payment distribution of the Class A Monthly Finance Amount to the MTN Issuing Entity during the Controlled Accumulation Period.

On each Transfer Date from and after the Re-investment Account Funding Date, but before the termination of the Re-investment Account, the Receivables Trustee will apply Available Funds in the order of priority described in "*Application of Available Funds*" to increase the amount on deposit in the Re-investment Account, up to the Required Re-investment Amount.

If, on or before the Re-investment Account Funding Date, the Originator Beneficiary designates a lesser amount, it must provide the Servicer and the Receivables Trustee with confirmation in writing that in its opinion, formed on the basis of due consideration, such reduction will not result in the downgrade or withdrawal of the then current rating of any outstanding Related Beneficiary Debt. Also, the Originator Beneficiary must deliver to the Receivables Trustee an officer's certificate to the effect that, based on the facts known to that officer at that time, in the reasonable belief of the Originator Beneficiary, the designation will not cause a Pay Out Event to occur or an event that, after the giving of notice or the lapse of time, would cause a Pay Out Event to occur. Further, this designation will not be effective without the prior written agreement of all the other beneficiaries.

On each Transfer Date, after giving effect to any deposit to be made to, and any withdrawal to be made from, the Re-investment Account on that Transfer Date, the Receivables Trustee will withdraw from the Re-investment Account an amount equal to the excess, if any, of the amount on deposit in the Re-investment Account over the Required Re-investment Amount. The Receivables Trustee will distribute this amount to the Originator Beneficiary and it will cease to be the property of the Receivables Trust.

All amounts on deposit in the Re-investment Account on any Transfer Date will be invested by the Receivables Trustee in Permitted Investments to the following Transfer Date. This will be done after giving effect to any deposits to, or withdrawals from, the Re-investment Account to be made on that Transfer Date. The interest and other income – net of investment expenses and losses – earned on the investments will be retained in the Re-investment Account if the amount on deposit in the Re-investment Account is less than the Required Re-investment Amount. If the amount on deposit is equal to or more than the Required Re-investment Amount will be credited to the Finance Charge Collections Ledger to be included in the Available Funds.

On each Transfer Date for the Controlled Accumulation Period before the Series Scheduled Redemption Date and on the first Transfer Date during the Regulated Amortisation Period or the Rapid Amortisation Period, the Receivables Trustee will withdraw an amount from the Re-investment Account and deposit it in the Trustee Collection Account for credit to the Finance Charge Collections Ledger to be included in Available Funds. This amount will be equal to the lesser of:

(i) the available amount on deposit in the Re-investment Account; and

(ii) the amount, if any, by which the Covered Amount is greater than the Principal Funding Investment Proceeds.

The amount of this withdrawal will be reduced to the extent Available Funds would be available for deposit in the Re-investment Account.

The Re-investment Account will be terminated following the earliest to occur of:

(i) the termination of the Receivables Trust;

(ii) the earlier of the first Transfer Date after the start of the Regulated Amortisation Period or the Rapid Amortisation Period; and

(iii) the Series Termination Date.

When the Re-investment Account terminates, all amounts still on deposit in the Re-investment Account will be treated as part of the Excess Interest attributable to the relevant series and will be paid to the MTN Issuing Entity and will no longer be the property of the Receivables Trust.

Series Cash Reserve Account

The Receivables Trustee will establish and maintain for each series a series cash reserve account at a Qualified Institution – currently Barclays Bank PLC at its branch located at 1234 Pavilion Drive, Northampton NN4 7SG – as a segregated Trust Account held for the benefit of the MTN Issuing Entity as the investor beneficiary and the Originator Beneficiary.

Each series cash reserve account is called the "**Series Cash Reserve Account**". The Series Cash Reserve Account will be used to fund shortfalls in Available Funds in the order of priority described in "*Application of Available Funds*".

No amounts will be deposited into the Series Cash Reserve Account on the relevant Closing Date, but if the amount on deposit in a Series Cash Reserve Account is less than the Required Series Cash Reserve Account Amount, then the Series Cash Reserve Account will be funded by Available Funds as described above in item (18) under "*Application of Available Funds*".

The "**Required Series Cash Reserve Account Amount**" will be determined monthly and will be equal to the product of the Series Cash Reserve Account Percentage and:

(i) during the Revolving Period or the Controlled Accumulation Period, the current Adjusted Investor Interest, or

(ii) during the an Amortisation Period, the Adjusted Investor Interest as of the last day of the Revolving Period or, if the Controlled Accumulation Period has started, as of the last day of the Controlled Accumulation Period.

The Required Series Cash Reserve Account Amount, however, will never exceed the Series Debt Amount.

The "**Series Cash Reserve Account Percentage**" shall mean, in respect of any series, the quarterly excess spread percentage specified in the Final Terms or Drawdown Prospectus for the related Note Series.

The quarterly excess spread percentage will be calculated on each Determination Date and will be a percentage equal to the average of the Portfolio Yields for the three prior months less the average of the Expense Rates for the same three months.

The quarterly excess spread percentage for the first Determination Date will be calculated using the Portfolio Yield for the prior month less the Expense Rate for the same month. The quarterly excess spread percentage for the second Determination Date will be calculated using the average of the Portfolio Yields for the prior two months less the average of the Expense Rates for the same two months.

All amounts on deposit in the Series Cash Reserve Account on any Transfer Date will be invested by the Receivables Trustee in Permitted Investments to the next Transfer Date. For purposes of the Series Cash Reserve Account, Permitted Investments will include investments rated A 1 by Standard & Poor's, and P1 by Moody's. This will be done after giving effect to any deposits to, or withdrawals from, the Series Cash Reserve Account made on that Transfer Date. The interest and other investment income – net of investment expenses and losses – earned on the investments will be retained in the Series Cash Reserve Account if the amount on deposit in the Series Cash Reserve Account is less than the Required Series Cash Reserve Account Amount. If the amount on deposit in the Series Cash Reserve Account is at least equal to the Required Series Cash Reserve Account Amount then it will be paid to the Originator Beneficiary.

On each Transfer Date, the Receivables Trustee will withdraw from Available Funds on deposit in the Series Cash Reserve Account an amount equal to the Available Series Cash Reserve Account Amount and apply it to the Finance Charge Collections Ledger as Available Funds.

Any amount on deposit in the Series Cash Reserve Account that exceeds the Required Series Cash Reserve Account Amount will be withdrawn by the Receivables Trustee and will be treated as part of the Excess Interest attributable to the relevant series and will be paid to the MTN Issuing Entity. Also on

the earlier of:

(i) the termination of the Receivables Trust; and

(ii) the Series Termination Date,

any amounts still on deposit in the Series Cash Reserve Account, will be withdrawn by the Receivables Trustee and treated as part of the Excess Interest attributable to the relevant series and will be paid to the MTN Issuing Entity.

Distribution Ledgers

The Receivables Trustee will establish Distribution Ledgers for each series in the Trustee Collection Account. On each Transfer Date it will credit and debit amounts to these ledgers as described throughout this section of this Base Prospectus. All amounts credited to the Series Distribution Ledger will be regarded as being segregated for the benefit of the MTN Issuing Entity.

Trustee Payment Amount

The share of the Trustee Payment Amount payable on any Transfer Date that is allocable to each series– called the "**Investor Trustee Payment Amount**" – will be calculated as follows:

$$\frac{\text{Investor Interest for the relvant series}}{\text{Total of Investor Interest of series for which the Trustee Payment Amount was incurrred}} \times \text{Trustee Payment Amount}$$

The Investor Trustee Payment Amount for any Class will be payable from amounts available for distribution for that purpose out of Available Funds. See "*– Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuing Entity*" and "*– Finance Charge Waterfall*".

The portion of the Trustee Payment Amount not allocated to the relevant series will be paid from cashflows under the Receivables Trust allocated to other outstanding series, and in no event will the relevant series be liable for these payments.

Qualified Institutions

If the bank or banks at which any of the accounts listed below are held cease to be a Qualified Institution, then the Receivables Trustee or the MTN Issuing Entity, as the case may be will, within 10 Business Days, establish a new account to replace the affected account or accounts, and will transfer any cash and interest to that new account or accounts. The accounts referred to above are:

(i) Trustee Collection Account;

(ii) Trustee Acquisition Account;

(iii) Re-investment Account;

(iv) Series Cash Reserve Account;

(v) Principal Funding Account; and

(vi) Series Distribution Account.

The Receivables Trustee may in its discretion elect to move any or all of these accounts and the amounts credited to them from the Qualified Institution at which they are kept as at the date of this document to another or other Qualified Institutions.

Series Pay Out Events

If any one of the following events shall occur with respect to a series:

(1) failure on the part of the Originator:

(a) to make any payment or deposit required by the terms of the Receivables Securitisation Agreement within five Business Days after the date that the payment or deposit is required to be made; or

(b) duly to observe or perform any covenants or agreements of the Originator in the Receivables Securitisation Agreement or the series supplement that has a material adverse effect on the interests of the MTN Issuing Entity in respect of the relevant series and which continues unremedied for a period of 60 days after the date on which written notice of the failure, requiring it to be remedied, is given to the Originator by the Receivables Trustee, or is given to the Originator and the Receivables Trustee by the investor beneficiary for the relevant series acting on the instructions of Holders of the relevant Medium Term Note Certificate representing together 50 per cent. or more of the total balance of the relevant Medium Term Note Certificate outstanding at that time, and which unremedied continues during that 60 day period to have a material adverse effect on the interests of the MTN Issuing Entity in respect of the relevant series for that period;

(2) any representation or warranty made by the Originator in the Receivables Securitisation Agreement or the series supplement, or any information contained in a computer file or microfiche list required to be delivered by the Originator under the Receivables Securitisation Agreement:

(a) proves to have been incorrect in any material respect when made or when delivered and continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of the error, requiring it to be remedied, is given to the Originator by the Receivables Trustee, or is given to the Originator and the Receivables Trustee by the investor beneficiary for the relevant series acting on the instructions of Holders of the relevant Medium Term Note Certificate representing together 50 per cent. or more of the total balance of the relevant Medium Term Note Certificate outstanding; and

(b) as a result of which there is a material adverse effect on the interests of the MTN Issuing Entity in respect of the relevant series and which unremedied continues during that 60 day period to have a material adverse effect for that period;

Notwithstanding the above, no Series Pay Out Event in relation to (2) shall be deemed to have occurred if the Originator has complied with its obligations for a breach of warranty as set out in the Receivables Securitisation Agreement.

(3) the average Portfolio Yield for any three consecutive monthly periods is less than the average Expense Rate for those periods, or on any Determination Date before the end of the third monthly period from the relevant Closing Date the Portfolio Yield is less than the average Expense Rate for that period;

(4) either:

(a) over any period of thirty consecutive days, the Originator Interest averaged over that period is less than the Minimum Originator Interest for that period and the Originator Interest does not increase on or before the tenth Business Day following that thirty day period to an amount so that the average of the Originator Interest as a percentage of the Average Principal Receivables for such thirty day period, computed by assuming that the amount of the increase of the Originator Interest by the last day of the ten Business Day period, as compared to the Originator Interest on the last day of the thirty day period, would have existed in the Receivables Trust during each day of the thirty day period, is at least equal to the Minimum Originator Interest; or

(b) on the last day of any monthly period the total balance of Eligible Receivables is less than the Minimum Aggregate Principal Receivables, adjusted for any series having a Companion Series as described in the supplement for that series, and the total balance of Eligible Receivables fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth Business Day following that last day;

(5) any Servicer default or Trust Cash Manager default occurs that would have a material adverse effect on the MTN Issuing Entity in respect of the relevant series;

(6) the Investor Interest is not reduced to zero on the Series Scheduled Redemption Date in respect of the relevant series;

(7) if applicable, the Early Termination, without replacement, of the Swap Agreements, if any in respect of the relevant series;

(8) the MTN Issuing Entity is required to withhold or deduct any amounts for or on account of tax on the payment of any principal or interest in respect of the Medium Term Note Certificate in respect of the relevant series,

then, in the case of any event described in paragraphs (1), (2) or (5) above after the applicable grace period set out in such subparagraphs (if any), either the Receivables Trustee or the investor beneficiary by notice given in writing to the Originator, the Trust Cash Manager and the Servicer (and to the Receivables Trustee if given by the investor beneficiary) may declare that a Pay Out Event (a, "**Series Pay Out Event**") has occurred in respect of the relevant series (**provided that** if the investor beneficiary declares that a Series Pay Out Event has occurred in such circumstances, it must have acted on the instructions of Holders of the Medium Term Note Certificate representing, together, 50 per cent. or more of the Medium Term Note Certificate relating to such series outstanding at that time) as of the date of such notice, and in the case of any event described in paragraphs (3), (4), (5), (6), (7) or (8) occurs, a Series Pay Out Event shall occur without any notice or other action on the part of the Receivables Trustee or the MTN Issuing Entity immediately upon the occurrence of such event.

Entitlement of MTN Issuing Entity to Series Excess Interest

Barclays will enter into an "**Agreement Between Beneficiaries**" with the MTN Issuing Entity under which Barclays will transfer its Excess Interest entitlement attributable to each series to the MTN Issuing Entity. The portion of the Excess Interest so transferred will form part of the Investor Interest. The MTN Issuing Entity will pay amounts of Excess Interest attributable to each series which it receives pursuant to the agreement between the beneficiaries to the Issuing Entity as "**MTN Issuing Entity Additional Interest Payments**".

In return for the transfer of the entitlement to the portion of the Excess Interest relating to each series the MTN Issuing Entity will agree to pay deferred consideration to Barclays. We will refer to this deferred consideration as "**Excess Entitlement Consideration**". The amount of the Excess Entitlement Consideration in respect of each series will be equal to the amount of Deferred Subscription Price which the MTN Issuing Entity receives from the Issuing Entity in respect of the Medium Term Note Certificate from time to time.

The Issuing Entity will apply any MTN Issuing Entity Additional Interest Payments received by it in meeting its due and payable obligations. Any sums remaining following satisfaction of all amounts due and payable by the Issuing Entity, which we will refer to as "**Unutilised Excess Spread**", will be paid to the MTN Issuing Entity as Deferred Subscription Price for the Medium Term Note Certificate for as long as the Medium Term Note Certificate is in issue.

Your Payment Flows

On each Distribution Date, the Receivables Trustee will transfer from Available Funds in the Trustee Collection Account to the Series Distribution Account the sum of:

(i) the Class A Monthly Distribution Amount;

(ii) the Class B Monthly Distribution Amount;

(iii) the Class C Monthly Distribution Amount;

(iv) the Class D Monthly Distribution Amount;

(v) on the Series Termination Date, an amount equal to the principal calculated as payable in accordance with the Expenses Loan Agreement, if any; and

(vi) the Excess Interest attributable to the relevant series; and deposit that sum into the Series Distribution Account held by the MTN Issuing Entity.

The MTN Issuing Entity will credit the amount received in respect of the Monthly Distribution Amounts for each Class and the portion of the Excess Interest attributable to the relevant series to the MTN Issuing Entity coupon ledger and will record for calculational purposes the amounts treated as referable to each Class.

The MTN Issuing Entity will then transfer on each Distribution Date from the Series Distribution Account to the extent there are sufficient funds on deposit:

(i) *first*, the costs and expenses of the MTN Issuing Entity for the relevant monthly period;

(ii) *second*, the lesser of (1) the amounts credited to the MTN Issuing Entity coupon ledger, after paying or reserving for the MTN Issuing Entity's costs and expenses described in the first bullet point above and (2) the interest due and payable on the Medium Term Note Certificate, excluding the MTN Issuing Entity Additional Interest Payments, will be deposited in the Issuing Entity Distribution Account;

(iii) *third*, an amount equal to the Monthly Loan Expenses Amount *plus*, on the Series Termination Date, an amount equal to the principal calculated as payable in accordance with the Expenses Loan Agreement, if any, will be deposited in the Issuing Entity Distribution Account;

(iv) *fourth*, an amount equal to 1/2 of the Series Extra Amount to be retained by the MTN Issuing Entity;

(v) *fifth*, an amount equal to 1/2 of the Series Extra Amount will be deposited in the Issuing Entity Distribution Account;

(vi) *sixth*, an amount equal to the MTN Issuing Entity Additional Interest Payments will be deposited in the Issuing Entity Distribution Account.

Note coupon ledgers will be established for each Class of notes in the Issuing Entity Distribution Account.

On each Interest Payment Date the Issuing Entity will credit:

(i) to the Class A notes coupon ledger an amount equal to the lesser of (1) the amount deposited in the Issuing Entity Distribution Account and (2) the sum of the Class A Monthly Finance Amount, the Class A Deficiency Amount and the Class A Additional Finance Amount;

(ii) to the Class B notes coupon ledger an amount equal to the lesser of, (1) the amount deposited in the Issuing Entity Distribution Account minus the amount credited to the Class A notes coupon ledger and (2) the Class B Monthly Distribution Amount;

(iii) to the Class C notes coupon ledger an amount equal to the lesser of (1) the amount deposited in the Issuing Entity Distribution Account *minus* the amount credited to the Class A notes coupon ledger and the Class B notes coupon ledger and the Monthly Loan Expenses Amount and (2) the Class C Monthly Distribution Amount; and

(iv) to the Class D notes coupon ledger, if applicable, an amount equal to the lesser of (1) the amount deposited in the Issuing Entity Distribution Account *minus* the amount credited to the Class A notes coupon ledger, the Class B notes coupon ledger, the Class C notes coupon ledger and the Monthly Loan Expenses Amount and (2) the Class D Monthly Distribution Amount.

In addition, the MTN Issuing Entity will pay amounts equal to any amounts received from the Issuing Entity as Deferred Subscription Price to Barclays pursuant to an Agreement Between Beneficiaries, to the extent not required by the MTN Issuing Entity to make other payments on that date.

Before the delivery of an Enforcement Notice in relation to a particular series, on each Interest Payment Date, the Issuing Entity will pay:

(i) *first*, from MTN Issuing Entity Additional Interest, the costs and expenses of the Issuing Entity for the relevant monthly period will be paid or reserved for within the Issuing Entity;

(ii) *second*, from the relevant coupon ledger, the costs and expenses of the Issuing Entity for the relevant monthly period remaining after the first item will be paid or reserved for within the Issuing Entity proportionately to the Class A notes', the Class B notes', the Class C notes' and the Class D notes' share, if any, for such payment to be used to pay, or reserve for, the costs and expenses of the Issuing Entity;

(iii) *third*, from the Class A notes coupon ledger, the lesser of (1) the amount credited to the Class A notes coupon ledger after paying or reserving for the Class A notes' proportionate share of the Issuing Entity's costs and expenses in item (ii) above and (2) amounts due and payable, if applicable, to a Swap Counterparty under a Class A Swap Agreement (other than amounts payable under item (xiii) below) for the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor, to the Holder of a Class A note (or, to the extent that a Class A Swap Agreement has been terminated and not replaced, the lesser of (i) the amount in (1) above converted into the relevant currently at the spot exchange rate and (ii) the amount due under a Class A note to the Holder of the Class A note);

(iv) *fourth*, from the Class B notes coupon ledger, the lesser of (1) the amount credited to the Class B notes coupon ledger after paying or reserving for the Class B notes' proportionate share of the Issuing Entity's costs and expenses in item (ii) above and (2) the amounts due and payable, if applicable, to a Swap Counterparty under a Class B Swap Agreement (other than amounts payable under item (xiv) below) for the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor, to the Holder of a Class B note (or, to the extent that a Class B Swap Agreement has been terminated and not replaced, the lesser of (i) the amount in (1) above converted into the relevant currency at the spot exchange rate and (ii) the amount due under a Class B note to the Holder of the Class B note;

(v) *fifth*, the lesser of the remaining amount on deposit in the Issuing Entity Distribution Account and an amount equal to the Monthly Loan Expenses Amount will be paid to the lender under the Expenses Loan Agreement, if any;

(vi) *sixth*, from the Class C notes coupon ledger, the lesser of (1) the amount credited to the Class C notes coupon ledger after paying or reserving for the Class C notes' proportionate share of the Issuing Entity's costs and expenses in item (ii) above and (2) the amounts due and payable, if applicable, to a Swap Counterparty under a Class C Swap Agreement (other than amounts payable under item (xv) below) in respect of the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor to the Holder of a Class C note (or, to the extent a Class C Swap Agreement has been terminated and not replaced, the lesser of (i) the amount in (1) above converted into the relevant currency at the spot exchange rate and (ii) the amount due under a Class C note to the Holder of the Class C note;

(vii) *seventh*, from the Class D notes coupon ledger, if applicable, the lesser of (1) the amount credited to the Class D notes coupon ledger after paying or reserving for the Class D notes' proportionate share of the Issuing Entity's costs and expenses in item (ii) above and (2) the amounts due and payable, if applicable, to the Swap Counterparty under a Class D Swap Agreement (other than amounts payable under item (xvi) below) in respect of the relevant Calculation Period, to the relevant Swap Counterparty and upon payment to the Issuing Entity by the Swap Counterparty in exchange therefor to the Holder of a Class D note, if any, (or, to the extent a Class D Swap Agreement has been terminated and not replaced, the lesser of (i) the

amount in (1) above converted into the relevant currency at the spot exchange rate and (ii) the amount due under a Class D note to the Holder of the Class D note;

(viii) *eighth*, the lesser of the remaining amount on deposit in the Issuing Entity Distribution Account and an amount equal to the principal calculated as payable in accordance with the Expenses Loan Agreement, if any, will be paid to the lender under the Expenses Loan Agreement;

(ix) *ninth*, the lesser of the remaining amount on deposit in the Issuing Entity Distribution Account and an amount equal to 1/2 of the Series Extra Amount, will be paid to the Issuing Entity;

(x) *tenth*, any amounts due from or required to be provided for by the Issuing Entity to meet its liabilities to any taxation authority;

(xi) *eleventh*, any amounts due to third parties under obligations incurred in the course of the Issuing Entity's business;

(xii) *twelfth*, an amount equal to the lesser of (A) the amount on deposit in the Additional Interest ledger of the Issuing Entity Distribution Account (such amount to be denominated in the relevant currency or, if not dominated in the relevant currency, such amount will be converted into the relevant currency at the spot exchange rate); and (B) the amount needed to cover any shortfall with respect to the notes caused by the imposition of withholding taxes on payments made under the Medium Term Note Certificate or the Swap Agreements, will be paid to the relevant Noteholders;

(xiii) *thirteenth*, the amount equal to any termination payment due and payable to a Swap Counterparty pursuant to a Class A Swap Agreement where the Class A Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default;

(xiv) *fourteenth*, the amount equal to any termination payment due and payable to a Swap Counterparty pursuant to a Class B Swap Agreement where the Class B Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default;

(xv) *fifteenth*, the amount equal to any termination payment due and payable to a Swap Counterparty pursuant to a Class C Swap Agreement where the Class C Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default;

(xvi) *sixteenth*, if applicable, the amount equal to any termination payment due and payable to the Swap Counterparty pursuant to a Class D Swap Agreement where the Class D Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default;

(xvii) *seventeenth*, any amounts remaining will constitute Deferred Subscription Price and will be paid to the MTN Issuing Entity.

Under the terms of each Swap Agreement, each Swap Counterparty will pay to the Issuing Entity on each Interest Payment Date an amount equal to the interest to be paid on the applicable Class of notes, converted, if applicable, into the relevant currency at the exchange rate set out in the relevant Swap Agreement, subject to the deferral of interest as described in "*Terms and Conditions of the Notes*" and "*The Swap Agreements*" section of this Base Prospectus.

After the termination of the Swap Agreements, the Note Trustee will withdraw the amounts on deposit in the Class A notes coupon ledger, the Class B notes coupon ledger, the Class C notes coupon ledger and the Class D notes coupon ledger, if any, and convert those amounts into the relevant currency at the then prevailing spot exchange rate in London, England and distribute these amounts to the Paying Agent to make payments of interest on the Class A notes, the Class B notes, the Class C notes and, if applicable, the Class D notes, respectively.

On the earlier of (1) the Series Scheduled Redemption Date and (2) the first Distribution Date for the Regulated Amortisation Period or the Rapid Amortisation Period, and on each Distribution Date after that, the Receivables Trustee will transfer the following amounts and deposit them into the Series Distribution Account:

(i) from the Principal Funding Account, the lesser of (1) the amount in the Principal Funding Account on that date and (2) the Class A Investor Interest; and

(ii) from the Series Distribution Ledger, the lesser of (1) during the Rapid Amortisation Period, the amount in the Series Distribution Ledger or, during the Regulated Amortisation Period, the Controlled Deposit Amount, and (2) the Class A Investor Interest – after taking into account the amount distributed from the Principal Funding Account as described above.

On the later to occur of the Class B Principal Commencement Date and the Series Scheduled Redemption Date and each Distribution Date after, the Receivables Trustee will transfer the following amounts and deposit them into the Series Distribution Account:

(i) from the Principal Funding Account, the lesser of (1) the amount on deposit in the Principal Funding Account in excess of the Class A Investor Interest and (2) the Class B Investor Interest; and

(ii) from the Series Distribution Ledger, the lesser of the amount on deposit in the Series Distribution Ledger and the Class B Investor Interest – after taking into account the amount distributed from the Principal Funding Account as described above.

On the later to occur of the Class C Principal Commencement Date and the Series Scheduled Redemption Date and each Distribution Date after, the Receivables Trustee will transfer the following amounts and deposit them into the Series Distribution Account:

(i) from the Principal Funding Account, the lesser of (1) the amount on deposit in the Principal Funding Account in excess of the sum of the Class A Investor Interest and the Class B Investor Interest and (2) the Class C Investor Interest; and

(ii) from the Series Distribution Ledger, the lesser of the amount on deposit in the Series Distribution Ledger and the Class C Investor Interest – after taking into account the amount distributed from the Principal Funding Account as described above.

If any series provides for Class D notes, on the later to occur of the Class D Principal Commencement Date and the Series Scheduled Redemption Date and each Distribution Date after, the Receivables Trustee will transfer the following amounts and deposit them into the Series Distribution Account:

(i) from the Principal Funding Account, the lesser of (1) the amount on deposit in the Principal Funding Account in excess of the sum of the Class A Investor Interest, the Class B Investor Interest and the Class C Investor Interest and (2) the Class D Investor Interest; and

(ii) from the Series Distribution Ledger, the lesser of the amount on deposit in the Series Distribution Ledger and the Class D Investor Interest – after taking into account the amount distributed from the Principal Funding Account as described above.

The MTN Issuing Entity will credit the amount received for each Class of Investor Interest to the MTN Issuing Entity principal ledger.

On the earlier of (1) the Series Scheduled Redemption Date and (2) the first Distribution Date for the Regulated Amortisation Period or the Rapid Amortisation Period, and each Distribution Date after, the MTN Issuing Entity will transfer for same day value from the Series Distribution Account the amount in the MTN Issuing Entity principal ledger and deposit it into the Issuing Entity Distribution Account.

The Issuing Entity will credit each amount received from the MTN Issuing Entity principal ledger to the appropriate notes principal ledger.

If applicable, before the termination of any Swap Agreements related to a particular Note Series, on the earlier of (1) the Series Scheduled Redemption Date and (2) the First Interest Payment Date for the

Regulated Amortisation Period or the Rapid Amortisation Period, and each Interest Payment Date after, the Issuing Entity will pay:

(i) from the Class A notes principal ledger, an amount equal to the lesser of (1) the amount in the Class A notes principal ledger; and (2) the Sterling equivalent of the principal due on the Class A notes, to the relevant Swap Counterparty, if any;

(ii) from the Class B notes principal ledger, an amount equal to the lesser of (1) the amount in the Class B notes principal ledger and (2) the Sterling equivalent of the principal due on the Class B notes, to the relevant Swap Counterparty, if any;

(iii) from the Class C notes principal ledger, an amount equal to the lesser of (1) the amount in the Class C notes principal ledger and (2) the Sterling equivalent of the principal due on the Class C notes, to the relevant Swap Counterparty, if any; and

(iv) from the Class D notes principal ledger, if applicable, an amount equal to the lesser of (1) the amount in the Class D notes principal ledger and (2) the Sterling equivalent of the principal due on the Class D notes, to the relevant Swap Counterparty, if any.

Such Swap Counterparty will pay to the Issuing Entity, in the relevant currency for such particular Note Series, principal for distribution to the Noteholders converted, if applicable into such currency, at the exchange rate set out in the relevant Swap Agreement.

After the termination of such Swap Agreements, the Note Trustee will withdraw the amounts on deposit in the Class A notes principal ledger, the Class B notes principal ledger, the Class C notes principal ledger and the Class D notes principal ledger and, to the extent necessary, the amounts on deposit in the Issuing Entity Distribution Account representing MTN Issuing Entity Additional Interest Payments and convert those amounts into the relevant currency for such particular Note Series at the then prevailing spot exchange rate in London, England and distribute those amounts to the Paying Agent to make payments of principal first on the Class A notes, then the Class B notes, then the Class C notes and finally the Class D notes, as further described in the relevant Swap Agreements.

THE NOTE TRUST DEED

The principal agreement governing the notes will be the Note Trust Deed. The Note Trust Deed has five primary functions:

(i) it constitutes the notes;

(ii) it sets out the covenants of the Issuing Entity in relation to the notes;

(iii) it sets out the enforcement and post enforcement procedures relating to the notes;

(iv) it contains provisions to comply with the U.S. Trust Indenture Act of 1939 (the "**Trust Indenture Act**"); and

(v) it sets out the appointment, powers and responsibilities of the Note Trustee as well as certain limitations on its responsibilities and liabilities.

Each function is summarised below.

The Note Trust Deed sets out the form of the notes. It also sets out the terms and conditions of the notes, and the conditions for the issue of Individual Note Certificates and/or the cancellation of any notes.

The Note Trust Deed also contains covenants made by the Issuing Entity in favour of the Note Trustee and the Noteholders. The main covenants are that the Issuing Entity will pay interest and repay principal on each of the notes when due. Covenants are included to ensure that the Issuing Entity remains insolvency remote, and to give the Note Trustee access to all information and reports that it may need in order to discharge its responsibilities in relation to the Noteholders. Some of the covenants also appear in the Conditions of the notes, see "*Terms and Conditions of the Notes*". The Issuing Entity also covenants that it will use all reasonable endeavours to maintain the listing of the notes on the Official List within the meaning of Part 6 of the Financial Services and Markets Act 2000 and their admission to trading on the London Stock Exchange.

The Note Trust Deed sets out the general procedures by which the Note Trustee may take steps to enforce the Security created by the Issuing Entity in the Note Trust Deed so that the Note Trustee can protect the interests of the Noteholders in accordance with the Conditions. The Note Trust Deed gives the Note Trustee a general discretion to enforce the Security, but also provides for meetings of the Noteholders at which the Noteholders can determine the action taken by the Note Trustee in relation to the enforcement of the notes (subject to being indemnified and/or secured to its satisfaction against liabilities it may incur). Additionally, the Note Trustee is required to act on a written request of a certain proportion of then Noteholders (subject to being indemnified and/or secured to its satisfaction against liabilities it may incur). The Note Trust Deed provides that the Class A Noteholders' interests take precedence for so long as the Class A notes are outstanding, after that, the interests of the Class B Noteholders take precedence over the interests of Class C Noteholders, until no more Class B notes remain outstanding, and after that, the interests of the Class C Noteholders take precedence over the interests of Class D Noteholders, until no more Class C notes remain outstanding. Certain basic terms of each Class of notes may not be amended without the consent of the majority of the Holders of that Class of note. This is described further in the "*Terms and Conditions of the Notes*".

The Note Trust Deed also sets out the terms on which the Note Trustee is appointed, the indemnification of the Note Trustee, the payment it receives and the extent of the Note Trustee's authority to act beyond its statutory powers under English law. The Note Trustee is also given the ability to appoint a delegate or agent in the execution of any of its duties under the Note Trust Deed. The Note Trust Deed also sets out the circumstances in which the Note Trustee may resign or retire.

Finally, the Note Trust Deed includes certain provisions to comply with the Trust Indenture Act. Generally, these provisions outline the duties, rights and responsibilities of the Note Trustee and the Issuing Entity and the rights of the Noteholders. Specifically these include, but are not limited to:

(i) the maintenance of a Noteholder list by the Note Trustee;

(ii) the provision of reports and other information by the Issuing Entity to the Note Trustee;

(iii) the duty of the Note Trustee to use the same degree of care in exercising its responsibilities as would be exercised by a prudent person conducting its own affairs;

(iv) the duty of the Note Trustee to notify all Noteholders of any events of default of which it has actual knowledge; and

(v) the right of the Note Trustee to resign at any time by providing the Issuing Entity with not less than 30 days prior written notice without assigning any reason and without being responsible for any costs occasioned by such retirement, the ability of the Issuing Entity to remove the Note Trustee under certain circumstances and the right of the Noteholders by Extraordinary Resolution to remove any Note Trustee (such removal or resignation shall not become effective until a successor trustee is appointed); and the obligation of the Issuing Entity to use all reasonable endeavours to procure a new Note Trustee.

The Note Trust Deed contains a provision that, if any other provision of the Note Trust Deed limits, qualifies or conflicts with another provision that is required to be included in the Note Trust Deed by, and is not subject to contractual waiver under, the Trust Indenture Act, the Trust Indenture Act provision will prevail.

The Note Trust Deed incorporates and supplements the provisions of the Trustee Act 1925 and the Trustee Act 2000 of England and Wales.

The Note Trust Deed and all matters arising from or connected with it shall be governed by English law, **provided that** if the Note Trust Deed is a "qualified" indenture for the purposes of the Trust Indenture Act, the Note Trust Deed shall be subject to the provisions of the Trust Indenture Act that are required to be part of the Note Trust Deed and shall, to the extent applicable, be governed by such provisions.

THE NOTES

The issue of each Note Series will be authorised by a resolution of the board of directors of the Issuing Entity passed prior to the date of the first issue of notes. Each Note Series will be constituted by a Note Trust Deed Supplement to be dated on or about the relevant Closing Date between, *inter alios*, the Issuing Entity and the Note Trustee as trustee for, among others, the Holders for the time being of the notes. The Note Trust Deed includes provisions which enable it to be modified or supplemented and any reference to the Note Trust Deed is a reference also to the document as modified or supplemented in accordance with its terms.

The material terms of the notes are described in this Base Prospectus. However, the statements set out in this section with regard to the notes and the Global Note Certificates and Registered Uncleared Note Certificates representing the notes are subject to the detailed provisions of the Note Trust Deed and the relevant Note Trust Deed Supplement for a Note Series. The Note Trust Deed will include the forms of the Registered Uncleared Note Certificates, the Global Note Certificates and the forms of the Individual Note Certificates.

A Paying Agency and Agent Bank Agreement between, among others, the Issuing Entity, the Note Trustee, The Bank of New York Mellon acting through its London Branch as "**Principal Paying Agent**", the other Paying Agents – together with the Principal Paying Agent, called the "**Paying Agents**" – and the Agent Bank, and The Bank of New York Mellon (Luxembourg) S.A. as the Registrar regulates how payments will be made on the notes and how determinations and notifications will be made. It will be dated on or prior to the date of the first issue of notes and the parties will include, on an ongoing basis, any successor party appointed in accordance with its terms.

Beneficial Owners will be entitled to the benefit of, will be bound by and will be deemed to have notice of, all the provisions of the Note Trust Deed and the Paying Agency and Agent Bank Agreement. Beneficial Owners can see copies of these agreements at the principal office for the time being of the Note Trustee, which is, as of the date of this document, The Bank of New York Mellon acting through its London Branch and at the Specified Office for the time being of each of the Paying Agents.

Unless otherwise specified in the relevant Note Trust Deed Supplement, each Class of notes will be represented initially by a either a Registered Uncleared Note Certificate or a Global Note Certificate in registered form.

Transfers of notes represented by Registered Uncleared Note Certificates

If specified in the relevant Final Terms or Drawdown Prospectus, Registered Uncleared Notes may be initially sold within the United States in compliance with Rule 506 of Regulation D and subsequently sold under Rule 144A or Regulation S (subject to any applicable transfer restrictions set out in this Base Prospectus) and each Class of Reg D Registered Uncleared Notes will be represented by a corresponding Registered Uncleared Note Certificate registered in the name of the Holder.

Registered Uncleared Note Certificates may be subject to certain restrictions on transfer set forth therein, in the Note Trust Deed, any Note Trust Deed Supplement and in Rule 144 under the Securities Act, and the Registered Uncleared Note Certificates will bear the applicable legends regarding the restrictions as set forth in the applicable Final Terms or Drawdown Prospectus.

The Clearing Systems

The Global Note Certificates representing the notes offered by this Base Prospectus – called the "**Global Note Certificates**" – may be deposited with The Bank of New York Mellon in New York, as the DTC custodian for, and registered in the name of, Cede & Co. as nominee of, The Depository Trust Company, referred to in this Base Prospectus as, "**DTC**". On confirmation from the DTC custodian that it holds the Global Note Certificates, DTC will record Book-Entry Interests in the Beneficial Owner's account or the participant account through which the Beneficial Owner holds its interests in the notes. These Book-Entry Interests will represent the Beneficial Owner's or participant's beneficial interest in the relevant Global Note Certificates.

The Global Note Certificates may also be deposited with a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). On confirmation from the common depositary that it holds the Global Note Certificates, Clearstream,

Luxembourg and/or Euroclear, as applicable, will record Book-Entry Interests in the Beneficial Owner's account or the participant account through which the Beneficial Owners hold their interests in the notes. These Book-Entry Interests will represent the Beneficial Owner's or participant's beneficial interest in the relevant notes represented by such Global Note Certificate.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for Registered Notes which the ICSDs had designed in co-operation with market participants and that notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the Euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The amount of notes represented by each Global Note Certificate and Registered Uncleared Note Certificate is evidenced by the Register maintained for that purpose by the Registrar. The Register maintained by the Registrar is the sole evidence of entitlement to the Global Note Certificate or Registered Uncleared Note Certificate (as the case may be). Together, the notes represented by the Registered Uncleared Note Certificates, the Global Note Certificates and any outstanding Individual Note Certificates will equal the aggregate principal amount of the notes outstanding at any time. However, except as described under "– *Individual Note Certificates*", Individual Note Certificates will not be issued.

Book-entry Systems

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the clearing systems currently in effect. Investors wishing to use the facilities of any of the clearing systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant clearing system. Neither the Issuing Entity nor any other party to the Paying Agency and Agent Bank Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in any Note Series held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

DTC

DTC has advised the Issuing Entity that it is a limited purpose trust company organised under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants deposit with DTC. DTC also facilitates the post-trade settlement among participants of sales and other securities transactions in deposited securities through electronic computerised book-entry transfers and pledges between participants' accounts, thereby eliminating the need for physical movement of securities certificates. Participants include both U.S. and non-U.S. securities brokers and underwriters, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned Subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and underwriters, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly. DTC has S&P's highest rating: AAA. The DTC rules applicable to DTC's participants and indirect participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of notes under the DTC system must be made by or through participants, which will receive a credit for the notes on DTC's records. The ownership interest of each actual purchaser of each note (the

Beneficial Owner) is in turn to be recorded on the participants' and indirect participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the participant or indirect participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the notes (other than Registered Uncleared Notes) are to be accomplished by entries made on the books of participants or indirect participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in notes (other than Registered Uncleared Notes), except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorised representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the notes; DTC's records reflect only the identity of the participants to whose accounts such notes are credited, which may or may not be the Beneficial Owners. The participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of Notices and other communications by DTC to participants, by participants to indirect participants, and by participants and indirect participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption Notices shall be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to notes unless authorised by a participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to the Issuing Entity as soon as possible after the Record Date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those participants to whose accounts the notes are credited on the Record Date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the notes (other than Registered Uncleared Notes) will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuing Entity or the Principal Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants or indirect participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant or indirect participant and not of DTC or its nominee, the Principal Paying Agent or the Issuing Entity, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of the Issuing Entity or the Principal Paying Agent, disbursement of such payments to participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of participants and indirect participants.

Clearstream, Luxembourg and Euroclear.

Clearstream, Luxembourg and Euroclear each hold securities for their participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of those participants, thereby eliminating the need for physical movement of securities. Clearstream, Luxembourg and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear also deal with domestic securities markets in several countries through established depository and custodial relationships. Clearstream, Luxembourg and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Transactions may be settled in Clearstream, Luxembourg and Euroclear in any of numerous currencies, including U.S. Dollars.

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg participants are financial institutions around the world, including underwriters, securities brokers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg is also available to others, including banks, brokers, underwriters and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant, either directly or indirectly.

The Euroclear system was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment. The Euroclear system is operated by Euroclear Bank S.A./N.V., called the "**Euroclear Operator**". All operations are conducted by the Euroclear operator. All Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator.

Euroclear participants include banks – including central banks – securities brokers and Underwriters and other professional financial intermediaries. Indirect access to the Euroclear system is also available to other firms that maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing use of Euroclear and the related Operating Procedures of the Euroclear system. These terms and conditions govern transfers of securities and cash within the Euroclear system, withdrawal of securities and cash from the Euroclear system, and receipts of payments for securities in the Euroclear system. All securities in the Euroclear system are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under these terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

As the Holders of Book-Entry Interests, Beneficial Owners will not have the right under the Note Trust Deed to act on solicitations by the Issuing Entity for action by Noteholders. Beneficial Owners will only be able to act to the extent they receive the appropriate proxies to do so from DTC, Clearstream, Luxembourg or Euroclear or, if applicable, their respective participants. No assurances are made about these procedures or their adequacy for ensuring timely exercise of remedies under the Note Trust Deed.

No Beneficial Owner of an interest in a note represented by a Global Note Certificate will be able to transfer that interest except in accordance with applicable procedures, in addition to those provided for under the Note Trust Deed, of DTC, Clearstream, Luxembourg and Euroclear, as applicable. The laws of some jurisdictions require that some purchasers of securities take physical delivery of those securities in definitive form. These laws and limitations may impair the ability to transfer beneficial interests in a note represented by a Global Note Certificate.

Book-entry ownership of and payments in respect of notes held through DTC

The Issuing Entity may apply to DTC in order to have any Class of notes represented by a Global Note Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Note Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Note Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the participant. Ownership of beneficial interests in such a Global Note Certificate will be limited to participants or indirect participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global Note Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of participants) and the records of participants (with respect to the interests of indirect participants).

It should be noted that DTC will only process payments of principal and interest in U.S. Dollars. Payments in U.S. Dollars of principal and interest in respect of a Global Note Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered Holder of such note. In the case of any payment in a currency other than U.S. Dollars in respect of a Global Note Certificate accepted by DTC, payment will be made by the Exchange Agent and the Exchange Agent will (in accordance with express written instructions received by it) remit all or a portion of such payment for credit directly to the beneficial Holders of interests in the Global Note Certificate in the currency in which such payment was

made and/or cause all or a portion of such payment to be converted into U.S. Dollars and credited to the applicable participants' accounts.

The Issuing Entity expects DTC to credit accounts of participants on the applicable Payment Date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such Payment Date. The Issuing Entity also expects that payments by participants or indirect participants to Beneficial Owners of notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such participant or indirect participant and not the responsibility of DTC, the Note Trustee or the Issuing Entity. Payment of principal, premium, if any, and interest, if any, on notes to DTC is the responsibility of the Issuing Entity.

Payments in respect of notes held through Euroclear and Clearstream, Luxembourg

Payments by Clearstream, Luxembourg and Euroclear participants to the Beneficial Owners of notes will be governed by standing instructions, customary practice, and any statutory or regulatory requirements as may be in effect from time to time, as is now the case with securities held by the accounts of customers registered in street name. These payments will be the responsibility of the Clearstream, Luxembourg or Euroclear participant and not of Clearstream, Luxembourg, Euroclear, any Paying Agent, the Note Trustee or the Issuing Entity.

None of the Issuing Entity, the Note Trustee, any Series Dealer nor any Paying Agent will have the responsibility or liability for any aspect of the records of DTC, Clearstream, Luxembourg or Euroclear relating to or payments made by DTC, Clearstream, Luxembourg or Euroclear on account of beneficial interests in the Global Note Certificates or for maintaining, supervising or reviewing any records of DTC, Clearstream, Luxembourg or Euroclear relating to those beneficial interests.

Transfers of Notes Represented by Global Note Certificates

Transfers of any interests in notes represented by a Global Note Certificate within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States may require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer notes represented by a Global Note Certificate to such persons may depend upon the ability to exchange such notes for notes in definitive form. Similarly, because DTC can only act on behalf of participants in the DTC system who in turn act on behalf of indirect participants, the ability of a person having an interest in notes represented by a Global Note Certificate accepted by DTC to pledge such notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such notes may depend upon the ability to exchange such notes for notes in definitive form. The ability of any Holder of notes represented by a Global Note Certificate accepted by DTC to resell, pledge or otherwise transfer such notes may be impaired if the proposed Transferee of such notes is not eligible to hold such notes through a participant or indirect participant in the DTC system.

Transfers at any time by a Holder of a Book-Entry Interest in a Rule 144A Global Note to a Transferee who takes delivery of such Book-Entry Interest through a Regulation S Global Note for the same Note Series will only be made upon delivery to the Registrar of a certificate setting forth compliance with the provisions of Regulation S. Prior to the expiration of the Distribution Compliance Period (as defined in Regulation S), ownership of Book-Entry Interests in a Regulation S Global Note will be limited to persons that have accounts with Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, or persons who hold such Book-Entry Interest through Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, and any sale or transfer of such Book-Entry Interest to a U.S. Person (within the meaning of Regulation S) shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Transfers at any time by a Holder of a Book-Entry Interest in a Regulation S Global Note to a Transferee who takes delivery of such Book-Entry Interest through a Rule 144A Global Note for the same Note Series will only be made upon receipt by the relevant Registrar or the relevant transfer agent of a written certificate from the transferor of such Book-Entry Interest to the effect that such transfer is being made to a person whom such transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Plan of Distribution – Transfer Restrictions*" and in accordance with any applicable securities laws of any state of the United States.

Subject to compliance with the transfer restrictions applicable to the Global Note Certificates described in "*Plan of Distribution – Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear participants, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian with whom the relevant Global Note Certificates have been deposited (the "**Series Custodian**").

On or after the Closing Date for any Note Series, transfers of notes of such Note Series between participants in Clearstream, Luxembourg and Euroclear and transfers of notes of such Note Series between participants in DTC will generally have a settlement date three Business Days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between participants in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Note Certificate will be effected through the Registrar, the Principal Paying Agent and the Series Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the Designated Account for the Transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Note Certificates among participants of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuing Entity, any agent, the Series Dealers or any affiliate of any of the foregoing, or any person by whom any of the foregoing is controlled for the purposes of the Securities Act will have any responsibility for the performance by DTC, Clearstream, Luxembourg, Euroclear 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 in this Base Prospectus.

Conditions applicable to the Global Notes

Each Global Note Certificate will contain a provision which modifies the Conditions of the notes as they apply to the Global Note Certificate. The following is a summary of that provision:

Record Date: Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Individual Note Certificates

Beneficial Owners of notes will only be entitled to receive Individual Note Certificates if the notes become immediately due and repayable by reason of an Event of Default or DTC, Euroclear or Clearstream notifies the Issuing Entity that it is unwilling or unable to hold the Global Note Certificates or is unwilling or unable to continue as, or has ceased to be, a clearing agency registered under the Exchange Act and, in each case, the Issuing Entity cannot appoint a successor within 90 days of such notification.

In no event will Individual Note Certificates in bearer form be issued. Any Individual Note Certificate will be issued in registered form in minimum denominations of €100,000 (or its equivalent in another currency). Any Individual Note Certificates will be registered in that name or those names as the Registrar shall be instructed by DTC, Clearstream, Luxembourg and Euroclear, as applicable. It is expected that these instructions will be based upon directions received by DTC, Clearstream, Luxembourg and Euroclear from their participants reflecting the ownership of Book-Entry Interests. To the extent permitted by law, the Issuing Entity, the Note Trustee and any Paying Agent shall be entitled to

treat the person in whose names any Individual Note Certificate is registered as the absolute owner thereof. The paying agency and Agent Bank agreement contains provisions relating to the maintenance by a Registrar of a Register reflecting ownership of the notes and other provisions customary for a registered debt Security.

Any person receiving Individual Note Certificates will not be obligated to pay or otherwise bear the cost of any transfer tax or governmental charge or any cost or expense relating to insurance, postage, transportation or any similar charge in connection with the delivery of such Individual Note Certificates, which will be solely the responsibility of the Issuing Entity. No service charge will be made for any registration of transfer or exchange of any Individual Note Certificates.

Repricing Notes

The Holder of certain Note Series or Classes of notes of a particular Note Series (each a "**Repricing Note**") may also have the benefit of certain repricing arrangements under which Barclays, acting through its investment bank, (the "**Market Repricing Agent**") in respect of such Note Series or Class, and either Barclays or Barclays PLC, as applicable, who will be the initial beneficial Noteholder of all Repricing Notes (the "**Repricing Noteholder**"), will enter into an arrangement under which the Market Repricing Agent agrees to determine the then prevailing market interest rate for such Note Series or Class of Repricing Notes of a particular Note Series on any one Interest Payment Date during the term of such notes (such date being a "**Repricing Transfer Date**"). The Repricing Notes, if any, will be sold subject to Condition 8(d), which provides for transfer on a Repricing Transfer Date. However, failure by the Issuing Entity to make or procure any payment required under Condition 8(d) for reason of any failure on the part of the Market Repricing Agent or the Repricing Noteholder to perform their respective obligations under the relevant Transaction Documents shall not constitute an Event of Default (as defined in Condition 11, ("*Events of Default*") under the Conditions. See Condition 8 ("*Redemption and Purchase*") and Condition 11 ("*Events of Default*").

Any Note Series or Class of Repricing Notes will be issued subject to the Repricing Note transfer arrangements referred to in Condition 8(d) and the applicable Market Repricing Agreement relating to such Classes of a particular Note Series (each transfer, a "**Repricing Note Transfer**"). In order to effect a Repricing Note transfer in respect of a Note Series or Class of Repricing Notes, the Repricing Noteholder will enter into a Market Repricing Agreement which will prescribe the mechanics, terms and conditions relating to the market repricing of the related Repricing Notes of such Note Series or Class on the relevant Repricing Transfer Date, prior to the final maturity or earlier redemption in full of such Note Series or Class of Repricing Notes.

Market Repricing Agreement

A Market Repricing Agreement may be entered into on or about the Issue Date in relation to a particular Note Series or Class of Repricing Notes (a "**Market Repricing Agreement**") between, *inter alios*, the Market Repricing Agent, the Issuing Entity and the Repricing Noteholder. Details of any Market Repricing Agreements to be entered into in connection with a particular Note Series or Class of Repricing Notes will be set out in the relevant Note Series Final Terms or Drawdown Prospectus. The terms of any Market Repricing Agreement will provide for the appointment of Barclays, acting through its investment bank, as Market Repricing Agent, who will be obliged, prior to the occurrence of a Repricing Termination Event (as defined below), upon request from the Repricing Noteholder, to identify the current market Margin applicable to the Repricing Notes. Condition 7 ("*Interest*") provides for the Market Repricing Agent to have the ability, in order to effect the repricing, to increase or decrease the Margin on the applicable Note Series or Class of Repricing Notes from that payable as at the Issue Date for such Note Series or Class in accordance with the applicable Market Repricing Agreement.

The Market Repricing Agent will seek bids from investors for the Margin to apply to the Repricing Notes as from the relevant Repricing Transfer Date. If there are one or more investors willing to purchase in aggregate all of the outstanding Note Series and/or Class of Repricing Notes, the Margin on all of such Note Series and/or Class of Repricing Notes will be reset to an amount (the "**Reset Margin**") being the lowest Margin at which all of such Note Series and/or Class of Repricing Notes will be purchased at par by investors, as determined by the Market Repricing Agent. If all of such Note Series and/or Class of Repricing Notes cannot be placed with investors, the unplaced Repricing Notes will be retained by the Repricing Noteholder. If, for any reason, the Repricing Notes are not transferred on the repricing date the

Repricing Noteholder shall retain the Repricing Notes at the original Margin as set out in the relevant Final Terms or Drawdown Prospectus.

The Market Repricing Agent will notify details of the Reset Margin applicable to a Note Series and/or Class of Repricing Notes to the Principal Paying Agent no later than three Business Days prior to the relevant Repricing Transfer Date. As a condition precedent to the repricing, Barclays must certify in writing that in its opinion, formed on the basis of due consideration, the change in Margin will not result in a reduction or withdrawal of each rating agency's then current rating of the relevant Repricing Notes.

Transfer and Settlement of Repricing Notes Under a Market Repricing Agreement

Any Repricing Notes issued on an Issue Date will initially be represented by a Global Note Certificate. Each Global Note Certificate will in turn be exchangeable for certificates in individual certificated form only in the circumstances described under "*Individual Note Certificates*" above. Three Business Days before the relevant Repricing Transfer Date, the Market Repricing Agent will deliver to Euroclear and/or Clearstream a written notice (such notice being a "**Euroclear/Clearstream Repricing Note Call Notice**") in respect of the relevant Note Series and/or Class of Repricing Notes which are represented by a Global Note Certificate deposited with, and registered in the name of The Bank of New York Mellon Depository (Nominees) Limited as common depositary for Euroclear and Clearstream or, in the case of notes held under the NSS, deposited with an ICSD acting as common safekeeper and registered in the name of a nominee for the common safekeeper (the "**Euroclear/Clearstream Repricing Notes**", and Holders thereof, the "**Euroclear/Clearstream Repricing Noteholders**") each specifying, *inter alia*, the account details with Euroclear and/or Clearstream (as the case may be) of any purchaser of the Euroclear/Clearstream Repricing Notes, on the relevant Repricing Transfer Date, (each such person for the Euroclear/Clearstream Repricing Notes being an "**Incoming Euroclear/Clearstream Repricing Noteholder**"), and the Principal Amount Outstanding in respect of such Note Series and/or Class of Repricing Notes on the Repricing Transfer Date in respect of the Euroclear/Clearstream Repricing Notes (the "**Euroclear/Clearstream Repricing Transfer Price**").

No further action will be required by the Euroclear/Clearstream Repricing Noteholders in connection with the transfer of the Euroclear/Clearstream Repricing Notes to the Market Repricing Agent (as contemplated by the Euroclear/Clearstream Call Notice) and then from the Market Repricing Agent to the Incoming Euroclear/Clearstream Repricing Noteholders (as contemplated by the Euroclear/Clearstream Transfer Notice).

To facilitate the transfer of interests in the Repricing Notes held through DTC (the "**DTC Repricing Notes**", and Holders thereof, the "**DTC Repricing Noteholders**") as part of the repricing transfer, the Market Repricing Agent shall facilitate delivery and payment by and to DTC Repricing Noteholders on the relevant Repricing Transfer Date.

A Market Repricing Agent in respect of a Note Series and/or Class of Repricing Notes shall (to the extent that any DTC Repricing Notes are held in global form) notify DTC no later than two Business Days prior to the applicable Repricing Transfer Date of the Principal Amount Outstanding on the Repricing Transfer Date of the DTC Repricing Notes, being the amount payable by the investors wishing to purchase the DTC Repricing Notes (the "**DTC Repricing Transfer Price**") (the "**Incoming DTC Repricing Noteholders**") on that Repricing Transfer Date; the Reset Margin applicable to the DTC Repricing Notes after that Repricing Transfer Date; and the next Reset Period (as defined in the Conditions) in respect of the DTC Repricing Notes. The Market Repricing Agent will arrange delivery of the relevant DTC Repricing Notes to the Incoming DTC Repricing Noteholders on the applicable Repricing Transfer Date (including, without limitation, specifying details of the accounts of such Incoming DTC Repricing Noteholders to DTC).

No further action will be required by the DTC Repricing Noteholders for the transfer of the DTC Repricing Notes to or for the account of the Market Repricing Agent.

Upon payment on the relevant Repricing Transfer Date of the DTC Repricing Transfer Price by the Incoming DTC Repricing Noteholders, all rights in respect of the DTC Repricing Notes will be transferred to or for the account of the applicable Incoming DTC Repricing Noteholders.

Mandatory Transfer Arrangements

If specified in the relevant Final Terms or Drawdown Prospectus, the Mandatory Purchaser will be obliged to purchase such notes on the Mandatory Transfer Date if the relevant notes have not been redeemed in full prior to the applicable Mandatory Transfer Date. Limitations on the relevant Mandatory Purchaser's ability to purchase the relevant notes are set out in "*Specific risks relating to notes where Mandatory Transfer arrangements apply*" below.

Where the relevant notes are intended to constitute "Eligible Securities" for purchase by money market funds under Rule 2a-7 of the US Investment Company Act of 1940 (as amended), any determination as to whether such Note Series qualifies as "Eligible Securities" under Rule 2a-7 involves investment determinations and interpretive questions that, as with qualification and compliance with other aspects of Rule 2a-7, is solely the responsibility of each money market fund and its investment adviser. None of the Issuing Entity, the Note Trustee, the Arranger, the Series Dealers, the Mandatory Purchaser or any other party to a Transaction Document makes or will make any representation as to the suitability of the relevant notes as "money market notes" or "Eligible Securities" for investment by money market funds subject to Rule 2a-7 under the Investment Company Act.

If specified in the relevant Final Terms or Drawdown Prospectus, notes will be issued subject to the Mandatory Transfer arrangements referred to in Condition 8(f) (*Mandatory Transfer Arrangements*), the related Mandatory Purchase Agreement, the Note Trust Deed and the series supplement, pursuant to which the Mandatory Purchaser agrees, subject to and in accordance with the terms of the relevant Mandatory Purchase Agreement, to purchase some or all of such notes on the related Mandatory Transfer Date, provided that certain events have not then occurred. Under the terms of the relevant Mandatory Purchase Agreement in relation to such notes, the Issuing Entity will hold the Mandatory Purchaser and its directors and officers fully and effectually indemnified from and against any and all liabilities which they (or any of them) may incur or which may be made against them (or any of them) as a result of or arising out of, or in relation to, any misrepresentation or alleged misrepresentation or any breach or alleged breach of any of the representations, covenants or agreements made by the Issuing Entity in the Mandatory Purchase Agreement, unless such liabilities arise out of or are the result of the negligence or wilful default of the Mandatory Purchaser.

Prospective investors in such notes should note, in particular, that the Mandatory Transfer would be likely to be deemed to be a "conditional demand feature" (as such term is defined in Rule 2a-7). The relevant notes, will be sold subject to Condition 8(f) (*Mandatory Transfer Arrangements*), which provides for Mandatory Transfer on each Mandatory Transfer Date. However, failure by the Issuing Entity to make or procure any payment required under Condition 8(f) (*Mandatory Transfer Arrangements*) by reason of any failure on the part of the Mandatory Purchaser to perform its obligations under the relevant Transaction Documents shall not constitute an Event of Default (as defined in Condition 11 (*Events of Default*)) under the Conditions.

Mandatory Purchase Agreement

Under the terms of a Mandatory Purchase Agreement, the Mandatory Purchaser shall, subject to the non-occurrence of an Event of Default, be obliged, on any Mandatory Transfer Date, to purchase the outstanding notes of the relevant Class.

Under Rule 2a-7 a money market fund may be required to dispose of the money market notes upon the occurrence of any of the following events:

- a rating currently assigned to the money market notes is lowered or withdrawn or another rating agency issues a lower rating of the money market notes on an unsolicited basis;
- a material default occurs in relation to the money market notes;
- the money market fund determines that the money market notes no longer present minimal credit risk;
- upon certain events of insolvency with respect to the Issuing Entity; and
- the money market notes otherwise cease to meet the eligibility criteria under Rule 2a-7.

In circumstances where the Issuing Entity will enter into a currency swap transaction and a Mandatory Purchase Agreement in respect of the relevant notes, the eligibility of such notes for investment by money market funds will be dependent on timely receipt of proceeds from the relevant Swap Counterparty and Mandatory Purchaser. Under the terms of the currency swap transaction in relation to the relevant notes the Swap Counterparty will be required to make a principal payment under the relevant currency swap agreement to the Issuing Entity to enable the Issuing Entity to redeem the relevant notes in full on their Scheduled Redemption Date provided that the Swap Counterparty has received the corresponding principal payment required to be made by the Issuing Entity under the relevant currency swap transaction. In such circumstances Noteholders in respect of the relevant notes will be dependent on the performance of the Issuing Entity and no assurance can be given that the Issuing Entity will have sufficient funds to make payments on the relevant notes. Further details on the currency swap transaction in relation to the Class A notes can be found in the section entitled "*Swap Agreements*" below.

Investors should consider carefully the risk posed if notes specified to be subject to a mandatory purchase arrangement cannot be transferred on a Mandatory Transfer Date (for example if the Mandatory Purchaser defaults in its obligation to purchase the relevant notes on such Mandatory Transfer Date under the Mandatory Purchase Agreement) as no assurance can be given that the Mandatory Purchaser will comply with and perform its obligations under a Mandatory Purchase Agreement and in those circumstances you may be unable to sell your notes on the relevant Mandatory Transfer Date or at any other time. In addition, purchasers of such notes will have no recourse against the Issuing Entity or the relevant Mandatory Purchaser for any default or failure to purchase by the Mandatory Purchaser under the related Mandatory Purchase Agreement. Although the parties to these agreements may be able to enforce their rights against each other, they have no obligation to do so.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and as supplemented in accordance with the provisions of the relevant Note Trust Deed Supplement will be endorsed on each Note issued under the Programme in definitive form. References in these terms and conditions to "notes" are to the notes of a particular Note Series only and not to all notes that may be issued under the Programme.

(1) **Introduction**

Programme

Gracechurch Card Programme Funding plc (the "**Issuing Entity**") has established a medium term note programme (the "**Programme**"). The notes of a particular Note Series (the "**Notes**") are constituted and secured by a Note Trust Deed (the "**Note Trust Deed**") between the Issuing Entity and The Bank of New York Mellon (the "**Note Trustee**") (which expression includes the trustee or trustees for the time being of the Note Trust Deed) and a supplement to the Note Trust Deed (the "**Series Note Trust Deed Supplement**") in respect of notes issued in each Note Series. References to the Note Trust Deed include reference to the relevant Note Trust Deed Supplement where the context admits.

Final Terms or Drawdown Prospectus

Notes issued under the Programme are issued in series (each a "**Note Series**"). Each Note Series comprises up to four Classes of notes (each a "**Class**") and corresponds to a Medium Term Note Certificate, which in turn corresponds to an Investor Certificate. A Note Series will be constituted by Class A notes, Class B notes, Class C notes and, if applicable, Class D notes. Each Class may comprise Sub-Classes of notes (each a "**Sub-Class**"), which may be denominated in any of Sterling, US dollar, Euro or such other currency as specified in the relevant Final Terms or Drawdown Prospectus. The Sub-Classes within each Class of notes will rank *pari passu* and with no priority or preference among them. Each Note Series is the subject of a Final Terms or Drawdown Prospectus (the "**Final Terms**" or "**Drawdown Prospectus**", as appropriate). The terms and conditions applicable to any particular Note Series are these terms and conditions (the "**Conditions**") as supplemented, amended and/or replaced by the relevant Note Trust Deed Supplement and as presented in the relevant Final Terms or Drawdown Prospectus.

Paying Agency and Agent Bank Agreement

The notes are the subject of a Paying Agency and Agent Bank Agreement (the "**Paying Agency and Agent Bank Agreement**") between, among others, the Issuing Entity, the Note Trustee, The Bank of New York Mellon as Principal Paying Agent (the "**Principal Paying Agent**") and as US Paying Agent (the "**US Paying Agent**"), the Paying Agents named in the Paying Agency and Agent Bank Agreement (together with the Principal Paying Agent and the US Paying Agent, the "**Paying Agents**", and in each case, the expressions "**Principal Paying Agent**", "**US Paying Agent**" and "**Paying Agents**" include any successor to such person in such capacity), the Agent Bank named in the Paying Agency and Agent Bank Agreement (the "**Agent Bank**" which expression includes any successor to such person in such capacity), and the Registrar named in the Paying Agency and Agent Bank Agreement (the "**Registrar**" which expression includes any successor to such person in such capacity).

The Notes

All subsequent references in these Conditions to "notes" are to the notes which are the subject of the relevant Final Terms or Drawdown Prospectus. Copies of the relevant Final Terms or Drawdown Prospectus are available for inspection by you the Holders of the notes (the "**Noteholders**") during normal business hours at the Specified Office of the Principal Paying Agent, the initial Specified Office of which is set out below.

Summaries

Certain provisions of these Conditions are summaries of the Note Trust Deed and the Paying Agency and Agent Bank Agreement and are subject to their detailed provisions. The Holders of the notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed, the Note Trust Deed Supplement, the Final Terms or Drawdown Prospectus and the Paying Agency

and Agent Bank Agreement applicable to them. Copies of the Note Trust Deed, the Note Trust Deed Supplement, the Final Terms or Drawdown Prospectus and the Paying Agency and Agent Bank Agreement are available for inspection by Noteholders during normal business hours at the Specified Office of each of the Paying Agents, the initial Specified Offices of which are set out below.

(2) **Interpretation**

Definitions

Unless otherwise defined in these Conditions or the context requires otherwise, capitalised terms used in these Conditions have the meanings and constructions ascribed to them in Schedule 1 (Master Definitions Schedule) to the Master Framework Agreement between, amongst others, the Issuing Entity and the Note Trustee (the "**Master Framework Agreement**").

In these Conditions the following expressions have the following meanings:

"**Accelerated Amortisation Period**" has the meaning given to it in the relevant series supplement to the Security Trust Deed and MTN Cash Management Agreement;

"**Account Bank**" means Barclays Bank PLC;

"**Account Bank Agreements**" means the Issuing Entity Distribution Account Bank Agreement and the Bank Account Operating Agreement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms or Drawdown Prospectus;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms or Drawdown Prospectus;

"**Additional Interest Margin**" has the meaning given in the relevant Final Terms or Drawdown Prospectus (if applicable);

"**Administrator**" means Bedell Trust Company Limited;

"**Amortisation Period**" means the Regulated Amortisation Period and/or the Rapid Amortisation Period and/or the Accelerated Amortisation Period and/or the Optional Amortisation Period and/or the Partial Amortisation Period or such other period specified as an Amortisation Period in the relevant Final Terms or Drawdown Prospectus;

"**Bank Account Operating Agreement**" means the Bank Account Operating Agreement between the Issuing Entity and the Account Bank;

"**Bank Mandate**" means any Bank Mandate in relation to the Issuing Entity Bank Accounts;

"**Basic Terms Modification**" means any change to any date fixed for payment of principal or interest in respect of the notes of any Class or Sub-Class, to reduce the amount of principal or interest payable on any date in respect of the notes of any Class or Sub-Class, other than any Repricing Note Reset Margin as contemplated by the applicable Market Repricing Agreement to alter the method of calculating the amount of any payment in respect of the notes of any Class or Sub-Class or the date for any such payment, (except in accordance with the Conditions and the Note Trust Deed) to effect the exchange, conversion or substitution of the notes of any Class for, or the conversion of such notes into, shares, bonds or other obligations or securities of the Issuing Entity or any other Person or body corporate formed or to be formed, to alter the priority of payment of interest or principal in respect of the notes, to change the currency of any payment under the notes of any Class or Sub-Class, to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution or to amend this definition;

"**Business Day**" means in relation to any sum payable in any currency, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in London, England; Jersey, Channel Islands; New York, New York; the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular Date, has the meaning given in the relevant Final Terms or Drawdown Prospectus and, if so specified in the relevant Final Terms or Drawdown Prospectus, may have different meanings in relation to different Dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the Relevant Date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the Relevant Date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**No Adjustment**" means that the Relevant Date shall not be adjusted in accordance with any Business Day Convention; and

(d) "**Preceding Business Day Convention**" means that the Relevant Date shall be brought forward to the first preceding day that is a Business Day;

"**Calculation Agent**" means the Agent Bank or such other Person specified in the relevant Final Terms or Drawdown Prospectus as the party responsible for calculating the Rate(s) of interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms or Drawdown Prospectus, including any successor thereto;

"**Calculation Amount**" means the amount specified as such in the relevant Final Terms or Drawdown Prospectus;

"**Class**" means, in respect of a Note Series, the notes of such Note Series designated in the relevant Final Terms or Drawdown Prospectus as being in the same Class;

"**Class A Notes**" means notes of any Note Series designated as such in the relevant Final Terms or Drawdown Prospectus and, where applicable, a reference to "Class A Notes" shall be construed *mutatis mutandis* as a reference to a relevant Sub-Class thereof;

"**Class B Notes**" means notes of any Note Series designated as such in the relevant Final Terms or Drawdown Prospectus and, where applicable, a reference to "Class B Notes" shall be construed *mutatis mutandis* as a reference to a relevant Sub-Class thereof;

"**Class C Notes**" means notes of any Note Series designated as such in the relevant Final Terms or Drawdown Prospectus and, where applicable, a reference to "Class C Notes" shall be construed *mutatis mutandis* as a reference to a relevant Sub-Class thereof;

"**Class D Notes**" means notes of any Note Series designated as such in the relevant Final Terms or Drawdown Prospectus and, where applicable, a reference to "Class D Notes" shall be construed *mutatis mutandis* as a reference to a relevant Sub-Class thereof;

"**Closing Date**" has the meaning given in the relevant Final Terms or Drawdown Prospectus;

"**Controlled Accumulation Period**" for any Note Series has the meaning defined in the relevant Final Terms or Drawdown Prospectus;

"**Controlled Accumulation Period Commencement Date**" has the meaning given in the relevant Final Terms or Drawdown Prospectus;

"**Counterparty Fault Swap Termination Amount**" means any termination payment under a Swap Agreement where the Swap Agreement is terminated as a result of a Swap Counterparty Swap Event of Default;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such Day Count Fraction as may be specified in these Conditions or the relevant Final Terms or Drawdown Prospectus and:

(a) if "**Actual/Actual - ISDA**" is specified in the relevant Final Terms or Drawdown Prospectus, the actual number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Payment Date (the "**Accrual Period**") divided by 365 (or, if any portion of that Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms or Drawdown Prospectus, the actual number of days in the Accrual Period divided by 365;

(c) if "**Actual/360**" is specified in the relevant Final Terms or Drawdown Prospectus, the actual number of days in the Accrual Period divided by 360;

(d) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms or Drawdown Prospectus, the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day count fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and D_1 is greater than 29, in which case $\mathbf{D_2}$ will be 30;

(e) if "**30E/360**" or "Eurobond basis" is specified in the relevant Final Terms or Drawdown Prospectus, the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day count fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31, in which case D_2 will be 30;

(f) if "**Sterling/FRN**" is specified in the relevant Final Terms or Drawdown Prospectus, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366; and

(g) if "**Actual/Actual - ICMA**" is specified in the relevant Final Terms or Drawdown Prospectus:

(i) if the Accrual Period is equal to or shorter than the Calculation Period during which it falls, the number of days in the Accrual Period divided by the product of (A) the number of days in such Calculation Period and (B) the number of Calculation Periods normally ending in any year; and

(ii) if the Accrual Period is longer than one Calculation Period, the sum of:

(A) the number of days in such Accrual Period falling in the Calculation Period in which it begins divided by the product of (1) the number of days in such Calculation Period and (2) the number of Calculation Periods normally ending in one year; and

(B) the number of days in such Accrual Period falling in the next Calculation Period divided by the product of (1) the number of days in such Calculation Period and (2) the number of Calculation Periods normally ending in one year;

"**Distribution Ledger**" means a ledger within the relevant Issuing Entity Distribution Account in relation to a specific Note Series or a ledger within the relevant Issuing Entity Distribution Account in relation to a specific Class or Sub-Class of notes;

"**Excess Swap Collateral**" means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuing Entity in respect of the Swap Counterparty's obligations to transfer collateral to the Issuing Entity under the relevant Swap Agreement (as a result of the ratings downgrade provisions in that Swap Agreement), which is in excess of the Swap Counterparty's liability to the Issuing Entity under the relevant Swap Agreement, or which the Swap Counterparty is otherwise entitled to have returned to it under the relevant Swap Agreement;

"**Expenses Loan Drawing**" means a drawing under the Expenses Loan Agreement in relation to a specific Note Series to be dated on or about each Issue Date between the Issuing Entity and Barclays;

"**Extraordinary Resolution**" has the meaning given in the Master Framework Agreement;

"**Final Redemption Date**" means the date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms or Drawdown Prospectus, and where the Final Redemption Date is not a Business Day, as the same may be adjusted in accordance with the relevant Business Day Convention;

"**First Interest Payment Date**" means the date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms or Drawdown Prospectus, and where the First Interest Payment Date is not a Business Day, as the same may be adjusted in accordance with the relevant Business Day Convention;

"**Floating Rate Commencement Date**" is specified in the relevant Final Terms or Drawdown Prospectus as either the Payment Date of the first month falling in the Regulated Amortisation Period or the Rapid Amortisation Period (or if such date has passed, the immediately following Payment Date) or the Scheduled Redemption Date;

"**Global Note Certificate**" means a Note Certificate in global form;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Individual Note Certificate**" means an Individual Note Certificate issued in the circumstances set out in the relevant Global Note Certificate;

"**Initial Rate**" has the meaning given in the relevant Final Terms or Drawdown Prospectus;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of the Calculation Amount applicable to that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms or Drawdown Prospectus;

"**Interest Determination Date**" has the meaning given herein, unless otherwise specified in the relevant Final Terms or Drawdown Prospectus;

"**Interest Payment Date**" has the relevant meaning given to it in Condition 7(a), (b), (c), (d), (e), (f), (g), (h), (i), (j) or (k) (as applicable);

"**ISDA Definitions**" means the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first notes of the relevant Note Series (as specified in the relevant Final Terms or Drawdown Prospectus) as published by the International Swaps and Derivatives Association, Inc.;

"**Issue Date**" has the meaning given in the relevant Final Terms or Drawdown Prospectus for a Note Series;

"**Issuing Entity Bank Accounts**" means the relevant Issuing Entity Distribution Account;

"**Issuing Entity Distribution Account**" means the account and the ledger thereto of the Account Bank or with another Qualified Institution opened pursuant to the Issuing Entity Distribution Account Bank Agreement or an individual agreement in relation to a specific Note Series;

"**Issuing Entity Distribution Account Bank Agreement**" means the account bank agreement dated 23 April 2013 between the Issuing Entity, the Note Trustee and the Account Bank;

"**Issuing Entity Fault Swap Termination Amount**" means any termination payment under a Swap Agreement where the Swap Agreement is terminated otherwise than as a result of a Swap Counterparty Swap Event of Default;

"**Mandatory Purchase Agreement**" means an agreement between a Mandatory Purchaser and the Issuing Entity under which a Mandatory Purchaser agrees to purchase the relevant notes on a Mandatory Transfer Date in certain circumstances;

"**Mandatory Purchaser**" means the entity specified in the relevant Final Terms or Drawdown Prospectus;

"**Mandatory Transfer**" means the obligation on the Issuing Entity to procure the purchase of (and the then Noteholders' obligation to transfer) the relevant notes on a Mandatory Transfer Date;

"**Mandatory Transfer Date**" means the Interest Payment Date specified in the relevant Final Terms or Drawdown Prospectus;

"**Mandatory Transfer Price**" means the amount of the payment to the relevant Noteholders on the relevant Mandatory Transfer Date constituting the Principal Amount Outstanding on the notes on that date (following application of monies pursuant to clause 13.1 (*Application of Monies*) of the Note Trust Deed on that date and without prejudice to the Issuing Entity's obligations to make payments on the relevant note on that date);

"**Margin**" has the meaning given in the relevant Final Terms or Drawdown Prospectus;

"**Market Repricing Agent**" means, with respect to any relevant Note Series, from the relevant Issue Date, Barclays, acting through its investment bank, or such other bank appointed thereafter to act as Market Repricing Agent under the terms of the relevant Market Repricing Agreement;

"**Market Repricing Agreement**" means, with respect to any relevant Note Series, an agreement dated on or about the relevant Issue Date among the Repricing Noteholder, the Issuing Entity and the Market Repricing Agent;

"**Note Certificate**" means a Registered Uncleared Note Certificate, a Global Note Certificate or an Individual Note Certificate;

"**Note Series**" means those notes with the same terms and conditions issued in accordance with a particular Final Terms or Drawdown Prospectus;

"**Notices**" means any Notices that are required to be given to Noteholders under these Conditions;

"**Optional Amortisation Period**" has the meaning given to it in the relevant series supplement to the Security Trust Deed and MTN Cash Management Agreement;

"**Partial Amortisation Period**" has the meaning given to it in the relevant series supplement to the Security Trust Deed and MTN Cash Management Agreement;

"**Participating Member State**" means a member state of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means, unless otherwise specified in the Final Terms or Drawdown Prospectus, a Business Day;

"**Payment Date**" means the 15th day in each month or, if such day is not a Business Day, as the same may be adjusted in accordance with the relevant Business Day Convention, or any other date as may be specified in the relevant Final Terms or Drawdown Prospectus;

"**Pay Out Commencement Date**" shall, in respect of a particular Note Series, have the meaning specified in the series supplement;

"**Pay Out Event**" means, in respect of a particular series, a "Trust Pay Out Event" as defined in *"The Receivables Trust – Trust Pay Out Events*" (as modified in respect of such series by the relevant series supplement) or one of the events listed in "*Securitisation Cashflows – Series Pay Out Events*";

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Amount Outstanding**" means, in relation to a Note on any Date, the principal amount of that Note on the Issue Date less the aggregate amount of all principal payments in respect of that Note that have become due and payable by the Issuing Entity to the Noteholder concerned by virtue of the Issuing Entity having received funds in respect thereof from the MTN Issuing Entity (whether or not such principal payments have been paid to such Noteholder) prior to such date in accordance with the terms and conditions of the related Medium Term Note Certificate;

"**Principal Financial Centre**" means, in relation to Sterling, London, in relation to US Dollars, New York and in relation to Euro, the principal financial centre of such member state of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Rapid Amortisation Period**" means, for any series, for the purposes of these Conditions, the period commencing on the day on which a Rapid Amortisation Trigger Event is deemed to occur for the related Series Investor Interest pursuant to the provisions of the relevant series supplement, and ending on the earlier of (i) the day on which the outstanding principal amount of the related Series Investor Interest is reduced to zero and (ii) the Final Redemption Date of the relevant series;

"**Rapid Amortisation Trigger Event**" shall mean in respect of a particular series, the "Pay Out Commencement Date" for that series (as determined under the relevant series supplement) other than a Pay Out Commencement Date resulting solely from a Regulated Amortisation Trigger Event;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per year) of interest payable in respect of the notes specified in the relevant Final Terms or Drawdown Prospectus or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms or Drawdown Prospectus;

"**Reference Banks**" means the principal London office of each of HSBC, The Royal Bank of Scotland plc, Deutsche Bank AG London and Barclays Bank PLC or any duly appointed substitute reference bank(s) as may be appointed by the Issuing Entity to provide the Agent Bank with its offered quotation to leading banks in the London interbank market;

"**Reg D Registered Uncleared Note**" means a note represented by a Reg D Registered Uncleared Note Certificate intended to be offered, sold or delivered within the United States in reliance on Rule 506 of Regulation D under the Securities Act;

"**Reg D Registered Uncleared Note Certificate**" means a certificate in definitive certificated fully registered form in respect of a Reg D Registered Uncleared Note;

"**Reg S Registered Uncleared Note**" means a note represented by a Reg S Registered Uncleared Note Certificate not to be offered, sold or delivered within the United States;

"**Reg S Registered Uncleared Note Certificate**"" means a certificate in definitive certificated fully registered form;

"**Registered Uncleared Note Certificate**" means a Reg D Registered Uncleared Note Certificate or a Reg S Registered Uncleared Note Certificate;

"**Regular Interest Payment Dates**" means the dates specified as such in Condition 7(a), (b), (c), (d), (e), (f), (g), (h), (i), (j) or (k) (as applicable) unless otherwise specified in the relevant Final Terms or Drawdown Prospectus;

"**Regular Period**" means unless specified otherwise in a Condition containing a specific provision or the relevant Final Terms or Drawdown Prospectus:

(a) in the case of notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where

"**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Regulated Amortisation Period**" means, for any series, for the purposes of these Conditions, the period commencing on the day on which a "Regulated Amortisation Trigger Event" is deemed to occur for the related Series Investor Interest pursuant to the provisions of the relevant series supplement, and ending on the earlier of (i) the day on which the outstanding principal amount of the related Series Investor Interest is reduced to zero, (ii) the commencement of a Rapid Amortisation Period for the Related Medium Term Note Certificate and (iii) the Final Redemption Date of the notes;

"**Regulated Amortisation Trigger Event**" means any Regulated Amortisation Trigger Event as set out in the relevant series supplement;

"**Regulation S Global Note Certificate**" means a Global Note Certificate representing a note not to be offered, sold or delivered within the United States;

"**Relevant Date**" means in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in London by the Principal Paying Agent or the Note Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 11;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Screen Page**" means the page of the Reuters screen or such other medium for the electronic display of data as may be approved by the Note Trustee and notified to the Noteholders of the relevant Note Series;

"**Repricing Note**" means any note which is specified as being subject to any repricing arrangements in the Final Terms or Drawdown Prospectus;

"**Repricing Termination Event**" in respect of the repricing arrangements relating to a Note Series of Repricing Notes issued by the Issuing Entity shall occur if:

(a) the related Repricing Notes have been redeemed in full; or

(b) an Event of Default under the notes has occurred and is continuing;

"**Repricing Transfer Date**" means, in relation to a Note Series or Class of notes, any Interest Payment Date as determined between the Market Repricing Agent and the Repricing Noteholder;

"**Repricing Transfer Price**" means the Principal Amount Outstanding of a Note Series of Repricing Notes on the relevant Repricing Transfer Date;

"**Reset Margin**" means in relation to any Repricing Notes for each applicable Reset Period a percentage determined by the Market Repricing Agent in accordance with the applicable Market Repricing Agreement. For the avoidance of doubt, the Reset Margin may be a negative number which may therefore result in the determination of the Rate of Interest applicable to the Repricing Notes being a number lower than the relevant Screen Rate;

"**Reset Period**" means, in relation to a Note Series or Class of Repricing Notes, the period beginning on the Repricing Transfer Date and ending on the date on which the Principal Amount Outstanding of the relevant Repricing Note has been reduced to zero;

"**Revolving Period**" means for any series, for the purposes of these Conditions, any period which is not a Controlled Accumulation Period or a Regulated Amortisation Period or a Rapid Amortisation Period for such series;

"**Scheduled Redemption Date**" has the meaning given in the relevant Final Terms or Drawdown Prospectus;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Series Investor Interest**" means the total principal amount of the interest (in respect of amounts held by the Receivables Trustee on an undivided basis) of an Investor Beneficiary in respect of a particular series and reflects the total amount of the proportional entitlement to Principal Receivables calculated as available to that series;

"**Specified Currency**" has the meaning given in the relevant Final Terms or Drawdown Prospectus;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms or Drawdown Prospectus;

"**Specified Office**" has the meaning given in the Paying Agency and Agent Bank Agreement;

"**Sub-Class**" has the meaning given in Condition 4(a);

"**Subsidiary**" means, in relation to any Person (the "**First Person**") at any particular time, any other Person (the "**Second Person**"):

(a) whose affairs and policies the First Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the Second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the First Person;

"**Swap Counterparty Swap Event of Default**" means either (i) an Event of Default (as defined in the relevant Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the relevant Swap Agreement) has occurred and is continuing, or (ii) a termination by the Issuing Entity of the Swap Agreement as a result of a failure to comply with the requirements set out in the Swap Agreement following a downgrade occurring with respect to the rating of the Swap Counterparty which failure is not cured by the Swap Counterparty, during the requisite cure period pursuant to the terms of the Swap Agreement.

"**TARGET 2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in Euro; and

"**Treaty**" means the Treaty establishing the European Communities, as amended.

Interpretation

In these Conditions:

(a) any reference to principal shall be deemed to include the redemption amount, any premium (excluding interest) payable to the Holder in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(b) any reference to interest shall be deemed to include any other amount in the nature of interest payable pursuant to these Conditions;

(c) references to notes being "outstanding" shall be construed in accordance with the Paying Agency and Agent Bank Agreement and the Note Trust Deed;

(d) if an expression is stated in Condition 2 to have the meaning given in the relevant Final Terms or Drawdown Prospectus, but the relevant Final Terms or Drawdown Prospectus gives no such

meaning or specifies that such expression is "not applicable" then such expression is not applicable to the notes; and

(e) any reference to the Paying Agency and Agent Bank Agreement and the Note Trust Deed shall be construed with respect to any Note Series as a reference to the Paying Agency and Agent Bank Agreement or the Note Trust Deed, as the case may be, as amended and/or restated and/or supplemented up to and including the Issue Date of the notes of that Note Series.

(3) **Form, Denomination and Title**

Unless otherwise specified in the relevant Note Trust Deed Supplement, the notes will be issued in registered form ("**Registered Notes**"), in a Specified Denomination (as specified in the relevant Final Terms or Drawdown Prospectus) or an integral multiple thereof **provided that** in the case of any notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a Base Prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or such amount as shall be at least equal to its equivalent in any other currency as at the date of issue of those notes as specified in the relevant Final Terms or Drawdown Prospectus). Registered Notes (as defined herein) may be issued outside the United States to non-U.S. Persons in reliance on Regulation S and/or within the United States to QIBs in reliance on Rule 144A. References in these Conditions to "notes" include Registered Notes and all applicable Classes and Sub-Classes (if any) in the Note Series.

(a) *Register*: The relevant Registrar will maintain a Register (a "**Register**") in respect of the notes in accordance with the provisions of the Paying Agency and Agent Bank Agreement. The "**Holder**" of a Note means the Person in whose name such note is for the time being registered in the Register maintained by the relevant Registrar (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(b) *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 Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no Person shall be liable for so treating such Holder. A Certificate (each, a "**Note Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register maintained by the relevant Registrar. The Register maintained by the Registrar is the sole evidence of entitlement to the notes.

(c) *Transfers*: Subject to paragraphs (g) (Closed periods) and (h) (Regulations concerning transfers and registration) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the relevant Registrar, together with such evidence as such Registrar may reasonably require to prove the title of the Holder and the authority of the individuals who have executed the form of transfer; **provided**, **however**, **that** a Note may not be transferred unless the principal amount of notes transferred and (where not all of the notes held by a Holder are being transferred) the principal amount of the balance of notes not transferred are an authorised denomination or multiple thereof. Where not all the notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the notes will be issued to the Holder.

(d) *Tradable amount*: So long as the notes are represented by a Global Note Certificate and the relevant clearing system(s) so permit, the notes shall be tradable only in principal amounts of at least €100,000 (or such amount as shall be at least equal to its equivalent in any other currency as at the date of issue of those notes as specified in the relevant Final Terms or Drawdown Prospectus) and integral multiples of the tradable amount as specified in the relevant Final Terms or Drawdown Prospectus, as applicable.

(e) *Registration and delivery of Note Certificates*: Within five Business Days of the surrender of a Note Certificate in accordance with paragraph (c) (Transfers) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the notes transferred to each relevant Holder at its Specified Office 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.

(f) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuing Entity or the relevant Registrar but against such indemnity as such Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) *Closed periods*: Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the notes.

(h) *Regulations concerning transfers and registration*: All transfers of notes and entries on the relevant Register are subject to the detailed regulations concerning the transfer of notes scheduled to the Paying Agency and Agent Bank Agreement. The regulations may be changed by the Issuing Entity with the prior written approval of the Note Trustee and the relevant Registrar. A copy of the current regulations will be mailed (free of charge) by the relevant Registrar to any Noteholder who requests in writing a copy of such regulations.

(4) **Status, Security and Priority of Payments**

(a) *Status*

Each Class and Sub-Class (if any) of notes in each Note Series are direct, secured and unconditional obligations of the Issuing Entity which will at all times rank *pari passu* and *pro rata* without preference or priority amongst themselves. Each Class may comprise Sub-Classes of notes (each a "**Sub-Class**"), which may be denominated in any of Sterling, US Dollars or Euro or any other currency. The Sub-Classes of each Class of notes will rank *pari passu* and with no priority or preference among them.

In these Conditions, "**Most Senior Class**" means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding and thereafter the Class D Notes. If any proposed action or inaction affects a particular Sub-Class of notes, this term shall mean the specific Sub-Class of notes with the greatest aggregate Principal Amount Outstanding of the Most Senior Class of notes.

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as a single Class as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise) but where there is, in the Note Trustee's opinion, a conflict among the interests of the Classes of Noteholders, the Note Trustee is required to have regard only to the interests of the Holders of the Most Senior Class of notes then outstanding.

The Note Trust Deed contains provisions limiting the powers of the Class B Noteholders or the Class C Noteholders or the Class D Noteholders (if relevant) to request or direct the Note Trustee to take any action or to pass an Extraordinary Resolution which may affect the interests of each of the other Classes of notes ranking senior to such Class. Except in certain circumstances, the Note Trust Deed contains no such limitation on the powers of the Holders of the Most Senior Class of notes then outstanding, the exercise of which will be binding on all Classes of notes, irrespective of the effect thereof on their interests.

(b) *Security*

As security for the payment of all monies payable in respect of the notes of a Note Series under the Note Trust Deed and the relevant Note Trust Deed Supplement (including the remuneration, expenses and any other claims of the Note Trustee and any receiver appointed under the Note Trust Deed), the Issuing Entity will pursuant to the Note Trust Deed and the Note Trust Deed Supplement for each Note Series create the following security (the "**Security**") in favour of the Note Trustee for itself and on trust for, among others, the Noteholders of each Note Series:

(i) an assignment by way of first fixed security of the Issuing Entity's right, title and interest in and to the relevant Medium Term Note Certificate;

(ii) a sub-charge by way of first fixed security of all of the Issuing Entity's right, title and interest in the Security Interest created by the MTN Issuing Entity in favour of the Security Trustee in respect of the relevant Medium Term Note Certificate;

(iii) an assignment by way of first fixed security to the Note Trustee as trustee for itself and on trust for the other Secured Creditors all of the Issuing Entity's right, title and interest in and to, and the entire benefit of, the Master Framework Agreement, the Paying Agency and Agent Bank Agreement and the Issuing Entity Distribution Account Bank Agreement (and sums received or recoverable thereunder);

(iv) an assignment by way of first fixed security of the Issuing Entity's right, title, interest and benefit in and to all monies credited to the Issuing Entity Distribution Account or to any bank or other account in which the Issuing Entity may at any time have any right, title, interest or benefit in respect of the relevant Note Series; and

(v) a first floating charge over the Issuing Entity's business and assets.

The Security is described in detail in the Note Trust Deed and each Note Trust Deed Supplement.

The order of priority in respect of liabilities of a particular Note Series if the Security is enforced is as follows:

(a) in no order of priority between them but in proportion to the respective amounts due, to pay fees which are due to any receiver appointed under the Note Trust Deed and all amounts due for legal fees and other costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands which have been incurred by the Note Trustee under the Issuing Entity Related Documents and/or in enforcing or perfecting title to the Security together with interest due on these amounts;

(b) towards payment of amounts due and unpaid on the Class A notes, to interest then to principal after, subject to item (l) below, having paid any amounts due to a Swap Counterparty, if applicable, under the terms of any Class A Swap Agreement;

(c) towards payment of amounts due and unpaid on the Class B notes, to interest then to principal after, subject to item (m) below, having paid any amounts due to a Swap Counterparty, if applicable, under the terms of any Class B Swap Agreement;

(d) towards payment of amounts of interest due and unpaid under the terms of the Expenses Loan Agreement, if any;

(e) towards payment of amounts due and unpaid on the Class C notes, to interest then to principal after, subject to item (n) below, having paid any amounts due to a Swap Counterparty, if applicable under the terms of any Class C Swap Agreement;

(f) if the Note Series is specified as having Class D notes, towards payment of amounts due and unpaid on the Class D notes, to interest then to principal after, subject to the item (o) below, having paid any amounts due to a Swap Counterparty, if applicable, under the terms of any Class D Swap Agreement;

(g) towards re-payment of amounts of principal then due and unpaid under the terms of the Expenses Loan Agreement, if any;

(h) towards payment of any sums that the Issuing Entity must pay to any tax authority;

(i) towards payment of any sums due to third parties under obligations incurred in the course of the Issuing Entity's business;

(j) towards payment of the Deferred Subscription Price in respect of the Medium Term Note Certificate;

(k) towards payment of any dividends due and unpaid to shareholders of the Issuing Entity;

(l) towards payment of the amount equal to any termination payment due and payable to a Swap Counterparty, if applicable, pursuant to a Class A Swap Agreement, where the Class A Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default;

(m) towards payment of the amount equal to any termination payment due and payable to a Swap Counterparty, if applicable, pursuant to a Class B Swap Agreement where the Class B Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default;

(n) towards payment of the amount equal to any termination payment due and payable to a Swap Counterparty, if applicable, pursuant to a Class C Swap Agreement where the Class C Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default;

(o) if the Note Series is specified as having Class D notes, towards payment of the amount equal to any termination payment due and payable to a Swap Counterparty, if applicable pursuant to a Class D Swap Agreement where the Class D Swap Agreement has been terminated as a result of a Swap Counterparty Swap Event of Default; and

(p) in payment of the balance, if any, to the liquidator of the Issuing Entity.

The Security becomes enforceable when an Event of Default occurs. These events are described in condition number 11 below. If an Event of Default occurs, the redemption of notes will not necessarily be accelerated as described in condition number 8 below.

Notwithstanding the order of priority in respect of liabilities of a particular Note Series if the Security is enforced, as set out above, whether before or after the delivery of an Enforcement Notice amounts representing Excess Swap Collateral may be withdrawn from the Issuing Entity Distribution Account from time to time and returned to the Swap Counterparty in accordance with the relevant Swap Agreement and such sums are automatically released from the Security.

(5) **Swap Agreements**

The Issuing Entity may enter into numerous Swap Agreements, as may be necessary, in respect of each Note Series, the material terms of which are described under the heading "*The Swap Agreements*" in this Base Prospectus and/or the relevant Drawdown Prospectus (if any).

(6) **Negative Covenants of the Issuing Entity**

If any note is outstanding, the Issuing Entity will not, unless it is permitted by the terms of the Issuing Entity Related Documents or by the written consent of the Note Trustee:

(i) create or permit to subsist any mortgage, charge, pledge, lien or other Security Interest, including anything which amounts to any of these things under the laws of any jurisdiction, on the whole or any part of its present or future business, assets or revenues, including uncalled capital;

(ii) carry on any business other than relating to the issue of the notes, as described in the Base Prospectus; in carrying on that business, the Issuing Entity will not engage in any activity or do anything at all except:

(1) preserve, exercise or enforce any of its rights and perform and observe its obligations under the notes, the Paying Agency and Agent Bank Agreement, the Note Trust Deed, the Indemnity Agreement, each Swap Agreement, the Medium Term Note Certificate and the related purpose trust, the corporate services agreement, the programme dealer agreement, the relevant Note Series subscription agreement, the relevant Market Repricing Agreement,. the Issuing Entity Distribution Account Bank Agreement and any Bank Mandate – collectively called the "**Issuing Entity Related Documents**".

(2) use, invest or dispose of any of its property or assets in the manner provided in or contemplated by the Issuing Entity Related Documents; or

(3) perform any act incidental to or necessary in connection with (1) or (2) above.

(iii) have any Subsidiaries, subsidiary business, business of any other kind, employees, premises or interests in bank accounts other than the Issuing Entity Distribution Account unless the account is charged to the Note Trustee on acceptable terms;

(iv) have any Indebtedness, other than Indebtedness permitted under the terms of its articles of association or any of the Issuing Entity Related Documents;

(v) give any guarantee or indemnity for any obligation of any Person;

(vi) repurchase any shares of its capital stock or declare or pay any dividend or other distributions to its shareholders except as otherwise is permitted by law;

(vii) consolidate with or merge with or into any Person or liquidate or dissolve on a voluntary basis;

(viii) be a member of any Group of companies for the purposes of value added tax;

(ix) waive or consent to the modification or waiver of any of the provisions of the Issuing Entity Related Documents without the prior written consent of the Note Trustee; or

(x) offer to surrender to any company any amounts which are available for surrender by way of Group relief.

(7) **Interest**

(a) *Specific Provision: Floating Rate Sterling Notes*

This Condition 7(a) is applicable to the notes if the Specified Currency is Sterling and the notes are issued as floating rate notes.

Each Note bears interest at a floating rate on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in Sterling on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not a Regulated Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (being the third Payment Date following the preceding Interest Payment Date (unless otherwise specified in the relevant Final Terms or Drawdown Prospectus)); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided**, **however**, **that** with respect to an Interest Period that commences during any period that is not an Amortisation Period and ends during the Regulated or the Rapid

Amortisation Period, such Interest Period will end on the originally scheduled Interest Payment Date (and for the avoidance of doubt, in the case of an Interest Period which commences on the Interest Payment Date which falls at the end of the Interest Period during which the Rapid Amortisation Period or a Rapid Amortisation Period or Regulated begins, the Interest Period shall end on the next Payment Date). The first interest payment will be made on the First Interest Payment Date in respect of the Interest Period from (and including) the Interest Commencement Date to the First Interest Payment Date.

The rate of onterest applicable to the notes (the "**Rate of Interest**") for each Interest Period will be determined by the Agent Bank as the sum of the then Margin and LIBOR for the relevant Interest Period (or in the case of the first Interest Period, a linear interpolation of the LIBOR rates for such periods as specified in the relevant Final Terms or Drawdown Prospectus).

LIBOR shall be determined on the following basis:

(i) on the Interest Commencement Date in respect of the first Interest Period and thereafter on each "**Interest Determination Date**", namely the first day of the Interest Period for which the rate will apply, the Agent Bank will determine the offered quotation to leading banks in the London interbank market, in respect of the first Interest Period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date, a linear interpolation of the rates for Sterling deposits for such period as specified in the relevant Final Terms or Drawdown Prospectus and for each Interest Period thereafter, for Sterling deposits for the relevant Interest Period, by reference to the display designated as the British Bankers Association LIBOR Rates as quoted on the Moneyline Reuters Monitor as Moneyline Reuters Screen LIBOR01 or (1) such other page as may replace Moneyline Reuters Screen LIBOR01 on that service for the purposes of displaying such information or (2) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Note Trustee in its absolute discretion) as may replace the Moneyline Reuters Monitor) as at or about 11.00 a.m. (London time) on that date (the "**Screen Rate**");

(ii) if on any Interest Determination Date the Screen Rate is unavailable, the Agent Bank will:

  (A) request each Reference Bank to provide the Agent Bank with its offered quotation to leading banks in the London interbank market, in respect of the first Interest Period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date, a linear interpolation of the rates for such periods as specified in the relevant Final Terms or Drawdown Prospectus and for each Interest Period thereafter, for Sterling deposits for the relevant Interest Period, as at approximately 11.00 a.m. (London time) on the Interest Determination Date in question and in an amount that is representative for a single transaction in that market at that time; and

  (B) determine the arithmetic mean (rounded upwards to four decimal places) of such quotations;

(iii) if on any Interest Determination Date the Screen Rate is unavailable and two or three only of the Reference Banks provide offered quotations, LIBOR for the relevant Interest Period shall be determined in accordance with the provisions of paragraph (ii) on the basis of the arithmetic mean (rounded upwards to four decimal places) of the offered quotations of those Reference Banks providing the offered quotations; and

(iv) if fewer than two such quotations are provided by the Reference Banks as requested, the Agent Bank will determine the arithmetic mean (rounded upwards to four decimal places) of the rates quoted by major banks in London, selected by the Agent Bank, at approximately 11.00 a.m. (London time) on the first day of the relevant Interest Period for loans in Sterling to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

provided that if the Agent Bank is unable to determine LIBOR in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the notes during such Interest Period will be the sum of the then Margin and LIBOR as determined in relation to such notes in respect of a preceding Interest Period.

The Agent Bank will, as soon as practicable after the Interest Determination Date in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Calculation Amount applicable to the notes for such Interest Period.

The Interest Amount in respect of the notes will be calculated for each Interest Period by applying the relevant Rate of Interest for such Interest Period to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes during such Interest Period, multiplying by the relevant Day Count Fraction and rounding the resulting figure to the nearest penny (half a penny rounded upwards).

(b) *Specific Provisions: Floating Rate US Dollar Notes*

This Condition 7(b) is applicable to the notes if the Specified Currency is US Dollars and the notes are designated as floating rate notes.

Each Note bears interest at a floating rate on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in US Dollars on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (being the third Payment Date following the preceding Interest Payment Date (unless otherwise specified in the relevant Final Terms or Drawdown Prospectus)); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided**, **however**, **that** with respect to an Interest Period that commences during any period that is not an Amortisation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on the originally scheduled Interest Payment Date (and for the avoidance of doubt, in the case of an Interest Period which commences on the Interest Payment Date which falls at the end of the Interest Period during which the Rapid Amortisation Period or Regulated Amortisation Period or a Rapid Amortisation Period begins, the Interest Period shall end on the next Payment Date). The first interest payment will be made on the First Interest Payment Date in respect of the Interest Period from (and including) the Interest Commencement Date to the First Interest Payment Date.

The Rate of Interest applicable to the notes for each Interest Period will be determined by the Agent Bank as the sum of the then Margin and LIBOR for the relevant Interest Period (or, in the

case of the first Interest Period, a linear interpretation of the LIBOR rates for such periods as specified in the relevant Final Terms or Drawdown Prospectus).

LIBOR shall be determined on the following basis:

(i) on each Quotation Date (as defined below) until the first Quotation Date during the Regulated Amortisation Period or the Rapid Amortisation Period, the Agent Bank will determine the offered quotation to leading banks in the London interbank market – called LIBOR – for one-month US dollar deposits or three-month US dollar deposits (in accordance with the relevant Interest Period specified in the relevant Final Terms or Drawdown Prospectus). In the case of the first Interest Period the Agent Bank will determine LIBOR based upon the linear interpolation of LIBOR for US dollar deposits as specified in the relevant Final Terms or Drawdown Prospectus. On each Quotation Date during the Regulated Amortisation Period or the Rapid Amortisation Period, the Agent Bank will determine the offered quotation to leading banks in the London interbank market for one-month US dollar deposits.

This will be determined by reference to the British Bankers Association LIBOR Rates display as quoted on the Bridge Reuters monitor as Reuters Screen LIBOR01. If the Reuters Screen LIBOR01 stops providing these quotations, the replacement service for the purposes of displaying this information will be used. If the replacement service stops displaying the information, any page showing this information will be used. If there is more than one service displaying the information, the one approved in writing by the Note Trustee in its sole discretion will be used.

In each case above, the determination will be made as at or about 11.00 a.m. London time, on that Date. These are called the "**Screen Rates**".

A "**Quotation Date**" means the second London Business Day before the first day of an Interest Period.

A "**London Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London, England.

(ii) if, on any Quotation Date, a Screen Rate is unavailable, the Agent Bank will:

(A) request each Reference Bank to provide the Agent Bank with its offered quotation to leading banks in the London interbank market of the equivalent of that Screen Rate on that Quotation Date in an amount that represents a single transaction in that market at that time; and

(B) determine the arithmetic mean rounded upwards to four decimal places, of those quotations;

(iii) if, on any Quotation Date, the Screen Rate is unavailable and two or three only of the Reference Banks provide offered quotations, the Rate of Interest for that Interest Period will be the arithmetic mean of the quotations provided by those Reference Banks calculated in the manner described in (ii) above;

(iv) if fewer than two Reference Banks provide quotations, the Agent Bank will determine (in its absolute discretion) the arithmetic mean (rounded upwards to four decimal places) of the leading rates quoted by major banks in London – selected by the Agent Bank at approximately 11.00 a.m. London time on the relevant Quotation Date – to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, for loans in US Dollars.

The Agent Bank will, as soon as practicable after the Quotation Date in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Calculation Amount applicable to the notes for such Interest Period. The Interest Amount in respect of the notes will be calculated by applying the relevant Rate of Interest for such Interest Period to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes during such Interest Period and multiplying the product by the

relevant Day Count Fraction and rounding the resulting figure to the nearest US dollar 0.01 (half of a cent being rounded upwards).

(c) *Specific Provision: Floating Rate Euro Notes*

This Condition 7(c) is applicable to the notes if the Specified Currency is Euro and the notes are designated to be floating rate notes.

Each Note bears interest at a floating rate on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in Euros on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (being the third Payment Date following the preceding Interest Payment Date (unless otherwise specified in the relevant Final Terms or Drawdown Prospectus)); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided**, **however**, **that** with respect to an Interest Period that commences during any period that is not an Amortisation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on the originally scheduled Interest Payment Date (and for the avoidance of doubt, in the case of an Interest Period which commences on the Interest Payment Date which falls at the end of the Interest Period during which the Rapid Amortisation Period or Regulated Amortisation Period begins, the Interest Period shall end on the next Payment Date). The first interest payment will be made on the First Interest Payment Date in respect of the Interest Period from (and including) the Interest Commencement Date to the First Interest Payment Date.

The Rate of Interest applicable to the notes (the "**Rate of Interest**") for each Interest Period will be determined by the Agent Bank as the sum of the then Margin and EURIBOR for the relevant Interest Period (or in the case of the first Interest Period, a linear interpolation of the EURIBOR rates for such periods as specified in the relevant Final Terms or Drawdown Prospectus).

EURIBOR shall be determined on the following basis:

(i) on the second TARGET Settlement Day before the Interest Commencement Date in respect of the first Interest Period and thereafter on each "**Interest Determination Date**", namely 11.00 a.m. (Brussels time) on the second TARGET Settlement Day before the first day of the Interest Period for which the rate will apply, the Agent Bank will determine the offered quotation to prime banks in the Euro-Zone interbank market, in respect of the first Interest Period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date, a linear interpolation of the rates for Euro deposits for such period as specified in the relevant Final Terms or Drawdown

Prospectus and for each Interest Period thereafter, for Euro deposits for the relevant Interest Period, by reference to (1) on the display page designated EURIBOR01 on the Dow Jones Reuters Service (or such other page as may replace that page on that service, or such other service as may be nominated by the Agent Bank as the information vendor, for the purpose of displaying comparable rates) as of the Interest Determination Date or (2) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Note Trustee) as may replace the Dow Jones Reuters Monitor as at or about 11.00 a.m. (Brussels time) on that date (the "**Screen Rate**");

(ii) if, on any Interest Determination Date, the Screen Rate is unavailable, the Agent Bank will:

(A) request the principal Euro-Zone office of each of four major banks in the Euro-Zone interbank market to provide a quotation of the rate at which deposits in Euro are offered by it at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the Euro-Zone interbank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and

(iii) if fewer than two such quotations are provided as requested, the Agent Bank will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro-Zone interbank market, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date for loans in Euro to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

provided that if the Agent Bank is unable to determine EURIBOR in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the notes during such Interest Period will be the sum of the then Margin and the EURIBOR last determined in relation to such notes in respect of a preceding Interest Period.

The Agent Bank will, as soon as practicable after the Interest Determination Date in relation to each Interest Period, calculate the amount of Interest (the "**Interest Amount**") payable in respect of the Calculation Amount applicable to the notes for such Interest Period. The Interest Amount in respect of the notes will be calculated by applying the relevant Rate of Interest for such Interest Period to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest Euro 0.01 (half of a cent being rounded upwards).

(d) *Specific Provision: Fixed Rate Sterling Notes (Option 1)*

This Condition 7(d) is applicable to the notes if the Specified Currency is Sterling and the notes are designated to be fixed rate notes (Option 1).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in Sterling on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the

Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided**, **however**, **that** where the Floating Rate Commencement Date is a Date falling prior to the Scheduled Redemption Date, with respect to an Interest Period that commences during the Revolving Period or the Controlled Accumulation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on, and exclude, the Floating Rate Commencement Date.

Subject to the following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date to, but excluding, the Floating Rate Commencement Date (the "**Initial Period**"). Interest in respect of the notes during the Initial Period is payable in arrears in Sterling on each Regular Interest Payment Date and the final Interest Payment Date during the Initial Period shall be the earlier of the Scheduled Redemption Date or the Payment Date of the first month falling in the Regulated Amortisation Period or the Rapid Amortisation Period.

The amount of the interest payable (the "**Interest Amount**") in respect of the notes for any Interest Period during the Initial Period shall be calculated by applying the Initial Rate to the Principal Amount Outstanding of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest Sterling 0.01 (half of a penny being rounded upwards).

However, in the event that the Regulated Amortisation Period or the Rapid Amortisation Period has commenced, then from and including the Floating Rate Commencement Date to, but excluding, the Final Redemption Date (the "**Redemption Period**"), each Note bears interest at a floating rate on its Principal Amount Outstanding to be determined in accordance with the provisions below, payable in arrears on each Payment Date. During the Redemption Period, each period beginning on, and including, a Payment Date to but excluding the next Payment Date is called an "**Interest Period**".

The Rate of Interest applicable to the notes which are the subject of this Condition 7(d) (the "**Redemption Rate**") for each Interest Period during the Redemption Period will be determined by the Agent Bank as the sum of the then Margin and LIBOR for the relevant Interest Period.

LIBOR shall be determined on the following basis:

(i) on the Floating Rate Commencement Date in respect of the first Interest Period during the Redemption Period and thereafter on each "**Interest Determination Date**", namely the first day of the Interest Period for which the Redemption Rate will apply, the Agent Bank will determine the offered quotation to leading banks in the London interbank market, for Sterling deposits for the relevant Interest Period, by reference to the display designated as the British Bankers Association LIBOR Rates as quoted on the Moneyline Reuters Monitor as Moneyline Reuters Screen LIBOR01 or (1) such other page as may replace Moneyline Reuters Screen LIBOR01 on that service for the purposes of displaying such information or (2) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one

previously approved in writing by the Note Trustee) as may replace the Moneyline Reuters Monitor) as at or about 11.00 a.m. (London time) on that Date, (the "**Screen Rate**");

(ii) if, on any Interest Determination Date, the Screen Rate is unavailable, the Agent Bank will:

(A) request each Reference Bank to provide the Agent Bank with its offered quotation to leading banks in the London interbank market, for Sterling deposits for the relevant Interest Period, as at approximately 11.00 a.m. (London time) on the Interest Determination Date in question and in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean (rounded upwards to four decimal places) of such quotations;

(iii) if, on any Interest Determination Date the Screen Rate is unavailable and two or three of the Reference Banks provide offered quotations, LIBOR for the relevant Interest Period shall be determined in accordance with the provisions of paragraph (ii) on the basis of the arithmetic mean (rounded upwards to four decimal places) of the offered quotations of those Reference Banks providing the offered quotations; and

(iv) if fewer than two such quotations are provided by the Reference Banks as requested, the Agent Bank will determine the arithmetic mean (rounded upwards to four decimal places) of the rates quoted by major banks in London, selected by the Agent Bank, at approximately 11.00 a.m. (London time) on the first day of the relevant Interest Period for loans in Sterling to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

provided that if the Agent Bank is unable to determine LIBOR in accordance with the above provisions in relation to any Interest Period, the Redemption Rate applicable to the notes in respect of such Interest Period during the Redemption Period will be sum of the then Margin in respect of the notes and LIBOR last determined in relation to the notes in respect of the preceding Interest Period.

During the Redemption Period, the Agent Bank will, as soon as practicable after the Interest Determination Date in relation to each Interest Period during the Redemption Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Calculation Amount applicable to the notes for such Interest Period. The Interest Amount will be calculated by applying the Redemption Rate for such Interest Period to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes during such Interest Period and multiplying the product by the relevant Day Count Fraction, and rounding the resulting figure to the nearest Sterling 0.01 (half of a penny being rounded upwards).

(e) *Specific Provision: Fixed Rate Dollar Notes (Option 1)*

This Condition 7(e) is applicable to the notes if the Specified Currency is US Dollars and the notes are designated to be fixed rate notes (Option 1).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in US Dollars on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on

that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided however**, **that**, where the Floating Rate Commencement Date is a Date falling prior to the Scheduled Redemption Date, with respect to an Interest Period that commences during the Revolving Period or the Controlled Accumulation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on, and exclude, the Floating Rate Commencement Date.

Subject to the following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date to, but excluding, the Floating Rate Commencement Date (the "**Initial Period**"). Interest in respect of such Note during the Initial Period is payable in arrears in US Dollars on each Regular Interest Payment Date and the Final Interest Payment Date during the Initial Period shall be the Scheduled Redemption Date.

The amount of the interest payable (the "**Interest Amount**") in respect of the notes for any Interest Period during the Initial Period shall be calculated by applying the Initial Rate to the Principal Amount Outstanding of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest US dollar 0.01 (half of a cent being rounded upwards).

However, in the event that the Regulated Amortisation Period or the Rapid Amortisation Period has commenced, then from and including the Floating Rate Commencement Date to, but excluding, the Final Redemption Date (the "**Redemption Period**"), each Note bears interest at a floating rate on its Principal Amount Outstanding to be determined in accordance with the provisions below, payable in arrears on each Payment Date. During the Redemption Period, each period beginning on, and including, a Payment Date to but excluding the next Payment Date is called an "**Interest Period**".

The Rate of Interest applicable to the notes which are the subject of this Condition 7(e) (the "**Redemption Rate**") for each Interest Period during the Redemption Period will be determined by the Agent Bank as the sum of the then Margin and LIBOR for the relevant Interest Period.

LIBOR shall be determined on the following basis:

(i) on each Quotation Date during the Redemption Period, the Agent Bank will determine the offered quotation to leading banks in the London interbank market – called LIBOR – for one-month US dollar deposits.

This will be determined by reference to the British Bankers Association LIBOR Rates display as quoted on the Bridge Reuters monitor as Reuters Screen LIBOR01. If the Reuters Screen LIBOR01 stops providing these quotations, the replacement service for the purposes of displaying this information will be used. If the replacement service stops displaying the information, any page showing this information will be used. If there is more than one service displaying the information, the one approved in writing by the Note Trustee in its sole discretion will be used.

In each case above, the determination will be made as at or about 11.00 a.m. London time, on that Date. These are called the "**Screen Rates**".

A "**Quotation Date**" means the second London Business Day before the Floating Rate Commencement Date in respect of the first Interest Period during the Redemption Period and thereafter the second London Business Day before the first day of an Interest Period.

(ii) if, on any Quotation Date, a Screen Rate is unavailable, the Agent Bank will:

(1) request each Reference Bank to provide the Agent Bank with its offered quotation to leading banks of the equivalent of that Screen Rate on that Quotation Date in an amount that represents a single transaction in that market at that time; and

(2) determine the arithmetic mean rounded upwards to four decimal places, of those quotations;

(iii) if, on any Quotation Date, the Screen Rate is unavailable and only two or three of the Reference Banks provide offered quotations, LIBOR for that Interest Period will be the arithmetic mean of the quotations provided by those Reference Banks calculated in the manner described in (ii) above; and

(iv) if fewer than two Reference Banks provide quotations, the Agent Bank will determine (in its absolute discretion) the arithmetic mean (rounded upwards to four decimal places) of the leading rates quoted by major banks in London – selected by the Agent Bank at approximately 11.00 a.m. London time on the relevant Quotation Date – to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, for loans in US Dollars.

During the Redemption Period, the Agent Bank will, as soon as practicable after the Quotation Date in relation to each Interest Period during the Redemption Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Calculation Amount applicable to the notes for such Interest Period. The Interest Amount will be calculated by applying the Redemption Rate for such Interest Period to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes during such Interest Period and multiplying the product by the relevant Day Count Fraction, and rounding the resulting figure to the nearest US dollar 0.01 (half of a cent being rounded upwards).

(f) *Specific Provision: Fixed Rate Euro Notes (Option 1)*

This Condition 7(f) is applicable to the notes if the Specified Currency is Euro and the notes are designated to be fixed rate notes (Option 1).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in Euro on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of Interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided**, **however**, **that**, where the Floating Rate Commencement Date is a Date falling prior to the Scheduled Redemption Date, with respect to an Interest Period that commences during the Revolving Period or the Controlled Accumulation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on, and exclude, the Floating Rate Commencement Date.

Subject to the following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date to, but excluding, the Floating Rate Commencement Date (the "**Initial Period**"). Interest in respect of such Note during the Initial Period is payable in arrears in Euro on each Regular Interest Payment Date and the Final Interest Payment Date during the Initial Period shall be the Scheduled Redemption Date.

The amount of the interest payable (the "**Interest Amount**") in respect of the notes for any Interest Period during the Initial Period shall be calculated by applying the Initial Rate to the Principal Amount Outstanding of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest Euro 0.01 (half of a cent being rounded upwards).

However, in the event that the Regulated Amortisation Period or the Rapid Amortisation Period has commenced, then from and including the Floating Rate Commencement Date to, but excluding, the Final Redemption Date (the "**Redemption Period**"), each Note bears interest at a floating rate on its Principal Amount Outstanding to be determined in accordance with the provisions below, payable in arrears on each Payment Date. During the Redemption Period, each period beginning on, and including, a Payment Date to but excluding the next Payment Date is called an "**Interest Period**".

The Rate of Interest applicable to the notes which are the subject of this Condition 7(f) (the "**Redemption Rate**") for each Interest Period during the Redemption Period will be determined by the Agent Bank as the sum of the then Margin and EURIBOR for the relevant Interest Period.

EURIBOR shall be determined on the following basis:

(i) on the second TARGET Settlement Day before the Floating Rate Commencement Date in respect of the first Interest Period during the Redemption Period and thereafter on each "**Interest Determination Date**", namely 11.00 a.m. (Brussels time) on the second TARGET Settlement Day before the first day of the Interest Period for which the rate will apply, the Agent Bank will determine the offered quotation to prime banks in the Euro-Zone interbank market for Euro deposits for the relevant Interest Period, by reference to (1) on the display page designated EURIBOR01 on the Dow Jones Reuters Service (or such other page as may replace that page on that service, or such other service as may be nominated by the Agent Bank as the information vendor, for the purpose of displaying comparable rates) as of the Interest Determination Date or (2) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Note Trustee) as may replace the Dow Jones Monitor as at or about 11.00 a.m. (Brussels time) on that date (the "**Screen Rate**");

(ii) if, on any Interest Determination Date, the Screen Rate is unavailable, the Agent Bank will:

(1) request the principal Euro-Zone office of each of four major banks in the Euro-Zone interbank market to provide a quotation of the rate at which deposits in Euro are offered by it at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the Euro-Zone interbank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time; and

(2) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and

(iii) if fewer than two such quotations are provided as requested, the Agent Bank will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro-Zone interbank market, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date for loans in Euro to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

provided that if the Agent Bank is unable to determine EURIBOR in accordance with the above provisions in relation to any Interest Period, the Redemption Rate applicable to the notes during such Interest Period will be the sum of the then Margin and EURIBOR last determined in relation to such notes in respect of the preceding Interest Period.

During the Redemption Period, the Agent Bank will, as soon as practicable after the Interest Determination Date in relation to each Interest Period during the Redemption Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Calculation Amount applicable to the notes for such Interest Period. The Interest Amount will be calculated by applying the Redemption Rate for such Interest Period to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes during such Interest Period and multiplying the product by the relevant Day Count Fraction, and rounding the resulting figure to the nearest Euro 0.01 (half of a cent being rounded upwards).

(g) *Specific Provision: Fixed Rate Sterling Notes (Option 2)*

This Condition 7(g) is applicable to the notes if the Specified Currency is Sterling and the notes are designated to be fixed rate notes (Option 2).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in Sterling on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus).

Each period beginning on (and including) any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".

Subject to the following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date. Interest in respect of such Note is payable in arrears in Sterling on each Regular Interest Payment Date.

The amount of the interest payable (the "**Interest Amount**") in respect of the Calculation Amount applicable to the notes for any Interest Period shall be calculated by applying the Initial Rate to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest Sterling 0.01 (half of a pence being rounded upwards).

(h) *Specific Provision: Fixed Rate Dollar Notes (Option 2)*

This Condition 7(h) is applicable to the notes if the Specified Currency is US Dollars and the notes are designated to be fixed rate notes (Option 2).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in US Dollars on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus).

Each period beginning on (and including) any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".

Subject to the following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date. Interest in respect of such Note is payable in arrears in US Dollars on each Regular Interest Payment Date.

The amount of the interest payable (the "**Interest Amount**") in respect of the Calculation Amount applicable to the notes for any Interest Period shall be calculated by applying the Initial Rate to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest US dollar 0.01 (half of a cent being rounded upwards).

(i) *Specific Provision: Fixed Rate Euro Notes (Option 2)*

This Condition 7(i) is applicable to the notes if the Specified Currency is Euro and the notes are designated to be fixed rate notes (Option 2).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in Euro on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus).

Each period beginning on (and including) any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".

Subject to the following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date. Interest in respect of such Note is payable in arrears in Euro on each Regular Interest Payment Date.

The amount of the interest payable (the "**Interest Amount**") in respect of the Calculation Amount applicable to the notes for any Interest Period shall be calculated by applying the Initial Rate to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest Euro 0.01 (half of a cent being rounded upwards).

(j) *Specific Provision: Fixed Rate Dollar Notes (Option 3)*

This Condition 7(j) is applicable to the notes if the Specified Currency is US Dollars and the notes are designated to be fixed rate notes (Option 3).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in US Dollars on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided**, **however**, **that**, where the Floating Rate Commencement Date is a Date falling prior to the Scheduled Redemption Date with respect to an Interest Period that commences during the Revolving Period or the Controlled Accumulation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on, and exclude the Floating Rate Commencement Date.

Subject to the second following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date to, but excluding, the Floating Rate Commencement Date (the "**Initial Period**"). Interest in respect of the such Note during the Initial Period is payable in arrears in US Dollars on each Regular Interest Payment Date and the Final Interest Payment Date during the Initial Period shall be the Scheduled Redemption Date.

The amount of the interest payable (the "**Interest Amount**") in respect of the Calculation Amount applicable to the notes for any Interest Period during the Initial Period shall be calculated by applying the Initial Rate to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest US dollar 0.01 (half of a cent being rounded upwards).

However, in the event that the Regulated Amortisation Period or the Rapid Amortisation Period has commenced, then from and including the Floating Rate Commencement Date to, but excluding, the Final Redemption Date (the "**Redemption Period**"), each Note bears interest on its Principal Amount Outstanding in accordance with this 7(j), but subject as provided in the following paragraph, payable in arrears on each Payment Date. During the Redemption Period, each period beginning on, and including, a Payment Date to but excluding the next Payment Date is called an "**Interest Period**". For the avoidance of doubt, a fixed Rate of Interest shall be payable throughout the Redemption Period.

During the Redemption Period, the obligations of the Issuing Entity to pay interest on the Principal Amount Outstanding of the notes on each Payment Date shall be satisfied in full by the Issuing Entity paying to the Principal Paying Agent amounts equal to all Interest Amounts standing to the credit of the relevant Distribution Ledger for the notes on such Payment Date. Interest will be payable on the relevant notes by the relevant Paying Agent in accordance with the provisions of the Paying Agency and Agent Bank Agreement.

(k) *Specific Provision: Fixed Rate Euro Notes (Option 3)*

This Condition 7(k) is applicable to the notes if the Specified Currency is Euro and the notes are designated to be fixed rate notes (Option 3).

Each Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrears in Euro on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the

Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus a margin of 2.0 per cent., per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus); and

(ii) during an Amortisation Period, each Payment Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; **provided**, **however**, **that**, where the Floating Rate Commencement Date is a Date falling prior to the Scheduled Redemption Date, with respect to an Interest Period that commences during the Revolving Period or the Controlled Accumulation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on, and exclude, the Floating Rate Commencement Date.

Subject to the second following paragraph, each Note bears interest at the Initial Rate on its Principal Amount Outstanding during the period from (and including) the Interest Commencement Date to, but excluding, the Floating Rate Commencement Date (the "**Initial Period**"). Interest in respect of the such Note during the Initial Period is payable in arrears in Euro on each Regular Interest Payment Date and the Final Interest Payment Date during the Initial Period shall be the Scheduled Redemption Date.

The amount of the interest payable (the "**Interest Amount**") in respect of the Calculation Amount applicable to the notes for any Interest Period during the Initial Period shall be calculated by applying the Initial Rate to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes, multiplying the resulting product by the relevant Day Count Fraction, and rounding the resultant figure to the nearest Euro 0.01 (half of a cent being rounded upwards).

However, in the event that the Regulated Amortisation Period or the Rapid Amortisation Period has commenced, then from and including the Floating Rate Commencement Date to, but excluding, the Final Redemption Date (the "**Redemption Period**"), each Note bears interest on its Principal Amount Outstanding in accordance with this Condition 7(k), but subject as provided in the following paragraph, payable in arrears on each Payment Date. During the Redemption Period, each period beginning on, and including, a Payment Date to but excluding the next Payment Date is called an "**Interest Period**". For the avoidance of doubt, a fixed Rate of Interest shall be payable throughout the Redemption Period.

During the Redemption Period, the obligations of the Issuing Entity to pay interest on the Principal Amount Outstanding of the notes on each Payment Date shall be satisfied in full by the Issuing Entity paying to the Principal Paying Agent amounts equal to all Interest Amounts standing to the credit of the relevant Distribution Ledger for the notes on such Payment Date. Interest will be payable on the relevant notes by the relevant Paying Agent in accordance with the provisions of the Paying Agency and Agent Bank Agreement.

(l) *Specific Provision: Commercial Paper Cost of Funds Notes*

This Condition 7(l) is applicable to the notes if the notes are issued as notes with an interest rate calculated by reference to commercial paper costs of funds of the relevant note purchaser or its related commercial paper issuer.

Each note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date. Interest in respect of the notes is payable in arrear in Sterling on each Interest Payment Date.

If there is a shortfall between the amounts received by the Issuing Entity from the Swap Counterparty (if any) or otherwise and the amount of interest due on any Class of notes on that Interest Payment Date, that shortfall will be borne by each note in that Class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that Class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity, or, if earlier, the Final Redemption Date, from payments made to it from the Swap Counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each Class of note below plus the Margin, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the Issuing Entity to make the payment or, if earlier, on the Final Redemption Date.

"**Interest Payment Date**" means the following dates:

(i) during any period that is not an Amortisation Period, the First Interest Payment Date and each Regular Interest Payment Date (as specified in the relevant Final Terms or Drawdown Prospectus); and

(ii) during an Amortisation Period, each Distribution Date.

Each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**"; provided, however, that with respect to an Interest Period that commences during any period that is not an Amortisation Period and ends during the Regulated Amortisation Period or the Rapid Amortisation Period, such Interest Period will end on the originally scheduled Interest Payment Date (and for the avoidance of doubt, in the case of an Interest Period which commences on the Interest Payment Date which falls at the end of the Interest Period during which the Rapid Amortisation Period or Regulated Amortisation Period begins, the Interest Period shall end on the next Distribution Date). The first interest payment will be made on the First Interest Payment Date in respect of the Interest Period from (and including) the Interest Commencement Date to, but excluding, the First Interest Payment Date.

The Rate of Interest applicable to the notes for each Interest Period will be determined by the party specified in the relevant Final Terms or Drawdown Prospectus as the party responsible for calculating such Rate of Interest (the "**CP Calculation Agent**") as the sum of the CP Funding Cost and Margin and (if specified in the relevant Final Terms or Drawdown Prospectus) Liquidity Funding Margin for the relevant Interest Period specified in the relevant Final Terms or Drawdown Prospectus, subject to the maximum interest rate specified in the relevant Final Terms or Drawdown Prospectus.

For the purposes of this Condition 7(l):

"**CP Funding Cost**" means, on any date of determination, or with respect to any period, the per annum rate equivalent to the weighted average of the per annum rates paid or payable by the relevant note purchaser from time to time as accreted discount, interest or otherwise (including, without limitation, breakage costs, dealers' fees and placement agents' fees and costs of related swap or forward exchange rate contracts and related swap termination costs) in respect of the commercial paper notes issued or sponsored by the relevant note purchaser that are allocated, in whole or in part, by, or on behalf of, such relevant note purchaser to fund, purchase or maintain or increase (directly or indirectly) the notes or any portion thereof during the related period, as determined by, or on behalf of, such relevant note purchaser and notified by the relevant CP Calculation Agent to the Issuing Entity and the Calculation Agent; provided, however, that if any component of such rate is a discount rate, in calculating the CP Funding Cost for such period, the relevant CP Calculation Agent (or its agent) shall, for such component, use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum. For the avoidance of doubt, CP Funding Cost shall not include any Liquidity Funding Margin and CP Funding Cost and Liquidity Funding Margin shall be mutually exclusive; and

"**Liquidity Funding Margin**" means, if specified in the relevant Final Terms or Drawdown Prospectus, a percentage per annum payable to the relevant note purchaser solely in respect of (a)

the period during which any Principal Amount Outstanding of any notes, held by such note purchaser, is not being funded through the issuance of such note purchaser's (or, if applicable, its related commercial paper issuer's) respective commercial paper and (b) the Principal Amount Outstanding of the notes, held by such notes purchaser, which is not being funded through the issuance of such note purchaser's (or, if applicable, its related commercial paper issuer's) respective commercial paper.

The Calculation Agent will, as soon as practicable after the Determination Date in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes for such Interest Period following the notification to it by the CP Calculation Agent of the Rate of Interest no later than 3 Business Days before the relevant Interest Payment Date.

The Interest Amount in respect of the notes will be calculated by applying the relevant Rate of Interest for such Interest Period to the Calculation Amount comprising or forming part of the relevant Specified Denomination of the notes for such Interest Period, multiplying by the relevant Day Count Fraction and rounding the resulting figure to the nearest pence (half a pence rounded upwards).

(m) *General Provision: Deferred Interest and Additional Interest*

To the extent that the monies which are deposited by the MTN Issuing Entity in the relevant Issuing Entity Distribution Account to the credit of the relevant Distribution Ledger for the relevant Class or Sub-Class of notes on a Transfer Date in accordance with the provisions of the Related Medium Term Note Certificate are insufficient to pay the full amount of interest on the relevant Class or Sub-Class of notes of such Note Series on the immediately following Interest Payment Date, payment of the interest shortfall ("**Deferred Interest**"), which will be borne by each Note of that Class or Sub-Class of the relevant Note Series in a proportion equal to the proportion that the Principal Amount Outstanding of the Note of the relevant Class or Sub-Class of such Note Series bears to the aggregate Principal Amount Outstanding of the relevant notes of the relevant Note Series (as determined on the Interest Payment Date on which such Deferred Interest arises), will be deferred until the Interest Payment Date occurring thereafter on which funds are available to the Issuing Entity (by being deposited to the Issuing Entity Distribution Account to the credit of the Distribution Ledger of the relevant Class or Sub-Class of note by the MTN Issuing Entity on the immediately preceding Transfer Date) to pay such Deferred Interest. Such Deferred Interest will accrue Interest ("**Additional Interest**") at the then current Rate of Interest (or in the case of a fixed rate Note which may become a floating rate Note, the Initial Rate (during the Initial Period) or the Redemption Rate (during the Redemption Period)) applicable to that Class or Sub-Class of notes, and payment of any Additional Interest will also be deferred until the Interest Payment Date thereafter on which funds are available to the Issuing Entity (by being deposited to the Issuing Entity Distribution Account to the credit of the Distribution Ledger of the relevant Class or Sub-Class of note by the MTN Issuing Entity on the immediately preceding Transfer Date in accordance with the provisions of the Medium Term Note Certificate) to pay such Additional Interest.

(n) *General Provision: Calculation of Interest Amount*

On each Interest Payment Date, the Agent Bank shall determine the actual amount of interest which will be paid on the notes on that Interest Payment Date and the amount of Deferred Interest (if any) on the notes in respect of the related Interest Period and the amount of Additional Interest (if any) which will be paid on such Interest Payment Date. The amount of Additional Interest shall be calculated by applying the then current relevant Rate of Interest, Initial Rate or, as the case may be, Redemption Rate for the notes to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the relevant notes, the sum of the Deferred Interest and any Additional Interest from prior Interest Periods which remains unpaid and multiplying such sum by the relevant Day Count Fraction.

In the event that, on any Interest Payment Date, the amount of monies which are deposited to the Issuing Entity Distribution Account for a Note Series by the MTN Issuing Entity on such day in accordance with the provisions of the Medium Term Note Certificate is insufficient to pay in full the Interest Amount, any outstanding Deferred Interest and any Additional Interest due on such

Interest Payment Date in respect of any Class or Sub-Class of notes, such monies will be applied first to the payment of any Interest Amount, secondly to the payment of any outstanding Deferred Interest and thereafter to the payment of any Additional Interest in respect of the relevant Class or Sub-Class.

(o) *General Provision: Interest cease to accrue*

Interest will cease to accrue on any part of the Principal Amount Outstanding of a Note from the Scheduled Redemption Date unless, upon due presentation, payment of principal is improperly withheld or refused or default is otherwise made in the payment thereof, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgement) 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 Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Note Trustee has notified the relevant Noteholders either in accordance with Condition 16 or individually that it has received all sums due in respect of the relevant notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(p) *General Provision: Failure of Agent Bank*

If the Agent Bank or, in respect of the Rate of Interest under Condition 7(l) only, the CP Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount or amount of Deferred Interest (if any) or amount of Additional Interest (if any), the Note Trustee, or its appointed agent without any liability therefor, may determine such Rate of Interest as it considers fair and reasonable in the circumstances (having such regard as it thinks to the other provisions of these Conditions, including paragraph (m) or (n) above (as applicable) and, with respect to the Rate of Interest under Condition 7(l) only, having regard to the most recent notification from the CP Calculation Agent to the Calculation Agent) or, as the case may be, calculate such Interest Amount or amount of Deferred Interest (if any) or amount of Additional Interest (if any), in accordance with paragraph (m) above, and each such determination or calculation shall be deemed to have been made by the Agent Bank or, in respect of the Rate of Interest under Condition 7(l) only, the CP Calculation Agent.

(q) *General Provision: Publication*

The Agent Bank will cause each Rate of Interest, Interest Amount, amount of Deferred Interest (if any) and amount of Additional Interest (if any) determined by it, together with the relevant Interest Payment Date, to be notified to the Issuing Entity, the Paying Agents, the Note Trustee and, for so long as the respective notes are admitted to trading on the Regulated Market of the London Stock Exchange plc (the "**Regulated Market of the London Stock Exchange**"), the Regulated Market of the London Stock Exchange as soon as practicable after such determination but in any event not later than the seventh day thereafter or such earlier day as the Regulated Market of the London Stock Exchange may require and the Agent Bank will cause the same to be notified to the Noteholders in accordance with Condition 16 as soon as possible thereafter. The Agent Bank will be entitled to recalculate any Interest Amount and amount of Additional Interest (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(r) *General Provision: Notifications etc.*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7, whether by the Agent Bank, the CP Calculation Agent (in respect of the Rate of Interest under Condition 7(l) only) or the Note Trustee will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuing Entity, the Paying Agents, the Note Trustee, the Agent Bank and the Noteholders and no liability to any such Person will attach to the Agent Bank, the CP Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by them or of them of their powers, duties and discretions for such purposes.

(8) **Redemption and Purchase**

The Issuing Entity is only entitled to redeem the notes as provided in paragraphs (a), (b), (c) and (d) below.

(a) *Scheduled Redemption*

Class A notes:

Unless previously purchased and cancelled or unless the Regulated Amortisation Period, Accelerated Amortisation Period or Rapid Amortisation Period has already started, all Class A notes will be redeemed on the relevant Series Scheduled Redemption Date, unless there is a shortfall between the amount in the Issuing Entity Distribution Account and the total amount payable to Class A Noteholders in Sterling, if any, and to the Swap Counterparty under the Class A Swap Agreement. If there is such a shortfall, the Class A notes will be redeemed *pro rata* up to the amount in the Issuing Entity Distribution Account after being exchanged under the terms of the Class A Swap Agreement. The Rapid Amortisation Period will then begin. The payments will be made in no order of preference and proportionately between all Class A notes.

Class B notes:

Unless previously purchased and cancelled or unless the Regulated Amortisation Period, Accelerated Amortisation Period or Rapid Amortisation Period has already started, the Class B notes will be redeemed on the relevant Series Scheduled Redemption Date unless there is a shortfall between the amount in the Issuing Entity Distribution Account, after payment of all interest and principal due and payable on the Class A notes, and the amount due and payable to the Class B Noteholders in Sterling, if any, and to the Swap Counterparty under the Class B Swap Agreement. If there is such a shortfall, the Class B notes will be redeemed *pro rata* up to the amount in the Issuing Entity Distribution Account after being exchanged under the terms of the Class B Swap Agreement. The Rapid Amortisation Period will then begin. The payments will be made, in no order of preference and proportionately between all Class B notes.

Class C notes:

Unless previously purchased and cancelled or unless the Regulated Amortisation Period, Accelerated Amortisation Period or Rapid Amortisation Period has already started, the Class C notes will be redeemed on the Series Scheduled Redemption Date unless there is a shortfall between the amount in the Issuing Entity Distribution Account, after payment of all interest and principal due and payable on the Class A notes and the Class B notes, and the amount due and payable to the Class C Noteholders in Sterling, if any, and to the Swap Counterparty under the Class C Swap Agreement. If there is such a shortfall, the Class C notes will be redeemed *pro rata* up to the amount in the Issuing Entity Distribution Account after being exchanged under the terms of the Class C Swap Agreement. The Rapid Amortisation Period will then begin. The payments will be made, in no order of preference and proportionately between all Class C notes.

Class D notes:

Unless previously purchased and cancelled or unless the Regulated Amortisation Period, Accelerated Amortisation Period or Rapid Amortisation Period has already started, the Class D notes, if any, will be redeemed on the Series Scheduled Redemption Date unless there is a shortfall between the amount in the Issuing Entity Distribution Account, after payment of all interest and principal due and payable on the Class A notes, the Class B notes and the Class C notes, and the amount due and payable to the Class D Noteholders in Sterling, if any, and to the Swap Counterparty under the Class D Swap Agreement. If there is such a shortfall, the Class D notes will be redeemed *pro rata* up to the amount in the Issuing Entity Distribution Account after being exchanged under the terms of the Class D Swap Agreement. The Rapid Amortisation Period will then begin. The payments will be made, in no order of preference and proportionately between all Class D notes.

If the Rapid Amortisation Period begins as a result of there being insufficient funds to repay principal and pay interest on the Class A notes, the Class B notes, the Class C notes or the Class D notes, as described above, then on each Interest Payment Date after that, first the Class A

notes, second the Class B notes, third the Class C notes and fourth the Class D notes, will be redeemed, to the extent of amounts available to the Issuing Entity, after being exchanged under the Swap Agreements, for each note of a Class in the proportion that the Principal Amount Outstanding of that note bears to the total Principal Amount Outstanding of the notes of that Class. This will happen until the earlier of the time when each Class of notes has been paid in full and the Interest Payment Date.

On each Interest Payment Date, the Agent Bank will determine for each Class of notes the following:

(i) the amount of principal repayable on each note of that Class; and

(ii) the Principal Amount Outstanding of each note of that Class on the first day of the next Interest Period, after deducting any principal payment due to be made on each note of that Class on that Interest Payment Date.

The amounts and Dates determined by the Agent Bank will be notified to the Issuing Entity, the Paying Agents and the Note Trustee and published in accordance with condition number 16 as soon as possible after these parties have been notified.

The Issuing Entity, the Paying Agents, the Note Trustee and the Noteholders will be bound by the determinations properly made as described above and neither the Agent Bank nor the Note Trustee will be liable for the exercise or non-exercise by it of its powers, duties and discretions for those purposes.

If the Agent Bank fails to make a determination as described above, the Note Trustee will calculate the principal payment or Principal Amount Outstanding as described above, and each of these determinations or calculations will be deemed to have been made by the Agent Bank. If this happens, the determination will be deemed to have been made by the Agent Bank.

(b) *Mandatory Early Redemption or Mandatory Sale of Class B notes, Class C notes and Class D notes to the Issuing Entity*

If the Regulated Amortisation Period, Accelerated Amortisation Period or Rapid Amortisation Period begins before the Series Scheduled Redemption Date, on each subsequent Interest Payment Date to such event each Class A note will be redeemed, then each Class B note will be redeemed, then each Class C note will be redeemed and lastly each Class D note will be redeemed, in the proportion that its Principal Amount Outstanding bears to the total Principal Amount Outstanding of the notes of that Class, to the extent of the amount which is deposited into the Issuing Entity Distribution Account towards redemption of the Medium Term Note Certificate – after the amount has been exchanged for Dollars, Euro or other currency, as applicable, under the relevant Swap Agreement or by the Note Trustee in the spot exchange market if the relevant Swap Agreement has been terminated. This will happen until the earliest of:

(i) the date on which the relevant Class of notes has been redeemed in full; or

(ii) the Final Redemption Date.

(c) *Final Redemption*

If the notes have not previously been purchased and cancelled or redeemed in full as described in this condition number 8, the notes will be finally redeemed at their then Principal Amount Outstanding on the Final Redemption Date, together with, in each case, all accrued and unpaid interest, shortfall and interest on shortfall, if any.

If, on the Final Redemption Date of a Note, the Issuing Entity is unable to pay all amounts then due under the relevant Class of notes having used all funds available to it in accordance with the applicable Issuing Entity priority of payments, the Issuing Entity's obligation to pay any amount left outstanding to the Noteholders under the relevant Class of notes and any claim that the Noteholders may have against the Issuing Entity in respect of such outstanding amounts will be extinguished. If there is a shortfall in interest, principal and/or fee payments then due and

payable pursuant to the terms of a Class of Note, the Issuing Entity may not have sufficient funds to make payments on the relevant Class of Note and the Noteholders may incur a loss on interest, principal or other amounts which would otherwise be then due and payable on the relevant Class of notes.

(d) *Repricing Note Transfer*

(i) Any Repricing Notes shall be transferred in accordance with paragraph (ii) below on each related Repricing Transfer Date prior to the occurrence of an Repricing Termination Event, in exchange for payment of such Repricing Transfer Price and the Issuing Entity will procure payment of such Repricing Transfer Price to the applicable Repricing Noteholders on the relevant Repricing Transfer Date **provided that** the Issuing Entity shall not be liable for the failure to make payment of the Repricing Transfer Price if such failure is a result of the failure of the Market Repricing Agent to perform its obligations under the relevant Transaction Documents.

(ii) Subject to paragraph (i) above, all the applicable Repricing Noteholders' Interests in the related Repricing Notes shall be transferred on the relevant Repricing Transfer Date to the account of the Incoming Euroclear/Clearstream Repricing Noteholders or Incoming DTC Repricing Noteholders. If definitive Repricing Notes have been issued, the applicable Repricing Notes will be registered in the names of the Incoming Euroclear/Clearstream Repricing Noteholders or Incoming DTC Repricing Noteholders on the Repricing Transfer Date by the Registrar and the Register will be amended accordingly with effect from the relevant Repricing Transfer Date.

(e) *Optional Early Redemption in Full on Call Date*

If a Note Series is specified in the relevant Final Terms or Drawdown Prospectus as being able to be redeemed on any "**Call Date**" then (subject to any additional terms and conditions (if any) specified in the relevant Final Terms or Drawdown Prospectus and set out in the relevant Note Trust Deed Supplement) on any Interest Payment Date falling on or after the relevant Call Date and upon giving not more than 60 nor less than 30 days' prior written notice to the Note Trustee, the Swap Counterparty and the Noteholders (in accordance with Condition 16 (*Notices*)), the Issuing Entity may redeem all (but not some only) of the notes of such Note Series then outstanding at their then Principal Amount Outstanding together with accrued interest **provided that**, prior to giving any such notice, (i) the Issuing Entity shall have provided to the Note Trustee a certificate signed by two directors of the Issuing Entity to the effect that it will have the funds, not subject to any interest of any other Person, required to redeem the relevant Note Series on such Interest Payment Date as aforesaid and to pay any amounts required to be paid in priority or *pari passu* with such Note Series outstanding in accordance with the terms and conditions of the Note Trust Deed and relevant Note Trust Deed Supplement and (ii) the Note Trustee is satisfied in accordance with the terms of the Transaction Documents that there are sufficient funds to allow the Issuing Entity to redeem the relevant Note Series.

(f) *Mandatory Transfer Arrangements*

(i) If a Note Series is specified in the relevant Final Terms or Drawdown Prospectus as being able to be redeemed on a Mandatory Transfer Date, then such notes shall be transferred in accordance with paragraphs (ii) and (iii) below on any Mandatory Transfer Date in exchange for payment of the Mandatory Transfer Price by the Mandatory Purchaser to the Noteholders of the relevant Note Series, **provided that** the Issuing Entity shall not be liable for the failure to make payment of the Mandatory Transfer Price by the Mandatory Purchaser to the extent that such failure is a result of the failure of the Mandatory Purchaser to perform its obligations under the Mandatory Purchase Agreement.

(ii) There shall be no Mandatory Transfer on a Mandatory Transfer Date if the relevant notes are fully redeemed on or prior to such Mandatory Transfer Date. In such event, the Issuing Entity will not be obliged to procure any subsequent purchase of the relevant notes and the Mandatory Purchaser will not be obliged to purchase any of the relevant notes.

(iii) Subject to (i) above, all of the Noteholders' interests in the relevant notes shall be transferred on the relevant Mandatory Transfer Date to the Mandatory Purchaser, or, if Individual Note Certificates in respect of the relevant notes are then issued, the relevant notes will be registered by the Registrar as notified by the Issuing Entity in the name of the Mandatory Purchaser and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

(9) **Payments**

Payments of principal and interest in respect of the notes will be made to the Persons in whose names the Note Certificates are registered on the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment. Such date is called the "**Record Date**". Payments will be made by wire transfer of immediately Available Funds, if the registered Holder has provided wiring instructions no less than five Business Days prior to the Record Date, or otherwise by cheque mailed to the address of the registered Holder as it appears in the Register at the opening of business on the Record Date. In the case of the final redemption, and **provided that** payment is made in full, payment will only be made against surrender of those Note Certificates to the Registrar.

The Note Trustee will not be responsible for any deficiency which may arise because it is liable to tax in respect of the proceeds of any Security.

Similar provisions in respect of the indemnification of the Security Trustee are set out in the Transaction Documents.

(10) **Taxation**

(a) *Principal and Interest*

All payments of principal and interest in respect of the notes by or on behalf of the Issuing Entity shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Jersey, the United Kingdom or any other jurisdiction to whose tax laws such payments may be subject or any political subdivision therein or any authority in or of any of the foregoing having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuing Entity or the Paying Agents shall make such payment after such withholding or deduction of such amounts has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuing Entity nor the Paying Agents nor any other Person will be required to make any additional payments to any Noteholder in respect of any amounts deducted or withheld as mentioned in this Condition 10.

Notwithstanding any other provision in these Conditions, the Issuing Entity shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA Withholding**"). The Issuing Entity will have no obligation to pay additional amounts or otherwise indemnify a Holder for any FATCA Withholding deducted or withheld by the Issuing Entity, a Paying Agent or any other party as a result of any Person not being entitled to receive payments free of FATCA Withholding.

(b) *General Tax Treatment of Notes*

Each Holder of notes, by acceptance of such notes, agrees to treat the notes as Indebtedness of the Issuing Entity and 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.

(11) **Events of Default**

If any of the following events occurs and is continuing it is called an "**Event of Default**":

(i) the Issuing Entity fails to pay any amount of principal on the notes within 7 days of the date payment is due or fails to pay any amount of interest on the notes within 15 days of the date payment is due, provided that, for the avoidance of doubt, a failure to make or procure any payment required under (a) Condition 8(d) by reason of any failure on the part of the Market Repricing Agent to perform its obligations under the relevant Transaction Documents; or (b) Condition 8(f) (*Mandatory Transfer Arrangements*) by reason of any failure on the part of a Mandatory Purchaser to perform its obligations under a Mandatory Purchase Agreement or the relevant Transaction Documents, shall not constitute an Event of Default in respect of the related repricing or Mandatory Transfer notes (as applicable) for the purposes of this Condition 11; or

(ii) the Issuing Entity fails to perform or observe any of its other obligations under the notes, the Note Trust Deed or the paying agency and Agent Bank agreement other than any obligation to pay any principal or interest on the notes, and, except where that failure is incapable of remedy, it remains unremedied for 30 days after the Note Trustee has given written notice of it to the Issuing Entity, certifying that the default is, in its opinion, materially prejudicial to the interests of the Noteholders; or

(iii) the Early Termination, without replacement, of any of the Swap Agreements (if any) in respect of the notes; or

(iv) a judgment or order for the payment of any amount is given against the Issuing Entity and continues unsatisfied and unstayed for a period of 30 days after it is given or, if a later date is specified for payment, from that Date; or

(v) a secured party or encumbrancer takes possession or a receiver, administrative receiver, administrator, examiner, manager or other similar officer is appointed, of the whole or any part of the business, assets and revenues of the Issuing Entity or an enforcement action is begun for unpaid rent or execution is levied against any of the assets of the Issuing Entity; or

(vi) the Issuing Entity becomes insolvent or is unable to pay its debts as they fall due; or

(vii) an administrator or liquidator of the Issuing Entity or the whole or any part of the business, assets and revenues of the Issuing Entity is appointed, or an application for an appointment is made; or

(viii) the Issuing Entity takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of Indebtedness given by it; or

(ix) the Issuing Entity stops or threatens to stop carrying on all or any substantial part of its business; or

(x) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuing Entity; or

(xi) any action, condition or thing at any time required to be taken, fulfilled or done in order:

(1) to enable the Issuing Entity lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the notes and the Issuing Entity Related Documents; or

(2) to ensure that those obligations are legal, valid, binding and enforceable, except as that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of

the rights of creditors generally and that that enforceability may be limited by the effect of general principles of equity, is not taken, fulfilled or done; or

(xii) it is or will become unlawful for the Issuing Entity to perform or comply with any of its obligations under or in respect of the notes or the related documents; or

(xiii) all or any substantial part of the business, assets and revenues of the Issuing Entity is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government; or

(xiv) the Issuing Entity is prevented by any Person acting under the authority of any national, regional or local government from exercising normal control over all or any substantial part of its business, assets and revenues.

If an Event of Default occurs then the Note Trustee may give an Enforcement Notice or appoint a receiver if it chooses and if it is indemnified to its satisfaction.

If an Event of Default occurs then the Note Trustee shall be bound to give an Enforcement Notice or appoint a receiver if it is indemnified to its satisfaction and it is:

(i) required to by the Swap Counterparty;

(ii) required to by Holders of at least one-quarter of the aggregate Principal Amount Outstanding of the Class A notes, if any remain outstanding, and if none remain outstanding, the Class B notes, and if none of these remain outstanding, the Class C notes, and if none of these remain outstanding, the Class D notes; or

(iii) directed by an Extraordinary Resolution, as defined in the Note Trust Deed, of Holders of outstanding Class A notes, and if there are none, of Holders of outstanding Class B notes, and if there are none, of Holders of outstanding Class C notes, and if there are none, of Holders of outstanding Class D notes.

An "**Enforcement Notice**" is a written notice to the Issuing Entity declaring the notes to be immediately due and payable. When it is given, the notes will become immediately due and payable at their Principal Amount Outstanding together with accrued interest without further action or formality. Notice of the receipt of an Enforcement Notice shall be given to the Noteholders as soon as possible. A declaration that the notes have become immediately due and payable will not, of itself, accelerate the timing or amount of redemption of the notes as described in condition number 8.

(12) **Prescription**

Your notes will become void if they are not presented within the time limit for payment. That time limit is ten years from their due date. If there is a delay in the Principal Paying Agent receiving the funds, the due date, for the purposes of this time limit, is the date on which it notifies you, in accordance with condition number 16, that it has received the relevant payment.

(13) **Replacement of Note Certificates**

If any Note Certificates are lost, stolen, mutilated, defaced or destroyed, you can replace them at the Specified Office of the Registrar. You will be required to both pay the expenses of producing a replacement and comply with the Issuing Entity's reasonable requests for evidence, security and indemnity. You must surrender any defaced or mutilated Note Certificates before replacements will be issued.

(14) **Note Trustee and Agents**

The Note Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to your claims.

In the exercise of its powers and discretions under the Conditions and the Note Trust Deed, the Note Trustee will consider the interests of the Noteholders as a Class and will not be responsible for any

consequence to you individually as a result of you being connected in any way with a particular territory or taxing jurisdiction. The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as a single Class as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise) but where there is, in the Note Trustee's opinion, a conflict among the interests of the Classes of Noteholders, the Note Trustee is required to have regard only to the interests of the Holders of the Most Senior Class of notes then outstanding.

In acting under the Paying Agency and Agent Bank Agreement, and in connection with your notes, the Paying Agents, the Exchange Agent and the Agent Bank Act only as agents of the Issuing Entity and the Note Trustee and do not assume any obligations towards or relationship of agency or trust for or with you.

The Note Trustee and its related companies are entitled to enter into business transactions with the Issuing Entity, Barclays Bank PLC or related companies of either of them without accounting for any profit resulting from those transactions.

The Issuing Entity can, at any time, vary or terminate the appointment of any Paying Agent or the Agent Bank and can appoint successor or additional Paying Agents or a successor Agent Bank. If the Issuing Entity does this it must ensure that it maintains the following:

(i) a Principal Paying Agent;

(ii) an Agent Bank; and

(iii) a Registrar.

Notice of any change in the Paying Agents, Agent Bank, Registrar or their Specified Offices shall be promptly given to you in accordance with condition number 16.

(15) **Meetings of Noteholders, Modification and Waiver, Substitution and Addition and Enforcement**

Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of Noteholders of each Class or Sub-Class of any Note Series to consider matters relating to the notes of that Note Series, including the modification of any provision of these Conditions or the Note Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class or Sub-Class. The Note Trust Deed provides that:

(a) an Extraordinary Resolution which in the opinion of the Note Trustee affects the notes of only one Class or Sub-Class shall be transacted at a separate meeting of the Noteholders of that Class or Sub-Class;

(b) an Extraordinary Resolution which in the opinion of the Note Trustee affects the Noteholders of more than one Class or Sub-Class of notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class or Sub-Class of notes and the Holders of another Class or Sub-Class of notes shall be transacted either at separate meetings of the Noteholders of each such Class or Sub-Class or at a single meeting of the Noteholders of all such Classes or Sub- Classes of notes as the Note Trustee shall determine in its absolute discretion; and

(c) an Extraordinary Resolution which in the opinion of the Note Trustee affects the Noteholders of more than one Class or Sub-Class and gives rise to any actual or potential conflict of interest between the Noteholders of one Class or Sub-Class of notes and the Noteholders of any other Class or Sub-Class of notes shall be transacted at separate meetings of the Noteholders of each such Class or Sub-Class.

The quorum for a meeting of a particular Class or Classes or Sub-Class or Sub-Classes of notes to vote on an Extraordinary Resolution, other than regarding a Basic Terms Modification, will be two or more Persons holding or representing a clear majority of the Principal Amount Outstanding of the outstanding notes in that Class or those Classes or Sub-Class or Sub-Classes or, at any adjourned meeting, two or

more Persons being or representing Noteholders of that Class or those Classes or Sub-Class or Sub-Classes, whatever the Principal Amount Outstanding of the outstanding notes so held or represented in such Class or Classes or Sub-Class or Sub-Classes.

The quorum for a meeting of a particular Class or Classes or Sub-Class or Sub-Classes of notes to vote on an Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class or Sub-Class of Noteholders) will be two or more Persons holding or representing in the aggregate not less than 75 per cent. of the Principal Amount Outstanding of the outstanding notes in the relevant Class or Classes, Sub-Class or Sub-Classes or, at any adjourned meeting, two or more Persons holding or representing not less than in the aggregate $33^{1/3}$ per cent. of the Principal Amount Outstanding of the outstanding notes in the relevant Class or Classes or Sub-Class or Sub-Classes.

In relation to each Class or Sub-Class of notes:

(a) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class or Sub-Class of notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes or Sub-Classes of notes (to the extent that there are outstanding notes in each such other Classes or Sub-Classes);

(b) no Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class or Sub-Class of notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes or Sub-Classes of notes ranking senior to such Class or Sub-Class (to the extent that there are outstanding notes ranking senior to such Class or Sub-Class) unless the Note Trustee considers that none of the Holders of each of the other Classes of notes ranking senior to such Class or Sub-Class would be materially prejudiced by the absence of such sanction; and

(c) any Extraordinary Resolution passed at a meeting of Noteholders of one or more Classes or Sub-Classes of notes duly convened and held in accordance with the Note Trust Deed shall be binding upon all Noteholders of such Class or Classes or Sub-Class or Sub-Classes, whether or not present at such meeting and whether or not voting and, except in the case of a meeting relating to a Basic Terms Modification, any Extraordinary Resolution passed at a meeting of the Holders of the Most Senior Class or Sub-Class of notes duly convened and held as aforesaid shall also be binding upon the Holders of all the other Classes or Sub-Classes of notes.

Modification and Waiver

The Note Trustee may agree, without the consent of the Noteholders, (1) to any modification – except a Basic Terms Modification – of, or to the waiver or authorisation of any breach or proposed breach of, the notes or any other related agreement, which is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Holders of the Most Senior Class of notes or (2) to any modification of any of the provisions of the Conditions or any of the related agreements which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or (3) to comply with any requirements of the SEC in order to effect and maintain the qualification of the Note Trust Deed under the Trust Indenture Act. Any of those modifications, authorisations or waivers will be binding on the Noteholders and, unless the Note Trustee agrees otherwise, shall be promptly notified by the Issuing Entity to the Noteholders in accordance with condition number 16.

Substitution and Addition

The Note Trustee may also agree to the substitution of any other body corporate in place of the Issuing Entity as principal debtor under the Note Trust Deed and the notes and in the case of such a substitution or addition the Note Trustee may agree, without the consent of the Noteholders, to a change of the law governing the notes and/or the Note Trust Deed **provided that** such change would not in the opinion of the trustee be materially prejudicial to the interests of the Holders of the Most Senior Class of notes. Any such substitution or addition will be promptly notified to the Noteholders in accordance with condition number 16.

Enforcement

At any time after the notes become due and repayable and without prejudice to its rights of enforcement in relation to the Security, the Note Trustee may, at its discretion and without notice, institute such

proceedings as it thinks fit to enforce payment of the notes, including the right to repayment of the notes together with accrued interest thereon, and shall be bound to do so only if it has been so directed by an Extraordinary Resolution of the Noteholders of the relevant Class and it has been indemnified to its satisfaction against all fees, costs, expenses and other liabilities which it may incur by so acting.

No Noteholder may institute any proceedings against the Issuing Entity to enforce its rights under or in respect of the notes or the Note Trust Deed unless (1) the Note Trustee has become bound to institute proceedings and has failed to do so within a reasonable time and (2) the failure is continuing.

Notwithstanding the previous sentence and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal of and interest on its notes on or after the due date for the principal or interest, or to institute suit for the enforcement of payment of that interest or principal, may not be impaired or affected without the consent of that Noteholder.

(16) **Notices**

Any notice to you will be deemed to have been validly given (i) if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) and any such notice shall be deemed to have been given on the date of first publication or (ii) in the case of Registered Uncleared Notes, if sent by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and any such notice shall be deemed to have been given on the fourth day after the date of mailing.

Until such time as any Individual Note Certificates are issued, there may, so long as the Global Note Certificate(s) is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or are deposited with the DTC custodian, publication in such newspaper may be substituted with the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and DTC, for communication by them to the Noteholders (other than Holders of Registered Uncleared Notes). Any such notice shall be deemed to have been given to the Holders of the relevant notes on the day after the day on which such notice is given to Euroclear, Clearstream, Luxembourg and DTC (as applicable).

Any notice specifying a Rate of Interest, an Interest Amount, an amount of shortfall or interest on it, principal payment or a Principal Amount Outstanding will be treated as having been duly given if the information contained in that notice appears on the relevant page of the Reuters Screen or other similar service approved by the Note Trustee and notified to you. The notice will be deemed given when it first appears on the screen. If it cannot be displayed in this way, it will be published as described in the previous paragraph.

Copies of all notices given in accordance with these provisions will be sent to the London Stock Exchange Company Announcements Office.

(17) **Currency Indemnity**

You can be indemnified against losses you suffer from the use of an exchange rate to convert sums recovered by you in litigation against the Issuing Entity, which is different to the rate you ordinarily use. You must request this indemnity in writing from the Issuing Entity.

This indemnity constitutes a separate and independent obligation of the Issuing Entity and shall give rise to a separate and independent cause of action.

(18) **Limited Recourse**

In relation to the Issuing Entity, if at any time following:

(a) the Final Redemption Date or any earlier date upon which all of the outstanding notes of any particular Note Series are due and payable; and

(b) Realisation of the Security and application in full of any amounts available to pay amounts due and payable under the relevant notes in accordance with the applicable priority (or priorities) of payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable priority (or priorities) of payments, to pay in full all amounts then due and payable under such notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such notes shall, on the day following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuing Entity.

The Final Terms or Drawdown Prospectus for any Note Series may specify that one or more (but not all) Classes of notes of the related Note Series are to be subject to this Condition 18 and in that case this Condition 18 shall be taken as providing for a cessation of liabilities (in the circumstances specified therein) only with respect to notes of the Class or Classes so specified and not with respect to any other notes of any other Class. In the absence of any such specification, this Condition 18 shall be taken as applying to all notes of the relevant Note Series.

For the purposes of this Condition 18:

"**Realisation**" shall mean, in relation to any Security, the utilisation in full (to the extent possible in accordance with the provisions of the Transaction Documents) of any means (or combination of means) of deriving proceeds from or in respect of the assets comprised in such Security including (without limitation) through sale or through performance by an obligor; and

"**Transaction Documents**" shall mean with respect to any Note Series the Documents (as defined in the Master Framework Agreement) and any other documents or agreements constituting or otherwise governing that Note Series in whole or in part.

(19) **Governing Law and Jurisdiction**

The notes, any Swap Agreements and the Note Trust Deed and all non-contractual obligations arising from or connected with them are governed by English law and the English courts have non-exclusive jurisdiction in connection with the notes.

THE SWAP AGREEMENTS

General

The Issuing Entity may enter into interest rate and/or currency swap agreements, the "**Swap Agreements**", with one or more swap counterparties for each Class or Sub-Class of notes. Under separate Swap Agreements for any such Class or Sub-Class requiring a swap, as the same may be amended and/or supplemented between the Issuing Entity and the Swap Counterparty, the Issuing Entity will (i) in respect of a currency Swap Agreement pay to the Swap Counterparty (a) on the relevant Closing Date certain initial principal payments in the currency in which such Class or Sub-Class is denominated and (b) thereafter Sterling sums equal to the payments required under such currency swap agreement (unless such payments are deferred) and (c) on or prior to termination of the swap, certain final principal payments denominated in Sterling and (ii) in respect of an interest rate swap agreement will pay to the Swap Counterparty after the relevant Issue Date Sterling sums equal to the payments required under such interest rate Swap Agreement. The relevant Swap Agreement may also provide protection in respect of the corresponding Note Series that is subject to Redemption Protection Period (as described in more detail below).

Further details regarding the Swap Counterparty are set out in the section "*Barclays*" above or, where the Swap Counterparty is not Barclays, in the relevant Drawdown Prospectus. Further details regarding the Swap Agreements and the Credit Support Annex, if any, relating to a Note Series, Class or Sub-Class of notes are set out below. See also "*Insolvency Proceedings and Subordination Provisions*", "*Where the Issuing Entity has Entered into a Swap Agreement*" and "*Tax Events in Relation to Currency Swap Transactions*" in the "*Risk Factors*" section.

Redemption Period and Redemption Protection Period

In relation to any Swap Agreement subject to the Redemption Protection Period

In the event that an Amortisation Period commences prior to a Scheduled Redemption Date in respect of a Note Series, certain deposit arrangements may apply in relation to the Swap Agreement for that Note Series. In such event, the period from the date of the commencement of the Amortisation Period to (and including) the relevant Scheduled Redemption Date in respect of the relevant Note Series is called the "**Redemption Protection Period**". During the Redemption Protection Period, on any Business Day on which an amount (each amount, a "**Redemption Amount**" in respect of the Swap Agreement) is paid by the MTN Issuing Entity to and credited to the appropriate Note Series ledger in an account (the "**Call Protection Accumulation Deposit Account**") in the name of the Issuing Entity, each such deposit by the MTN Issuing Entity, in respect of a Medium Term Note Certificate in amortisation shall be defined as a deposit of "**Interim Principal Repayment Funds**".

All amounts representing any Interim Principal Repayment Funds shall be: (1) maintained in the relevant Note Series ledger in the Call Protection Accumulation Deposit Account; (2) held by the Issuing Entity subject to the Security created pursuant to the Note Trust Deed (including the relevant Note Trust Deed Supplement thereto); and (3) invested in Swap Permitted Investments (as defined in the relevant Note Trust Deed Supplement and set out below) as directed by the Swap Counterparty. All income (the "**Reinvested Collateral Income**") in relation to the Interim Principal Repayment Funds and Swap Permitted Investments shall be released to the Issuing Entity on Interest Payment Date. The Issuing Entity shall use Reinvested Collateral Income towards the amounts payable to the Swap Counterparty pursuant to the Swap Agreement on a Interest Payment Date. On any Distribution Date during the Redemption Protection Period, the Issuing Entity's obligation to the Swap Counterparty to pay the applicable amount calculated pursuant to a Swap Agreement for a Note Series shall be reduced by an amount (if any) by which (a) the aggregate amount of the Interim Principal Repayment Funds then standing to the credit of the relevant Note Series ledger in the Call Protection Accumulation Deposit Account on that Interest Payment Date (but not including any Interim Principal Repayment Funds to be deposited on that Interest Payment Date) multiplied by the relevant interest rate for the applicable Medium Term Note Certificate as specified in the related supplement to the Security Trust Deed and MTN Cash Management Agreement, exceeds (b) the Reinvested Collateral Income released to the Issuing Entity on such Interest Payment Date.

"**Swap Permitted Investments**" has the meaning given to it in the relevant Final Terms or Drawdown Prospectus.

On each Interest Payment Date, the Issuing Entity's obligation to pay the relevant amount calculated pursuant to the Swap Agreement shall be increased by the amount (if any) by which: (a) the Reinvested Collateral Income released to the Issuing Entity on such Interest Payment Date, exceeds (b) the aggregate amount of the Interim Principal Repayment Funds then standing to the credit of the relevant Note Series ledger in the Call Protection Accumulation Deposit Account on that Interest Payment Date (but not including any Interim Principal Repayment Funds to be deposited on that Interest Payment Date) multiplied by the relevant interest rate for the applicable Medium Term Note Certificate as specified in the related supplement to the Security Trust Deed and MTN Cash Management Agreement.

In relation to currency Swap Agreements only

In the event that (a) the Regulated Amortisation Period or the Rapid Amortisation Period commences on the Scheduled Redemption Date for the relevant Note Series, (b) the Redemption Protection Period has earlier commenced and on or prior to the Scheduled Redemption Date for the relevant Note Series there have been credited to the Issuing Entity's Distribution Ledger for the relevant Note Series insufficient funds to redeem the relevant Note Series in full, or (c) in the event that an Amortisation Period commences on or prior to the Scheduled Redemption Date for the relevant Note Series in relation to a Swap Agreement without the benefit of the Redemption Protection Period (any such event, a "**Redemption Trigger**"), then the following provisions shall apply. The "**Redemption Period End Date**" is the Interest Payment Date as set out in the relevant Final Terms or Drawdown Prospectus. From the occurrence of the Redemption Trigger, the termination date under the relevant Swap Agreement shall be amended to be the Redemption Period End Date. The period from (and including) the date of the commencement of the relevant Amortisation Period or the Scheduled Redemption Date, as specified in Swap Agreement for the relevant Note Series, to the Redemption Period End Date is called the "**Redemption Period**". On each Distribution Date during the Redemption Period, the notional amount applicable in respect of payments to be made by the Issuing Entity under the relevant Swap Agreement shall be reduced (for the next following Calculation Period for the Issuing Entity) by an amount equal to the amount credited to the Distribution Ledger for the relevant Note Series during the period from (and including) the immediately preceding Distribution Date to (but excluding) such Distribution Date (the amount of such reduction, the "**Issuing Entity Amortisation Amount**"). On each Interest Payment Date during the Redemption Period, the notional amount applicable in respect of payments to be made by the Swap Counterparty under the relevant Swap Agreement shall be reduced (for the next following Calculation Period for the Swap Counterparty) by an amount (the "**Counterparty Amortisation Amount**") calculated as specified below. The Counterparty Amortisation Amount is equal to A x B/C

where:

A = the notional amount applicable in respect of payments to be made by the Swap Counterparty pursuant to the relevant Swap Agreement and calculated on the effective date under such Swap Agreement;

B = the Issuing Entity Amortisation Amount applicable on the relevant Distribution Date; and

C = the notional amount applicable to payments to be made by the Issuing Entity pursuant to the relevant Swap Agreement and calculated on the effective date under such Swap Agreement.

Currency Swap Agreements

Where a Class or Sub-Class of notes is denominated in a currency other than Sterling, the Issuing Entity will be obliged to make payments of interest and repayments of principal in respect of that Class of notes in that other currency. If specified in the relevant Final Terms or Drawdown Prospectus, the Issuing Entity will enter into a currency Swap Agreement with the Swap Counterparty in respect of that Class or Sub-Class of notes on the terms set out below.

Subject to the provisions set out under "**Early Termination**" below under the terms of the currency swap transaction relating to the relevant notes, the Issuing Entity will pay to the Swap Counterparty:

(a) on or after the Issue Date, an amount in the other currency to be paid in respect of the proceeds received by the Issuing Entity on the issue of such notes;

(b) on each Interest Payment Date, an amount in Sterling determined by reference to applying a floating Rate of Interest to the relevant currency amount (as determined pursuant to the swap confirmation); and

(c) on the Scheduled Redemption Date, an amount in Sterling determined in accordance with the provisions of the swap confirmation.

In return, the Swap Counterparty will be obliged to pay to the Issuing Entity:

(a) on or after the Issue Date, an amount in Sterling calculated by reference to the proceeds of the issue of the relevant notes in the other currency converted into Sterling at the relevant exchange rate as provided in the Swap Agreement;

(b) on each Interest Payment Date, an amount in the other currency determined by reference to applying a fixed or floating Rate of Interest (as the case may be) to the relevant currency amount; and

(c) on the Scheduled Redemption Date, an amount in the other currency determined in accordance with the provisions of the swap confirmation.

Interest Rate Swap Agreements

The Issuing Entity may be obliged to make payments of interest based on a fixed rate in respect of the relevant Note Series. However, certain amounts received by the Issuing Entity will be based on a floating Rate of Interest. In order to protect the Issuing Entity against interest rate exposure, the Issuing Entity and the Swap Counterparty may enter into an interest rate swap transaction in relation to the relevant Note Series.

Under the terms of an interest rate swap transaction, the Issuing Entity will pay to the Swap Counterparty on each Interest Payment Date (as set out in the relevant Final Terms or Drawdown Prospectus, as applicable), an amount in Sterling determined by reference to an aggregate of the applicable floating Rate of Interest on the relevant notional amount and applicable spread (as determined pursuant to the relevant Swap Agreement).

In return, the Swap Counterparty will be obliged to pay to the Issuing Entity on each Interest Payment Date (as set out in the relevant Final Terms or Drawdown Prospectus, as applicable), an amount in Sterling determined by reference to an aggregate of the applicable fixed Rate of Interest on the relevant notional amount (as determined pursuant to the relevant Swap Agreement).

Early Termination

A swap transaction may be terminated prior to its scheduled termination date in certain circumstances, including, but not limited to, the following:

(a) subject to the provisions of the confirmation in respect of the swap transaction and any applicable grace periods, at the option of the Issuing Entity if there is a failure by the Swap Counterparty to pay any amounts due under the Swap Agreement and at the option of the Swap Counterparty in certain circumstances if there is a failure to pay amounts due under the Swap Agreement by the Issuing Entity;

(b) at the option of the Issuing Entity, if a rating downgrade occurs with respect to the Swap Counterparty (as specified in the Swap Agreement relating to the swap transaction) and the Swap Counterparty fails to cure such rating downgrade within the requisite time period;

(c) at the option of the Swap Counterparty, if an Event of Default occurs under Condition 11 of the notes and the Note Trustee delivers an Enforcement Notice;

(d) if certain events occur with respect to either party to the swap transaction (or the swap transaction itself), including, but not limited to, certain insolvency related events, merger without an assumption of the obligations in respect of the Swap Agreement, or changes in law resulting in the swap transaction becoming illegal;

(e) if a withholding tax is imposed, (1) in relation to the Issuing Entity's payments under the Swap Agreement (at the option of the Swap Counterparty in accordance with the provisions of the Swap Agreement) and (2) in relation to the Swap Counterparty's payments under the Swap Agreement (at the option of the Issuing Entity in accordance with the provisions of the Swap Agreement);

(f) at the option of the Swap Counterparty or the Issuing Entity (provided that the relevant Noteholders shall first have directed the Note Trustee by way of Extraordinary Resolution to terminate the swap transaction relating to such notes), if a withholding tax is imposed in relation to the Issuing Entity's payments under the notes; and

(g) at the option of the Swap Counterparty, if any amendment and/or supplement is made to the Note Trust Deed, the Issuing Entity Master Framework Agreement or the Conditions of the notes without the Swap Counterparty's prior written consent, and where such amendment and/or supplement would be reasonably expected to result in the Swap Counterparty being required to pay more or receive less than it would otherwise have been required to prior to such amendment and/or supplement.

Upon any such Early Termination of the swap transaction, either the Issuing Entity or the Swap Counterparty may be liable to make a termination payment to the other. Initially, the amount of any Early Termination payment will be based on the market value of the terminated swap transaction. This market value will be determined on the basis of market quotations of the cost of entering into a swap transaction with the same terms and conditions that would have the effect of preserving the economic positions of the parties prior to termination of such swap transaction. Alternatively, if such market quotations are not available or if using such market quotations to calculate the Early Termination payment would not produce a commercially reasonably result, the Early Termination payment will be determined on the basis of the parties loss arising out of the termination of the swap. Any such termination payment may, if interest rates and/or the relevant currency exchange rate had changed significantly, be substantial.

Upon termination of the swap transaction, if no replacement swap transaction has been obtained the Security under the Note Trust Deed (and the Note Trust Deed Supplement) in respect of the relevant notes will become enforceable. If such Security is enforced, the proceeds thereof will be applied in payment of amounts set out under the order of priority of payments set forth in the Conditions of the relevant notes. In the event that the Swap Agreement with respect to the relevant notes is terminated other than as a result of a Swap Counterparty Swap Event of Default (as defined below), then to the extent the net sums realised on the secured assets are insufficient to pay all the amounts due, if any, to the Swap Counterparty pursuant to the termination provisions of the Swap Agreement, the shortfall between amounts realised in relation to the relevant Medium Term Note Certificate and such amounts payable to the Swap Counterparty shall be borne first by the Holders of the relevant notes and then by the Swap Counterparty.

Certain events including without limitation, failure to pay or deliver, misrepresentation, insolvency or bankruptcy pertaining to the Swap Counterparty or a downgrade of the Swap Counterparty which the Swap Counterparty fails to cure within the requisite cure period (a "**Swap Counterparty Swap Event of Default**") may result in the Early Termination of the Swap Agreement. In the event that the Swap Agreement is terminated as a result of a Swap Counterparty Swap Event of Default, then any termination payment to be paid to the Swap Counterparty by the Issuing Entity in accordance with the Early Termination provisions of the Swap Agreement shall be subordinated to any payments to be made under the relevant notes.

The Swap Counterparty's payment obligations pursuant to the Swap Agreement are subject to the condition that no Event of Default has occurred and is continuing with respect to the Issuing Entity pursuant to the Swap Agreement.

Taxation

Neither the Issuing Entity nor the Swap Counterparty is obliged to gross up any of its payments under the Swap Agreement if withholding taxes are imposed on payments made under the Swap Agreement.

In the event that any withholding tax is imposed on payments to be made to the Issuing Entity under the swap transaction then the Issuing Entity may terminate the swap transaction and either the Issuing Entity or the Swap Counterparty may be required to pay a swap termination payment to the other party. In the

event that any withholding tax is imposed on payments to be made by the Issuing Entity under the swap transaction, the Swap Counterparty shall be entitled to deduct amounts in the same proportion (as calculated in accordance with the provisions of the confirmation relating to such swap transaction) from the corresponding payment due from it. In such event, payments on the relevant notes will be subject to deferral in proportion to the amount so deducted. In the event that any withholding tax is imposed on payments due by the Swap Counterparty under the Swap Agreement, the Issuing Entity shall not be entitled to deduct corresponding amounts from the corresponding payments due from it and payments on the relevant notes will be subject to deferral in proportion to the amount so withheld by the Swap Counterparty.

Pursuant to the provisions of the Swap Agreement, if on the next date that either party was required to make a payment under the Swap Agreement, such party would be required by any applicable law (or action taken by a relevant taxing authority or court of competent jurisdiction) to withhold any amount from such payment in respect of tax, such party will notify the other party of the requirement to make such a deduction or withholding from its payment. Following such notification, before the party that will receive the reduced payment can terminate the swap transaction, it must use reasonable efforts to attempt, either (i) to transfer all its rights and obligations under the swap transaction in accordance with the terms of the Swap Agreement or (ii) to replace the affected swap transaction(s) with economically equivalent transactions, in both cases so as to avoid any such requirement to withhold any amount in respect of tax. In circumstances in which the relevant affected party is not able to make such a substitution or effect such restructuring, then the other party may be entitled to attempt to transfer the swap transaction to another Swap Counterparty or effect a restructuring so that such withholding or deduction is no longer required. If neither party is able to arrange for the transfer (or affect the restructuring) of the swap transaction, as set out above, the party receiving the payment in relation to which such deduction or withholding on account of tax has been applied will be entitled to terminate the swap transaction.

Rating Downgrade or Withdrawal

If the Swap Counterparty is downgraded below the ratings specified in the Swap Agreement (in accordance with the requirements of Standard & Poor's and Moody's), or if the rating of the Swap Counterparty is withdrawn by either Standard & Poor's or Moody's, then the Swap Counterparty will, in accordance with the provisions of, and subject to the timeframes specified in, the Swap Agreement, be required to take certain remedial measures which may include: (a) providing collateral in accordance with the Credit Support Annex (as further described below), (b) obtaining a guarantee from a guarantor that satisfies the requirements specified in the Swap Agreement, (c) transferring the Swap Agreement to an entity that satisfies the requirements specified in the Swap Agreement, or (d) any other action as permitted by the relevant rating agency which would avoid a downgrade of the relevant Class of notes.

Where the Swap Counterparty provides collateral in accordance with the terms of the Swap Agreement, such collateral will be credited to the Issuing Entity Distribution Account and amounts in respect of such collateral may be returned by the Issuing Entity to the Swap Counterparty from time to time in accordance with the terms of the Swap Agreement and the Credit Support Annex.

If the Swap Counterparty is downgraded by Standard & Poor's or Moody's and the Swap Counterparty fails to comply with the applicable ratings downgrade provisions as set out in the Swap Agreement, the Issuing Entity may terminate the Swap Agreement in accordance with the terms of the Swap Agreement.

The Swap Counterparty may, subject to certain Conditions specified in the Swap Agreement, including certain requirements of Standard & Poor's and Moody's, transfer its rights and obligations in respect of the Swap Agreement to another entity.

Credit Support Annex

The Swap Counterparty will enter into a 1995 ISDA Credit Support Annex (Bilateral Form Transfer) with the Issuing Entity (the "**Credit Support Annex**") on or prior to the Closing Date in support of the Swap Counterparty's obligations under the Swap Agreement.

Pursuant to the terms of the Credit Support Annex, if at any time the Swap Counterparty is required to provide collateral in respect of any of its obligations under the Swap Agreement, the Credit Support Annex will provide that, from time to time and subject to the terms and conditions specified in the Credit Support Annex and the Swap Agreement, the Swap Counterparty will make transfers of cash or securities

by way of collateral to the Issuing Entity in support of its obligations under the Swap Agreement and the Issuing Entity will be obliged to return such collateral in accordance with the terms of the Credit Support Annex.

Interest Deferral

In certain circumstances payments due to be made by either party under the Swap Agreement may be deferred and to the extent such payments are Deferred Interest shall accrue in respect thereof.

Transfers

The Issuing Entity may transfer any interest under the Swap Agreement to any other entity with the Swap Counterparty's prior written consent, except that such consent is not required in the case of a transfer, charge or assignment to the Note Trustee as contemplated in the Note Trust Deed or any Note Trust Deed Supplement thereto.

Any transfer by the Issuing Entity of its interests under the Swap Agreement to any other entity shall be subject to the consent of the Note Trustee, Standard & Poor's and Moody's.

The Swap Counterparty may transfer all its rights and obligations with respect to the Swap Agreement to any other entity (a "**Transferee**") subject to the satisfaction of certain terms and conditions, including, but not limited to the following:

(a) it has given five Business Days prior written notice to the Note Trustee;

(b) the Transferee is an eligible replacement, as defined in the Moody's rating methodology, and the Transferee's long-term, unsecured and unsubordinated debt obligations are then rated not less than "BBB+" by Standard & Poor's or such Transferee's obligations under the Swap Agreement are guaranteed by an entity whose long-term, unsecured and unsubordinated debt obligations are then rated not less than "A" by Standard & Poor's (if the entity's short-term, unsecured and unsubordinated debt obligations are then rated not less than "A-1" by Standard & Poor's), or whose long-term, unsecured and unsubordinated debt obligations are then rated not less than "A+" by Standard & Poor's (as the case may be) provided that Standard & Poor's has confirmed that the rating of the notes will not be adversely affected by such guarantee;

(c) a termination event or an Event of Default does not occur under the Swap Agreement as a result of such transfer;

(d) the Transferee contracts with the Issuing Entity on terms that (1) have the same economic effect as the terms of the Swap Agreement in respect of any obligation (whether absolute or contingent) to make payment or delivery after the effective date of such transfer and (2) insofar as they do not relate to payment or delivery obligations, are, in all material respects, no less beneficial for the Issuing Entity than the terms of the Swap Agreement immediately before such transfer; and

(if the Transferee is domiciled in a different country from both the Swap Counterparty and the Issuing Entity) Standard & Poor's has provided prior written notification that the then current ratings of the notes will not be adversely affected.

THE MEDIUM TERM NOTE CERTIFICATE

On each Closing Date the MTN Issuing Entity will issue one interest bearing medium term note certificate to the Issuing Entity (the "**Medium Term Note Certificate**"). The Medium Term Note Certificate will mature for redemption on the Series Scheduled Redemption Date. The Bank of New York Mellon acting through its London Branch will act as Security Trustee, custodian, issue agent and Principal Paying Agent in relation to the Medium Term Note Certificate.

The Medium Term Note Certificates are issued in bearer form under a Security Trust Deed and MTN Cash Management Agreement. Under the terms of the Security Trust Deed and MTN Cash Management Agreement, Barclays, acting through its corporate lending division at 1 Churchill Place, London E14 5HP, was appointed as cash manager for the Medium Term Note Certificates and certificates – called the "**MTN Issuing Entity Cash Manager**".

The Medium Term Note Certificates will be issued on a non-syndicated continuous basis in series. Previously the MTN Issuing Entity issued the series 99-1 Medium Term Note Certificates (which were repaid in November 2002), the series 02-1 (which were repaid in October 2007), the series 03-1 (which were repaid in March 2008), the series 03-2 (which were repaid in June 2006), the series 03-3 (which were repaid in August 2006), the series 04-1 (which were repaid in February 2007), the series 04-2 (which were repaid in November 2007), the series 05-1 (which were repaid in June 2008), the series 05-2 (which were repaid in September 2008), the series 05-3 medium term notes (which were repaid in October 2010), the series 05-4 medium term notes (which were repaid in November 2008), the series 06-1 medium term notes (which were repaid in October 2010), the series 08-1 medium term notes (which were repaid in October 2011), the series 08-2 medium term notes (which were repaid in October 2011), the series 10-1 medium term notes (which were repaid in November 2012), the series 11-1 medium term notes, the series 11-2 medium term notes, the series 11-3 medium term notes, the series 11-4 medium term notes, the series 11-5 medium term notes (which were repaid in April 2013), the series 12-1 medium term notes, the series 12-2 medium term notes, the series 12-3 medium term notes and the series 12-4 medium term notes. Medium term Note Certificates issued in respect of any series may differ as to principal, interest and recourse to Security. Each series must be constituted by a supplemental deed to the Security Trust Deed and MTN Cash Management Agreement.

Each new series may differ from any other series in its principal terms and the manner, timing and amounts of distributions made to the Holders of that series of Medium Term Note Certificates. The MTN Issuing Entity will not issue any further Medium Term Note Certificates in respect of an existing series without the prior consent of the Holders of the existing Medium Term Note Certificates in that series, unless the further Medium Term Note Certificates are fungible with the existing ones.

The Medium Term Note Certificates will be issued at par with a right of the MTN Issuing Entity to receive further payments of subscription price as deferred consideration, which we call "**Deferred Subscription Price**". The MTN Issuing Entity will pay an amount equal to the initial consideration received for the Medium Term Note Certificates to the Receivables Trustee for the purpose of the Receivables Trust which will permit the MTN Issuing Entity to acquire an undivided beneficial interest in the Receivables Trust. See *"The Receivables Trust*" and "*Use of Proceeds*". The initial principal amount of each undivided beneficial interest acquired is the Initial Investor Interest for each Class of Investor Certificates. These will be issued to the MTN Issuing Entity by the Receivables Trustee. See "*Securitisation Cashflows: General*".

The ability of the MTN Issuing Entity to meet its obligations to pay principal of and interest on the Medium Term Note Certificate will be entirely dependent on the receipt by it of funds from the relevant Investor Certificates and Excess Interest attributable to the relevant series.

The MTN Issuing Entity and the Security Trustee will have no recourse to Barclays other than:

(i) against Barclaycard as Originator under the Receivables Securitisation Agreement for any breach of representations and obligations in respect of the Receivables; and

(ii) against Barclaycard as MTN Issuing Entity Cash Manager under the Security Trust Deed and MTN Cash Management Agreement for any breach of obligations of the MTN Issuing Entity Cash Manager.

On the relevant Closing Date, the MTN Issuing Entity will declare an English law express purpose trust in respect of any funds received by it from each relevant Investor Certificate and Excess Interest attributable to each series. This trust will create a right in equity in favour of the Holder of the terms and conditions of the Medium Term Note Certificate to require these funds to be applied in making payments on the Medium Term Note Certificate.

The obligations of the MTN Issuing Entity and certain other rights of the MTN Issuing Entity under each series of Medium Term Note Certificates and under the documents relating to them, will be secured under the Security Trust Deed and MTN Cash Management Agreement, by Security Interests over each relevant Investor Certificate. The Security for each series will be granted by the MTN Issuing Entity in favour of the Security Trustee. If the net proceeds of the enforcement of Security for a series following a mandatory redemption – after meeting the expenses of the Security Trustee, the Paying Agents, the depository and any receiver – are insufficient to make all payments due on the Medium Term Note Certificates of that series, the assets of the MTN Issuing Entity securing other series of Medium Term Note Certificates will not be available for payment of that shortfall.

If the Security Trust Deed and MTN Cash Management Agreement is enforced, the monies paid to the MTN Issuing Entity by the Receivables Trustee on each Transfer Date will be applied:

(i) first to meet payments due to any receiver appointed under it or to the Security Trustee and all amounts due for legal fees and other costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands which have been incurred under the Relevant Documents and in enforcing the Security, together with interest due on these amounts; then

(ii) to the extent not met above, to meet the costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands of the Security Trustee; then

(iii) to meet payments of premium (if any), interest and principal on the relevant series of Medium Term Note Certificates; then

(iv) to meet payments due by the MTN Issuing Entity to any taxation authority; then

(v) to meet payment of sums due to third parties under obligations incurred in the course of the MTN Issuing Entity's business; then

(vi) to meet payment of any dividends due and unpaid to shareholders of the MTN Issuing Entity; then

(vii) to pay all amounts of MTN Issuing Entity Additional Interest Payments (if any);

(viii) to pay all amounts of Excess Entitlement Consideration; then

(ix) to pay any balance to the liquidator of the MTN Issuing Entity.

The interest rate on the Medium Term Note Certificate will be determined by the Agent Bank in accordance with the Medium Term Note Certificate Conditions and as specified in the relevant Final Terms or Drawdown Prospectus. The Margin for the Medium Term Note Certificate will be the percentage specified in the relevant Final Terms or Drawdown Prospectus. The interest rate for the first Interest Period will be determined on the relevant Closing Date. Interest in respect of the Medium Term Note Certificate will be payable in arrears in Sterling on each Interest Payment Date. Interest on the Medium Term Note Certificate will be paid monthly on each Distribution Date falling during or upon the expiry of each quarterly Interest Period.

Excess Interest received by the MTN Issuing Entity under the Agreement Between Beneficiaries will be paid as MTN Issuing Entity Additional Interest Payments on the Medium Term Note Certificate concurrently with the interest payments on the Medium Term Note Certificate.

If any withholding or deduction for any taxes, duties, assessments or government charges is imposed, levied, collected, withheld or assessed on payments of principal or interest, including MTN Issuing Entity Additional Interest, on the Medium Term Note Certificate by any jurisdiction or any political subdivision or authority in or of any jurisdiction having power to tax, neither the MTN Issuing Entity nor the

Principal Paying Agent will be required to make any additional payments to Holders of the Medium Term Note Certificate for that withholding or deduction.

The occurrence and continuation of the following events is called an MTN Issuing Entity Event of Default:

(i) the MTN Issuing Entity fails to pay any amount of principal of the Medium Term Note Certificate within 7 days of the due date for its payment or fails to pay any amount of interest on the Medium Term Note Certificate within 15 days of its due Date; or

(ii) the MTN Issuing Entity fails to perform or observe any of its other obligations under the Medium Term Note Certificate, the MTN Issuing Entity supplement, or the Security Trust Deed and MTN Cash Management Agreement and, except where the failure is incapable of remedy, it remains unremedied for 30 days, in either case, after the Security Trustee has given written notice to the MTN Issuing Entity, certifying that the failure is, in the opinion of the Security Trustee, materially prejudicial to the interests of the Medium Term Note Certificate Holders; or

(iii) the Early Termination, without replacement, of any of the Swap Agreements as described in this Base Prospectus under "*The Swap Agreements*"; or

(iv) a judgment or order for the payment of any amount is given against the MTN Issuing Entity and continues unsatisfied and unstayed for a period of 30 days after the date it is given or the date specified for payment, if later; or

(v) a secured party takes possession or a receiver, administrative receiver, Administrator, examiner, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the MTN Issuing Entity or an enforcement action is begun for unpaid rent or executions levied against any of the assets of the MTN Issuing Entity; or

(vi) the MTN Issuing Entity becomes insolvent or is unable to pay its debts as they fall due or an Administrator or liquidator of the MTN Issuing Entity or the whole or any part of its business, assets and revenues is appointed, or application for any appointment is made, or the MTN Issuing Entity takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of Indebtedness given by it or ceases or threatens to cease to carry on all or any substantial part of its business; or

(vii) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the MTN Issuing Entity; or

(viii) any action, condition or thing at any time required to be taken, fulfilled or carried out in order to (i) enable the MTN Issuing Entity lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Medium Term Note Certificates and the documents relating to them or (ii) to ensure that those obligations are legal, valid, binding and enforceable, except as the enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally and as that enforceability may be limited by the effect of general principles of equity, is not taken, fulfilled or, as the case may be, carried out; or

(ix) it is or will become unlawful for the MTN Issuing Entity to perform or comply with any of its obligations under or in respect of the Medium Term Note Certificates or the documents relating to them; or

(x) all or any substantial part of the business, assets and revenues of the MTN Issuing Entity is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or the MTN Issuing Entity is prevented by any of these people from exercising normal control over all or any substantial part of its business assets and revenues.

If an MTN Issuing Entity Event of Default occurs then the Security Trustee will be bound to give an Enforcement Notice if it is indemnified to its satisfaction and it is:

(i) required to by Holders of at least one-quarter of the aggregate Principal Amount Outstanding of the Medium Term Note Certificate; or

(ii) directed by an Extraordinary Resolution, as defined in the Security Trust Deed and MTN Cash Management Agreement, of Holders of the Medium Term Note Certificate.

An MTN Issuing Entity Enforcement Notice is a written notice to the MTN Issuing Entity declaring the Medium Term Note Certificate to be immediately due and payable. When it is given, the Medium Term Note Certificate will become immediately due and payable at its Principal Amount Outstanding together with accrued interest without further action or formality. Notice of the receipt of an MTN Issuing Entity Enforcement Notice shall be given to the Holders of the Medium Term Note Certificate as soon as possible. A declaration that the Medium Term Note Certificate has become immediately due and payable will not, of itself, accelerate the timing or amount of redemption of the Medium Term Note Certificate.

When reference is made to the MTN Issuing Entity Cash Manager it includes any successor to Barclays as MTN Issuing Entity Cash Manager. The Security Trust Deed and MTN Cash Management Agreement provides that, as MTN Issuing Entity Cash Manager, Barclays will service and administer the Distribution Account.

Barclays, and any successor MTN Issuing Entity Cash Manager to the MTN Issuing Entity, will be entitled to receive the fee inclusive of VAT, if any, for acting as MTN Issuing Entity Cash Manager, payable by the MTN Issuing Entity from amounts received as MTN Issuing Entity Costs Amounts from the Distribution Account.

The MTN Issuing Entity Cash Manager may not resign, apart from in certain circumstances. The resignation of the MTN Issuing Entity Cash Manager shall only become effective once a replacement has assumed all of the responsibilities of the MTN Issuing Entity Cash Manager set out in the Security Trust Deed and MTN Cash Management Agreement.

The Security Trust Deed and MTN Cash Management Agreement also outlines the duties, rights and responsibilities of the Security Trustee. Specifically these include, but are not limited to:

(i) the duty, if an Insolvency Event occurs, to, by written notice to the Issuing Entity declare all of the notes in respect of all series to be immediately repayable and the Security to become enforceable and to appoint an administrative receiver;

(ii) the maintenance of proper books of account in respect of its duties as trustee of the secured property in respect of each series; and

(iii) the duty of the Security Trustee, once the Security has become enforceable, to act promptly to exercise its rights under any Bank Mandate relating to an Issuing Entity Distribution Account in respect of which it is a beneficiary of a trust declared over such account to prevent monies representing Security property being paid from such account to an overdrawn account.

The Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of any secured creditor.

The Security Trustee may resign at any time by providing the Issuing Entity with written notice. The secured creditors of all series may at any time by direction signed by all the secured creditors in writing addressed to the Security Trustee remove the Security Trustee. Upon such removal or resignation, the Issuing Entity shall be vested with the power to appoint a successor Security Trustee. Such removal or resignation shall not become effective until a successor trustee is appointed.

The Security Trust Deed and MTN Cash Management Agreement is governed by English law.

MATERIAL LEGAL ASPECTS OF THE RECEIVABLES

Consumer Credit Act 1974

The CCA 1974 (as amended by the CCA 2006) applies to consumer credit agreements where the debtor is an individual unless the agreement is 'exempt' (for example, the CCA does not apply where the debtor is a high net worth individual or where credit exceeding £25,000 is provided for business purposes). The CCA will therefore apply to a significant number of the credit transactions that occur on a Designated Account and, in whole or in part, the credit or charge card agreement establishing each Designated Account. This has certain consequences for the Designated Accounts, including the following:

Enforcement of improperly executed or modified card agreements

If a credit or charge card agreement has not been executed or modified in accordance with the CCA, it may be unenforceable against a cardholder without a court order – and in some instances may be completely unenforceable. As is common with many other U.K. credit and charge card issuing entities, some of Barclaycard's credit and charge card agreements may not comply in all respects with the CCA or other related legislation. As a result, some agreements may be unenforceable by Barclaycard against the cardholders. The Originator gives no guarantee that a court order could be obtained if required. If any agreement were held by the court to be non-compliant with the CCA it will still be possible to collect payments and seek arrears from cardholders who are falling behind with their payments. The Originator will have no obligation to repay or account to a cardholder for any payments received by a cardholder because of this non-compliance with the CCA. However, if losses ultimately arise on these accounts, they will be written off and borne by the investor beneficiary and Originator Beneficiary based on their respective interests in the Receivables Trust.

Liability for supplier's misrepresentation or breach of contract

Transactions involving the use of a credit or charge card in the United Kingdom may constitute transactions under debtor-creditor-supplier agreements. A debtor-creditor-supplier agreement includes an agreement where the creditor advances funds to finance a purchase by the debtor of goods or services from a supplier with whom the creditor has a pre-existing arrangement.

Section 75 of the CCA provides that, if the supplier is in breach of the contract – whether such contract is express or implied by law – between the supplier and a cardholder in certain debtor-creditor-supplier agreements or if the supplier has made a misrepresentation about that contract, the creditor may also be liable to the cardholder for the breach or misrepresentation. The liability of the Originator for a Designated Account is called an "**Originator Section 75 Liability**". In these circumstances, the cardholder may have the right to reduce the amount owed to the Originator under his or her credit or charge card account. This right would survive the sale of the Receivables to the Receivables Trustee. As a result, the Receivables Trustee may not receive payments from cardholders that it might otherwise expect to receive. As a result, the Receivables Trustee may not receive the full amount otherwise owed by a cardholder. However, the creditor will not be liable where the cash price of the item or service supplied concerning the claim is £100 or less, or greater than £30,000.

The Receivables Trustee has agreed to indemnify the Originator for any loss suffered by the Originator arising from any claim under section 75 of the CCA. This indemnity cannot exceed the original outstanding principal balance of the affected charges on the Designated Account.

The Receivables Trustee's indemnity will be payable from Available Funds on the Receivables. Any amounts that Barclaycard recovers from the supplier will reduce Barclaycard's loss for purposes of the Receivables Trustee's indemnity. Barclaycard will have rights of indemnity against suppliers under section 75 of the CCA. Barclaycard may also be able to charge-back the transaction in dispute to the supplier under the operating Regulations of VISA® or MasterCard®.

If Barclaycard's loss for purposes of the Receivables Trustee's indemnity exceeds the Available Funds available to satisfy the loss, the amount of the excess will reduce the Originator Interest accordingly.

Transfer of Benefit of Receivables

The transfer by the Originator to the Receivables Trustee of the benefit of the Receivables is governed by both English law and takes effect in equity only.

Notice to the cardholders of the assignment to the Receivables Trustee would perfect the legal title of the Receivables Trustee to the Receivables. The Receivables Trustee has agreed that notice will not be given to cardholders, unless the Originator's long-term senior unsecured Indebtedness as rated by Moody's or Standard & Poor's were to fall below Baa2 or BBB respectively. The lack of notice has several legal consequences.

Until notice is given to the cardholders, each cardholder will discharge his or her obligations under the Designated Account by making payment to the Originator. Notice to cardholders would mean that cardholders should no longer make payment to the Originator as creditor under the card agreement but should instead make payment to the Receivables Trustee as assignee of the Receivables. If notice is given, and a cardholder ignores it and makes payment to the Originator for its own account, that cardholder would nevertheless still be bound to make payment to the Receivables Trustee. The Originator, having transferred the benefit of the Receivables to the Receivables Trustee, is the bare trustee of the Receivables Trustee for the purposes of the collection of the Receivables that are the property of the Receivables Trust and is accountable to the Receivables Trustee accordingly.

Before the insolvency of the Originator, until notice is given to a cardholder who is a depositor or other creditor of the Originator, equitable set-offs may accrue in favour of that cardholder against his or her obligation to make payments under the card agreement to the Originator. These rights of set-off may result in the Receivables Trustee receiving less monies than anticipated from the Receivables.

The transfer of the benefit of Receivables to the Receivables Trustee has been and will continue to be subject both to any prior equities that have arisen in favour of the cardholder and to any equities that may arise in the cardholder's favour after the assignment. Where Notice of Assignment is given to a cardholder, certain rights of set-off may not arise after the date of the notice.

Under the terms of the Receivables Securitisation Agreement, the Originator represents that each receivable assigned to the Receivables Trust is an Eligible Receivable – unless the receivable is specified as being an Ineligible Receivable. The eligibility criteria include that each receivable constitutes the legal, valid and binding obligations of the cardholder enforceable – unless they are not in compliance with the Consumer Credit Act in which case they may only be enforceable with a court order and, in a small number of cases, may be unenforceable – against the cardholder in accordance with its terms. They also include that each receivable is not, save as specifically contemplated by any rule of English law, currently subject to any defence, dispute, set-off or counterclaim or enforcement orders apart from in the limited cases described in the previous sentence.

Notice to the cardholder would perfect the transfer so that the Receivables Trustee would take priority over any interest of a later encumbrancer or Transferee of the Originator's rights who has no notice of the transfer to the Receivables Trustee.

Notice to the cardholder would prevent the card agreement from being amended by the Originator or the cardholder without the consent of the Receivables Trustee.

Lack of notice to the cardholder means that, for procedural purposes, the Receivables Trustee will have to join the Originator as a party to any legal action that the Receivables Trustee may want to take against any cardholder.

UNITED KINGDOM TAXATION TREATMENT OF THE NOTES

Overview

The following summary is based on United Kingdom taxation law and H.M. Revenue & Customs practice in force at the date of this document and does not constitute legal or tax advice. Prospective investors should be aware that law and practice, and their interpretation by the courts, may change, sometimes with retrospective effect. The summary set out below describes certain United Kingdom tax consequences of acquiring, holding and disposing of the notes. The summary is subject to finalisation of documents relating to the Programme and specifically to each Note Series; and is based on certain assumptions which cannot be verified with respect to any given Note Series before closing of that Note Series.

The comments below are of a general nature based on United Kingdom law and practice at the date of this Base Prospectus and are subject to any change in law that may take effect after this Date. The comments do not purport to be a complete analysis of all U.K. tax considerations of the notes and do not constitute legal or tax advice. They relate only to the position of persons who are the absolute Beneficial Owners (for English law purposes) of their notes and may not apply to certain classes of persons, including Underwriters and persons who own the notes as trustee, nominee or otherwise on behalf of another person, but otherwise will, subject to the following paragraph, apply to United States Holders who beneficially own the notes.

The comments below do not necessarily apply where the Interest or any other income on the notes is deemed for United Kingdom tax purposes to be the income of a person other than the absolute Beneficial Owner of the notes in question, for example where a person ordinarily resident in the United Kingdom transfers assets to a non resident company for the purpose of avoiding United Kingdom tax.

Any Noteholders who are in any doubt as to their tax position should consult their professional advisers.

In the following paragraphs, "**HMRC**" means HM Revenue and Customs, which is the central United Kingdom taxing authority.

United Kingdom Withholding Tax

The notes which carry a right to Interest will constitute "**Quoted Eurobonds**" in those cases where they are listed on a recognised stock exchange and so long as they continue to be so listed. Securities will be treated as listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) in accordance with the provisions of that part or they are officially listed, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the United Kingdom in which there is a recognised stock exchange. The London Stock Exchange is a recognised stock exchange and, accordingly, the Notes will constitute quoted Eurobonds provided that they are and continue to be included in the United Kingdom official list and admitted to trading on the Regulated Market of that Exchange. The Irish Stock Exchange and the Luxembourg Stock Exchange is each a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the main market of either such exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In all cases falling outside the exemption described above, Interest on the notes may fall to be paid under deduction of United Kingdom income tax at the basic rate, currently 20 per cent., subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation Treaty or to any other exemption which may apply.

Provision of Information

Noteholders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the Beneficial Owner of the Interest) from any person in the United Kingdom who either pays or credits Interest to or receives Interest for the benefit of a Noteholder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any notes which constitute "deeply discounted securities" for the purposes of section 430 of the Income Tax (Trading and Other Income) Act 2005 (although, in this regard, HMRC published guidance for the year 2013/2014 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

European Union Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of Interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Tax Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Other Rules Relating to United Kingdom Withholding Tax

1. Where Interest has been paid under deduction of United Kingdom income tax, Holders 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 in any applicable double taxation Treaty.

2. The references to "**Interest**" above mean "**Interest**" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "Interest" or "principal" which may prevail under any other law or which may be created by the Conditions of the notes or any related documentation.

3. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuing Entity and does not consider the tax consequences of any such substitution.

4. The notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any of these notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above.

5. Where notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of Interest. Payments of Interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

United Kingdom Stamp Taxes

No U.K. stamp duty or stamp duty reserve tax is payable on the issue or transfer of, or any agreement to transfer, the global notes or an Individual Note Certificate, if the relevant notes meet certain conditions. The conditions are, broadly speaking, that the notes must be loan capital which does not carry and has at no time carried a right of conversion into, or to the acquisition of, shares or other securities, and which does not carry and has at no time carried (i) a right to Interest the amount of which exceeds a reasonable

commercial return on the nominal amount of the notes, (ii) (subject to a limited exception) a right to Interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or of any part of, a business or to the value of any property or (iii) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the UKLA. The above is a general description, and should not be relied upon in relation to notes issued pursuant to any particular Final Terms or Drawdown Prospectus without seeking further advice.

U.K. Tax Overview for US Noteholders

A US Noteholder will not be considered to be resident in the United Kingdom for United Kingdom tax purposes or otherwise subject to United Kingdom taxation on its income from the notes (other than tax withheld at source as discussed above) solely by reason of its holding of notes.

U.K. Tax Overview for Noteholders within the Charge to U.K. Corporation Tax, Income Tax, Capital Gains Tax or Inheritance Tax

Noteholders who are within the charge to U.K. corporation tax, income tax, capital gains tax or inheritance tax will generally be subject to tax in respect of their notes in accordance with the applicable legislation. Certain exemptions and reliefs may be available to certain categories of Noteholders where all relevant conditions are satisfied.

MATERIAL JERSEY TAX CONSIDERATIONS

Taxation of the Receivables Trustee in Jersey

The following summary of the anticipated tax treatment in Jersey of the Receivables Trustee is based on Jersey taxation law and practice in force at the date of this document and does not constitute legal or tax advice. Prospective investors should consult their professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of notes under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that tax rules and practice and their interpretation may change.

The Receivables Trustee will from the calendar year 2009 fall to be assessed under Article 123C of the Income Tax (Jersey) Law 1961, as amended (the "**1961 Law**"), as a non-financial services company, and as such will be subject to a general zero rate of income tax on all income other than receipts chargeable to tax under Schedule A of the 1961 Law (which relates broadly to income derived from the ownership of disposal of land in Jersey).

Goods and Services Tax

From 6 May 2008, a goods and services tax ("**GST**") applies. The current standard rate is five per cent. (5 per cent.) on the majority of goods and services supplied in Jersey for local use or benefit. The Receivables Trustee as an International Services Entity under the Goods and Services Tax (Jersey) Law 2007 (the "**GST Law**") will be required to pay an annual fee to the Comptroller of Income Tax in Jersey, which is currently fixed at £200. As an International Services Entity the Receivables Trustee will not be required to charge GST and in most situations will not be subject to a GST charge on goods and services provided to it.

As at the date of this Base Prospectus, Jersey has no capital gains tax and no inheritance tax or gift tax. No stamp duty or similar taxes are payable in Jersey in connection with the issue, redemption or sale of the notes.

European Union Directive on the Taxation of Savings Income

On 3 June 2003, the European Union ("**EU**") Council of Economic and Finance Ministers adopted a directive on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**"). From 1 July 2005, each EU Member State is required to provide to the tax authorities of another EU Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to or for the benefit of an individual resident in that other EU Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding tax system for a transitional period in relation to such payments. Belgium has replaced this withholding tax system with a regime of exchange of information to the Member State of residence as from 1 January 2010.

Jersey is not subject to the EU Savings Tax Directive. However, in keeping with Jersey's policy of constructive international engagement, the States of Jersey has introduced a retention tax system in respect of payments of interest, or other similar income, made to an individual Beneficial Owner resident in an EU Member State by a Paying Agent situate in Jersey (the terms "**Beneficial Owner**" and "**Paying Agent**" are defined in the EU Savings Tax Directive). The retention tax system will apply for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. The transitional period will end only after all EU Member States apply automatic exchange of information and the EU Member States unanimously agree that the United States of America has committed to exchange of information upon request. During this transitional period, such an individual Beneficial Owner resident in an EU Member State will be entitled to request a Paying Agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the Beneficial Owner is resident.

Under the implementation of the retention tax system in Jersey the Receivables Trustee will not be obliged to levy retention tax in respect of interest payments made by it to a Paying Agent.

U.S. WITHHOLDING TAX UNDER FATCA

In order to receive payments free of U.S. withholding tax under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "FATCA"), the Issuer and financial institutions through which payments on the Notes are made may be required to withhold at a rate of up to 30% on all, or a portion of, payments in respect of the Notes made after 31 December 2016. This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which the final regulations that define "foreign passthru payments" are published) unless the Notes are characterized as equity for U.S. federal income tax purposes

The Issuer may enter into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information about investors. Under such an agreement, withholding may be triggered if: (a) an investor does not provide information sufficient for the relevant party to determine whether the investor is a U.S. person or should otherwise be treated as holding a ''United States Account'' of the Issuer, (b) an investor does not consent, where necessary, to have its information disclosed to the IRS or (c) any investor or person through which payment on the Notes is made is not able to receive payments free of withholding under FATCA.

The United States and the United Kingdom entered into an intergovernmental agreement to implement FATCA (the "**UK IGA**"). Under the current provisions of the UK IGA, a foreign financial institution that is treated as resident in the United Kingdom and that complies with the requirements of the UK IGA, will not be subject to FATCA withholding on payments it receives and will not be required to withhold on payments of non-U.S. source income. The United States is in the process of negotiating intergovernmental agreements to implement FATCA with a number of other jurisdictions. Different rules than those described above may apply if a payee is resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA.

Whilst the Notes are in global form and held within Euroclear or Clearstream (together, the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by us, any paying agent and the depositary, common depositary or common safekeeper, given that each of the entities in the payment chain beginning with us and ending with the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, Definitive Notes will only be printed in remote circumstances.

FATCA may affect payments made to other clearing organizations, custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once payment has been made to the depositary, common depositary or common safekeeper for the clearing systems (as holder of the Notes) and the Issuer will have no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The discussion of tax matters in this Base Prospectus is not intended or written to be used, and cannot be used by any person, for the purpose of avoiding U.S. federal, state or local tax penalties, and was written to support the promotion or marketing of the notes. Each taxpayer should seek advice based on such person 's particular circumstances from an independent tax adviser.

The following discussion addresses the material U.S. federal income tax considerations of acquiring, holding and disposing of the notes that are offered for sale in the United States (the "**U.S. Offered Notes**"). This discussion has been prepared and reviewed by Clifford Chance U.S. LLP ("**U.S. Tax Counsel**").

This discussion does not address all aspects of U.S. federal tax law. In particular, except as specifically indicated in this discussion, it addresses only purchasers in the original offering that purchase U.S. Offered Notes at their original issue price and hold the U.S. Offered Notes as capital assets for U.S. federal income tax purposes. It does not address special U.S. federal income tax considerations that may be relevant to particular investors in light of their individual investment circumstances or to certain types of investors subject to special tax rules – e.g. financial institutions, insurance companies, regulated investment companies, real estate investment trusts, tax-exempt entities, dealers or traders in securities or currencies, U.S. expatriates, investors holding the U.S. Offered Notes as part of a conversion transaction, hedge, integrated transaction, constructive sale transaction or as a position in a straddle for tax purposes, or persons whose functional currency, for U.S. federal income tax purposes, is not the U.S. dollar. Further, this discussion does not address alternative minimum tax consequences or any tax considerations to holders of interests in a Noteholder. In addition, this discussion does not address any state, local, non-U.S. or other tax considerations.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), the Regulations promulgated thereunder and administrative and judicial authorities, all as in effect on the date of this Base Prospectus and all of which are subject to change, possibly on a retroactive basis. There are no authorities directly addressing transactions substantially identical to this Programme and no ruling on any of the consequences or issues discussed below will be sought from the U.S. Internal Revenue Service (the "**IRS**") in connection with this Programme. Prospective investors are urged to consult their own tax advisers about the U.S. federal income tax consequences of an investment in the U.S. Offered Notes, as well as the treatment of the investment under the laws of any state, local or non-U.S. taxing jurisdictions, in light of their particular circumstances.

For the purposes of this discussion, a "**U.S. Holder**" means a Beneficial Owner of U.S. Offered Notes that is, for U.S. federal income tax purposes:

(i) an individual who is a citizen or resident of the United States;

(ii) a corporation, or other entity treated as a corporation, created in or under the laws of the United States, any state, any political subdivision of any state or the District of Columbia;

(iii) an estate whose income is includible in gross income for U.S. federal income tax purposes without regard to source; and

(iv) 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 United States Persons (as defined in the Code) have the authority to control all substantial decisions of the trust.

A "**Non-U.S. Holder**" generally means a Beneficial Owner of U.S. Offered Notes (other than a partnership or an entity treated as a partnership for U.S. tax purposes) that is not a U.S. Holder.

If an entity treated as a partnership for U.S. federal income tax purposes invests in the U.S. Offered Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership.

Tax Status of the Receivables Trust, the MTN Issuing Entity and the Issuing Entity

It is presently contemplated that each of the Receivables Trust, the MTN Issuing Entity and the Issuing Entity will conduct their respective activities, including activities undertaken on their behalf, such as

servicing activities, entirely outside of the United States. In that regard, assuming that the activities of each of the Receivables Trust, the MTN Issuing Entity and the Issuing Entity are, as contemplated, conducted entirely outside of the United States, and assuming each of these entities makes no investments that are subject to withholding of U.S. federal income tax, U.S. Tax Counsel is of the opinion that, although there is no authority addressing a transaction closely comparable to that contemplated herein, and hence the matter cannot be free from doubt, each of the Receivables Trust, the MTN Issuing Entity and the Issuing Entity will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes and that each of these entities will not be subject to U.S. federal income tax on its net income.

The determination of whether a person is engaged in a U.S. trade or business is based on a highly factual analysis, there is no direct guidance as to which activities constitute being engaged in a trade or business within the United States, and it is unclear how a court would construe the existing indirect authorities. A non-U.S. corporation deemed to be engaged in a U.S. trade or business through a fixed place of business in the United States would be subject to U.S. federal income tax, as well as the branch profits tax, on its income which is treated as effectively connected with the conduct of that trade or business. Such income tax, if imposed, would be based on effectively connected income computed in a manner generally analogous to that applied to the income of a domestic corporation, except that the non-U.S. corporation would be entitled to deductions and credits for a taxable year only if it timely files a U.S. federal income tax return for that year. None of the Receivables Trust, MTN Issuing Entity and Issuing Entity intend to file such returns, even as a protective measure. The maximum U.S. federal income tax rates are currently 35 per cent. for a corporation's effectively connected income and 30 per cent. for the branch profits tax, resulting in an effective maximum U.S. federal income tax rate of 54.5 per cent. The branch profits tax is imposed each year on a corporation's effectively connected earnings and profits, with certain adjustments, deemed repatriated out of the United States.

Tax Treatment of the U.S. Offered Notes

Except as otherwise provided in the applicable Drawdown Prospectus, the Issuing Entity will treat the Class A Notes, the Class B and the Class C U.S. Offered Notes as debt in the Issuing Entity for U.S. federal income tax purposes. Each investor in such a note, by acceptance of such note, will agree to treat such note as debt in the Issuing Entity for U.S. federal income tax purposes. The Issuing Entity also intends to treat the Class D Notes as debt for U.S. federal income tax purposes. However, the IRS could assert, and a court could ultimately hold, that the Class D Notes are equity in the Issuer for U.S. federal income tax purposes.

For the U.S. Offered Notes that will be treated as debt by the Issuing Entity for U.S. federal income tax purposes, then, although there is no authority addressing the characterisation of securities with terms similar to the U.S. Offered Notes under current law, and while not free from doubt, U.S. Tax Counsel will render an opinion that such notes will be treated as debt for U.S. federal income tax purposes. The opinion of U.S. Tax Counsel is not binding on the IRS, and no assurance can be given that the characterisation of the U.S. Offered Notes as debt would prevail if the issue were challenged by the IRS. Prospective investors should consult with their own tax advisers as to the effect of a recharacterisation of the U.S. Offered Notes as equity interests in the Issuing Entity.

Notes that are Classified as debt for U.S. federal income tax purposes will be subject to the rules discussed under "**Tax Treatment of Notes Classified as Debt**" below. Notes that are Classified as equity in the Issuing Entity for U.S. federal income tax purposes will be subject to the rules discussed under "**Tax Treatment of Notes Classified as Equity**" below. An investment in such notes may have materially adverse tax consequences for U.S. Holders.

Tax Treatment of Notes Classified as Debt

Payments of Interest. The U.S. Offered Notes may be treated as having been issued with original issue discount – "**OID**" – for U.S. federal income tax purposes, in which case the OID will be taxed as described below. To the extent not subject to the OID rules, interest on the U.S. Offered Notes will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

The total amount of OID on a note is the excess of its stated redemption price at maturity over its issue price. The issue price for the U.S. Offered Notes is the price at which a substantial portion of the relevant

U.S. Offered Notes are first sold to the public. In general, the stated redemption price at maturity of a note is the sum of all payments made on the note other than payments of "qualified stated interest". Qualified stated interest is interest that (i) is payable at least annually over the entire life of the note and (ii) is based on a single fixed rate or variable rate – or certain combinations of fixed and variable rates. It is possible that the IRS could take the position that the possibility of Deferred Interest may prevent all interest payments on the U.S. Offered Notes from being classified as qualified stated interest. However, it is expected that under the relevant regulations this position would not prevail if advanced by the IRS. If the deferral of an interest payment actually occurs, solely for purposes of the OID rules, the U.S. Offered Notes would be treated as retired and reissued at a price equal to their fair market value at that time and the remaining interest payments would likely not be considered qualified stated interest in which case they would be added to the principal amount for purposes of determining the stated redemption price at maturity and OID on the U.S. Offered Notes.

If any of the U.S. Offered Notes are issued at a discount of an amount equal to or greater than 0.25 per cent. of that note's stated redemption price at maturity multiplied by the note's weighted average maturity, then that note will be deemed to bear OID. For these purposes, the weighted average maturity of a note is computed based on the number of full years each amount included in the stated redemption price at maturity is scheduled to be outstanding.

A U.S. Holder – including a U.S. Holder that accounts for payments under the cash method for U.S. federal income tax purposes – of a note deemed to bear OID generally would be required to accrue OID on the relevant note for U.S. federal income tax purposes on a constant yield basis. This would require the inclusion of OID in income in advance of the receipt of cash attributable to that income.

Interest payments on a note generally will constitute foreign source income for U.S. federal income tax purposes. Subject to generally applicable limitations and restrictions, any non-U.S. withholding tax imposed on interest payments may be give rise to a tax credit or deduction for U.S. Holders. These rules are extremely complex and prospective investors should consult their own tax advisers concerning the application of these rules to their particular circumstances.

Foreign Currency Considerations: A U.S. Holder of a U.S. offered note that is denominated in a currency other than U.S. Dollars (a "**Foreign Currency**") that uses the cash method of accounting must include in income the U.S. dollar value of Foreign Currency interest paid when received. Foreign Currency interest received is translated at the U.S. dollar spot rate of the Foreign Currency 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 U.S. offered note will therefore generally not have exchange gain or loss on receipt of a Foreign Currency interest payment but may have exchange gain or loss upon disposing of the Foreign Currency received at a later Date.

A U.S. Holder of a U.S. offered note that uses the accrual method of accounting and a U.S. Holder of a U.S. offered note that bears OID, regardless of the method of accounting used, will be required to include in income the U.S. dollar value of Foreign Currency 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 Foreign Currency 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). The U.S. Holder recognises exchange gain or loss to the extent the U.S. dollar value of the Foreign Currency on the date the payment is received differs from the rate at which the income was accrued. Under the second method, a U.S. Holder can elect to accrue interest at the Foreign Currency spot rate on the last day of an Accrual Period (with respect to an Accrual Period that spans two taxable years, the last day of the partial period in the taxable year is used) 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.

U.S. Holders should consult their own tax advisers regarding the method to measure the U.S. dollar value of payments and the treatment of and Foreign Currency received.

Disposition or Retirement. Upon the sale, exchange or retirement of a note – including pursuant to a redemption by the Issuing Entity prior to its maturity date – a U.S. Holder will recognise gain or loss equal to the difference between the amount realised and the U.S. Holder's adjusted tax basis in the

relevant note. The amount realised does not include any amount attributable to accrued but unpaid qualified stated interest, which will be treated like a payment of interest. In general, a U.S. Holder's adjusted tax basis in a note will be equal to the U.S. Holder's cost for such debt instrument, plus any OID and less the amount of any payments received by the U.S. Holder that are not payments of qualified stated interest. Generally, any gain or loss recognised by the U.S. Holder will be capital gain or loss and will be long-term gain or loss if the note was held for more than one year. Long term capital gains or non-corporate U.S. Holders are generally taxed at preferential rates. The deductibility of capital losses is subject to limitations. Generally, gain or loss recognised by a U.S. Holder on the sale, exchange or retirement of a note will be U.S. source gain or loss.

Foreign Currency Considerations. The amount realised on the sale, exchange, redemption or retirement of a U.S. offered note denominated in a Foreign Currency is treated as currency exchange gain or loss to the extent attributable to fluctuations in exchange rates between the time the note was acquired and the date of disposition. This gain or loss will equal the difference between the U.S. dollar value of the principal amount of the notes on the date of disposition or receipt of redemption proceeds, as applicable, and the U.S. dollar value of the principal amount on the date the U.S. Holder acquired the note. This gain or loss will be realised only to the extent of the total gain or loss realised by a U.S. Holder on the disposition or retirement of the note and will be treated as ordinary income or loss. Gain or loss in excess of exchange gain or loss on a U.S. offered note will generally be treated as U.S. source capital gain or loss.

U.S. Holders should consult their own tax advisers regarding the method to measure the U.S. dollar value of payments and the treatment of and Foreign Currency received.

Tax Treatment of Notes Classified as Equity

Investment in a Passive Foreign Investment Company. Because of the nature of the income of the Issuing Entity, the Issuing Entity would constitute a passive foreign investment company – or "**PFIC**". Accordingly, except as provided below under "***Controlled Foreign Corporation Rules***", U.S. Offered Notes treated as equity will be subject to the PFIC rules discussed below.

In general, U.S. Holders treated as shareholders of a PFIC would be subject to adverse tax rules on any gain (including gain realised on a pledge of the notes that would not otherwise be a taxable event for U.S. federal income tax purposes) and certain interest payments. Such amounts will be allocated to each day in the U.S. Holder's holding period in a note. Amounts allocable to the year of the gain or interest payment are taxable as ordinary income and amounts allocable to prior years are subject to tax at the highest rates that could be assessed in such year against a corporate or non-corporate investor, as applicable. In addition, the tax owed on amounts allocated to a prior year are subject to an interest charge calculated from the due date for the return for such prior year until the due date of the year of the gain or interest payment. Interest payments will be subject to these rules to the extent the interest payments for a particular taxable year exceed 125 per cent. of the average amount of interest payments (or other payments treated like distributions for U.S. federal income tax purposes) received by the U.S. Holder during the prior three years (or, if shorter, over the U.S. Holder's holding period in the notes).

U.S. Holders may elect to be subject to different rules, which may mitigate the consequences discussed above, if they are eligible to make either of two elections that can be made with respect to investment in certain PFICs. It is uncertain whether either election would be available to a U.S. Holder for the U.S. Offered Notes.

The first election is to treat the Issuing Entity as "qualified electing fund" (or "**QEF**"). If a U.S. Holder is able to and makes a QEF election with respect to a note with its tax return for the first taxable year in which it is a U.S. Holder, the U.S. Holder generally would be required to include its *pro rata* share of the Issuing Entity's ordinary income and net capital gains in income for each taxable year and pay tax on it, even if such income and gain were not distributed to the U.S. Holder. In some cases, an electing U.S. Holder might be entitled to defer tax on such income or gains until the U.S. Holder receives corresponding payments, but would have to pay an interest charge on such deferred tax liabilities. Losses of the Issuing Entity would not, however, be deductible by the U.S. Holder. If the Issuing Entity later distributed the income or gain on which a U.S. Holder had already paid tax, the U.S. Holder would not be taxed on such payments again. A U.S. Holder's tax basis in such a note would be increased by the amounts included in income under this regime and decreased by the amount of non-taxable distributions received. In general, a U.S. Holder making a QEF election would recognize capital gain or loss on a

disposition of its U.S. Offered Notes in an amount equal to the difference, if any, between the amount realized upon such disposition and the tax basis in such U.S. Offered Notes. Once made, a QEF election cannot be revoked without the consent of the IRS.

The QEF election would be effective only if certain required information is made available by the Issuing Entity to investors. The Issuing Entity, however, does not intend to provide investors with this information and, accordingly, no assurance can be given to investors that any QEF election made with respect to U.S. Offered Notes would be effective.

A second election that can sometimes be made with respect to an interest in a PFIC is a mark-to-market election. This election would be available if the notes are regularly traded on an exchange that the IRS determined to be qualified for these purposes. Although the Issuing Entity believes that each Class of U.S. Offered Notes will be listed on a qualified exchange, the notes will only be considered to be regularly traded for any calendar year during which they are traded, other than in *de minimis* quantities, on at least 15 days during each calendar quarter. No assurance can be made, and no representation is being given, that the U.S. Offered Notes would be eligible for the mark to market election.

If a U.S. Holder properly makes the "mark to market election", it would be required to recognise each year as ordinary income an amount equal to the excess, if any, of the fair market value of the notes at the close of the year over the U.S. Holder's adjusted tax basis in the notes. For this purpose, a U.S. Holder's adjusted basis would generally be the U.S. Holder's cost for the notes, increased by the amount previously included in the U.S. Holder's income pursuant to this mark to market election and decreased by any amount previously allowed to the U.S. Holder as a deduction pursuant to this election. If, at the close of the year, the U.S. Holder's adjusted tax basis exceeded the fair market value of the notes, then the U.S. Holder could deduct any of this excess ordinary income, but only to the extent of net mark to market gains previously included in income. Any gain from the actual sale of the notes would be treated as ordinary income, and any loss would be treated as ordinary loss to the extent of net mark to market gains previously included in income.

Regardless of whether any election is made with respect to notes that are treated as interests in a PFIC, a U.S. Holder would have additional U.S. tax form filing requirements as a result of the investment. Because the Issuing Entity does not expect the QEF election to be available to an investor to mitigate the effect of the PFIC provisions, and it is unclear whether mark to market would be available either, U.S. Holders should be aware of the potentially materially adverse tax consequences arising under the PFIC provisions discussed above.

Foreign Currency Considerations: For purposes of calculating any deemed distribution of earnings of the Issuing Entity under the PFIC rules, the amount of such earnings is determined in the functional currency of the Issuing Entity, and translated into U.S. Dollars at the average exchange rate for the taxable year of the Issuing Entity. 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 may recognise Foreign Currency gain or loss attributable to fluctuations in exchange rates between the times of deemed and actual payment by the Issuing Entity. Any such currency gain or loss will be treated for as ordinary income from the same source as the associated income inclusion.

Controlled Foreign Corporation Status. If a U.S. Holder is treated as owning, directly or through attribution, 10 per cent. or more of the combined voting power of the Issuing Entity and 50 per cent. or more of its combined voting power is treated as being owned by U.S. Persons (as defined in the Code), the U.S. Holder would be subject to the Controlled Foreign Corporation Rules, and not the PFIC rules, with respect to the notes. Very generally, the U.S. Holder would be required to include in income its *pro rata* share of the earnings and profits of the Issuing Entity without making any elections. It would also be subject to additional U.S. tax form filing requirements. U.S. Holders that might be subject to these rules should consult their own tax advisers about the application to their particular circumstances.

Reporting Requirements

There are a number of different reporting requirements that might apply to the acquisition, ownership and disposition of notes. For example, there are special reporting rules that apply to certain acquisitions of interests in non-U.S. corporations, that apply to persons deemed to be engaged in "**Reportable Transactions**" with respect to their investments in non-U.S. corporations and that apply to investments in PFICs and controlled foreign corporations. The penalty for failing to properly comply with these

reporting requirements can be very significant and be materially adverse to an investor. U.S. Holders should consult their own tax advisers regarding any filing requirements that may be applicable to their acquisition, ownership and disposition of notes.

Non-U.S. Holders

Subject to the discussion of backup withholding below and FATCA, an investment in the U.S. Offered Notes by Non- U.S. Holders generally will not give rise to any U.S. federal income tax to the Non-U.S. Holders, unless the income received on, or any gain recognised on the sale or other disposition of their U.S. Offered Notes is:

(i) treated as effectively connected with the conduct of a trade or business in the United States; or

(ii) in the case of gain recognised by an individual, the individual is present in the United States for 183 days or more and certain conditions are met.

Non-U.S. Holders should consult their own tax advisers about the U.S. federal income tax consequences of an investment in the U.S. Offered Notes.

Information Reporting and Backup Withholding

Information reporting may apply to payments received on or in connection with notes unless the recipient establishes, if required, that it is not subject to the information reporting rules (such as, for example, by establishing it is a corporation or non-U.S. Person for U.S. federal income tax purposes). Payments that are subject to these information reporting rules may be subject to backup withholding if the recipient does not provide its U.S. taxpayer identification number and otherwise comply with the backup withholding rules. Any amounts deducted and withheld would be allowed as a credit against such recipient's U.S. federal income tax, and may give rise to a refund, provided a timely return containing the required information is filed with the IRS.

ERISA AND CERTAIN OTHER U.S. CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended – called "**ERISA**"- and Section 4975 of the Code impose requirements on "employee benefit plans" (as defined in ERISA), subject to Title I of ERISA, and some other "plans", subject to Section 4975 of the Code, and arrangements, including individual retirement accounts and annuities, Keogh Plans and certain collective investment funds, insurance company general or separate accounts or other entities in which these Plans, accounts or arrangements are invested, that are subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code. Such entities are referred to herein as "**Plans**" and their assets, to the extent subject to ERISA or Section 4975 of the Code, are called "**Plan Assets**". ERISA also imposes general fiduciary requirements on persons who are fiduciaries of Plans subject thereto for the investment of Plan Assets, including those of investment prudence and diversification and the requirement that a Plan's investments be made in accordance with the documents governing the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving Plan Assets and persons (referred to as "parties in interest" or "disqualified persons" – called "**Parties in Interest**" – who have specified relationships to a Plan or its Plan Assets, unless a statutory or administrative exemption is available. Parties in Interest that participate in a non-exempt prohibited transaction may be subject to a penalty imposed under ERISA or an excise tax imposed under Section 4975 of the Code. Also, Plan fiduciaries who cause a plan to engage in a non-exempt prohibited transaction may be subject to liability under ERISA. The details of these prohibited transaction rules are contained in Section 406 of ERISA and Section 4975 of the Code.

Any fiduciary or other Plan investor considering whether to purchase the notes with Plan Assets of any Plan should determine whether that purchase, if permitted, is consistent with its fiduciary duties and whether that purchase would constitute or result in a non-exempt prohibited transaction under ERISA and/or Section 4975 of the Code because any of Barclays, the Issuing Entity, the Receivables Trustee, the MTN Issuing Entity, the Servicer, the Note Trustee, the Security Trustee or any other party may be or might become Parties in Interest with respect to the investing Plan and may be deemed to be benefiting from the issuance of the notes. If Barclays, the Issuing Entity, the Receivables Trustee, the MTN Issuing Entity, the Servicer, the Note Trustee or the Security Trustee is a Party in Interest with respect to the prospective Plan investor, the Issuing Entity suggests that any fiduciary or other Plan investor considering whether to purchase or hold the notes consult with its counsel regarding the availability of exemptive relief under ERISA or Section 4975 of the Code or under U.S. Department of Labor – "**DOL**" – prohibited transaction Class exemptions, or any other prohibited transactions exemption issued by the DOL. A purchaser of the notes should be aware, however, that even if the conditions specified in one or more of the above-referenced exemptions are met, the scope of the exemptive relief provided by the exemption might not cover all acts that might be construed as prohibited transactions.

In addition, under DOL Regulation Section 25103.101, as modified by Section 3(42) of ERISA – called the "**Plan Asset Regulation**" – the purchase with Plan Assets of equity interests in the Issuing Entity could, in certain circumstances, cause the Medium Term Note Certificate and other assets of the Issuing Entity to be deemed Plan Assets of the investing Plan which, in turn, would subject the Issuing Entity and its assets to the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code. Thus, if the underlying assets of the Issuing Entity are deemed to be Plan Assets, the obligations and other responsibilities of Plan Sponsors, Plan fiduciaries and Plan Administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies). In addition, various providers of fiduciary or other services to the Issuing Entity, and any other parties with authority or control with respect to the entity, could be deemed to be Plan fiduciaries or otherwise Parties in Interest by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

Equity Notes

Unless otherwise provided in an applicable Drawdown Prospectus, the Issuing Entity will treat the Class D notes as equity for the purposes of ERISA. Each purchaser of such a note (or any interest in such a note) will be deemed to have represented and agreed by its purchase and holding of the notes that no part of the funds being used to pay the purchase price for those notes constitutes Plan Assets of any Plan or

will constitute Plan Assets while it holds those notes, and that it is not, and for so long as it holds the notes will not be, a Plan.

Debt Notes

Unless otherwise provided in an applicable Drawdown Prospectus, the Issuing Entity will treat the Class A Notes, the Class B Notes and the Class C Notes as debt of the Issuing Entity for purposes of ERISA. Each purchaser of such a note (or any interest in such a note) will be deemed to have represented that either (a) (i) it is not, and no part of the funds being used to pay the purchase price for those notes constitutes Plan Assets of any Plan or will constitute Plan Assets while it holds those notes, and (ii) that it is not, and for so long as it holds the notes will not be, a Plan or (b) the purchase and holding of such notes do not and will not constitute, result in or otherwise involve a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. Any purchaser of a note (or any interest in a note) that is or will be an employee benefit plan that is not subject to ERISA or Section 4975 of the Code but is subject to any U.S. Federal, State or local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"), will be deemed to represent that its purchase and holding of those notes do not and will not violate any such substantially Similar Law.

Without limiting the foregoing, the notes may not be purchased or held by any Plan, or any person investing Plan Assets of any Plan, if any of Barclays, the Issuing Entity, the Receivables Trustee, the MTN Issuing Entity, the Servicer, the Note Trustee, Security Trustee or any of their respective affiliates (a) has investment or administrative discretion with respect to the Plan Assets used to effect the purchase; (b) has authority or responsibility to give, or regularly gives, investment advice with respect to the Plan Assets, for a fee and pursuant to an agreement or understanding that the advice (1) will serve as a primary basis for investment decisions for the Plan Assets and (2) will be based on the particular investment needs of that Plan; or (c) unless a prohibited transaction Class exemption is applicable, is an employer maintaining or contributing to that Plan. Each purchaser or Holder of the notes or any interest in the notes will be deemed to have represented by its purchase and holding of the notes that it is not subject to the foregoing limitation.

Accordingly, the Issuing Entity suggests that prospective employee benefit plan investors, whether or not subject to ERISA or Section 4975 of the Code, consult with their own legal and other advisers concerning the impact of ERISA and the Code and, particularly in the case of employee benefit Plans not subject to ERISA, any additional U.S. state and local law or non-U.S. law considerations, as applicable.

PLAN OF DISTRIBUTION

On 3 December 2008 the Issuing Entity entered into a programme dealer agreement with, among others, Barclays in its capacity as Note Series dealer and Arranger and Barclays Capital Inc. in its capacity as Note Series dealer together with any other Series Dealer that may in the future become a party to the programme dealer agreement as provided therein in connection with the distribution of notes issued under the Programme. The programme dealer agreement does not impose any obligation on the Series Dealers to purchase, or on the Issuing Entity to issue, any notes, but provides the general terms and conditions under which the Issuing Entity and one or more Series Dealers may agree to the issuance by the former and the purchase by the latter of one or more Note Series, in accordance with one or more Note Series subscription agreements based on forms set out in the programme dealer agreement or such other form as may be agreed between the Issuing Entity and the relevant Series Dealer or Series Dealers.

In addition, because the provisions of the programme dealer agreement are not exclusive, the Issuing Entity may offer and sell the notes in any of three ways:

(i) directly to one or more purchasers;

(ii) through agents; or

(iii) through Series Dealers.

Any Series Dealer or agent that offers the notes may be an affiliate of the Issuing Entity and/or Barclays, and offers and sales of notes may include secondary market transactions by these affiliates. These affiliates may act as principal or agent in secondary market transactions. Secondary market transactions will be made at prices related to prevailing market prices at the time of sale.

The notes may be offered to the public either through syndicates represented by one or more Series Dealers or directly by one or more firms acting alone. Unless otherwise described in the Drawdown Prospectus, the obligation of the Series Dealers to purchase any notes will be subject to various conditions precedent.

Series Dealer trading may take place in some of the notes. Direct sales may be made on a national securities exchange or otherwise. If the Issuing Entity, directly or through agents, solicits offers to purchase notes, the Issuing Entity reserves the sole right to accept and, together with its agents, to reject in whole or in part any proposed purchase of notes.

The Issuing Entity may change any initial public offering price and any discounts or concessions allowed or reallowed or paid to Series Dealers. The Issuing Entity may authorise Series Dealers or agents to solicit offers by certain institutions to purchase securities from the Issuing Entity pursuant to delayed delivery contracts providing for payment and delivery at a future date.

Purchasers of notes, including Series Dealers, may, depending on the facts and circumstances of the purchases, be deemed to be "**Underwriters**" within the meaning of the Securities Act in connection with re-offers and sales of the notes by them. Noteholders should consult with their legal advisers in this regard prior to any re-offer or sale.

Underwriters and agents participating in the distribution of the securities, and their controlling person s, may engage in transactions with and perform services for the Sponsor, the Issuing Entity or their affiliates in the ordinary course of business.

Barclaycard will be the Sponsor, Originator Beneficiary and Servicer.

Nature of certain Series Dealer obligations

After a public offering, the public offering price and other selling terms may be changed by the Series Dealer.

In connection with the sale of a Note Series, a Series Dealer may engage in:

· over-allotments, in which members of the syndicate selling Note Series sell more notes than the Issuing Entity actually sold to the syndicate, creating a syndicate short position;

- stabilising transactions, in which purchases and sales of Note Series may be made by the members of the selling syndicate at prices that do not exceed a specified maximum;

- syndicate covering transactions, in which members of the selling syndicate purchase Note Series in the open market after the distribution has been completed in order to cover syndicate short positions; and

- penalty bids, by which Series Dealers reclaim a selling concession from a syndicate member when any of the Note Series originally sold by that syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions.

Stabilising transactions, syndicate covering transactions and penalty bids may cause the price of a Note Series to be higher than it would otherwise be. These transactions, if commenced, may be discontinued at any time.

The Issuing Entity may agree to indemnify any Lead Manager, Series 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 Issuing Entity's notes.

Selling Restrictions

Selling restrictions may be supplemented or modified with the agreement of the Issuing Entity. Any such supplement or modification and any additional selling restrictions will be set out in the relevant Drawdown Prospectus and the relevant Note Series subscription agreement.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Series Dealer has represented and agreed with the Issuing Entity that:

(i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000, called the "**FSMA**" with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom; and

(ii) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity – within the meaning of Section 21 of 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 Issuing Entity.

Public Offer Selling Restrictions Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Series Dealer has represented, warranted and agreed, and each further Series Dealers appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of notes which are the subject of the offering contemplated by the Base Prospectus (as completed by the Final Terms) or Drawdown Prospectus in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such notes to the public in that Relevant Member State:

(i) *Authorised institutions*: at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(ii) *Significant enterprises*: at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts;

(iii) *Fewer than 100 offerees*: at any time to fewer than 100 (or, if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU (the "**2010 Prospectus Amending**

Directive"), 150) natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Series Dealer or dealers nominated by the Issuing Entity for any such offer; or

(iv) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes referred to in (i) to (iv) above shall require the Issuing Entity or any Series Dealer to publish a Base Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Base Prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**Offer of Notes to the Public**" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 Prospectus Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

United States of America

The notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each Series Dealer has represented and agreed that, except as permitted by the programme dealer agreement or relevant Note Series subscription agreement, it will not offer, sell or deliver the notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. Persons and that it will have sent to each dealer to which it sells notes (other than a sale pursuant to Rule 144A) during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. Persons substantially to the following effect:

"The securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Person s, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meanings given to them by Regulation S".

In addition, until 40 days after the commencement of the offering, an offer or sale of notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The programme dealer agreement provides that each Series Dealer may directly or through its U.S. broker dealer affiliate arrange for the offer and resale of notes within the United States only to qualified QIBs in reliance on Rule 144A.

Terms used in this section have the meanings given to them by Regulation S or Rule 144A, as applicable, under the Securities Act.

See also "*ERISA and Certain Other U.S. Considerations*" and "*Transfer Restrictions*".

General

The Series Dealers have represented and agreed that they have complied and will comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer, sell or deliver notes or possess them or distribute the Base Prospectus and will obtain any consent, approval or

permission required by them for the purchase, offer, sale or delivery by them of notes under the laws and Regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries and the Issuing Entity shall have no responsibility for them. Furthermore, they will not directly or indirectly offer, sell or deliver any notes or distribute or publish any Base Prospectus, form of application, offering circular, advertisement or other offering material except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and Regulations, and all offers, sales and deliveries of notes by them will be made on the same terms.

Neither the Issuing Entity nor the Series Dealers represent that notes may at any time lawfully be sold in compliance with any application registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assume any responsibility for facilitating such sale.

With regard to each issue of notes, the Series Dealers will be required to comply with such other additional or modified restrictions, if any, as the Issuing Entity and the Series Dealers shall agree.

The Series Dealers will, unless prohibited by applicable law, furnish to each person to whom they offer or sell notes a copy of the Base Prospectus and Final Terms or Drawdown Prospectus as then amended or supplemented or, unless delivery of the Base Prospectus is required by applicable law, inform each such person that copies will be made available upon request. The Series Dealers are not authorised to give any information or to make any representation not contained in the Base Prospectus in connection with the offer and sale of notes to which the Base Prospectus relates.

Barclays and Barclays Capital Inc. may act as principal or agent in offers and sales related to market-making transactions in the notes. These sales will be made at prices relating to prevailing market prices at the time of sale. Neither Barclays nor Barclays Capital Inc. has an obligation to make a market in the notes, and any market-making may be discontinued at any time without notice.

Barclays will be the initial Originator, the Servicer, the cash manager for the Receivables Trust and the Medium Term Note Certificate, the Originator Beneficiary and Excess Interest Beneficiary and, if specified in the relevant Final Terms or Drawdown Prospectus, the Swap Counterparty.

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.

Rule 144A Notes

Each purchaser of Rule 144A Notes, by accepting delivery of this Base Prospectus and the Rule 144A Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) acting for its own account, or for the account of one or more QIBs and (c) aware, and each Beneficial Owner of the Rule 144A Notes has been advised, that the sale of the Rule 144A Notes to it is being made in reliance on Rule 144A.

2. (i) The Rule 144A Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (d) to the Issuing Entity or an affiliate thereof, or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States and (ii) it will, and each subsequent Holder of the Rule 144A Notes is required to, notify any purchaser of the Rule 144A Notes from it of the resale restrictions on the Rule 144A Notes.

3. Unless otherwise stated in an applicable Drawdown Prospectus, for the Rule 144A Notes that are (i) Class A notes, Class B notes, and Class C notes, either (a) it is not, and no part of the funds being used to pay the purchase price for the Rule 144A Notes constitutes Plan Assets of any Plan

or will constitute Plan Assets while it holds those notes, and that it is not, and for so long as it holds the notes will not be, a Plan, or (b) the purchase and holding of such Rule 144A Notes does not and will not constitute, result in or otherwise involve a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of another employee benefit plan subject to Similar Law, is not in violation of any such Similar Law); and (ii) Class D notes, 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 such Rule 144A Notes (or any interest therein) will not be or be deemed for such purposes to be a Plan. Any purported purchase or transfer of the Rule 144A Notes that does not comply with the foregoing shall be null and void ab initio.

4. The Rule 144A Notes, unless the Issuing Entity determines otherwise in accordance with applicable law, will bear a legend in or substantially in the following form:

THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUING ENTITY THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT 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 PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) TO THE ISSUING ENTITY, OR ITS AFFILIATES.

[THE HOLDER OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (I) IT IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE), AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE ACTING ON BEHALF OF), (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("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 INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE, "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF SUCH NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), IS NOT IN VIOLATION OF ANY SUCH SIMILAR LAW).][11]

[THE HOLDER OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (I) IT IS NOT AND IS NOT DEEMED FOR PURPOSES OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") TO BE (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN ERISA AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE,

[11] To be affixed to Class A notes, Class B notes and Class C notes

"PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.][12]

5. It understands that the Issuing Entity, the Registrars, the relevant Series Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing 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 Issuing Entity and the relevant Series Dealer(s). If it is acquiring any Rule 144A Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

6. It understands that the Rule 144A Notes will be represented by a Rule 144A Global Note. Before any interest in a Rule 144A Global Note 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 Note, it will be required to provide the Registrar with a written certification 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.

Regulation S Notes and Reg S Registered Uncleared Notes

Each purchaser of Regulation S Notes or Reg S Registered Uncleared Notes and each subsequent purchaser of Regulation S Notes or Reg S Registered Uncleared Notes in resales prior to the expiration of the Distribution Compliance Period (as defined in Regulation S), by accepting delivery of this Base Prospectus and the Regulation S Notes or Reg S Registered Uncleared Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Regulation S Notes or Reg S Registered Uncleared Notes are purchased will be, the Beneficial Owner of the Regulation S Notes and (a) it is not a U.S. Person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuing Entity or a person acting on behalf of such an affiliate.

2. It understands that the Regulation S Notes or Reg S Registered Uncleared Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that, prior to the expiration of the Distribution Compliance Period (as defined in Regulation S), it will not offer, sell, pledge or otherwise transfer Regulation S Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account, or for the account of one or more QIBs 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. Unless otherwise stated in an applicable Drawdown Prospectus, for the Regulation S Notes and Reg S Registered Uncleared Notes that are (i) Class A notes, Class B notes, and Class C notes, either (a) it is not, and no part of the funds being used to pay the purchase price for the Regulation S Notes or Reg S Registered Uncleared Notes constitutes Plan Assets of any Plan or will constitute Plan Assets while it holds those notes, and that it is not, and for so long as it holds the notes will not be, a Plan, or (b) the purchase and holding of such Regulation S Notes or Reg S Registered Uncleared Notes does not and will not constitute, result in or otherwise involve a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of another employee benefit plan subject to Similar Law, is not in violation of any Similar Law); and (ii) Class D notes, 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 such Regulation S Notes or Reg S Registered Uncleared Notes (or any interest therein) will not be or be deemed for such purposes

[12] To be affixed to Class D notes.

to be a Plan. Any purported purchase or transfer of the Regulation S Notes or Reg S Registered Uncleared Notes that does not comply with the foregoing shall be null and void ab initio.

4. It understands that the Regulation S Notes or Reg S Registered Uncleared Notes, unless otherwise determined by the Issuing Entity in accordance with applicable law, will bear a legend in or substantially in the following form:

THIS [REGULATION S GLOBAL NOTE CERTIFICATE/REG S REGISTERED UNCLEARED NOTE CERTIFICATE] 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 WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (I) AS PART OF ITS DISTRIBUTION AT ANY TIME OR (II) OTHERWISE UNTIL 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"). NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

[THE HOLDER OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (I) IT IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE), AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE ACTING ON BEHALF OF), (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("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 INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE, "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF SUCH NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), IS NOT IN VIOLATION OF ANY SUCH SIMILAR LAW).][13]

[THE HOLDER OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (I) IT IS NOT AND IS NOT DEEMED FOR PURPOSES OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") TO BE (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN ERISA AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE, "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY. ANY

[13] To be affixed to Class A notes, Class B notes and Class C notes.

PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.][14]

5. It understands that the Issuing Entity, the Registrars, the relevant Series Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

6. If applicable, it understands that the Regulation S Notes will be represented by a Regulation S Global Note. Prior to the expiration of the Distribution Compliance Period (as defined in Regulation S), before any interest in a Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note, it will be required to provide the Registrar with a written certification as to compliance with applicable securities laws.

Reg D Registered Uncleared Notes

Each purchaser of Reg D Registered Uncleared Notes, by accepting delivery of this Base Prospectus and the Reg D Registered Uncleared Notes, will be deemed to have represented, agreed and acknowledged that:

1. The Reg D Registered Uncleared Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except in accordance with the restrictions described below, on the legend of the Reg D Registered Uncleared Notes and set out in the relevant Final Terms or Drawdown Prospectus.

2. It is either an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act or is a sophisticated investor with such knowledge and experience in financial and business matters, including but not limited to sales and purchases of the type of debt securities being issued and sold by the Issuing Entity, as to be capable of evaluating the merits and risks of the purchase of the Reg D Registered Uncleared Notes.

3. It has sought and received such financial, accounting, legal and tax advice and has had access to such financial and other information concerning the Issuing Entity and the Reg D Registered Uncleared Notes as it has considered necessary to make an informed investment decision with respect to the Reg D Registered Uncleared Notes, including an opportunity to ask questions of and request information from the Issuing Entity, and it is able to bear the economic risk of an investment in the Reg D Registered Uncleared Notes and can afford a complete loss of such an investment.

4. It is acquiring the Reg D Registered Uncleared 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.

5. The Reg D Registered Uncleared Notes, unless the Issuing Entity determines otherwise in accordance with applicable law, will bear a legend in or substantially in the following form:

THIS REGULATION D REGISTERED UNCLEARED NOTE CERTIFICATE 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 ISSUING ENTITY NOR THE SECURITISED PORTFOLIO HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS THAT IT HAS OBTAINED THIS NOTE IN A TRANSACTION IN COMPLIANCE WITH THE SECURITIES ACT AND ALL OTHER APPLICABLE LAWS OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THE RESTRICTIONS ON SALE AND TRANSFER SET FORTH IN THE NOTE TRUST DEED, DATED 12 DECEMBER 2008 (AS AMENDED AND RESTATED FROM TIME TO TIME),

[14] To be affixed to Class D notes.

BETWEEN THE ISSUING ENTITY AND THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH (THE "NOTE TRUST DEED"). THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, FURTHER REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE (OR ANY INTEREST HEREIN) EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND ALL OTHER APPLICABLE LAWS OF ANY JURISDICTION AND IN ACCORDANCE WITH THE RESTRICTIONS, CERTIFICATIONS AND OTHER REQUIREMENTS SPECIFIED IN THE TRUST DEED (i) TO A TRANSFEREE THAT IS A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (A "QIB") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OR (ii) TO A TRANSFEREE THAT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S OF THE SECURITIES ACT) AND THAT IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSES (i) AND (ii), IN A PRINCIPAL AMOUNT WITH RESPECT TO EACH CLASS OF NOTES OF NOT LESS THAN €100,000 (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 TRUST DEED.

6. It understands that the Issuing Entity, the Registrars, the relevant Series Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

RATINGS OF THE NOTES

Any rating of your notes by a rating agency will indicate:

(i) its view on the likelihood that you will receive timely interest payments and principal payments by the relevant termination Date; and

(ii) its evaluation of the Receivables and the availability of the credit enhancement for your notes.

What a rating will not indicate is:

(i) the likelihood that principal payments will be paid on a Series Scheduled Redemption Date before the relevant termination date;

(ii) the likelihood that a Pay Out Event will occur;

(iii) the likelihood that a withholding tax will be imposed on Noteholders;

(iv) the marketability of your notes;

(v) the market price of your notes; or

(vi) whether your notes are an appropriate investment for you.

A rating will not be a recommendation to buy, sell or hold the notes. A rating may be lowered or withdrawn at any time.

The Issuing Entity will request a rating of the notes from two of the Rating Agencies. Rating agencies other than those requested could assign a rating to the notes, and their rating could be lower than any rating assigned by a rating agency chosen by the Issuing Entity.

LEGAL MATTERS

Matters of English law relating to the validity of the issuance of the notes and certain matters of United Kingdom tax law relating to the notes will be passed upon for the Issuing Entity by Clifford Chance LLP, London, England. Clifford Chance US LLP will act as special US Tax Counsel to the Issuing Entity. Weil, Gotshal & Manges will act as counsel to the Series Dealers with respect to the offering of the notes pursuant to this Base Prospectus and the relevant Final Terms or Drawdown Prospectus.

REPORTS TO NOTEHOLDERS

The Servicer will (on behalf of the Issuing Entity) prepare monthly and annual reports that will contain information about the notes. With respect to any Note Series issued under the Programme, which, as set forth in the Final Terms or Drawdown Prospectus attached to this Base Prospectus, are to be offered and sold in the United States pursuant to an effective registration statement under the Securities Act, if required by the Exchange Act and the rules and Regulations of the SEC thereunder, these monthly reports will be filed with the SEC and available to the public on the SEC internet site (http://www.sec.gov). No reports will be sent to you.

The Trust Cash Manager and the Servicer will provide (on behalf of the Issuing Entity) certain post-issuance transaction information to investors regarding the notes to be admitted to trading on the Regulated Market of the London Stock Exchange and the performance of any underlying collateral on a monthly basis, as required by each series supplement to the Declaration of Trust and Trust Cash Management Agreement. As at the date of this Base Prospectus, such information is available on the Barclays website at http://group.barclays.com/prospectuses-and-documentation/secured-funding/securitisation/gracechurch-card-funding. Such information is not to be considered as incorporated by reference into this Base Prospectus.

LISTING AND GENERAL INFORMATION

We have made an application (i) to the UKLA to admit the notes to the Official List and (ii) to the London Stock Exchange to admit the notes to trading on the Regulated Market of the London Stock Exchange. 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). Each Class of each Note Series intended to be admitted to listing on the Official List of the UKLA and to trading on the Regulated Market of the London Stock Exchange will be so admitted to listing and trading upon submission to the UKLA and the Regulated Market of the London Stock Exchange of this Base Prospectus and any other information required by the UKLA 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.

Notes may also be issued pursuant to the Programme which will be admitted to listing, trading and/or quotation on the Regulated Market of the Irish Stock Exchange or the Luxembourg Stock Exchange if agreed by the Issuing Entity and the relevant Series Dealer(s).

The establishment of the Programme was authorised by board resolutions of the Issuing Entity passed on or about 2 December 2008. The Issuing Entity has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the notes.

Application will be made for the notes (other than the Registered Uncleared Notes) to be accepted for clearance through Euroclear, Clearstream and DTC. The appropriate common code and the International Securities Identification Number ("**ISIN/CUSIP**") in relation to the notes and Note Certificate of each Note Series (other than Registered Uncleared Notes) will be specified in the Final Terms or Drawdown Prospectus relating thereto.

The Trust Cash Manager's functions include producing (on behalf of the Issuing Entity) the monthly investor reports required by the series supplement. With respect to any Note Series issued under the Programme and offered and sold in the United States pursuant to an effective registration statement under the Securities Act, if required by the Exchange Act and the rules and Regulations of the SEC thereunder, these monthly investor reports will be filed with the SEC and available to the public on the SEC internet site (http://www.sec.gov).

The Issuing Entity confirms that the securitised assets backing the issue of each Note Series have characteristics that demonstrate capacity to produce funds to service any payments due and payable on such Note Series. However, investors are advised that this confirmation is based on the information available to the Issuing Entity at the date of the Base Prospectus and may be affected by future performance of such securitised assets.

The MTN Issuing Entity confirms that the securitised assets backing the issue of each series of Medium Term Note Certificates have characteristics that demonstrate capacity to produce funds to service any payments due and payable on such series of Medium Term Note Certificates. However, investors are advised that this confirmation is based on the information available to the MTN Issuing Entity at the date of the Base Prospectus and may be affected by future performance of such securitised assets.

Barclaycard Funding PLC has produced financial statements for year ended 31 December 2011 and the year ended 31 December 2012 which have been prepared in accordance with IFRS. Pursuant to section 228(1)(b) of the Companies Act 1985, these financial statements are non-consolidated financial statements of Barclaycard Funding PLC.

Litigation and Change in Circumstances

There are no, nor since the Issuing Entity's incorporation on 3 October 2008 have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuing Entity is aware) which may have, or have had in the recent past, a significant effect on the Issuing Entity's financial position or profitability.

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 MTN Issuing Entity is aware) during the 12

months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the MTN Issuing Entity's financial position or profitability.

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 Receivables Trustee is aware) during the 12 months before the date hereof, which may have or have had in the recent past significant effects on the financial position or profitability of the Receivables Trustee.

Significant or Material Change

The Issuing Entity has published audited financial statements in respect of the period from 1 January 2011 to 31 December 2011 and the period from 1 January 2012 to 31 December 2012. There has been (i) no significant change in the financial or trading position of the Issuing Entity and (ii) no material adverse change in the financial position or prospects of the Issuing Entity, since 31 December 2012.

The MTN Issuing Entity has published audited financial statements in respect of the period from 1 January 2011 to 31 December 2011 and the period from 1 January 2012 to 31 December 2012. There has been (i) no significant change in the financial or trading position of the MTN Issuing Entity and (ii) no material adverse change in the financial position or prospects of the MTN Issuing Entity, since 31 December 2012.

There has been (i) no significant change in the financial or trading position of the Receivables Trustee and (ii) no material adverse change in the financial position or prospects of the Receivables Trustee, since 29 September 1999.

Documents Available for Inspection

For so long as this Base Prospectus is in effect, copies and, where appropriate, English translations of the following documents may be inspected at the Specified Office of the Principal Paying Agent and at the registered office of the Issuing Entity during usual business hours on any weekday, apart from public holidays, by electronic means:

(i) master definitions schedule;

(ii) Receivables Securitisation Agreement;

(iii) Declaration of Trust and Trust Cash Management Agreement;

(iv) the current Base Prospectus in relation to the Programme, together with any amendments;

(v) any Final Terms or Drawdown Prospectus relating to notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system;

(vi) each series supplement to declaration of trust and trust cash management;

(vii) Beneficiaries Servicing Agreement;

(viii) Agreement Between Beneficiaries;

(ix) trust section 75 indemnity;

(x) Security Trust Deed and MTN Cash Management Agreement;

(xi) each series supplement to Security Trust Deed and MTN Cash Management Agreement;

(xii) Indemnity Agreement;

(xiii) each Swap Agreement;

(xiv) programme dealer agreement;

(xv) each subscription agreement and Market Repricing Agreement

(xvi) Paying Agency and Agent Bank Agreement;

(xvii) Note Trust Deed;

(xviii) each Note Trust Deed Supplement;

(xix) Master Framework Agreement;

(xx) form of Class A Global Note Certificate;

(xxi) form of Class B Global Note Certificate;

(xxii) form of Class C Global Note Certificate;

(xxiii) form of Class D Global Note Certificate;

(xxiv) form of Class A Individual Note Certificate;

(xxv) form of Class B Individual Note Certificate;

(xxvi) form of Class C Individual Note Certificate;

(xxvii) form of Class D Individual Note Certificate;

(xxviii) each supplement to the Beneficiaries Servicing Agreement;

(xxix) memorandum and articles of association of the Issuing Entity;

(xxx) memorandum and articles of association of the MTN Issuing Entity;

(xxxi) memorandum and articles of association of the Receivables Trustee;

(xxxii) audited financial statements of the MTN Issuing Entity for the years ending 31 December 2011 and 31 December 2012; and

(xxxiii) audited financial statements of the Issuing Entity for the years ending 31 December 2011 and 31 December 2012.

PROVISION OF INFORMATION

Each Final Terms constitutes a 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 Issuing Entity and the offer of the notes is available only on the basis of the combination of the Final Terms and the Base Prospectus.

While you should consider carefully the combination of this Base Prospectus and the Final Terms, not all important information is contained in the Final Terms. Important information that you must consider carefully includes:

(i) that 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 or the coupons by the United Kingdom, or any other jurisdiction or any political subdivision or any authority in or of such jurisdiction having power to tax, the Issuing Entity or the Paying Agents shall make such payments after such withholding or deduction and neither the Issuing Entity nor the Paying Agents nor any other person will be required to make any additional payments to holders of notes in respect of such withholding or deduction;

(ii) that the Issuing Entity will confirm to the Series Dealers in respect of the relevant Note Series that the relevant Final Terms, when read in conjunction with the Base Prospectus, contain all information which is (in the context of the Programme, the issue, offering and sale of the notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed in the Final Terms are honestly held or made and are not misleading in any material respect; that the Final Terms do not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering and sale of the notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing;

(iii) that no person has been or will be authorised to give any information or to make any representation not contained in or not consistent with the Final Terms or any other document entered into in relation to the Programme or any information supplied by the Issuing Entity 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 Issuing Entity or any Series Dealer;

(iv) that neither the delivery of the Final Terms in respect of a Note Series nor the offering, sale or delivery of any note shall, in any circumstances, create any implication that the information contained in the Final Terms is true subsequent to the date thereof or the date upon which any other 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 Issuing Entity since the date thereof or, if later, the date upon which any other 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;

(v) that the distribution of the Final Terms and the offering, sale and delivery of the notes in certain jurisdictions may be restricted by law. Persons in possession of the Final Terms are required by the Issuing Entity and the Series Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of notes and on the distribution of the Final Terms and other offering material relating to the notes, see "*Plan of Distribution*" above;

(vi) that until a date that is 90 days after the date of each Final Terms, all Series Dealers effecting transactions in the relevant Note Series, whether or not participating in such distribution, may be required to deliver the appropriate Final Terms and the Base Prospectus. This is in addition to the obligation of Series Dealers to deliver a Final Terms and Base Prospectus when acting as the Series Dealer of the notes and with respect of their unsold allotment or subscription;

(vii) that certain figures included in the Final Terms will 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;

(viii) that the information about each Note Series issued pursuant to a Final Terms is in two separate documents: this Base Prospectus and the relevant Final Terms. The Base Prospectus provides general information about each Note Series issued under the Programme, some of which may not apply to the all Note Series. With respect to each Note Series, the Final Terms pursuant to which it is issued is the "relevant Final Terms" or the "applicable Final Terms" referred to in this Base Prospectus;

(ix) that Final Terms may be used to offer and sell Note Series only if accompanied by this Base Prospectus; and

(x) that where a class of notes is specified as intended to be held under the New Safekeeping Structure for Eurosystem eligibility purposes, this simply means that the notes are intended upon issue to be deposited and registered with (or a nominee for) one of the ICSDs acting as common safekeeper and does not necessarily mean that the notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Final Terms will not specify:

(i) the name or names of any Series Dealers or agents including, where a syndicate of Series Dealers is used, the managing Series Dealer or Series Dealers;

(ii) whether employee benefit plans may purchase the notes pursuant to ERISA; or

(iii) whether the notes are considered to be debt or equity for US tax purposes.

We may provide additional information in relation to a Note Series to potential investors from time to time and such information may include the information set out above.

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APPENDIX A
FORM OF FINAL TERMS

FINAL TERMS DATED [•]
(to the Base Prospectus dated [•] 2013)

GRACECHURCH CARD PROGRAMME FUNDING PLC
Issuing Entity

(incorporated in England and Wales with limited liability under registered number 6714746)

Issue of [$€£[•],000,000 principal amount of series 201[•]-[•], Class A notes]
[$€£[•],000,000 principal amount of series 201[•]-[•], Class B notes]
[$€£[•],000,000 principal amount of series 201[•]-[•], Class C notes]
[$€£[•],000,000 principal amount of series 201[•]-[•], Class D notes]

under the Gracechurch Card Programme Funding plc medium term note Programme
(ultimately backed by trust property in the Receivables Trust)

Barclays Bank PLC
Sponsor, Originator, Trust Cash Manager and Servicer
Barclaycard Funding PLC
depositor and MTN Issuing Entity

The Issuing Entity will issue:	[Class A notes]	[Class B notes]	[Class C notes]	[Class D notes]
Principal Amount	[•],000,000	[•],000,000	[•],000,000	[•],000,000
Interest rate	[•]	[•]	[•]	[•]
Interest Payment Dates	Each [•], beginning on [•],20[•][•]	Each [•], beginning on [•],20[•][•]	Each [•], beginning on [•],20[•][•]	Each [•], beginning on [•],20[•][•]
Scheduled Redemption Date	[•],20[•][•]	[•],20[•][•]	[•],20[•][•]	[•],20[•][•]
Final Redemption Date	[•],20[•][•]	[•],20[•][•]	[•],20[•][•]	[•],20[•][•]
Price to public	[•],000,000 (or [•]%)	[•],000,000 (or [•]%)	[•],000,000 (or [•]%)	[•],000,000 (or [•]%)

The notes have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States, or to or for the account of, any U.S. Person, (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered and sold: (i) within the United States (a) to "qualified institutional buyers" (each, a "**QIB**" within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") in reliance on Rule 144A or (b) in reliance on Rule 506 of Regulation D under the Securities Act; and (ii) outside the United States in offshore transactions to non-US Persons in reliance on Regulation S under the Securities Act. Prospective purchasers are hereby notified that sellers of the notes issued under the Programme may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or Rule 506 of Regulation D of the Securities Act. See "[•]". Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined if these Final Terms are truthful or complete. Any representation to the contrary is a criminal offence.

This document constitutes a 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 Issuing Entity and the offer of the notes is available only on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the Specified Office of the Principal Paying Agent and at the registered office of the Issuing Entity during usual business hours on any weekday, apart from Saturdays, Sundays and public holidays, and copies may be obtained from Barclays Bank PLC at the following address: Barclays Treasury, 9th Floor, Barclays Bank PLC, 1 Churchill Place, London E14 5HP for the attention of Head of Capital Issuance and Securitisation..

Arranger
Barclays

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TRANSACTION FEATURES

Class of notes	*Initial Principal Balance*	*£ Equivalent Initial Principal Balance*	*% of Total*
A	$€£[•]	£[•]	[•]
B	$€£[•]	£[•]	[•]
C	$€£[•]	£[•]	[•]
D	$€£[•]	£[•]	[•]
		£[*]	100%

SERIES OF NOTES ISSUED

Series Number:	*Series 201[•]-[•]*			
Class of Notes:	[A]	[B]	[C]	[D]
Anticipated Ratings:	[•]	[•]	[•]	[•]
Rating Agencies:	[•]	[•]	[•]	[•]
Issue Date:	[•]	[•]	[•]	[•]
Issue Price:	[•] per cent	[•] per cent	[•] per cent	[•] per cent.
Net Proceeds:	[•]	[•]	[•]	[•]
Specified Currency:	Class [•] notes are to be denominated in [•]	Class [•] notes are to be denominated in [•]	Class [•] notes are to be denominated in [•]	Class [•] notes are to be denominated in [•]
Minimum Denomination:	[•]	[•]	[•]	[•]
Specified Denomination(s):	[•]	[•]	[•]	[•]
Calculation Amount	[•]	[•]	[•]	[•]
Subject to Repricing Arrangements:	[Yes/No]	[Yes/No]	[Yes/No]	[Yes/No]
Repricing Transfer Dates:	[Each Interest Payment Date/N/A]	[Each Interest Payment Date/N/A]	[Each Interest Payment Date/N/A]	[Each Interest Payment Date/N/A]
Fixed or Floating Designation:	[Fixed/Floating]	[Fixed/Floating]	[Fixed/Floating]	[Fixed/Floating]
Series Scheduled Redemption Date:	[•]	[•]	[•]	[•]
Final Redemption Date:	[•]	[•]	[•]	[•]
Initial Rate (if applicable):	[•]	[•]	[•]	[•]
Margin [Until Repricing Transfer Date]:	[•]	[•]	[•]	[•]
Liquidity Funding Margin (if applicable):	[•]	[•]	[•]	[•]
LIBOR/EURIBOR	[[•]-month [[USD/Sterling] LIBOR / EURIBOR]/Not applicable]	[[•]-month [[USD/Sterling] LIBOR / EURIBOR]/Not applicable]	[[•]-month [[USD/Sterling] LIBOR / EURIBOR]/Not applicable]	[[[•]-month [[USD/Sterling] LIBOR / EURIBOR]/Not applicable]
Day Count Fractions:	[Actual/Actual – ISDA/ Actual/360 / Actual/365 (fixed)/ 30/360/ 360/360/ Bond Basis/ 30E/360/ Eurobond Basis/ Sterling/FRN/ Actual/Actual ICMA]	[Actual/Actual – ISDA/ Actual/360 / Actual/365 (fixed)/ 30/360/ 360/360/ Bond Basis/ 30E/360/ Eurobond Basis/ Sterling/FRN/ Actual/Actual ICMA]	[Actual/Actual – ISDA/ Actual/360 / Actual/365 (fixed)/ 30/360/ 360/360/ Bond Basis/ 30E/360/ Eurobond Basis/ Sterling/FRN/ Actual/Actual ICMA]	[Actual/Actual – ISDA/ Actual/360 / Actual/365 (fixed)/ 30/360/ 360/360/ Bond Basis/ 30E/360/ Eurobond Basis/ Sterling/FRN/ Actual/Actual ICMA]
Interest Commencement Date:	[•]	[•]	[•]	[•]
Floating Rate Commencement Date (if applicable):	[•]	[•]	[•]	[•]
Interest Payment Dates:	[•]	[•]	[•]	[•]
First Interest Payment Date:	[•]	[•]	[•]	[•]
Interest Rate Calculations:	Condition 7([•])	Condition 7([•])	Condition 7([•])	Condition 7([•])
Listing:	[The London Stock Exchange – Regulated Market / Irish Stock Exchange – Regulated Market / Luxembourg Stock Exchange – Regulated Market]	[The London Stock Exchange – Regulated Market / Irish Stock Exchange – Regulated Market / Luxembourg Stock Exchange – Regulated Market]	[The London Stock Exchange – Regulated Market / Irish Stock Exchange – Regulated Market / Luxembourg Stock Exchange – Regulated Market]	[The London Stock Exchange – Regulated Market / Irish Stock Exchange – Regulated Market / Luxembourg Stock Exchange – Regulated Market]
Additional Business Centre:	[•]	[•]	[•]	[•]
Additional Financial Centre:	[•]	[•]	[•]	[•]

Additional Interest Margin:	[•]	[•]	[•]	[•]
Indemnification Amount:	[•]			
Expenses Loan Amount:	[•]			
Expenses Loan Margin:	[•]			
Related Swap Agreement (if any) subject to Redemption Protection Period:	[Yes/No]	[Yes/No]	[Yes/No]	[Yes/No]
Subject to Mandatory Transfer Arrangements:	[Yes/No]	[Yes/No]	[Yes/No]	[Yes/No]
Mandatory Transfer Date:	[•]	[•]	[•]	[•]
Internal Credit Support-Subordination:	[Class B Notes/ Class C Notes/ Class D Notes]	[Class C Notes/ Class D Notes]	[Class D Notes]	N/A
Call Date:	[•]	[•]	[•]	[•]

Clearing and Settlement:	[DTC/Euroclear and Clearstream, Luxembourg/Uncleared]
Business Day Convention:	Modified Following Business Day Convention
Estimated total expenses related to admission to trading:	[•]
Required Retained Principal Percentage:	[•]%
Controlled Accumulation Period:	[•]
Closing Date:	[•]
Form of Notes:	Registered

MTN NOTE SUPPORTING SERIES

The series 201[•]-[•] notes will be collateralised by the series 201[•]-[•] Medium Term Note (the "**Related Medium Term Note**") which shall have the following terms as set out in the series 201[•]-[•] medium term note supplement.

Designation for the purposes of the Security Trust Deed and MTN Cash Management Agreement:	Series 201[•]-[•]
Issuance Date:	[•]
Initial Principal Amount:	[•]
Medium Term Note Certificate First Interest Payment Date:	[•]
Medium Term Note Certificate Interest Payment Date:	[•]
Medium Term Note Certificate Interest Period:	[•]
Required Re-investment Amount:	[•]
Series Scheduled Redemption Date:	[•]
Additional Early Redemption Events:	None/[•]
Additional Amortisation Periods:	[None/Accelerated Amortisation Period/Optional Amortisation Period/Partial Amortisation Period]
Listing:	None
Initial Investor Interest:	[•]
Class A Initial Investor Interest:	[•]
Class B Initial Investor Interest:	[•]
Class C Initial Investor Interest:	[•]
Class D Initial Investor Interest:	[•]
Medium Term Note Certificate Interest Rate:	[•]

SERIES INVESTOR INTEREST SUPPORTING MEDIUM TERM NOTE

The series 201[•]-[•] medium term note will be collateralised by the series 201[•]-[•] Investor Interest (the "**Series Investor Interest**") which shall have the following terms as set out in the series 201[•]-[•] supplement to the Declaration of Trust and Trust Cash Management Agreement.

Designation for the purposes of the Receivables Trust Deed Supplement:	Series 201[•]-[•]
Issuance Date:	[•]
Initial Principal Amount:	[•]
First Payment Date:	[•]
Class A Finance Rate:	[•]
Class B Finance Rate:	[•]
Class C Finance Rate:	[•]
Class D Finance Rate:	[•]
Series Scheduled Redemption Date:	[•]
Controlled Deposit Amount:	[•]
Series Final Redemption Date	[•]
Additional Early Redemption Events:	None/[•]
Series Initial Investor Interest:	£[•]
Release Date:	[•]

The Controlled Accumulation Period Commencement Date in respect of series 201[•]-[•] Investor Interest will be the first Business Day of [•] **provided**, **however**, **that** if on [•] the Controlled Accumulation Period, its length is determined to be less than 12 months, the Revolving Period may be extended and the start of the Controlled Accumulation Period will be postponed. The Controlled Accumulation Period will, in any event, begin no later than [•].

The "**Series Cash Reserve Account Percentage**" [will be determined on each Determination Date by the level of the quarterly excess spread percentage as follows:

Quarterly Excess Spread Percentage	*Series Cash Reserve Account Percentage*
on a given day is:	on same date will be:
above [•] per cent.	[•] per cent.
above [•] per cent. but equal to or below [•] per cent.	[•] per cent.
above [•] per cent. but equal to or below [•] per cent.	[•] per cent.
above [•] per cent. but equal to or below [•] per cent.	[•] per cent.
above [•] per cent. but equal to or below [•] per cent.	[•] per cent.
above [•] per cent. but equal to or below [•] per cent.	[•] per cent.
equal to or below [•] per cent.	[•] per cent.

After the Series Cash Reserve Account Percentage has been increased above 0 per cent. as specified in the table above, the Series Cash Reserve Account Percentage will remain at that percentage until: (1) either it is further increased to a higher required percentage as specified in the table above, or (2) the date on which the quarterly excess spread percentage has increased to a level above that for the then current Series Cash Reserve Account Percentage. The Series Cash Reserve Account Percentage will be decreased to the appropriate percentage as stated above.]/[shall be 0 per cent. in respect of series 201[•]-[•].

PARTIES

Issuing Entity:	Gracechurch Card Programme Funding plc.
Note Trustee:	The Bank of New York Mellon, acting through its London Branch. The Note Trustee's address, at the date of these Final Terms, is One Canada Square, London E14 5AL, United Kingdom.
Principal Paying Agent and Agent Bank for the Notes:	The Bank of New York Mellon, acting through its 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 Bank of New York Mellon's address in London is One Canada Square, London E14 5AL, United Kingdom.
Registrar	The Bank of New York Mellon (Luxembourg) S.A.. The Registrar will maintain the Register. The Bank of New York Mellon (Luxembourg) S.A.'s address in Luxembourg is Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg.
U.S. Paying Agent:	The Bank of New York Mellon, acting through its New York Branch. The Bank of New York Mellon's address in New York is One Wall Street, New York, New York 10286, United States.
Receivables Trustee:	Gracechurch Receivables Trustee Limited
MTN Issuing Entity, Investor Beneficiary and Depositor:	Barclaycard Funding PLC
Sponsor, Originator and Originator Beneficiary:	Barclays Bank PLC
Servicer:	Barclays Bank PLC
Security Trustee:	The Bank of New York Mellon, acting through its London Branch
Swap Counterparty:	Barclays Bank PLC
[Series 201[•]-[•] Market Repricing Agent for the Class [•] Notes:]	[Barclays Bank PLC]
[Mandatory Purchaser for the Class [•] Notes:]	[Barclays Bank PLC]

OTHER SERIES OF NOTES AND MEDIUM TERM NOTE CERTIFICATES ISSUED

Notes – Gracechurch Card Programme Funding plc and predecessors

The table below sets forth the principal characteristics of the other Note Series previously issued by Gracechurch Card Programme Funding plc and other issuing entities that are outstanding at the date of these Final Terms, in connection with the Receivables Trust and the Receivables assigned by the Originator. Barclaycard will provide, without charge, to any prospective purchaser of the notes, a copy of the disclosure document for any such other publicly-issued Note Series.

Series 11-1

Class	***Principal Balance***	***Interest Rate***
Class A1	€430,000,000	1 Month EURIBOR +0.95%
Class A2	£415,000,000	1 Month Sterling LIBOR +1.10%
Class D	£138,000,000	1 Month Sterling LIBOR +2.00%
Relevant Issuance Date:	7 February 2011	
Scheduled Redemption Date:	15 January 2016	
Legal Final Redemption Date:	15 January 2018	

Series 11-2

Class	***Principal Balance***	***Interest Rate***
Class A	€375,000,000	1 Month EURIBOR +0.85%
Class D	£56,500,000	1 Month Sterling LIBOR +1.50%
Relevant Issuance Date:	7 February 2011	
Scheduled Redemption Date:	15 January 2014	
Legal Final Redemption Date:	15 January 2016	

Series 11-3

Class	***Principal Balance***	***Interest Rate***
Class A1	€225,000,000	1 Month EURIBOR +0.75%
Class A2	£125,000,000	1 Month Sterling LIBOR +0.85%
Class D	£57,200,000	1 Month Sterling LIBOR +1.60%
Relevant Issuance Date:	21 April 2011	
Scheduled Redemption Date:	15 April 2014	
Legal Final Redemption Date:	15 April 2016	

Series 11-4

Class	***Principal Balance***	***Interest Rate***
Class A	€1,100,000,000.00	1 Month EURIBOR +0.75%
Class D	£170,200,000.00	1 Month Sterling LIBOR +1.50%
Relevant Issuance Date:	29 September 2011	
Scheduled Redemption Date:	15 September 2014	
Legal Final Redemption Date:	15 September 2016	

Series 12-1

Class	***Principal Balance***	***Interest Rate***
Class A1	$450,000,000.00	1 Month USD LIBOR +0.70%
Class A2	€500,000,000.00	1 Month EURIBOR +0.80%
Class D	£123,539,000.00	1 Month Sterling LIBOR +1.20%
Relevant Issuance Date:	12 March 2012	
Scheduled Redemption Date:	15 February 2015	
Legal Final Redemption Date:	15 February 2017	

Series 12-2

Class	***Principal Balance***	***Interest Rate***
Class A	£300,000,000.00	1 Month Sterling LIBOR +0.90%
Class D	£52,942,000.00	1 Month Sterling LIBOR +1.15%
Relevant Issuance Date:	12 March 2012	
Scheduled Redemption Date:	15 February 2014	

Class	Principal Balance	Interest Rate
Legal Final Redemption Date:	15 February 2016	

Series 12-3

Class	Principal Balance	Interest Rate
Class A	$600,000,000.00	1 Month USD LIBOR +0.85%
Class D	£66,955,000.00	1 Month Sterling LIBOR +1.35%
Relevant Issuance Date:	24 May 2012	
Scheduled Redemption Date:	15 May 2017	
Legal Final Redemption Date:	15 May 2019	

Series 12-4

Class	Principal Balance	Interest Rate
Class A	$725,000,000.00	1 Month USD LIBOR +0.70%
Class D	£82,204,000.00	1 Month Sterling LIBOR +1.05%
Relevant Issuance Date:	14 June 2012	
Scheduled Redemption Date:	15 June 2015	
Legal Final Redemption Date:	15 June 2017	

Series [•]

Class	Principal Balance	Interest Rate
Class [•]	[•]	[•]
Class [•]	[•]	[•]
Relevant Issuance Date:	[•]	
Scheduled Redemption Date:	[•]	
Legal Final Redemption Date:	[•]	

Medium Term Note Certificates – Barclaycard Funding PLC

Series	*Issuance Date*	*Tranche Size*	*Note Interest Rate currently in effect*	*Scheduled Redemption Date*	*Final Redemption Date*
11-1	7 February 2011	£919,581,415	one-month Sterling LIBOR plus 1.3523	15 January 2016	15 January 2018
11-2	7 February 2011	£376,193,095	one-month Sterling LIBOR plus 1.3407	15 January 2014	15 January 2016
11-3	21 April 2011	£381,279,808.88	one-month Sterling LIBOR plus 1.0604	15 April 2014	15 April 2016
11-4	29 September 2011	£1,134,119,000.00	one-month Sterling LIBOR plus 1.3844	15 September 2014	15 September 2016
12-1	12 March 2012	£823,591,394.35	one-month Sterling LIBOR plus 1.0317	15 February 2015	15 February 2017
12-2	12 March 2012	£352,942,000.00	one-month Sterling LIBOR plus 0.9376	15 February 2014	15 February 2016
12-3	24 May 2012	£446,365,648.80	one-month Sterling LIBOR plus 0.9684	15 May 2017	15 May 2019
12-4	14 June 2012	£548,022,555.65	one-month Sterling LIBOR plus 0.7135	15 June 2015	15 June 2017
[•]	[•]	[•]	[•]	[•]	[•]

PORTFOLIO INFORMATION

The following tables show information relating to the historic performance of Eligible Accounts originated using Barclays' underwriting criteria. The Receivables from these accounts will ultimately back the notes and comprise the Receivables Trust (the "**Securitised Portfolio**"). All Eligible Receivables arising on designated product lines, as described under "*The Receivables – Assignment of Receivables to the Receivables Trustee*" in the Base Prospectus, are included in the Securitised Portfolio.

No static pool data has been provided in relation to the Securitised Portfolio. Static pool data may indicate a different performance profile in relation to the Securitised Portfolio from that which is disclosed herein.

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 [•], [•], [•], [•], and [•] and for the [•] months ended [•]. Each table has been provided by Barclaycard. 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)

	Year ended				
	[•]	*[•]*	*[•]*	*[•]*	*[•]*
Average Receivables Outstanding[(1)]	[•]	[•]	[•]	[•]	[•]
Finance Charges[(2)]	[•]	[•]	[•]	[•]	[•]
Fees[(2)]	[•]	[•]	[•]	[•]	[•]
Interchange	[•]	[•]	[•]	[•]	[•]
Yield from Finance Charges	[•]	[•]	[•]	[•]	[•]
Yield from Fees	[•]	[•]	[•]	[•]	[•]
Yield from Recoveries	[•]	[•]	[•]	[•]	[•]
Yield from Forex	[•]	[•]	[•]	[•]	[•]
Yield from Interchange[(3)]	[•]	[•]	[•]	[•]	[•]
Total Yield from Charges, Fees and Interchange	[•]	[•]	[•]	[•]	[•]

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 Barclays normal servicing procedures, including removal of incorrect or disputed monthly Periodic Finance Charges.
(3) Yield percentages for the [•] months ended [•] are presented on an annualised basis.

Delinquency and Loss Experience

The following tables set forth the delinquency and loss experience of the Securitised Portfolio for each of the periods shown. The Securitised Portfolio includes platinum, gold and classic VISA® and MasterCard® credit cards and the Premier VISA® charge card. The Securitised Portfolio does not currently include American Express credit card accounts, however it is envisaged that these accounts will be included in the Securitised Portfolio during the course of 2014. The Securitised Portfolio currently does not include the portfolio of credit card accounts purchased from Clydesdale Financial Services in May 2003, or the portfolio of small business credit card accounts purchased from MBNA Europe Bank in April 2011. Because the economic environment may change, we cannot assure you that the delinquency and loss experience of the Securitised Portfolio will be the same as the historical experience set forth below.

The delinquency statistics are obtained from billing cycle information as opposed to month end positions.

Delinquency and Loss Experience
Securitised Portfolio

	Year Ended											
	[•]		*[•]*		*[•]*		*[•]*		*[•]*		*[•]*	
	Receivables	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Percentage of Total Receivables*	*Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*
Receivables Outstanding	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Receivables Delinquent												
up to 29 days	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
30 to 59 days	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
60 to 89 days	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
90 to 119 days	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
120 to 149 days	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
150 to 179 days	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
180 days or more	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total 30 days or more Delinquent	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Notes:

Note 1 Receivable delinquent balances are as at the latest billing date before the Dates shown. The percentages are computed as a percentage of Receivables as at the Dates shown.

Note 2 Includes accounts on repayment Programmes.

Net Charge-Off Experience
Securitised Portfolio

	Year Ended											
	Receivables	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*
Average Receivables Outstanding[1][4]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total Cross Charge-Offs[2][4]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Recoveries[3][4]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total Net Charge-Offs[4]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total Net Charge-Offs as a percentage of Average Receivables Outstanding[4]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Notes:

(1) Average Receivables outstanding is the average of the month end balances during the period indicated.
(2) Total gross charge-offs are total principal and fee charge-offs before recoveries and do not include the amount of any reductions in average Receivables outstanding due to fraud, returned goods, customer disputes or other miscellaneous credit adjustments. See "*The Receivables*" in the accompanying Base Prospectus.
(3) Recoveries are payments received in respect of principal and fee amounts on accounts which have been previously written off.
(4) All percentages shown above are annualised.

Maturity Assumptions

The following table sets forth the highest and lowest cardholder monthly payment rates for the Securitised 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 Receivables outstanding 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 Payment Rates
Securitised Portfolio

	Year Ended											
	[•]		*[•]*		*[•]*		*[•]*		*[•]*		*[•]*	
	Receivables	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*
Lowest	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Highest Month	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Monthly Average	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

For further information, please see "*Maturity Assumptions*" in the Base Prospectus.

The following tables summarise the Securitised Portfolio by various criteria as of the billing Dates of accounts in the month ending on [•]. Each table has been provided by Barclays Bank PLC. 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 [•].

For an indication of the credit quality of the cardholders whose Receivables are included in the Securitised Portfolio, investors should refer to the discussion under "*Barclaycard and the Barclaycard Card Portfolio*" in the accompanying Base Prospectus (page 79), and to the historical performance of the Securitised Portfolio included in these Final Terms.

In particular, significant indicatives of the credit quality are the accountholders' payment behaviour summarized in the table "*Composition by Payment Behaviour – Securitised Portfolio*" (page [•]) and the delinquency profile of the Securitised Portfolio set forth in the tables "*Composition by Period of Delinquency – Securitised Portfolio*" (page [•]) and "*Delinquency and Loss Experience – Securitised Portfolio*" (page [•]).

Composition by Account Balance
Securitised Portfolio

Account Balance Range	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
Credit Balance	[•]	[•]%	£[•]	[•]%
Nil Balance	[•]	[•]%	£[•]	[•]%
£0.01 to £5,000.00	[•]	[•]%	£[•]	[•]%
£5,000.01 to £10,000.00	[•]	[•]%	£[•]	[•]%
£10,000.01 to £15,000.00	[•]	[•]%	£[•]	[•]%
£15,000.01 to £20,000.00	[•]	[•]%	£[•]	[•]%
£20,000.01 to £25,000.00	[•]	[•]%	£[•]	[•]%
£25,000.01 and over	[•]	[•]%	£[•]	[•]%
TOTAL	**[•]**	**100.0%**	**£[•]**	**100.0%**

Composition by Credit Limit
Securitised Portfolio

Credit Limit Range	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
Up to £500.00	[•]	[•]%	£[•]	[•]%
£500.01 to £1,000.00	[•]	[•]%	£[•]	[•]%
£1,000.01 to £1,500.00	[•]	[•]%	£[•]	[•]%
£1,500.01 to £2,000.00	[•]	[•]%	£[•]	[•]%
£2,000.01 to £2,500.00	[•]	[•]%	£[•]	[•]%
£2,500.01 to £3,000.00	[•]	[•]%	£[•]	[•]%
£3,000.01 to £3,500.00	[•]	[•]%	£[•]	[•]%
£3,500.01 to £4,000.00	[•]	[•]%	£[•]	[•]%
£4,000.01 to £4,500.00	[•]	[•]%	£[•]	[•]%
£4,500.01 to £5,000.00	[•]	[•]%	£[•]	[•]%
£5,000.01 to £10,000.00	[•]	[•]%	£[•]	[•]%
£10,000.01 to £15,000.00	[•]	[•]%	£[•]	[•]%
£15,000.01 to £20,000.00	[•]	[•]%	£[•]	[•]%
£20,000.01 to £25,000.00	[•]	[•]%	£[•]	[•]%
£25,000.01 and over	[•]	[•]%	£[•]	[•]%
TOTAL	**[•]**	**100.00%**	**£[•]**	**100.00%**

Composition by Period of Delinquency
Securitised Portfolio

Period of Delinquency (Days Contractually Delinquent)	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables**
Not Delinquent	[•]	[•]%	£[•]	[•]%
Up to 29 days	[•]	[•]%	£[•]	[•]%
30 to 59 days	[•]	[•]%	£[•]	[•]%
60 to 89 days	[•]	[•]%	£[•]	[•]%
90 to 119 days	[•]	[•]%	£[•]	[•]%
120 to 149 days	[•]	[•]%	£[•]	[•]%
150 to 179 days	[•]	[•]%	£[•]	[•]%
180 days or more	[•]	[•]%	£[•]	[•]%
Repayment Programme	[•]	[•]%	£[•]	[•]%
TOTAL	**[•]**	**100.00%**	**£[•]**	**100.00%**

* From MI & F Cycle End and RP data

Composition by Account Age
Securitised Portfolio

Account Age	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
0 to 3 Months	[•]	[•]%	£[•]	[•]%
3 to 6 months	[•]	[•]%	£[•]	[•]%
6 to 9 months	[•]	[•]%	£[•]	[•]%
9 to 12 months	[•]	[•]%	£[•]	[•]%
12 to 15 months	[•]	[•]%	£[•]	[•]%
15 to 18 months	[•]	[•]%	£[•]	[•]%
18 to 21 months	[•]	[•]%	£[•]	[•]%
21 to 24 months	[•]	[•]%	£[•]	[•]%
2 to 3 years	[•]	[•]%	£[•]	[•]%
3 to 4 years	[•]	[•]%	£[•]	[•]%
4 to 5 years	[•]	[•]%	£[•]	[•]%
5 to 10 years	[•]	[•]%	£[•]	[•]%
Over 10 years	[•]	[•]%	£[•]	[•]%
TOTAL	**[•]**	**100.00%**	**£[•]**	**100.00%**

Composition by Payment Behaviour
Securitised Portfolio

Payment Behaviour	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
Receivables Accounts with minimum payment made	[•]	[•]%	£[•]	[•]%*
Accounts with full payment made	[•]	[•]%	£[•]	[•]%*

* Data is composed of active accounts only

Geographic Distribution of Accounts
Securitised Portfolio

Region	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
East	[•]	[•]%	£[•]	[•]%
East Midlands	[•]	[•]%	£[•]	[•]%
London	[•]	[•]%	£[•]	[•]%
North East	[•]	[•]%	£[•]	[•]%
North West	[•]	[•]%	£[•]	[•]%
Northern Ireland	[•]	[•]%	£[•]	[•]%
Rest of UK	[•]	[•]%	£[•]	[•]%
Scotland	[•]	[•]%	£[•]	[•]%
South East	[•]	[•]%	£[•]	[•]%
South West	[•]	[•]%	£[•]	[•]%
Wales	[•]	[•]%	£[•]	[•]%
West Midlands	[•]	[•]%	£[•]	[•]%
Yorks & Humb	[•]	[•]%	£[•]	[•]%
Unknown Postcode	[•]	[•]%	£[•]	[•]%
Non-UK	[•]	[•]%	£[•]	[•]%
TOTAL	**[•]**	**100.00%**	**£[•]**	**100%**

PLAN OF DISTRIBUTION

	Class A	*Class B*	*Class C*	*Class D*
ISIN:	[•]	[•]	[•]	[•]
Common Code:	[•]	[•]	[•]	[•]
CUSIP:	[•]	[•]	[•]	[•]

GENERAL INFORMATION

The admission of the Programme to listing on the Official List of the UKLA and to trading on the Regulated Market of the London Stock Exchange took effect on [•] 2013. 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). Each Class of this Note Series intended to be admitted to listing on the Official List of the UKLA and to trading on the Regulated Market of the London Stock Exchange will be so admitted to listing and trading upon submission to the UKLA and the Regulated Market of the London Stock Exchange of these Final Terms and any other information required by the UKLA 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.

The Issuing Entity has approved the issue of these securities by board resolution dated [•].

APPENDIX B
PORTFOLIO INFORMATION

The following tables show information relating to the historic performance of Eligible Accounts originated using Barclays' underwriting criteria. The Receivables from these accounts will ultimately back the notes and comprise the Receivables Trust (the "**Securitised Portfolio**"). All Eligible Receivables arising on designated product lines, as described under "*The Receivables – Assignment of Receivables to the Receivables Trustee*", are included in the Securitised Portfolio.

No static pool data has been provided in relation to the Securitised Portfolio. Static pool data may indicate a different performance profile in relation to the Securitised Portfolio from that which is disclosed herein.

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 2007, 2008, 2009, 2010, 2011 and 2012 and for the 9 months ended September 2013. Each table has been provided by Barclays Bank PLC and has not been audited. 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.

Securitised Portfolio Yield
(non percentage amounts are expressed in Sterling)

		Year Ended					
	9 Months to end Sept 2013	*2012*	*2011*	*2010*	*2009*	*2008*	*2007*
Average Receivables Outstanding[1][2]	10,952,085,744	10,157,663,232	8,997,456,924	8,604,993,272	8,260,633,896	7,912,127,379	7,644,643,038
Finance Charges[3]	967,381,085	1,200,967,389	1,044,622,534	1,078,864,054	1,049,309,495	1,040,640,454	1,067,421,976
Fees[3]	131,109,122	171,679,544	136,556,652	98,102,719	122,338,650	130,649,203	120,811,317
Total Recoveries	38,998,780	62,784,728	92,550,937	72,034,902	20,859,857	65,586,180	84,142,232
Forex	22,710,634	28,930,800	26,428,383	22,808,262	25,690,015	29,818,986	29,750,175
Interchange	101,636,319	130,101,899	128,177,864	115,988,591	114,505,948	125,914,913	128,421,099
Yield from Finance Charges[4]	11.77%	11.82%	11.61%	12.54%	12.70%	13.15%	13.96%
Yield from Fees[4]	1.60%	1.69%	1.52%	1.14%	1.48%	1.65%	1.58%
Yield from Recoveries	0.48%	0.62%	1.03%	0.84%	0.25%	0.83%	1.10%
Yield from Forex	0.28%	0.28%	0.29%	0.27%	0.31%	0.38%	0.39%
Yield from Interchange[4]	1.24%	1.28%	1.42%	1.35%	1.39%	1.59%	1.68%
Total Yield from Finance Charges, Fees, Total Recoveries, Forex and Interchange[4]	15.37%	15.69%	15.87%	16.14%	16.13%	17.60%	18.71%

Notes:

(1) The Receivables outstanding on the accounts consist of amounts due from obligors as posted to the accounts as of the date above.

(2) Average Receivables outstanding is the average of the month end balances for the period indicated.

(3) Finance charges and fees are comprised of monthly periodic charges and other credit card fees net of adjustments made pursuant to Barclays' normal servicing procedures, including removal of incorrect or disputed monthly Periodic Finance Charges.

(4) Yield percentages for the 9 months ending September 2013 are presented on an annualised basis.

Delinquency and Loss Experience

The following tables set forth the delinquency and loss experience of the Securitised Portfolio for each of the periods shown. The Securitised Portfolio includes platinum, gold and classic VISA® and MasterCard® credit cards and the Premier VISA® charge card. The Securitised Portfolio does not currently include American Express credit card accounts, however it is envisaged that these accounts will be included in the Securitised Portfolio during the course of 2014. The Securitised Portfolio currently does not include the portfolio of credit card accounts purchased from Clydesdale Financial Services in May 2003, or the portfolio of small business credit card accounts purchased from MBNA Europe Bank in April 2011. Because the economic environment may change, we cannot assure you that the delinquency and loss experience of the Securitised Portfolio will be the same as the historical experience set forth below.

The delinquency statistics are obtained from billing cycle information as opposed to month end positions.

Delinquency and Loss Experience
Securitised Portfolio

	Year Ended													
	9 months to end Sept 2013		*2012*		*2011*		*2010*		*2009*		*2008*		*2007*	
	Receivables	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*
Receivables Outstanding	12,374,639,419	100.00%	10,747,201,819	100.00%	9,828,431,870	100.00%	8,681,107,123	100.00%	8,457,115,668	100.00%	8,247,662,787	100.00%	8,036,906,266	100.00%
Receivables Delinquent up to 29 days	207,744,930	1.68%	204,766,204	1.91%	208,128,565	2.12%	201,589,301	2.32%	199,161,704	2.35%	279,456,161	3.39%	337,450,121	4.20%
30 to 59 days	73,386,718	0.59%	74,338,880	0.69%	76,921,143	0.78%	84,893,298	0.98%	112,141,065	1.33%	90,538,402	1.10%	90,877,044	1.13%
60 to 89 days	50,822,732	0.41%	52,557,086	0.49%	54,833,511	0.56%	64,736,806	0.75%	77,506,725	0.92%	55,635,947	0.67%	57,070,234	0.71%
90 to 119 days	35,312,758	0.29%	37,649,738	0.35%	40,684,321	0.41%	51,807,648	0.60%	56,966,708	0.67%	41,282,609	0.50%	39,327,971	0.49%
120 to 149 days	33,900,961	0.27%	31,149,190	0.29%	34,716,618	0.35%	44,319,100	0.51%	47,680,950	0.56%	32,008,887	0.39%	35,211,646	0.44%
150 to 179 days	27,964,834	0.23%	28,777,915	0.27%	30,577,909	0.31%	37,223,228	0.43%	37,776,697	0.45%	26,385,448	0.32%	27,734,709	0.35%
180 days or more	266,894	0.00%	697,634	0.01%	132,904	0.00%	243,897	0.00%	1,246,266	0.01%	372,533	0.00%	314,061	0.00%
Total 30 days or more Delinquent	**221,654,897**	**1.79%**	**225,170,444**	**2.10%**	**237,866,406**	**2.42%**	**283,223,977**	**3.26%**	**333,318,411**	**3.94%**	**246,223,826**	**2.99%**	**250,535,665**	**3.12%**

Notes:

Note 1 Receivable delinquent balances are as at the latest billing date before the dates shown. The percentages are computed as a percentage of Receivables as at the Dates shown.

Note 2 Includes accounts on repayment Programmes

Net Charge-Off Experience
Securitised Portfolio

	9 months to end Sept 2013		*2012*		*2011*		*2010*		*2009*	*2008*			*2007*	
	Receivables	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*
Average Receivables Outstanding	10,952,085,744	100.00%	10,157,663,232	100.00%	8,997,456,924	100.00%	8,604,993,272	100.00%	8,260,633,896	100.00%	7,912,127,379	100.00%	7,644,643,038	100.00%
Total Gross Charge-Offs	312,556,034	3.80%	414,742,521	4.08%	471,669,608	5.24%	609,266,896	7.08%	591,465,234	7.16%	499,085,097	6.31%	582,231,384	7.62%
Recoveries	38,998,780	0.48%	62,784,728	0.62%	92,550,937	1.03%	72,034,902	0.84%	20,859,857	0.25%	65,586,180	0.83%	84,142,232	1.10%
Total Net Charge-Offs	273,557,253	3.33%	351,957,793	3.46%	379,118,671	4.21%	537,231,994	6.24%	570,605,377	6.91%	433,498,917	5.48%	498,089,152	6.52%
Total Net Charge-Offs as a percentage of Average receivables Outstanding		**3.33%**		**3.46%**		**4.21%**		**6.24%**		**6.91%**		**5.48%**		**6.52%**

Notes:

(1) Average Receivables outstanding is the average of the month end balances during the period indicated.

(2) Total gross charge-offs are total principal and fee charge-offs before recoveries and do not include the amount of any reductions in average Receivables outstanding due to fraud, returned goods, customer disputes or other miscellaneous credit adjustments. See "*The Receivables*" in the accompanying Base Prospectus.

(3) Recoveries are payments received in respect of principal and fee amounts on accounts which have been previously written off.

(4) All percentages shown above are annualised.

Maturity Assumptions

The following table sets forth the highest and lowest cardholder monthly payment rates for the Securitised 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 Receivables outstanding 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 Payment Rates
Securitised Portfolio

	9 months to end Sept 2013		2012		2011		2010		2009		2008		2007	
	Receivables	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*	*Receivables*	*Percentage of Total Receivables*
Lowest	1,458,292,965	12.87%	1,348,124,744	12.54%	1,210,469,728	12.32%	1,229,555,896	14.16%	1,238,277,163	14.64%	1,272,038,916	15.42%	1,373,090,249	17.08%
Highest Month	1,845,480,350	16.29%	1,777,660,392	16.54%	1,704,944,872	17.35%	2,120,060,489	24.42%	1,527,811,709	18.07%	1,650,784,525	20.02%	1,769,364,383	22.02%
Monthly Average	1,626,259,775	14.35%	1,565,721,229	14.57%	1,477,575,146	15.03%	1,439,287,739	16.58%	1,380,173,388	16.32%	1,492,255,899	18.09%	1,532,615,466	19.07%

For further information, please see "*Maturity Assumptions*" in the Base Prospectus.

The following tables summarise the Securitised Portfolio by various criteria as of the billing dates of accounts in the month ending on 30 September 2013. Each table has been provided by Barclays Bank PLC and has not been audited. 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 30 September 2013.

For an indication of the credit quality of the cardholders whose Receivables are included in the Securitised Portfolio, investors should refer to the discussion under "*Barclaycard and the Barclaycard Card Portfolio*", and to the historical performance of the Securitised Portfolio included in this Appendix C. In particular, significant indicatives of the credit quality are the accountholders' payment behaviour summarised in the table "*Composition by Payment Behaviour – Securitised Portfolio*" and the delinquency profile of the Securitised Portfolio set forth in the tables "*Composition by Period of Delinquency – Securitised Portfolio*" and "*Delinquency and Loss Experience – Securitised Portfolio*".

Composition by Account Balance
Securitised Portfolio

Account Balance Range	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
Credit Balance	784,848	8.75%	(34,670,654)	(0.28%)
Nil Balance	2,948,566	32.86%	0	0.00%
£0.01 to £5,000.00	4,424,080	49.30%	5,852,605,769	47.30%
£5,000.01 to £10,000.00	647,189	7.21%	4,544,474,668	36.72%
£10,000.01 to £15,000.00	159,542	1.78%	1,833,165,580	14.81%
£15,000.01 to £20,000.00	8,679	0.10%	142,734,222	1.15%
£20,000.01 to £25,000.00	995	0.01%	22,125,570	0.18%
£25,000.01 and over	405	0.00%	14,204,266	0.11%
TOTAL	**8,974,304**	**100.00%**	**12,374,639,419**	**100.00%**

Composition by Credit Limit
Securitised Portfolio

Credit Limit Range	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
Up to £500.00	539,350	6.01%	53,249,959	0.43%
£500.01 to £1,000.00	516,225	5.75%	160,868,910	1.30%
£1,000.01 to £1,500.00	350,269	3.90%	145,956,988	1.18%
£1,500.01 to £2,000.00	551,943	6.15%	249,344,719	2.01%
£2,000.01 to £2,500.00	331,807	3.70%	174,876,758	1.41%
£2,500.01 to £3,000.00	467,123	5.21%	260,307,850	2.10%
£3,000.01 to £3,500.00	523,861	5.84%	294,717,357	2.38%
£3,500.01 to £4,000.00	411,729	4.59%	298,721,427	2.41%
£4,000.01 to £4,500.00	370,816	4.13%	311,804,676	2.52%
£4,500.01 to £5,000.00	595,842	6.64%	542,863,190	4.39%
£5,000.01 to £10,000.00	2,952,401	32.90%	4,663,722,733	37.69%
£10,000.01 to £15,000.00	1,258,506	14.02%	4,675,858,870	37.79%
£15,000.01 to £20,000.00	89,380	1.00%	463,053,971	3.74%
£20,000.01 to £25,000.00	11,152	0.12%	53,777,496	0.43%
£25,000.01 and over	3,900	0.04%	25,514,516	0.21%
TOTAL	**8,974,304**	**100.00%**	**12,374,639,419**	**100.00%**

Composition by Period of Delinquency
Securitised Portfolio

Period of Delinquency (Days Contractually Delinquent)	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
Not Delinquent	8,792,572	97.97%	11,779,302,281	95.19%
Up to 29 days	74,194	0.83%	199,967,818	1.62%
30-59 days	23,257	0.26%	72,550,299	0.59%
60-89 days	15,602	0.17%	50,504,611	0.41%
90-119 days	10,889	0.12%	34,938,393	0.28%
120-149 days	9,919	0.11%	33,690,990	0.27%
150-179 days	8,371	0.09%	27,842,891	0.22%
180 or more days	55	0.00%	259,494	0.00%
Repayment Programme	39,445	0.44%	175,582,641	1.42%
Total	**8,974,304**	**100.00%**	**12,374,639,419**	**100.00%**

Composition by Account Age
Securitised Portfolio

Account Age	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
0-3 months	257,350	2.87%	389,109,001	3.14%
3- 6 months	197,888	2.21%	349,692,349	2.83%
6-9 months	227,226	2.53%	428,018,774	3.46%
9-12 months	240,063	2.68%	421,442,068	3.41%
12-15 months	198,712	2.21%	367,454,810	2.97%
15-18 months	169,521	1.89%	282,297,842	2.28%
18-21 months	179,882	2.00%	303,017,734	2.45%
21-24 months	193,782	2.16%	271,376,040	2.19%
2-3 years	609,722	6.79%	922,976,466	7.46%
3-4 years	332,065	3.70%	481,768,723	3.89%
4-5 years	327,737	3.65%	476,283,488	3.85%
5-10 years	1,676,374	18.68%	2,261,160,646	18.27%
Over 10 years	4,363,982	48.63%	5,420,041,478	43.80%
Total	**8,974,304**	**100.00%**	**12,374,639,419**	**100.00%**

Composition by Payment Behaviour
Securitised Portfolio

Payment Behaviour	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
Receivables Accounts with minimum payment made	4,736,612	52.78%	4,235,902,951	34.23%
Accounts with full payment made	1,742,837	19.42%	1,074,434,860	8.68%

Note: Data is composed of active accounts only.

Geographic Distribution of Accounts
Securitised Portfolio

Region	*Total Number of Accounts*	*Percentage of Total Number of Accounts*	*Receivables*	*Percentage of Total Receivables*
East Anglia	1,148,550	12.80%	1,566,825,222	12.66%
East Midlands	595,678	6.64%	842,939,106	6.81%
London	1,089,612	12.14%	1,397,631,006	11.29%
Northern Ireland	100,912	1.12%	176,412,014	1.43%
North East	294,970	3.29%	389,397,133	3.15%
North West	905,033	10.08%	1,303,652,767	10.53%
Scotland	412,380	4.60%	696,327,536	5.63%
South East	1,748,136	19.48%	2,461,237,922	19.89%
South West	698,973	7.79%	952,678,636	7.70%
Wales	386,745	4.31%	523,369,132	4.23%
West Midlands	719,872	8.02%	970,533,860	7.84%
Yorkshire & Humberside	636,438	7.09%	901,105,413	7.28%
Other	237,005	2.64%	192,529,673	1.56%
Total	**8,974,304**	**100.00%**	**12,374,639,419**	**100.00%**

APPENDIX C
DIRECTORS REPORT AND FINANCIAL STATEMENTS OF GRACECHURCH CARD PROGRAMME FUNDING PLC FOR THE YEAR ENDED 31 DECEMBER 2011 AND DIRECTORS REPORT AND FINANCIAL STATEMENTS OF GRACECHURCH CARD PROGRAMME FUNDING PLC FOR THE YEAR ENDED 31 DECEMBER 2012

GRACECHURCH CARD PROGRAMME FUNDING PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

REGISTERED NUMBER: 06714746

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Registered Office

1 Churchill Place
London
E14 5HP

The Directors present their report together with the audited financial statements of Gracechurch Card Programme Funding PLC (the 'Company') for the year ended 31 December 2011.

Principal activities

The Company is a Special Purpose Entity (SPE) set up to issue asset backed notes as part of the securitisation of a pool of credit card receivables. The structure is such that Barclays Bank PLC sells a beneficial interest in a pool of receivables to Gracechurch Receivables Trustee Limited (an SPE incorporated in Jersey), which then issues investment certificates (collateralised by the receivables) to Barclaycard Funding PLC (an SPE incorporated in England and Wales), which itself then issues limited recourse medium term notes to the Company. The Company funds the purchase of the medium term notes by issuing the asset backed notes, which are collateralised by the medium term notes. All asset backed notes issued by the Company are listed on the Official List of the London Stock Exchange.

In 2011, the Company invested in a number of Series medium-term notes (2011-1, 2011-2, 2011-3, 2011-4 and 2011-5), split into Class A rated notes of £3.03 billion and unrated Class D notes of £0.54 billion (Refer to note 8 for details). On the same dates, and to fund these investments, the Company issued a number of Series asset backed notes (2011-1, 2011-2, 2011-3, 2011-4 and 2011-5), split into rated Class A notes of €2.13 billion, $1 billion and £0.54 billion, as well as unrated Class D notes of £0.54 billion (Refer to note 11 for details). Both forms of notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates. Medium-term notes related to series 2008-1 and 2008-2, totalling £4.0 billion, were redeemed by the Company before the scheduled maturity date on 17 October 2011 and a corresponding amount of asset backed notes were redeemed on the same date.

Further, the Company also entered into a number of cross-currency swap agreements with Barclays Bank PLC in order to mitigate any adverse exchange and interest rate movements. Under the terms of the swap agreements, the Company received £2.49 billion in exchange for the €2.13 billion and $1 billion Class A note proceeds. The Company also receives 1-month dollar LIBOR plus a margin (for dollar liabilities) or 1-month EURIBOR plus a margin (for Euro liabilities) and pays 1-month sterling LIBOR plus a margin. On the maturity date of the swap, the Company will receive €2.13 billion and $1 billion in exchange for a payment of £2.49 billion. After the swap agreements have been taken into consideration, the medium term notes pay the same level of interest and have the same redemption dates as the external asset backed notes.

Business Review

As at 31 December 2011, the Company held £3.94 billion of medium term notes, £0.08 billion of derivative liabilities and £3.89 billion of asset backed note liabilities. The medium term notes and asset backed notes were purchased and issued, respectively, in several series of offerings. They are expected to be redeemed on the scheduled redemption dates, where the key performance indicators for each series of notes issued meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place by the final redemption. The redemption dates assume the option to purchase further receivables in the future, pursuant to the Sale and Call Option Agreement dated 2 November 2010, has not been exercised before the scheduled redemption date. See note 8, Loans and receivables and note 11, Borrowings, of the accompanying financial statements for detail of the different series of offerings.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The Medium Term Note Programme stipulates a profit retention requirement of the greater of £1,200 per annum or £600 annually per series issued. The Company has met this retention requirement for 2011 and 2010.

Results and dividends

For the year ended 31 December 2011 the Company made a post tax loss of £28.4 million (year ending 31 December 2010: loss of £0.9 million). The Directors do not recommend the payment of a dividend (period ending 31 December 2010: £nil). The increase in the loss from 2010 to 2011 is primarily due to fair value movements on the swap contracts entered into in 2011, net of currency changes.

Future outlook

Based upon the performance of the underlying receivables (as evidenced via the Investor Reports, available from the 'Gracechurch Card Funding' section within 'Investor Relations' on the Barclays Bank PLC website) and the various levels of support offered by the structure of the instruments (as described in note 14, Financial Risks, of the accompanying financial statements), the Directors remain confident that the medium term notes will be repaid in full and therefore that the Company will be able to repay the asset backed notes in issue, in full, along with their interest, at maturity. The Directors do not expect there to be any changes in the Company's principal activity in the foreseeable future.

Principal risks and uncertainties

The principal risk is that the Company is unable to meet its obligations should the interest and principal received on the Company's investments not be sufficient to pay the asset backed note holders interest and principal and the associated expenses of the Company. Another key risk is the credit risk on the underlying credit card receivables. Information on how the Company's Directors manage these principal risks and uncertainties is explained in note 14 to the accompanying financial statements.

Key performance indicators

The interest receivable on the medium term notes, the interest costs of the asset backed notes, and the related operating expenses are the principal components of the Company's operations and have been quantified in the Statement of Comprehensive Income. The Directors monitor a number of non financial key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company, which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Further details on key performance indicators can be found in note 14.

Post balance sheet events

On 12 March 2012, the Company invested in medium term notes (2012-1 and 2012-2), split into Class A, A1 and A2 rated notes totalling £1 billion and unrated Class D notes of £0.18 billion. On the same date, the Company issued a number of Series asset backed notes (2012-1 and 2012-2), split into rated Class A, A1 and A2 notes of £0.3 billion, $0.45 billion and €0.5 billion respectively as well as unrated Class D notes of £0.18 billion. Both forms of notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates.

On 24 May 2012, the Company invested in medium term notes (2012-3), split into Class A rated notes totalling £0.38 billion and unrated Class D notes of £0.07 billion. On the same date, the Company issued Series asset backed notes (2012-3), split into rated Class A notes of £0.38 billion and unrated Class D notes of £0.07 billion. Both forms of notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates.

On 14 June 2012, the Company invested in medium term notes (2012-4), split into Class A rated notes totalling £0.47 billion and unrated Class D notes of £0.08 billion. On the same date, the Company issued Series asset backed notes (2012-4), split into rated Class A notes of £0.47 billion and unrated Class D notes of £0.08 billion. Both forms of notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates.

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below:

J Keighley

S L Miller

SFM Directors Limited

SFM Directors (No 2) Limited

Going concern

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections and making such further enquiries as they consider appropriate, including considering the actual and projected performance of the underlying credit card receivables ultimately collateralising the Company's asset backed notes and the terms of the derivative contracts, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors also considered the fair value movements of the underlying derivative contracts relative to the foreign exchange movements of the borrowings and are satisfied that they will offset on maturity of the notes. For this reason they adopt the going concern basis in preparing the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In the preparing of these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union (In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the international Accounting Standards Board (IASB)) have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the seets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were accordingly in force during the course of the year ended 31 December 2011 and period ended 31 December 2010, for the benefit of the Directors who have served in office and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Creditors payment policy

The Company values its suppliers and acknowledges the importance of paying invoices, especially those of small businesses, promptly. Normal policy is to pay all small business purchases within 30 days. It is the Company's practice to agree terms with suppliers when entering into contracts. We negotiate with suppliers on an individual basis and meet our obligations accordingly. The Company does not follow any specific published code or standard on payment practice.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 require disclosure of trade creditor payment days. The trade creditor payment days for the Company for the period were 44 days (period ending 31 December 2010: 54 days). This is an arithmetical calculation and does not necessarily reflect our practice, which is described above, nor the experience of any individual creditor.

Donations

The Company made no charitable or political donations during the year ended 31 December 2011 (period ended 31 December 2010: Enil).

Financial risks

The Company's financial risk management objectives and policies and the exposure to price risk, credit risk, liquidity risk and cash flow risk are set out in note 14 to the accompanying financial statements.

Related party transactions

Details of the Company's related party transactions during the period are set out in note 16 to the accompanying financial statements.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BY ORDER OF THE BOARD

Helena Whitaker
For and on behalf of SFM Directors Limited
Director
26 June 2012

REGISTERED NUMBER: 06714746

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACECHURCH CARD PROGRAMME FUNDING PLC

We have audited the financial statements of Gracechurch Card Programme Funding PLC for the year ended 31 December 2011 which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the report sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Darren L Meek
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 June 2012

Gracechurch Card Programme Funding PLC
Statement of Comprehensive Income
For the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Continuing operations			
Interest income		80,488	46,192
Interest expense		(80,078)	(45,815)
Net interest income		**410**	**377**
Other losses - net	4	(28,362)	(877)
Administrative expenses	5	(407)	(376)
Loss for the financial year		**(28,359)**	**(876)**
Tax	7	(1)	-
Total comprehensive loss		**(28,360)**	**(876)**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 06714746

Gracechurch Card Programme Funding PLC
Balance Sheet
At 31 December 2011

	Notes	2011 £'000	2010 £'000
ASSETS			
Current assets			
Trade and other receivables	9	3,520	2,742
Cash and cash equivalents		185	121
Financial assets			
- loans and receivables	8	370,640	4,000,000
- derivative financial instruments	12	8,390	-
Total current assets		382,735	4,002,863
Non-current assets			
Financial assets			
- loans and receivables	8	3,564,501	370,640
- derivative financial instruments	12	7,653	6,914
Total non-current assets		3,572,154	377,554
Total assets		3,954,889	4,380,417
LIABILITIES			
Current liabilities			
Trade and other payables	10	(3,687)	(2,849)
Current tax liabilities	7	(1)	-
Financial liabilities			
- short term borrowings	11	(379,417)	(4,000,000)
Total current liabilities		(383,105)	(4,002,849)
Net current (liabilities)/assets		(370)	14
Non-current liabilities			
Financial liabilities			
- long term borrowings	11	(3,507,576)	(378,430)
- derivative financial instruments	12	(93,430)	-
Total non-current liabilities		(3,601,006)	(378,430)
Net liabilities		(29,222)	(862)
SHAREHOLDERS' EQUITY			
Called up share capital	13	13	13
Accumulated (losses)/retained earnings		(29,235)	(875)
Total shareholders' equity		(29,222)	(862)

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2012. They were signed for and on behalf of SFM Directors Limited:

Helena Whitaker
For and on behalf of SFM Directors Limited
Director
26 June 2012

REGISTERED NUMBER: 06714746

Gracechurch Card Programme Funding PLC
Statement of Changes in Equity
For the year ended 31 December 2011

	Share capital	Retained earnings/ (accumulated losses)	Total equity
	£'000	£'000	£'000
Balance at 1 January 2011	13	(875)	(862)
Total comprehensive income for the year	-	(28,360)	(28,360)
Balance at 31 December 2011	**13**	**(29,235)**	**(29,222)**

	Notes	Share capital	Retained earnings/ (accumulated losses)	Total equity
		£'000	£'000	£'000
Balance at 1 January 2010		13	1	14
Total comprehensive income for the year		-	(876)	(876)
Balance at 31 December 2010		**13**	**(875)**	**(862)**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 06714746

Gracechurch Card Programme Funding PLC
Cash flow statement
For the year ended 31 December 2011

Continuing operations	2011 £'000	2010 £'000
Reconciliation of loss before tax to net cash flows from operating activities		
Loss before tax	**(28,359)**	**(875)**
Net (increase)/decrease in trade and other receivables	(11)	44
Net increase in trade and other payables	71	24
Foreign exchange (gain)/loss on asset backed notes	(55,939)	7,791
Net decrease/(increase) in fair value of derivative financial instruments	84,301	(6,914)
Net Interest income from loans and receivables	(80,488)	(46,192)
Interest payable on borrowings	80,078	45,815
Taxation paid	-	-
Net cash outflow from operating activities	**(347)**	**(307)**
Cash flows from investing activities		
Proceeds of loans and receivables	4,000,000	-
Purchase of loans and receivables	(3,564,501)	(370,640)
Interest received from loans and receivables	79,721	45,490
Net cash from/(used in) investing activities	**515,220**	**(325,150)**
Cash flows from financing activities		
Redemption of borrowings	(4,000,000)	-
Proceeds from borrowings	3,564,501	370,640
Interest paid on borrowings	(79,310)	(45,114)
Net cash (used in)/from financing activities	**(514,809)**	**325,526**
Increase in cash and cash equivalents	64	69
Cash and cash equivalents at beginning of the period	121	52
Cash and cash equivalents at end of the year	**185**	**121**
Cash and Cash equivalents comprise:		
Cash at bank	185	121
Cash and cash equivalents at end of the year	**185**	**121**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 06714746

1. Reporting entity

These financial statements are prepared for Gracechurch Card Programme Funding PLC (the Company), the principal activity of which is to issue asset backed notes primarily to fund the purchase of medium term notes, which are ultimately collateralised by beneficial interests in a pool of credit card receivables. The Company is a public limited Company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London E14 5HP, England.

The Company is a Special Purpose Entity (SPE) set up to issue asset backed notes as part of the securitisation of a pool of credit card receivables. As part of the securitisation structure, Barclays Bank PLC sells a beneficial interest in a pool of receivables to Gracechurch Receivables Trustee Limited (the Trust, an SPE incorporated in Jersey), which then issues investment certificates (collateralised by the receivables) to Barclaycard Funding PLC (a SPE incorporated in England and Wales), which itself then issues limited recourse medium term notes to the Company. The Company funds the purchase of the medium term notes by issuing the asset backed notes, which are collateralised by the medium term notes. All asset backed notes issued by the Company are listed on the Official List of the London Stock Exchange.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), adopted for use in the European Union, International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

Going Concern

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections and making such further enquiries as they consider appropriate, including considering the actual and projected performance of the underlying credit card receivables ultimately collateralising the Company's asset backed notes and the terms of the derivative contracts, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors also considered the fair value movements of the underlying derivative contracts relative to the foreign exchange movements of the borrowings and are satisfied that they will offset on maturity of the notes. For this reason they adopt the going concern basis in preparing the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under International Accounting Standards ('IAS') 39: 'Financial Instruments, recognition, and measurement,' as set out in the relevant accounting policies. They are presented in pounds sterling, the currency of the country in which the Company is incorporated.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

3. Summary of significant accounting policies (continued)

Basis of preparation (continued)

The Directors consider the most significant estimates and assumptions to be the impairment of the underlying credit card receivables and the methodology used to arrive at the fair value of financial instruments for disclosure purposes. The calculation of impairment of the underlying credit card receivables is based on assumptions explained in more detail in note 3(d). Allowances for impairment represents management's estimate of the losses incurred in the underlying credit card portfolios as at the balance sheet date. The level of the impairment allowance is the difference between the value of its discounted expected future cash flows (discounted at the effective interest rate of the underlying credit card receivables), and its carrying amount. Subjective judgments are made in the calculation of future cash flows. Furthermore, judgments change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

The fair value of financial instruments is disclosed in note 15 along with the critical assumptions made when calculating the amount. The value of the unrated Class D notes is the most subjective area of the valuation due to lack of available observable inputs.

(a) Foreign currency translation

The financial statements are presented in pounds sterling, which is the functional currency of the Company. Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Balances denominated in foreign currencies are retranslated at the rate prevailing at the year end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the Statement of Comprehensive Income.

(b) Interest income and expenses

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, or other loans and advances, and on financial liabilities, using the effective interest method. The application of the method has the effect of recognising income or expense on the instrument in proportion to the amount outstanding such that the yield earned or incurred is constant over the period to maturity or repayment. The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument.

(c) Current income tax

Income tax payable on taxable profits ('current tax') is recognised as an expense in the period in which the profits arise. The Company has elected to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax") under which the Company is taxed by reference to the amount of profit retained by the Company, as set out in the transaction document.

(d) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise assets until the cash is received, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership. In the case of liabilities, the Company will continue to recognise them until the liability has been settled, extinguished or has expired. Financial assets are initially recognised at fair value and then measured and classified in the financial statements as follows:

Loans and receivables

Loans and receivables represent the Company's indirect beneficial interest in pools of credit card receivables. The beneficial interests in pools of credit card receivables result from the medium term notes that are collateralised by the pools of credit card receivables. The medium term notes entitle the Company to payments of interest and principal payable from collections on the underlying receivables.

3. Summary of significant accounting policies (continued)

(d) Financial assets and liabilities

Loans and receivables (medium term notes) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loans and receivables are categorised as non-current if maturities are greater than 12 months from the date of the balance sheet. They are initially recognised at fair value including direct and incremental transaction costs and are substantially measured at amortised cost, using the effective interest method.

Derivative financial instruments

The Company enters into cross currency swaps in order to match its sterling denominated medium term note assets with its US Dollar and Euro denominated asset backed debt obligations. The cross currency swaps are recognised at fair value on the date on which the swap contracts are entered into and are subsequently re-measured at their fair value. The gain or loss on the change in fair value of the cross currency swaps and the foreign exchange transaction gains and losses on the US Dollar and Euro denominated asset backed notes are taken to the Statement of Comprehensive Income The cross currency swap is carried as an asset when fair value is positive and as a liability when fair value is negative. See additional information in note 12, Derivative financial instruments.

Borrowings

Borrowings represent asset backed debt obligations. The asset backed debt obligations are collateralised by the medium term notes held by the Company, which are ultimately collateralised by beneficial interest in pools of credit card receivables. Borrowings are initially recognised at fair value less transaction costs and are subsequently valued at amortised cost, using the effective interest method.

Determining fair value

Fair value of financial assets and liabilities, for disclosure purposes (see note 15, Fair value of financial instruments) was determined by reference to the quoted bid value in an active market wherever possible. Where no such active market exists for the particular instrument, the Company uses a valuation technique to arrive at the fair value, including the use of prices of similar instruments obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset, is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or in the disappearance of an active market for a security because of the issuer's financial difficulties.

The ability of the Company's borrower to repay the loans and receivables (medium term notes) is dependent primarily on the performance of underlying credit card receivables. In making an assessment on whether or not the medium term notes are impaired, the Company also considers the performance of the underlying credit card receivables, including their arrears levels. The Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread (as defined in note 14, Financial risks), on the underlying revolving securitised credit card receivables. The Company also performs procedures to satisfy itself that the servicer has adequate controls in place to fairly report the performance of the underlying credit card receivables, including their arrears levels.

The Company also considers observable data when determining if there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets. These decreases cannot yet be directly linked to specific assets in the portfolio and might arise from adverse changes in the payment status of borrowers, or national or local economic conditions that correlate with defaults on the assets in the portfolio.

3. Summary of significant accounting policies (continued)

(d) Financial assets and liabilities

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Any impairment loss is recognised using an allowance account in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash comprises of cash at bank.

(f) Segment reporting

The operations of the Company comprise issuing of asset backed notes in the United Kingdom and acquiring medium term notes originated in United Kingdom. Consequently, the Directors consider the Company to have only one business and geographical segment.

(g) Share capital

Ordinary shares are classified as equity.

Recently issued accounting pronouncements

Standards and interpretations effective in the year

The following standards and interpretations effective during the period have had the most significant impact on the Company:

- IAS 24 – Related Party – Disclosure clarifies and simplifies the definition of related parties.
- IFRS 7 – Financial Instruments – Disclosures to quantify the financial effects of collateral and other credit enhancements on the entity's maximum exposure to credit risk. Previously only a qualitative disclosure was required. The amendment was effective from 1 January 2011.

Future accounting developments

As at 31 December 2011 the IASB had issued the following accounting standards, which are relevant to the Company and are effective from 1 January 2013 (subject to endorsement by the EU):

- IFRS 13 – Fair Value Measurement – This provides comprehensive guidance on how to calculate the fair value of financial and non financial assets and liabilities.
- IFRS 10 – Consolidated Financial Statements which replaces requirements in IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. This introduces new criteria to determine whether entities which have interests in the Company should present consolidated results.
- IAS 32 and IFRS 7 Amendments – Offsetting Financial Assets and Financial Liabilities – the circumstances in which netting is permitted have been clarified and disclosures on offsetting have been considerably expanded. The amendments on offsetting are effective from 1 January 2014, those disclosures from 1 January 2013 and will apply retrospectively. The Company does not expect this to have a material impact on the amounts of reported assets and liabilities.

In 2009 and 2010 the IASB proposed a new pronouncement, IFRS 9: Financial Instruments, which contains new requirements for accounting for financial assets and liabilities. IFRS 9 will also include new requirements for impairment and hedge accounting, replacing the corresponding requirements in IAS 39. It will introduce significant changes which may impact the company accounts for financial instruments. The key changes issued and proposed relate to:

3. Summary of significant accounting policies (continued)

Recently issued accounting pronouncements (continued)

- Financial assets. Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading, which may be held at fair value through equity.
- Financial liabilities. Gains and losses on own credit arising from financial liabilities designated at fair value through profit or loss will be excluded from the Statement of Comprehensive Income and instead taken to Other Comprehensive Income.
- Impairment. Expected losses (rather than only incurred losses) will be reflected in impairment allowances for loans and advances.
- Hedge accounting. Hedge accounting will be more closely aligned with financial risk management.

Adoption is not mandatory until periods beginning on or after 1st January 2015. Earlier adoption is possible, subject to EU endorsement. IFRS 9 will affect the population of instruments held at amortised cost on which it recognizes interest income and expense and those held at fair value through profit or loss. At this stage, it is not possible to determine the potential financial impacts of adoption on the Company.

4. Other losses - net

Other operating losses are analysed as follows:

	2011 £'000	2010 £'000
(Loss)/gain on fair value of derivative financial instruments	(84,301)	6,914
Foreign exchange gain/(loss) on notes	55,939	(7,791)
Other losses	**(28,362)**	**(877)**

The other losses represent the unrealized loss on the interest rate component of the cross-currency swap. This amount is expected to fluctuate as interest rates change and the contract nears maturity. The cross currency swap is used as an economic hedge of exchange and interest rate movements and is not expected to result in a gain or loss at upon maturity of the instrument.

5. Administrative expenses

Administrative expenses is analysed as follows:

	2011 £'000	2010 £'000
Custodial fees	188	282
Other	189	61
Auditors Remuneration - audit of the Company's annual financial statements only	30	33
Total administrative expense	**407**	**376**

6. Employees and key management, including directors

(i) Employees

There were no persons employed by the Company during the year other than the Directors (2010: nil).

(ii) Directors' remuneration:

None of the Directors was directly remunerated by the Company in respect of their services to the Company during the year. However, a corporate services fee was paid to Structured Finance Management Limited (SFM) in relation to the services provided by SFM Directors Limited and SFM Directors (No 2) Limited. In relation to the other Directors, their services to this Company were performed as part of their employment by Barclays Bank PLC and no remuneration was earned in respect of qualifying services provided to the Company. Barclays Bank PLC has not recharged this Company for the cost of these services (see note 16).

7. Tax

(a) Income tax expense

The analysis of the charge for the year is as follows:

	2011 £'000	2010 £'000
Current taxation:		
United Kingdom corporation tax – current year	(1)	-
Total tax charge	**(1)**	**-**

A numerical reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate is as follows:

	2011 £'000	2010 £'000
Loss before taxation	(28,359)	(876)
Tax credit at average UK corporation tax rate of 26.5% (2010: 28%)	7,515	245
Tax effect of expense not deductible under the securitisation regime	(7,516)	(245)
Overall tax charge for the year	**(1)**	**-**

The expense of £28.4 million (2010: £0.9 million) is related to the loss on the change in fair value of the cross-currency swap and is not deductible under the securitisation regime.

(b) Current tax liabilities

Current tax liabilities were as follows:

	2011 £'000	2010 £'000
UK Corporation tax payable	1	-
Total charge	**1**	**-**

8. Loans and receivables

Loans and receivables consist solely of medium term notes and are made up as follows:

Series and date of notes	Scheduled redemption date	Final redemption date	2011 £'000	2010 £'000	Interest Rate Receivable
Class A (Series 2008-1), 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	1,702,000	1 month sterling LIBOR plus 0.5%
Class A (Series 2008-2), 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	1,702,000	1 month sterling LIBOR plus 0.5%
Class D (Series 2008-1), 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	298,000	1 month sterling LIBOR plus 1.0%
Class D (Series 2008-2), 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	298,000	1 month sterling LIBOR plus 1.0%
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	315,040	315,040	1 month sterling LIBOR plus 0.775%
Class D (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	55,600	55,600	1 month sterling LIBOR plus 1.2%
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	640,328	-	1 month sterling LIBOR plus 0.555%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	113,000	-	1 month sterling LIBOR plus 1.1%
Class A (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	319,693	-	1 month sterling LIBOR plus 1.3125%
Class D (Series 2011-2), 07 Feb 2011	15 Apr 2014	15 Jan 2016	56,500	-	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	199,080	-	1 month sterling LIBOR plus 1.0375%
Class A2 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	125,000	-	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	57,200	-	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	963,919	-	1 month sterling LIBOR plus 1.364%
Class D (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	170,200	-	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	-	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	-	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	-	1 month sterling LIBOR plus 2.0%
Total			3,935,141	4,370,640	

8. Loans and receivables (continued)

The medium-term notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates. The Class D notes are subordinate to the Class A notes.

9. Trade and other receivables

	2011 £'000	2010 £'000
Interest receivable on loans and receivables (medium term notes)	3,499	2,732
Prepayments	21	10
Total	3,520	2,742

10. Trade and other payables

	2011 £'000	2010 £'000
Interest payable on asset backed notes	3,499	2,732
Accruals	188	106
Amount due to Barclays Bank PLC	-	11
Total	3,687	2,849

11. Borrowings

Borrowings consist solely of asset backed notes and are made up as follows:

Series and date of notes	Scheduled redemption date	Final redemption date	Currency of Issue	2011 £'000	2010 £'000	Interest Rate Payable
Class A (Series 2008-1),12 Dec 2008	15 Dec 2011	15 Dec 2013	GBP	-	1,702,000	1 month sterling LIBOR plus 0.5%
Class A (Series 2008-2), 12 Dec 2008	15 Dec 2011	15 Dec 2013	GBP	-	1,702,000	1 month sterling LIBOR plus 0.5%
Class D (Series 2008-1), 12 Dec 2008	15 Dec 2011	15 Dec 2013	GBP	-	298,000	1 month sterling LIBOR plus 1.0%
Class D (Series 2008-2), 12 Dec 2008	15 Dec 2011	15 Dec 2013	GBP	-	298,000	1 month sterling LIBOR plus 1.0%
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	USD	323,817	322,830	1 month dollar LIBOR plus 0.6%
Class D (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	GBP	55,600	55,600	1 month sterling LIBOR plus 1.2%
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	USD	647,635	-	1 month dollar LIBOR plus 0.55%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	GBP	113,000	-	1 month sterling LIBOR plus 1.1%
Class A (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	EUR	314,268	-	1 month EURIBOR plus 0.85%
Class D (Series 2011-2), 07 Feb 2011	15 Apr 2014	15 Jan 2016	GBP	56,500	-	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	EUR	188,561	-	1 month EURIBOR plus 0.75%
Class A2 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	GBP	125,000	-	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	GBP	57,200	-	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	EUR	921,852	-	1 month EURIBOR plus 0.75%
Class D (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	GBP	170,200	-	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	EUR	360,360	-	1 month EURIBOR plus 0.95%
Class A2 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	GBP	415,000	-	1 month sterling LIBOR plus 1.394%
Class D (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	GBP	138,000	-	1 month sterling LIBOR plus 2.0%
Total				**3,886,993**	**4,378,430**	

The asset-backed notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates. The Class D notes are subordinate to the Class A, A1 and A2 notes. Class A, A1 and A2 notes rank pari passu to one another. See note 14 for information related to financial risks.

12. Derivative financial instruments

The purpose of the cross-currency swap agreements is to economically hedge changes in exchange and interest rates. The swaps are accounted for at fair value with changes in fair value recorded through the Statement of Comprehensive Income as hedge accounting is not applied. The Company also entered into various cross-currency swap agreements with Barclays Bank PLC in order to mitigate any adverse exchange and interest rate movements. After the swap agreements have been taken into consideration, the medium term notes pay the same level of interest and have the same redemption dates as the asset backed notes. The terms of the swap agreements are provided below:

Series and date of notes	Termination date	Interest rate payable	Interest rate receivable	Notional payable £'000	Notional receivable CCY'000	Fair Value £'000
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	1 month sterling LIBOR plus 0.775%	1 month dollar LIBOR plus 0.6%	(315,040)	$500,000	8,390
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	1 month sterling LIBOR plus 0.555%	1 month dollar LIBOR plus 0.55%	(640,328)	$1,000,000	7,653
Class A (Series 2011-2), 07 Feb 2011	15 Jan 2014	1 month sterling LIBOR plus 1.3125%	1 month EURIBOR plus 0.85%	(319,693)	€375,000	(8,489)
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	1 month sterling LIBOR plus 1.0375%	1 month EURIBOR plus 0.75%	(199,080)	€225,000	(12,080)
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	1 month sterling LIBOR plus 1.364%	1 month EURIBOR plus 0.75%	(963,919)	€1,100,000	(59,550)
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	1 month sterling LIBOR plus 1.394%	1 month EURIBOR plus 0.95%	(366,581)	€430,000	(13,311)

Upon termination of the cross currency swap agreements the Company is required to settle a notional value and the counterparty (Barclays Bank PLC) will settle a notional value. The Company will use the proceeds from the counterparty to settle the currency denominated asset backed notes. The terms of the swap agreements are disclosed set out in note 11. The interest payment dates are defined as the London, New York and TARGET settlement days on the 15th of each month. If the 15th falls on a non-settlement date, the interest payment date reverts to the next available settlement date. Upon an early termination event the Company and the counterparty will settle the notional values and any remaining interest components on a net basis.

13. Share capital

The authorised share capital of the Company is £50,000, comprising 50,000 ordinary shares of £1 each.

2011	Authorised number	Allotted, issued and fully paid £	Allotted, issued and quarter paid £	Total £'000
At January	50,000	2	12,499	13
Movements during the year	-	-	-	-
At 31 December 2011	50,000	2	12,499	13

2010				
At January	50,000	2	12,499	13
Movements during the period	-	-	-	-
At 31 December 2010	50,000	2	12,499	13

The shares rank pari passu in all respects and the holders of the shares have full rights to receive notice of, and attend and vote at, general meetings and have the right to dividends and the repayment of capital. These shares were issued for cash. The unpaid element of the share capital has not been called.

14. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk (which includes interest rate risk and foreign currency risk). The Company's Directors follow the risk management policies of Barclays Bank PLC because the Company is controlled by Barclays Bank PLC and the Company's financial statements are consolidated into the financial statements of Barclays Bank PLC and they consider these policies to be the most appropriate ones for the Company. These policies include specific guidelines on the management of foreign exchange, interest rate and credit risks and advise on the use of financial instruments to manage them. The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

The Company's financial instruments comprise of loans and receivables (medium term notes), borrowings (asset backed notes), cash, trade receivables and trade payables that arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken except for hedging purposes as described in these financial statements. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing these risks as summarised below. The Company uses derivative financial instruments to hedge its foreign currency risk exposures.

(A) Credit Risk

Credit risk is the risk of financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company. The Company assesses all counterparties for credit risk before contracting with them. The Company's medium term notes are issued by Barclaycard Funding PLC and represent a beneficial interest in a portfolio of underlying credit card receivables forming part of Gracechurch Receivables Trustee Limited. They indirectly entitle the Company to payments of interest and principal from collections on the underlying receivables. The Company's credit risk is therefore, that performance of the underlying credit card receivables is not sufficient to enable Barclaycard Funding PLC to pay the interest and principal on the medium term notes, which in turn would mean that the Company may not be able to meet its debts as they fall due.

14. Financial risks (continued)

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is reflected by the amounts disclosed in the balance sheet. The following table shows the maximum exposure to credit risk at 31 December 2011 and 31 December 2010:

As at 31 December 2011	2011 £'000
Cash and cash equivalents	185
Trade and other receivables	3,520
Financial assets	
- loans and receivables	3,935,141
- derivative financial instruments	16,043
Total maximum exposure at 31 December	**3,954,889**

As at 31 December 2010	
Cash and cash equivalents	121
Trade and other receivables	2,742
Financial assets	
- loans and receivables	4,370,640
- derivative financial instruments	6,914
Total maximum exposure at 31 December	**4,380,417**

The Company's loans and receivables comprise medium term notes, which are ultimately collateralised by an underlying portfolio of credit card receivables. Its borrowings, comprising the asset-backed notes, are collateralised by the medium term notes.

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk relate to medium term notes issued by Barclaycard Funding PLC, (which in turn are ultimately dependent upon credit card receivables underlying the investor certificates issued to the Trust by Barclaycard Funding PLC), trade and other receivables, cash at bank and derivative financial instruments. Collections received on the continuously revolving credit card receivables are used by Barclaycard Funding PLC to settle principal and interest due on the medium term notes held by the Company.

14. Financial risks (continued)

For the purposes of the Company's disclosures regarding credit quality, financial assets against which the Company is subject to credit risk have been analysed as follows:

2011	Cash and cash equivalents £'000	Trade and other receivables £'000	Medium term notes £'000	Derivative financial instruments £'000
Neither past due nor impaired	185	3,520	3,935,141	16,043
Individually impaired assets	-	-	-	-
Total	**185**	**3,520**	**3,935,141**	**16,043**
Impairment allowance	-	-	-	-
Total carrying value	**185**	**3,520**	**3,935,141**	**16,043**
2010				
Neither past due nor impaired	121	2,742	4,370,640	6,914
Individually impaired assets	-	-	-	-
Total	**121**	**2,742**	**4,370,640**	**6,914**
Impairment allowance	-	-	-	-
Total carrying value	**121**	**2,742**	**4,370,640**	**6,914**

The loans and receivables (medium term notes) payment status in the table above has been classified according to the terms of the medium term notes rather than the underlying credit card receivables payment status. The payment status of the underlying credit card receivables is presented below.

Financial assets subject to credit risk neither past due nor individually impaired

Financial assets subject to credit risk that are neither past due nor individually impaired are analysed according to the rating systems used by Barclays Bank PLC when assessing customers and counterparties. The credit quality of financial assets subject to credit risk that were neither past due nor impaired, based on credit rating, was as follows:

2011	Strong £'000	Satisfactory £'000	Higher risk £'000	Total £'000
Cash and cash equivalents	185	-	-	185
Trade and other receivables	3,520	-	-	3,520
Medium term notes	3,344,641	590,500	-	3,935,141
Derivative financial instruments	16,043	-	-	16,043
Total	**3,,364,389**	**590,500**	**-**	**3,954,889**

14. Financial risks (continued)

2010	Strong £'000	Satisfactory £'000	Higher risk £'000	Total £'000
Cash and cash equivalents	121	-	-	121
Trade and other receivables	2,742	-	-	2,742
Medium term notes	3,719,040	651,600	-	4,370,640
Derivative financial instruments	6,914	-	-	6,914
Total	**3,728,817**	**651,600**	**-**	**4,380,417**

A strong rating indicates that there is a very high likelihood of the asset being recovered in full. Cash and cash equivalents have been classified as strong since it is on deposit with a related party that is an investment grade rated entity. Trade and other receivables are classified as strong as the amounts are due from related parties that are investment grade rated entities. Loans and receivables are classified according to the rating of the underlying medium term notes. Derivative financial instruments have been classified as strong as the counterparty is a related party, Barclays Bank PLC, which is an investment grade rated entity. A satisfactory rating indicates the assets have a high likelihood of being recovered in full and therefore there is no cause for concern to the Company. Assets rated as satisfactory include all unrated series notes (all Class D notes). A higher risk rating would indicate that there is concern over the obligor's ability to make payments when due.

Disclosure of credit quality of underlying credit card receivables and Trust Principal Funding Account

The underlying credit card receivables forming the Trust's total securitisation pool amounted to £9.8 billion (2010: £8.6 billion) at 31 December 2011. Of the £9.8 billion (2010: £8.6 billion), the gross balance of underlying credit card receivables supporting the Company's medium term notes was approximately £3.9 billion (2010: £4.4 billion) at 31 December 2011 (see below for further detail on assets supporting the medium term notes). Each series of the Company's medium term notes rank pari passu with similar credit rated series of the other medium term notes issued by Barclaycard Funding PLC and the seller's (Barclays Bank PLC) interest. The seller's interest is represented by the remaining £5.9 billion of underlying credit card receivables of the Trust.

The credit risk of the medium term notes is ultimately related to the credit risk of the underlying credit card receivables. In addition, as the scheduled redemption dates for all Series (see note 8, Loans and receivables, for a description of the various series of investment certificates) vary from 2012 to 2016, the credit risk of the medium term notes is also related to the ability to accumulate the required principal collections on the underlying credit card receivables in the Trust in order to settle interest and principal payments due to investors by the scheduled redemption date for these series.

In this regard, a monthly assessment is conducted on the medium term notes related to all series to determine the appropriate accumulation period length. As of 31 December 2011, an accumulation period has not commenced on any particular series of medium term notes issued. During an accumulation period, the Trust is required to allocate and accumulate principal collections received on the revolving credit card receivables in a trust account called the Trust Principal Funding Account. The funds accumulated in the trust account will be used to redeem the investor certificates held by Barclaycard Funding PLC, which in turn would be used to redeem the medium term notes. As the principal collections in the account accumulate month on month, it reduces the credit risk of the medium term notes.

14. Financial risks (continued)

The tables below represent the credit risk of the loans and receivables (medium term notes) held by the Company according to the payment status of the underlying credit card receivables:

31 December 2011	Notes	Credit card receivables £'000	Trust Principal Funding Account £'000	Total £'000
Neither past due nor impaired	(i)	3,750,319	-	3,750,318
Past due but not individually impaired	(ii)	179,457	-	179,457
Individually impaired assets	(iii)	5,365	-	5,364
Total		3,935,141	-	3,935,141
Impairment allowance		(69,369)	-	(69,369)
Total carrying value		3,865,772	-	3,865,772

31 December 2010

Neither past due nor impaired	(i)	3,781,170	333,333	4,114,503
Past due but not individually impaired	(ii)	228,944	-	228,944
Individually impaired assets	(iii)	27,193	-	27,193
Total		4,037,307	333,333	4,370,640
Impairment allowance		(93,123)	-	(93,123)
Total carrying value		3,944,184	333,333	4,277,517

The carrying value of the £3.9 billion medium term notes is redeemed ultimately from the principal cash flows of the Company's share of the underlying revolving credit card receivables as accumulated in the Trust Principal Funding Account which are used to redeem the investor certificates held by Barclaycard Funding PLC, from which the medium term notes would then be redeemed. The interest on the medium term notes is paid from the interest collected on the underlying revolving credit card receivables.

As at 31 December 2011, the value of the underlying assets supporting the £3.9 billion of loans and receivables (medium term notes) is as follows:

Underlying asset	2011 £'000	2010 £'000
Gross revolving credit card receivables	3,935,141	4,037,307
Impairment allowance on revolving credit card receivables	(69,369)	(93,123)
Trust Principal Funding Account	-	333,333
Total value supporting the investor certificates	3,865,772	4,277,517

The settlement of both the principal and the interest components of the Company's medium term notes are supported by:

- Accumulations of principal collections on the underlying credit card receivables in the Trust Principal Funding Account: Monthly accumulations reduce the credit risk of the underlying revolving credit card receivables and the associated impairment.
- Credit enhancement is provided to the Company's medium term notes through the issuance of Class D unrated notes for all the Series.
- Revolving receivables continuously replenish the credit card receivable balances being charged-off.

14. Financial risks (continued)

Settlement of each series of medium term notes prior to the scheduled redemption date is triggered by a drop in the three month average excess spread of that series below 0%. Excess spread represents the surplus of cash flow from interest, fee, and interchange and recovery collections on the underlying receivables after deducting the financing costs paid to investors of the beneficial interest in the receivables (i.e., interest on the medium term notes), credit losses, contractual servicing fees, and other expenses. No such triggering event has occurred as at 31 December 2011. In such an event, however, the accumulated principal collections in the Trust Principal Funding Account would be used as the first source to settle the medium term notes. A credit enhancement is provided by using the Class D notes held by Barclays Bank PLC (issued in all Series) which bears the first loss of up to £590.5 million. Any remaining losses will be borne by the Class A, A1 and A2 notes of all Series.

The table below sets out key performance indicators relating to performance of the underlying receivables:

2011 Average

	Series 2010-1	Series 2011-1	Series 2011-2	Series 2011-3	Series 2011-4	Series 2011-5
Yield	16.42%	17.96%	17.96%	17.55%	18.41%	21.81%
Finance expense	2.26%	3.06%	3.05%	2.70%	3.32%	3.16%
Charge-offs	4.66%	4.92%	4.92%	4.39%	3.89%	4.65%
Excess spread	**9.51%**	**9.99%**	**10.00%**	**10.45%**	**11.20%**	**14.00%**

2010 Average

	Series 2008-1	Series 2008-2	Series 2010-1
Yield	16.52%	16.52%	19.34%
Finance expense	1.91%	1.91%	3.45%
Charge-offs	6.20%	6.20%	7.04%
Excess spread	**8.41%**	**8.41%**	**8.85%**

In assessing the default risk on the loans and receivables (medium term notes), the Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread, on the underlying revolving securitised credit card receivables.

The Company considered the revolving nature of the underlying card receivables, the processes used during the Controlled Accumulation Period and the current and forecasted excess spread levels generated by the Company's share of the underlying credit card receivables and determined that it expects to collect all of the contractual principal and interest cash flows due on the medium term notes. Based on this assessment the Directors are satisfied that the expected principal payments and excess spread on the net underlying revolving credit card receivables of £3.9 billion (2010: £3.9 billion) and the Trust Principal Funding Account of £0.0 million (2010: £333.3 million) will be sufficient to settle the loans and receivables (medium term notes) of £3.9 billion plus interest held by the Company to maturity, and therefore the medium term notes are not impaired.

14. Financial risks (continued)

(i) Credit card receivables and Trust Principal Funding Account balance subject to credit risk neither past due nor individually impaired

31 December 2011	Strong £'000	Satisfactory £'000	High risk £'000	Total £'000
Underlying credit card receivables	-	3,750,319	-	3,750,319
Trust Principal Funding Account	-	-	-	-
Total	-	3,750,319	-	3,750,319

31 December 2010	Strong £'000	Satisfactory £'000	High risk £'000	Total £'000
Underlying credit card receivables	-	3,781,170	-	3,781,170
Trust Principal Funding Account	333,333	-	-	333,333
Total	333,333	3,781,170	-	4,114,503

(ii) Credit card receivables subject to credit risk past due but not individually impaired

An aged analysis of underlying credit card receivables that are past due but not individually impaired is set out below.

	Past due up to 1 month £'000	Past due 1-2 months £'000	Past due 2-3 months £'000	Past due 3-6 months £'000	Past due 6 months and over £'000	Total £'000
2011	83,598	31,018	22,106	42,735	-	179,457
2010	94,718	40,026	30,606	63,594	-	228,944

	Original carrying amount £'000	Impairment allowance £'000	Revised carrying amount £'000
2011	179,457	(67,243)	112,214
2010	228,944	(84,782)	144,162

The impairment allowance on these underlying credit card receivables have been assessed collectively.

(iii) Individually impaired credit card receivables

Individually impaired underlying credit card receivables are comprised of repayment plan book receivables and were as follows:

	Original carrying amount £'000	Impairment allowance £'000	Revised carrying amount £'000
2011	5,365	(2,126)	3,239
2010	27,193	(8,341)	18,852

14. Financial risks (continued)

The impairment allowance on these credit card receivables has been assessed individually. Individually impaired credit card receivables decreased from 2010 to 2011 as Gracechurch Receivables Trustee Limited sold and Barclays Bank PLC purchased £100.4 million of such receivables pursuant to the Sale and Call Option Agreement dated 2 November 2010. The option provides for the purchase of further receivables in the future.

(B) Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. In addition to considering performance of the underlying credit card receivables and the Trust Principal Funding Account and the ability of Barclaycard Funding PLC to pay interest/principal as due on the medium term notes, cash flow measurements and projections for the next day, week and month are also reviewed, as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the financial liabilities payable by the Company by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest, adjusted for the impact of derivatives) of all financial liabilities.

	Within 1 year £'000	1-2 years £'000	2-5 years £'000	5-10 years £'000	Over 10 years £'000	Total £'000
2011						
Borrowings	375,842	766,926	2,987,844	-	-	4,130,612
Other liabilities	3,687	-	-	-	-	3,687
Total Liabilities	379,529	766,926	2,987,844	-	-	4,134,299
2010						
Borrowings	4,044,247	380,522	-	-	-	4,424,769
Other liabilities	2,849	-	-	-	-	2,849
Total Liabilities	4,047,096	380,522	-	-	-	4,427,618

The Company's borrowings are limited recourse and therefore only repayable to the extent the Company receives payments under the medium term notes held by it.

(C) Market Risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates.

Interest Rate Risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities.

14. Financial risks (continued)

The Company finances its operations through the issue of asset backed notes, which are denominated in Sterling, Euro and US Dollars at floating rates of interest. Interest incurred on borrowings is matched with interest earned on sterling-denominated loans and receivables (medium term notes).

	Rates Receivable	Rates Payable
Class A (Series 2010-1)	1 month sterling LIBOR plus 0.775%	1 month dollar LIBOR plus 0.6%
Class D (Series 2010-1)	1 month sterling LIBOR plus 1.2%	1 month sterling LIBOR plus 1.2%
Class A1 (Series 2011-1)	1 month sterling LIBOR plus 1.394%	1 month EURIBOR plus 0.95%
Class A2 (Series 2011-1)	1 month sterling LIBOR plus 1.1%	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1)	1 month sterling LIBOR plus 2%	1 month sterling LIBOR plus 2%
Class A (Series 2011-2)	1 month sterling LIBOR plus 1.3125%	1 month EURIBOR plus 0.85%
Class D (Series 2011-2)	1 month sterling LIBOR plus 1.5%	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2011-3)	1 month sterling LIBOR plus 1.0375%	1 month EURIBOR plus 0.75%
Class A2 (Series 2011-3)	1 month sterling LIBOR plus 0.85%	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3)	1 month sterling LIBOR plus 1.6%	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4)	1 month sterling LIBOR plus 1.364%	1 month EURIBOR plus 0.75%
Class D (Series 2011-4)	1 month sterling LIBOR plus 1.5%	1 month sterling LIBOR plus 1.5%
Class A (Series 2011-5)	1 month sterling LIBOR plus 0.555%	1 month dollar LIBOR plus 0.55%
Class D (Series 2011-5)	1 month sterling LIBOR plus 1.1%	1 month sterling LIBOR plus 1.1%

Interest rate sensitivity gap analysis

The sensitivity of the Statement of Comprehensive Income is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and liabilities held at 31 December, including the effect of hedging instruments.

Impact on net interest income
The impact of a 25 basis point increase or decrease in interest rates on net interest income is as follows:

	2011		2010	
	+25 basis points £'000	-25 basis points £'000	+25 basis points £'000	-25 basis points £'000
Loans and receivables (medium term loan notes)	9,838	(9,838)	10,927	(10,927)
Borrowings	(9,838)	9,838	(10,927)	10,927
Total	-	-	-	-

14. Financial risks (continued)

A portion of the Company's debt obligations are denominated in U.S. dollar and Euro and interest on these notes is linked to the LIBOR and EURIBOR interest rates, respectively. The cross currency swaps held by the Company were not only entered to hedge the foreign currency risk on these obligations but also the interest rate risk. After the swap agreements have been taken into consideration, the medium term notes pay the same level of interest and have the same redemption dates as the asset backed notes.

Foreign Currency Risk

The Company is exposed to foreign currency risk from foreign currency transactions, and recognised assets and liabilities. The exchange rate risk arises on currency differences between the sterling-denominated medium term notes and the US Dollar denominated asset backed notes and the sterling-denominated medium term notes and the Euro denominated asset backed notes. The exchange rate risk on the payment of interest to the US Dollar denominated asset backed notes holders and the final settlement on maturity of the asset backed notes is hedged by means of cross currency swaps. This also applies to the Euro denominated asset backed notes.

The contractual, notional amount of the cross currency swap agreements of $1.5 billion and €2.13 billion corresponds exactly to the notional amount of the asset backed notes issued of $1.5 billion and €2.13 billion and therefore mitigates the Company's exposure to currency risk.

15. Fair value of financial instruments

The fair value of financial instruments is the amount for which an asset could be exchanged, or liability settled in an arm's length transaction between knowledgeable parties.

The following table summarises the carrying amounts and fair values of financial assets and liabilities presented on the Company's balance sheet:

		2011		2010	
	Note	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial assets					
Loans and receivables	(a)	3,935,141	3,796,260	4,370,640	4,253,909
Derivative financial instruments	(c)	16,043	16,043	6,914	6,914
Trade and other receivables	(b)	3,520	3,520	2,742	2,742
Cash and cash equivalents	(b)	185	185	121	121
Financial liabilities					
Borrowings	(a)	3,886,993	3,748,361	4,378,430	4,261,597
Derivative financial instruments	(c)	93,430	93,430	-	-
Trade and other payables	(b)	3,687	3,687	2,849	2,849

15. Fair value of financial instruments (continued)

Notes

(a) Loans and receivables are fair valued using the following techniques:

i. Observable market prices for similarly rated Class A, A1 and A2 listed notes.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

(b) Borrowings are fair valued using the following techniques:

i. Observable market prices for the Class A, A1 and A2 notes as they are listed and traded.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

(c) Derivative contracts are fair valued using discounted cash flow techniques with appropriate interest rate yield curves and adjustments for exchange rates.

16. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, are disclosed in the tables below:

16. Related party transactions (continued)

Related party transactions are summarised below:

	Notes	2011 £'000	2010 £'000
Asset / (liability)			
Cash at Bank with Barclays Bank PLC	(a)	185	121
Debtor with Barclays Bank PLC	(a)	21	10
Derivative financial instruments with Barclays Bank PLC	(a)	(77,387)	6,914
Loans and receivables (medium term notes issued by Barclaycard Funding PLC)	(b)	3,935,141	4,370,640
Interest receivable on medium term notes issued by Barclaycard Funding PLC	(b)	3,499	2,732
Borrowings from Barclays Bank PLC	(a)	(609,929)	(4,055,600)
Interest payable on borrowings from Barclays Bank PLC	(a)	(640)	(2,262)
Prepayment/(creditor) with Structured Finance Management Limited	(c)	1	(14)
Income / (expense)			
Bank charges with Barclays Bank PLC	(a)	(1)	(1)
Interest on medium term notes issued by Barclaycard Funding PLC	(b)	80,488	46,192
Interest on borrowings from Barclays Bank PLC	(a)	(46,068)	(45,346)
Other income/(loss) from Barclays Bank PLC	(a)	(84,301)	6,914
Professional fees payable to Structured Finance Management Limited for Directors services	(c)	(15)	(18)

Notes

a) Barclays Bank PLC is the parent undertaking of Barclaycard Funding PLC.
b) Gracechurch Card (Holdings) Limited, whose share is held on trust by SFM Corporate Services Limited for charitable purposes, is the legal parent of the Company. Structured Finance Management Limited also holds 100% of the B ordinary shares in Barclaycard Funding PLC on trust for charitable purposes, which entitles it to 49% and 51% of Barclaycard funding PLC's voting rights and distributions, respectively.
c) A fee of £15k was paid to was paid to Structured Finance Management Limited in relation to the services provided by SFM Directors Limited and SFM Directors (No. 2) limited.
d) The Company receives Directors services and insurance, financial, tax, and administration support from Barclays Bank PLC, for which no recharges are made to the Company.
e) Certain costs relating to the issue of the asset backed notes have been settled by Barclays Bank PLC and will not be reimbursed by the Company.

17. Events after the balance sheet date

On 12 March 2012, the Company purchased a number of medium term notes (2012-1 and 2012-2), split into Class A, A1 and A2 rated notes totalling £1 billion and unrated Class D notes of £0.18 billion. On the same date, the Company issued a number of Series asset backed notes (2012-1 and 2012-2), split into rated Class A, A1 and A2 notes of £0.3 billion, $0.45 billion and €0.5 billion respectively as well as unrated Class D notes of £0.18 billion. Both forms of notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates.

On 24 May 2012, the Company purchased medium term notes (2012-3), split into Class A rated notes totalling £0.38 billion and unrated Class D notes of £0.07 billion. On the same date, the Company issued Series asset backed notes (2012-3), split into rated Class A notes of £0.38 billion and unrated Class D notes of £0.07 billion. Both forms of notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates.

On 14 June 2012, the Company invested in medium term notes (2012-4), split into Class A rated notes totalling £0.47 billion and unrated Class D notes of £0.08 billion. On the same date, the Company issued Series asset backed notes (2012-4), split into rated Class A notes of £0.47 billion and unrated Class D notes of £0.08 billion. Both forms of notes will be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place on their final redemption dates.

18. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability as a going concern
- To maintain an optimal capital structure in order to reduce the cost of capital

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management. The capital levels maintained are in line with the Company's Medium Term Note Programme approved by the UK Listing Authority, the Memorandum and Articles of Association and the requirements of the Companies Act 2006. The company regards as capital its share capital of £13,000 (2010: £13,000) as shown in the balance sheet.

19. Parent undertaking and ultimate Holding Company

The immediate parent undertaking of the Company is Gracechurch Card (Holdings) Limited, a company registered in England and Wales, whose shares are held by a discretionary charitable trust of which SFM Corporate Services Limited is the trustee. However, Barclays Bank PLC is considered by the Directors to be the controlling party of the Company for financial reporting purposes. The smallest group that presents group accounts, including those of the Company, is Barclays Bank PLC. The ultimate parent and controlling party and largest group that presents group accounts, including those of the Company, is Barclays PLC.

Gracechurch Card (Holdings) Limited, Barclays Bank PLC and Barclays PLC are incorporated in the United Kingdom and registered in England. The statutory accounts of Gracechurch Card (Holdings) Limited, Barclays Bank PLC and Barclays PLC are available from Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP, England.

GRACECHURCH CARD PROGRAMME FUNDING PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

REGISTERED NUMBER: 06714746

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Registered Office

1 Churchill Place
London
E14 5HP

The Directors present their report together with the audited financial statements of Gracechurch Card Programme Funding PLC (the "Company") for the year ended 31 December 2012.

Principal Activities and Business Review

The Company is a Special Purpose Entity (SPE) set up to issue asset backed notes as part of the securitisation of a pool of credit card receivables. The structure is such that Barclays Bank PLC sells a beneficial interest in a pool of receivables to Gracechurch Receivables Trustee Limited (an SPE incorporated in Jersey), which then issues investment certificates (collateralised by the receivables) to Barclaycard Funding PLC (an SPE incorporated in England and Wales), which itself then issues limited recourse medium term notes to the Company. The Company funds the purchase of the medium term notes by issuing the asset backed notes, which are collateralised by the medium term notes. All asset backed notes issued by the Company are listed on the Official List of the London Stock Exchange.

In 2012, the Company invested in a number of Series medium-term notes (2012-1, 2012-2, 2012-3, and 2012-4), split into Class A rated notes of £1.85 billion and unrated Class D notes of £0.33 billion (refer to note 7 for details). On the same dates, and to fund these investments, the Company issued a number of Series asset backed notes (2012-1, 2012-2, 2012-3, and 2012-4), split into rated Class A notes of €0.50 billion, $1.78 billion and £0.30 billion, as well as unrated Class D notes of £0.33 billion (refer to note 10 for details). Both forms of notes are expected to be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption is expected to take place by their final redemption dates. Medium-term notes related to series 2010-1, totalling £0.37 billion, were redeemed by the Company on the scheduled maturity date of 15 November 2012 and a corresponding amount of asset backed notes were redeemed on the same date.

Further, the Company also entered into a number of cross-currency swap agreements with Barclays Bank PLC in order to mitigate any adverse exchange and interest rate movements. Under the terms of the swap agreements, the Company received £1.55 billion in exchange for the €0.50 billion and $1.78 billion Class A note proceeds. The Company also receives 1-month dollar LIBOR plus a margin (for dollar liabilities) or 1-month EURIBOR plus a margin (for Euro liabilities) and pays 1-month sterling LIBOR plus a margin. On the maturity date of the swap, the Company will receive €0.50 billion and $1.78 billion in exchange for a payment of £1.55 billion. The Company also settled the cross currency swap related to series 2010-1 with Barclays Bank PLC by receiving $0.5 billion in exchange for £0.35 billion on 15 November 2012. After the swap agreements have been taken into consideration, the medium term notes pay the same level of interest and have the same redemption dates as the external asset backed notes.

As at 31 December 2012, the Company held £5.74 billion of medium term notes, £0.2 billion of derivative liabilities and £5.56 billion of asset backed note liabilities. The medium term notes and asset backed notes were purchased and issued, respectively, in several series of offerings. They are expected to be redeemed on the scheduled redemption dates, where the key performance indicators for each series of notes issued meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place by the final redemption. See note 7, Loans and receivables and note 10, Borrowings, of the accompanying financial statements for detail of the different series of offerings.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The Medium Term Note Programme stipulates a profit retention requirement of the greater of £1,200 per annum or £600 annually per series issued. The Company has met this retention requirement for 2012 and 2011.

Future outlook

Based upon the performance of the underlying receivables (as evidenced via the Investor Reports, available from the 'Gracechurch Card Funding' section within 'Investor Relations' on the Barclays Bank PLC website) and the various levels of support offered by the structure of the instruments (as described in note 13, Financial Risks, of the accompanying financial statements), the Directors remain confident that the medium term notes will be repaid in full and therefore that the Company will be able to repay the asset backed notes in issue, in full, along with their interest, at maturity. The Directors do not expect there to be any changes in the Company's principal activity in the foreseeable future.

Principal risks and uncertainties

The principal risk is that the Company is unable to meet its obligations should the interest and principal received on the Company's investments not be sufficient to pay the asset backed note holders interest and principal and the associated expenses of the Company. Another key risk is the credit risk on the underlying credit card receivables. Information on how the Company's Directors manage these principal risks and uncertainties is explained in note 13 to the accompanying financial statements.

Key performance indicators

The interest receivable on the medium term notes, the interest costs of the asset backed notes, and the related operating expenses are the principal components of the Company's operations and have been quantified in the Statement of Comprehensive Income. The Directors monitor a number of key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company, which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Further details on key performance indicators can be found in note 13.

Corporate governance

The directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorized use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

Due to the nature of the securities which have been issued, the Company is largely exempt from the requirements of the Financial Services Authority Disclosure and Transparency Rules 7.1 Audit committees and 7.2 Corporate governance statements (save for the rule 7.2.5 requiring description of the features of the internal control and risk management systems), which would otherwise require the Company respectively, to have an audit committee in place and include a corporate governance statement in the report of the directors. The directors are therefore satisfied that there is no requirement for an audit committee or a supervisory body entrusted to carry out the functions of an audit committee or to publish a corporate governance statement.

Donations

The Company made no charitable or political donations during the year ended 31 December 2012 (period ended 31 December 2011: £nil).

Financial risks

The Company's financial risk management objectives and policies and the exposure to credit risk, liquidity risk and cash flow risk are set out in note 13 to the accompanying financial statements.

Related party transactions

Details of the Company's related party transactions during the year are set out in note 15 to the accompanying financial statements.

Post balance sheet events

There have been no post balance sheet events that have occurred to date.

Profits and dividends

During the year ended 31 December 2012 the Company made a profit after taxation of £ 5.1 million (2011: loss of £28.4 million). The Directors do not recommend the payment of a dividend (2011: £nil). The increase in post-tax profitability is primarily due to a currency gain on the notes offset by fair value movements on the swap contracts entered into in 2011.

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below:

J Keighley
S L Miller
SFM Directors Limited
SFM Directors (No 2) Limited

Since the year end, M C Campbell was appointed as a Director on 12 April 2013 and S L Miller resigned as a Director on 11 April 2013.

Going concern

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections and making such further enquiries as they consider appropriate, including considering the actual and projected performance of the underlying credit card receivables ultimately collateralising the Company's asset backed notes and the terms of the derivative contracts, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the financial statements. The Directors also considered the fair value movements of the underlying derivative contracts relative to the foreign exchange movements of the borrowings and are satisfied that they will offset over the life of the notes.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out on page 7 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Directors are required by the Companies Act 2006 to prepare financial statements for each financial year. The Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) to present fairly the financial position of the Company and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that in preparing these financial statements on pages 8 to 36:

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates
- that all the accounting standards which they consider to be applicable have been followed
- that the financial statements have been prepared on the going concern basis

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Creditors payment policy

The Company values its suppliers and acknowledges the importance of paying invoices, especially those of small businesses, promptly. Normal policy is to pay all small business purchases within 30 days. It is the Company's practice to agree terms with suppliers when entering into contracts. We negotiate with suppliers on an individual basis and meet our obligations accordingly. The Company does not follow any specific published code or standard on payment practice.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 require disclosure of trade creditor payment days. The trade creditor payment days for the Company for the period were 40 days (2011: 44 days). This is an arithmetical calculation and does not necessarily reflect our practice, which is described above, or the experience of any individual creditor.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were accordingly in force during the course of the year ended 31 December 2012, for the benefit of the Directors who have served in office and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Independent Auditors

PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 491 of the Companies Act 2006.

Statement of disclosure of information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BY ORDER OF THE BOARD

Melanie Campbell
Director
23 May 2013

REGISTERED NUMBER: 06714746

Gracechurch Card Programme Funding PLC
Statement of Comprehensive Income
For the year ended 31 December 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACECHURCH CARD PROGRAMME FUNDING PLC

We have audited the financial statements of Gracechurch Card Programme Funding PLC for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the report sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Darren Meek
Senior Statutory Auditor
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 May 2013

Gracechurch Card Programme Funding PLC
Statement of Comprehensive Income
For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Continuing operations			
Interest income		93,324	80,488
Interest expense		(93,038)	(80,078)
Net interest income		286	410
Loss on fair value of derivative financial instruments		(121,267)	(84,301)
Foreign exchange gain on notes		126,335	55,939
Administrative expenses	4	(281)	(407)
Profit/(loss) before taxation		5,073	(28,359)
Taxation	6	(1)	(1)
Profit / (loss) and total comprehensive income / (loss) for the year attributable to the owners of the Company		5,072	(28,360)

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 06714746

Gracechurch Card Programme Funding PLC
Balance Sheet
As at 31 December 2012

	Notes	2012 £'000	2011 £'000
Assets			
Current assets			
Cash and cash equivalents		114	185
Trade and other receivables	8	3,795	3,520
Financial assets			
- loans and receivables	7	753,328	370,640
- derivative financial instruments	11	-	8,390
Total current assets		757,237	382,735
Non-current assets			
Financial assets			
- loans and receivables	7	4,982,095	3,564,501
- derivative financial instruments	11	-	7,653
Total non-current assets		4,982,095	3,572,154
Total assets		5,739,332	3,954,889
Liabilities			
Current liabilities			
Trade and other payables	9	(3,888)	(3,687)
Current tax liabilities	6	(1)	(1)
Financial liabilities			
- short term borrowings	10	(731,265)	(379,417)
- derivative financial instruments	11	(22,133)	-
Total current liabilities		(757,287)	(383,105)
Net current liabilities		(50)	(370)
Non-current liabilities			
Financial liabilities			
- long term borrowings	10	(4,829,675)	(3,507,576)
- derivative financial instruments	11	(176,520)	(93,430)
Total non-current liabilities		(5,006,195)	(3,601,006)
Net liabilities		(24,150)	(29,222)
Shareholders' equity			
Called up share capital	12	13	13
Accumulated losses		(24,163)	(29,235)
Total shareholders' equity		(24,150)	(29,222)

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2013 and were signed for and on behalf of SFM Directors Limited:

Melanie Campbell
Director
23 May 2013

REGISTERED NUMBER: 06714746

Gracechurch Card Programme Funding PLC
Statement of Changes in Equity
For the year ended 31 December 2012

	Share capital £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 January 2012	13	(29,235)	(29,222)
Total comprehensive income for the year	-	5,072	5,072
Balance at 31 December 2012	**13**	**(24,163)**	**(24,150)**
Balance at 1 January 2011	13	(875)	(862)
Total comprehensive loss for the year	-	(28,360)	(28,360)
Balance at 31 December 2011	**13**	**(29,235)**	**(29,222)**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 06714746

Gracechurch Card Programme Funding PLC
Cash Flow Statement
For the year ended 31 December 2012

Continuing operations	2012 £'000	2011 £'000
Cash flows from operating activities		
Profit/(loss) before taxation	5,073	(28,359)
Net increase in trade and other receivables	(60)	(11)
Net (decrease)/increase in trade and other payables	(16)	71
Foreign exchange gain on asset backed notes	(126,335)	(55,939)
Net decrease in fair value of derivative financial instruments	121,267	84,301
Net Interest income from loans and receivables	(93,324)	(80,488)
Interest payable on borrowings	93,038	80,078
Taxation paid	-	-
Net cash used in operating activities	(357)	(347)
Cash flows from investing activities		
Redemption of loans and receivables	370,640	4,000,000
Purchase of loans and receivables	(2,170,922)	(3,564,501)
Interest received from loans and receivables	93,109	79,721
Net cash (used in) / generated from investing activities	(1,707,173)	515,220
Cash flows from financing activities		
Redemption of borrowings	(370,640)	(4,000,000)
Proceeds from borrowings	2,170,922	3,564,501
Interest paid on borrowings	(92,823)	(79,310)
Net cash generated from / (used in) financing activities	1,707,459	(514,809)
Net (decrease)/increase in cash and cash equivalents	(71)	64
Cash and cash equivalents at beginning of the year	185	121
Cash and cash equivalents at end of the year	114	185
Cash and cash equivalents comprise:		
Cash at bank	114	185
Cash and cash equivalents at end of the year	114	185

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 06714746

1. Reporting entity

These financial statements are prepared for Gracechurch Card Programme Funding PLC (the Company), the principal activity of which is to issue asset backed notes primarily to fund the purchase of medium term notes, which are ultimately collateralised by beneficial interests in a pool of credit card receivables. The Company is a public limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London E14 5HP, England.

The Company is a Special Purpose Entity (SPE) set up to issue asset backed notes as part of the securitisation of a pool of credit card receivables. As part of the securitisation structure, Barclays Bank PLC sells a beneficial interest in a pool of receivables to Gracechurch Receivables Trustee Limited (the Trust, an SPE incorporated in Jersey), which then issues investment certificates (collateralised by the receivables) to Barclaycard Funding PLC (a SPE incorporated in England and Wales), which itself then issues limited recourse medium term notes to the Company. The Company funds the purchase of the medium term notes by issuing the asset backed notes, which are collateralised by the medium term notes. All asset backed notes issued by the Company are listed on the Official List of the London Stock Exchange.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), adopted for use in the European Union, International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections and making such further enquiries as they consider appropriate, including considering the actual and projected performance of the underlying credit card receivables ultimately collateralising the Company's asset backed notes and the terms of the derivative contracts, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors also considered the fair value movements of the underlying derivative contracts relative to the foreign exchange movements of the borrowings and are satisfied that they will offset on maturity of the notes. For this reason they adopt the going concern basis in preparing the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under International Accounting Standards ('IAS') 39: 'Financial Instruments, recognition, and measurement,' as set out in the relevant accounting policies.

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Directors to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements.

3. Summary of significant accounting policies (continued)

Critical accounting estimates (continued)

The Directors consider the most significant estimates and assumptions to be the assessment of impairment of the underlying credit card receivables and the methodology used to arrive at the fair value of financial instruments for disclosure purposes. The calculation of impairment of the underlying credit card receivables is based on assumptions explained in more detail in note 3(e). Allowances for impairment represents Directors' estimate of the losses incurred in the underlying credit card portfolios as at the balance sheet date. The level of the impairment allowance is the difference between the value of its discounted expected future cash flows (discounted at the effective interest rate of the underlying credit card receivables), and its carrying amount.

Subjective judgements are made in the calculation of future cash flows. Furthermore, judgments change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

The fair value of financial instruments is disclosed in note 14 along with the critical assumptions made when calculating the amount. The value of the unrated Class D notes is the most subjective area of the valuation due to lack of available observable inputs.

(a) Foreign currency translation

The financial statements are presented in pounds sterling, which is the functional currency of the Company. Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Balances denominated in foreign currencies are retranslated at the rate prevailing at the year end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the Statement of Comprehensive Income.

(b) Interest income and expenses

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, or other loans and advances, and on financial liabilities, using the effective interest method.

The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income or expense on the instrument in proportion to the amount outstanding such that the yield earned or incurred is constant over the period to maturity or repayment.

(c) Other income / losses

Other income/losses represent the gain or loss on the change in fair value of the cross currency swaps and the foreign exchange translation gains and losses on the US Dollar and Euro denominated asset backed notes. This amount is expected to fluctuate as interest rates change and the contract nears maturity. The cross currency swap is used as an economic hedge of exchange and interest rate movements and is not expected to result in a gain or loss upon maturity of the instrument.

(d) Current income tax

Income tax payable on taxable profits ('current tax') is recognised as an expense in the period in which the profits arise. The Company has elected to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax") under which the Company is taxed by reference to the amount of profit retained by the Company, as set out in the transaction document.

3. Summary of significant accounting policies (continued)

(e) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise assets until the cash is received, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership. In the case of liabilities, the Company will continue to recognise them until the liability has been settled, extinguished or has expired. Financial assets are initially recognised at fair value and then measured and classified in the financial statements as follows:

Loans and receivables

Loans and receivables represent the Company's indirect beneficial interest in pools of credit card receivables. The beneficial interests in pools of credit card receivables result from the medium term notes that are collateralised by the pools of credit card receivables. The medium term notes entitle the Company to payments of interest and principal payable from collections on the underlying receivables.

Loans and receivables (medium term notes) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loans and receivables are categorised as non-current if maturities are greater than 12 months from the date of the balance sheet. They are initially recognised at fair value including direct and incremental transaction costs and are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

The Company enters into cross currency swaps in order to match its sterling denominated medium term note assets with its US Dollar and Euro denominated asset backed debt obligations. Cross currency swaps are recognised at fair value on the date on which the swap contracts are entered into and are subsequently re-measured at their fair value. The gain or loss on the change in fair value of cross currency swaps and the foreign exchange translation gains and losses on the US Dollar and Euro denominated asset backed notes are taken to the Statement of Comprehensive Income. Cross currency swaps are carried as an asset when fair value is positive and as a liability when fair value is negative. See additional information in note 11, Derivative financial instruments.

Borrowings

Borrowings represent asset backed debt obligations. The asset backed debt obligations are collateralised by the medium term notes held by the Company, which are ultimately collateralised by beneficial interest in pools of credit card receivables. Borrowings are initially recognised at fair value less transaction costs and are subsequently valued at amortised cost, using the effective interest method.

Determining fair value

Fair value of financial assets and liabilities, for disclosure purposes (see note 14, Fair value of financial instruments) was determined by reference to the quoted bid value in an active market wherever possible. Where no such active market exists for the particular instrument, the Company uses a valuation technique to arrive at the fair value, including the use of prices of similar instruments obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

IFRS 7 Financial Instruments: Disclosure requires an entity to classify its financial instruments held at fair value according to a hierarchy that reflects the significance of observable market inputs. The three levels of the fair value hierarchy are defined below.

Quoted market prices – Level 1: Financial instruments are classified as Level 1 if their value is observable in an active market. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an o-going basis.

Valuation technique using observable inputs – Level 2: Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include financial instruments such as swaps and forwards which are valued using market standard pricing techniques.

3. Summary of significant accounting policies (continued)

(e) Financial assets and liabilities (continued)

Valuation technique using significant unobservable inputs – Level 3: Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset, is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or in the disappearance of an active market for a security because of the issuer's financial difficulties.

The ability of the Company's borrower to repay the loans and receivables (medium term notes) is dependent primarily on the performance of underlying credit card receivables. In making an assessment on whether or not the medium term notes are impaired, the Company also considers the performance of the underlying credit card receivables, including their arrears levels. The Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread (as defined in note 14, Financial risks), on the underlying revolving securitised credit card receivables.

The Company also performs procedures to satisfy itself that the servicer has adequate controls in place to fairly report the performance of the underlying credit card receivables, including their arrears levels.

The Company also considers observable data when determining if there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets. These decreases cannot yet be directly linked to specific assets in the portfolio and might arise from adverse changes in the payment status of borrowers, or national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Any impairment loss is recognised using an allowance account in the Statement of Comprehensive Income.

(f) Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash comprises of cash at bank.

(g) Segment reporting

The operations of the Company comprise issuing of asset backed notes in the United Kingdom and acquiring medium term notes originated in the United Kingdom. Consequently, the Directors consider the Company to have only one business and geographical segment.

(h) Share capital

Ordinary shares are classified as equity.

3. Summary of significant accounting policies (continued)

(i) Future accounting developments

The IASB had issued the following accounting standards, which are effective from 1 January 2013, subject to endorsement by the EU, unless otherwise indicated:

- IFRS 10 Consolidated Financial Statements will require the ultimate holding company to apply different criteria to determine the entities that are included in the ultimate holding company's consolidated financial statements. The implementation of IFRS 10 will result in the ultimate holding company consolidating some entities that were previously not consolidated and deconsolidating some entities that were previously consolidated. The directors have considered the revised definition of control under IFRS 10 and are of the opinion that there will be no impact on the entity as the Company will still remain to be controlled by Barclays Bank PLC under the new standard and continue to be consolidated into that company's accounts when the standard becomes effective.

- IFRS 13 – Fair Value Measurement – This provides comprehensive guidance on how to calculate the fair value of financial and non-financial assets and liabilities. It is not expected to have a material impact on the Company financial statements.
- IAS 32 and IFRS 7 Amendments – Offsetting Financial Assets and Financial Liabilities – the circumstances in which netting is permitted have been clarified and disclosures on offsetting have been considerably expanded. The amendments on offsetting are effective from January 2014 and those disclosures from 1 January 2013. It is not expected to have a material impact on the Company financial statements.

In 2009, the ISAB issued IFRS 9, Financial Instruments and subsequent additions and amendments that will form part of the eventual standard which will replace IAS 39 Financial Instruments: Recognition and Measurement. It will lead to significant changes in the accounting for financial instruments. The key changes issued and proposed relate to:

- Financial assets. Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income;
- Financial liabilities. Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the Income Statement and instead taken to other comprehensive income;
- Impairment. Credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit and loss will be reflected in impairment allowances; and
- Hedge accounting. Hedge accounting will be more closely aligned with financial risk management.

Adoption is not mandatory until periods beginning on or after 1st January 2015. The standard has not been endorsed by the EU. At this stage, it is not possible to determine the potential financial impacts of adoption on the Company.

4. Administrative expenses

Administrative expenses is analysed as follows:

	2012 £'000	2011 £'000
Auditors' remuneration - audit of the Company's annual financial statements only	27	30
Custodial fees	162	188
Other	92	189
Total administrative expenses	281	407

5. Employees and key management, including Directors

(i) Employees

There were no persons employed by the Company during the year other than the Directors (2011: nil).

(ii) Directors' remuneration:

None of the Directors was directly remunerated by the Company in respect of their services to the Company during the year. However, a fee was paid to Structured Finance Management Limited in relation to the services provided by Jonathan Keighley, SFM Directors Limited and SFM Directors (No 2) limited. In relation to the other Director, their service to this Company was performed as part of their employment by Barclays Bank PLC and no remuneration was earned in respect of qualifying services provided to the Company. Barclays Bank PLC has not recharged this Company for the cost of this service (see note 15).

6. Taxation

(a) Income tax charge

The analysis of the charge for the year is as follows:

	2012 £'000	2011 £'000
Current taxation:		
United Kingdom corporation tax – current year	(1)	(1)
Total tax charge	(1)	(1)

A numerical reconciliation of tax charge and the accounting profit multiplied by the applicable tax rate is as follows:

	2012 £'000	2011 £'000
Profit/(loss) before taxation	5,073	(28,359)
Tax (charge) / credit at average UK corporation tax rate of 24.5% (2011: 26.5%)	(1,243)	7,515
Tax effect of expense not deductible under the securitisation regime	1,242	(7,516)
Overall tax charge for the year	(1)	(1)

The income of £5.1 million (2011: £28.4 million expense) is related to the gain on the change in fair value of the cross-currency swap and asset backed notes and is not taxable/deductible under the securitisation regime.

Finance Act 2012 reduced the main rate of corporation tax from 26% to 24% from 1 April 2012 (and to 23% from 1 April 2013). The reduction was substantively enacted on 17 July 2012. As this change in rate was substantively enacted prior to 31 December 2012, it has been reflected in the deferred tax asset/liability at 31 December 2012.

A further reduction to the main rate has been proposed to reduce the rate to 21% by April 2014. The proposed change to the main rate had not been substantively enacted at the balance sheet date, and therefore is not included in these financial statements.

(b) Current tax liabilities

The current tax liability is as follows:

	2012 £'000	2011 £'000
UK Corporation tax payable	1	1

7. Loans and receivables

Loans and receivables consist solely of medium term notes and are made up as follows:

Series and date of notes	Scheduled redemption date	Final redemption date	2012 £'000	2011 £'000	Interest Rate Receivable
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	-	315,040	1 month sterling LIBOR plus 0.775%
Class D (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	-	55,600	1 month sterling LIBOR plus 1.2%
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	640,328	-	1 month sterling LIBOR plus 0.555%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	113,000	-	1 month sterling LIBOR plus 1.1%
Loans and receivables - current			753,328	370,640	
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	-	640,328	1 month sterling LIBOR plus 0.555%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	-	113,000	1 month sterling LIBOR plus 1.1%
Class A (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	319,693	319,693	1 month sterling LIBOR plus 1.3125%
Class D (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	56,500	56,500	1 month sterling LIBOR plus 1.5%
Class A (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	300,000	-	1 month sterling LIBOR plus 0.9%
Class D (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	52,942	-	1 month sterling LIBOR plus 1.15%
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	199,080	199,080	1 month sterling LIBOR plus 1.0375%
Class A2 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	125,000	125,000	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	57,200	57,200	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	963,919	963,919	1 month sterling LIBOR plus 1.364%
Class D (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	170,200	170,200	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	283,733	-	1 month sterling LIBOR plus 0.72%
Class A2 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	416,319	-	1 month sterling LIBOR plus 1.194%
Class D (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	123,539	-	1 month sterling LIBOR plus 1.2%

7. Loans and receivables (continued)

Series and date of notes	Scheduled redemption date	Final redemption date	2012 £'000	2011 £'000	Interest Rate Receivable
Class A (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	465,819	-	1 month sterling LIBOR plus 0.654%
Class D (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	82,204	-	1 month sterling LIBOR plus 1.05%
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	366,581	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	415,000	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	138,000	1 month sterling LIBOR plus 2.0%
Class A (Series 2012-3), 24 May 2012	15May 2017	15 May 2019	379,411	-	1 month sterling LIBOR plus 0.901%
Class D (Series 2012-3), 24 May 2012	15May 2017	15 May 2019	66,955	-	1 month sterling LIBOR plus 1.35%
Loans and receivables – non-current			4,982,095	3,564,501	
Total			5,735,423	3,935,141	

The medium-term notes are expected to be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption is expected to take place by their final redemption dates. The Class D notes are subordinate to the Class A notes.

8. Trade and other receivables

	2012 £'000	2011 £'000
Interest receivable on loans and receivables (medium term notes)	3,714	3,499
Amounts due from Barclays Bank PLC	81	21
Total	3,795	3,520

9. Trade and other payables

	2012 £'000	2011 £'000
Interest payable on asset backed notes	3,714	3,499
Accruals	174	188
Total	3,888	3,687

10. Borrowings

Borrowings consist solely of asset backed notes and are made up as follows:

Series and date of notes	Scheduled redemption date	Final redemption date	Currency of Issue	2012 £'000	2011 £'000	Interest Rate Payable
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	USD	-	323,817	1 month dollar LIBOR plus 0.6%
Class D (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	GBP	-	55,600	1 month sterling LIBOR plus 1.2%
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	USD	618,265	-	1 month dollar LIBOR plus 0.55%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	GBP	113,000	-	1 month sterling LIBOR plus 1.1%
Borrowings - current				731,265	379,417	
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	USD	-	647,635	1 month dollar LIBOR plus 0.55%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	GBP	-	113,000	1 month sterling LIBOR plus 1.1%
Class A (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	EUR	305,805	314,268	1 month EURIBOR plus 0.85%
Class D (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	GBP	56,500	56,500	1 month sterling LIBOR plus 1.5%
Class A (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	GBP	300,000	-	1 month sterling LIBOR plus 0.9%
Class D (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	GBP	52,942	-	1 month sterling LIBOR plus 1.15%
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	EUR	183,483	188,561	1 month EURIBOR plus 0.75%
Class A2 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	GBP	125,000	125,000	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	GBP	57,200	57,200	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	EUR	897,029	921,852	1 month EURIBOR plus 0.75%
Class D (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	GBP	170,200	170,200	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	USD	278,219	-	1 month dollar LIBOR plus 0.7%
Class A2 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	EUR	407,741	-	1 month EURIBOR plus 0.8%
Class D (Series 2012-1), 12 Mar 2012	17 Sep 2015	15 Feb 2017	GBP	123,539	-	1 month sterling LIBOR plus 1.2%
Class A (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	USD	448,242	-	1 month dollar LIBOR plus 0.7%
Class D (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	GBP	82,204	-	1 month sterling LIBOR plus 1.05%

10. Borrowings (continued)

Series and date of notes	Scheduled redemption date	Final redemption date	Currency of Issue	2012 £'000	2011 £'000	Interest Rate Payable
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	EUR	350,657	360,360	1 month EURIBOR plus 0.95%
Class A2 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	GBP	415,000	415,000	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	GBP	138,000	138,000	1 month sterling LIBOR plus 2.0%
Class A (Series 2012-3), 24 May 2012	15 May 2017	15 May 2019	USD	370,959	-	1 month dollar LIBOR plus 0.85%
Class A (Series 2012-3), 24 May 2012	15 May 2017	15 May 2019	GBP	66,955	-	1 month sterling LIBOR plus 1.35%
Borrowings – non-current				4,829,675	3,507,576	
Total				5,560,940	3,886,993	

The asset-backed notes are expected to be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption is expected to take place by their final redemption dates. The Class D notes are subordinate to the Class A, A1 and A2 notes. Class A, A1 and A2 notes rank pari passu to one another. See note 14 for information related to financial risks.

11. Derivative financial instruments

The purpose of the cross-currency swap agreements is to economically hedge changes in exchange and interest rates. The swaps are accounted for at fair value with changes in fair value recorded through the Statement of Comprehensive Income as hedge accounting is not applied. The Company entered into cross-currency swap agreements with Barclays Bank PLC in order to mitigate any adverse exchange and interest rate movements. After the swap agreements have been taken into consideration, the medium term notes pay the same level of interest and have the same redemption dates as the asset backed notes. The terms of the swap agreements are provided below:

Related series and date of notes	Scheduled Termination date	Interest rate payable	Interest rate receivable	Notional payable £'000	Notional receivable CCY'000	2012 Fair Value £'000	2011 Fair Value £'000
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	1 month sterling LIBOR plus 0.555%	1 month dollar LIBOR plus 0.55%	(640,000)	$1,000,000	(22,133)	7,653
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	1 month sterling LIBOR plus 0.775%	1 month dollar LIBOR plus 0.6%	(315,040)	$500,000	-	8,390
Class A1 (Series 2011-2), 07 Feb 2011	15 Jan 2014	1 month sterling LIBOR plus 1.3125%	1 month EURIBOR plus 0.85%	(319,693)	€375,000	(15,552)	(8,489)

11. Derivative financial instruments (continued)

Related series and date of notes	Scheduled Termination date	Interest rate payable	Interest rate receivable	Notional payable £'000	Notional receivable CCY'000	2012 Fair Value £'000	2011 Fair Value £'000
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	1 month sterling LIBOR plus 1.0375%	1 month EURIBOR plus 0.75%	(199,080)	€225,000	(16,534)	(12,080)
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	1 month sterling LIBOR plus 1.364%	1 month EURIBOR plus 0.75%	(963,919)	€1,100,000	(78,362)	(59,550)
Class A1 (Series 2012-1), 12 Mar 2012	17 Feb 2015	1 month sterling LIBOR plus 0.72%	1 month dollar LIBOR plus 0.70%	(283,733)	$450,000	(5,645)	-
Class A2 (Series 2012-1), 12 Mar 2012	17 Feb 2015	1 month sterling LIBOR plus 1.194%	1 month EURIBOR plus 0.80%	(416,320)	€500,000	(12,555)	-
Class A (Series 2012-4), 14 Jun 2012	15 Jun 2015	1 month sterling LIBOR plus 0.654%	1 month dollar LIBOR plus 0.70%	(465,819)	$725,000	(17,215)	-
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	1 month sterling LIBOR plus 1.394%	1 month EURIBOR plus 0.95%	(366,581)	€430,000	(21,882)	(13,311)
Class A (Series 2012-3), 24 May 2012	15 May 2017	1 month sterling LIBOR plus 0.901%	1 month dollar LIBOR plus 0.85%	(379,411)	$600,000	(8,775)	-
Total						(198,653)	(77,387)

Upon termination of the cross currency swap agreements the Company is required to settle a notional value and the counterparty (Barclays Bank PLC) will settle a notional value. The Company will use the proceeds from the counterparty to settle the currency denominated asset backed notes. The interest payment dates are defined as the London, New York and Target settlement days on the 15th of each month. If the 15th falls on a non-settlement date, the interest payment date reverts to the next available settlement date. Upon an early termination event the Company and the counterparty will settle the notional values and any remaining interest components on a net basis.

12. Share capital

The authorised share capital of the Company is £50,000, comprising 50,000 ordinary shares of £1 each.

2012	Authorised number	Allotted, issued and fully paid £	Allotted, issued and quarter paid £	Total £'000
At January	50,000	2	12,499	13
Movements during the year	-	-	-	-
At 31 December 2012	50,000	2	12,499	13

2011				
At January	50,000	2	12,499	13
Movements during the year	-	-	-	-
At 31 December 2011	50,000	2	12,499	13

The shares rank pari passu in all respects and the holders of the shares have full rights to receive notice of, and attend and vote at, general meetings and have the right to dividends and the repayment of capital. These shares were issued for cash. The unpaid element of the share capital has not been called.

13. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk (which includes interest rate risk and foreign currency risk). The Company's Directors follow the risk management policies of the Barclays Bank PLC because the Company is controlled by Barclays Bank PLC and is consolidated into the financial statements of Barclays Bank PLC and they consider these policies to be the most appropriate ones for the Company. These policies include specific guidelines on the management of foreign exchange, interest rate and credit risks and advise on the use of financial instruments to manage them. The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

The Company's financial instruments comprise of loans and receivables (medium term notes), borrowings (asset backed notes), cash, trade receivables and trade payables that arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken except for hedging purposes as described in these financial statements. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing these risks as summarised below. The Company uses derivative financial instruments to hedge its foreign currency risk exposures.

(A) Credit risk

Credit risk is the risk of financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company. The Company assesses all counterparties for credit risk before contracting with them. The Company's medium term notes are issued by Barclaycard Funding PLC and represent a beneficial interest in a portfolio of underlying credit card receivables forming part of the Trust. They indirectly entitle the Company to payments of interest and principal from collections on the underlying receivables. The Company's credit risk is therefore, that performance of the underlying credit card receivables is not sufficient to enable Barclaycard Funding PLC to pay the interest and principal on the medium term notes, which in turn would mean that the Company may not be able to meet its debts as they fall due.

13. Financial risks (continued)

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is reflected by the amounts disclosed in the balance sheet. The following table shows the maximum exposure to credit risk at 31 December 2012 and 2011:

	2012 £'000	2011 £'000
Cash and cash equivalents	114	185
Trade and other receivables	3,795	3,520
Financial assets		
- loans and receivables	5,735,423	3,935,141
- derivative financial instruments	-	16,043
Total maximum exposure at 31 December	5,739,332	3,954,889

The Company's loans and receivables comprise medium term notes, which are ultimately collateralised by an underlying portfolio of credit card receivables. Its borrowings, comprising the asset-backed notes, are collateralised by the medium term notes.

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk relate to medium term notes issued by Barclaycard Funding PLC, (which in turn are ultimately dependent upon credit card receivables underlying the investor certificates issued to the Trust by Barclaycard Funding PLC), trade and other receivables, cash at bank and derivative financial instruments. Collections received on the continuously revolving credit card receivables are used by Barclaycard Funding PLC to settle principal and interest due on the medium term notes held by the Company.

13. Financial risks (continued)

For the purposes of the Company's disclosures regarding credit quality, financial assets against which the Company is subject to credit risk have been analysed as follows:

2012	Cash and cash equivalents £'000	Trade and other receivables £'000	Loans and receivables £'000	Derivative financial instruments £'000
Neither past due nor impaired	114	3,795	5,735,423	-
Individually impaired assets	-	-	-	-
Total	114	3,795	5,735,423	-
Impairment allowance	-	-	-	-
Total carrying value	185	3,795	5,735,423	-
2011				
Neither past due nor impaired	185	3,520	3,935,141	16,043
Individually impaired assets	-	-	-	-
Total	185	3,520	3,935,141	16,043
Impairment allowance	-	-	-	-
Total carrying value	185	3,520	3,935,141	16,043

The loans and receivables (medium term notes) payment status in the table above has been classified according to the terms of the medium term notes rather than the underlying credit card receivables payment status. The payment status of the underlying credit card receivables is presented below.

Financial assets subject to credit risk neither past due nor individually impaired

Financial assets subject to credit risk that are neither past due nor individually impaired are analysed according to the rating systems used by Barclays Bank PLC when assessing customers and counterparties. The credit quality of financial assets subject to credit risk that were neither past due nor impaired, based on credit rating, was as follows:

2012	Strong £'000	Satisfactory £'000	Higher risk £'000	Total £'000
Cash and cash equivalents	114	-	-	114
Trade and other receivable	3,795	-	-	3,795
Loans and receivables	4,874,883	860,540	-	5,735,423
Total	4,878,792	860,540	-	5,739,332
2011				
Cash and cash equivalents	185	-	-	185
Trade and other receivables	3,520	-	-	3,520
Loans and receivables	3,344,641	590,500	-	3,935,141
Derivative financial instruments	16,043	-	-	16,043
Total	3,364,389	590,500	-	3,954,889

13. Financial risks (continued)

A strong rating indicates that there is a very high likelihood of the asset being recovered in full. Cash and cash equivalents have been classified as strong since it is on deposit with a related party that is an investment grade rated entity. Trade and other receivables are classified as strong as the amounts are due from related parties that are investment grade rated entities. Loans and receivables are classified according to the rating of the underlying medium term notes. Derivative financial instruments have been classified as strong as the counterparty is a related party, Barclays Bank PLC, which is an investment grade rated entity. A satisfactory rating indicates the assets have a high likelihood of being recovered in full and therefore there is no cause for concern to the Company. Assets rated as satisfactory include all unrated series notes (all Class D notes). A higher risk rating would indicate that there is concern over the obligor's ability to make payments when due.

Disclosure of credit quality of underlying credit card receivables and Trust Principal Funding Account

The underlying credit card receivables forming the Trust's total securitisation pool amounted to £10.7 billion (2011: £9.8 billion) at 31 December 2012. Of the £10.7 billion (2011: £9.8 billion), the gross balance of underlying credit card receivables supporting the Company's medium term notes was approximately £5.7 billion (2011: £3.9 billion) at 31 December 2012 (see below for further detail on assets supporting the medium term notes). Each series of the Company's medium term notes rank pari passu with similar credit rated series of the other medium term notes issued by Barclaycard Funding PLC and the seller's (Barclays Bank PLC) interest. The seller's interest is represented by the remaining £5.0 billion of underlying credit card receivables of the Trust.

The credit risk of the medium term notes is ultimately related to the credit risk of the underlying credit card receivables. In addition, as the scheduled redemption dates for all Series (see note 7, Loans and receivables, for a description of the various series of investment certificates) vary from 2013 to 2017, the credit risk of the medium term notes is also related to the ability to accumulate the required principal collections on the underlying credit card receivables in the Trust in order to settle interest and principal payments due to investors by the scheduled redemption date for these series.

In this regard, a monthly assessment is conducted on the medium term notes related to all series to determine the appropriate accumulation period length. As of 31 December 2012, an accumulation period has not commenced on any particular series of medium term notes issued. During an accumulation period, the Trust is required to allocate and accumulate principal collections received on the revolving credit card receivables in a trust account called the Trust Principal Funding Account. The funds accumulated in the trust account will be used to redeem the investor certificates held by Barclaycard Funding PLC, which in turn would be used to redeem the medium term notes. As the principal collections in the account accumulate month on month, it reduces the credit risk of the medium term notes.

13. Financial risks (continued)

The tables below represent the credit risk of the loans and receivables (medium term notes) held by the Company according to the payment status of the underlying credit card receivables:

2012	Notes	Credit card receivables £'000	Trust Principal Funding Account £'000	Total £'000
Neither past due nor impaired	(i)	5,497,041	-	5,497,041
Past due but not individually impaired	(ii)	229,470	-	229,470
Individually impaired assets	(iii)	8,912	-	8,912
Total		5,735,423	-	5,735,423
Impairment allowance		(86,034)	-	(86,034)
Total carrying value		5,649,389	-	5,649,389
2011				
Neither past due nor impaired	(i)	3,750,319	-	3,750,318
Past due but not individually impaired	(ii)	179,457	-	179,457
Individually impaired assets	(iii)	5,365	-	5,364
Total		3,935,141	-	3,935,141
Impairment allowance		(69,369)	-	(69,369)
Total carrying value		3,865,772	-	3,865,772

The carrying value of the £5.7 billion medium term notes is redeemed ultimately from the principal cash flows of the Company's share of the underlying revolving credit card receivables as accumulated in the Trust Principal Funding Account which are used to redeem the investor certificates held by Barclaycard Funding PLC, from which the medium term notes would then be redeemed. The interest on the medium term notes is paid from the interest collected on the underlying revolving credit card receivables.

As at 31 December 2012, the carrying/book value of the underlying assets supporting the £5.7 billion of loans and receivables (medium term notes) is as follows:

Underlying asset	2012 £'000	2011 £'000
Gross revolving credit card receivables	5,735,423	3,935,141
Impairment allowance on revolving credit card receivables	(86,034)	(69,369)
Trust Principal Funding Account	-	-
Total carrying/book value supporting the investor certificates	5,649,389	3,865,772

The settlement of both the principal and the interest components of the Company's medium term notes are supported by:

- Accumulations of principal collections on the underlying credit card receivables in the Trust Principal Funding Account: Monthly accumulations reduce the credit risk of the underlying revolving credit card receivables and the associated impairment.
- Credit enhancement is provided to the Company's medium term notes through the issuance of Class D unrated notes for all the Series.
- Revolving receivables and sellers interest continuously replenishing the credit card receivable balances being charged-off.

13. Financial risks (continued)

Settlement of each series of medium term notes prior to the scheduled redemption date is triggered by a drop in the three month average excess spread of that series below 0%. Excess spread represents the surplus of cash flow from interest, fee, and interchange and recovery collections on the underlying receivables after deducting the financing costs paid to investors of the beneficial interest in the receivables (i.e., interest on the medium term notes), credit losses, contractual servicing fees, and other expenses. No such triggering event has occurred as at 31 December 2012. In such an event, however, the accumulated principal collections in the Trust Principal Funding Account would be used as the first source to settle the medium term notes. A credit enhancement is provided by using the Class D notes held by Barclays Bank PLC (issued in all Series) which bears the first loss of up to £860.5 million. Any remaining losses will be borne by the Class A, A1 and A2 notes of all Series.

The table below sets out key performance indicators relating to performance of the underlying receivables:

2012
Average

	Series 2011-1	Series 2011-2	Series 2011-3	Series 2011-4	Series 2011-5	Series 2012-1	Series 2012-2	Series 2012-3	Series 2012-4
Yield	16.29%	16.29%	16.29%	16.29%	16.29%	17.57%	17.57%	17.14%	17.92%
Finance expense	2.72%	2.71%	2.43%	2.75%	2.01%	2.63%	2.52%	2.47%	2.36%
Charge-offs	3.57%	3.57%	3.57%	3.57%	3.57%	3.75%	3.75%	3.48%	3.69%
Excess spread	**10.00%**	**10.01%**	**10.29%**	**9.97%**	**10.72%**	**11.19%**	**11.30%**	**11.18%**	**11.87%**

2011
Average

	Series 2010-1	Series 2011-1	Series 2011-2	Series 2011-3	Series 2011-4	Series 2011-5
Yield	16.42%	17.96%	17.96%	17.55%	18.41%	21.81%
Finance expense	2.26%	3.06%	3.05%	2.70%	3.32%	3.16%
Charge-offs	4.66%	4.92%	4.92%	4.39%	3.89%	4.65%
Excess spread	**9.51%**	**9.99%**	**10.00%**	**10.45%**	**11.20%**	**14.00%**

For definitions of the terms used in these tables, refer to the definitions section of the monthly Investor Report at the following address:
http://group.barclays.com/about-barclays/investor-relations/debt-investors/unsecured-and-secured-funding/secured-funding/gracechurch-card-funding

In assessing the default risk on the loans and receivables (medium term notes), the Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread, on the underlying revolving securitised credit card receivables.

The Company considered the revolving nature of the underlying card receivables, the sellers interest, the processes used during the Controlled Accumulation Period and the current and forecasted excess spread levels generated by the Company's share of the underlying credit card receivables and determined that it expects to collect all of the contractual principal and interest cash flows due on the medium term notes. The Controlled Accumulation Period is the process to set aside cash collateral to settle notes with a maturity in the next financial year. Based on this assessment the Directors are satisfied that the expected principal and finance charge payments on the principal underlying revolving credit card receivables of £ 5.7 billion (2011: £3.9 billion) will be sufficient to settle the loans and receivables (medium term notes) of £ 5.7 billion plus interest held by the Company to maturity, and therefore the medium term notes are not impaired.

13. Financial risks (continued)

(i) Credit card receivables and Trust Principal Funding Account balance subject to credit risk neither past due nor individually impaired

31 December 2012	Strong £'000	Satisfactory £'000	High risk £'000	Total £'000
Underlying credit card receivables	-	5,497,041	-	5,497,041
Trust Principal Funding Account	-	-	-	-
Total	-	5,497,041	-	5,497,041
31 December 2011				
Underlying credit card receivables	-	3,750,319	-	3,750,319
Trust Principal Funding Account	-	-	-	-
Total	-	3,750,319	-	3,750,319

(ii) Credit card receivables subject to credit risk past due but not individually impaired

An aged analysis of underlying credit card receivables that are past due but not individually impaired is set out below.

	Past due up to 1 month £'000	Past due 1-2 months £'000	Past due 2-3 months £'000	Past due 3-6 months £'000	Past due 6 months and over £'000	Total £'000
2012	109,237	39,657	28,038	52,062	476	229,470
2011	83,598	31,018	22,106	42,735	-	179,457

	Original carrying amount £'000	Impairment allowance £'000	Revised carrying amount £'000
2012	229,470	(82,483)	146,987
2011	179,457	(67,243)	112,214

The impairment allowance on these underlying credit card receivables have been assessed collectively.

(iii) Individually impaired credit card receivables

Individually impaired underlying credit card receivables are comprised of repayment plan book receivables and were as follows:

	Original carrying amount £'000	Impairment allowance £'000	Revised carrying amount £'000
2012	8,912	(3,551)	5,361
2011	5,365	(2,126)	3,239

13. Financial risks (continued)

The impairment allowance on these credit card receivables has been assessed individually. Individually impaired credit card receivables increased from 2011 to 2012 as the investors share in the underlying credit card receivables has increased from £3.9bn to £5.7bn.

(B) Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. In addition to considering performance of the underlying credit card receivables and the Trust Principal Funding Account and the ability of Barclaycard Funding PLC to pay interest/principal as due on the medium term notes, cash flow measurements and projections for the next day, week and month are also reviewed, as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the financial liabilities payable by the Company by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest, adjusted for the impact of derivatives) of all financial liabilities.

2012	Within 1 year £'000	1-2 years £'000	2-5 years £'000	5-10 years £'000	Over 10 years £'000	Total £'000
Borrowings	755,778	2,301,435	2,856,536	-	-	5,913,749
Other liabilities	3,888	-	-	-	-	3,888
Total Liabilities	759,666	2,301,435	2,856,536	-	-	5,917,637
2011						
Borrowings	375,842	766,926	2,987,844	-	-	4,130,612
Other liabilities	3,687	-	-	-	-	3,687
Total Liabilities	379,529	766,926	2,987,844	-	-	4,134,299

The Company's borrowings are limited recourse and therefore only repayable to the extent the Company receives payments under the medium term notes held by it.

(C) Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates.

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities.

13. Financial risks (continued)

The Company finances its operations through the issue of asset backed notes, which are denominated in Sterling, Euro and US Dollars at floating rates of interest. Interest incurred on borrowings, including the effect of hedging instruments, is matched with interest earned on sterling-denominated loans and receivables (medium term notes).

Series and date of notes	Rates receivable	Rates payable
Class A (Series 2011-5)	1 month sterling LIBOR plus 0.555%	1 month dollar LIBOR plus 0.55%
Class D (Series 2011-5)	1 month sterling LIBOR plus 1.1%	1 month sterling LIBOR plus 1.1%
Class A1 (Series 2011-2)	1 month sterling LIBOR plus 1.3125%	1 month EURIBOR plus 0.85%
Class D (Series 2011-2)	1 month sterling LIBOR plus 1.5%	1 month sterling LIBOR plus 1.5%
Class A (Series 2012-2)	1 month sterling LIBOR plus 0.9%	1 month sterling LIBOR plus 0.9%
Class D (Series 2012-2)	1 month sterling LIBOR plus 1.15%	1 month sterling LIBOR plus 1.15%
Class A1 (Series 2011-3)	1 month sterling LIBOR plus 1.0375%	1 month EURIBOR plus 0.75%
Class A2 (Series 2011-3)	1 month sterling LIBOR plus 0.85%	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3)	1 month sterling LIBOR plus 1.6%	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4)	1 month sterling LIBOR plus 1.364%	1 month EURIBOR plus 0.75%
Class D (Series 2011-4)	1 month sterling LIBOR plus 1.5%	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2012-1)	1 month sterling LIBOR plus 0.72%	1 month dollar LIBOR plus 0.7%
Class A2 (Series 2012-1)	1 month sterling LIBOR plus 1.194%	1 month EURIBOR plus 0.8%
Class D (Series 2012-1)	1 month sterling LIBOR plus 1.2%	1 month sterling LIBOR plus 1.2%
Class A (Series 2012-4)	1 month sterling LIBOR plus 0.654%	1 month dollar LIBOR plus 0.70%
Class D (Series 2012-4)	1 month sterling LIBOR plus 1.05%	1 month sterling LIBOR plus 1.05%
Class A1 (Series 2011-1)	1 month sterling LIBOR plus 1.394%	1 month EURIBOR plus 0.95%
Class A2 (Series 2011-1)	1 month sterling LIBOR plus 1.1%	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1)	1 month sterling LIBOR plus 2.0%	1 month sterling LIBOR plus 2.0%
Class A (Series 2012-3)	1 month sterling LIBOR plus 0.901%	1 month dollar LIBOR plus 0.85%
Class D (Series 2012-3)	1 month sterling LIBOR plus 1.35%	1 month sterling LIBOR plus 1.35%

13. Financial risks (continued)

Interest rate sensitivity gap analysis

The sensitivity of the Statement of Comprehensive Income is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and liabilities held at 31 December, including the effect of hedging instruments.

Impact on net interest income
The impact of a 25 basis point increase or decrease in interest rates on net interest income is as follows:

	2012		2011	
	+25 basis points £'000	-25 basis points £'000	+25 basis points £'000	-25 basis points £'000
Loans and receivables	14,339	(14,339)	9,838	(9,838)
Borrowings	(14,339)	14,339	(9,838)	9,838
Total	-	-	-	-

A portion of the Company's debt obligations are denominated in U.S. dollar and Euro and interest on these notes is linked to the LIBOR and EURIBOR interest rates, respectively. The cross currency swaps held by the Company were not only entered to hedge the foreign currency risk on these obligations but also the interest rate risk. After the swap agreements have been taken into consideration, the medium term notes pay the same level of interest and have the same redemption dates as the asset backed notes.

Foreign currency risk

The Company is exposed to foreign currency risk from foreign currency transactions, and recognised assets and liabilities. The exchange rate risk arises on currency differences between the sterling-denominated medium term notes and the US Dollar denominated asset backed notes and the sterling-denominated medium term notes and the Euro denominated asset backed notes. The exchange rate risk on the payment of interest to the US Dollar denominated asset backed notes holders and the final settlement on maturity of the asset backed notes is hedged by means of cross currency swaps. This also applies to the Euro denominated asset backed notes.

The contractual, notional amount of the cross currency swap agreements of $2.78 billion and €2.63 billion corresponds exactly to the notional amount of the asset backed notes issued of $2.78 billion and €2.63 billion and therefore mitigates the Company's exposure to currency risk.

14. Fair value of financial instruments

The fair value of financial instruments is the amount for which an asset could be exchanged, or liability settled in an arm's length transaction between knowledgeable parties.

The following table summarises the carrying amounts and fair values of financial assets and liabilities presented on the Company's balance sheet:

	Notes	2012 Carrying Amount £'000	2012 Fair Value £'000	2011 Carrying Amount £'000	2011 Fair Value £'000
Financial assets					
Loans and receivables	(a)	5,735,423	5,667,766	3,935,141	3,796,260
Derivative financial instruments	(c)	-	-	16,043	16,043
Trade and other receivables		3,795	3,795	3,520	3,520
Cash and cash equivalents		114	114	185	185
Financial liabilities					
Borrowings	(b)	5,560,940	5,492,578	3,886,993	3,748,361
Derivative financial instruments	(c)	198,653	198,653	93,430	93,430
Trade and other payables		3,888	3,888	3,687	3,687

Notes

(a) Loans and receivables are fair valued using the following techniques:

i. Observable market prices for similarly rated Class A, A1 and A2 listed notes.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

(b) Borrowings are fair valued using the following techniques:

i. Observable market prices for the Class A, A1 and A2 notes as they are listed and traded.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

(c) Derivative contracts are fair valued using discounted cash flow techniques with appropriate interest rate yield curves and adjustments for exchange rates.

14. Fair value of financial instruments (continued)

The following table shows the Company's financial assets and liabilities held at fair value analysed by the level within the fair value hierarchy:

2012	Quoted market prices (Level 1) £'000	Observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Total £'000
Financial assets				
Derivative financial instruments	-	-	-	-
Financial liabilities				
Derivative financial instruments	-	198,653	-	198,653

2011	Quoted market prices (Level 1) £'000	Observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Total £'000
Financial assets				
Derivative financial instruments	-	16,043	-	16,043
Financial liabilities				
Derivative financial instruments	-	93,430	-	93,430

15. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, are disclosed in the tables below:

15. Related party transactions (continued)

Related party transactions are summarised below:

	Notes	2012 £'000	2011 £'000
Asset / (liability)			
Cash at Bank with Barclays Bank PLC	(a)	114	185
Debtor with Barclays Bank PLC	(a)	81	21
Derivative financial instruments with Barclays Bank PLC	(a)	(198,653)	(77,387)
Loans and receivables (medium term notes issued by Barclaycard Funding PLC)	(b)	5,735,423	3,935,141
Interest receivable on medium term notes issued by Barclaycard Funding PLC	(b)	3,714	3,499
Borrowings from Barclays Bank PLC	(a)	(860,540)	(609,929)
Interest payable on borrowings from Barclays Bank PLC	(a)	(675)	(640)
Prepayment/(creditor) with Structured Finance Management Limited	(c)	2	1
Income / (expense)			
Bank charges with Barclays Bank PLC	(a)	(3)	(1)
Interest on medium term notes issued by Barclaycard Funding PLC	(b)	93,324	80,488
Interest on borrowings from Barclays Bank PLC	(a)	(16,837)	(46,068)
Fair value movement on derivatives entered into with Barclays Bank PLC	(a)	(121,267)	(84,301)
Professional fees payable to Structured Finance Management Limited for Directors services	(c)	(20)	(15)

15. Related party transactions (continued)

Notes

a) Barclays Bank PLC is the parent undertaking of Barclaycard Funding PLC and holds the D class obligations.
b) Gracechurch Card (Holdings) Limited, whose share is held on a discretionary trust basis by SFM Corporate Services Limited for charitable purposes, is the legal parent of the Company. Structured Finance Management Limited also holds 100% of the B ordinary shares in Barclaycard Funding PLC on a discretionary trust basis for charitable purposes, which entitles it to 49% and 51% of Barclaycard funding PLC's voting rights and distributions, respectively.
c) A fee of £20k was paid to Structured Finance Management Limited in relation to the corporate services provided, including the provision of director services by Jonathan Keighley SFM Directors Limited and SFM Directors (No. 2) Limited.
d) The Company receives director services and insurance, financial, tax, and administration support from Barclays Bank PLC, for which no recharges are made to the Company.

Certain costs relating to the issue of the asset backed notes have been settled by Barclays Bank PLC and will not be reimbursed by the Company.

16. Events after the balance sheet date

There have been no post balance sheet events that have occurred to date.

17. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability as a going concern
- To maintain an optimal capital structure in order to reduce the cost of capital

The Directors are responsible for capital management and has approved minimum control requirements for capital and liquidity risk management. The capital levels maintained are in line with the Company's Medium Term Note Programme approved by the UK Listing Authority, the Memorandum and Articles of Association and the requirements of the Companies Act 2006. During the year the Company has not breached any of the externally imposed capital requirements to which it is subject. The Company regards as capital its share capital of £12,499 (2011: £12,499) as shown in the balance sheet.

18. Parent undertaking and ultimate holding company

The parent of the Company is Gracechurch Card (Holdings) Limited. The parent undertaking of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate holding company and the largest group that presents group financial statements, is Barclays PLC.

Gracechurch Card (Holdings) Limited, Barclays Bank PLC and Barclays PLC are incorporated in the United Kingdom and registered in England. Gracechurch Card (Holdings) Limited's, Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP, England.

APPENDIX D
DIRECTORS REPORT AND FINANCIAL STATEMENTS OF BARCLAYCARD FUNDING PLC FOR THE YEAR ENDED 31 DECEMBER 2011 AND DIRECTORS REPORT AND FINANCIAL STATEMENTS OF BARCLAYCARD FUNDING PLC FOR THE YEAR ENDED 31 DECEMBER 2012

BARCLAYCARD FUNDING PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

REGISTERED NUMBER: 2530163

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Registered Office

1 Churchill Place
London
E14 5HP

The Directors present their report together with the audit financial statements of Barclaycard Funding PLC (the 'Company') for the year ended 31 December 2011.

Principal activities

The Company is a special purpose entity (SPE), whose primary purpose is to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables. As part of the securitisation structure, Barclays Bank PLC sells a beneficial interest in a pool of credit card receivables to Gracechurch Receivables Trustee Limited (the Trust, an SPE incorporated in Jersey), which then issues investor certificates (collateralised by the credit card receivables) to the Company. The Company funds the purchase of the investor certificates through the issuance of medium term notes to Gracechurch Card Programme Funding PLC, which themselves fund the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes). The Company is considered to be a subsidiary of Barclays Bank PLC due to the fact that Barclays Bank PLC holds the Company's 'A' Ordinary Shares which give it 51% of the voting rights.

Business review

At 1 January 2011, the Company held £4.4 billion of investor certificates and equivalent amounts of medium term note liabilities. During the year, the Company issued various medium term notes totalling £3.6 billion to Gracechurch Card Programme Funding PLC and invested in an equivalent amount of investor certificates issued by the Trust on the same dates. Investor certificates related to series 2008-1 and 2008-2 totalling £4.0 billion were redeemed by the Company before the scheduled maturity date on 17 October 2011 and a corresponding amount of medium term notes were redeemed on the same date.

As at 31 December 2011 the Company held £3.9 billion of investor certificates and equivalent amounts of medium term note liabilities. The investor certificates and medium term notes were invested in and issued, respectively, in several series of offerings (see note 7, Loans and receivables, and note 10, Borrowings, of the accompanying financial statements for detail of the different series of offerings). They are expected to be redeemed on the scheduled redemption dates, where the key performance indicators for each series of notes issued meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place by the final redemption date (see note 10 to the accompanying financial statements).

The Company is required to retain certain levels of profits as stipulated in each series' offering document. In the event these profit retention requirements are not achieved, the Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The Company has complied with the profit retention requirements of all series in 2011 and 2010 without the need for reimbursements from Barclays Bank PLC.

Results and dividends

During the year the Company made a profit after taxation of £2,446 (2010: £22,197). The Directors have not proposed any dividends for the Class A and B ordinary shares for the year ended 31 December 2011 (2010: nil, 2009: nil, 2008: nil, 2007: £2.80 per A and B ordinary share of £1 each which totaled £140,000). The 2007 dividend was approved on 12 February 2009.

Future outlook

Based upon the performance of the underlying receivables (as evidenced via the Investor Reports, available from the 'Gracechurch Card Funding' section within 'Investor Relations' on the Barclays Bank PLC website) and the various levels of support offered by the structure of the instruments (as described in note 12, Financial Risks, of the accompanying financial statements), the Directors remain confident that the investor certificates will be repaid in full and therefore that the Company will be able to repay the medium term notes in issue in full, along with their interest, at maturity.

The Directors do not expect there to be any change in the Company's principal activity in the foreseeable future.

Principal risks and uncertainties

The principal risk is that the Company is unable to meet its obligations should the interest and principal received on the Company's investments not be sufficient to pay the medium term note holders interest and principal and the associated expenses of the Company. This could arise if the cash flows from the revolving credit card receivables and the Trust Principal Funding Account are not sufficient to settle interest and principal due on the investor certificates.

Information on how the Company's Directors manage these risks and uncertainties is explained in note 12 to the accompanying financial statements.

Key performance indicators

The interest income on the investor certificates, the interest costs of the medium term notes and the related operating expenses are the principal components of the Company's operations, which are quantified in the Statement. of Comprehensive Income

Directors monitor a number of key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company, which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Further details on key performance indicators can be found in note 12.

Post balance sheet events

On 12 March 2012, the Company issued medium term notes of £1.2 billion to Gracechurch Card Programme Funding PLC and invested in an equivalent amount of investor certificates issued by the Trust on the same date.

On 24 May 2012, the Company issued medium term notes of £0.45 billion to Gracechurch Card Programme Funding PLC and invested in an equivalent amount of investor certificates issued by the Trust on the same date.

On 14 June 2012, the Company issued medium term notes of £0.55 billion to Gracechurch Card Programme Funding PLC and invested in an equivalent amount of investor certificates issued by the Trust on the same date.

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below:

S L Miller	
F P Espley	(resigned 3 March 2011)
J Sowden	(appointed 3 March 2011 and resigned 26 August 2011)
SFM Directors Limited	

Going Concern

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections, taking into account the available bank facilities and making such further enquiries as they consider appropriate, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Barclays PLC has provided the Directors with a letter confirming continued support and assistance to enable the Company to meet obligations and maintain good standing for the foreseeable future. For these reasons the Directors have adopted the going concern basis in preparing the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In the preparing of these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union (In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the international Accounting Standards Board (IASB)) have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the year ended 31 December 2011 and 2010 for the benefit of the Directors who have served in office and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Creditors payment policy

The Company values its suppliers and acknowledges the importance of paying invoices, especially those of small businesses, promptly. Normal policy is to pay all small business purchases within 30 days. It is the Company's practice to agree terms with suppliers when entering into contracts. The Company negotiates with suppliers on an individual basis and meets our obligations accordingly. The Company does not follow any specific published code or standard on payment practice.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2009 require disclosure of trade creditor payment days. The Company's trade creditor payment days for the year were 41 days (2010: 17 days). This is an arithmetical calculation and does not necessarily reflect the Company's practice, which is described above, nor the experience of any individual creditor.

Donations

The Company made no charitable or political donations during the year ended 31 December 2011 (year ended 31 December 2010: £nil).

Financial risks

The Company's financial risk management objectives and policies and the exposure to price risk, credit risk, liquidity risk and cash flow risk are set out in note 12 to the accompanying financial statements.

Related party transactions

Details of the Company's related party transactions during the year are set out in note 14 to the accompanying financial statements.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BY ORDER OF THE BOARD

Helena Whitaker
For and on behalf of SFM Directors Limited
Director
26 June 2012

REGISTERED NUMBER: 2530163

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYCARD FUNDING PLC

We have audited the financial statements of Barclaycard Funding PLC for the year ended 31 December 2011 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the report sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Darren L Meek
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 June 2012

Barclaycard Funding PLC
Statement of Comprehensive Income
For the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Continuing operations			
Interest income		80,148	54,430
Interest expense		(80,082)	(54,320)
Net interest income		**66**	**110**
Administrative expenses	4	(62)	(79)
Profit for the financial year		**4**	**31**
Tax	6	(1)	(9)
Total comprehensive income		**3**	**22**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Balance Sheet
At 31 December 2011

	Notes	2011 £'000	2010 £'000
ASSETS			
Current assets			
Cash and cash equivalents		393	396
Trade and other receivables	8	3,504	2,740
Financial assets			
- loans and receivables	7	370,640	4,000,000
Total current assets		**374,537**	**4,003,136**
Non-current assets			
Financial assets			
- loans and receivables	7	3,564,501	370,640
Total non-current assets		**3,564,501**	**370,640**
Total assets		**3,939,038**	**4,373,776**
LIABILITIES			
Current liabilities			
Trade and other payables	9	(3,670)	(2,904)
Current tax liabilities	6	(1)	(9)
Financial liabilities			
- short-term borrowings	10	(370,640)	(4,000,000)
Total current liabilities		**(374,311)**	**(4,002,913)**
Net current assets		**226**	**223**
Non-current liabilities			
Financial liabilities			
- long-term borrowings	10	(3,564,501)	(370,640)
Total non-current liabilities		**(3,564,501)**	**(370,640)**
Net assets		**226**	**223**
SHAREHOLDERS' EQUITY			
Called up share capital	11	13	13
Retained earnings		213	210
Total shareholders' equity		**226**	**223**

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2012. They were signed for and on behalf of SFM Directors Limited:

Helena Whitaker
For and on behalf of SFM Directors Limited
Director
26 June 2012

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Statement of Changes in Equity
For the year ended 31 December 2011

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2011	13	210	223
Total comprehensive income for the year		3	3
Balance at 31 December 2011	**13**	**213**	**226**

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2010	13	188	201
Total comprehensive income for the year	-	22	22
Balance at 31 December 2010	**13**	**210**	**223**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Cash Flow Statement
For the year ended 31 December 2011

Continuing Operations	2011 £'000	2010 £'000
Reconciliation of profit before tax to net cash flows from operating activities		
Profit before tax	3	31
Net decrease in trade and other receivables	3	-
Net (decrease)/increase in trade and other payables	(1)	4
Interest income on loans and receivables	(80,148)	(54,430)
Interest payable on borrowings	80,082	54,320
Tax paid	(9)	(6)
Net cash used in operating activities	**(70)**	**(81)**
Cash flows from investing activities		
Purchase of investor certificates	(3,564,501)	(370,640)
Redemption of investor certificates	4,000,000	1,299,207
Interest received on loans and receivables	79,381	54,179
Net cash from investing activities	**514,880**	**982,746**
Cash flows from financing activities		
Issuance of medium term notes	3,564,501	370,640
Redemption of medium term notes	(4,000,000)	(1,299,207)
Interest paid on medium term notes	(79,314)	(54,067)
Net cash used in financing activities	**(514,813)**	**(982,634)**
(Decrease/increase in cash and cash equivalents	(3)	31
Cash and cash equivalents at beginning of the year	396	365
Cash and cash equivalents at end of the year	**393**	**396**
Cash and Cash equivalents comprise:		
Cash at bank	393	396
Cash and cash equivalents at end of the year	**393**	**396**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 2530163

1. Reporting entity

These financial statements are prepared for Barclaycard Funding PLC (the Company), the principal activity of which is to purchase investor certificates representing a beneficial interest in assets held by Gracechurch Receivables Trustee Limited (the Trust, an SPE incorporated in Jersey) and to issue medium term notes to Gracechurch Card Programme Funding PLC (a company incorporated in the United Kingdom). The Company is a public limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London, E14 5HP, England.

The Company is a special purpose entity (SPE) established primarily to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables. As part of the securitisation structure, Barclays Bank PLC sells a beneficial interest in a pool of receivables to Gracechurch Receivables Trustee Limited (the Trust, an SPE incorporated in Jersey), which then issues investor certificates (collateralised by the credit card receivables) to the Company. The Company funds the purchase of the investor certificates through the issuance of medium term notes to other SPE's, which themselves fund the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes). The Company is considered to be a subsidiary of Barclays Bank PLC due to the fact that Barclays Bank PLC holds the Company's 'A' Ordinary Shares which give it 51% of the voting rights.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The profit retention requirement of the Company varies for each series and is stipulated in the offering documentation of each series of notes issued.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), adopted for use in the European Union, International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

Going Concern

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections, taking into account the available bank facilities and making such further enquiries as they consider appropriate, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Barclays PLC has provided the Directors with a letter confirming continued support and assistance to enable the Company to meet obligations and maintain good standing for the foreseeable future. For these reasons the Directors have adopted the going concern basis in preparing the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39: 'Financial Instruments, recognition, and measurement,' as set out in the relevant accounting policies. They are presented in pounds sterling, the currency of the country in which the Company is incorporated, and also its financial currency.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

The Directors consider the most significant estimates and assumptions to be the impairment of the underlying credit card receivables and the methodology used to arrive at the fair value of financial instruments for disclosure purposes. The calculation of impairment of the underlying credit card receivables is based on assumptions explained in more detail in note 3(d). Allowances for impairment represents management's estimate of the losses incurred in the underlying credit card portfolios as at the balance sheet date. The level of the impairment allowance is the difference between the value of its discounted expected future cash flows (discounted at the effective interest rate of the underlying credit card receivables), and its carrying amount.

3. Summary of significant accounting policies (continued)

Basis of preparation (continued)

Subjective judgments are made in the calculation of future cash flows. Furthermore, judgments change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

The fair value of financial instruments is disclosed in note 13 along with the critical assumptions made when calculating the amount. The value of the unrated Class D notes is the most subjective area of the valuation due to the lack of available observable inputs.

(a) Foreign currency translation

The financial statements are presented in pounds sterling, which is the functional currency of the Company. Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Balances denominated in foreign currencies are retranslated at the rate prevailing at the year end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the Statement of Comprehensive Income.

(b) Interest income and expenses

Interest income or expense is recognised on all interest bearing financial assets classified as loans and advances, and on financial liabilities, using the effective interest method. The application of the method has the effect of recognising income or expense on the instrument in proportion to the amount outstanding such that the yield earned or incurred is constant over the period to maturity or repayment. The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument.

(c) Current income tax

Income tax payable on taxable profits ('current tax') is recognised as an expense in the year in which the profits arise. The Company has elected to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax") under which the Company is taxed by reference to the amount of profit retained by the company, as set out in the transaction documentation.

(d) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise assets until the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership. In the case of liabilities, the Company will continue to recognise them until the liability has been settled, extinguished or has expired.

Financial assets are initially recognised at fair value and then measured and classified in the financial statements as follows:

Loans and receivables

Loans and receivables represent the Company's indirect beneficial interest in pools of credit card receivables. The beneficial interests in pools of credit card receivables result from the investor certificates that are collateralised by the pools of credit card receivables. The investor certificates entitle the Company to payments of interest and principal payable from collections on the underlying receivables.

Loans and receivables (investor certificates) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loans and receivables are categorised as non-current if the scheduled redemptions are greater than 12 months from the date of the balance sheet. They are initially recognised at fair value including direct and incremental transaction costs and are subsequently measured at amortised cost, using the effective interest method.

Borrowings

Borrowings represent medium term note obligations ultimately collateralised by the underlying credit card receivables. Borrowings are initially recognised at fair value less transaction costs and are subsequently valued at amortised cost, using the effective interest method.

3. Summary of significant accounting policies (continued)

Determining fair value

Fair value of financial assets and liabilities for disclosure purposes (see note 13, Fair Value of Financial Instruments) was determined by reference to the quoted bid value in an active market wherever possible. Where no such active market exists for the particular instrument, the Company uses a valuation technique to arrive at the fair value, including the use of prices of similar instruments obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or the disappearance of an active market for a security because of the issuer's financial difficulties.

The ability of the Company's borrower to repay the loans and receivables (investor certificates) is dependent primarily on the performance of underlying credit card receivables. In making an assessment on whether or not the investor certificates are impaired, the Company also considers the performance of the underlying credit card receivables, including their arrears levels. The Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread (as defined in note 12, Financial Risks), on the underlying revolving securitised credit card receivables. The Company also performs procedures to satisfy itself that the servicer has adequate controls in place to fairly report the performance of the underlying credit card receivables, including their arrears levels.

The Company also considers observable data when determining if there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets. These decreases cannot yet be directly linked to specific assets in the portfolio and might arise from adverse changes in the payment status of borrowers, or national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Any impairment loss is recognized using an allowance account in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash comprises of cash at bank.

(f) Segment reporting

The operations of the Company comprise issuing medium term notes in the United Kingdom and acquiring investor certificates originated in United Kingdom. Consequently, the Directors consider the Company to have only one business and geographical segment.

(g) Share capital

Ordinary shares are classified as equity.

(h) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Directors.

3. Summary of significant accounting policies (continued)

Recently issued accounting pronouncements

Standards and interpretations effective in the year

The following standards and interpretations effective during the period have had the most significant impact on the Company:

- IAS 24 - Related Party - Disclosure clarifies and simplifies the definition of related parties.
- IFRS 7 - Financial Instruments - Disclosures to quantify the financial effects of collateral and other credit enhancements on the entity's maximum exposure to credit risk. Previously only a qualitative disclosure was required. The amendment was effective from 1 January 2011.

Future accounting developments

As at 31 December 2011 the IASB had issued the following accounting standards, which are relevant to the Company and are effective from 1 January 2013 (subject to endorsement by the EU):

- IFRS 13 - Fair Value Measurement - This provides comprehensive guidance on how to calculate the fair value of financial and non financial assets and liabilities.
- IFRS 10 - Consolidated financial Statements which replaces requirements in IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation - Special Purpose Entities. This introduces new criteria to determine whether entities which have interests in the company should present consolidated results.
- IAS 32 and IFRS 7 Amendments - Offsetting Financial Assets and Financial Liabilities - the circumstances in which netting is permitted have been clarified and disclosures on offsetting have been considerably expanded. The amendments on offsetting are effective from 1 January 2014, those disclosures from 1 January 2013 and will apply retrospectively. The Company does not expect this to have a material impact on the amounts of reported assets and liabilities.

In 2009 and 2010 the IASB proposed a new pronouncement, IFRS 9: Financial Instruments, which contains new requirements for accounting for financial assets and liabilities. IFRS 9 will also include new requirements for impairment and hedge accounting, replacing the corresponding requirements in IAS 39. It will introduce significant changes which may impact the company accounts for financial instruments. The key changes issued and proposed relate to:

- Financial assets. Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading, which may be held at fair value through equity.
- Financial liabilities. Gains and losses on own credit arising from financial liabilities designated at fair value through profit or loss will be excluded from the Statement of Comprehensive Income and instead taken to Other Comprehensive Income.
- Impairment. Expected losses (rather than only incurred losses) will be reflected in impairment allowances for loans and advances.
- Hedge accounting. Hedge accounting will be more closely aligned with financial risk management.

Adoption is not mandatory until periods beginning on or after 1st January 2015. Earlier adoption is possible, subject to EU endorsement. IFRS 9 will affect the population of instruments held at amortised cost on which it recognizes interest income and expense and those held at fair value through profit or loss. At this stage, it is not possible to determine the potential financial impacts of adoption on the Company.

4. Administration expenses

Administration expenses have been analysed as follows:

	2011 £'000	2010 £'000
Auditors' Remuneration - audit of the Company's annual financial statements only	30	36
Trust fees	23	29
Other	11	14
Total	**64**	**79**

5. Employees and key management, including Directors

(i) Employees

There were no persons employed by the Company during the year other than the Directors (2010: nil).

(ii) Directors' remuneration:

None of the Directors were directly remunerated by the Company in respect of their services to the Company during the year. However, a corporate services fee of £11,000 was payable to Structured Finance Management Limited (SFM) in relation to the services provided by SFM Directors Limited. In relation to the other Directors, their services to the Company were performed as part of their employment with Barclays Bank PLC in its role as controlling party and no remuneration was earned for qualifying services to the Company. Barclays Bank PLC has not recharged this Company for the cost of these services (see note 14).

6. Tax

(a) Income tax expense

The analysis of the charge for the year is as follows:

	2011 £'000	2010 £'000
Current taxation:		
United Kingdom corporation tax - current year	1	9
Total charge/(credit)	**1**	**9**

A numerical reconciliation of the applicable tax rate and the effective rate of tax is as follows:

	2011 £'000	2010 £'000
Profit before taxation	4	31
Tax charge at average UK corporation tax rate of 26.5% (2010: 28%)	1	9
Overall tax charge for the year	**1**	**9**
Effective tax rate	**26.5%**	**28%**

The decrease in the effective tax rate of tax from 2010 is mainly due to the fall in the corporation tax rate from 28% to 26% from April 2011.

(b) Current tax liabilities

Current tax liabilities were as follows:

	2011 £'000	2010 £'000
UK Corporation tax payable	1	9
Total charge	**1**	**9**

7. Loans and receivables

Loans and receivables consist of investor certificates and comprise the following:

Series and date of investment certificates	Scheduled redemption date	Final redemption date	2011 £'000	2010 £'000	Interest Rate Receivable
2008-1, Class A, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	1,702,000	1 month sterling LIBOR plus 0.5%
2008-2, Class A, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	1,702,000	1 month sterling LIBOR plus 0.5%
2008-1, Class D, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	298,000	1 month sterling LIBOR plus 1.0%
2008-2, Class D, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	298,000	1 month sterling LIBOR plus 1.0%
2010-1, Class A, 23 Nov 2010	15 Nov 2012	15 Nov 2014	315,040	315,040	1 month sterling LIBOR plus 0.775%
2010-1, Class D, 23 Nov 2010	15 Nov 2012	15 Nov 2014	55,600	55,600	1 month sterling LIBOR plus 1.2%
2011-5, Class A, 17 Oct 2011	15 Apr 2013	15 Apr 2015	640,328	-	1 month sterling LIBOR plus 0.555%
2011-5, Class D, 17 Oct 2011	15 Apr 2013	15 Apr 2015	113,000	-	1 month sterling LIBOR plus 1.1%
2011-2, Class A, 07 Feb 2011	15 Jan 2014	15 Jan 2016	319,693	-	1 month sterling LIBOR plus 1.3125%
2011-2, Class D, 07 Feb 2011	15 Jan 2014	15 Jan 2016	56,500	-	1 month sterling LIBOR plus 1.5%
2011-3, Class A1, 21 Apr 2011	15 Apr 2014	15 Apr 2016	199,080	-	1 month sterling LIBOR plus 1.0375%
2011-3, Class A2, 21 Apr 2011	15 Apr 2014	15 Apr 2016	125,000	-	1 month sterling LIBOR plus 0.85%
2011-3, Class D, 21 Apr 2011	15 Apr 2014	15 Apr 2016	57,200	-	1 month sterling LIBOR plus 1.6%
2011-4, Class A, 29 Sep 2011	15 Sep 2014	15 Sep 2016	963,919	-	1 month sterling LIBOR plus 1.364%
2011-4, Class D, 29 Sep 2011	15 Sep 2014	15 Sep 2016	170,200	-	1 month sterling LIBOR plus 1.5%
2011-1, Class A1, 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	-	1 month sterling LIBOR plus 1.394%
2011-1, Class A2, 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	-	1 month sterling LIBOR plus 1.1%
2011-1, Class D, 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	-	1 month sterling LIBOR plus 2.0%
Total			**3,935,141**	**4,370,640**	

During 2011 there were five purchases of investor certificates and two redemptions of investor certificates. The company purchased investor certificates of £3.6 billion from the Trust during 2011. On 17 October 2011 investor certificates of £4.0 billion were redeemed.

The Class D certificates are subordinate to the Class A, A1 and A2 notes. The Class A, A1 and A2 certificates rank pari passu to one another. The investor certificates are expected to be redeemed on the scheduled redemption dates where the key performance indicators meet criteria set out in the offering circulars for each series of notes issued. Where these criteria are not met, redemption will take place by the final redemption date.

8. Trade and other receivables

	2011 £'000	2010 £'000
Interest receivable on loans and receivables	3,499	2,731
Amount receivable from related party undertaking	5	9
Total	3,504	2,740

9. Trade and other payables

	2011 £'000	2010 £'000
Interest payable on borrowings	3,499	2,732
Accruals	29	30
Dividend payable	140	140
Amount owed to related party undertaking	2	2
Total	3,670	2,904

10. Borrowings

Borrowings consist solely of medium term notes and are made up as follows:

Series and date of medium term notes	Scheduled redemption date	Final redemption date	2011 £'000	2010 £'000	Interest Rate Receivable
2008-1, Class A, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	1,702,000	1 month sterling LIBOR plus 0.5%
2008-2, Class A, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	1,702,000	1 month sterling LIBOR plus 0.5%
2008-1, Class D, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	298,000	1 month sterling LIBOR plus 1.0%
2008-2, Class D, 12 Dec 2008	15 Dec 2011	15 Dec 2013	-	298,000	1 month sterling LIBOR plus 1.0%
2010-1, Class A, 23 Nov 2010	15 Nov 2012	15 Nov 2014	315,040	315,040	1 month sterling LIBOR plus 0.775%
2010-1, Class D, 23 Nov 2010	15 Nov 2012	15 Nov 2014	55,600	55,600	1 month sterling LIBOR plus 1.2%
2011-5, Class A, 17 Oct 2011	15 Apr 2013	15 Apr 2015	640,328	-	1 month sterling LIBOR plus 0.555%
2011-5, Class D, 17 Oct 2011	15 Apr 2013	15 Apr 2015	113,000	-	1 month sterling LIBOR plus 1.1%
2011-2, Class A, 07 Feb 2011	15 Jan 2014	15 Jan 2016	319,693	-	1 month sterling LIBOR plus 1.3125%
2011-2, Class D, 07 Feb 2011	15 Jan 2014	15 Jan 2016	56,500	-	1 month sterling LIBOR plus 1.5%
2011-3, Class A1, 21 Apr 2011	15 Apr 2014	15 Apr 2016	199,080	-	1 month sterling LIBOR plus 1.0375%
2011-3, Class A2, 21 Apr 2011	15 Apr 2014	15 Apr 2016	125,000	-	1 month sterling LIBOR plus 0.85%
2011-3, Class D, 21 Apr 2011	15 Apr 2014	15 Apr 2016	57,200	-	1 month sterling LIBOR plus 1.6%
2011-4, Class A, 29 Sep 2011	15 Sep 2014	15 Sep 2016	963,919	-	1 month sterling LIBOR plus 1.364%
2011-4, Class D, 29 Sep 2011	15 Sep 2014	15 Sep 2016	170,200	-	1 month sterling LIBOR plus 1.5%
2011-1, Class A1, 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	-	1 month sterling LIBOR plus 1.394%
2011-1, Class A2, 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	-	1 month sterling LIBOR plus 1.1%
2011-1, Class D, 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	-	1 month sterling LIBOR plus 2.0%
Total			**3,935,141**	**4,370,640**	

10. Borrowings (continued)

The borrowings (medium term note obligations) are collateralised by investor certificates issued by the Trust. The investor certificates are then collateralised by underlying credit card receivables. The Class D notes are subordinate to the Class A notes (Class A, A1, A2 rank pari passu to each other). Please refer to note 1 for further details of the securitisation structure.

The medium term notes are expected to be redeemed on the scheduled redemption dates where the key performance indicators meet criteria set out in the offering circulars for each series of notes issued. Where these criteria are not met, redemption will take place by the final redemption date (see note 10 to the accompanying financial statements).

11. Share capital

	2011 £	2010 £
Authorised:		
37,500 A ordinary shares of £1 each	37,500	37,500
12,500 B ordinary shares of £1 each	12,500	12,500
	50,000	50,000
Issued:		
2 A ordinary shares of £1 each allotted, called up and fully paid	2	2
37,498 A ordinary shares of £1 each allotted, called up and quarter paid	9375	9,375
12,500 B ordinary shares of £1 each allotted, called up and quarter paid	3,125	3,125
At 31 December	**12,502**	**12,502**

The holders of the A ordinary shares are entitled to exercise 51% of the total votes, to receive, in aggregate, 49% of any dividend declared and to receive 49% of the assets available for distribution on the winding up of the Company. The holders of the A ordinary shares may also appoint up to two Directors of the Company.

The holders of the B ordinary shares are entitled to exercise 49% of the total votes, to receive, in aggregate, 51% of any dividend declared and to receive 51% of the assets available for distribution on the winding up of the Company. The holders of the B ordinary shares may also appoint one Director of the Company.

12. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk (which includes interest rate risk). The Company's Directors follow the risk management policies of the Barclays Bank PLC because the Company is controlled by Barclays Bank PLC and is consolidated into the financial statements of Barclays Bank PLC and they consider these policies to be the most appropriate ones for the Company. These policies include specific guidelines on the management of interest rate and credit risks and advise on the use of financial instruments to manage them. The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

The Company's financial instruments comprise of loans and receivables (interests in investor certificates), borrowings (medium term notes), cash, trade receivables and trade payables that arise directly from its operations. It is, and has been throughout the year, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing these risks as summarised below.

(A) Credit Risk

Credit risk is the risk of financial loss, should any of the Company's customers or market counterparties fail to fulfill their contractual obligations to the Company. The Company assesses all counterparties for credit risk before contracting with them. The Company's investor certificates are issued by the Trust and represent a beneficial interest in a portfolio of underlying credit card receivables. They entitle the Company to payments of interest and principal from collections on the underlying receivables. Therefore, the Company's credit risk is that the performance of the underlying credit card receivables is not sufficient to enable the Trust to pay the interest and principal on the investor certificates, which in turn would mean that the Company may not be able to meet its debts as they fall due.

12. Financial risks (continued)

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is reflected by the amounts disclosed in the balance sheet. The following table shows the maximum exposure to credit risk at 31 December 2011 and 2010:

31 December 2011	Total Exposure £'000
Cash and cash equivalents	393
Trade and other receivables	3,504
Financial assets	
- loans and receivables	3,935,141
Total maximum exposure at 31 December	**3,939,038**

31 December 2010	
Cash and cash equivalents	396
Trade and other receivables	2,740
Financial assets	
- loans and receivables	4,370,640
Total maximum exposure at 31 December	**4,373,776**

The Company's loans and receivables comprise investor certificates, which are ultimately collateralised by an underlying portfolio of credit card receivables. Its borrowings, comprising the medium term notes, are collateralised by the investor certificates.

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk relate to investor certificates issued by the Trust, (which in turn are dependant on credit card receivables underlying the investor certificates), trade and other receivables, and cash at bank. Collections received on the continuously revolving credit card receivables are used to settle principal and interest due on the investor certificates. Further disclosure on credit quality of the underlying credit card receivables attributable to the Company's investors certificates have been presented further along in this note.

12. Financial risks (continued)

For the purposes of the Company's disclosures regarding credit quality, financial assets against which the Company is subject to credit risk have been analysed as follows:

31 December 2011	Cash and cash equivalents £'000	Trade and other receivables £'000	Investor certificates £'000
Neither past due nor individually impaired	393	3,504	3,935,141
Past due but not individually impaired	-	-	-
Individually impaired	-	-	-
Total	**393**	**3,504**	**3,935,141**
Impairment allowance	-	-	-
Total carrying amount	**393**	**3,504**	**3,935,141**

31 December 2010			
Neither past due nor individually impaired	396	2,740	4,370,640
Past due but not individually impaired	-	-	-
Individually impaired	-	-	-
Total	**396**	**2,740**	**4,370,640**
Impairment allowance	-	-	-
Total carrying amount	**396**	**2,740**	**4,370,640**

The loans and receivables (investor certificates) payment status in the table above has been classified according to

the terms of the investment certificates rather than the underlying credit card receivables payment status. The payment status of the underlying credit card receivables is presented below.

Financial assets subject to credit risk neither past due nor individually impaired

Financial assets subject to credit risk that are neither past due nor individually impaired are analysed according to the rating systems used by Barclays Bank PLC when assessing customers and counterparties. The credit quality of financial assets subject to credit risk that were neither past due nor impaired, based on credit rating, was as follows:

31 December 2011	Strong £'000	Satisfactory £'000	Higher risk £'000	Total £'000
Cash and cash equivalents	393	-	-	393
Trade and other receivables	3,504	-	-	3,504
Loans and receivables (investor certificates)	3,344,641	590,500	-	3,935,141
Total	**3,348,538**	**590,500**	**-**	**3,939,038**

31 December 2010				
Cash and cash equivalents	396	-	-	396
Trade and other receivables	2,740	-	-	2,740
Loans and receivables (investor certificates)	3,719,040	651,600	-	4,370,640
Total	**3,722,176**	**651,600**	**-**	**4,373,776**

12. Financial risks (continued)

A strong rating indicates that there is a very high likelihood of the asset being recovered in full. Cash and cash equivalents have been classified as strong since it is on deposit with a related party that is an investment grade rated entity. Trade and other receivables are classified as strong as the amounts are due from related parties that are investment grade rated entities. Loans and receivables are classified according to corresponding asset backed note rating. Satisfactory loans and receivables include all unrated series certificates (all Class D notes) and represent a high likelihood that the asset will be recovered in full and therefore there is no cause for concern to the Company. A higher risk rating would indicate that there is concern over the obligor's ability to make payments when due.

Disclosure of credit quality of underlying credit card receivables and Trust Principal Funding Account

The underlying credit card receivables forming the Trust's total securitisation pool amounted to £9.8 billion (2010: £8.6 billion) at 31 December 2011. Of the £9.8 billion, the gross balance of underlying credit card receivables supporting the Company's investor certificates was approximately £3.9 billion (2010: £4.4 billion) at 31 December 2011 (see below for further detail on assets supporting the investor certificates). Each series of the Company's investor certificates rank pari passu with similar credit rated series of the other investor certificates issued by the Trust and the seller's (Barclays Bank PLC) interest. The seller's interest is represented by the remaining £5.9 billion of underlying credit card receivables of the Trust.

The credit risk of the investor certificates is ultimately related to the credit risk of the underlying credit card receivables. In addition, as the scheduled redemption dates for all Series (see note 7, Loans and receivables, for a description of the various series of investment certificates) vary from 2012 to 2016, the credit risk of the investor certificates is also related to the ability to accumulate the required principal collections on the underlying credit card receivables in the Trust in order to settle interest and principal payments due to investors by the scheduled redemption date for these series.

In this regard, a monthly assessment is conducted on the investment certificates related to all series to determine the appropriate accumulation period length. As of 31 December 2011, an accumulation period has not commenced on any particular series of investor certificates issued. During an accumulation period, the Trust is required to allocate and accumulate principal collections received on the revolving credit card receivables in a trust account called the Trust Principal Funding Account. The funds accumulated in the trust account will be used to redeem the investment certificates. As the principal collections in the account accumulate month on month, it reduces the credit risk of the investor certificates.

The table below represents the credit risk of the loans and receivables (investor certificates) held by the Company according to the payment status of the underlying credit card receivables:

31 December 2011	Notes	Credit card receivables £'000	Trust Principal Funding Account £'000	Total £'000
Neither past due nor impaired	(i)	3,750,319	-	3,750,319
Past due but not individually impaired	(ii)	179,457	-	179,457
Individually impaired assets	(iii)	5,365	-	5,365
Total		**3,935,141**	-	**3,935,141**
Impairment allowance		(69,369)	-	(69,369)
Total carrying value		**3,865,772**	-	**3,865,772**

12. Financial risks (continued)

31 December 2010	Notes	Credit card receivables £'000	Trust Principal Funding Account £'000	Total £'000
Neither past due nor impaired	(i)	3,781,170	333,333	4,114,503
Past due but not individually impaired	(ii)	228,944	-	228,944
Individually impaired assets	(iii)	27,193	-	27,193
Total		**4,037,307**	**333,333**	**4,370,640**
Impairment allowance		(93,123)	-	(93,123)
Total carrying value		**3,944,184**	**333,333**	**4,277,517**

The carrying value of the £3.9 billion investor certificates is redeemed ultimately from the principal cash flows of the Company's share of the underlying revolving credit card receivables as accumulated in the Trust Principal Funding Account. The interest on the investor certificates is paid from the interest collected on the underlying revolving credit card receivables.

As at 31 December 2011, the value of the underlying assets supporting the £3.9 billion of loans and receivables (investor certificates) is as follows:

Underlying asset	2011 £'000	2010 £'000
Gross revolving credit card receivables	3,935,141	4,037,307
Impairment allowance on revolving credit card receivables	(69,369)	(93,123)
Trust Principal Funding Account	-	333,333
Total value supporting the investor certificates	**3,865,772**	**4,277,517**

The settlement of both the principal and the interest components of the Company's investor certificates are supported by:

- Accumulations of principal collections on the underlying credit card receivables in the Trust Principal Funding Account: Monthly accumulations reduce the credit risk of the underlying revolving credit card receivables and the associated impairment.
- Credit enhancement is provided to the Company's investor certificates through the issuance of Class D unrated certificates for all the Series.
- Revolving receivables continuously replenish the credit card receivable balances being charged-off.

Settlement of each series of investor certificates prior to the scheduled redemption date is triggered by a drop in the three-month average excess spread of that series below 0%. Excess spread represents the surplus of cash flow from interest, fee, interchange and recovery collections on the underlying receivables after deducting the financing costs paid to investors of the beneficial interest in the receivables (i.e., interest on the medium term notes), credit losses, contractual servicing fees, and other expenses. No such triggering event has occurred as at 31 December 2011. In such an event, the accumulated principal collections in the Trust Principal Funding Account would be used as the first source to settle the investor certificates. A credit enhancement is provided to Class A, A1 and A2 notes by using the Class D notes (issued in all Series) which bear the first loss of up to £590.5 million. Any remaining losses will be borne by the Class A, A1 and A2 notes of all Series. The Class A, A1 and A2 notes rank pari passu to one another.

The table below sets out key performance indicators relating to performance of the underlying receivables:

2011 Average	Series 2010-1	Series 2011-1	Series 2011-2	Series 2011-3	Series 2011-4	Series 2011-5
Yield	16.42%	17.96%	17.96%	17.55%	18.41%	21.81%
Finance expense	2.26%	3.06%	3.05%	2.70%	3.32%	3.16%
Charge-offs	4.66%	4.92%	4.92%	4.39%	3.89%	4.65%
Excess spread	**9.51%**	**9.99%**	**10.00%**	**10.45%**	**11.20%**	**14.00%**

12. Financial risks (continued)

2010 Average	Series 2008-1	Series 2008-2	Series 2010-1
Yield	16.52%	16.52%	19.34%
Finance expense	1.91%	1.91%	3.45%
Charge-offs	6.20%	6.20%	7.04%
Excess spread	**8.41%**	**8.41%**	**8.85%**

In assessing the default risk on the loans and receivables (investor certificates), the Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread, on the underlying revolving securitised credit card receivables.

The Company considered the revolving nature of the underlying card receivables, the processes used during a Controlled Accumulation Period and the current and forecasted excess spread levels generated by the Company's share of the underlying credit card receivables and determined that it expects to collect all of the contractual principal and interest cash flows due on the investor certificates. Based on this assessment the Directors are satisfied that the expected principal payments and excess spread on the net underlying revolving credit card receivables of £3.9 billion (2010: £3.9 billion) and the Trust Principal Funding Account of £0.0 million (2010: £333.3 million) will be sufficient to settle the loans and receivables (investor certificates) of £3.9 billion (2010: £4.4 billion) plus interest held by the Company to maturity, and therefore the investor certificates are not impaired.

(i) Credit card receivables and Trust Principal Funding Account balance subject to credit risk neither past due nor individually impaired

2011	Strong £'000	Satisfactory £'000	High risk £'000	Total £'000
Underlying credit card receivables	-	3,750,319	-	3,750,319
Trust Principal Funding Account	-	-	-	-
Total	**-**	**3,750,319**	**-**	**3,750,319**
2010				
Underlying credit card receivables	-	3,781,170	-	3,781,170
Trust Principal Funding Account	333,333	-	-	333,333
Total	**333,333**	**3,781,170**	**-**	**4,114,503**

(ii) Credit card receivables subject to credit risk past due but not individually impaired

An aged analysis of underlying credit card receivables that are past due but not individually impaired is set out below.

	Past due up to 1 month £'000	Past due 1-2 months £'000	Past due 2-3 months £'000	Past due 3-6 months £'000	Past due 6 months and over £'000	Total £'000
2011	83,598	31,018	22,106	42,735	-	179,457
2010	94,718	40,026	30,606	63,594	-	228,944

	Original carrying amount £'000	Impairment allowance £'000	Revised carrying amount £'000
2011	179,457	(67,243)	112,214
2010	228,944	(84,782)	144,162

The impairment allowance on these underlying credit card receivables have been assessed collectively.

12. Financial risks (continued)

(iii) Individually impaired credit card receivables

Individually impaired underlying credit card receivables are comprised of repayment plan book receivables and were as follows:

	Original carrying amount	Impairment allowance	Revised carrying amount
	£'000	£'000	£'000
2011	5,365	(2,126)	3,239
2010	27,193	(8,341)	18,852

The impairment allowance on these credit card receivables has been assessed individually. Individually impaired credit card receivables decreased from 2010 to 2011 as Gracechurch Receivables Trustee Limited sold and Barclays Bank PLC purchased £100.4 million of receivables pursuant to the Sale and Call Option Agreement dated 2 November 2010. The option provides for the purchase of further receivables in the future.

(B) Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. In addition to considering performance of the underlying credit card receivables and the Trust Principal Funding Account and the ability of the Trust to pay interest/principal as due on the investor certificates, cash flow measurements and projections for the next day, week and month are also reviewed, as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the financial liabilities payable by the Company by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest, adjusted for the impact of derivatives) of all financial liabilities.

	Within 1 year £'000	1-2 years £'000	2-5 years £'000	5-10 years £'000	Over10 years £'000	Total £'000
2011						
Borrowings	375,842	766,926	2,987,844	-	-	4,130,612
Other liabilities	3,671	-	-	-	-	3,671
Total Liabilities	**379,513**	**766,926**	**2,987,844**	-	-	**4,134,283**
2010						
Borrowings	4,044,247	380,522	-	-	-	4,424,769
Other liabilities	2,913	-	-	-	-	2,913
Total Liabilities	**4,047,160**	**380,522**	-	-	-	**4,427,682**

(C) Market Risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates.

12. Financial risks (continued)

Interest Rate Risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities.

The Company finances its operations through the issue of medium term notes, which are denominated in pounds sterling at floating rates of interest. Interest incurred on borrowings is matched with interest earned on sterling-denominated (GBP) loans and receivables (investor certificates).

2011	Rates Receivable	Rates Payable
Series 2010-1	1 month GBP LIBOR plus 0.8388%	1 month GBP LIBOR plus 0.8388%
Series 2011-1	1 month GBP LIBOR plus 1.3523%	1 month GBP LIBOR plus 1.3523%
Series 2011-2	1 month GBP LIBOR plus 1.3407%	1 month GBP LIBOR plus 1.3407%
Series 2011-3	1 month GBP LIBOR plus 1.0604%	1 month GBP LIBOR plus 1.0604%
Series 2011-4	1 month GBP LIBOR plus 1.3844%	1 month GBP LIBOR plus 1.3844%
Series 2011-5	1 month GBP LIBOR plus 0.6368%	1 month GBP LIBOR plus 0.6368%

2010	Rates Receivable	Rates Payable
Series 2008-1	1 month GBP LIBOR plus 0.575%	1 month GBP LIBOR plus 0.575%
Series 2008-2	1 month GBP LIBOR plus 0.575%	1 month GBP LIBOR plus 0.575%
Series 2010-1	1 month GBP LIBOR plus 0.8388%	1 month GBP LIBOR plus 0.8388%

Interest rate sensitivity gap analysis

The sensitivity of the Statement of Comprehensive Income is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and liabilities held at 31 December.

Impact on net interest income
The impact of a 25 basis point increase or decrease in interest rates on net interest income is as follows:

	2011		2010	
	+25 basis points £'000	-25 basis points £'000	+25 basis points £'000	-25 basis points £'000
Loans and receivables	9,838	(9,838)	10,927	(10,927)
Borrowings	(9,838)	9,838	(10,927)	10,927
Total	-	-	-	-

Re-pricing occurs on a monthly basis , with changes in the one month sterling LIBOR rates for the series in line with the interest rate table above.

13. Fair value of financial instruments

The fair value of financial instruments is the amount for which an asset could be exchanged, or liability settled, in an arm's length transaction between knowledgeable parties.

The following table summarises the carrying amounts and fair values of financial assets and financial liabilities presented on the Company's balance sheet:

	Note	2011 Carrying Amount £'000	2011 Fair Value £'000	2010 Carrying Amount £'000	2010 Fair Value £'000
Financial assets					
Loans and receivables	(a)	3,935,141	3,796,260	4,370,640	4,253,909
Trade and other receivables	(b)	3,504	3,504	2,740	2,740
Cash and cash equivalents	(b)	393	393	396	396
Financial liabilities					
Borrowings	(a)	3,935,141	3,748,361	4,370,640	4,253,909
Trade and other payables	(b)	3,670	3,670	2,904	2,904

13. Fair value of financial instruments (continued)

Notes

(a) Loans and receivables are fair valued using the following techniques:

i. Observable market prices for similar rated Class A, A1 and A2 listed notes.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

(b) Borrowings are fair valued using the following techniques:

i. Observable market prices for similar rated Class A, A1 and A2 listed notes.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

14. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, are disclosed in the tables below.

The Company was established by Barclays Bank PLC, the immediate parent company, the parent company of which is Barclays PLC, to facilitate the securitisation of credit card receivables originated by Barclays Bank PLC. The Company has issued medium term notes to Gracechurch Card Programme Funding PLC and to Gracechurch Card Funding (No 10) PLC (in liquidation) and Gracechurch Card Notes 2006-A PLC (in liquidation) (together the 'Gracechurch Entities'). Gracechurch Card Programme Funding PLC is a legal subsidiary of Gracechurch Card (Holdings) Limited, whose parent is SFM Corporate Services Limited.

Structured Finance Management Limited holds 12,500 B ordinary shares in the Company which represents 100% ownership of that class of shares and entities it to49% of the total voting rights and 51% of the distributions. Structured Finance Management Limited holds the B ordinary shares on a discretionary trust basis for the benefit of certain charities. Barclays Bank PLC owns 100% of the A ordinary shares in the Company which entitles it to 51% of the total voting rights and 49% of the distributions.

14. Related party transactions (continued)

The Company receives administration, finance, tax and other support from Barclays Bank PLC for which no charges are made. The Company holds excess cash at bank with Barclays Bank PLC, for which interest is earned. Directors insurance is provided by Barclays Bank PLC without recharge to the Company.

Related party transactions are as follows:

2011	Barclays Bank PLC £'000	Gracechurch Receivables Trustee Limited £'000	Gracechurch Card Programme Funding PLC £'000	SFM Corporate Services Limited £'000	Gracechurch Entities £'000
Transactions					
Interest receivable	64	80,085	-	-	-
Interest payable	-	-	(80,082)	-	-
Administration expenses	1	-	-	(11)	-
Redemption of investor certificates	-	4,000,000	-	-	-
Purchase of investor certificates	-	(3,564,501)	-	-	-
Redemption of medium term notes	-	-	(4,000,000)	-	-
Issuance of medium term notes	-	-	3,564,501	-	-
Balance sheet					
Loans and receivables (investor certificates)	-	3,935,141	-	-	-
Interest receivable on investor certificates	-	3,499	-	-	-
Cash and cash equivalents	393	-	-	-	-
Other receivables	5	-	-	-	-
Borrowings (medium term notes)	-	-	(3,935,141)	-	-
Interest payable on borrowings	-	-	(3,499)	-	-
Other payables	-	-	-	2	-

2010	Barclays Bank PLC £'000	Gracechurch Receivables Trustee Limited £'000	Gracechurch Card Programme Funding PLC £'000	SFM Corporate Services Limited £'000	Gracechurch Entities £'000
Transactions					
Interest receivable	79	54,351	-	-	-
Interest payable	-	-	(54,320)	-	-
Administration expenses	-	-	-	(14)	-
Redemption of investor certificates	-	1,299,207	-	-	-
Purchase of investor certificates	-	(371,600)	-	-	-
Redemption of medium term notes	-	-	-	-	(1,299,207)
Issuance of medium term notes	-	-	371,600	-	-
Balance sheet					
Loans and receivables (investor certificates)	-	4,370,640	-	-	-
Interest receivable on investor certificates	-	2,732	-	-	-
Cash and cash equivalents	396	-	-	-	-
Other receivables	9	-	-	-	-
Borrowings (medium term notes)	-	-	(4,370,640)	-	-
Interest payable on borrowings	-	-	(2,732)	-	-
Other payables	-	-	-	2	-

15. Events after the balance sheet date

On 12 March 2012, the Company issued medium term notes of £1.2 billion to Gracechurch Card Programme Funding PLC and invested in an equivalent amount of investor certificates from the Trust on the same date.

On 24 May 2012, the Company issued medium term notes of £0.45 billion to Gracechurch Card Programme Funding PLC and invested in an equivalent amount of investor certificates from the Trust on the same date.

On 14 June 2012, the Company issued medium term notes of £0.55 billion to Gracechurch Card Programme Funding PLC and invested in an equivalent amount of investor certificates issued by the Trust on the same date.

16. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability as a going concern
- To maintain an optimal capital structure in order to reduce the cost of capital

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management.

The capital levels maintained are in line with the Company's offering documents, the Memorandum and Articles of Association and the requirements of the Companies Act 2006.

During the year the Company has not breached any of the externally imposed capital requirements to which it is subject.

The Company regards as capital its share capital of £13,000 (2010: £13,000 as shown in the balance sheet.

17. Parent undertaking and ultimate holding company

The parent of the Company is Barclays Bank PLC. The parent undertaking of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate holding company, controlling party and the parent company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in the United Kingdom and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from the Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP, England.

BARCLAYCARD FUNDING PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Directors' Report and Financial Statements
For the year ended 31 December 2012

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Registered Office

1 Churchill Place
London
E14 5HP

Barclaycard Funding PLC
Directors' Report
For the year ended 31 December 2012

The Directors present their annual report together with the audited financial statements of Barclaycard Funding PLC (the "Company") for the year ended 31 December 2012.

Principal Activities and Business Review

The Company is a special purpose entity (SPE), whose primary purpose is to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables. As part of the securitisation structure, Barclays Bank PLC sells a beneficial interest in a pool of credit card receivables to Gracechurch Receivables Trustee Limited (the Trust, an SPE incorporated in Jersey), which then issues investor certificates (collateralised by the credit card receivables) to the Company. The Company funds the purchase of the investor certificates through the issuance of medium term notes to Gracechurch Card Programme Funding PLC, which themselves fund the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes). The Company is considered to be a subsidiary of Barclays Bank PLC due to the fact that Barclays Bank PLC holds the Company's 'A' Ordinary Shares which give it 51% of the voting rights.

In 2012, the Company invested in a number of Series investor certificates (2012-1, 2012-2, 2012-3, and 2012-4), split into Class A rated notes of £1.85 billion and unrated Class D notes of £0.33 billion (Refer to note 7 for details). On the same dates, and to fund these investments, the Company issued a number of Series medium term note liabilities (2012-1, 2012-2, 2012-3, and 2012-4), split into Class A rated notes of £1.85 billion and unrated Class D notes of £0.33 billion (Refer to note 10 for details). Both forms of notes are expected to be redeemed on their scheduled redemption dates where the key performance indicators meet criteria set out in the offering documentation. Where these criteria are not met, redemption is expected to take place by their final redemption dates. Investor certificates related to series 2010-1, totalling £0.37 billion, were redeemed by the Company on the scheduled maturity date of 15 November 2012 and a corresponding amount of medium term note liabilities were redeemed on the same date.

As at 31 December 2012, the Company held £5.74 billion of investor certificate assets and issued a corresponding amount of medium term note certificates. The investor certificate assets and medium term note liabilities were purchased and issued, respectively, in several series of offerings. They are expected to be redeemed on the scheduled redemption dates, where the key performance indicators for each series of notes issued meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place by their final redemption dates. See note 7, Loans and receivables and note 10, Borrowings, of the accompanying financial statements for detail of the different series of offerings.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The Medium Term Note Programme stipulates a profit retention requirement of the greater of £1,200 per annum or £600 annually per series issued. The Company has met this retention requirement for 2012 and 2011.

Future outlook

Based upon the performance of the underlying receivables (as evidenced via the Investor Reports, available from the 'Gracechurch Card Funding' section within 'Investor Relations' on the Barclays Bank PLC website) and the various levels of support offered by the structure of the instruments (as described in note 12, Financial Risks, of the accompanying financial statements), the Directors remain confident that the investor certificates will be repaid in full and therefore that the Company will be able to repay the medium term notes in issue in full, along with their interest, at maturity.

The Directors do not expect there to be any change in the Company's principal activity in the foreseeable future.

Principal risks and uncertainties

The principal risk is that the Company is unable to meet its obligations should the interest and principal received on the Company's investments not be sufficient to pay the medium term note holders interest and principal and the associated expenses of the Company. This could arise if the cash flows from the revolving credit card receivables and the Trust Principal Funding Account are not sufficient to settle interest and principal due on the investor certificates.

Information on how the Company's Directors manage these risks and uncertainties is explained in note 12 to the accompanying financial statements.

Key performance indicators

The interest income on the investor certificates, the interest costs of the medium term notes and the related operating expenses are the principal components of the Company's operations, which are quantified in the Statement of Comprehensive Income

Directors monitor a number of key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company, which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Further details on key performance indicators can be found in note 12.

Donations

The Company made no charitable or political donations during the year ended 31 December 2012 (year ended 31 December 2011: £nil).

Financial risks

The Company's financial risk management objectives and policies and the exposure to credit risk, liquidity risk and cash flow risk are set out in note 12 to the accompanying financial statements.

Related party transactions

Details of the Company's related party transactions during the year are set out in note 14 to the accompanying financial statements.

Post balance sheet events

There have been no post balance sheet events that have occurred to date.

Profit and dividends

During the year the Company made a profit after taxation of £4,018 (2011: profit of £2,446). The Directors do not recommend the payment of any dividends for the Class A and B ordinary shares for the year ended 31 December 2012 (2011: nil).

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below:

S L Miller
SFM Directors Limited

Since the year end, M C Campbell was appointed as a Director on 9 April 2013 and S L Miller resigned as a Director on 16 April 2013.

Going concern

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing the Company's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out on page 6 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Directors are required by the Companies Act 2006 to prepare financial statements for each financial year. The Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) to present fairly the financial position of the Company and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that in preparing these financial statements on pages 7 to 29:

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates
- that all the accounting standards which they consider to be applicable have been followed
- that the financial statements have been prepared on the going concern basis

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Creditors payment policy

The Company values its suppliers and acknowledges the importance of paying invoices, especially those of small businesses, promptly. Normal policy is to pay all small business purchases within 30 days. It is the Company's practice to agree terms with suppliers when entering into contracts. The Company negotiates with suppliers on an individual basis and meets our obligations accordingly. The Company does not follow any specific published code or standard on payment practice.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 require disclosure of trade creditor payment days. The Company's trade creditor payment days for the year were 86 days (2011: 41 days). This is an arithmetical calculation and does not necessarily reflect the Company's practice, which is described above, neither the experience of any individual creditor.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the year ended 31 December 2012 for the benefit of the Directors who have served in office and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Independent Auditors

PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 491 of the Companies Act 2006.

Statement of disclosure of information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BY ORDER OF THE BOARD

Melanie Campbell
Director
23 May 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYCARD FUNDING PLC

We have audited the financial statements of Barclaycard Funding PLC for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Darren Meek
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 May 2013

Barclaycard Funding PLC
Statement of Comprehensive Income
For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Continuing operations			
Interest income		93,114	80,148
Interest expense		(93,043)	(80,082)
Net interest income		71	66
Administrative expenses	4	(66)	(62)
Profit before taxation		5	4
Taxation	6	(1)	(1)
Profit and total comprehensive income for the year attributable to the owners of the Company		4	3

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Balance Sheet
At 31 December 2012

	Notes	2012 £'000	2011 £'000
Assets			
Current assets			
Cash and cash equivalents		398	393
Trade and other receivables	8	3,716	3,504
Financial assets			
- loans and receivables	7	753,328	370,640
Total current assets		757,442	374,537
Non-current assets			
Financial assets			
- loans and receivables	7	4,982,095	3,564,501
Total non-current assets		4,982,095	3,564,501
Total assets		5,739,537	3,939,038
Liabilities			
Current liabilities			
Trade and other payables	9	(3,883)	(3,670)
Current tax liabilities	6	(1)	(1)
Financial liabilities			
- short-term borrowings	10	(753,328)	(370,640)
Total current liabilities		(757,212)	(374,311)
Net current assets		230	226
Non-current liabilities			
Financial liabilities			
- long-term borrowings	10	(4,982,095)	(3,564,501)
Total non-current liabilities		(4,982,095)	(3,564,501)
Net assets		230	226
Shareholders' equity			
Called up share capital	11	13	13
Retained earnings		217	213
Total shareholders' equity		230	226

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2013 and were signed on its behalf by:

Melanie Campbell
Director
23 May 2013

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Statement of Changes in Equity
For the year ended 31 December 2012

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2012	13	213	226
Total comprehensive income for the year	-	4	4
Balance at 31 December 2012	**13**	**217**	**230**
Balance at 1 January 2011	13	210	223
Total comprehensive income for the year	-	3	3
Balance at 31 December 2011	**13**	**213**	**226**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Cash Flow Statement
For the year ended 31 December 2012

Continuing operations	2012 £'000	2011 £'000
Cash flows from operating activities		
Profit before taxation	5	3
Net decrease in trade and other receivables	3	3
Net decrease in trade and other payables	(2)	(1)
Interest income on loans and receivables	(93,114)	(80,148)
Interest payable on borrowings	93,043	80,082
Taxation paid	(1)	(9)
Net cash used in operating activities	**(66)**	**(70)**
Cash flows from investing activities		
Purchase of investor certificates	(2,170,922)	(3,564,501)
Redemption of investor certificates	370,640	4,000,000
Interest received on loans and receivables	92,899	79,381
Net cash (used in) / generated from investing activities	**(1,707,383)**	**514,880**
Cash flows from financing activities		
Issuance of medium term notes	2,170,922	3,564,501
Redemption of medium term notes	(370,640)	(4,000,000)
Interest paid on medium term notes	(92,828)	(79,314)
Net cash generated from / (used in) financing activities	**1,707,454**	**(514,813)**
(Decrease)/increase in cash and cash equivalents	5	(3)
Cash and cash equivalents at beginning of the year	393	396
Cash and cash equivalents at end of the year	**398**	**393**
Cash and cash equivalents comprise:		
Cash at bank	398	393
Cash and cash equivalents at end of the year	**398**	**393**

The accompanying notes form an integral part of these financial statements.

REGISTERED NUMBER: 2530163

1. Reporting entity

These financial statements are prepared for Barclaycard Funding PLC (the "Company"), the principal activity of which is to purchase investor certificates representing a beneficial interest in assets held by Gracechurch Receivables Trustee Limited (the "Trust", an SPE incorporated in Jersey) and to issue medium term notes to Gracechurch Card Programme Funding PLC (a company incorporated in the United Kingdom). The Company is a public limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London, E14 5HP, England.

The Company is a special purpose entity (SPE) established primarily to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables. As part of the securitisation structure, Barclays Bank PLC sells a beneficial interest in a pool of receivables to the Trust, which then issues investor certificates (collateralised by the credit card receivables) to the Company. The Company funds the purchase of the investor certificates through the issuance of medium term notes to other SPE's, which themselves fund the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes). The Company is considered to be a subsidiary of Barclays Bank PLC due to the fact that Barclays Bank PLC holds the Company's 'A' Ordinary Shares which give it 51% of the voting rights.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The profit retention requirement of the Company varies for each series and is stipulated in the offering documentation of each series of notes issued.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), adopted for use in the European Union, International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections, taking into account the available bank facilities and making such further enquiries as they consider appropriate, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Barclays PLC has provided the Directors with a letter confirming continued support and assistance to enable the Company to meet obligations and maintain good standing for the foreseeable future. For these reasons the Directors have adopted the going concern basis in preparing the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under International Accounting Standards (IAS) 39: 'Financial Instruments, recognition, and measurement,' as set out in the relevant accounting policies.

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Directors to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements.

3. Summary of significant accounting policies (continued)

Critical accounting estimates (continued)

The Directors consider the most significant estimates and assumptions to be the assessment of impairment of the underlying credit card receivables and the methodology used to arrive at the fair value of financial instruments for disclosure purposes. The calculation of impairment of the underlying credit card receivables is based on assumptions explained in more detail in note 3(d). Allowances for impairment represents Directors' estimate of the losses incurred in the underlying credit card portfolios as at the balance sheet date. The level of the impairment allowance is the difference between the value of its discounted expected future cash flows (discounted at the effective interest rate of the underlying credit card receivables), and its carrying amount.

Subjective judgements are made in the calculation of future cash flows. Furthermore, judgements change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

The fair value of financial instruments is disclosed in note 13 along with the critical assumptions made when calculating the amount. The value of the unrated Class D notes is the most subjective area of the valuation due to the lack of available observable inputs.

(a) Foreign currency translation

The financial statements are presented in pounds sterling, which is the functional currency of the Company. Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Balances denominated in foreign currencies are retranslated at the rate prevailing at the year end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the Statement of Comprehensive Income.

(b) Interest income and expense

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, or other loans and advances, and on financial liabilities, using the effective interest method.

The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income or expense on the instrument in proportion to the amount outstanding such that the yield earned or incurred is constant over the period to maturity or repayment.

(c) Current income tax

Income tax payable on taxable profits ('current tax') is recognised as an expense in the year in which the profits arise. The Company has elected to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax") under which the Company is taxed by reference to the amount of profit retained by the Company, as set out in the transaction documentation.

(d) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise assets until the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership. In the case of liabilities, the Company will continue to recognise them until the liability has been settled, extinguished or has expired. Financial assets are initially recognised at fair value and then measured and classified in the financial statements as follows:

Loans and receivables

Loans and receivables (investor certificates) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loans and receivables are categorised as non-current if the scheduled redemptions are greater than 12 months from the date of the balance sheet. They are initially recognised at fair value including direct and incremental transaction costs and are subsequently measured at amortised cost, using the effective interest method.

3. Summary of significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

Loans and receivables represent the Company's indirect beneficial interest in pools of credit card receivables. The beneficial interests in pools of credit card receivables result from the investor certificates that are collateralised by the pools of credit card receivables. The investor certificates entitle the Company to payments of interest and principal payable from collections on the underlying receivables.

Borrowings

Borrowings represent medium term note obligations ultimately collateralised by the underlying credit card receivables. Borrowings are initially recognised at fair value less transaction costs and are subsequently valued at amortised cost, using the effective interest method.

Determining fair value

Fair value of financial assets and liabilities for disclosure purposes (see note 13, Fair Value of Financial Instruments) was determined by reference to the quoted bid value in an active market wherever possible. Where no such active market exists for the particular instrument, the Company uses a valuation technique to arrive at the fair value, including the use of prices of similar instruments obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or the disappearance of an active market for a security because of the issuer's financial difficulties.

The ability of the Company's borrower to repay the loans and receivables (investor certificates) is dependent primarily on the performance of underlying credit card receivables. In making an assessment on whether or not the investor certificates are impaired, the Company also considers the performance of the underlying credit card receivables, including their arrears levels. The Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread (as defined in note 12, Financial Risks), on the underlying revolving securitised credit card receivables. The Company also performs procedures to satisfy itself that the servicer has adequate controls in place to fairly report the performance of the underlying credit card receivables, including their arrears levels.

The Company also considers observable data when determining if there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets. These decreases cannot yet be directly linked to specific assets in the portfolio and might arise from adverse changes in the payment status of borrowers, or national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Any impairment loss is recognized using an allowance account in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash comprises of cash at bank.

(f) Segment reporting

The operations of the Company comprise issuing medium term notes in the United Kingdom and acquiring investor certificates originated in the United Kingdom. Consequently, the Directors consider the Company to have only one business and geographical segment.

3. Summary of significant accounting policies (continued)

(g) Share capital

Ordinary shares are classified as equity.

(h) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Directors.

(i) Future accounting developments

The IASB had issued the following accounting standards, which are effective from 1 January 2013, subject to endorsement by the EU, unless otherwise indicated:

- IFRS 10 Consolidated Financial Statements will require the ultimate holding company to apply different criteria to determine the entities that are included in the ultimate holding company's consolidated financial statements. The implementation of IFRS 10 will result in the ultimate holding company consolidating some entities that were previously not consolidated and deconsolidating some entities that were previously consolidated. The directors have considered the revised definition of control under IFRS 10 and are of the opinion that there will be no impact on the entity as its subsidiary undertaking, Gracechurch Card Programme Funding PLC will still remain to be controlled under the new standard by Barclays Bank PLC and hence the Company will continue to not prepare consolidated accounts when the standard becomes effective. IFRS 13 – Fair Value Measurement – This provides comprehensive guidance on how to calculate the fair value of financial and non-financial assets and liabilities. It is not expected to have a material impact on the Company financial statements.

- IAS 32 and IFRS 7 Amendments – Offsetting Financial Assets and Financial Liabilities – the circumstances in which netting is permitted have been clarified and disclosures on offsetting have been considerably expanded. The amendments on offsetting are effective from January 2014 and those disclosures from 1 January 2013. It is not expected to have a material impact on the Company financial statements.

In 2009, the ISAB issued IFRS 9, Financial Instruments and subsequent additions and amendments that will form part of the eventual standard which will replace IAS 39 Financial Instruments: Recognition and Measurement. It will lead to significant changes in the accounting for financial instruments. The key changes issued and proposed relate to:

- Financial assets. Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income;
- Financial liabilities. Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the Income Statement and instead taken to other comprehensive income;
- Impairment. Credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit and loss will be reflected in impairment allowances; and
- Hedge accounting. Hedge accounting will be more closely aligned with financial risk management.

Adoption is not mandatory until periods beginning on or after 1st January 2015. The standard has not been endorsed by the EU. At this stage, it is not possible to determine the potential financial impacts of adoption on the Company.

4. Administrative expenses

Administrative expenses have been analysed as follows:

	2012 £'000	2011 £'000
Auditors' remuneration - audit of the Company's annual financial statements only	25	30
Trustee fees	30	23
Other	11	9
Total administrative expenses	**66**	**62**

5. Employees and key management, including Directors

(i) Employees

There were no persons employed by the Company during the year (2011: nil).

(ii) Directors' remuneration:

None of the Directors were directly remunerated by the Company in respect of their services to the Company during the year. However, a fee was paid to Structured Finance Management Limited in relation to the services provided by SFM Directors Limited. In relation to the other Directors, their service to this Company was performed as part of their employment by Barclays Bank PLC in its role as controlling party and no remuneration was earned for qualifying services to the Company. Barclays Bank PLC has not recharged this Company for the cost of this service (see note 14).

6. Tax

(a) Income tax expense

The analysis of the charge for the year is as follows:

	2012 £'000	2011 £'000
Current taxation:		
United Kingdom corporation tax – current year	(1)	(1)
Total tax charge	**(1)**	**(1)**

A numerical reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate is as follows:

	2012 £'000	2011 £'000
Profit before taxation	5	4
Tax charge at average UK corporation tax rate of 24.5% (2011: 26.5%)	(1)	(1)
Overall tax charge for the year	**(1)**	**(1)**
Effective tax rate	**24.5%**	**26.5%**

Finance Act 2012 reduced the main rate of corporation tax from 26% to 24% from 1 April 2012 (and to 23% from 1 April 2013). The reduction was substantively enacted on 17 July 2012. As this change in rate was substantively enacted prior to 31 December 2012, it has been reflected in the deferred tax asset/liability at 31 December 2012.

A further reduction to the main rate has been proposed to reduce the rate to 21% by April 2014. The proposed change to the main rate had not been substantively enacted at the balance sheet date, and therefore is not included in these financial statements.

(b) Current tax liabilities

The current tax liability is as follows:

	2012 £'000	2011 £'000
UK Corporation tax payable	1	1

7. Loans and receivables

Loans and receivables consist of investor certificates and comprise the following:

Series and date of investment certificates	Scheduled redemption date	Final redemption date	2012 £'000	2011 £'000	Interest Rate Receivable
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	-	315,040	1 month sterling LIBOR plus 0.775%
Class D (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	-	55,600	1 month sterling LIBOR plus 1.2%
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	640,328	-	1 month sterling LIBOR plus 0.555%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	113,000	-	1 month sterling LIBOR plus 1.1%
Loans and receivables - current			**753,328**	**370,640**	
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	-	640,328	1 month sterling LIBOR plus 0.555%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	-	113,000	1 month sterling LIBOR plus 1.1%
Class A (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	319,693	319,693	1 month sterling LIBOR plus 1.3125%
Class D (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	56,500	56,500	1 month sterling LIBOR plus 1.5%
Class A (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	300,000	-	1 month sterling LIBOR plus 0.9%
Class D (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	52,942	-	1 month sterling LIBOR plus 1.15%
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	199,080	199,080	1 month sterling LIBOR plus 1.0375%
Class A2 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	125,000	125,000	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	57,200	57,200	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	963,919	963,919	1 month sterling LIBOR plus 1.364%
Class D (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	170,200	170,200	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	283,733	-	1 month sterling LIBOR plus 0.72%
Class A2 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	416,319	-	1 month sterling LIBOR plus 1.194%
Class D (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	123,539	-	1 month sterling LIBOR plus 1.2%

7. Loans and receivables (continued)

Series and date of investment certificates	Scheduled redemption date	Final redemption date	2012 £'000	2011 £'000	Interest Rate Receivable
Class A (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	465,819	-	1 month sterling LIBOR plus 0.654%
Class D (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	82,204	-	1 month sterling LIBOR plus 1.05%
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	366,581	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	415,000	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	138,000	1 month sterling LIBOR plus 2.0%
Class A (Series 2012-3), 24 May 2012	15 May 2017	15 May 2019	379,411	-	1 month sterling LIBOR plus 0.901%
Class D (Series 2012-3), 24 May 2012	15 May 2017	15 May 2019	66,955	-	1 month sterling LIBOR plus 1.35%
Loans and receivables – non-current			4,982,095	3,564,501	
Total			5,735,423	3,935,141	

The Class D certificates are subordinate to the Class A, A1 and A2 notes. The Class A, A1 and A2 certificates rank pari passu to one another. The investor certificates are expected to be redeemed on the scheduled redemption dates where the key performance indicators meet criteria set out in the offering circulars for each series of notes issued. Where these criteria are not met, redemption is expected to be take place by their final redemption dates.

8. Trade and other receivables

	2012 £'000	2011 £'000
Interest receivable on loans and receivables	3,714	3,499
Amount receivable from related party undertaking	2	5
Total	3,716	3,504

9. Trade and other payables

	2012 £'000	2011 £'000
Interest payable on borrowings	3,714	3,499
Accruals	29	29
Dividend payable	140	140
Amount owed to related party undertaking	-	2
Total	3,883	3,670

10. Borrowings

Borrowings consist solely of medium term notes and are made up as follows:

Series and date of notes	Scheduled redemption date	Final redemption date	2012 £'000	2011 £'000	Interest Rate Payable
Class A (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	-	315,040	1 month sterling LIBOR plus 0.775%
Class D (Series 2010-1), 23 Nov 2010	15 Nov 2012	15 Nov 2014	-	55,600	1 month sterling LIBOR plus 1.2%
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	640,328	-	1 month sterling LIBOR plus 0.555%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	113,000	-	1 month sterling LIBOR plus 1.1%
Borrowings - current			**753,328**	**370,640**	
Class A (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	-	640,328	1 month sterling LIBOR plus 0.555%
Class D (Series 2011-5), 17 Oct 2011	15 Apr 2013	15 Apr 2015	-	113,000	1 month sterling LIBOR plus 1.1%
Class A (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	319,693	319,693	1 month sterling LIBOR plus 1.3125%
Class D (Series 2011-2), 07 Feb 2011	15 Jan 2014	15 Jan 2016	56,500	56,500	1 month sterling LIBOR plus 1.5%
Class A (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	300,000	-	1 month sterling LIBOR plus 0.9%
Class D (Series 2012-2), 12 Mar 2012	18 Feb 2014	15 Feb 2016	52,942	-	1 month sterling LIBOR plus 1.15%
Class A1 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	199,080	199,080	1 month sterling LIBOR plus 1.0375%
Class A2 (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	125,000	125,000	1 month sterling LIBOR plus 0.85%
Class D (Series 2011-3), 21 Apr 2011	15 Apr 2014	15 Apr 2016	57,200	57,200	1 month sterling LIBOR plus 1.6%
Class A (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	963,919	963,919	1 month sterling LIBOR plus 1.364%
Class D (Series 2011-4), 29 Sep 2011	15 Sep 2014	15 Sep 2016	170,200	170,200	1 month sterling LIBOR plus 1.5%
Class A1 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	283,733	-	1 month sterling LIBOR plus 0.72%
Class A2 (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	416,319	-	1 month sterling LIBOR plus 1.194%
Class D (Series 2012-1), 12 Mar 2012	17 Feb 2015	15 Feb 2017	123,539	-	1 month sterling LIBOR plus 1.2%

10. Borrowings (continued)

Series and date of notes	Scheduled redemption date	Final redemption date	2012 £'000	2011 £'000	Interest Rate Payable
Class A (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	465,819	-	1 month sterling LIBOR plus 0.654%
Class D (Series 2012-4), 14 Jun 2012	15 Jun 2015	15 Jun 2017	82,204	-	1 month sterling LIBOR plus 1.05%
Class A1 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	366,581	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	415,000	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1), 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	138,000	1 month sterling LIBOR plus 2.0%
Class A (Series 2012-3), 24 May 2012	15May 2017	15 May 2019	379,411	-	1 month sterling LIBOR plus 0.901%
Class D (Series 2012-3), 24 May 2012	15May 2017	15 May 2019	66,955	-	1 month sterling LIBOR plus 1.35%
Borrowings – non-current			4,982,095	3,564,501	
Total			5,735,423	3,935,141	

The borrowings (medium term note obligations) are collateralised by investor certificates issued by the Trust. The investor certificates are then collateralised by underlying credit card receivables. The Class D notes are subordinate to the Class A notes (Class A, A1, A2 rank pari passu to each other). Please refer to note 1 for further details of the securitisation structure.

The medium term notes are expected to be redeemed on the scheduled redemption dates where the key performance indicators meet criteria set out in the offering circulars for each series of notes issued. Where these criteria are not met, redemption is expected to take place by the final redemption date.

11. Share capital

	2012 £	2011 £
Authorised:		
37,500 A ordinary shares of £1 each	37,500	37,500
12,500 B ordinary shares of £1 each	12,500	12,500
	50,000	50,000
Issued:		
2 A ordinary shares of £1 each allotted, called up and fully paid	2	2
37,498 A ordinary shares of £1 each allotted, called up and quarter paid	9,375	9,375
12,500 B ordinary shares of £1 each allotted, called up and quarter paid	3,125	3,125
At 31 December	12,502	12,502

The holders of the A ordinary shares are entitled to exercise 51% of the total votes, to receive, in aggregate, 49% of any dividend declared and to receive 49% of the assets available for distribution on the winding up of the Company. The holders of the A ordinary shares may also appoint up to two Directors of the Company. The holders of the B ordinary shares are entitled to exercise 49% of the total votes, to receive, in aggregate, 51% of any dividend declared and to receive 51% of the assets available for distribution on the winding up of the Company. The holders of the B ordinary shares may also appoint one Director of the Company.

12. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk (which includes interest rate risk). The Company's Directors follow the risk management policies of the Barclays Bank PLC because the Company is controlled by Barclays Bank PLC and is consolidated into the financial statements of Barclays Bank PLC and they consider these policies to be the most appropriate ones for the Company. These policies include specific guidelines on the management of interest rate and credit risks and advise on the use of financial instruments to manage them. The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

The Company's financial instruments comprise of loans and receivables (interests in investor certificates), borrowings (medium term notes), cash, trade receivables and trade payables that arise directly from its operations. It is, and has been throughout the year, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing these risks as summarised below.

(A) Credit risk

Credit risk is the risk of financial loss, should any of the Company's customers or market counterparties fail to fulfill their contractual obligations to the Company. The Company assesses all counterparties for credit risk before contracting with them. The Company's investor certificates are issued by the Trust and represent a beneficial interest in a portfolio of underlying credit card receivables. They entitle the Company to payments of interest and principal from collections on the underlying receivables. Therefore, the Company's credit risk is that the performance of the underlying credit card receivables is not sufficient to enable the Trust to pay the interest and principal on the investor certificates, which in turn would mean that the Company may not be able to meet its debts as they fall due.

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is reflected by the amounts disclosed in the balance sheet. The following table shows the maximum exposure to credit risk at 31 December 2012 and 2011:

	2012 £'000	2011 £'000
Cash and cash equivalents	398	393
Trade and other receivables	3,716	3,504
Financial assets		
- loans and receivables	5,735,423	3,935,141
Total maximum exposure at 31 December	**5,739,537**	**3,939,038**

The Company's loans and receivables comprise investor certificates, which are ultimately collateralised by an underlying portfolio of credit card receivables. Its borrowings, comprising the medium term notes, are collateralised by the investor certificates.

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk relate to investor certificates issued by the Trust, (which in turn are dependent on credit card receivables underlying the investor certificates), trade and other receivables, and cash at bank. Collections received on the continuously revolving credit card receivables are used to settle principal and interest due on the investor certificates. Further disclosure on credit quality of the underlying credit card receivables attributable to the Company's investor certificates have been presented further along in this note.

12. Financial risks (continued)

For the purposes of the Company's disclosures regarding credit quality, financial assets against which the Company is subject to credit risk have been analysed as follows:

2012	Cash and cash equivalents £'000	Trade and other receivables £'000	Loans and receivables £'000
Neither past due nor individually impaired	398	3,716	5,735,423
Past due but not individually impaired	-	-	-
Individually impaired	-	-	-
Total	398	3,716	5,735,423
Impairment allowance	-	-	-
Total carrying amount	398	3,716	5,735,423
2011			
Neither past due nor individually impaired	393	3,504	3,935,141
Past due but not individually impaired	-	-	-
Individually impaired	-	-	-
Total	393	3,504	3,935,141
Impairment allowance	-	-	-
Total carrying amount	393	3,504	3,935,141

The loans and receivables (investor certificates) payment status in the table above has been classified according to the terms of the investment certificates rather than the underlying credit card receivables payment status. The payment status of the underlying credit card receivables is presented below.

Financial assets subject to credit risk neither past due nor individually impaired

Financial assets subject to credit risk that are neither past due nor individually impaired are analysed according to the rating systems used by Barclays Bank PLC when assessing customers and counterparties. The credit quality of financial assets subject to credit risk that were neither past due nor impaired, based on credit rating, was as follows:

2012	Strong £'000	Satisfactory £'000	Higher risk £'000	Total £'000
Cash and cash equivalents	398	-	-	398
Trade and other receivables	3,716	-	-	3,716
Loans and receivables (investor certificates)	4,874,883	860,540	-	5,735,423
Total	4,878,997	860,540	-	5,739,537
2011				
Cash and cash equivalents	393	-	-	393
Trade and other receivables	3,504	-	-	3,504
Loans and receivables (investor certificates)	3,344,641	590,500	-	3,935,141
Total	3,348,538	590,500	-	3,939,038

12. Financial risks (continued)

A strong rating indicates that there is a very high likelihood of the asset being recovered in full. Cash and cash equivalents have been classified as strong since it is on deposit with a related party that is an investment grade rated entity. Trade and other receivables are classified as strong as the amounts are due from related parties that are investment grade rated entities. Loans and receivables are classified according to corresponding asset backed note rating. Satisfactory loans and receivables include all unrated series certificates (all Class D notes) and represent a high likelihood that the asset will be recovered in full and therefore there is no cause for concern to the Company. A higher risk rating would indicate that there is concern over the obligor's ability to make payments when due.

Disclosure of credit quality of underlying credit card receivables and Trust Principal Funding Account

The underlying credit card receivables forming the Trust's total securitisation pool amounted to £10.7 billion (2011: £9.8 billion) at 31 December 2012. Of the £10.7 billion (2011: £9.8 billion), the gross balance of underlying credit card receivables supporting the Company's investor certificates was approximately £ 5.7 billion (2011: £3.9 billion) at 31 December 2012 (see below for further detail on assets supporting the investor certificates). Each series of the Company's investor certificates rank pari passu with similar credit rated series of the other investor certificates issued by the Trust and the seller's (Barclays Bank PLC) interest. The seller's interest is represented by the remaining £5.0 billion of underlying credit card receivables of the Trust.

The credit risk of the investor certificates is ultimately related to the credit risk of the underlying credit card receivables. In addition, as the scheduled redemption dates for all Series (see note 7, Loans and receivables, for a description of the various series of investment certificates) vary from 2013 to 2017, the credit risk of the investor certificates is also related to the ability to accumulate the required principal collections on the underlying credit card receivables in the Trust in order to settle interest and principal payments due to investors by the scheduled redemption date for these series.

In this regard, a monthly assessment is conducted on the investment certificates related to all series to determine the appropriate accumulation period length. As of 31 December 2012, an accumulation period has not commenced on any particular series of investor certificates issued. During an accumulation period, the Trust is required to allocate and accumulate principal collections received on the revolving credit card receivables in a trust account called the Trust Principal Funding Account. The funds accumulated in the trust account will be used to redeem the investment certificates. As the principal collections in the account accumulate month on month, it reduces the credit risk of the investor certificates.

The table below represents the credit risk of the loans and receivables (investor certificates) held by the Company according to the payment status of the underlying credit card receivables:

2012	Notes	Credit card receivables £'000	Trust Principal Funding Account £'000	Total £'000
Neither past due nor impaired	(i)	5,497,041	-	5,497,041
Past due but not individually impaired	(ii)	229,470	-	229,470
Individually impaired assets	(iii)	8,912	-	8,912
Total		5,735,423	-	5,735,423
Impairment allowance		(86,034)	-	(86,034)
Total carrying value		5,649,389	-	5,649,389

12. Financial risks (continued)

2011	Notes	Credit card receivables £'000	Trust Principal Funding Account £'000	Total £'000
Neither past due nor impaired	(i)	3,750,319	-	3,750,319
Past due but not individually impaired	(ii)	179,457	-	179,457
Individually impaired assets	(iii)	5,365	-	5,365
Total		3,935,141	-	3,935,141
Impairment allowance		(69,369)	-	(69,369)
Total carrying value		3,865,772	-	3,865,772

The carrying value of the £5.7 billion investor certificates is redeemed ultimately from the principal cash flows of the Company's share of the underlying revolving credit card receivables as accumulated in the Trust Principal Funding Account. The interest on the investor certificates is paid from the interest collected on the underlying revolving credit card receivables.

As at 31 December 2012, the carrying/book value of the underlying assets supporting the £5.7 billion of loans and receivables (investor certificates) is as follows:

Underlying asset	2012 £'000	2011 £'000
Gross revolving credit card receivables	5,735,423	3,935,141
Impairment allowance on revolving credit card receivables	(86,034)	(69,369)
Trust Principal Funding Account	-	-
Total carrying/book value supporting the investor certificates	5,649,389	3,865,772

The settlement of both the principal and the interest components of the Company's investor certificates are supported by:

- Accumulations of principal collections on the underlying credit card receivables in the Trust Principal Funding Account: Monthly accumulations reduce the credit risk of the underlying revolving credit card receivables and the associated impairment.

- Credit enhancement is provided to the Company's investor certificates through the issuance of Class D unrated certificates for all the Series.

- Revolving receivables and sellers interest continuously replenishing the credit card receivable balances being charged-off.

Settlement of each series of investor certificates prior to the scheduled redemption date is triggered by a drop in the three-month average excess spread of that series below 0%. Excess spread represents the surplus of cash flow from interest, fee, interchange and recovery collections on the underlying receivables after deducting the financing costs paid to investors of the beneficial interest in the receivables (i.e., interest on the medium term notes), credit losses, contractual servicing fees, and other expenses. No such triggering event has occurred as at 31 December 2012. In such an event, the accumulated principal collections in the Trust Principal Funding Account would be used as the first source to settle the investor certificates. A credit enhancement is provided to Class A, A1 and A2 notes by using the Class D notes (issued in all Series) which bear the first loss of up to £860.5 million. Any remaining losses will be borne by the Class A, A1 and A2 notes of all Series. The Class A, A1 and A2 notes rank pari passu to one another.

12. Financial risks (continued)

The table below sets out key performance indicators relating to performance of the underlying receivables:

2012
Average

	Series 2011-1	Series 2011-2	Series 2011-3	Series 2011-4	Series 2011-5	Series 2012-1	Series 2012-2	Series 2012-3	Series 2012-4
Yield	16.29%	16.29%	16.29%	16.29%	16.29%	17.57%	17.57%	17.14%	17.92%
Finance expense	2.72%	2.71%	2.43%	2.75%	2.01%	2.63%	2.52%	2.47%	2.36%
Charge-offs	3.57%	3.57%	3.57%	3.57%	3.57%	3.75%	3.75%	3.48%	3.69%
Excess spread	**10.00%**	**10.01%**	**10.29%**	**9.97%**	**10.72%**	**11.19%**	**11.30%**	**11.18%**	**11.87%**

2011
Average

	Series 2010-1	Series 2011-1	Series 2011-2	Series 2011-3	Series 2011-4	Series 2011-5
Yield	16.42%	17.96%	17.96%	17.55%	18.41%	21.81%
Finance expense	2.26%	3.06%	3.05%	2.70%	3.32%	3.16%
Charge-offs	4.66%	4.92%	4.92%	4.39%	3.89%	4.65%
Excess spread	**9.51%**	**9.99%**	**10.00%**	**10.45%**	**11.20%**	**14.00%**

For definitions of the terms used in these tables, refer to the definitions section of the monthly Investor Report at the following address:
http://group.barclays.com/about-barclays/investor-relations/debt-investors/unsecured-and-secured-funding/secured-funding/gracechurch-card-funding

In assessing the default risk on the loans and receivables (investor certificates), the Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread, on the underlying revolving securitised credit card receivables.

The Company considered the revolving nature of the underlying card receivables, the sellers interest, the processes used during a Controlled Accumulation Period and the current and forecasted excess spread levels generated by the Company's share of the underlying credit card receivables and determined that it expects to collect all of the contractual principal and interest cash flows due on the investor certificates. . The Controlled Accumulation Period is the process to set aside cash collateral to settle notes with a maturity in the next financial year. Based on this assessment the Directors are satisfied that the expected principal and finance charge payments on the principal underlying revolving credit card receivables of £5.7 billion (2011: £3.9 billion) will be sufficient to settle the loans and receivables (investor certificates) of £5.7 billion (2011: £3.9 billion) plus interest held by the Company to maturity, and therefore the investor certificates are not impaired.

(i) **Credit card receivables and Trust Principal Funding Account balance subject to credit risk neither past due nor individually impaired**

2012	Strong £'000	Satisfactory £'000	High risk £'000	Total £'000
Underlying credit card receivables	-	5,497,041	-	5,497,041
Trust Principal Funding Account	-	-	-	-
Total	-	5,497,041	-	5,497,041
2011				
Underlying credit card receivables	-	3,750,319	-	3,750,319
Trust Principal Funding Account	-	-	-	-
Total	-	3,750,319	-	3,750,319

12. Financial risks (continued)

(ii) Credit card receivables subject to credit risk past due but not individually impaired

An aged analysis of underlying credit card receivables that are past due but not individually impaired is set out below.

	Past due up to 1 month	Past due 1-2 months	Past due 2-3 months	Past due 3-6 months	Past due 6 months and over	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2012	109,237	39,657	28,038	52,538	-	229,470
2011	83,598	31,018	22,106	42,735	-	179,457

	Original carrying amount	Impairment allowance	Revised carrying amount
	£'000	£'000	£'000
2012	229,470	(82,483)	146,987
2011	179,457	(67,243)	112,214

The impairment allowance on these underlying credit card receivables have been assessed collectively.

(iii) Individually impaired credit card receivables

Individually impaired underlying credit card receivables are comprised of repayment plan book receivables and were as follows:

	Original carrying amount	Impairment allowance	Revised carrying amount
	£'000	£'000	£'000
2012	8,912	(3,551)	5,361
2011	5,365	(2,126)	3,239

The impairment allowance on these credit card receivables has been assessed individually. Individually impaired credit card receivables increased from 2011 to 2012 as the investors share in the underlying credit card receivables has increased from £3.9bn to £5.7bn.

(B) Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. In addition to considering performance of the underlying credit card receivables and the Trust Principal Funding Account and the ability of the Trust to pay interest/principal as due on the investor certificates, cash flow measurements and projections for the next day, week and month are also reviewed, as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

12. Financial risks (continued)

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the financial liabilities payable by the Company by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest) of all financial liabilities.

2012	Within 1 year £'000	1-2 years £'000	2-5 years £'000	5-10 years £'000	Over10 years £'000	Total £'000
Borrowings	756,104	2,302,938	2,858,098	-	-	5,917,140
Other liabilities	3,885	-	-	-	-	3,885
Total Liabilities	759,989	2,302,938	2,858,098	-	-	5,921,025
2011						
Borrowings	375,842	766,926	2,987,844	-	-	4,130,612
Other liabilities	3,671	-	-	-	-	3,671
Total Liabilities	379,513	766,926	2,987,844	-	-	4,134,283

The Company's borrowings are limited recourse and therefore only repayable to the extent the Company receives payments under the investor certificates held by it.

(C) Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates.

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities.

The Company finances its operations through the issue of medium term notes, which are denominated in pounds sterling at floating rates of interest. Interest incurred on borrowings is matched with interest earned on sterling-denominated (GBP) loans and receivables (investor certificates).

2012	Rates Receivable	Rates Payable
Series 2011-1	1 month GBP LIBOR plus 1.3523%	1 month GBP LIBOR plus 1.3523%
Series 2011-2	1 month GBP LIBOR plus 1.3407%	1 month GBP LIBOR plus 1.3407%
Series 2011-3	1 month GBP LIBOR plus 1.0604%	1 month GBP LIBOR plus 1.0604%
Series 2011-4	1 month GBP LIBOR plus 1.3844%	1 month GBP LIBOR plus 1.3844%
Series 2011-5	1 month GBP LIBOR plus 0.6368%	1 month GBP LIBOR plus 0.6368%
Series 2012-1	1 month GBP LIBOR plus 0.7920%	1 month GBP LIBOR plus 0.7920%
Series 2012-2	1 month GBP LIBOR plus 0.9375%	1 month GBP LIBOR plus 0.9375%
Series 2012-3	1 month GBP LIBOR plus 0.9684%	1 month GBP LIBOR plus 0.9684%
Series 2012-4	1 month GBP LIBOR plus 0.7134%	1 month GBP LIBOR plus 0.7134%
2011	Rates Receivable	Rates Payable
Series 2010-1	1 month GBP LIBOR plus 0.8388%	1 month GBP LIBOR plus 0.8388%
Series 2011-1	1 month GBP LIBOR plus 1.3523%	1 month GBP LIBOR plus 1.3523%
Series 2011-2	1 month GBP LIBOR plus 1.3407%	1 month GBP LIBOR plus 1.3407%
Series 2011-3	1 month GBP LIBOR plus 1.0604%	1 month GBP LIBOR plus 1.0604%
Series 2011-4	1 month GBP LIBOR plus 1.3844%	1 month GBP LIBOR plus 1.3844%
Series 2011-5	1 month GBP LIBOR plus 0.6368%	1 month GBP LIBOR plus 0.6368%

12. Financial risks (continued)

Interest rate sensitivity gap analysis

The sensitivity of the Statement of Comprehensive Income is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and liabilities held at 31 December.

Impact on net interest income
The impact of a 25 basis point increase or decrease in interest rates on net interest income is as follows:

	2012		2011	
	+25 basis points £'000	-25 basis points £'000	+25 basis points £'000	-25 basis points £'000
Loans and receivables	14,339	(14,339)	9,838	(9,838)
Borrowings	(14,339)	14,339	(9,838)	9,838
Total	-	-	-	-

Re-pricing occurs on a monthly basis, with changes in the one month sterling LIBOR rates for the series in line with the interest rate table above.

13. Fair value of financial instruments

The fair value of financial instruments is the amount for which an asset could be exchanged, or liability settled, in an arm's length transaction between knowledgeable parties.

The following table summarises the carrying amounts and fair values of financial assets and financial liabilities presented on the Company's balance sheet:

	Notes	2012 Carrying Amount £'000	2012 Fair Value £'000	2011 Carrying Amount £'000	2011 Fair Value £'000
Financial assets					
Loans and receivables	(a)	5,735,423	5,667,766	3,935,141	3,796,260
Trade and other receivables		3,716	3,716	3,504	3,504
Cash and cash equivalents		398	398	393	393
Financial liabilities					
Borrowings	(b)	5,735,423	5,667,766	3,935,141	3,796,260
Trade and other payables		3,883	3,883	3,670	3,670

Notes

(a) Loans and receivables are fair valued using the following techniques:

i. Observable market prices for similar rated Class A, A1 and A2 listed notes.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

(b) Borrowings are fair valued using the following techniques:

i. Observable market prices for similar rated Class A, A1 and A2 listed notes.
ii. Discounted cash flow valuation techniques for Class D notes as there are no similar listed notes trading in the market. The discount rate used was based on an observable interest rate curve for BBB securities plus an unobservable interest rate spread commensurate with the credit and liquidity risk of the securities.

14. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, are disclosed in the tables below.

Structured Finance Management Limited holds 12,500 B ordinary shares in the Company which represents 100% ownership of that class of shares and entities it to 49% of the total voting rights and 51% of the distributions. Structured Finance Management Limited holds the B ordinary shares on a discretionary trust basis for the benefit of certain charities. Bardays Bank PLC owns 100% of the A ordinary shares in the Company which entitles it to 51% of the total voting rights and 49% of the distributions.

The Company receives administration, finance, tax and other support from Barclays Bank PLC for which no charges are made. The Company holds excess cash at bank with Barclays Bank PLC, for which interest is earned. Directors insurance is provided by Barclays Bank PLC without recharge to the Company.

Related party transactions are as follows:

2012	Barclays Bank PLC £'000	Gracechurch Receivables Trustee Limited £'000	Gracechurch Card Programme Funding PLC £'000	SFM Corporate Services Limited £'000
Transactions				
Interest receivable	66	93,048	-	-
Interest payable	-	-	(93,043)	-
Administration expenses	(1)	-	-	(9)
Redemption of investor certificates	-	370,640	-	-
Purchase of investor certificates	-	(2,170, 922)	-	-
Redemption of medium term notes	-	-	(370,640)	-
Issuance of medium term notes	-	-	2,170, 922	-
Balance sheet				
Loans and receivables (investor certificates)	-	5,735,423	-	-
Interest receivable on investor certificates /cash at banks	2	3,714	-	-
Cash and cash equivalents	398	-	-	-
Other receivables	-	-	-	-
Borrowings (medium term notes)	-	-	5,735,423	-
Interest payable on borrowings	-	-	3,714	-
Other payables	-	-	-	3

14. Related party transactions (continued)

2011	Barclays Bank PLC £'000	Gracechurch Receivables Trustee Limited £'000	Gracechurch Card Programme Funding PLC £'000	SFM Corporate Services Limited £'000
Transactions				
Interest receivable	64	80,085	-	-
Interest payable	-	-	(80,082)	-
Administration expenses	1	-	-	(11)
Redemption of investor certificates	-	4,000,000	-	-
Purchase of investor certificates	-	(3,564,501)	-	-
Redemption of medium term notes	-	-	(4,000,000)	-
Issuance of medium term notes	-	-	3,564,501	-
Balance sheet				
Loans and receivables (investor certificates)	-	3,935,141	-	-
Interest receivable on investor certificates	-	3,499	-	-
Cash and cash equivalents	393	-	-	-
Other receivables	5	-	-	-
Borrowings (medium term notes)	-	-	(3,935,141)	-
Interest payable on borrowings	-	-	(3,499)	-
Other payables	-	-	-	2

15. Events after the balance sheet date

There have been no post balance sheet events that have occurred to date.

16. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability as a going concern
- To maintain an optimal capital structure in order to reduce the cost of capital

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management.

The capital levels maintained are in line with the Company's offering documents, the Memorandum and Articles of Association and the requirements of the Companies Act 2006.

During the year the Company did not breached any of the externally imposed capital requirements to which it is subject.

The Company regards as capital its share capital of £12,502 (2011: £12,502) as shown in the balance sheet.

17. Parent undertaking and ultimate holding company

The parent of the Company is Barclays Bank PLC. The parent undertaking of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group financial statements is Barclays PLC.

Barclays Bank PLC and Barclays PLC are incorporated in the United Kingdom and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP, England.

APPENDIX E
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ISSUING ENTITY
Gracechurch Card Programme Funding plc
1 Churchill Place
London E14 5HP

SPONSOR, ORIGINATOR, SERVICER AND TRUST CASH MANAGER
Barclays Bank PLC
1234 Pavilion Drive
Northampton NN4 7SG

RECEIVABLES TRUSTEE
Gracechurch Receivables Trustee Ltd
26 New Street
St. Helier, Jersey JE2 3RA

DEPOSITOR AND MTN ISSUING ENTITY
Barclaycard Funding PLC
1 Churchill Place
London E14 5HP

NOTE TRUSTEE AND SECURITY TRUSTEE
The Bank of New York Mellon
One Canada Square
London E14 5AL

PRINCIPAL PAYING AGENT
The Bank of New York Mellon
One Canada Square
London E14 5AL

OTHER PAYING AGENTS
The Bank of New York Mellon
One Wall Street
New York, New York 10286

REGISTRAR
The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

LEGAL ADVISERS

To the Issuing Entity, the MTN Issuing Entity, the Receivables Trustee and Barclays as to English law

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

To the Issuing Entity, the MTN Issuing Entity, the Receivables Trustee and Barclays as to United States law

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

To the Receivables Trustee and Barclays as to Jersey law

Bedell Cristin
26 New Street
St. Helier, Jersey JE2 3RA

To the Series Dealers as to English law and United States law

Weil, Gotshal & Manges
110 Fetter Lane
London EC4A 1AY

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

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct
London EC1A 2FG

AUDITOR
To the Issuing Entity, the MTN Issuing Entity and the Receivables Trustee
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

AUTHORISED ADVISER
Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB