

EXECUTION VERSION

COVERED BOND SWAP CONFIRMATION

From: Abbey National Treasury Services plc (**Party A**)
2 Triton Square
Regent's Place
NW1 3AN

To: Abbey Covered Bonds LLP (**Party B**)
2 Triton Square
Regent's Place
London
NW1 3AN

Attention: Mortgage Backed Funding (TS1C)

Copy to: Abbey Covered Bonds LLP
c/o Santander UK plc
Abbey House (AAM 129)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Retail Credit

To: Deutsche Trustee Company Limited (the **Security Trustee**)
Winchester House
1 Great Winchester Street
London
EC2N 2DB

Attention: Managing Director (ABS/MBS Group)

28 February 2011

Dear Sirs,

Confirmation – Covered Bond Swap

This letter constitutes a **Confirmation** as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 14 October 2009 entered into between us, you and the Security Trustee as amended and supplemented from time to time (the **Agreement**). The purpose of this Confirmation is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below.

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the **Definitions**) are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions and Construction Agreement; and (iii) the Definitions. The following expressions shall, for the purpose of this Confirmation, have the following meanings:

The term **Transaction** as used herein shall, for the purposes of the Definitions, have the same meaning as **Swap Transaction**.

The **Covered Bonds** means the £1,000,000,000, Series 23, 5.75% Covered Bonds due March 2026 issued on the Effective Date hereof.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Confirmation relates are as follows:

Party A: Abbey National Treasury Services plc

Party B: Abbey Covered Bonds LLP

Trade Date: 21 February 2011

Effective Date: 28 February 2011

Termination Date: 2 March 2026 (the **Final Maturity Date**), subject to adjustment in accordance with the Modified Following Business Day Convention.

Business Days: London, TARGET 2

Business Day Convention: Following, (save where expressly specified otherwise)

Calculation Agent: Party A. Any failure by Party A (as determined by the Security Trustee, acting reasonably and in good faith) to perform its role as Calculation Agent shall entitle Party B, by notice to the parties hereto, to nominate itself or a third party reasonably selected by it as Calculation Agent and, upon such nomination, Party B or such third party shall become the Calculation Agent.

Notional Amount: GBP1,000,000,000

Party A Fixed Amounts:

Party A Fixed Payment Dates: 2 March in each year from, and including, 2 March 2012 to, and including, the Final Maturity Date, subject to adjustment in accordance with the Business Day Convention.

Party A Fixed Period End Dates: 2 March in each year from, and including, 2 March 2012 to, and including, the Final Maturity Date, with No Adjustment.

Party A Fixed Calculation Periods: Each period from, and including, one Party A Fixed Period End Date to, but excluding, the next Party A Fixed Period End Date, except that the initial Party A Fixed Calculation Period will commence on, and include, the Effective Date and end on but exclude 2 March 2012.

Fixed Rate: 5.75 per cent. per annum.

Fixed Rate Day Count Fraction: In respect of the calculation of a Party A Fixed Amount, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "**ICMA Rule Book**") calculated in accordance with Rule 251 of the ICMA Rule Book, as applied to non US Dollar denominated straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Party A Fixed Calculation Period in respect of which payment is being made.

Party B Floating Amounts:

Party B Payment Dates:	2 March, 2 June, 2 September and 2 December in each year, from and including 2 June 2011 to, and including, the Final Maturity Date, subject to adjustment in accordance with the Business Day Convention.
Party B Calculation Periods:	Each period from, and including, each Party B Payment Date to, but excluding, the next Party B Payment Date during the Term of the Swap Transaction, except that (a) the initial Party B Calculation Period will commence on, and include, the Effective Date and end on, but exclude, 2 June 2011 and (b) the final Party B Calculation Period shall end on, but exclude, the Termination Date.
Party B Floating Rate Option:	GBP-LIBOR-BBA
Designated Maturity:	3 months.
Spread:	1.7175 per cent.
Party B Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Reset Dates:	The first day of each Party B Calculation Period.

5. **Account Details**

Payments to Party A: To be advised.

Payments to Party B: To be advised.

6. **Notice Details**

Party A:

Address: 2 Triton Square
Regent's Place
London
NW1 3AN

Facsimile Number: +44 207 7756 5862

Attention: Mortgage Backed Funding (TS1C)

With a copy to: c/o Santander UK plc
Abbey House (AAM 129)
201 Grafton Gate East

Milton Keynes
MK9 1AN

Attention: Securitisation Team, Retail Credit Risk

Party B:

Address: 2 Triton Square
Regent's Place
London
NW1 3AN

Attention: Mortgage Backed Funding (TS1C)

Facsimile Number: +44 20 7756 5862

With a copy to:

Abbey Covered Bonds LLP
c/o Santander UK plc
Abbey House, (AAM 129)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Retail Credit Risk

Facsimile No.: +44 1908 343 019

With a copy to the Security Trustee:

Address: Winchester House
1 Great Winchester Street
London
EC2N 2DB

Attention: Managing Director (ABS/MBS Group)

Facsimile Number: +44 20 7547 5919

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing a copy of this Confirmation and returning it to us by facsimile transmission on the fax number listed below:

Address: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

Facsimile No.: +44 207 7756 5862

Attention: Mortgage Backed Funding (TS1C)

Yours faithfully,

Abbey National Treasury Services plc

By: _____

Name: _____

Title: _____

Confirmed and accepted as of the date first written:

Abbey Covered Bonds LLP

By: _____

Name: _____

Title: _____

Deutsche Trustee Company Limited

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____