



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

14 June 2013

Dear Sirs,

**€35 billion Covered Bond Programme (the "Programme") of Abbey National Treasury Services plc – Notice of Change to Floating Rate Payer Spread for the purposes of the Interest Rate Swap**

We refer to the Amendment Agreement dated 24 December 2012 in relation to the 1992 ISDA Master Agreement dated as of 25 May 2005, each entered into between ourselves as Party A, Abbey Covered Bonds LLP as Party B and yourselves in your capacity as Security Trustee. The purpose of the Amendment Agreement was to amend and restate the ISDA Master Agreement dated as of 25 May 2005 and, in particular, replace the individual Interest Rate Swap Confirmations entered into under such agreement with one global Cover Pool Swap Confirmation relating to the Programme.

The current version of the global Cover Pool Swap Confirmation sets the Floating Rate Payer Spread at 2.65% per annum until further notice. It is further provided that such Floating Rate Payer Spread may be amended at our sole discretion (in our role as Party A) by way of written notice, provided that the Rating Agencies have confirmed to the Security Trustee in writing that such other rate will not cause the then current rating of the Covered Bonds to be downgraded or placed under review for possible downgrade.

We hereby notify you of our intention to change the Floating Rate Payer Spread under the Cover Pool Swap Confirmation from 2.65% to 1.79% with effect on and from 14 June 2013. This change has been discussed and agreed with the Rating Agencies who have provided emails confirming that the change will not cause the then current rating of the Covered Bonds to be downgraded or placed under review for possible downgrade. Such emails from the Rating Agencies have been made available to you together with this letter.

This letter (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with English law.

Yours faithfully,

  
Amaya Mazaira (Authorised Attorney)  
for and on behalf of **Abbey National Treasury Services plc**

Encs. (Emails from the Rating Agencies)

Abbey National Treasury Services plc. Registered Office: 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom.

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