

Supplemental Prospectus

ABBEY NATIONAL TREASURY SERVICES plc

(INCORPORATED IN ENGLAND WITH LIMITED LIABILITY, REGISTERED NUMBER
2338548)

(As Issuer Of Senior Notes)

and

AN STRUCTURED ISSUES LIMITED

(INCORPORATED IN JERSEY WITH LIMITED LIABILITY, REGISTERED NUMBER 75340)

(As Issuer Of Senior Notes)

U.S.\$20,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

Unconditionally and irrevocably guaranteed by

ABBEY NATIONAL plc

(INCORPORATED IN ENGLAND WITH LIMITED LIABILITY, REGISTERED NUMBER
2294747)

(As Issuer of Subordinated Notes and Guarantor of Senior Notes)

This Supplemental Prospectus is prepared in connection with the above mentioned U.S.\$20,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Abbey National Treasury Services plc ("**ANTS**"), AN Structured Issues Limited ("**ANSIL**") and Abbey National plc ("**Abbey National**").

This Supplemental Prospectus is supplemental to the Prospectus dated 26 March 2008 and the supplements to it dated 18 July 2008 and 17 September 2008 (together, the "**Prospectus**"), which comprise a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC.

This Supplemental Prospectus constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**").

This Supplemental Prospectus should be read in conjunction with the Prospectus. Terms defined in the Prospectus have the same meaning when used in this Supplemental Prospectus.

Each of Abbey National Treasury Services plc, AN Structured Issues Limited and Abbey National (each an "**Obligor**") accepts responsibility for the information contained in this Supplemental Prospectus. To the best of the knowledge of each Obligor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplemental Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplemental Prospectus and (b) any other statement in or incorporated by reference in the Prospectus, the statement in (a) above will prevail.

Save as disclosed in this Supplemental Prospectus and the Prospectus, no significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.

1. Risk Factors

The section of the Prospectus entitled "Risk Factors" is hereby amended by the addition of the following risks:

"UK Banking (Special Provisions) Act 2008 and Banking Bill

"Under the Banking (Special Provisions) Act 2008 (the "**Act**"), until 21 February 2009, the UK Treasury has wide powers to make certain orders in respect of a UK authorised deposit-taking institution (such as Abbey National or ANTS) and, in certain circumstances, certain related corporate undertakings (such as ANSIL). The orders which may be made under the Act in respect of relevant deposit-taking institutions (and/or, in certain circumstances, certain related corporate undertakings) relate to (amongst other things) (i) transfers of securities issued by relevant entities (such as the Notes) (and/or securing that rights of holders of securities cease to be exercisable by such holders, discontinuing the listing of securities and/or varying or nullifying the terms of securities), (ii) transfers of property, rights and liabilities of relevant entities notwithstanding any restrictions, requirements or interest (and/or modifying related interests, rights or liabilities of third parties), (iii) result in the disapplication or modification of laws, (iv) the imposition of a moratorium on the commencement or continuation of any legal process in relation to any body or property and/or (v) the dissolution of any relevant entity. Significantly, orders may have retrospective effect (as from not earlier than three months before 21 February 2008) and may make provision for nullifying the effect of transactions or events taking place after the time in question.

While certain orders under the Act may be made by the UK Treasury only in circumstances for the purposes of maintaining the stability of the UK financial system and/or protecting the public interest where financial assistance has been provided by the UK Treasury to the deposit-taking institution, such purpose conditions may not apply in respect of all orders which may be made under the Act. The Act includes provisions related to compensation in respect of any transfer orders made.

If the UK Treasury were to make an order in respect of Abbey National, ANTS and/or certain related corporate undertakings (such as ANSIL), such order may (amongst other things) (i) result in a transfer of the Notes and/or any property of and/or certain related corporate undertakings, (ii) impact on the rights of Noteholders and/or result in the nullification or modification of the Terms and Conditions of the Notes and/or (iii) result in the de-listing of the Notes. In addition, such an order may impact on various matters in respect of Abbey National plc, ANTS and/or ANSIL and/or various other aspects of the Programme (including the enforceability of the Programme documents and/or the ability of certain parties to perform their obligations under such documents) which may negatively affect the ability of Abbey National, ANTS and/or ANSIL to meet their respective obligations in respect of the Notes and/or the ability of the Abbey National to meet its obligation in respect of the Guarantee. At present, the UK Treasury has not made any orders under the Act in respect of the Group (other than in respect of the transfer of certain property, assets and liabilities of Bradford & Bingley plc to Abbey National pursuant to the terms of The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008, details of which are set out in the Prospectus under the heading "Abbey National plc and the Abbey National Group – Transfer of Direct Channels and Retail Deposits of Bradford & Bingley plc to Abbey National") and there has been no indication that it will make any such order under the Act, but there can be no assurance that this will not change and/or the Noteholders will not be adversely affected by any such order if made.

A draft Banking Bill was introduced to the United Kingdom parliament on 7 October 2008. If enacted, the Banking Bill may have significant consequences for the UK banking industry. For example, it is currently anticipated that a new "Special Resolutions Regime" will be implemented which will give wide powers in respect of UK authorised deposit-taking institutions (such as

Abbey National or ANTS) to HM Treasury, the Financial Services Authority and the Bank of England in circumstances where any such UK authorised deposit-taking institution has encountered, or is likely to encounter, financial difficulties. It is also anticipated that a new administration and insolvency regime will be implemented in respect of UK authorised deposit-taking institutions (such as Abbey National or ANTS). However, given that the Banking Bill is at an early stage in the legislative process, currently it is not possible to predict with any certainty what form any legislation (if enacted) will take and the impact it will have on Abbey National plc, ANTS and/or ANSIL and the impact it will have (if any) on the Noteholders.”

2. Abbey management changes

Following the acquisition of Alliance & Leicester plc (“**A&L**”) by Banco Santander, S.A. (“**Banco Santander**”) certain changes have been made to the Abbey National Board of Directors, each with effect from 21 October 2008. The Boards and Executive Committees of Abbey National and A&L (together with other key Committees such as Audit & Risk Committee) will have common membership. The table setting out the Directors of Abbey National in the section entitled “Abbey National and the Abbey National Group - Directors of Abbey National is hereby amended as set out below.

The following directors have been appointed to the Abbey National Board of Directors:

<i>Position</i>	<i>Name</i>	<i>Other principal activities</i>
Executive Director	David Bennett	Executive Director, A&L Non-Executive Director, easyjet plc
Non-Executive Director	Roy Brown	Non-Executive Director, A&L Chairman, GKN plc Senior Independent Director, HMV Group plc Non-Executive Director, Franchise Board of Lloyd’s of London
Non-Executive Director	Jane Barker	Non-Executive Director, A&L Chief Executive Officer, Equitas Limited

The following Non-Executive Directors have resigned from the Abbey National Board of Directors:

<i>Position</i>	<i>Name</i>
Non- Executive Director	Miguel Bragança
Non-Executive Director	Jorge Morán
Non-Executive Director	Andrew Longhurst

3. Recent Developments

The section of the Prospectus entitled "Abbey National plc and the Abbey National Group" is hereby amended by the addition of the following recent developments.

"Transfer of Direct Channels and Retail Deposits of Bradford and Bingley plc to Abbey National"

Pursuant to the terms of The Bradford & Bingley plc Transfer of Securities and Property etc. Order which came into force on 29 September 2008 and was implemented pursuant to the terms of the Banking (Special Provisions) Act 2008, certain rights, liabilities and property of Bradford & Bingley plc ("**B&B**") were transferred to Abbey National, including:

- (a) B&B's £20 billion retail deposit base with 2.7 million customers; and
- (b) B&B's direct channels including 197 retail branches, 141 agencies (distribution outlets in 3rd party premises) and related employees.

The acquisition price is £612 million.

Injection of capital into Abbey National

On 13 October 2008, Banco Santander injected £1,000,000,000 in the form of Tier one capital into Abbey National. The capital injection improved Abbey National Group's capital ratios by approximately 1.25%.

UK Government 2008 Credit Guarantee Scheme

On 8 October 2008, the UK Government announced measures intended to ensure the stability of the financial system and to protect ordinary savers, depositors, businesses and borrowers. On 13 October 2008 the UK Government announced the details of its 2008 Credit Guarantee Scheme for UK incorporated banks and building societies debt issuance (the "**Scheme**"). The Scheme forms part of the UK Government's measures intended to ensure the stability of the financial system.

The Scheme provides for HM Treasury to guarantee specific debt instruments issued by eligible institutions during a six-month period ending on 13 April 2009 and with a maturity not exceeding three years. Eligible institutions (which must be either authorised UK deposit-takers or building societies) seeking to utilise the Scheme must submit applications to HM Treasury and a fee will be payable by the relevant issuer for each guarantee granted. Abbey National and Abbey National Treasury Services plc are each eligible institutions and one or other may or may not seek to utilise the Scheme.

Any securities issued with the benefit of a guarantee under the Scheme will be exempt from the Prospectus Directive in accordance with Article 1.2(d) thereof and no prospectus approved by the FSA will be prepared in connection therewith."

4. General Information

Paragraph 7 of the General Information section of the Prospectus entitled "Litigation" is hereby deleted and replaced with the following:

"Pursuant to a litigation agreement made in July 2007, Abbey National and a number of other leading UK banks and building societies are engaged in a test case with the Office of Fair Trading (the "OFT") regarding the fairness and enforceability of certain bank charges. The OFT is seeking a ruling on the question of whether some or all of the bank charges in question are unenforceable (i) because they are "penalties" at common law; and/or (ii) because they are "unfair" within the meaning of the Unfair Terms in Consumer Contract Regulations 1999 (the "UTCCR"). In a judgment handed down on 24 April 2008, the court ruled that none of the charges in question are capable of constituting a penalty at common law (on the basis that they are not payable as a result of a breach of contract by the customer). In connection with the UTCCR issue, the court resolved as a preliminary matter that the contractual terms imposing the charges in question are not within the exception in Regulation 6(2) of the UTCCR and therefore, would be unenforceable if found to be "unfair". No ruling has yet been given on the substantive issue of whether the terms in question are unfair. Abbey National (together with other banks) has lodged an appeal against the ruling given on point (ii) (i.e. assessment for fairness under the UTCCR), which is being heard by the Court of Appeal from 28 October to 6 November 2008. In July 2008, a further hearing in this case took place dealing with the same issues, but in relation to previous versions of account terms and conditions (the April 2008 decision related solely to current versions of terms and conditions). The judgment was delivered by the Court on 8th October 2008. The judge has ruled that none of the previous versions of terms and conditions are capable of constituting a penalty at common law, although the judge will hear further submissions on 9 December 2008 on certain previous terms and conditions of three banks including Abbey National. He is yet to rule on the issue of UTCCR as regards previous terms and conditions. If there are any further significant developments in relation to this case, the Issuers will make any announcements which they are required to make under any applicable regulatory provisions and/or any rules relevant to admittance on the Official List.

Other than the proceedings disclosed in the preceding paragraph, none of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which an Issuer or the Guarantor are aware) which may have or have had in the 12 months prior to the date hereof, a significant effect on the financial position or profitability of the Group, the Guarantor or any Issuer and its subsidiaries."

This Supplemental Prospectus will be published on the website of the London Stock Exchange.

The date of this Supplemental Prospectus is 4 November 2008.