

6 JUNE 2011

LEEK FINANCE NUMBER NINETEEN PLC ANNOUNCEMENT TO ALL NOTEHOLDERS

£28,000,000 CLASS A1a MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294474464),

U.S.\$255,000,000 CLASS A1b MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (REGULATION S NOTES ISIN: XS0294475867, RULE 144A NOTES ISIN: US52426WAA45),

£110,000,000 CLASS A2a MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294479778),

U.S.\$624,100,000 CLASS A2b MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (REGULATION S NOTES ISIN: XS0294480602, RULE 144A NOTES ISIN: US52426WAB28),

€124,500,000 CLASS A2c MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294482483),

£23,000,000 CLASS Ma MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294483614),

€68,000,000 CLASS Mc MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294484349),

£12,000,000 CLASS Ba MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294484778),

€51,000,000 CLASS Bc MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294485072),

£6,000,000 CLASS Ca MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294485403),

€32,900,000 CLASS Cc MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294486476),

£13,000,000 CLASS Da MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294486559), AND

€6,700,000 CLASS Dc MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294486716) (THE NOTES)

ANNOUNCEMENT OF THE IMPLEMENTATION DATE OF AMENDMENTS PASSED BY AN EXTRAORDINARY RESOLUTION RELATING TO THE £110,000,000 CLASS A2A MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294479778), U.S.\$624,100,000 CLASS A2B MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (REGULATION S NOTES ISIN: XS0294480602, RULE 144A NOTES ISIN: US52426WAB28) AND €124,500,000 CLASS A2C MORTGAGE BACKED FLOATING RATE NOTES DUE 2038 (ISIN: XS0294482483) (THE CLASS A2 NOTES)

Following the passing of the extraordinary resolution at the meeting of the holders of the Class A2 Notes (the **Class A2 Noteholders**) on 11 May 2011, the Issuer announces that the Amendment Documents have been duly executed and the amendments are effective from 6 June 2011.

Pursuant to the amendments, as more particularly set out in the Amendment Documents:

- (a) all classes of Noteholders have been provided with an investor redemption option (the **Investor Redemption Option**) pursuant to which a Noteholder may elect to have his Notes redeemed by the Issuer at the Principal Amount Outstanding of the relevant Notes adjusted for any principal deficiencies in the Portfolio applicable to those Notes, as further set out in the documents. The redemption of Notes subject to the Investor Redemption Option will be funded through the drawing of variable funding notes corresponding to each Class of Notes being redeemed (respectively, the J1 VFN, the J2 VFN, the J3 VFN, J4 VFN and the J5 VFN and, together, the **J VFN**);
- (b) the credit enhancement of the Notes has been increased by the purchase of £158,260,000 of UK Gilt 5% due 2018 (ISIN GB00B1VWPC84) (the **UK Gilts**) by the Issuer using the proceeds of the issuance of a new variable funding note (the **K VFN**) which was subscribed to and funded by the Co-operative Bank. The UK Gilts have been placed in a custody account in the name of the Issuer and charged in favour of the Trustee and the income generated from the UK Gilts will be added to Income Received whilst the cash received from the redemption of the UK Gilts will be added to Principal Received. Any interest received on the UK Gilts in excess of the interest due on the K VFN will be used to redeem the K VFN in accordance with the amended Pre-Enforcement Interest Priority of Payments. To the extent there is insufficient Applied Income to pay interest on the K VFNs on an Interest Payment Date, such unpaid interest amount will be capitalised, a new Condition 5(i)(ii) (Interest Deferral) has been inserted to provide for this. The K VFN ranks junior to the existing Notes and the Required Amount in the Payments Priorities;
- (c) all references to S&P and any S&P criteria or requirements contained in the Transaction Documents have been deleted and all obligations on any of the parties thereto to comply with any of the S&P criteria or requirements have ceased to have effect, S&P ceased to rate the transaction on 3 June 2011;
- (d) the A Noteholders will receive an additional payment (the **Additional Coupon Payment**) on the final Interest Payment Date of the Class A2 Notes. The Issuer has issued a new variable funding note (the **L VFN**) the proceeds of which have been used to make three term loans (the **Co-op Multi-Currency Loans**) to the Co-operative Bank. The Co-op Multi-Currency Loans are repayable on the Additional Coupon Payment Date and the repayment proceeds will be used to pay the Additional Coupon Payment; and
- (e) upon termination of the RBS GIC Guarantee on the Step Up Date, the documents provide for the collateralisation of the monies held under the Co-op GIC Accounts which will be funded by the drawing by the Issuer of a new variable funding note (the **N VFN**) the proceeds of which will be used to fund the Co-op Collateral Amount.

Capitalised terms used in this announcement have the meanings ascribed to them in the Consent Solicitation Memorandum dated 30 March 2011.

