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Chester Asset Securitisation Holdings No.2 Limited

Annual report for the year ended

31 December 2005

Registered no: 87842



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Chester Asset Securitisation Holdings No.2 Limited

Annual report for the year ended 31 December 2005

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Chester Asset Securitisation Holdings No.2 Limited

Directors, secretary and registered office

Directors

Edward Buckland
Shane Hollywood
Peter Byrne
James Fairrie
Martin McDermott
Robin Baker

Secretary

Bedell Secretaries Limited
26 New Street
St Helier
Jersey
JE2 3RA

Assistant Secretary

Wilmington Trust SP Services (London) Limited
Tower 42
Level 11
25 Old Broad Street
London
EC2N 1HQ

Registered office

26 New Street
St Helier
Jersey
JE2 3RA

Chester Asset Securitisation Holdings No.2 Limited

Directors' report for the year ended 31 December 2005

The directors present their report and consolidated financial statements for the year ended 31 December 2005.

Review of business

The Company made no profit or loss during the year. The directors do not recommend the payment of a dividend.

Principal activity

The principal activity of the Company is investment holding. The Company, together with its sole subsidiary Chester Asset Receivables Dealings Issuer Limited ("Issuer"), were incorporated as special purpose vehicles for the purposes of the MBNA Europe credit card securitisation programme ("the Programme"). The Programme established a structure for the purpose of securitising certain credit card receivables of MBNA Europe Bank Limited ("EBL") arising in the UK. Under the structure, EBL assigns to Credit Card Securitisation Europe Limited ("CCSE") certain receivables in its credit card portfolio.

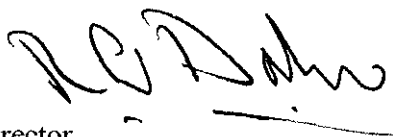
CCSE acts as a receivables trustee and holds the receivables on trust for the benefit of Deva One Limited, Deva Two Limited and Deva Three Limited (the "Loan Note Issuers"). Deva Three Limited will issue Global Loan Notes from time to time and the Company may subscribe for some or some part of these.

The Issuer will from time to time issue limited recourse Loan Notes publicly up to a currently anticipated programme limit of £10,000,000,000. The Company will, inter alios, enter into option arrangements in relation to the Loan Notes to be issued by the Issuer.

Directors and their interests

The directors are set out on page 1. None of the directors had any beneficial interest in the shares of the Company during the period.

By order of the board



Director
4 August 2006

Statement of directors' responsibilities in respect of the accounts

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Jersey law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 proper accounting records that 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 (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the members of Chester Asset Securitisation Holdings No. 2 Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Balance Sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Jersey law as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

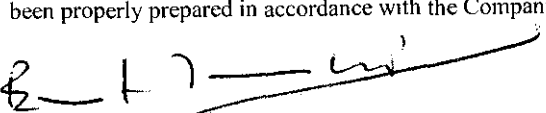
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Accounting Standards, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.



Ernst & Young LLP
Registered Auditor
Leeds

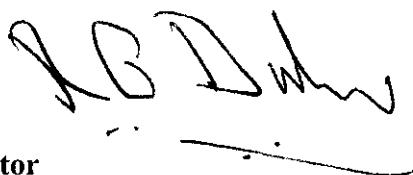
10 August 2006.

Chester Asset Securitisation Holdings No.2 Limited

Balance sheet as at 31 December 2005

	Notes	2005 £	2004 £
Investments	3	<u>2</u>	<u>2</u>
Total assets		<u><u>2</u></u>	<u><u>2</u></u>
Capital and reserves			
Called up share capital	5	<u>2</u>	<u>2</u>
Equity shareholder's funds	6	<u><u>2</u></u>	<u><u>2</u></u>

The financial statements on pages 5 to 7 were approved by the board of directors on 1 August 2006 and were signed on its behalf by:



Director

No profit and loss account has been presented as the Company has received no income and incurred no expense during the current year and prior period.

The accompanying notes on pages 6 to 7 form an integral part of these financial statements.

Chester Asset Securitisation Holdings No.2 Limited

Notes to the financial statements for year ended 31 December 2005

1 Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with accounting standards generally accepted in Jersey, incorporating United Kingdom accounting standards. The company is deemed to be a wholly owned subsidiary of MBNA Europe Bank Limited, a UK registered company and is exempt from preparing group accounts under Companies (Jersey) Law 1991.

2 Employees and director's remuneration

There were no people (including directors) employed by the Group or the Company during the year. There was no employee remuneration or directors' emoluments paid in the year.

3 Investments

During the prior period the Company purchased the entire share capital of Chester Asset Receivables Dealings Issuer Limited for £2.

4 Shares in group undertakings Investments

The Company has one wholly owned subsidiary undertaking as follows:

Name of undertaking	Nature of business
Chester Asset Receivables Dealings Issuer Limited	Financing

5 Share capital

	2005 £	2004 £
Authorised		
2 ordinary shares of £1 each	2	2
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	2	2

The Company was incorporated with an authorised share capital of £2.00, comprising of 2 ordinary shares of £1.00 each, both of which were issued and fully paid on incorporation.

Chester Asset Securitisation Holdings No.2 Limited

6 Reconciliation of movement in equity shareholder's funds

	2005 £'000	2004 £'000
Equity shareholder's funds at 1 January	2	-
New share capital issued	-	2
	<hr/>	<hr/>
Equity shareholder's funds at 31 December	<u>2</u>	<u>2</u>

7 Ultimate controlling Party

At 31 December 2005 the directors regarded MBNA Corporation, a company incorporated in the United States of America, as the ultimate controlling party of the company. The largest and smallest group into which the company's accounts are consolidated is that of EBL. Copies of EBL's consolidated accounts are available from MBNA Europe Bank, Stansfield House, Chester Business Park, Chester CH4 9QQ.

On 1 January 2006, Bank of America Corporation, a company incorporated in the United States of America, acquired 100% of the issued share capital of MBNA Corporation.