

Permanent Master Trust | Monthly Investor Report

| | | | |
|--------------------------------------|----------------------------|--------------------------------------|----------------------------|
| Reporting Date | 13 Feb 2012 | | |
| Reporting Period | 1 Jan 2012 to 31 Jan 2012 | | |
| Next Funding 2 Interest Payment Date | 16 Apr 2012 | Next Funding 1 Interest Payment Date | 12 Mar 2012 |
| Funding 2 Interest Period | 17 Jan 2012 to 16 Apr 2012 | Funding 1 Interest Period | 12 Dec 2011 to 12 Mar 2012 |

Contact Details

| Name | Telephone | e-mail | Mailing Address |
|---------------|---------------------|--|--------------------------------|
| Tracey Hill | +44 (0)113 235 2176 | traceyhill@halifax.co.uk | LP/3/1/SEC, 1 Lovell Park Road |
| Mark Unsworth | +44 (0)113 235 7699 | markunsworth@lloydsbanking.com | Leeds LS1 1NS |

Investor reports, prospectus and access to key transaction documents and loan level data may be obtained at

http://www.lloydsbankinggroup.com/investors/debt_investors/securitisation_terms.asp

Mortgages Trust Summary

| | | | |
|---|---------------------|---|--------------------|
| Outstanding principal balance start period | £ 33,314,166,893.94 | Number of accounts at start of period | 411,371 |
| Outstanding principal balance end period | £ 32,872,218,167.99 | Number of accounts at end of period | 406,937 |
| Funding 2 Issuer Notes outstanding (GBP) | £ 18,245,672,207.88 | Funding 1 Issuer Notes outstanding (GBP) | £ 750,000,000.00 |
| <i>plus</i> Funding 2 Z Loans outstanding | £ 2,978,000,000.00 | <i>plus</i> Funding 1 Z Loans outstanding | £ 356,800,000.00 |
| <i>less</i> Cash Accumulation Ledger balance | £ - | <i>less</i> Cash Accumulation Ledger balance | £ - |
| <i>less</i> Funding 2 Principal Ledger balance | £ 364,916.63 | <i>less</i> Funding 1 Principal Ledger balance | £ - |
| <i>less</i> Principal Deficiency Ledger balance | £ 721,703.29 | <i>less</i> Principal Deficiency Ledger balance | £ 63,460.94 |
| Funding 2 Share | £ 21,222,585,687.96 | Funding 1 Share | £ 1,106,736,539.06 |
| Funding 2 Share % | 64.56086% | Funding 1 Share % | 3.36679% |
| Seller Share | £ 10,542,895,940.97 | | |
| Seller Share % | 32.07235% | | |
| Minimum Seller Share | £ 3,494,307,831.45 | | |
| Minimum Seller Share % | 10.62997% | | |

Other Mortgages Trust assets: £100 cash at bank

Mortgages Trust Portfolio Details

Arrears & Possessions

| Months in arrears | Aggregate outstanding principal balance | % of Total | Aggregate amount of Arrears | Number of accounts | % of Total |
|---------------------|---|----------------|-----------------------------|--------------------|----------------|
| Current - < 1 month | £ 31,510,685,949.23 | 95.86% | £ 1,317,011.23 | 393,743 | 96.76% |
| 1 - < 2 months | £ 392,678,727.08 | 1.19% | £ 2,740,761.89 | 3,972 | 0.98% |
| 2 - < 3 months | £ 195,876,317.22 | 0.60% | £ 2,502,151.32 | 1,901 | 0.47% |
| 3 - < 6 months | £ 350,402,209.26 | 1.07% | £ 7,911,302.48 | 3,318 | 0.82% |
| 6 - < 12 months | £ 266,776,475.52 | 0.81% | £ 11,535,155.45 | 2,523 | 0.62% |
| >= 12 months | £ 155,798,489.68 | 0.47% | £ 15,422,729.94 | 1,480 | 0.36% |
| Total | £ 32,872,218,167.99 | 100.00% | £ 41,429,112.31 | 406,937 | 100.00% |

| Properties in possession | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total | Cumulative Numbers |
|---------------------------|---|------------|--------------------|------------|--------------------|
| Brought forward | £ 24,108,109.07 | 0.07% | 230 | 0.06% | |
| Repossessed | | | 95 | 0.02% | 4,546 |
| Sold and loss incurred | | | 33 | 0.01% | 2,762 |
| Sold and no loss incurred | | | 10 | 0.00% | 1,443 |
| Relinquished to borrower | | | - | 0.00% | 59 |
| Carried forward | £ 29,989,251.44 | 0.09% | 282 | 0.07% | |

Average days from possession to sale (this period)

132

Asset Yield

| Yield | % |
|---|----------|
| Pre-Funding Swap yield | 3.75393% |
| Post-Funding Swap yield (over 3m LIBOR) | 1.93992% |
| Minimum Trust Property Yield Margin | 1.50% |

Loan Repurchases

| Reason | Principal proceeds | Number of accounts |
|---------------------------------------|------------------------|--------------------|
| Further Advance and/or Product Switch | £ 87,406,065.70 | 878 |
| Breach of Loan Warranty | £ 298,279.33 | 3 |
| Total | £ 87,704,345.03 | 881 |

Loans Added

| Balance of accounts | Number of accounts |
|---------------------|--------------------|
| £ - | - |

Principal Payment Rate

| Month | Monthly PPR | 1-month annualised | 3-month average | 12-month average |
|----------|-------------|--------------------|-----------------|------------------|
| Jan 2012 | 1.34% | 14.91% | 19.65% | 17.35% |
| Dec 2011 | 1.68% | 18.42% | 19.88% | 17.26% |
| Nov 2011 | 2.44% | 25.63% | 19.33% | 17.09% |

| Range of LTV ratios at origination | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|------------------------------------|---|----------------|--------------------|----------------|
| 0% - <25% | £ 644,815,620.47 | 1.96% | 25,134 | 6.18% |
| 25% - <50% | £ 4,026,336,249.31 | 12.25% | 82,989 | 20.39% |
| 50% - <75% | £ 11,823,492,223.09 | 35.97% | 137,641 | 33.82% |
| 75% - <80% | £ 3,464,028,284.47 | 10.54% | 31,835 | 7.82% |
| 80% - <85% | £ 2,677,631,307.91 | 8.15% | 25,200 | 6.19% |
| 85% - <90% | £ 3,775,655,379.31 | 11.49% | 34,554 | 8.49% |
| 90% - <95% | £ 4,081,090,106.00 | 12.42% | 39,793 | 9.78% |
| 95% - <97% | £ 1,634,455,137.17 | 4.97% | 20,227 | 4.97% |
| >=97% | £ 744,713,860.26 | 2.27% | 9,564 | 2.35% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| | |
|-------------------------------|---------|
| Maximum Original LTV | 100.93% |
| Minimum Original LTV | 0.12% |
| Weighted average Original LTV | 71.67% |

| Range of LTV ratios at end of reporting period | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|--|---|----------------|--------------------|----------------|
| 0% - <25% | £ 2,388,712,071.62 | 7.27% | 104,270 | 25.62% |
| 25% - <50% | £ 6,768,318,569.39 | 20.59% | 108,235 | 26.60% |
| 50% - <75% | £ 10,511,610,533.36 | 31.98% | 95,120 | 23.37% |
| 75% - <80% | £ 2,615,895,800.07 | 7.96% | 20,165 | 4.96% |
| 80% - <85% | £ 2,605,531,405.42 | 7.93% | 19,752 | 4.85% |
| 85% - <90% | £ 2,437,119,011.47 | 7.41% | 18,414 | 4.53% |
| 90% - <95% | £ 1,987,599,435.87 | 6.05% | 15,084 | 3.71% |
| 95% - <100% | £ 1,450,500,181.97 | 4.41% | 10,687 | 2.63% |
| 100% - <105% | £ 994,910,508.19 | 3.03% | 7,116 | 1.75% |
| 105% - <110% | £ 606,031,701.03 | 1.84% | 4,327 | 1.06% |
| 110% - <115% | £ 302,040,171.33 | 0.92% | 2,240 | 0.55% |
| 115% - <120% | £ 138,652,952.99 | 0.42% | 1,024 | 0.25% |
| 120% - <125% | £ 46,550,127.48 | 0.14% | 354 | 0.09% |
| >=125% | £ 18,745,697.80 | 0.06% | 149 | 0.04% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| | |
|------------------------------|---------|
| Maximum Current LTV | 150.12% |
| Minimum Current LTV | -53.07% |
| Weighted average Current LTV | 65.41% |

| Range of outstanding balances at end of period | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|--|---|----------------|--------------------|----------------|
| £0 - <£25,000 | £ 1,003,903,364.85 | 3.05% | 80,848 | 19.87% |
| £25,000 - <£50,000 | £ 3,037,534,182.07 | 9.24% | 82,028 | 20.16% |
| £50,000 - <£75,000 | £ 4,309,456,955.89 | 13.11% | 69,401 | 17.05% |
| £75,000 - <£100,000 | £ 4,730,262,730.36 | 14.39% | 54,438 | 13.38% |
| £100,000 - <£125,000 | £ 4,386,729,326.43 | 13.34% | 39,252 | 9.65% |
| £125,000 - <£150,000 | £ 3,676,297,411.78 | 11.18% | 26,889 | 6.61% |
| £150,000 - <£175,000 | £ 2,883,246,963.21 | 8.77% | 17,868 | 4.39% |
| £175,000 - <£200,000 | £ 2,145,313,322.10 | 6.53% | 11,502 | 2.83% |
| £200,000 - <£225,000 | £ 1,620,703,305.80 | 4.93% | 7,668 | 1.88% |
| £225,000 - <£250,000 | £ 1,157,498,927.62 | 3.52% | 4,894 | 1.20% |
| £250,000 - <£275,000 | £ 877,943,888.21 | 2.67% | 3,359 | 0.83% |
| £275,000 - <£300,000 | £ 680,852,042.94 | 2.07% | 2,371 | 0.58% |
| £300,000 - <£350,000 | £ 940,815,167.58 | 2.86% | 2,926 | 0.72% |
| £350,000 - <£400,000 | £ 640,343,220.38 | 1.95% | 1,719 | 0.42% |
| £400,000 - <£450,000 | £ 471,814,436.40 | 1.44% | 1,117 | 0.27% |
| £450,000 - <£500,000 | £ 308,962,234.77 | 0.94% | 656 | 0.16% |
| >=£500,000 | £ 540,687.60 | 0.00% | 1 | 0.00% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| | |
|----------------------------------|--------------|
| Maximum current balance | £ 540,687.60 |
| Minimum current balance | -£ 56,336.29 |
| Average current balance | £ 80,779.62 |
| Weighted average current balance | £ 140,310.98 |

Permanent Master Trust | Monthly Investor Report

| Region | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|--------------------------|---|----------------|--------------------|----------------|
| East Midlands | £ 2,032,887,102.55 | 6.18% | 29,413 | 7.23% |
| East of England | £ 3,194,179,677.99 | 9.72% | 34,000 | 8.36% |
| London | £ 5,683,545,676.34 | 17.29% | 43,755 | 10.75% |
| North East | £ 1,248,667,011.71 | 3.80% | 21,411 | 5.26% |
| North West | £ 3,099,113,517.97 | 9.43% | 48,407 | 11.90% |
| Scotland | £ 3,290,456,895.89 | 10.01% | 50,980 | 12.53% |
| South East | £ 5,178,585,121.57 | 15.75% | 48,574 | 11.94% |
| South West | £ 2,391,504,614.13 | 7.28% | 28,212 | 6.93% |
| Wales | £ 1,137,458,048.78 | 3.46% | 17,702 | 4.35% |
| West Midlands | £ 2,663,775,815.67 | 8.10% | 37,114 | 9.12% |
| Yorkshire and The Humber | £ 2,937,017,201.96 | 8.93% | 47,194 | 11.60% |
| Unknown | £ 15,027,483.43 | 0.05% | 175 | 0.04% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| Property type | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|--------------------------------------|---|----------------|--------------------|----------------|
| Detached house | £ 5,496,732,718.03 | 16.72% | 38,483 | 9.46% |
| Semi-detached house | £ 6,398,687,847.26 | 19.47% | 64,958 | 15.96% |
| Terraced house | £ 6,366,593,568.68 | 19.37% | 68,045 | 16.72% |
| House: det type unknown ¹ | £ 50,721,702.15 | 0.15% | 449 | 0.11% |
| Flat or maisonette | £ 3,835,745,585.59 | 11.67% | 37,634 | 9.25% |
| Bungalow | £ 1,116,046,919.40 | 3.40% | 11,879 | 2.92% |
| Unknown ² | £ 9,607,689,826.88 | 29.23% | 185,489 | 45.58% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

of Unknown property type:

| Detachment type | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|------------------------------|---|---------------|--------------------|---------------|
| Detached | £ 2,800,405,913.61 | 8.52% | 42,889 | 10.54% |
| Semi-detached | £ 3,098,203,773.75 | 9.42% | 65,561 | 16.11% |
| Terraced | £ 2,928,453,831.28 | 8.91% | 62,522 | 15.36% |
| Other / Unknown ³ | £ 780,626,308.24 | 2.37% | 14,517 | 3.57% |
| Total Unknown | £ 9,607,689,826.88 | 29.23% | 185,489 | 45.58% |

¹ Where the detachment type is not shown in the Seller's records

² Where the property type is not shown in the Seller's records

³ Primarily flats or maisonettes

| Seasoning in months | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|---------------------|---|----------------|--------------------|----------------|
| 0 - <6 | £ - | 0.00% | - | 0.00% |
| 6 - <12 | £ - | 0.00% | - | 0.00% |
| 12 - <18 | £ 439,955,575.80 | 1.34% | 4,099 | 1.01% |
| 18 - <24 | £ 591,455,093.84 | 1.80% | 5,685 | 1.40% |
| 24 - <30 | £ 1,621,872,533.49 | 4.93% | 15,729 | 3.87% |
| 30 - <36 | £ 1,410,325,624.78 | 4.29% | 13,841 | 3.40% |
| 36 - <42 | £ 3,284,361,968.32 | 9.99% | 27,114 | 6.66% |
| 42 - <48 | £ 1,136,345,124.25 | 3.46% | 8,755 | 2.15% |
| 48 - <54 | £ 2,046,089,398.17 | 6.22% | 15,800 | 3.88% |
| 54 - <60 | £ 4,083,430,108.78 | 12.42% | 33,406 | 8.21% |
| 60 - <72 | £ 4,241,283,987.71 | 12.90% | 43,254 | 10.63% |
| 72 - <84 | £ 3,160,700,108.50 | 9.62% | 37,506 | 9.22% |
| 84 - <96 | £ 3,698,232,229.68 | 11.25% | 48,885 | 12.01% |
| 96 - <108 | £ 2,654,177,023.02 | 8.07% | 40,273 | 9.90% |
| 108 - <120 | £ 1,569,417,632.35 | 4.77% | 30,605 | 7.52% |
| >=120 | £ 2,934,571,759.30 | 8.93% | 81,985 | 20.15% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| | |
|----------------------------|--------|
| Maximum seasoning | 191.47 |
| Minimum seasoning | 15.08 |
| Weighted average seasoning | 71.77 |

| Years to maturity | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|-------------------|---|----------------|--------------------|----------------|
| < 5 | £ 1,681,608,485.62 | 5.12% | 51,799 | 12.73% |
| 5 - <10 | £ 3,617,092,677.07 | 11.00% | 67,378 | 16.56% |
| 10 - <15 | £ 6,409,048,219.83 | 19.50% | 90,520 | 22.24% |
| 15 - <20 | £ 11,541,639,082.45 | 35.11% | 116,159 | 28.54% |
| 20 - <25 | £ 7,460,683,006.40 | 22.70% | 61,229 | 15.05% |
| 25 - <30 | £ 2,156,053,595.00 | 6.56% | 19,793 | 4.86% |
| >=30 | £ 6,093,101.62 | 0.02% | 59 | 0.01% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| | |
|---------------------------------|-------|
| Maximum remaining term | 40.08 |
| Minimum remaining term | - |
| Weighted average remaining term | 16.30 |

| Use of proceeds | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|-----------------|---|----------------|--------------------|----------------|
| Purchase | £ 20,871,457,706.82 | 63.49% | 268,185 | 65.90% |
| Remortgage | £ 12,000,760,461.17 | 36.51% | 138,752 | 34.10% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| Repayment terms | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|-----------------|---|----------------|--------------------|----------------|
| Repayment | £ 18,212,848,679.11 | 55.40% | 273,934 | 67.32% |
| Interest Only | £ 14,659,369,488.88 | 44.60% | 133,003 | 32.68% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| Payment method | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|----------------|---|----------------|--------------------|----------------|
| Direct debit | £ 30,403,400,838.72 | 92.49% | 370,719 | 91.10% |
| Other | £ 2,468,817,329.27 | 7.51% | 36,218 | 8.90% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| Origination channel | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|----------------------|---|----------------|--------------------|----------------|
| Direct | £ 13,389,202,832.83 | 40.73% | 200,943 | 49.38% |
| Intermediary / Other | £ 19,483,015,335.16 | 59.27% | 205,994 | 50.62% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |

| Type of loan | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|--------------------------------|---|----------------|--------------------|----------------|
| Added variable rate loans | £ 126,586,269.83 | 0.39% | 1,388 | 0.34% |
| Discounted variable rate loans | £ 96,957,929.64 | 0.29% | 875 | 0.22% |
| Fixed rate loans | £ 7,618,480,784.66 | 23.18% | 93,718 | 23.03% |
| Tracker rate loans | £ 5,214,925,492.58 | 15.86% | 63,967 | 15.72% |
| Standard variable rate loans | £ 19,815,267,691.28 | 60.28% | 246,989 | 60.69% |
| Total | £ 32,872,218,167.99 | 100.00% | 406,937 | 100.00% |
| <i>of which Flexible Loans</i> | <i>£ 175,704,785.36</i> | <i>0.53%</i> | <i>1,772</i> | <i>0.44%</i> |

Distribution of fixed rate loans

| Fixed rate % | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|---------------|---|----------------|--------------------|----------------|
| 0 - <4.00% | £ 861,691,229.47 | 11.31% | 13,188 | 14.07% |
| 4.00 - <5.00% | £ 2,314,664,329.46 | 30.38% | 26,835 | 28.63% |
| 5.00 - <6.00% | £ 2,803,140,551.82 | 36.79% | 31,715 | 33.84% |
| 6.00 - <7.00% | £ 1,401,657,442.54 | 18.40% | 18,630 | 19.88% |
| >=7.00% | £ 237,327,231.37 | 3.12% | 3,350 | 3.57% |
| Total | £ 7,618,480,784.66 | 100.00% | 93,718 | 100.00% |

| Year in which current fixed rate period ends | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total |
|--|---|----------------|--------------------|----------------|
| 2012 | £ 2,893,924,850.41 | 37.99% | 33,497 | 35.74% |
| 2013 | £ 1,927,300,017.22 | 25.30% | 19,873 | 21.21% |
| 2014 | £ 1,846,785,680.58 | 24.24% | 20,820 | 22.22% |
| 2015 | £ 323,350,148.79 | 4.24% | 5,293 | 5.65% |
| 2016 | £ 219,177,998.33 | 2.88% | 3,395 | 3.62% |
| 2017 | £ 191,558,247.09 | 2.51% | 2,974 | 3.17% |
| 2018 | £ 152,787,684.81 | 2.01% | 1,943 | 2.07% |
| 2019+ | £ 63,596,157.43 | 0.83% | 5,923 | 6.32% |
| Total | £ 7,618,480,784.66 | 100.00% | 93,718 | 100.00% |

Outstanding Issuance

| Series Name | 2006-1 4A2 | 2006-1 4B | 2006-1 4C | 2006-1 5A | 2006-1 6A1 |
|---------------------------------|---------------------------|-------------------------|----------------------------|---------------------------|---------------------------|
| Issue Date | 17 Oct 2006 | 17 Oct 2006 | 17 Oct 2006 | 17 Oct 2006 | 17 Oct 2006 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AA(sf)/ Aa3(sf)/ AA(sf) | BBB(sf)/ Baa2(sf)/ BBB(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AA(sf)/ Aa3(sf)/ AA(sf) | BBB(sf)/ Baa2(sf)/ BBB(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | EUR | EUR | EUR | USD | GBP |
| Issue Size | EUR 1,750,000,000 | EUR 129,300,000 | EUR 129,300,000 | USD 1,500,000,000 | GBP 500,000,000 |
| Issue Size (GBP equivalent) | GBP 1,178,100,000 | GBP 87,050,000 | GBP 87,050,000 | GBP 802,570,000 | GBP 500,000,000 |
| Exchange Rate | 1.48544 | 1.48535 | 1.48535 | 1.86900 | - |
| Outstanding Amount ⁴ | EUR 0 | EUR 0 | EUR 0 | USD 1,500,000,000 | GBP 500,000,000 |
| Pool Factor ⁴ | 0.0 | 0.0 | 0.0 | 1.0 | 1.0 |
| Scheduled Maturity Date | 15 Jul 11 & 17 Oct 11 | 17 Oct 2011 | 17 Oct 2011 | 15 Jul 12 & 15 Oct 12 | 15 Apr 2013 |
| Final Maturity Date | 15 Jul 2033 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2033 | 15 Apr 2020 |
| Bond Structure | Scheduled Am | Pass-through | Pass-through | Scheduled Am | Soft Bullet |
| ISIN | XS0270510653 | XS0270510810 | XS0270511115 | US71419GAG55 | XS0270511628 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m EURIBOR | 3m EURIBOR | 3m EURIBOR | 3m USD LIBOR | 3m GBP LIBOR |
| Margin | 0.11% | 0.15% | 0.45% | 0.11% | 0.12% |
| Current Rate | - | - | - | 0.67700% | 1.20956% |
| Current Accrual Period | - | - | - | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | | | | | |
|--------------------------------|----------|----------|----------|------------------|------------------|
| Expected Coupon Amount | EUR 0.00 | EUR 0.00 | EUR 0.00 | USD 1,966,730.00 | GBP 1,368,876.36 |
| Coupon Amount Paid | EUR 0.00 | EUR 0.00 | EUR 0.00 | USD 1,966,730.00 | GBP 1,368,876.36 |
| Interest Shortfall | EUR 0.00 | EUR 0.00 | EUR 0.00 | USD 0.00 | GBP 0.00 |
| Cumulative Interest Shortfall | EUR 0.00 | EUR 0.00 | EUR 0.00 | USD 0.00 | GBP 0.00 |
| Scheduled Principal Payment | EUR 0 | EUR 0 | EUR 0 | USD 0 | GBP 0 |
| Principal Paid | EUR 0 | EUR 0 | EUR 0 | USD 0 | GBP 0 |
| Principal Shortfall | EUR 0 | EUR 0 | EUR 0 | USD 0 | GBP 0 |
| Cumulative Principal Shortfall | EUR 0 | EUR 0 | EUR 0 | USD 0 | GBP 0 |

| Series Name | 2006-1 6A2 | 2007-1 3A | 2007-1 4A | 2007-1 4B | 2007-1 4C |
|---------------------------------|---------------------------|---------------------------|---------------------------|-------------------------|----------------------------|
| Issue Date | 17 Oct 2006 | 1 Mar 2007 | 1 Mar 2007 | 1 Mar 2007 | 1 Mar 2007 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AA(sf)/ Aa3(sf)/ AA(sf) | BBB(sf)/ Baa2(sf)/ BBB(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AA(sf)/ Aa3(sf)/ AA(sf) | BBB(sf)/ Baa2(sf)/ BBB(sf) |
| Currency | GBP | EUR | USD | GBP | GBP |
| Issue Size | GBP 600,000,000 | EUR 1,500,000,000 | USD 1,350,000,000 | GBP 41,300,000 | GBP 41,300,000 |
| Issue Size (GBP equivalent) | GBP 600,000,000 | GBP 1,008,450,000 | GBP 691,430,000 | GBP 41,300,000 | GBP 41,300,000 |
| Exchange Rate | - | 1.48743 | 1.95248 | - | - |
| Outstanding Amount ⁴ | GBP 600,000,000 | EUR 0 | USD 0 | GBP 0 | GBP 0 |
| Pool Factor ⁴ | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Scheduled Maturity Date | 15 Apr 2013 | 17 Oct 11 & 17 Jan 12 | 17 Oct 11 & 17 Jan 12 | 17 Jan 2012 | 17 Jan 2012 |
| Final Maturity Date | 15 Apr 2020 | 15 Oct 2033 | 15 Oct 2033 | 15 Jul 2042 | 15 Jul 2042 |
| Bond Structure | Soft Bullet | Scheduled Am | Scheduled Am | Pass-through | Pass-through |
| ISIN | XS0270512279 | XS0288090342 | US71419GAL41 | XS0288100836 | XS0288104408 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m GBP LIBOR | 3m EURIBOR | 3m USD LIBOR | 3m GBP LIBOR | 3m GBP LIBOR |
| Margin | 0.12% | 0.09% | 0.08% | 0.16% | 0.49% |
| Current Rate | 1.20956% | 1.321% | 0.64700% | 1.24956% | 1.57956% |
| Current Accrual Period | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | | | | | |
|--------------------------------|------------------|------------------|-----------------|----------------|----------------|
| Expected Coupon Amount | GBP 1,642,651.63 | EUR 3,185,500.00 | USD 833,278.50 | GBP 117,231.15 | GBP 151,567.38 |
| Coupon Amount Paid | GBP 1,642,651.63 | EUR 3,185,500.00 | USD 833,278.50 | GBP 117,231.15 | GBP 151,567.38 |
| Interest Shortfall | GBP 0 | EUR 0 | USD 0 | GBP 0 | GBP 0 |
| Cumulative Interest Shortfall | GBP 0 | EUR 0 | USD 0 | GBP 0 | GBP 0 |
| Scheduled Principal Payment | GBP 0 | EUR 750,000,000 | USD 675,000,000 | GBP 41,300,000 | GBP 41,300,000 |
| Principal Paid | GBP 0 | EUR 750,000,000 | USD 675,000,000 | GBP 41,300,000 | GBP 41,300,000 |
| Principal Shortfall | GBP 0 | EUR 0 | USD 0 | GBP 0 | GBP 0 |
| Cumulative Principal Shortfall | GBP 0 | EUR 0 | USD 0 | GBP 0 | GBP 0 |

Permanent Master Trust | Monthly Investor Report

| Series Name | 2007-1 5A | 2008-2 1A | 2009-1 1A | 2009-1 2A | 2009-1 3A |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Issue Date | 1 Mar 2007 | 28 May 2008 | 29 Sep 2009 | 29 Sep 2009 | 29 Sep 2009 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | GBP | GBP | GBP | GBP | EUR |
| Issue Size | GBP 650,000,000 | GBP 500,000,000 | GBP 1,650,000,000 | GBP 1,650,000,000 | EUR 750,000,000 |
| Issue Size (GBP equivalent) | GBP 650,000,000 | GBP 500,000,000 | GBP 1,650,000,000 | GBP 1,650,000,000 | GBP 675,375,000 |
| Exchange Rate | - | - | - | - | 1.11049 |
| Outstanding Amount ⁴ | GBP 650,000,000 | GBP 0 | GBP 1,650,000,000 | GBP 1,650,000,000 | EUR 750,000,000 |
| Pool Factor ⁴ | 1.0 | 0.0 | 1.0 | 1.0 | 1.0 |
| Scheduled Maturity Date | 15 Oct 12 & 15 Jan 13 | 15 Jan 2012 | 15 Oct 2014 | 15 Oct 2014 | 15 Oct 2014 |
| Final Maturity Date | 15 Oct 2033 | 15 Apr 2014 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 |
| Bond Structure | Scheduled Am | Soft Bullet | Soft Bullet | Soft Bullet | Soft Bullet |
| ISIN | XS0288093957 | XS0365842466 | XS0454741272 | XS0454744375 | XS0454744458 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m GBP LIBOR | 3m GBP LIBOR | 3m GBP LIBOR | 3m GBP LIBOR | 3m EURIBOR |
| Margin | 0.10% | 0.85% | 1.70% | 1.70% | 1.70% |
| Current Rate | 1.18956% | 1.93956% | 2.78956% | 2.78956% | 2.931% |
| Current Accrual Period | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | | | | | |
|--------------------------------|------------------|------------------|-------------------|-------------------|------------------|
| Expected Coupon Amount | GBP 1,746,787.72 | GBP 2,288,439.20 | GBP 11,085,238.10 | GBP 11,085,238.10 | EUR 6,271,333.33 |
| Coupon Amount Paid | GBP 1,746,787.72 | GBP 2,288,439.20 | GBP 11,085,238.10 | GBP 11,085,238.10 | EUR 6,271,333.33 |
| Interest Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | EUR 0 |
| Cumulative Interest Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | EUR 0 |
| Scheduled Principal Payment | GBP 0 | GBP 500,000,000 | GBP 0 | GBP 0 | EUR 0 |
| Principal Paid | GBP 0 | GBP 500,000,000 | GBP 0 | GBP 0 | EUR 0 |
| Principal Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | EUR 0 |
| Cumulative Principal Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | EUR 0 |

| Series Name | 2010-1 1A | 2010-1 2A1 | 2010-1 2A2 | 2010-1 3A | 2010-1 4A |
|---------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Issue Date | 4 Feb 2010 | 4 Feb 2010 | 4 Feb 2010 | 4 Feb 2010 | 4 Feb 2010 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | USD | GBP | EUR | GBP | GBP |
| Issue Size | USD 1,000,000,000 | GBP 200,000,000 | EUR 750,000,000 | GBP 600,000,000 | GBP 400,000,000 |
| Issue Size (GBP equivalent) | GBP 620,886,626 | GBP 200,000,000 | GBP 650,325,000 | GBP 600,000,000 | GBP 400,000,000 |
| Exchange Rate | 1.61060 | - | 1.15327 | - | - |
| Outstanding Amount ⁴ | USD 1,000,000,000 | GBP 200,000,000 | EUR 750,000,000 | GBP 600,000,000 | GBP 400,000,000 |
| Pool Factor ⁴ | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Scheduled Maturity Date | 15 Jan 2013 | 15 Apr 2015 | 15 Apr 2015 | 15 Jan 2017 | 15 Jan 2017 |
| Final Maturity Date | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 |
| Bond Structure | Soft Bullet | Soft Bullet | Soft Bullet | Soft Bullet | Soft Bullet |
| ISIN | US71419GAP54 & XS0484703789 | XS0484703359 | XS0484703516 | XS0484703433 | XS0484703862 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m USD LIBOR | 3m GBP LIBOR | 3m EURIBOR | Fixed | 3m GBP LIBOR |
| Margin | 1.15% | 1.30% | 1.25% | - | 1.30% |
| Current Rate | 1.71700% | 2.38956% | 2.481% | 4.805% | 2.38956% |
| Current Accrual Period | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Jul 12 | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | | | | | |
|--------------------------------|------------------|------------------|------------------|-------------------|------------------|
| Expected Coupon Amount | USD 3,968,931.11 | GBP 1,142,117.20 | EUR 5,408,833.33 | GBP 14,415,000.00 | GBP 2,284,234.41 |
| Coupon Amount Paid | USD 3,968,931.11 | GBP 1,142,117.20 | EUR 5,408,833.33 | GBP 14,415,000.00 | GBP 2,284,234.41 |
| Interest Shortfall | USD 0 | GBP 0 | EUR 0 | GBP 0 | GBP 0 |
| Cumulative Interest Shortfall | USD 0 | GBP 0 | EUR 0 | GBP 0 | GBP 0 |
| Scheduled Principal Payment | USD 0 | GBP 0 | EUR 0 | GBP 0 | GBP 0 |
| Principal Paid | USD 0 | GBP 0 | EUR 0 | GBP 0 | GBP 0 |
| Principal Shortfall | USD 0 | GBP 0 | EUR 0 | GBP 0 | GBP 0 |
| Cumulative Principal Shortfall | USD 0 | GBP 0 | EUR 0 | GBP 0 | GBP 0 |

Permanent Master Trust | Monthly Investor Report

| Series Name | 2010-2 1A | 2010-2 2A | 2010-2 3A | 2010-2 4A | 2010-2 5A |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Issue Date | 13 Jul 2010 | 13 Jul 2010 | 13 Jul 2010 | 13 Jul 2010 | 13 Jul 2010 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | USD | USD | USD | USD | GBP |
| Issue Size | USD 750,000,000 | USD 750,000,000 | USD 750,000,000 | USD 750,000,000 | GBP 500,000,000 |
| Issue Size (GBP equivalent) | GBP 496,032,000 | GBP 496,032,000 | GBP 496,032,000 | GBP 496,032,000 | GBP 500,000,000 |
| Exchange Rate | 1.51200 | 1.51200 | 1.51200 | 1.51200 | - |
| Outstanding Amount ⁴ | USD 750,000,000 | USD 750,000,000 | USD 750,000,000 | USD 750,000,000 | GBP 500,000,000 |
| Pool Factor ⁴ | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Scheduled Maturity Date | 15 Oct 2013 | 15 Jul 2015 | 15 Jan 2016 | 15 Apr 2016 | 15 Jul 2016 |
| Final Maturity Date | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 |
| Bond Structure | Soft Bullet | Soft Bullet | Soft Bullet | Soft Bullet | Pass-through |
| ISIN | XS0520953877 | XS0520953950 | XS0520954255 | XS0520954412 | XS0520954768 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m USD LIBOR | 3m USD LIBOR | 3m USD LIBOR | 3m USD LIBOR | 3m GBP LIBOR |
| Margin | 1.40% | 1.50% | 1.50% | 1.50% | 1.50% |
| Current Rate | 1.96700% | 2.06700% | 2.06700% | 2.06700% | 2.58956% |
| Current Accrual Period | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Expected Coupon Amount | USD 3,455,865.00 | USD 3,647,531.67 | USD 3,647,531.67 | USD 3,647,531.67 | GBP 3,107,228.04 |
| Coupon Amount Paid | USD 3,455,865.00 | USD 3,647,531.67 | USD 3,647,531.67 | USD 3,647,531.67 | GBP 3,107,228.04 |
| Interest Shortfall | USD 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Cumulative Interest Shortfall | USD 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Scheduled Principal Payment | USD 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Principal Paid | USD 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Principal Shortfall | USD 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Cumulative Principal Shortfall | USD 0 | USD 0 | USD 0 | USD 0 | GBP 0 |

| Series Name | 2011-1 1A1 | 2011-1 1A2 | 2011-1 1A3 | 2011-1 2A1 | 2011-1 2A2 |
|---------------------------------|--------------------------------|---------------------------|--------------------------------|--------------------------------|---------------------------|
| Issue Date | 20 Apr 2011 | 20 Apr 2011 | 20 Apr 2011 | 20 Apr 2011 | 20 Apr 2011 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | USD | GBP | EUR | EUR | GBP |
| Issue Size | USD 2,600,000,000 | GBP 400,000,000 | EUR 900,000,000 | EUR 200,000,000 | GBP 200,000,000 |
| Issue Size (GBP equivalent) | GBP 1,592,045,000 | GBP 400,000,000 | GBP 795,060,000 | GBP 176,680,000 | GBP 200,000,000 |
| Exchange Rate | 1.63312 | - | 1.13199 | 1.13199 | - |
| Outstanding Amount ⁴ | USD 2,600,000,000 | GBP 400,000,000 | EUR 900,000,000 | EUR 200,000,000 | GBP 200,000,000 |
| Pool Factor ⁴ | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Scheduled Maturity Date | 15 Jan 2014 | 15 Jan 2014 | 15 Jan 2014 | 15 Jan 2016 | 15 Jan 2016 |
| Final Maturity Date | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 |
| Bond Structure | Soft Bullet | Soft Bullet | Soft Bullet | Soft Bullet | Soft Bullet |
| ISIN | US71419GAQ38 & XS0618260920 | XS0617232425 | XS0617235360 & XS0617234801 | XS0617235873 & XS0617235790 | XS0617235956 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m USD LIBOR | 3m GBP LIBOR | 3m EURIBOR | 3m EURIBOR | 3m GBP LIBOR |
| Margin | 1.40% | 1.40% | 1.30% | 1.40% | 1.50% |
| Current Rate | 1.96700% | 2.48956% | 2.53100% | 2.63100% | 2.58956% |
| Current Accrual Period | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | | | | | |
|--------------------------------|-------------------|------------------|------------------|------------------|------------------|
| Expected Coupon Amount | USD 11,980,332.00 | GBP 2,385,008.42 | EUR 6,605,600.00 | EUR 1,519,022.22 | GBP 1,242,891.21 |
| Coupon Amount Paid | USD 11,980,332.00 | GBP 2,385,008.42 | EUR 6,605,600.00 | EUR 1,519,022.22 | GBP 1,242,891.21 |
| Interest Shortfall | USD 0 | GBP 0 | EUR 0 | EUR 0 | GBP 0 |
| Cumulative Interest Shortfall | USD 0 | GBP 0 | EUR 0 | EUR 0 | GBP 0 |
| Scheduled Principal Payment | USD 0 | GBP 0 | EUR 0 | EUR 0 | GBP 0 |
| Principal Paid | USD 0 | GBP 0 | EUR 0 | EUR 0 | GBP 0 |
| Principal Shortfall | USD 0 | GBP 0 | EUR 0 | EUR 0 | GBP 0 |
| Cumulative Principal Shortfall | USD 0 | GBP 0 | EUR 0 | EUR 0 | GBP 0 |

Permanent Master Trust | Monthly Investor Report

| Series Name | 2011-1 2A3 | 2011-2 1A1 | 2011-2 1A2 | 2011-2 1A3 | 2011-2 2A |
|---------------------------------|---------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------|
| Issue Date | 20 Apr 2011 | 1 Nov 2011 | 1 Nov 2011 | 1 Nov 2011 | 1 Nov 2011 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | GBP | USD | USD | USD | GBP |
| Issue Size | GBP 500,000,000 | USD 900,000,000 | USD 1,000,000,000 | USD 1,050,000,000 | GBP 750,000,000 |
| Issue Size (GBP equivalent) | GBP 500,000,000 | GBP 563,980,449 | GBP 626,644,943 | GBP 657,977,190 | GBP 750,000,000 |
| Exchange Rate | - | 1.59580 | 1.59580 | 1.59580 | - |
| Outstanding Amount ⁴ | GBP 500,000,000 | USD 900,000,000 | USD 1,000,000,000 | USD 1,050,000,000 | GBP 750,000,000 |
| Pool Factor ⁴ | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Scheduled Maturity Date | 15 Jan 2016 | 15 Oct 2013 | 15 Oct 2014 | 15 Oct 2015 | 15 Jul 16 & 15 Oct 16 |
| Final Maturity Date | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 | 15 Jul 2042 |
| Bond Structure | Soft Bullet | Soft Bullet | Soft Bullet | Soft Bullet | Scheduled Am |
| ISIN | XS0617236251 | US71419GAS93 & XS0700165672 | US71419GAT76 & XS0700166134 | US71419GAU40 & XS0700166720 | XS0700016750 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m GBP LIBOR | 3m USD LIBOR | 3m USD LIBOR | 3m USD LIBOR | 3m GBP LIBOR |
| Margin | 1.50% | 1.50% | 1.55% | 1.60% | 1.65% |
| Current Rate | 2.58956% | 2.06700% | 2.11700% | 2.16700% | 2.73956% |
| Current Accrual Period | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Expected Coupon Amount | GBP 3,107,228.04 | USD 3,619,866.25 | USD 4,129,018.06 | USD 4,447,760.63 | GBP 4,031,507.80 |
| Coupon Amount Paid | GBP 3,107,228.04 | USD 3,619,866.25 | USD 4,129,018.06 | USD 4,447,760.63 | GBP 4,031,507.80 |
| Interest Shortfall | GBP 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Cumulative Interest Shortfall | GBP 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Scheduled Principal Payment | GBP 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Principal Paid | GBP 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Principal Shortfall | GBP 0 | USD 0 | USD 0 | USD 0 | GBP 0 |
| Cumulative Principal Shortfall | GBP 0 | USD 0 | USD 0 | USD 0 | GBP 0 |

| Series Name | 2011-2 3A |
|---------------------------------|---------------------------|
| Issue Date | 1 Nov 2011 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | GBP |
| Issue Size | GBP 500,000,000 |
| Issue Size (GBP equivalent) | GBP 500,000,000 |
| Exchange Rate | - |
| Outstanding Amount ⁴ | GBP 500,000,000 |
| Pool Factor ⁴ | 1.0 |
| Scheduled Maturity Date | 15 Jul 21 & 15 Oct 21 |
| Final Maturity Date | 15 Jul 2042 |
| Bond Structure | Scheduled Am |
| ISIN | XS0700016834 |
| Stock Exchange Listing | London |
| Reference Rate | 3m GBP LIBOR |
| Margin | 1.95% |
| Current Rate | 3.03956% |
| Current Accrual Period | 17 Jan 12 to 16 Apr 12 |

Funding 2 Interest Payment Date 17 Jan 2012

| | |
|--------------------------------|------------------|
| Expected Coupon Amount | GBP 3,003,930.57 |
| Coupon Amount Paid | GBP 3,003,930.57 |
| Interest Shortfall | GBP 0 |
| Cumulative Interest Shortfall | GBP 0 |
| Scheduled Principal Payment | GBP 0 |
| Principal Paid | GBP 0 |
| Principal Shortfall | GBP 0 |
| Cumulative Principal Shortfall | GBP 0 |

Permanent Master Trust | Monthly Investor Report

| Series Name | PF7 5A | PF8 5A1 | PF8 5A2 | PF8 5A3 | PF9 5A |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Issue Date | 23 Mar 2005 | 22 Jun 2005 | 22 Jun 2005 | 22 Jun 2005 | 22 Mar 2006 |
| Original Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Current Rating | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency | GBP | GBP | GBP | GBP | GBP |
| Issue Size | GBP 500,000,000 | GBP 400,000,000 | GBP 600,000,000 | GBP 500,000,000 | GBP 750,000,000 |
| Issue Size (GBP equivalent) | GBP 500,000,000 | GBP 400,000,000 | GBP 600,000,000 | GBP 500,000,000 | GBP 750,000,000 |
| Exchange Rate | - | - | - | - | - |
| Outstanding Amount ⁴ | GBP 0 | GBP 0 | GBP 0 | GBP 0 | GBP 750,000,000 |
| Pool Factor ⁴ | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 |
| Scheduled Maturity Date | 10 Jun 11 & 12 Dec 11 | 12 Dec 2011 | 12 Sep 11 & 12 Dec 11 | 12 Dec 2011 | 10 Sep 2012 |
| Final Maturity Date | 10 Sep 2032 | 10 Jun 2042 | 10 Sep 2032 | 10 Jun 2042 | 10 Jun 2042 |
| Bond Structure | Scheduled Am | Pass-through | Scheduled Am | Pass-through | Pass-through |
| ISIN | XS0215356485 | XS0220349368 | XS0220687254 | XS0221976904 | XS0248268137 |
| Stock Exchange Listing | London | London | London | London | London |
| Reference Rate | 3m GBP LIBOR | 3m GBP LIBOR | 3m GBP LIBOR | 3m GBP LIBOR | 3m GBP LIBOR |
| Margin | 0.10% | 0.15% | 0.15% | 0.15% | 0.11% |
| Current Rate | - | - | - | - | 1.16356% |
| Current Accrual Period | - | - | - | - | 12 Dec 11 to 12 Mar 12 |

Funding 1 Interest Payment Date 12 Dec 2011

| | | | | | |
|--------------------------------|-----------------|------------------|-----------------|------------------|------------------|
| Expected Coupon Amount | GBP 656,982.61 | GBP 1,056,158.47 | GBP 817,050.36 | GBP 1,320,198.08 | GBP 1,905,502.60 |
| Coupon Amount Paid | GBP 656,982.61 | GBP 1,056,158.47 | GBP 817,050.36 | GBP 1,320,198.08 | GBP 1,905,502.60 |
| Interest Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | GBP 0 |
| Cumulative Interest Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | GBP 0 |
| Scheduled Principal Payment | GBP 250,000,000 | GBP 400,000,000 | GBP 300,000,000 | GBP 500,000,000 | GBP 0 |
| Principal Paid | GBP 250,000,000 | GBP 400,000,000 | GBP 300,000,000 | GBP 500,000,000 | GBP 0 |
| Principal Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | GBP 0 |
| Cumulative Principal Shortfall | GBP 0 | GBP 0 | GBP 0 | GBP 0 | GBP 0 |

⁴ As at end of latest completed Interest Period and following relevant waterfall reported on pp14-15

Credit Enhancement

Permanent Master Issuer notes⁴

| Class | Amount (GBP equivalent) | % of Total | Support |
|------------------|----------------------------|------------|---------|
| Class A notes | £ 18,245,672,208 | 100.00% | 18.54% |
| Class B notes | £ - | 0.00% | 18.54% |
| Class C notes | £ - | 0.00% | 18.54% |
| Total notes | £ 18,245,672,208 | 100.00% | |
| Reserve | £ 405,000,000 | 2.22% | |
| Funding 2 Z Loan | £ 2,978,000,000 | 16.32% | |

Permanent Funding 1 Issuer notes⁴

| Class | Amount (GBP equivalent) | % of Total | Support |
|------------------|----------------------------|------------|---------|
| Class A notes | £ 750,000,000 | 100.00% | 51.28% |
| Class B notes | £ - | 0.00% | 51.28% |
| Class C notes | £ - | 0.00% | 51.28% |
| Total notes | £ 750,000,000 | 100.00% | |
| Reserve | £ 27,800,000 | 3.71% | |
| Funding 1 Z Loan | £ 356,800,000 | 47.57% | |

Z Loan Required Amounts

| | |
|-----------|-----------------|
| Funding 2 | £ 2,978,000,000 |
|-----------|-----------------|

| | |
|-----------|---------------|
| Funding 1 | £ 356,800,000 |
|-----------|---------------|

Excess Spread

Permanent Funding 2

| Amount | % |
|--------------|-------|
| £ 34,975,730 | 0.72% |

Permanent Funding 1

| Amount* | % |
|--------------|-------|
| £ 16,751,677 | 3.05% |

*Excluding amount available from reduction in General Reserve

Liquidity Support

Liquidity support in relation to shortfalls of interest payable on the Notes and certain principal of the Notes is available in the form of:

Liquidity Reserve Funds: Both the Funding 2 Liquidity Reserve Fund and Funding 1 Liquidity Reserve Fund will be funded upon the requisite ratings downgrade (see Rating Triggers) up to the Liquidity Reserve Fund Required Amount, being 3% of the outstanding Notes.

Funding 1 Liquidity Facility: The balance available to Funding 1 under the facility is £150,000,000.

Permanent Master Trust | Monthly Investor Report

Ledgers

Funding 1 Share / Funding 2 Share / Seller Share Ledger

| Date | Collateral pool balance | Funding 1 Share | Funding 2 Share | Seller Share | Funding 1 Share % | Funding 2 Share % | Seller Share % |
|-----------|-------------------------|--------------------|---------------------|---------------------|-------------------|-------------------|----------------|
| 03-Jan-12 | £ 33,314,166,893.94 | £ 1,106,774,175.24 | £ 21,223,307,391.25 | £ 10,984,085,327.45 | 3.3222% | 63.7066% | 32.9712% |
| 12-Dec-11 | £ 33,486,436,805.24 | £ 1,106,785,001.89 | £ 21,223,515,000.87 | £ 11,156,136,802.48 | 3.3052% | 63.3794% | 33.3154% |
| 01-Dec-11 | £ 33,879,999,101.75 | £ 2,023,525,807.32 | £ 21,223,672,307.88 | £ 10,632,800,986.55 | 5.9726% | 62.6437% | 31.3837% |

Losses Ledger

| Month | Losses in month | Funding 1 share of losses | Funding 2 share of losses | Seller share of losses | Cumulative losses |
|----------|-----------------|---------------------------|---------------------------|------------------------|-------------------|
| Jan 2012 | £ 1,132,855.54 | £ 37,636.18 | £ 721,703.29 | £ 373,516.07 | £ 97,033,783.35 |
| Dec 2011 | £ 578,680.17 | £ 25,824.76 | £ 364,916.63 | £ 187,938.78 | £ 95,900,927.81 |
| Nov 2011 | £ 1,240,232.37 | £ 97,815.27 | £ 762,783.34 | £ 379,633.76 | £ 95,322,247.64 |

Funding 1 Principal Deficiency Ledger (Z Loan sub-ledger)

| Month | Debit | Credit | Balance |
|----------|-------------|--------------|--------------|
| Jan 2012 | £ 37,636.18 | £ - | £ 63,460.94 |
| Dec 2011 | £ 25,824.76 | £ 358,966.27 | £ 25,824.76 |
| Nov 2011 | £ 97,815.27 | £ - | £ 358,966.27 |

Funding 1 Reserve Ledger

| Month | Debit | Credit | Balance | Funding 1 Reserve Required Amount |
|----------|-----------------|--------|-----------------|-----------------------------------|
| Jan 2012 | £ - | £ - | £ 27,800,000.00 | £ 27,800,000.00 |
| Dec 2011 | £ 56,400,000.00 | £ - | £ 27,800,000.00 | £ 27,800,000.00 |
| Nov 2011 | £ - | £ - | £ 84,200,000.00 | £ 84,200,000.00 |

Funding 1 Liquidity Facility Ledger

| Month | Debit | Credit | Balance drawn | Balance available |
|----------|-------|--------|---------------|-------------------|
| Jan 2012 | £ - | £ - | £ - | £ 150,000,000.00 |
| Dec 2011 | £ - | £ - | £ - | £ 150,000,000.00 |
| Nov 2011 | £ - | £ - | £ - | £ 150,000,000.00 |

Funding 2 Principal Deficiency Ledger (Z Loan sub-ledger)

| Month | Debit | Credit | Balance |
|----------|--------------|----------------|----------------|
| Jan 2012 | £ 721,703.29 | £ 1,874,306.61 | £ 721,703.29 |
| Dec 2011 | £ 364,916.63 | £ - | £ 1,874,306.61 |
| Nov 2011 | £ 762,783.34 | £ - | £ 1,509,389.98 |

Funding 2 Reserve Ledger

| Month | Debit | Credit | Balance | Funding 2 Reserve Required Amount |
|----------|-------|-----------------|------------------|-----------------------------------|
| Jan 2012 | £ - | £ - | £ 405,000,000.00 | £ 405,000,000.00 |
| Dec 2011 | £ - | £ - | £ 405,000,000.00 | £ 405,000,000.00 |
| Nov 2011 | £ - | £ 41,100,000.00 | £ 405,000,000.00 | £ 405,000,000.00 |

Funding 2 Yield Reserve Ledger⁵

| Month | Debit | Credit | Balance |
|----------|----------------|-----------------|------------------|
| Jan 2012 | £ 8,482,951.53 | £ - | £ 178,936,156.10 |
| Dec 2011 | £ - | £ - | £ 187,419,107.63 |
| Nov 2011 | £ - | £ 86,000,000.00 | £ 187,419,107.63 |

⁵ Only notes issued on or after 29 Sep 2009 benefit from the Funding 2 Yield Reserve.

Bank Accounts Balance

Mortgages Trustee GIC Account

| Date | Revenue Ledger | Principal Ledger | Other | Bank Balance ⁶ |
|-------------|------------------|------------------|----------|---------------------------|
| 31 Jan 2012 | £ 102,614,279.74 | £ 445,167,501.95 | £ 100.00 | £ 547,781,881.69 |
| 31 Dec 2011 | £ 32,085,927.31 | £ 213,557,987.57 | £ 100.00 | £ 245,644,014.88 |
| 30 Nov 2011 | £ 104,170,511.65 | £ 846,466,895.85 | £ 100.00 | £ 950,637,507.50 |

⁶ Including cash from assets for last day of month collected first working day of following month.

Funding 2 GIC Account

| Date | Revenue Ledger | Principal Ledger | Cash Accumulation Ledger | General Reserve Ledger | Yield Reserve Ledger | Bank Balance |
|-------------|------------------|------------------|--------------------------|------------------------|----------------------|--------------------|
| 31 Jan 2012 | £ 968,433.18 | £ 364,916.63 | £ - | £ 405,000,000.00 | £ 178,936,156.10 | £ 585,269,505.91 |
| 31 Dec 2011 | £ 167,268,796.18 | £ 931,030,610.02 | £ 500,000,000.00 | £ 405,000,000.00 | £ 187,419,107.63 | £ 2,190,718,513.83 |
| 30 Nov 2011 | £ 57,439,298.75 | £ 799,511,692.32 | £ 500,000,000.00 | £ 405,000,000.00 | £ 187,419,107.63 | £ 1,949,370,098.70 |

Permanent Master Trust | Monthly Investor Report

Funding 2 Transaction Account

| Date | Retained Profit Amount | Start-up Loans Proceeds | Bank Balance |
|-------------|------------------------|-------------------------|----------------|
| 31 Jan 2012 | £ 1,497,757.09 | £ 330,154.80 | £ 1,827,911.89 |
| 31 Dec 2011 | £ 1,482,052.24 | £ 553,436.40 | £ 2,035,488.64 |
| 30 Nov 2011 | £ 1,482,052.24 | £ 766,459.40 | £ 2,248,511.64 |

Master Issuer Capital & Transaction Accounts

| Date | Issuer Profit | Capital | Aggregate Bank Balance |
|-------------|---------------|-------------|------------------------|
| 31 Jan 2012 | £ 188,148.82 | £ 12,501.50 | £ 200,650.32 |
| 31 Dec 2011 | £ 176,849.40 | £ 12,501.50 | £ 189,350.90 |
| 30 Nov 2011 | £ 176,737.62 | £ 12,501.50 | £ 189,239.12 |

Funding 1 GIC Account

| Date | Revenue Ledger | Principal Ledger | Cash Accumulation Ledger | General Reserve Ledger | Bank Balance |
|-------------|-----------------|------------------|--------------------------|------------------------|------------------|
| 31 Jan 2012 | £ 5,576,625.79 | £ - | £ - | £ 27,800,000.00 | £ 33,376,625.79 |
| 31 Dec 2011 | £ 4,528,148.34 | £ - | £ - | £ 27,800,000.00 | £ 32,328,148.34 |
| 30 Nov 2011 | £ 22,515,248.90 | £ 542,267,248.26 | £ - | £ 84,200,000.00 | £ 648,982,497.16 |

Funding 1 Transaction Account

| Date | Profit | Bank Balance |
|-------------|----------------|----------------|
| 31 Jan 2012 | £ 2,430,788.19 | £ 2,430,788.19 |
| 31 Dec 2011 | £ 2,580,788.19 | £ 2,580,788.19 |
| 30 Nov 2011 | £ 2,569,293.37 | £ 2,569,293.37 |

Funding Swaps

| Funding 1 Swap Provider | Calculation Period | Notional | Funding 1 Swap Provider Amount | Funding 1 Amount | Net Funding 1 Amount ⁷ |
|--|----------------------|--------------------|--------------------------------|------------------|-----------------------------------|
| Bank of Scotland plc | 1 Nov - 30 Nov 2011 | £ 2,704,773,003.78 | £ 6,279,818.16 | £ 8,431,030.33 | -£ 2,151,212.17 |
| | 1 Oct - 31 Oct 2011 | £ 2,705,554,419.07 | £ 6,433,182.29 | £ 8,892,804.33 | -£ 2,459,622.04 |
| | 12 Sep - 30 Sep 2011 | £ 3,065,586,031.29 | £ 4,463,709.16 | £ 6,194,101.91 | -£ 1,730,392.75 |
| | 1 Sep - 11 Sep 2011 | £ 4,646,820,035.16 | £ 3,917,622.33 | £ 5,435,192.53 | -£ 1,517,570.20 |
| Amount paid or received at end of latest completed Funding 1 Interest Period | | | | | -£ 7,858,797.16 |

| Funding 2 Swap Provider | Calculation Period | Notional | Funding 2 Swap Provider Amount | Funding 2 Amount | Net Funding 2 Amount ⁷ |
|--|---------------------|---------------------|--------------------------------|------------------|-----------------------------------|
| Bank of Scotland plc | 12 Dec - 31 Dec 11 | £ 20,962,437,576.70 | £ 33,159,942.89 | £ 43,495,603.99 | -£ 10,335,661.10 |
| | 1 Dec - 11 Dec 11 | £ 20,960,213,228.94 | £ 18,238,875.73 | £ 23,918,352.31 | -£ 5,679,476.58 |
| | 1 Nov - 30 Nov 2011 | £ 21,092,385,577.26 | £ 49,751,623.39 | £ 65,746,937.84 | -£ 15,995,314.45 |
| | 1 Oct - 31 Oct 2011 | £ 17,382,210,609.38 | £ 42,181,664.38 | £ 57,133,058.05 | -£ 14,951,393.67 |
| Amount paid or received at end of latest completed Funding 2 Interest Period | | | | | -£ 46,961,845.80 |

⁷ A negative figure represents a payment by Funding 1 or Funding 2 and a positive figure is a receipt.

Issuing Entity Swaps

| Issue & Class | Currency Swap Provider | Currency Swap Provider Amounts ⁸ | | Permanent Master Issuer GBP Amounts ⁸ | |
|---------------|----------------------------|---|--------------------|--|--------------------|
| | | Floating Amount | Exchange Amount | Floating Amount | Exchange Amount |
| 2006-1 5A | Bank of Scotland plc | USD 1,966,730.00 | USD - | GBP 2,204,756.10 | GBP - |
| 2007-1 3A | Bank of Scotland plc | EUR 3,185,500.00 | EUR 750,000,000.00 | GBP 1,351,995.48 | GBP 504,225,000.00 |
| 2007-1 4A | Bank of Scotland plc | USD 833,278.50 | USD 675,000,000.00 | GBP 938,653.92 | GBP 345,715,000.00 |
| 2009-1 3A | Barclays Bank plc | EUR 6,271,333.33 | EUR - | GBP 4,800,341.24 | GBP - |
| 2010-1 1A | Bank of Scotland plc | USD 3,968,931.11 | USD - | GBP 3,392,379.59 | GBP - |
| 2010-1 2A2 | Bank of Scotland plc | EUR 5,408,833.33 | EUR - | GBP 4,004,816.80 | GBP - |
| 2010-2 1A | Royal Bank of Scotland plc | USD 3,455,865.00 | USD - | GBP 3,129,356.90 | GBP - |
| 2010-2 2A | Bank of Scotland plc | USD 3,647,531.67 | USD - | GBP 3,237,192.89 | GBP - |
| 2010-2 3A | Royal Bank of Scotland plc | USD 3,647,531.67 | USD - | GBP 3,262,198.34 | GBP - |
| 2010-2 4A | Natixis | USD 3,647,531.67 | USD - | GBP 3,174,054.14 | GBP - |
| 2011-1 1A1 | Natixis | USD 9,215,640.00 | USD - | GBP 8,374,119.12 | GBP - |
| 2011-1 1A1 | Bank of Scotland plc | USD 2,764,692.00 | USD - | GBP 2,512,235.74 | GBP - |
| 2011-1 1A3 | Bank of Scotland plc | EUR 6,605,600.00 | EUR - | GBP 5,628,577.82 | GBP - |
| 2011-1 2A1 | Bank of Scotland plc | EUR 1,519,022.22 | EUR - | GBP 1,318,039.96 | GBP - |
| 2011-2 1A1 | Bank of Scotland plc | USD 3,619,866.25 | USD - | GBP 3,167,754.57 | GBP - |
| 2011-2 1A2 | Bank of Scotland plc | USD 4,129,018.06 | USD - | GBP 3,700,836.27 | GBP - |
| 2011-2 1A3 | Bank of Scotland plc | USD 4,447,760.63 | USD - | GBP 3,973,325.96 | GBP - |

| Issue & Class | Interest Rate Swap Provider | Interest Rate Swap Provider Fixed Amnts ⁸ | Permanent Master Issuer Floating Amnts ⁸ |
|---------------|-----------------------------|--|---|
| 2010-1 3A | Bank of Scotland plc | GBP 14,415,000.00 | GBP 3,721,372.27 |

⁸ Paid in latest waterfall, reported on p14.

Permanent Master Trust | Monthly Investor Report

Rating Triggers

| Transaction Party | Required Ratings (Fitch / Moody's / S&P) | Consequence of Trigger | Current Ratings (Fitch / Moody's / S&P) |
|---|--|--|--|
| Seller: Bank of Scotland plc | Short Term: F1 / P-1 / A-1 | Seller unable to sell new portfolio to Mortgages Trustee; Funding 1 may not make payment to the Seller or Funding 2 to increase share of trust; Funding 2 may not make payment to the Seller or Funding 1 to increase share of trust; Beneficiaries shall appoint auditors to test whether the loans complied with relevant reps & warranties set out in Mortgage Sale Agreement. | Short Term: F1 / P-1 / A-1 |
| | Long Term: BBB / Baa2 / BBB | The Seller shall prepare draft letter of notice to each borrower of the sale and purchase effected by the Mortgage Sale Agreement. | Long Term: A / A1 / A |
| | Long Term: BBB- / Baa3 / BBB- | The Minimum Seller Share will be recalculated as the rating agencies require; The Seller shall give notice to each borrower of the sale and purchase effected by the Mortgage Sale Agreement; Loan assignments or assignments (as appropriate) to be perfected. | Long Term: A / A1 / A |
| | Long Term: A- / A3 / - | Establishment of the Funding 2 Liquidity Reserve Fund and Funding 1 Liquidity Reserve Fund. | Long Term: A / A1 / A |
| Funding 2 Swap Provider / Funding 1 Swap Provider: Bank of Scotland plc | Short Term: F1 / P-1 / A-1 Long Term: A / A2 / A | Requirement to post collateral, replace the Funding 1 / 2 Swap Provider or obtain a guarantee of the Funding 1 / 2 Swap Provider's obligations. | Short Term: F1 / P-1 / A-1 Long Term: A / A1 / A |
| | Short Term: F3 / - / - Long Term: BBB- / - / - | Requirement to replace the Funding 1 / 2 Swap Provider or obtain a guarantee of the Funding 1 / 2 Swap Provider's obligations (and in the interim post collateral). | Short Term: F1 / P-1 / A-1 Long Term: A / A1 / A |
| Issuing Entity Swap Provider: Bank of Scotland plc | Short Term: F1 / P-1 / A-1 Long Term: A / A2 / A | Requirement to post collateral, replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations. | Short Term: F1 / P-1 / A-1 Long Term: A / A1 / A |
| | Short Term: F3 / - / - Long Term: BBB- / - / - | Requirement to replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations (and in the interim post collateral). | Short Term: F1 / P-1 / A-1 Long Term: A / A1 / A |
| Issuing Entity Swap Provider: Barclays Bank Plc | Short Term: F1 / P-1 / A-1 Long Term: A / A2 / A | Requirement to post collateral, replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations; | Short Term: F1 / P-1 / A-1 Long Term: A / Aa3 / A+ |
| | Short Term: F3 / - / - Long Term: BBB- / - / - | Requirement to replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations (and in the interim post collateral). | Short Term: F1 / P-1 / A-1 Long Term: A / Aa3 / A+ |
| Issuing Entity Swap Provider: Natixis | Short Term: F1 / P-1 / A-1 Long Term: A / A2 / A | Requirement to post collateral, replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations. | Short Term: F1+ / P-1 / A-1 Long Term: A+ / Aa3 / A |
| | Short Term: F3 / - / - Long Term: BBB- / - / - | Requirement to replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations (and in the interim post collateral). | Short Term: F1+ / P-1 / A-1 Long Term: A+ / Aa3 / A |
| Issuing Entity Swap Provider: Royal Bank of Scotland Plc | Short Term: F1 / P-1 / A-1 Long Term: A / A2 / - | Requirement to post collateral, replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations. | Short Term: F1 / P-1 / A-1 Long Term: A / A2 / A |
| | Short Term: F3 / - / - Long Term: BBB- / - / - | Requirement to replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations (and in the interim post collateral). | Short Term: F1 / P-1 / A-1 Long Term: A / A2 / A |
| Servicer: Bank of Scotland plc | Short Term: F1 / P-1 / A-1 | The Servicer shall use reasonable endeavours to ensure that the title deeds are identified as distinct from the title deeds of other properties and mortgages which do not form part of the mortgage portfolio. | Short Term: F1 / P-1 / A-1 |
| Account Bank: Bank of Scotland plc | Short Term: F1 / P-1 / A-1 (waiver in place for A-1+ requirement) | Under the Servicing Agreement, all further direct debit instructions by the Servicer to debit borrowers' accounts shall be made to another bank which has the requisite rating or directly to the Mortgages Trustee GIC Account. | Short Term: F1 / P-1 / A-1 |
| | Short Term: F1 / P-1 / A-1 Long Term: A / - / A | Requirement to close the Funding 2 bank accounts and the Mortgages Trustee GIC Account and seek a replacement Account Bank, unless the rating agencies confirm the then current ratings of the notes are not affected or a guarantee of the Account Bank's obligations is obtained. | Short Term: F1 / P-1 / A-1 Long Term: A / A1 / A |
| Issuing Entity Account Bank: Bank of Scotland plc | Short Term: F1 / P-1 / A-1 Long Term: A / - / A | Requirement to close the Issuing Entity bank accounts and seek a replacement Issuing Entity Account Bank, unless the rating agencies confirm the then current ratings of the notes are not affected or a guarantee of the Issuing Entity Account Bank's obligations is obtained. | Short Term: F1 / P-1 / A-1 Long Term: A / A1 / A |

Non-Rating Triggers

Non-asset Trigger Events

| Nature of Trigger | Description of Trigger | Consequence of Non-asset Trigger Event | Trigger occurred? |
|--|---|--|-------------------|
| Insolvency Event | An Insolvency Event in relation to the Seller | Mortgages Trust Available Principal Receipts will be applied first to Funding 1 and Funding 2 according to their respective shares in the trust until their shares are zero and then to the Seller | N |
| Substitution of Servicer | The Seller's role as Servicer is terminated and a new servicer is not appointed within 30 days | | N |
| Breach of Minimum Seller Share | The Seller share of the trust is less than the Minimum Seller Share | | N |
| Breach of required loan balance amount | The outstanding principal balance of the loans comprising the trust property is less than the required amount specified in the latest Final Terms, currently £25bn until 9 Dec 2012 | | N |

Asset Trigger Events

| Nature of Trigger | Description of Trigger | Consequence of Non-asset Trigger Event | Trigger occurred? |
|----------------------|--|---|-------------------|
| Principal deficiency | Principal losses on the loans in the portfolio reach a level causing an amount to be debited to the Funding 2 AAA Principal Deficiency Sub-ledger or the Funding 1 AAA Principal Deficiency Sub-ledger | Mortgages Trust Available Principal Receipts will be applied to Funding 1, Funding 2 and the Seller according to their respective shares in the trust until the Funding 1 and Funding 2 shares in the trust are zero and then to the Seller | N |

Other Triggers

| Nature of Trigger | Description of Trigger | Consequence of Trigger | Trigger occurred? |
|---|--|--|-------------------|
| Mortgage Sale Agreement: Breach of these (or any other) conditions under Clause 4.2 | <p>Loans with an arrears amount which is more than three times the monthly payment due account for more than 5% of the aggregate outstanding principal balance of the Loans in the Mortgages Trust.</p> <p>The product of the weighted average foreclosure frequency (WAFF) and the weighted average loss severity (WALS) of the Loans exceeds the product of the WAFF and WALS of the Loans at the most recent closing date plus 0.25%.</p> <p>The result of each of the Fitch Portfolio Tests exceeds the most recently agreed Fitch Portfolio Test Value.</p> <p>(a) The weighted average original LTV* exceeds that calculated at the latest closing date plus 2%.</p> <p>(b) The outstanding principal balance of Loans with an original LTV* in excess of 80% exceeds 40%.</p> <p>(c) The weighted average current LTV* exceeds that calculated at the latest closing date plus 2%.</p> <p>(d) The weighted average debt to income multiple of the Loans exceeds that calculated at the latest closing date plus 0.35.</p> <p>(e) Interest Only Loans account for more than 50% of the aggregate outstanding principal balance of the Loans in the Mortgages Trust.</p> <p><i>*calculated in the manner agreed by the Servicer with Fitch from time to time.</i></p> <p>The yield of the Loans in the Mortgages Trust is less than three month Sterling LIBOR plus the Minimum Trust Property Yield Margin.</p> <p>The weighted average credit enhancement value as determined by the application of the LTV Test to the Loans exceeds the weighted average credit enhancement value as determined by the application of the LTV Test to the Loans at the most recent closing date plus 0.25%.</p> <p>Loans other than Fixed Rate Loans which yield, post Funding Swap, less than three month Sterling LIBOR plus 0.50% and which have more than two years remaining on their incentive period account for more than 15% of the aggregate outstanding principal balance of the Loans in the Mortgages Trust.</p> <p>Fixed Rate Loans which have more than one year remaining on their incentive period account for more than 50% of the aggregate outstanding principal balance of the Loans in the Mortgages Trust.</p> | Seller unable to sell new portfolio to Mortgages Trustee and requirement for the Seller to repurchase any Loans subject to a Product Switch. | N |

Cashflows

Revenue receipts and principal receipts are allocated in accordance with 'The Mortgages Trust' and 'Cashflows' sections of the Base Prospectus. Briefly, on a monthly basis Mortgages Trust Revenue Receipts are allocated on a pro-rata basis between Funding 1, Funding 2 and the Seller based upon their respective shares in the Trust and Mortgages Trust Principal Receipts are allocated first on a pro-rata basis between Funding 1 and Funding 2 based upon their respective shares in the Trust and their outstanding cash accumulation requirements, until their requirements have been satisfied, and then to the Seller. On a quarterly basis, Funding 1 will distribute its receipts to the previous Funding 1 issuers, Funding 2 will distribute its receipts to the Master Issuer and in turn the issuing entities will distribute their respective receipts to the noteholders, via the paying agents and issuing entity swap providers.

Mortgages Trust Waterfall 3 Feb 2012

| | | | | | |
|---|---|-----------------------|---|---|-----------------------|
| <u>Mortgages Trust Revenue Receipts</u> | £ | 102,614,279.74 | <u>Mortgages Trust Principal Receipts</u> | £ | 445,167,501.95 |
| <u>Distribution</u> | | | | | |
| Amounts due to the Servicer | £ | 1,414,711.20 | Paid to Funding 1 | £ | - |
| Other amounts due | £ | - | Paid to Funding 2 | £ | - |
| Paid to Funding 1 | £ | 3,362,092.55 | Paid to the Seller | £ | 445,167,501.95 |
| Paid to Funding 2 | £ | 64,470,763.85 | | | |
| Paid to the Seller | £ | 33,366,712.14 | | | |
| | £ | <u>102,614,279.74</u> | | £ | <u>445,167,501.95</u> |

Funding 2 Waterfall 17 Jan 2012

| | | | | | |
|---|---|-----------------------|--|---|-------------------------|
| <u>Funding 2 Available Revenue Receipts</u> | | | <u>Funding 2 Available Principal Receipts</u> | | |
| All Mortgages Trust Revenue Receipts distributed | £ | 182,707,398.53 | All Mortgages Trust Principal Receipts distributed | £ | 625,601,450.39 |
| Amounts paid by the Seller to Funding 2 | £ | 1,216,607.46 | Funding 2 Principal on Cash Accumulation Ledger | £ | 500,000,000.00 |
| Interest on the Funding 2 bank accounts | £ | 3,544,484.72 | Amounts to be credited to PDL | £ | 1,874,306.61 |
| Amounts received under the Funding 2 Swap | £ | - | Amounts made available from General Reserve | £ | - |
| Amounts standing to credit General Reserve | £ | 405,000,000.00 | Amounts made available from Liquidity Reserve | £ | - |
| Amounts made available from Yield Reserve | £ | - | Any other amount on Funding 2 Principal Ledger | £ | 305,429,159.63 |
| Amounts made available from Liquidity Reserve | £ | - | | | |
| Amount start-up loan not required for issue costs | £ | - | | | |
| | £ | <u>592,468,490.71</u> | | £ | <u>1,432,904,916.63</u> |

Distribution

| | | | | | |
|---|---|-----------------------|--|---|-------------------------|
| Trustee and Agent fees | £ | - | Towards replenishment General Reserve | £ | - |
| Amounts due to the Master Issuer | £ | 1,215,199.47 | CR Liquidity Reserve Fund to required amount | £ | - |
| Other senior fees | £ | 71,742.00 | Towards redeeming AAA Loan Tranches | £ | 1,349,940,000.00 |
| Amounts due to the Cash Manager | £ | 1,044,742.52 | Towards redeeming AA Loan Tranches | £ | 41,300,000.00 |
| Amounts due to the Corporate Services Provider | £ | - | Towards redeeming BBB Loan Tranches | £ | 41,300,000.00 |
| Amounts payable under the Funding 2 Swap | £ | 46,961,845.80 | CR Cash Accumulation Ledger | £ | - |
| Interest on AAA non-Yield Reserve Loan Tranches | £ | 11,542,160.41 | CR Funding 2 Principal Ledger | £ | 364,916.63 |
| Towards Yield Reserve Primary Loan Interest Amt | £ | 91,388,271.97 | | | |
| Interest on AA Loan Tranches | £ | 117,231.15 | | | |
| Interest on BBB Loan Tranches | £ | 151,567.38 | | | |
| CR to General Reserve Fund to required amount | £ | 405,000,000.00 | | | |
| Towards a credit to the Z Loan PDL | £ | 1,874,306.61 | | | |
| Interest on Z Loans | £ | 12,960,072.54 | | | |
| Other amounts due to Master Issuer | £ | 11,168.22 | | | |
| Payment to Funding 2 in respect of profit | £ | 15,704.85 | | | |
| Amounts due under the Start-up Loans | £ | 20,114,477.79 | | | |
| Deferred Consideration to the Seller | £ | - | | | |
| | £ | <u>592,468,490.71</u> | | £ | <u>1,432,904,916.63</u> |

Master Issuer Waterfall 17 Jan 2012

Master Issuer Revenue Receipts

| | | |
|---|---|-----------------------|
| Interest received in respect of Loan Tranches | £ | 111,682,182.44 |
| Fees received under Master Intercompany Loan | £ | 1,226,367.69 |
| Interest on the Master Issuer bank accounts | £ | 323.15 |
| Any other net income | £ | - |
| | £ | <u>112,908,873.28</u> |

Distribution

| | | |
|--|---|-----------------------|
| Trustee and Agent fees | £ | 101,016.97 |
| Other senior fees | £ | 53,524.34 |
| Amounts due to the Cash Manager | £ | 1,044,742.52 |
| Amounts due to the Corporate Services Provider | £ | 15,915.64 |
| Amounts due to swap providers re Class A Notes | £ | 61,892,007.11 |
| Interest due on Class A Notes | £ | 49,521,376.80 |
| Amounts due to swap providers re Class B Notes | £ | - |
| Interest due on Class B Notes | £ | 117,231.15 |
| Amounts due to swap providers re Class C Notes | £ | - |
| Interest due on Class C Notes | £ | 151,567.38 |
| Balance to the Master Issuer | £ | 11,491.37 |
| | £ | <u>112,908,873.28</u> |

Master Issuer Principal Receipts

| | | |
|--|---|-------------------------|
| Principal repaid by Funding 2 per Master ICL | £ | 1,432,540,000.00 |
| | £ | <u>1,432,540,000.00</u> |

Funding 1 Waterfall 12 Dec 2011

Funding 1 Available Revenue Receipts

| | | |
|--|---|-----------------------|
| All Mortgages Trust Revenue Receipts distributed | £ | 29,484,598.84 |
| Amounts paid by the Seller to Funding 1 | £ | 178,993.74 |
| Interest on the Funding 1 bank accounts | £ | 1,084,620.93 |
| Amounts received under the Funding 1 Swap | £ | - |
| Amounts standing to credit General Reserve | £ | 84,200,000.00 |
| Amounts made available from Liquidity Reserve | £ | - |
| | £ | <u>114,948,213.51</u> |

Distribution

| | | |
|--|---|-----------------------|
| Trustee and Agent fees | £ | 10,622.78 |
| Amounts due to the Funding 1 Issuers | £ | 141,492.25 |
| Other senior fees | £ | 62,691.19 |
| Amounts due to Liquidity Facility Provider | £ | 29,917.81 |
| Amounts due to the Cash Manager | £ | 137,123.29 |
| Amounts due to the Corporate Services Provider | £ | - |
| Amounts payable under the Funding 1 Swap | £ | 7,858,797.16 |
| Interest on AAA Term Advances | £ | 5,755,892.12 |
| Interest on AA Term Advances | £ | - |
| Interest on BBB Term Advances | £ | - |
| CR to General Reserve Fund to required amount | £ | 27,800,000.00 |
| Towards a credit to the Z Loan PDL | £ | 358,966.27 |
| Interest & fees on the Z Loan | £ | 4,876,041.20 |
| Other amounts due to Funding 1 Issuers | £ | 575.59 |
| Amounts due under the Start-up Loans | £ | - |
| Payment to Funding 1 in respect of profit | £ | 11,494.82 |
| Deferred Consideration to the Seller | £ | 67,904,599.03 |
| | £ | <u>114,948,213.51</u> |

Funding 1 Available Principal Receipts

| | | |
|--|---|-------------------------|
| All Mortgages Trust Principal Receipts distributed | £ | 1,257,215,226.41 |
| Funding 1 Principal on Cash Accumulation Ledger | £ | - |
| Amounts to be credited to PDL | £ | 358,966.27 |
| Amounts made available from Liquidity Facility | £ | - |
| Amounts made available from General Reserve | £ | - |
| Amounts made available from Liquidity Reserve | £ | - |
| | £ | <u>1,257,574,192.68</u> |

| | | |
|--|---|-------------------------|
| Amounts due to Liquidity Facility Provider | £ | - |
| Towards replenishment General Reserve | £ | - |
| CR Liquidity Reserve Ledger | £ | - |
| Towards redeeming AAA Term Advances | £ | 1,257,574,192.68 |
| Towards redeeming AA Term Advances | £ | - |
| Towards redeeming BBB Term Advances | £ | - |
| CR Cash Accumulation Ledger | £ | - |
| CR Funding 1 Principal Ledger | £ | - |
| | £ | <u>1,257,574,192.68</u> |

Key Counterparties

| | |
|-------------------------------|---|
| Issuing Entities | Permanent Master Issuer plc (Master Issuer), Permanent Financing (No.7) plc, Permanent Financing (No.8) plc, Permanent Financing (No.9) plc |
| Mortgages Trustee | Permanent Mortgages Trustee Limited |
| Depositors | Permanent Funding (No. 1) Limited (Funding 1), Permanent Funding (No. 2) Limited (Funding 2) |
| Seller | Bank of Scotland plc |
| Servicer | Bank of Scotland plc |
| Cash Manager | Bank of Scotland plc |
| Account Bank | Bank of Scotland plc |
| Issuing Entity Account Bank | Bank of Scotland plc |
| Security & Note Trustee | The Bank of New York Mellon |
| Agent Bank & Paying Agent(s) | Citibank, N.A. |
| Funding 1 Swap Provider | Bank of Scotland plc |
| Funding 2 Swap Provider | Bank of Scotland plc |
| Issuing Entity Swap Providers | Bank of Scotland plc Barclays Bank plc Natixis The Royal Bank of Scotland plc |

Glossary

| | |
|-------------------------------|--|
| Capitalised arrears | Arrears of interest may be capitalised with the agreement of the borrower once a borrower has made six consecutive scheduled payments of at least the contractual amount. |
| Constant Prepayment Rate | The Constant Prepayment Rate (CPR) is an annualised percentage reflecting the amount of principal prepaid in excess of scheduled principal receipts. CPR is currently unavailable. |
| Current LTV | Current LTV is calculated using the latest Indexed Valuation held in the Seller's records. |
| Indexed Valuation | Indexation is applied quarterly in January, April, July and October to property valuations using the Halifax House Price Index. |
| Defaulted Loan | A loan is defined as being in default when the property relating to that loan has been taken into possession. |
| Excess Spread | Excess Spread (%) is calculated by dividing the annual equivalent of the remaining Available Revenue Receipts after crediting the General Reserve Fund into the weighted average principal amount outstanding of the notes during the Interest Period. |
| Months in arrears | The number of months in arrears based on the most recent payments due. It is not the amount of arrears divided by the current payment due. The arrears table on page 1 includes repossessions. |
| Mortgage Account | A mortgage account consists of one or more loans secured, by way of equal ranking first charge, on the same property and thereby forming a single mortgage account. |
| Original LTV | LTV at origination has been calculated using the valuation at origination of the initial loan in a mortgage account, where this is still held in the Seller's records. Where this original valuation is no longer held, the latest valuation has been used in the calculation. Any fees added to the initial loan at origination have been excluded from the calculation. |
| Outstanding principal balance | The aggregate principal balance of the loans including (without double counting) the initial advance, any further advance, any flexible loan drawing, capitalised expenses, capitalised arrears and capitalised interest less any prepayments, repayments or payments of the foregoing prior to the relevant date, plus accrued interest on the loans as at the relevant date. |
| Principal Payment Rate | Monthly PPR reflects the aggregate of scheduled and unscheduled principal receipts, including the proceeds from any loan repurchases by the Seller. It should be noted that in previous reports, this was labelled CPR. |
| Region | Reported regions are NUTS1 classifications. NUTS is Nomenclature of Units for Territorial Statistics. |
| Scheduled Maturity Date | The date or dates when principal is scheduled to be repaid on bullet and scheduled amortisation notes and from when principal becomes payable on pass-through notes. |
| Seasoning | Seasoning is reported on an aggregated basis for each mortgage account. It is calculated using the origination date of the original loan in the mortgage account and ignores any subsequent loans in the mortgage account. |
| Type of Loan | The 'Type of loan' and 'Distribution of fixed rate loans' tables have been prepared on the basis of the type of loan applicable to each mortgage accounts primary product holding. In addition to the primary product holding, a mortgage account may have other active product holdings which may or may not be the same type as the primary product holding. |