

## Permanent Master Trust | Monthly Investor Report

Reporting Date 15 Oct 2013  
 Reporting Period 1 Sep 2013 to 30 Sep 2013  
 Next Funding 2 Interest Payment Date 15 Oct 2013  
 Funding 2 Interest Period 15 Jul 2013 to 15 Oct 2013

### Contact Details

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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](http://www.lloydsbankinggroup.com/investors/debt_investors/securitisation_terms.asp)

### Mortgages Trust Summary

Outstanding principal balance start period	£	25,087,522,557.37	Number of accounts at start of period	324,461
Outstanding principal balance end period	£	24,737,280,012.75	Number of accounts at end of period	320,587
Funding 2 Issuer Notes outstanding (GBP)	£	16,822,215,581.78	Funding 1 Issuer Notes outstanding (GBP)	£ -
<i>plus</i> Funding 2 Z Loans outstanding	£	2,548,000,000.00	<i>plus</i> Funding 1 Z Loans outstanding	£ -
<i>less</i> Cash Accumulation Ledger balance	£	1,833,060,251.81	<i>less</i> Cash Accumulation Ledger balance	£ -
<i>less</i> Funding 2 Principal Ledger balance	£	1,067,401,785.80	<i>less</i> Funding 1 Principal Ledger balance	£ -
<i>less</i> Principal Deficiency Ledger balance	£	3,027,012.17	<i>less</i> Principal Deficiency Ledger balance	£ -
Funding 2 Share	£	16,466,726,632.00	Funding 1 Share	£ -
Funding 2 Share %		66.56644%	Funding 1 Share %	0%
Seller Share	£	8,270,553,380.75		
Seller Share %		33.43356%		
Minimum Seller Share	£	2,630,789,675.02		
Minimum Seller Share %		10.63492%		

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	£ 23,263,731,337.18	94.04%	£ 1,572,725.66	306,300	95.54%
1 - < 2 months	£ 409,261,752.74	1.65%	£ 3,285,466.24	4,141	1.29%
2 - < 3 months	£ 210,142,067.21	0.85%	£ 3,114,710.31	2,108	0.66%
3 - < 6 months	£ 385,263,581.54	1.56%	£ 10,070,108.72	3,699	1.15%
6 - < 12 months	£ 313,626,896.54	1.27%	£ 15,739,473.12	2,892	0.90%
>= 12 months	£ 155,254,377.54	0.63%	£ 17,330,180.76	1,447	0.45%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>£ 51,112,664.81</b>	<b>320,587</b>	<b>100.00%</b>

Properties in possession	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total	Cumulative Numbers
Brought forward	£ 21,351,061.01	0.09%	211	0.07%	
Repossessed			51	0.02%	5,624
Sold and loss incurred			47	0.01%	3,643
Sold and no loss incurred			13	0.00%	1,709
Relinquished to borrower			-	0.00%	66
Loan repurchased			-	0.00%	4
Carried forward	£ 21,355,669.37	0.09%	202	0.06%	

Average days from possession to sale (this period)

113

#### Asset Yield

Yield	%
Halifax Variable Rate 1	3.99%
Halifax Homeowner Variable Rate	3.99%
Pre-Funding Swap yield	3.91526%
Post-Funding Swap yield (over 3m LIBOR)	2.00725%
Minimum Trust Property Yield Margin	1.50%

#### Loan Repurchases

Reason	Principal proceeds	Number of accounts
Further Advance and/or Product Switch	£ 36,256,824.84	427
Breach of Loan Warranty	£ 616,391.86	3
<b>Total</b>	<b>£ 36,873,216.70</b>	<b>430</b>

#### Loans Added

Balance of accounts	Number of accounts
£ -	-

Principal Payment Rate

Month	Monthly PPR	1-month annualised	3-month average	12-month average
Sep 2013	1.40%	15.62%	15.55%	14.89%
Aug 2013	1.47%	16.32%	15.09%	14.78%
Jul 2013	1.32%	14.71%	14.84%	14.81%

Range of LTV ratios at origination	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
0% - <25%	£ 411,913,974.68	1.67%	17,516	5.46%
25% - <50%	£ 2,764,177,553.74	11.17%	62,075	19.36%
50% - <75%	£ 8,720,916,187.97	35.25%	108,115	33.72%
75% - <80%	£ 2,668,277,754.63	10.79%	25,789	8.04%
80% - <85%	£ 2,032,150,983.39	8.21%	20,332	6.34%
85% - <90%	£ 2,940,974,370.34	11.89%	28,370	8.85%
90% - <95%	£ 3,243,185,948.88	13.11%	33,064	10.31%
95% - <97%	£ 1,343,801,945.87	5.43%	17,136	5.35%
>=97%	£ 611,881,293.25	2.47%	8,190	2.55%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Maximum Original LTV	97.00%
Minimum Original LTV	0.12%
Weighted average Original LTV	72.68%

Range of LTV ratios at end of reporting period	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
0% - <25%	£ 2,096,181,327.15	8.47%	93,255	29.09%
25% - <50%	£ 5,636,314,442.66	22.78%	86,652	27.03%
50% - <75%	£ 8,771,867,273.42	35.46%	77,980	24.32%
75% - <80%	£ 2,009,467,130.02	8.12%	15,971	4.98%
80% - <85%	£ 1,927,937,266.70	7.79%	14,984	4.67%
85% - <90%	£ 1,486,821,440.28	6.01%	11,456	3.57%
90% - <95%	£ 1,114,635,864.56	4.51%	8,177	2.55%
95% - <100%	£ 791,457,255.42	3.20%	5,588	1.74%
100% - <105%	£ 470,613,880.12	1.90%	3,314	1.03%
105% - <110%	£ 250,750,342.52	1.01%	1,778	0.55%
110% - <115%	£ 124,907,668.05	0.50%	896	0.28%
115% - <120%	£ 40,192,905.87	0.16%	297	0.09%
120% - <125%	£ 11,422,055.92	0.05%	92	0.03%
>=125%	£ 4,711,160.06	0.02%	147	0.05%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Maximum Current LTV	143.30%
Minimum Current LTV	-63.63%
Weighted average Current LTV	61.82%

Range of outstanding balances at end of period	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
£0 - <£25,000	£ 861,972,505.05	3.48%	71,558	22.32%
£25,000 - <£50,000	£ 2,394,053,560.71	9.68%	64,646	20.16%
£50,000 - <£75,000	£ 3,378,741,041.20	13.66%	54,489	17.00%
£75,000 - <£100,000	£ 3,604,274,162.76	14.57%	41,528	12.95%
£100,000 - <£125,000	£ 3,249,237,637.75	13.13%	29,085	9.07%
£125,000 - <£150,000	£ 2,734,798,284.92	11.06%	20,007	6.24%
£150,000 - <£175,000	£ 2,099,569,767.90	8.49%	13,007	4.06%
£175,000 - <£200,000	£ 1,577,587,775.62	6.38%	8,457	2.64%
£200,000 - <£225,000	£ 1,155,084,332.42	4.67%	5,462	1.70%
£225,000 - <£250,000	£ 845,514,098.77	3.42%	3,572	1.11%
£250,000 - <£275,000	£ 635,067,689.56	2.57%	2,430	0.76%
£275,000 - <£300,000	£ 476,605,290.14	1.93%	1,661	0.52%
£300,000 - <£350,000	£ 685,426,487.83	2.77%	2,130	0.66%
£350,000 - <£400,000	£ 464,548,347.71	1.88%	1,249	0.39%
£400,000 - <£450,000	£ 353,439,982.26	1.43%	837	0.26%
£450,000 - <£500,000	£ 220,783,347.76	0.89%	468	0.15%
>=£500,000	£ 575,700.39	0.00%	1	0.00%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Maximum current balance	£ 575,700.39
Minimum current balance	-£ 63,081.60
Average current balance	£ 77,162.46
Weighted average current balance	£ 137,598.41

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Region	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
East Midlands	£ 1,538,493,979.69	6.22%	23,223	7.24%
East of England	£ 2,360,405,867.88	9.54%	26,184	8.17%
London	£ 4,327,283,521.93	17.49%	34,767	10.84%
North East	£ 951,869,763.33	3.85%	16,931	5.28%
North West	£ 2,364,268,142.99	9.56%	38,791	12.10%
Scotland	£ 2,450,336,072.25	9.91%	40,014	12.48%
South East	£ 3,784,943,580.42	15.30%	37,121	11.58%
South West	£ 1,788,817,243.27	7.23%	21,735	6.78%
Wales	£ 867,957,645.91	3.51%	14,089	4.39%
West Midlands	£ 2,064,888,474.57	8.35%	30,032	9.37%
Yorkshire and The Humber	£ 2,231,542,383.64	9.02%	37,619	11.73%
Unknown	£ 6,473,336.87	0.03%	81	0.03%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Property type	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
Detached house	£ 4,093,501,915.67	16.55%	29,687	9.26%
Semi-detached house	£ 4,885,110,276.88	19.75%	51,861	16.18%
Terraced house	£ 4,959,081,435.30	20.05%	55,747	17.39%
House: det type unknown <sup>1</sup>	£ 2,195,064.56	0.01%	16	0.00%
Flat or maisonette	£ 2,903,764,717.87	11.74%	29,931	9.34%
Bungalow	£ 846,119,466.70	3.42%	9,301	2.90%
Unknown <sup>2</sup>	£ 7,047,507,135.77	28.49%	144,044	44.93%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

of Unknown property type:

Detachment type	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
Detached	£ 1,984,093,583.39	8.02%	32,066	10.00%
Semi-detached	£ 2,251,664,112.11	9.10%	50,468	15.74%
Terraced	£ 2,170,124,877.44	8.77%	48,940	15.27%
Other / Unknown <sup>3</sup>	£ 641,624,562.83	2.59%	12,570	3.92%
<b>Total Unknown</b>	<b>£ 7,047,507,135.77</b>	<b>28.49%</b>	<b>144,044</b>	<b>44.93%</b>

<sup>1</sup> Where the detachment type is not shown in the Seller's records

<sup>2</sup> Where the property type is not shown in the Seller's records

<sup>3</sup> 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	£ -	0.00%	-	0.00%
18 - <24	£ -	0.00%	-	0.00%
24 - <30	£ -	0.00%	-	0.00%
30 - <36	£ 147,976,802.35	0.60%	1,541	0.48%
36 - <42	£ 462,492,539.43	1.87%	4,782	1.49%
42 - <48	£ 979,958,390.54	3.96%	10,090	3.15%
48 - <54	£ 822,934,954.22	3.33%	8,943	2.79%
54 - <60	£ 2,122,535,443.20	8.58%	19,088	5.95%
60 - <72	£ 2,950,821,091.68	11.93%	24,191	7.55%
72 - <84	£ 4,754,585,329.46	19.22%	41,668	13.00%
84 - <96	£ 3,019,046,508.14	12.20%	34,270	10.69%
96 - <108	£ 2,448,859,054.82	9.90%	31,906	9.95%
108 - <120	£ 2,604,743,535.11	10.53%	37,624	11.74%
>=120	£ 4,423,326,363.80	17.88%	106,484	33.22%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Maximum seasoning	275.98
Minimum seasoning	35.06
Weighted average seasoning	91.12

Years to maturity	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
< 5	£ 1,654,060,373.37	6.69%	48,469	15.12%
5 - <10	£ 3,354,267,102.66	13.56%	62,172	19.39%
10 - <15	£ 6,153,560,872.26	24.88%	82,548	25.75%
15 - <20	£ 8,917,521,514.00	36.05%	83,194	25.95%
20 - <25	£ 3,930,381,173.83	15.89%	36,790	11.48%
25 - <30	£ 709,571,564.70	2.87%	7,268	2.27%
>=30	£ 17,917,411.93	0.07%	146	0.05%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Maximum remaining term	39.83
Minimum remaining term	-
Weighted average remaining term	14.93

Use of proceeds	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
Purchase	£ 15,679,182,380.58	63.38%	213,284	66.53%
Remortgage	£ 9,058,097,632.17	36.62%	107,303	33.47%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Repayment terms	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
Repayment	£ 13,604,255,896.29	54.99%	221,937	69.23%
Interest Only	£ 11,133,024,116.46	45.01%	98,650	30.77%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Payment method	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
Direct debit	£ 22,367,378,196.21	90.42%	287,055	89.54%
Other	£ 2,369,901,816.54	9.58%	33,532	10.46%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Origination channel	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
Direct	£9,784,659,014.52	39.55%	155,972	48.65%
Intermediary / Other	£14,952,620,998.23	60.45%	164,615	51.35%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>

Type of loan	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
Added variable rate loans	£ 140,031,643.72	0.57%	1,452	0.45%
Discounted variable rate loans	£ 116,895,391.35	0.47%	1,044	0.33%
Fixed rate loans	£ 5,826,565,088.40	23.55%	72,704	22.68%
Tracker rate loans	£ 2,171,233,915.13	8.78%	33,869	10.56%
Standard variable rate loans	£ 16,482,553,974.15	66.63%	211,518	65.98%
<b>Total</b>	<b>£ 24,737,280,012.75</b>	<b>100.00%</b>	<b>320,587</b>	<b>100.00%</b>
<i>of which</i> Flexible Loans	£ 136,607,860.29	0.55%	1,462	0.46%

Distribution of fixed rate loans

Fixed rate %	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
0 - <4.00%	£ 3,067,817,478.61	52.65%	37,642	51.77%
4.00 - <5.00%	£ 1,052,598,340.95	18.07%	12,388	17.04%
5.00 - <6.00%	£ 1,025,430,131.76	17.60%	13,968	19.21%
6.00 - <7.00%	£ 555,937,951.94	9.54%	7,526	10.35%
>=7.00%	£ 124,781,185.14	2.14%	1,180	1.62%
<b>Total</b>	<b>£ 5,826,565,088.40</b>	<b>100.00%</b>	<b>72,704</b>	<b>100.00%</b>

Year in which current fixed rate period ends	Aggregate outstanding principal balance	% of Total	Number of accounts	% of Total
2013	£ 368,118,465.17	6.32%	4,278	5.88%
2014	£ 2,984,277,486.06	51.22%	34,651	47.66%
2015	£ 1,207,625,248.25	20.73%	13,947	19.18%
2016	£ 404,129,676.22	6.94%	5,430	7.47%
2017	£ 338,503,862.19	5.81%	4,897	6.74%
2018	£ 474,313,271.95	8.14%	5,633	7.75%
2019+	£ 49,597,078.56	0.85%	3,868	5.32%
<b>Total</b>	<b>£ 5,826,565,088.40</b>	<b>100.00%</b>	<b>72,704</b>	<b>100.00%</b>

**Outstanding Issuance**

Series Name	2009-1 1A	2009-1 2A	2009-1 3A
Issue Date	29 Sep 2009	29 Sep 2009	29 Sep 2009
Orig Rating (Fitch/Moody's/S&P)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)
Curr Rating (Fitch/Moody's/S&P)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)
Currency	GBP	GBP	EUR
Issue Size	GBP 1,650,000,000	GBP 1,650,000,000	EUR 750,000,000
Issue Size (GBP equivalent)	GBP 1,650,000,000	GBP 1,650,000,000	GBP 675,375,000
Exchange Rate	-	-	1.11049
Outstanding Amount <sup>4</sup>	GBP 1,650,000,000	GBP 1,650,000,000	EUR 750,000,000
Pool Factor <sup>4</sup>	1.0	1.0	1.0
Scheduled Maturity Date	15 Oct 2014	15 Oct 2014	15 Oct 2014
Final Maturity Date	15 Jul 2042	15 Jul 2042	15 Jul 2042
Bond Structure	Soft Bullet	Soft Bullet	Soft Bullet
ISIN	XS0454741272	XS0454744375	XS0454744458
Stock Exchange Listing	London	London	London
Reference Rate	3m GBP LIBOR	3m GBP LIBOR	3m EURIBOR
Margin	1.70%	1.70%	1.70%
Current Rate	2.20938%	2.20938%	1.918%
Current Accrual Period	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13

*Funding 2 Interest Payment Date 15 Oct 2013*

Expected Coupon Amount	GBP 9,188,599.56	GBP 9,188,599.56	EUR 3,676,166.67
Coupon Amount Paid	GBP 9,188,599.56	GBP 9,188,599.56	EUR 3,676,166.67
Interest Shortfall	GBP 0	GBP 0	EUR 0
Cumulative Interest Shortfall	GBP 0	GBP 0	EUR 0
Scheduled Principal Payment	GBP 0	GBP 0	EUR 0
Principal Paid	GBP 0	GBP 0	EUR 0
Principal Shortfall	GBP 0	GBP 0	EUR 0
Cumulative Principal Shortfall	GBP 0	GBP 0	EUR 0

Series Name	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
Orig Rating (Fitch/Moody's/S&P)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)
Curr Rating (Fitch/Moody's/S&P)	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	EUR	GBP	GBP
Issue Size	GBP 200,000,000	EUR 750,000,000	GBP 600,000,000	GBP 400,000,000
Issue Size (GBP equivalent)	GBP 200,000,000	GBP 650,325,000	GBP 600,000,000	GBP 400,000,000
Exchange Rate	-	1.15327	-	-
Outstanding Amount <sup>4</sup>	GBP 200,000,000	EUR 750,000,000	GBP 600,000,000	GBP 400,000,000
Pool Factor <sup>4</sup>	1.0	1.0	1.0	1.0
Scheduled Maturity Date	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
Bond Structure	Soft Bullet	Soft Bullet	Soft Bullet	Soft Bullet
ISIN	XS0484703359	XS0484703516	XS0484703433	XS0484703862
Stock Exchange Listing	London	London	London	London
Reference Rate	3m GBP LIBOR	3m EURIBOR	Fixed	3m GBP LIBOR
Margin	1.30%	1.25%	-	1.30%
Current Rate	1.80938%	1.468%	4.805%	1.80938%
Current Accrual Period	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Jan 14	15 Jul 13 to 15 Oct 13

*Funding 2 Interest Payment Date 15 Oct 2013*

Expected Coupon Amount	GBP 912,125.81	EUR 2,813,666.67	GBP 0.00	GBP 1,824,251.62
Coupon Amount Paid	GBP 912,125.81	EUR 2,813,666.67	GBP 0.00	GBP 1,824,251.62
Interest Shortfall	GBP 0	EUR 0	GBP 0	GBP 0
Cumulative Interest Shortfall	GBP 0	EUR 0	GBP 0	GBP 0
Scheduled Principal Payment	GBP 0	EUR 0	GBP 0	GBP 0
Principal Paid	GBP 0	EUR 0	GBP 0	GBP 0
Principal Shortfall	GBP 0	EUR 0	GBP 0	GBP 0
Cumulative Principal Shortfall	GBP 0	EUR 0	GBP 0	GBP 0

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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
Orig Rating (Fitch/Moody's/S&P)	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)
Curr Rating (Fitch/Moody's/S&P)	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 <sup>4</sup>	USD 0	USD 750,000,000	USD 750,000,000	USD 750,000,000	GBP 500,000,000
Pool Factor <sup>4</sup>	0.0	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	1.66810%	1.76810%	1.76810%	1.76810%	2.00938%
Current Accrual Period	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13

*Funding 2 Interest Payment Date 15 Oct 2013*

Expected Coupon Amount	USD 3,197,191.67	USD 3,388,858.33	USD 3,388,858.33	USD 3,388,858.33	GBP 2,532,369.32
Coupon Amount Paid	USD 3,197,191.67	USD 3,388,858.33	USD 3,388,858.33	USD 3,388,858.33	GBP 2,532,369.32
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 750,000,000	USD 0	USD 0	USD 0	GBP 0
Principal Paid	USD 750,000,000	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
Orig Rating (Fitch/Moody's/S&P)	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)
Curr Rating (Fitch/Moody's/S&P)	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 <sup>4</sup>	USD 2,600,000,000	GBP 400,000,000	EUR 900,000,000	EUR 200,000,000	GBP 200,000,000
Pool Factor <sup>4</sup>	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	1.66810%	1.90938%	1.51800%	1.61800%	2.00938%
Current Accrual Period	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13

*Funding 2 Interest Payment Date 15 Oct 2013*

Expected Coupon Amount	USD 11,083,597.78	GBP 1,925,073.53	EUR 3,491,400.00	EUR 826,977.78	GBP 1,012,947.73
Coupon Amount Paid	USD 11,083,597.78	GBP 1,925,073.53	EUR 3,491,400.00	EUR 826,977.78	GBP 1,012,947.73
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

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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
Orig Rating (Fitch/Moody's/S&P)	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)
Curr Rating (Fitch/Moody's/S&P)	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 <sup>4</sup>	GBP 500,000,000	USD 0	USD 1,000,000,000	USD 1,050,000,000	GBP 750,000,000
Pool Factor <sup>4</sup>	1.0	0.0	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	XS0700165672	XS0700166134	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	2.00938%	1.76810%	1.81810%	1.86810%	2.15938%
Current Accrual Period	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13

*Funding 2 Interest Payment Date 15 Oct 2013*

Expected Coupon Amount	GBP 2,532,369.32	USD 4,066,630.00	USD 4,646,255.56	USD 5,012,735.01	GBP 4,082,115.62
Coupon Amount Paid	GBP 2,532,369.32	USD 4,066,630.00	USD 4,646,255.56	USD 5,012,735.01	GBP 4,082,115.62
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 900,000,000	USD 0	USD 0	GBP 0
Principal Paid	GBP 0	USD 900,000,000	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	2013-1 1A	2013-1 1M
Issue Date	1 Nov 2011	5 Apr 2013	5 Apr 2013
Orig Rating (Fitch/Moody's/S&P)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)	A(sf)/ A2(sf)/ A(sf)
Curr Rating (Fitch/Moody's/S&P)	AAA(sf)/ Aaa(sf)/ AAA(sf)	AAA(sf)/ Aaa(sf)/ AAA(sf)	A(sf)/ A2(sf)/ A(sf)
Currency	GBP	GBP	GBP
Issue Size	GBP 500,000,000	GBP 1,250,000,000	GBP 500,000,000
Issue Size (GBP equivalent)	GBP 500,000,000	GBP 1,250,000,000	GBP 500,000,000
Exchange Rate	-	-	-
Outstanding Amount <sup>4</sup>	GBP 500,000,000	GBP 1,250,000,000	GBP 500,000,000
Pool Factor <sup>4</sup>	1.0	1.0	1.0
Scheduled Maturity Date	15 Jul 21 & 15 Oct 21	15 Jan 2016	15 Jan 2016
Final Maturity Date	15 Jul 2042	15 Jul 2042	15 Jul 2042
Bond Structure	Scheduled Am	Pass-through	Pass-through
ISIN	XS0700016834	XS0909782764	XS0909783143
Stock Exchange Listing	London	London	London
Reference Rate	3m GBP LIBOR	3m GBP LIBOR	3m GBP LIBOR
Margin	1.95%	0.45%	1.10%
Current Rate	2.45938%	0.95938%	1.60938%
Current Accrual Period	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13	15 Jul 13 to 15 Oct 13

*Funding 2 Interest Payment Date 15 Oct 2013*

Expected Coupon Amount	GBP 3,099,492.60	GBP 3,022,704.11	GBP 2,028,259.73
Coupon Amount Paid	GBP 3,099,492.60	GBP 3,022,704.11	GBP 2,028,259.73
Interest Shortfall	GBP 0	GBP 0	GBP 0
Cumulative Interest Shortfall	GBP 0	GBP 0	GBP 0
Scheduled Principal Payment	GBP 0	GBP 0	GBP 0
Principal Paid	GBP 0	GBP 0	GBP 0
Principal Shortfall	GBP 0	GBP 0	GBP 0
Cumulative Principal Shortfall	GBP 0	GBP 0	GBP 0

<sup>4</sup> As at end of latest completed Interest Period and following waterfall reported on p13

**Credit Enhancement**

Permanent Master Issuer notes<sup>4</sup>

Class	Amount (GBP equivalent)	% of Total	Support
Class A notes	£ 15,262,203,133	96.83%	21.91%
Class B notes	£ -	0.00%	21.91%
Class M notes	£ 500,000,000	3.17%	18.73%
Class C notes	£ -	0.00%	18.73%
Total notes	£ 15,762,203,133	100.00%	
Reserve	£ 405,000,000	2.57%	
Funding 2 Z Loan	£ 2,548,000,000	16.17%	

Z Loan Required Amounts

Funding 2	£ 2,548,000,000
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**Excess Spread**

Permanent Funding 2

Amount	%
£ 17,510,825	0.41%

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

**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 %
02-Sep-13	£ 25,087,522,557.37	£ -	£ 16,820,160,293.33	£ 8,267,362,264.04	0.0000%	67.0459%	32.9541%
01-Aug-13	£ 25,458,986,673.34	£ -	£ 17,196,528,864.11	£ 8,262,457,809.23	0.0000%	67.5460%	32.4540%
01-Jul-13	£ 25,794,129,818.64	£ -	£ 17,537,155,429.97	£ 8,256,974,388.67	0.0000%	67.9889%	32.0111%

Losses Ledger

Month	Losses in month	Funding 1 share of losses	Funding 2 share of losses	Seller share of losses	Cumulative losses
Sep 2013	£ 1,440,994.28	£ -	£ 966,127.87	£ 474,866.41	£ 126,926,993.01
Aug 2013	£ 1,751,584.31	£ -	£ 1,183,125.31	£ 568,459.00	£ 125,485,998.73
Jul 2013	£ 1,291,032.02	£ -	£ 877,758.99	£ 413,273.03	£ 123,734,414.42

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

Month	Debit	Credit	Balance
Sep 2013	£ 966,127.87	£ -	£ 3,027,012.17
Aug 2013	£ 1,183,125.31	£ -	£ 2,060,884.30
Jul 2013	£ 877,758.99	£ 3,127,140.91	£ 877,758.99

Funding 2 Reserve Ledger

Month	Debit	Credit	Balance	Funding 2 Reserve Required Amount
Sep 2013	£ -	£ -	£ 405,000,000.00	£ 405,000,000.00
Aug 2013	£ -	£ -	£ 405,000,000.00	£ 405,000,000.00
Jul 2013	£ -	£ -	£ 405,000,000.00	£ 405,000,000.00

Funding 2 Yield Reserve Ledger<sup>5</sup>

Month	Debit	Credit	Balance
Sep 2013	£ -	£ -	£ 125,686,875.08
Aug 2013	£ -	£ -	£ 125,686,875.08
Jul 2013	£ 8,876,908.00	£ -	£ 125,686,875.08

<sup>5</sup> Only Funding 2 Yield Reserve Notes benefit from the Funding 2 Yield Reserve.

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### Bank Accounts Balance

#### Mortgages Trustee GIC Account

Date	Revenue Ledger	Principal Ledger	Other	Bank Balance <sup>6</sup>
30 Sep 2013	£ 76,638,639.71	£ 352,467,533.46	£ 100.00	£ 429,106,273.17
31 Aug 2013	£ 79,197,147.04	£ 375,185,445.47	£ 100.00	£ 454,382,692.51
31 Jul 2013	£ 80,813,044.13	£ 339,748,806.87	£ 100.00	£ 420,561,951.00

<sup>6</sup> 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
30 Sep 2013	£ 108,806,801.46	£ 714,934,252.34	£ 1,833,060,251.81	£ 405,000,000.00	£ 125,686,875.08	£ 3,187,488,180.69
31 Aug 2013	£ 55,344,856.06	£ 339,748,806.87	£ 1,833,060,251.81	£ 405,000,000.00	£ 125,686,875.08	£ 2,758,840,789.82
31 Jul 2013	£ 559,403.99	£ -	£ 1,833,060,251.81	£ 405,000,000.00	£ 125,686,875.08	£ 2,364,306,530.88

#### Funding 2 Transaction Account

Date	Retained Profit Amount	Start-up Loans Proceeds	Bank Balance
30 Sep 2013	£ 1,808,039.90	£ -	£ 1,808,039.90
31 Aug 2013	£ 1,808,039.90	£ 900.00	£ 1,808,939.90
31 Jul 2013	£ 1,808,039.90	£ 60,718.67	£ 1,868,758.57

#### Master Issuer Capital & Transaction Accounts

Date	Issuer Profit	Capital	Aggregate Bank Balance
30 Sep 2013	£ 228,937.04	£ 12,501.50	£ 241,438.54
31 Aug 2013	£ 240,010.12	£ 12,501.50	£ 252,511.62
31 Jul 2013	£ 239,956.29	£ 12,501.50	£ 252,457.79

### Funding Swaps

Funding 2 Swap Provider	Calculation Period	Notional	Funding 2 Swap Provider Amount	Funding 2 Amount	Net Funding 2 Amount <sup>7</sup>
Bank of Scotland plc	1 Sep - 30 Sep 2013	£ 16,502,340,704.97	£ 34,134,506.70	£ 53,237,329.71	-£ 19,102,823.01
	1 Aug - 31 Aug 2013	£ 16,875,325,912.85	£ 36,065,442.59	£ 56,516,717.30	-£ 20,451,274.71
	01 Jul - 31 Jul 2013	£ 17,214,994,887.55	£ 36,766,366.72	£ 57,920,311.92	-£ 21,153,945.20
					£ -
					£ -
				Amount paid or received at end of latest completed Funding 2 Interest Period	-£ 60,708,042.92

<sup>7</sup> A negative figure represents a payment by Funding 2 and a positive figure is a receipt.

### Issuing Entity Swaps

Issue & Class	Currency Swap Provider	Currency Swap Provider Amounts <sup>8</sup>		Permanent Master Issuer GBP Amounts <sup>8</sup>	
		Floating Amount	Exchange Amount	Floating Amount	Exchange Amount
2009-1 3A	Barclays Bank plc	EUR 3,676,166.67	EUR -	GBP 4,021,855.53	GBP -
2010-1 2A2	Bank of Scotland plc	EUR 2,813,666.67	EUR -	GBP 3,255,205.53	GBP -
2010-2 1A	Royal Bank of Scotland plc	USD 3,197,191.67	USD 750,000,000.00	GBP 2,557,594.81	GBP 496,032,000.00
2010-2 2A	Bank of Scotland plc	USD 3,388,858.33	USD -	GBP 2,665,430.81	GBP -
2010-2 3A	Royal Bank of Scotland plc	USD 3,388,858.33	USD -	GBP 2,690,436.25	GBP -
2010-2 4A	Natixis	USD 3,388,858.33	USD -	GBP 2,602,292.05	GBP -
2011-1 1A1	Natixis	USD 8,525,844.44	USD -	GBP 6,962,499.63	GBP -
2011-1 1A1	Bank of Scotland plc	USD 2,557,753.33	USD -	GBP 2,088,749.89	GBP -
2011-1 1A3	Bank of Scotland plc	EUR 3,491,400.00	EUR -	GBP 4,712,134.60	GBP -
2011-1 2A1	Bank of Scotland plc	EUR 826,977.78	EUR -	GBP 1,114,385.91	GBP -
2011-2 1A1	Bank of Scotland plc	USD 4,066,630.00	USD 900,000,000.00	GBP 3,236,278.52	GBP 563,980,448.68
2011-2 1A2	Bank of Scotland plc	USD 4,646,255.56	USD -	GBP 3,805,588.30	GBP -
2011-2 1A3	Bank of Scotland plc	USD 5,012,735.00	USD -	GBP 4,100,350.89	GBP -

Issue & Class	Interest Rate Swap Provider	Interest Rate Swap Provider Fixed Amnts <sup>8</sup>		Permanent Master Issuer Floating Amnts <sup>8</sup>	
		Provider Fixed Amnts <sup>8</sup>	Exchange Amount	Floating Amnts <sup>8</sup>	Exchange Amount
2010-1 3A	Bank of Scotland plc	GBP -	GBP -	GBP 3,023,769.21	GBP -

<sup>8</sup> Paid in latest waterfall, reported on p13.

Collateral posted by Royal Bank of Scotland under the 2010-2 1A currency swap	-
Collateral posted by Royal Bank of Scotland under the 2010-2 3A currency swap	-

The currency swaps' mark to market is in favour of Royal Bank of Scotland

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	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 / A2 / 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 / A2 / A
	Long Term: - / A3 / A-	Establishment of the Funding 2 Liquidity Reserve Fund.	Long Term: A / A2 / A
Funding 2 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 2 Swap Provider or obtain a guarantee of the Funding 2 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 Funding 2 Swap Provider or obtain a guarantee of the Funding 2 Swap Provider's obligations (and in the interim post collateral).	Short Term: F1 / P-1 / A-1 Long Term: A / A2 / 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 / 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
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 / 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
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 / 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
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-2 / A-1 Long Term: A / A3 / 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-2 / A-1 Long Term: A / A3 / 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 / A2 / 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 / A2 / 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 zero.		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 and the debit amount will not be cleared on the next Interest Payment Date	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	Loans with an arrear 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.	Seller unable to sell new portfolio to Mortgages Trustee and requirement for the Seller to repurchase any Loans subject to a Product Switch.	N
	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%.		
	The sale of any New Portfolio or completion of Product Switch does not result in the Fitch Portfolio Tests exceeding the most recently agreed Fitch Portfolio Test Value for each such Fitch Portfolio Test; or Where the above would not be satisfied in respect of any Fitch Portfolio Test, the sale of any New Portfolio or completion of Product Switch does not result in the margin by which the relevant Fitch Portfolio Test is exceeded being greater than the margin by which the Portfolio exceeded the most recently agreed Fitch Portfolio Test Value prior to completion of such sale or Product Switch.		
	The yield of the Loans in the Mortgages Trust is less than three month Sterling LIBOR plus the Minimum Trust Property Yield Margin.		
	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%.		
	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.		
	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.		

**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 2 will distribute its receipts to the Master Issuer and in turn the issuing entity will distribute its respective receipts to the noteholders, via the paying agents and issuing entity swap providers.

**Mortgages Trust Waterfall 3 Oct 2013**

<u>Mortgages Trust Revenue Receipts</u>	£	76,638,639.71	<u>Mortgages Trust Principal Receipts</u>	£	352,467,533.46
<u>Distribution</u>					
Amounts due to the Servicer	£	1,030,994.08	Paid to Funding 1	£	-
Other amounts due	£	3,418.89	Paid to Funding 2	£	352,467,533.46
Paid to Funding 1	£	-	Paid to the Seller	£	-
Paid to Funding 2	£	50,689,549.38			
Paid to the Seller	£	24,914,677.36			
	£	<u>76,638,639.71</u>		£	<u>352,467,533.46</u>

**Funding 2 Waterfall 15 Oct 2013**

<u>Funding 2 Available Revenue Receipts</u>			<u>Funding 2 Available Principal Receipts</u>		
All Mortgages Trust Revenue Receipts distributed	£	157,653,002.21	All Mortgages Trust Principal Receipts distributed	£	1,067,401,785.80
Amounts paid by the Seller to Funding 2	£	275,868.42	Funding 2 Principal on Cash Accumulation Ledger	£	1,833,060,251.81
Interest on the Funding 2 bank accounts	£	1,826,928.11	Amounts to be credited to PDL	£	3,027,012.17
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	£	-
Amounts made available from Liquidity Reserve	£	-			
Amount start-up loan not required for issue costs	£	-			
	£	<u>564,755,798.74</u>		£	<u>2,903,489,049.78</u>

Distribution

Trustee and Agent fees	£	15,445.46	Towards replenishment General Reserve	£	-
Amounts due to the Master Issuer	£	1,125,505.31	CR Liquidity Reserve Fund to required amount	£	-
Other senior fees	£	115,730.05	Towards redeeming AAA Loan Tranches	£	1,060,012,448.68
Amounts due to the Cash Manager	£	1,060,030.02	Towards redeeming AA Loan Tranches	£	-
Amounts due to the Corporate Services Provider	£	9,195.92	Towards redeeming A Loan Tranches	£	-
Amounts payable under the Funding 2 Swap	£	60,708,042.92	Towards redeeming BBB Loan Tranches	£	-
Interest on AAA non-Yield Reserve Loan Tranches	£	3,022,704.11	CR Cash Accumulation Ledger	£	1,843,476,601.10
Towards Yield Reserve Primary Loan Interest Amt	£	74,160,060.12	CR Funding 2 Principal Ledger	£	-
Interest on AA Loan Tranches	£	-			
Interest on A Loan Tranches	£	2,028,259.73			
Interest on BBB Loan Tranches	£	-			
CR to General Reserve Fund to required amount	£	405,000,000.00			
Towards a credit to the Z Loan PDL	£	3,027,012.17			
Interest on Z Loans	£	9,051,540.34			
Other amounts due to Master Issuer	£	8,818.55			
Payment to Funding 2 in respect of profit	-£	2,199.06			
Amounts due under the Start-up Loans	£	5,425,653.10			
Deferred Consideration to the Seller	£	-			
	£	<u>564,755,798.74</u>		£	<u>2,903,489,049.78</u>

**Master Issuer Waterfall 15 Oct 2013**

Master Issuer Revenue Receipts

Interest received in respect of Loan Tranches	£	88,185,480.44
Fees received under Master Intercompany Loan	£	1,134,323.86
Interest on the Master Issuer bank accounts	£	167.16
Any other net income	£	-
	£	<u>89,319,971.46</u>

Master Issuer Principal Receipts

Principal repaid by Funding 2 per Master ICL	£	1,060,012,448.68
	£	<u>1,060,012,448.68</u>

Distribution

Trustee and Agent fees	£	-
Other senior fees	£	65,475.29
Amounts due to the Cash Manager	£	1,060,030.02
Amounts due to the Corporate Services Provider	£	-
Amounts due to swap providers re Class A Notes	£	46,836,571.93
Interest due on Class A Notes	£	39,320,648.78
Amounts due to swap providers re Class B Notes	£	-
Interest due on Class B Notes	£	-
Amounts due to swap providers re Class M Notes	£	-
Interest due on Class M Notes	£	2,028,259.73
Amounts due to swap providers re Class C Notes	£	-
Interest due on Class C Notes	£	-
Balance to the Master Issuer	£	8,985.71
	£	<u>89,319,971.46</u>

Amounts due to swap providers re Class A Notes	£	1,060,012,448.68
Principal due on Class A Notes	£	-
Amounts due to swap providers re Class B Notes	£	-
Principal due on Class B Notes	£	-
Amounts due to swap providers re Class M Notes	£	-
Principal due on Class M Notes	£	-
Amounts due to swap providers re Class C Notes	£	-
Principal due on Class C Notes	£	-

£ 1,060,012,448.68

**Key Counterparties**

Issuing Entities	Permanent Master Issuer plc (Master Issuer),
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 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 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 reports prior to November 2011, 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.