

## Permanent Master Trust | Monthly Investor Report

Reporting Date 16 Nov 2015  
 Reporting Period 1 Oct 2015 to 31 Oct 2015  
 Next Funding 2 Interest Payment Date 15 Jan 2016  
 Funding 2 Interest Period 15 Oct 2015 to 15 Jan 2016

### 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>

### Mortgages Trust Summary

|  |   |                   |  |         |
|--|---|-------------------|--|---------|
| Outstanding principal balance start period | £ | 16,919,171,597.66 | Number of accounts at start of period    | 236,465 |
| Outstanding principal balance end period   | £ | 16,543,607,475.65 | Number of accounts at end of period      | 228,083 |
| Funding 2 Issuer Notes outstanding (GBP)   | £ | 9,258,581,512.16  | Funding 1 Issuer Notes outstanding (GBP) | £ -     |
| plus Funding 2 Z Loans outstanding         | £ | 160,000,000.00    | plus Funding 1 Z Loans outstanding       | £ -     |
| less Cash Accumulation Ledger balance      | £ | 1,279,181,503.58  | less Cash Accumulation Ledger balance    | £ -     |
| less Funding 2 Principal Ledger balance    | £ | 377,484,365.13    | less Funding 1 Principal Ledger balance  | £ -     |
| less Principal Deficiency Ledger balance   | £ | -                 | less Principal Deficiency Ledger balance | £ -     |
| Funding 2 Share                            | £ | 7,761,915,743.45  | Funding 1 Share                          | £ -     |
| Funding 2 Share %                          |   | 46.91792%         | Funding 1 Share %                        | 0%      |
| Seller Share                               | £ | 8,781,691,732.20  |  |         |
| Seller Share %                             |   | 53.08208%         |  |         |
| Minimum Seller Share                       | £ | 1,758,276,336.42  |  |         |
| Minimum Seller Share %                     |   | 10.62813%         |  |         |

Other Mortgages Trust assets: £100 cash at bank

**On 02 Nov 2015, Funding 2 acquired part of the Seller share of the Trust Property, in consideration of a cash payment. The cash payment was used to repay part of the Funding 2 Z Loan, reducing the value down to the Funding 2 Z Loan Required Amount.**

### 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 | £ 16,167,509,581.69                     | 97.73%         | £ 1,263,408.05              | 224,107            | 98.26%         |
| 1 - < 2 months      | £ 260,477,617.88                        | 1.57%          | £ 2,034,566.89              | 2,786              | 1.22%          |
| 2 - < 3 months      | £ 92,849,891.22                         | 0.56%          | £ 1,338,787.04              | 966                | 0.42%          |
| 3 - < 6 months      | £ 22,770,384.86                         | 0.14%          | £ 411,030.84                | 224                | 0.10%          |
| 6 - < 9 months      | £ -                                     | 0.00%          | £ -                         | -                  | 0.00%          |
| 9 - < 12 months     | £ -                                     | 0.00%          | £ -                         | -                  | 0.00%          |
| >= 12 months        | £ -                                     | 0.00%          | £ -                         | -                  | 0.00%          |
| <b>Total</b>        | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>£ 5,047,792.82</b>       | <b>228,083</b>     | <b>100.00%</b> |

| Properties in possession  | Aggregate outstanding principal balance | % of Total | Number of accounts | % of Total | Cumulative Numbers |
|---------------------------|---|------------|--------------------|------------|--------------------|
| Brought forward           | £ 72,406.22                             | 0.00%      | 1                  | 0.00%      |                    |
| Reposessed                | -                                       | 0.00%      | -                  | 0.00%      | 6,453              |
| Sold and loss incurred    | -                                       | 0.00%      | -                  | 0.00%      | 4,258              |
| Sold and no loss incurred | -                                       | 0.00%      | -                  | 0.00%      | 1,975              |
| Relinquished to borrower  | -                                       | 0.00%      | -                  | 0.00%      | 81                 |
| Loan repurchased          | -                                       | 0.00%      | 1                  | 0.00%      | 139                |
| Carried forward           | £ -                                     | 0.00%      | -                  | 0.00%      |                    |

Average days from possession to sale (this period)

0

#### Asset Yield

| Yield                                   | %        |
|---|----------|
| Halifax Variable Rate 1                 | 3.99%    |
| Halifax Homeowner Variable Rate         | 3.99%    |
| Pre-Funding Swap yield                  | 3.59637% |
| Post-Funding Swap yield (over 3m LIBOR) | 1.99190% |
| Minimum Trust Property Yield Margin     | 1.50%    |

#### Loan Repurchases

| Reason                                | Principal proceeds      | Number of accounts |
|---------------------------------------|-------------------------|--------------------|
| Further Advance and/or Product Switch | £ 19,458,195.05         | 181                |
| Arrears >3 months                     | £ 22,127,296.05         | 235                |
| Breach of Loan Warranty               | £ 111,865,906.12        | 5,378              |
| <b>Total</b>                          | <b>£ 153,451,397.22</b> | <b>5,794</b>       |

#### Loans Added

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

#### Principal Payment Rate

| Month    | Monthly PPR | 1-month annualised | 3-month average | 12-month average |
|----------|-------------|--------------------|-----------------|------------------|
| Oct 2015 | 2.23%       | 23.72%             | 20.15%          | 18.78%           |
| Sep 2015 | 1.77%       | 19.33%             | 20.03%          | 18.16%           |
| Aug 2015 | 1.58%       | 17.39%             | 19.05%          | 18.04%           |

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| Range of LTV ratios at origination | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|------------------------------------|---|----------------|--------------------|----------------|
| 0% - <25%                          | £ 238,204,569.60                        | 1.44%          | 10,180             | 4.46%          |
| 25% - <50%                         | £ 1,728,782,656.84                      | 10.45%         | 41,548             | 18.22%         |
| 50% - <75%                         | £ 5,911,059,362.89                      | 35.73%         | 78,716             | 34.51%         |
| 75% - <80%                         | £ 1,804,501,173.68                      | 10.91%         | 18,827             | 8.25%          |
| 80% - <85%                         | £ 1,354,535,647.28                      | 8.19%          | 14,750             | 6.47%          |
| 85% - <90%                         | £ 1,982,809,954.30                      | 11.99%         | 20,779             | 9.11%          |
| 90% - <95%                         | £ 2,181,807,290.89                      | 13.19%         | 24,306             | 10.66%         |
| 95% - <100%                        | £ 1,341,906,820.17                      | 8.11%          | 18,977             | 8.32%          |
| >=100%                             | £ -                                     | 0.00%          | -                  | 0.00%          |
| <b>Total</b>                       | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

|                               |        |
|-------------------------------|--------|
| Maximum Original LTV          | 97.00% |
| Minimum Original LTV          | 0.17%  |
| Weighted average Original LTV | 73.14% |

| Range of LTV ratios at end of reporting period | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|--|---|----------------|--------------------|----------------|
| 0% - <25%                                      | £ 2,407,467,270.90                      | 14.55%         | 87,236             | 38.25%         |
| 25% - <50%                                     | £ 6,003,616,599.89                      | 36.29%         | 73,022             | 32.02%         |
| 50% - <75%                                     | £ 6,563,730,695.30                      | 39.68%         | 55,971             | 24.54%         |
| 75% - <80%                                     | £ 605,819,536.12                        | 3.66%          | 4,780              | 2.10%          |
| 80% - <85%                                     | £ 427,499,375.84                        | 2.58%          | 3,215              | 1.41%          |
| 85% - <90%                                     | £ 278,936,539.01                        | 1.69%          | 1,996              | 0.88%          |
| 90% - <95%                                     | £ 155,666,076.78                        | 0.94%          | 1,115              | 0.49%          |
| 95% - <100%                                    | £ 71,662,179.33                         | 0.43%          | 525                | 0.23%          |
| >=100%   | £ 29,209,202.48                         | 0.18%          | 223                | 0.10%          |
| <b>Total</b>                                   | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

|                              |         |
|------------------------------|---------|
| Maximum Current LTV          | 158.68% |
| Minimum Current LTV          | -27.24% |
| Weighted average Current LTV | 48.62%  |

| Range of outstanding balances at end of period | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|--|---|----------------|--------------------|----------------|
| £0 - <£25,000                                  | £ 696,683,575.40                        | 4.21%          | 55,823             | 24.47%         |
| £25,000 - <£50,000                             | £ 1,821,564,260.37                      | 11.01%         | 49,162             | 21.55%         |
| £50,000 - <£75,000                             | £ 2,442,022,931.15                      | 14.76%         | 39,463             | 17.30%         |
| £75,000 - <£100,000                            | £ 2,418,403,231.67                      | 14.62%         | 27,916             | 12.24%         |
| £100,000 - <£125,000                           | £ 2,071,040,895.55                      | 12.52%         | 18,545             | 8.13%          |
| £125,000 - <£150,000                           | £ 1,696,217,059.66                      | 10.25%         | 12,414             | 5.44%          |
| £150,000 - <£175,000                           | £ 1,314,529,468.50                      | 7.95%          | 8,148              | 3.57%          |
| £175,000 - <£200,000                           | £ 969,005,226.54                        | 5.86%          | 5,197              | 2.28%          |
| £200,000 - <£225,000                           | £ 722,405,304.49                        | 4.37%          | 3,416              | 1.50%          |
| £225,000 - <£250,000                           | £ 539,074,726.26                        | 3.26%          | 2,278              | 1.00%          |
| £250,000 - <£275,000                           | £ 407,510,331.80                        | 2.46%          | 1,561              | 0.68%          |
| £275,000 - <£300,000                           | £ 308,365,052.79                        | 1.86%          | 1,074              | 0.47%          |
| £300,000 - <£350,000                           | £ 444,682,126.13                        | 2.69%          | 1,383              | 0.61%          |
| £350,000 - <£400,000                           | £ 317,610,216.60                        | 1.92%          | 853                | 0.37%          |
| £400,000 - <£450,000                           | £ 225,035,545.34                        | 1.36%          | 533                | 0.23%          |
| £450,000 - <£500,000                           | £ 149,457,523.40                        | 0.90%          | 317                | 0.14%          |
| >=£500,000                                     | £ -                                     | 0.00%          | -                  | 0.00%          |
| <b>Total</b>                                   | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

|                                  |              |
|----------------------------------|--------------|
| Maximum current balance          | £ 498,950.60 |
| Minimum current balance          | -£ 18,944.31 |
| Average current balance          | £ 72,533.28  |
| Weighted average current balance | £ 133,416.45 |

| Region                   | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|--------------------------|---|----------------|--------------------|----------------|
| East of England          | £ 1,538,328,317.82                      | 9.30%          | 17,994             | 7.89%          |
| East Midlands            | £ 1,031,752,295.46                      | 6.24%          | 16,567             | 7.26%          |
| London                   | £ 2,912,296,424.85                      | 17.60%         | 24,800             | 10.87%         |
| North East               | £ 650,497,825.23                        | 3.93%          | 12,262             | 5.38%          |
| North West               | £ 1,605,824,272.54                      | 9.71%          | 28,126             | 12.33%         |
| Scotland                 | £ 1,622,053,771.94                      | 9.80%          | 28,228             | 12.38%         |
| South East               | £ 2,479,326,051.00                      | 14.99%         | 25,684             | 11.26%         |
| South West               | £ 1,195,482,260.07                      | 7.23%          | 15,027             | 6.59%          |
| Wales                    | £ 596,188,118.42                        | 3.60%          | 10,237             | 4.49%          |
| West Midlands            | £ 1,414,593,647.25                      | 8.55%          | 22,028             | 9.66%          |
| Yorkshire and The Humber | £ 1,493,947,340.88                      | 9.03%          | 27,080             | 11.87%         |
| Unknown                  | £ 3,317,150.19                          | 0.02%          | 50                 | 0.02%          |
| <b>Total</b>             | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

| Property type                        | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|--------------------------------------|---|----------------|--------------------|----------------|
| Detached house                       | £ 4,041,869,374.15                      | 24.43%         | 41,581             | 18.23%         |
| Semi-detached house                  | £ 4,813,832,762.17                      | 29.10%         | 73,555             | 32.25%         |
| Terraced house                       | £ 4,797,546,271.43                      | 29.00%         | 76,234             | 33.42%         |
| House: det type unknown <sup>1</sup> | £ 36,967,608.19                         | 0.22%          | 419                | 0.18%          |
| Flat or maisonette                   | £ 2,289,453,016.93                      | 13.84%         | 29,623             | 12.99%         |
| Bungalow                             | £ 561,045,681.43                        | 3.39%          | 6,566              | 2.88%          |
| Unknown                              | £ 2,892,761.35                          | 0.02%          | 105                | 0.05%          |
| <b>Total</b>                         | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

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| Seasoning in months | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|---------------------|---|----------------|--------------------|----------------|
| 12 - <24            | £ -                                     | 0.00%          | -                  | 0.00%          |
| 24 - <36            | £ -                                     | 0.00%          | -                  | 0.00%          |
| 36 - <48            | £ -                                     | 0.00%          | -                  | 0.00%          |
| 48 - <60            | £ -                                     | 0.00%          | -                  | 0.00%          |
| 60 - <72            | £ 895,062,336.28                        | 5.41%          | 10,285             | 4.51%          |
| 72 - <84            | £ 1,814,222,580.38                      | 10.97%         | 19,117             | 8.38%          |
| 84 - <96            | £ 2,189,015,236.12                      | 13.23%         | 19,187             | 8.41%          |
| 96 - <108           | £ 3,179,828,592.74                      | 19.22%         | 29,803             | 13.07%         |
| 108 - <120          | £ 2,029,154,082.88                      | 12.27%         | 24,504             | 10.74%         |
| >=120               | £ 6,436,324,647.25                      | 38.91%         | 125,187            | 54.89%         |
| <b>Total</b>        | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

|                            |        |
|----------------------------|--------|
| Maximum seasoning          | 242.99 |
| Minimum seasoning          | 60.06  |
| Weighted average seasoning | 115.64 |

| Years to maturity | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|-------------------|---|----------------|--------------------|----------------|
| < 5               | £ 1,425,964,274.11                      | 8.62%          | 37,873             | 16.60%         |
| 5 - <10           | £ 2,931,612,690.40                      | 17.72%         | 54,937             | 24.09%         |
| 10 - <15          | £ 5,712,720,181.50                      | 34.53%         | 72,788             | 31.91%         |
| 15 - <20          | £ 4,752,275,676.36                      | 28.73%         | 44,757             | 19.62%         |
| 20 - <25          | £ 1,719,288,758.10                      | 10.39%         | 17,714             | 7.77%          |
| 25 - <30          | £ 1,462,299.09                          | 0.01%          | 11                 | 0.00%          |
| >=30              | £ 283,596.09                            | 0.00%          | 3                  | 0.00%          |
| <b>Total</b>      | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

|                                 |       |
|---------------------------------|-------|
| Maximum remaining term          | 32.92 |
| Minimum remaining term          | -     |
| Weighted average remaining term | 13.21 |

| Use of proceeds | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|-----------------|---|----------------|--------------------|----------------|
| Purchase        | £ 10,392,200,472.39                     | 62.82%         | 152,617            | 66.91%         |
| Remortgage      | £ 6,151,407,003.26                      | 37.18%         | 75,466             | 33.09%         |
| <b>Total</b>    | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

| Repayment terms | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|-----------------|---|----------------|--------------------|----------------|
| Repayment       | £ 8,769,661,415.77                      | 53.01%         | 160,259            | 70.26%         |
| Interest Only   | £ 7,773,946,059.88                      | 46.99%         | 67,824             | 29.74%         |
| <b>Total</b>    | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

| Payment method | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|----------------|---|----------------|--------------------|----------------|
| Direct debit   | £ 15,150,891,291.96                     | 91.58%         | 209,055            | 91.66%         |
| Other          | £ 1,392,716,183.69                      | 8.42%          | 19,028             | 8.34%          |
| <b>Total</b>   | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

| Origination channel  | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|----------------------|---|----------------|--------------------|----------------|
| Direct               | £ 6,352,115,619.51                      | 38.40%         | 109,108            | 47.84%         |
| Intermediary / Other | £ 10,191,491,856.14                     | 61.60%         | 118,975            | 52.16%         |
| <b>Total</b>         | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |

| Type of loan                   | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|--------------------------------|---|----------------|--------------------|----------------|
| Added variable rate loans      | £ 88,585,714.65                         | 0.54%          | 1,051              | 0.46%          |
| Discounted variable rate loans | £ 73,471,283.57                         | 0.44%          | 725                | 0.32%          |
| Fixed rate loans               | £ 4,540,264,748.24                      | 27.44%         | 52,455             | 23.00%         |
| Tracker rate loans             | £ 1,104,591,493.67                      | 6.68%          | 20,194             | 8.85%          |
| Standard variable rate loans   | £ 10,736,694,235.52                     | 64.90%         | 153,658            | 67.37%         |
| <b>Total</b>                   | <b>£ 16,543,607,475.65</b>              | <b>100.00%</b> | <b>228,083</b>     | <b>100.00%</b> |
| <i>of which Flexible Loans</i> | £ 86,566,268.98                         | 0.52%          | 996                | 0.44%          |

Distribution of fixed rate loans

| Fixed rate % | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|--------------|---|----------------|--------------------|----------------|
| 0 - 2.99%    | £ 2,990,720,254.72                      | 65.87%         | 32,139             | 61.27%         |
| 3 - 3.99%    | £ 928,310,061.31                        | 20.45%         | 11,012             | 20.99%         |
| 4.00 - 4.99% | £ 280,483,422.14                        | 6.18%          | 3,495              | 6.66%          |
| 5.00 - 5.99% | £ 198,404,540.95                        | 4.37%          | 3,200              | 6.10%          |
| 6.00 - 6.99% | £ 142,104,997.41                        | 3.13%          | 2,606              | 4.97%          |
| 7.00 - 7.99% | £ 241,471.71                            | 0.01%          | 3                  | 0.01%          |
| <b>Total</b> | <b>£ 4,540,264,748.24</b>               | <b>100.00%</b> | <b>52,455</b>      | <b>100.00%</b> |

| Year in which current fixed rate period ends | Aggregate outstanding principal balance | % of Total     | Number of accounts | % of Total     |
|--|---|----------------|--------------------|----------------|
| 2015   | £ 57,447,029.90                         | 1.27%          | 917                | 1.75%          |
| 2016   | £ 1,718,012,769.81                      | 37.84%         | 18,950             | 36.13%         |
| 2017   | £ 1,250,913,964.53                      | 27.55%         | 14,255             | 27.18%         |
| 2018   | £ 1,164,550,251.91                      | 25.65%         | 13,820             | 26.35%         |
| 2019   | £ 296,434,944.04                        | 6.53%          | 3,795              | 7.23%          |
| 2020+  | £ 52,905,788.05                         | 1.17%          | 718                | 1.37%          |
| <b>Total</b>                                 | <b>£ 4,540,264,748.24</b>               | <b>100.00%</b> | <b>52,455</b>      | <b>100.00%</b> |

**Outstanding Issuance**

|                                 | <b>2010-1 3A</b>          | <b>2010-1 4A</b>          |
|---------------------------------|---------------------------|---------------------------|
| Series Name                     | 2010-1 3A                 | 2010-1 4A                 |
| Issue Date                      | 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) |
| Curr Rating (Fitch/Moody's/S&P) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) |
| Currency                        | GBP                       | GBP                       |
| Issue Size                      | GBP 600,000,000           | GBP 400,000,000           |
| Issue Size (GBP equivalent)     | GBP 600,000,000           | GBP 400,000,000           |
| Exchange Rate                   | -                         | -                         |
| Outstanding Amount <sup>1</sup> | GBP 600,000,000           | GBP 400,000,000           |
| Pool Factor <sup>1</sup>        | 1.0                       | 1.0                       |
| Scheduled Maturity Date         | 15 Jan 2017               | 15 Jan 2017               |
| Final Maturity Date             | 15 Jul 2042               | 15 Jul 2042               |
| Bond Structure                  | Soft Bullet               | Soft Bullet               |
| ISIN                            | XS0484703433              | XS0484703862              |
| Stock Exchange Listing          | London                    | London                    |
| Reference Rate                  | Fixed                     | 3m GBP LIBOR              |
| Margin                          | -                         | 1.30%                     |
| Current Rate                    | 4.805%                    | 1.87938%                  |
| Current Accrual Period          | 15 Jul 15 to 15 Jan 16    | 15 Oct 15 to 15 Jan 16    |

*Funding 2 Interest Payment Date 15 Oct 2015*

|                                |          |                  |
|--------------------------------|----------|------------------|
| Expected Coupon Amount         | GBP 0.00 | GBP 1,899,545.42 |
| Coupon Amount Paid             | GBP 0.00 | GBP 1,899,545.42 |
| Interest Shortfall             | GBP 0    | GBP 0            |
| Cumulative Interest Shortfall  | GBP 0    | GBP 0            |
| Scheduled Principal Payment    | GBP 0    | GBP 0            |
| Principal Paid                 | GBP 0    | GBP 0            |
| Principal Shortfall            | GBP 0    | GBP 0            |
| Cumulative Principal Shortfall | GBP 0    | GBP 0            |

|                                 | <b>2010-2 3A</b>          | <b>2010-2 4A</b>          | <b>2010-2 5A</b>          |
|---------------------------------|---------------------------|---------------------------|---------------------------|
| Series Name                     | 2010-2 3A                 | 2010-2 4A                 | 2010-2 5A                 |
| Issue Date                      | 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) |
| 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                        | USD                       | USD                       | GBP                       |
| Issue Size                      | 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 500,000,000           |
| Exchange Rate                   | 1.51200                   | 1.51200                   | -                         |
| Outstanding Amount <sup>1</sup> | USD 750,000,000           | USD 750,000,000           | GBP 500,000,000           |
| Pool Factor <sup>1</sup>        | 1.0                       | 1.0                       | 1.0                       |
| Scheduled Maturity Date         | 15 Jan 2016               | 15 Apr 2016               | 15 Jul 2016               |
| Final Maturity Date             | 15 Jul 2042               | 15 Jul 2042               | 15 Jul 2042               |
| Bond Structure                  | Soft Bullet               | Soft Bullet               | Pass-through              |
| ISIN                            | XS0520954255              | XS0520954412              | XS0520954768              |
| Stock Exchange Listing          | London                    | London                    | London                    |
| Reference Rate                  | 3m USD LIBOR              | 3m USD LIBOR              | 3m GBP LIBOR              |
| Margin                          | 1.50%                     | 1.50%                     | 1.50%                     |
| Current Rate                    | 1.82050%                  | 1.82050%                  | 2.07938%                  |
| Current Accrual Period          | 15 Oct 15 to 15 Jan 16    | 15 Oct 15 to 15 Jan 16    | 15 Oct 15 to 15 Jan 16    |

*Funding 2 Interest Payment Date 15 Oct 2015*

|                                |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|
| Expected Coupon Amount         | USD 3,428,533.33 | USD 3,428,533.33 | GBP 2,626,486.58 |
| Coupon Amount Paid             | USD 3,428,533.33 | USD 3,428,533.33 | GBP 2,626,486.58 |
| Interest Shortfall             | USD 0            | USD 0            | GBP 0            |
| Cumulative Interest Shortfall  | USD 0            | USD 0            | GBP 0            |
| Scheduled Principal Payment    | USD 0            | USD 0            | GBP 0            |
| Principal Paid                 | USD 0            | USD 0            | GBP 0            |
| Principal Shortfall            | USD 0            | USD 0            | GBP 0            |
| Cumulative Principal Shortfall | USD 0            | USD 0            | GBP 0            |

Permanent Master Trust | Monthly Investor Report

| Series Name                     | 2011-1 2A1                     | 2011-1 2A2                | 2011-1 2A3                |
|---------------------------------|--------------------------------|---------------------------|---------------------------|
| Issue Date                      | 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) |
| 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                        | EUR                            | GBP                       | GBP                       |
| Issue Size                      | EUR 200,000,000                | GBP 200,000,000           | GBP 500,000,000           |
| Issue Size (GBP equivalent)     | GBP 176,680,000                | GBP 200,000,000           | GBP 500,000,000           |
| Exchange Rate                   | 1.13199                        | -                         | -                         |
| Outstanding Amount <sup>1</sup> | EUR 200,000,000                | GBP 200,000,000           | GBP 500,000,000           |
| Pool Factor <sup>1</sup>        | 1.0                            | 1.0                       | 1.0                       |
| Scheduled Maturity Date         | 15 Jan 2016                    | 15 Jan 2016               | 15 Jan 2016               |
| Final Maturity Date             | 15 Jul 2042                    | 15 Jul 2042               | 15 Jul 2042               |
| Bond Structure                  | Soft Bullet                    | Soft Bullet               | Soft Bullet               |
| ISIN                            | XS0617235873 &<br>XS0617235790 | XS0617235956              | XS0617236251              |
| Stock Exchange Listing          | London                         | London                    | London                    |
| Reference Rate                  | 3m EURIBOR                     | 3m GBP LIBOR              | 3m GBP LIBOR              |
| Margin                          | 1.40%                          | 1.50%                     | 1.50%                     |
| Current Rate                    | 1.35100%                       | 2.07938%                  | 2.07938%                  |
| Current Accrual Period          | 15 Oct 15 to 15 Jan 16         | 15 Oct 15 to 15 Jan 16    | 15 Oct 15 to 15 Jan 16    |

*Funding 2 Interest Payment Date 15 Oct 2015*

|                                |                |                  |                  |
|--------------------------------|----------------|------------------|------------------|
| Expected Coupon Amount         | EUR 705,844.44 | GBP 1,050,594.63 | GBP 2,626,486.58 |
| Coupon Amount Paid             | EUR 705,844.44 | GBP 1,050,594.63 | GBP 2,626,486.58 |
| Interest Shortfall             | EUR 0          | GBP 0            | GBP 0            |
| Cumulative Interest Shortfall  | EUR 0          | GBP 0            | GBP 0            |
| Scheduled Principal Payment    | EUR 0          | GBP 0            | GBP 0            |
| Principal Paid                 | EUR 0          | GBP 0            | GBP 0            |
| Principal Shortfall            | EUR 0          | GBP 0            | GBP 0            |
| Cumulative Principal Shortfall | EUR 0          | GBP 0            | GBP 0            |

| Series Name                     | 2011-2 1A3                     | 2011-2 2A                 | 2011-2 3A                 | 2013-1 1A                 | 2013-1 1M              |
|---------------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Issue Date                      | 1 Nov 2011                     | 1 Nov 2011                | 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) | 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) | AAA(sf)/ Aaa(sf)/ AAA(sf) | AAA(sf)/ Aaa(sf)/ AAA(sf) | A(sf)/ A2(sf)/ A(sf)   |
| Currency                        | USD                            | GBP                       | GBP                       | GBP                       | GBP                    |
| Issue Size                      | USD 1,050,000,000              | GBP 750,000,000           | GBP 500,000,000           | GBP 1,250,000,000         | GBP 500,000,000        |
| Issue Size (GBP equivalent)     | GBP 657,977,190                | GBP 750,000,000           | GBP 500,000,000           | GBP 1,250,000,000         | GBP 500,000,000        |
| Exchange Rate                   | 1.59580                        | -                         | -                         | -                         | -                      |
| Outstanding Amount <sup>1</sup> | USD 0                          | GBP 750,000,000           | GBP 500,000,000           | GBP 1,250,000,000         | GBP 500,000,000        |
| Pool Factor <sup>1</sup>        | 0.0                            | 1.0                       | 1.0                       | 1.0                       | 1.0                    |
| Scheduled Maturity Date         | 15 Oct 2015                    | 15 Jul 16 & 15 Oct 16     | 15 Jul 21 & 15 Oct 21     | 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                    | Scheduled Am              | Scheduled Am              | Pass-through              | Pass-through           |
| ISIN                            | US71419GAU40 &<br>XS0700166720 | XS0700016750              | XS0700016834              | XS0909782764              | XS0909783143           |
| Stock Exchange Listing          | London                         | London                    | London                    | London                    | London                 |
| Reference Rate                  | 3m USD LIBOR                   | 3m GBP LIBOR              | 3m GBP LIBOR              | 3m GBP LIBOR              | 3m GBP LIBOR           |
| Margin                          | 1.60%                          | 1.65%                     | 1.95%                     | 0.45%                     | 1.10%                  |
| Current Rate                    | 1.92050%                       | 2.22938%                  | 2.52938%                  | 1.02938%                  | 1.67938%               |
| Current Accrual Period          | 15 Oct 15 to 15 Jan 16         | 15 Oct 15 to 15 Jan 16    | 15 Oct 15 to 15 Jan 16    | 15 Oct 15 to 15 Jan 16    | 15 Oct 15 to 15 Jan 16 |

*Funding 2 Interest Payment Date 15 Oct 2015*

|                                |                   |                  |                  |                  |                  |
|--------------------------------|-------------------|------------------|------------------|------------------|------------------|
| Expected Coupon Amount         | USD 5,068,280.00  | GBP 4,223,291.51 | GBP 3,193,609.86 | GBP 3,257,997.26 | GBP 2,122,376.99 |
| Coupon Amount Paid             | USD 5,068,280.00  | GBP 4,223,291.51 | GBP 3,193,609.86 | GBP 3,257,997.26 | GBP 2,122,376.99 |
| Interest Shortfall             | USD 0             | GBP 0            | GBP 0            | GBP 0            | GBP 0            |
| Cumulative Interest Shortfall  | USD 0             | GBP 0            | GBP 0            | GBP 0            | GBP 0            |
| Scheduled Principal Payment    | USD 1,050,000,000 | GBP 0            | GBP 0            | GBP 0            | GBP 0            |
| Principal Paid                 | USD 1,050,000,000 | GBP 0            | GBP 0            | GBP 0            | GBP 0            |
| Principal Shortfall            | USD 0             | GBP 0            | GBP 0            | GBP 0            | GBP 0            |
| Cumulative Principal Shortfall | USD 0             | GBP 0            | GBP 0            | GBP 0            | GBP 0            |

**Permanent Master Trust | Monthly Investor Report**

| Series Name                     | 2015-1 1A                   | 2015-1 2A                   | 2015-1 3A                 | 2015-1 4A                 | 2015-1 1B               |
|---------------------------------|-----------------------------|-----------------------------|---------------------------|---------------------------|-------------------------|
| Issue Date                      | 20 Oct 2015                 | 20 Oct 2015                 | 20 Oct 2015               | 20 Oct 2015               | 20 Oct 2015             |
| 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) | AA(sf)/ Aa2(sf)/ AA(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) | AA(sf)/ Aa2(sf)/ AA(sf) |
| Currency                        | USD                         | GBP                         | EUR                       | GBP                       | GBP                     |
| Issue Size                      | USD 400,000,000             | GBP 250,000,000             | EUR 500,000,000           | GBP 1,000,000,000         | GBP 370,000,000         |
| Issue Size (GBP equivalent)     | GBP 259,487,512             | GBP 250,000,000             | GBP 370,350,000           | GBP 1,000,000,000         | GBP 370,000,000         |
| Exchange Rate                   | 1.54150                     | -                           | 0.74070                   | -                         | -                       |
| Outstanding Amount <sup>1</sup> | USD 400,000,000             | GBP 250,000,000             | EUR 500,000,000           | GBP 1,000,000,000         | GBP 370,000,000         |
| Pool Factor <sup>1</sup>        | 1.0                         | 1.0                         | 1.0                       | 1.0                       | 1.0                     |
| Scheduled Maturity Date         | 15 Jul 17 & 15 Oct 17       | 15 Jul 18 & 15 Oct 18       | 15 Jul 20 & 15 Oct 20     | 15 Oct 2025               | 15 Oct 2025             |
| Final Maturity Date             | 15 Jul 2042                 | 15 Jul 2042                 | 15 Jul 2042               | 15 Jul 2042               | 15 Jul 2042             |
| Bond Structure                  | Scheduled Am                | Scheduled Am                | Scheduled Am              | Pass-through              | Pass-through            |
| ISIN                            | US71419GAW06 & XS1302928103 | XS1302966533 & XS1302998650 | XS1307149432              | XS1302965998              | XS130259082             |
| Stock Exchange Listing          | London                      | London                      | London                    | London                    | London                  |
| Reference Rate                  | 3m USD LIBOR                | 3m GBP LIBOR                | 3m EURIBOR                | 3m GBP LIBOR              | 3m GBP LIBOR            |
| Margin                          | 0.50%                       | 0.60%                       | 0.42%                     | 0.75%                     | 1.10%                   |
| Current Rate                    | 0.80588%                    | 1.17476%                    | 0.36500%                  | 1.32476%                  | 1.67476%                |
| Current Accrual Period          | 20 Oct 15 to 15 Jan 16      | 20 Oct 15 to 15 Jan 16      | 20 Oct 15 to 15 Jan 16    | 20 Oct 15 to 15 Jan 16    | 20 Oct 15 to 15 Jan 16  |

*Funding 2 Interest Payment Date 15 Oct 2015*

|                                |          |          |          |          |          |
|--------------------------------|----------|----------|----------|----------|----------|
| Expected Coupon Amount         | USD 0.00 | GBP 0.00 | GBP 0.00 | GBP 0.00 | GBP 0.00 |
| Coupon Amount Paid             | USD 0.00 | GBP 0.00 | GBP 0.00 | GBP 0.00 | GBP 0.00 |
| Interest Shortfall             | USD 0    | GBP 0    | GBP 0    | GBP 0    | GBP 0    |
| Cumulative Interest Shortfall  | USD 0    | GBP 0    | GBP 0    | GBP 0    | GBP 0    |
| Scheduled Principal Payment    | USD 0    | GBP 0    | GBP 0    | GBP 0    | GBP 0    |
| Principal Paid                 | USD 0    | GBP 0    | GBP 0    | GBP 0    | GBP 0    |
| Principal Shortfall            | USD 0    | GBP 0    | GBP 0    | GBP 0    | GBP 0    |
| Cumulative Principal Shortfall | USD 0    | GBP 0    | GBP 0    | GBP 0    | GBP 0    |

| Series Name                     | 2015-1 1M              | 2015-1 1C                  |
|---------------------------------|------------------------|----------------------------|
| Issue Date                      | 20 Oct 2015            | 20 Oct 2015                |
| Orig Rating (Fitch/Moody's/S&P) | A(sf)/ A2(sf)/ A(sf)   | BBB(sf)/ Baa2(sf)/ BBB(sf) |
| Curr Rating (Fitch/Moody's/S&P) | A(sf)/ A2(sf)/ A(sf)   | BBB(sf)/ Baa2(sf)/ BBB(sf) |
| Currency                        | GBP                    | GBP                        |
| Issue Size                      | GBP 270,000,000        | GBP 370,000,000            |
| Issue Size (GBP equivalent)     | GBP 270,000,000        | GBP 370,000,000            |
| Exchange Rate                   | -                      | -                          |
| Outstanding Amount <sup>1</sup> | GBP 270,000,000        | GBP 370,000,000            |
| Pool Factor <sup>1</sup>        | 1.0                    | 1.0                        |
| Scheduled Maturity Date         | 15 Oct 2025            | 15 Oct 2025                |
| Final Maturity Date             | 15 Jul 2042            | 15 Jul 2042                |
| Bond Structure                  | Pass-through           | Pass-through               |
| ISIN                            | XS1302957037           | XS1302936031               |
| Stock Exchange Listing          | London                 | London                     |
| Reference Rate                  | 3m GBP LIBOR           | 3m GBP LIBOR               |
| Margin                          | 1.50%                  | 1.85%                      |
| Current Rate                    | 2.07476%               | 2.42476%                   |
| Current Accrual Period          | 20 Oct 15 to 15 Jan 16 | 20 Oct 15 to 15 Jan 16     |

*Funding 2 Interest Payment Date 15 Oct 2015*

|                                |          |          |
|--------------------------------|----------|----------|
| Expected Coupon Amount         | GBP 0.00 | GBP 0.00 |
| Coupon Amount Paid             | GBP 0.00 | GBP 0.00 |
| Interest Shortfall             | GBP 0    | GBP 0    |
| Cumulative Interest Shortfall  | GBP 0    | GBP 0    |
| Scheduled Principal Payment    | GBP 0    | GBP 0    |
| Principal Paid                 | GBP 0    | GBP 0    |
| Principal Shortfall            | GBP 0    | GBP 0    |
| Cumulative Principal Shortfall | GBP 0    | GBP 0    |

<sup>1</sup> As at end of latest completed Interest Period and following waterfall reported on p11.

**Credit Enhancement**

Permanent Master Issuer notes<sup>1</sup>

| Class            | Amount<br>(GBP equivalent) | % of Total | Support |
|------------------|----------------------------|------------|---------|
| Class A notes    | £ 7,748,581,512            | 82.27%     | 22.03%  |
| Class B notes    | £ 370,000,000              | 3.93%      | 18.10%  |
| Class M notes    | £ 770,000,000              | 8.18%      | 9.93%   |
| Class C notes    | £ 370,000,000              | 3.93%      | 6.00%   |
| Total notes      | £ 9,258,581,512            | 98.30%     |         |
| Funding 2 Z Loan | £ 160,000,000              | 1.70%      |         |
| Total            | £ 9,418,581,512            | 100.00%    |         |
| Reserve          | £ 405,000,000              | 4.30%      |         |

Z Loan Required Amounts

|           |               |
|-----------|---------------|
| Funding 2 | £ 160,000,000 |
|-----------|---------------|

**Excess Spread**

Permanent Funding 2

| Amount       | %     |
|--------------|-------|
| £ 17,807,189 | 1.01% |

**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 % |
|-----------|-------------------------|-----------------|---------------------|--------------------|-------------------|-------------------|----------------|
| 20-Oct-15 | £ 16,770,278,904.09     | £ -             | £ 10,384,208,093.54 | £ 6,386,070,810.55 | 0.0000%           | 61.9203%          | 38.0797%       |
| 01-Oct-15 | £ 16,919,171,597.66     | £ -             | £ 7,637,562,596.42  | £ 9,281,609,001.24 | 0.0000%           | 45.1415%          | 54.8585%       |
| 01-Sep-15 | £ 17,223,453,119.69     | £ -             | £ 7,943,177,123.13  | £ 9,280,275,996.56 | 0.0000%           | 46.1184%          | 53.8816%       |

Losses Ledger

| Month    | Losses in month | Funding 1 share of losses | Funding 2 share of losses | Seller share of losses | Cumulative losses |
|----------|-----------------|---------------------------|---------------------------|------------------------|-------------------|
| Oct 2015 | £ -             | £ -                       | £ -                       | £ -                    | £ 144,461,589.00  |
| Sep 2015 | £ -             | £ -                       | £ -                       | £ -                    | £ 144,461,589.00  |
| Aug 2015 | £ -             | £ -                       | £ -                       | £ -                    | £ 144,461,589.00  |

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

| Month    | Debit | Credit | Balance     |
|----------|-------|--------|-------------|
| Oct 2015 | £ -   | £ -    | £ 37,282.33 |
| Sep 2015 | £ -   | £ -    | £ 37,282.33 |
| Aug 2015 | £ -   | £ -    | £ 37,282.33 |

Funding 2 Reserve Ledger

| Month    | Debit | Credit | Balance          | Funding 2 Reserve Required Amount |
|----------|-------|--------|------------------|-----------------------------------|
| Oct 2015 | £ -   | £ -    | £ 405,000,000.00 | £ 216,000,000.00                  |
| Sep 2015 | £ -   | £ -    | £ 405,000,000.00 | £ 405,000,000.00                  |
| Aug 2015 | £ -   | £ -    | £ 405,000,000.00 | £ 405,000,000.00                  |

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

| Month    | Debit          | Credit | Balance         |
|----------|----------------|--------|-----------------|
| Oct 2015 | £ 2,711,811.15 | £ -    | £ 77,673,703.96 |
| Sep 2015 | £ -            | £ -    | £ 80,385,515.11 |
| Aug 2015 | £ -            | £ -    | £ 80,385,515.11 |

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

**Bank Accounts Balance**

Mortgages Trustee GIC Account

| Date        | Revenue Ledger  | Principal Ledger | Other    | Bank Balance <sup>3</sup> |
|-------------|-----------------|------------------|----------|---------------------------|
| 31 Oct 2015 | £ 12,096,542.26 | £ 234,292,350.09 | £ 100.00 | £ 246,388,992.35          |
| 30 Sep 2015 | £ 49,381,442.26 | £ 305,614,526.71 | £ 100.00 | £ 354,996,068.97          |
| 31 Aug 2015 | £ 51,067,691.71 | £ 276,274,344.01 | £ 100.00 | £ 327,342,135.72          |

<sup>3</sup>Including cash from assets for last day of month collected first working day of following month.

Funding 2 GIC Account / Collateralised GIC Account

| Date        | Revenue Ledger   | Principal Ledger | Cash Accumulation Ledger | General Reserve Ledger | Yield Reserve Ledger | GIC Account Balance | Collateralised GIC Account Balance |
|-------------|------------------|------------------|--------------------------|------------------------|----------------------|---------------------|------------------------------------|
| 31 Oct 2015 | £ 333,710,127.20 | £ 143,192,015.04 | £ 962,583,025.70         | £ 405,000,000.00       | £ 77,673,703.96      | £ 75,287,747.49     | £ 1,846,871,124.41                 |
| 30 Sep 2015 | £ 50,154,935.73  | £ 668,923,858.96 | £ 962,583,025.70         | £ 405,000,000.00       | £ 80,385,515.11      | £ 72,947,613.70     | £ 2,094,099,721.80                 |
| 31 Aug 2015 | £ 25,898,432.38  | £ 392,649,514.95 | £ 962,583,025.70         | £ 405,000,000.00       | £ 80,385,515.11      | £ 277,781,675.37    | £ 1,588,734,812.77                 |

Funding 2 Transaction Account

| Date        | Retained Profit Amount | Start-up Loans Proceeds | Bank Balance   |
|-------------|------------------------|-------------------------|----------------|
| 31 Oct 2015 | £ 3,420,737.18         | -                       | £ 3,420,737.18 |
| 30 Sep 2015 | £ 2,114,484.70         | -                       | £ 2,114,484.70 |
| 31 Aug 2015 | £ 2,114,304.70         | -                       | £ 2,114,304.70 |

Funding 2 Authorised Investments: nil

Master Issuer Capital & Transaction Accounts

| Date        | Issuer Profit | Capital     | Aggregate Bank Balance |
|-------------|---------------|-------------|------------------------|
| 31 Oct 2015 | £ 268,696.56  | £ 12,501.50 | £ 281,198.06           |
| 30 Sep 2015 | £ 265,119.99  | £ 12,501.50 | £ 277,621.49           |
| 31 Aug 2015 | £ 271,275.34  | £ 12,501.50 | £ 283,776.84           |

**Funding Swaps**

| Funding 2 Swap Provider  | Calculation Period  | Notional           | Funding 2 Swap Provider Amount | Funding 2 Amount | Net Funding 2 Amount <sup>4</sup> |
|--|---------------------|--------------------|--------------------------------|------------------|-----------------------------------|
| Bank of Scotland plc   | 1 Sep - 30 Sep 2015 | £ 7,943,129,142.89 | £ 16,851,151.65                | £ 23,575,234.91  | -£ 6,724,083.26                   |
|  | 1 Aug - 31 Aug 2015 | £ 8,219,451,367.14 | £ 18,004,850.27                | £ 25,267,353.15  | -£ 7,262,502.88                   |
|  | 1 Jul - 31 Jul 2015 | £ 8,601,851,616.03 | £ 18,875,723.53                | £ 26,539,288.92  | -£ 7,663,565.39                   |
|  |                     |                    |                                |                  | £ -                               |
|  |                     |                    |                                |                  | £ -                               |
| Amount paid or received at end of latest completed Funding 2 Interest Period |                     |                    |                                |                  | -£ 21,650,151.53                  |

<sup>4</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>5</sup> |                      | Permanent Master Issuer GBP Amounts <sup>5</sup> |                    |
|---------------|------------------------|---|----------------------|--|--------------------|
|               |                        | Floating Amount                             | Exchange Amount      | Floating Amount                                  | Exchange Amount    |
| 2010-2 2A     | Bank of Scotland plc   | USD 3,428,533.33                            | USD -                | GBP -  | GBP -              |
| 2010-2 3A     | Natixis <sup>6</sup>   | USD 3,428,533.33                            | USD -                | GBP 2,783,806.60                                 | GBP -              |
| 2010-2 4A     | Natixis                | USD 2,626,486.58                            | USD -                | GBP 2,695,662.39                                 | GBP -              |
| 2011-1 2A1    | Bank of Scotland plc   | EUR 705,844.44                              | EUR -                | GBP 1,147,643.19                                 | GBP -              |
| 2011-2 1A3    | Bank of Scotland plc   | USD 5,068,280.00                            | USD 1,050,000,000.00 | GBP 4,224,204.91                                 | GBP 657,977,190.00 |
| 2015-1 1A1    | ING Bank NV            | USD -                                       | USD -                | GBP -  | GBP -              |
| 2015-1 1A3    | ING Bank NV            | EUR -                                       | EUR -                | GBP -  | GBP -              |

<sup>5</sup>Paid in latest waterfall, reported on p11.

| Issue & Class | Interest Rate Swap Provider | Interest Rate Swap Provider Fixed Amnts <sup>5</sup> | Permanent Master Issuer Floating Amnts <sup>5</sup> |
|---------------|-----------------------------|--|---|
| 2010-1 3A     | Bank of Scotland plc        | GBP -  | GBP 3,142,709.92                                    |

<sup>6</sup>The 2010-2 3A currency swap was novated from The Royal Bank of Scotland to Natixis on 26 Nov 2013.



Rating Triggers

| Transaction Party                                     | Required Ratings (Fitch / Moody's / S&P)   | Consequence of Trigger   | Current Ratings (Fitch / Moody's / S&P)                    |
|---|--|--|--|
| Seller:<br>Bank of Scotland plc                       | Long Term:<br>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:<br>A+ / A1 / A                                  |
|   | Long Term:<br>BBB- / Baa3 / BBB-   | The Minimum Seller Share will be recalculated as the rating agencies require;<br>The Seller shall give notice to each borrower of the sale and purchase effected by the Mortgage Sale Agreement;<br>Loan assignments or assignments (as appropriate) to be perfected.  | Long Term:<br>A+ / A1 / A                                  |
|   | Long Term:<br>- / A3 / A-  | Establishment of the Funding 2 Liquidity Reserve Fund, unless the relevant rating agency confirms the then current ratings of the notes are not affected.  | Long Term:<br>A+ / A1 / A                                  |
| Funding 2 Swap Provider:<br>Bank of Scotland plc      | Short Term:<br>F1 / - / A-1<br>Long Term:<br>A / A3 / A  | Requirement to post collateral, replace the Funding 2 Swap Provider or obtain a guarantee of the Funding 2 Swap Provider's obligations or take such other action as is required to maintain the rating of the notes by the relevant rating agency.   | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A+ / A1 / A |
|   | Short Term:<br>F3 / - / -<br>Long Term:<br>BBB- / Baa1 / BBB+  | Requirement to replace the Funding 2 Swap Provider or obtain a guarantee of the Funding 2 Swap Provider's obligations or take such other action as is required to maintain the rating of the notes by the relevant rating agency (and in the interim post collateral).   | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A+ / A1 / A |
| Issuing Entity Swap Provider:<br>Bank of Scotland plc | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>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 or take such other action as is required to maintain the rating of the notes by the relevant rating agency.   | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A+ / A1 / A |
|   | Short Term:<br>F3 / - / -<br>Long Term:<br>BBB- / - / -  | Requirement to replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations or take such other action as is required by the relevant rating agency to maintain the rating of the notes (and in the interim post collateral).   | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A+ / A1 / A |
| Issuing Entity Swap Provider:<br>Natixis              | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>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 or take such other action as is required to maintain the rating of the notes by the relevant rating agency.   | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A / A2 / A  |
|   | Short Term:<br>F3 / - / -<br>Long Term:<br>BBB- / - / -  | Requirement to replace the Issuing Entity Swap Provider or obtain a guarantee of the Issuing Entity Swap Provider's obligations or take such other action as is required by the relevant rating agency to maintain the rating of the notes (and in the interim post collateral).   | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A / A2 / A  |
| Servicer:<br>Bank of Scotland plc                     | Short Term:<br>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:<br>F1 / P-1 / A-1                              |
| Account Bank:<br>Bank of Scotland plc                 | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A / - / A (or A+ if the short term rating is below A-1) | Requirement to close the Funding 2 Bank Accounts, with the exception of, and providing the conditions in Clause 4.8 of the Cash Management Agreement are satisfied, the Funding 2 Collateralised GIC Account, and seek a replacement account bank, unless the relevant rating agency confirms the then current ratings of the notes are not affected or a guarantee of the Account Bank's obligations is obtained. | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A+ / A1 / A |
| Account Bank:<br>Bank of Scotland plc                 | Short Term:<br>F2 / P-2 / A-2<br>Long Term:<br>BBB- / - / BBB-   | Requirement to transfer amounts standing to the credit of the Funding 2 Collateralised GIC Account to the Funding 2 GIC Account and close the Funding 2 Collateralised GIC Account.  | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A+ / A1 / A |
| Account Bank:<br>Bank of Scotland plc                 | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A / - / A   | Requirement to close the Mortgages Trustee GIC Account and seek a replacement Account Bank, unless, within 60 days a standby account is opened with a suitably rated stand-by account bank or the relevant rating agency confirms the then current ratings of the notes are not affected or a guarantee of the Account Bank's obligations is obtained.   | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A+ / A1 / A |
| Account Bank:<br>Bank of Scotland plc                 | Long Term:<br>BBB- / - / -   | Requirement to close the Mortgages Trustee GIC Account and seek a replacement Account Bank, unless the relevant rating agency confirms the then current ratings of the notes are not affected or a guarantee of the Account Bank's obligations is obtained.  | Long Term:<br>A+ / A1 / A                                  |
| Issuing Entity Account Bank:<br>Bank of Scotland plc  | Short Term:<br>F1 / P-1 / A-1<br>Long Term:<br>A / - / A (or A+ if the short term rating is below A-1) | Requirement to close the Issuing Entity bank accounts and seek a replacement Issuing Entity Account Bank, unless the relevant rating agency confirms 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:<br>F1 / P-1 / A-1<br>Long Term:<br>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 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 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.  | 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 Waterfalls 22 Oct 2015 & 4 Nov 2015**

|   |   |                      |   |   |                       |
|---|---|----------------------|---|---|-----------------------|
| <u>Mortgages Trust Revenue Receipts</u> | £ | 49,209,883.02        | <u>Mortgages Trust Principal Receipts</u> | £ | 377,484,365.13        |
| <u>Distribution</u>                     |   |                      |   |   |                       |
| Amounts due to the Servicer             | £ | 693,064.83           | Paid to Funding 1                         | £ | -                     |
| Other amounts due                       | £ | -                    | Paid to Funding 2                         | £ | 377,484,365.13        |
| Paid to Funding 1                       | £ | -                    | Paid to the Seller                        | £ | -                     |
| Paid to Funding 2                       | £ | 23,922,697.55        |   |   |                       |
| Paid to the Seller                      | £ | 24,594,120.64        |   |   |                       |
|   | £ | <u>49,209,883.02</u> |   | £ | <u>377,484,365.13</u> |

**Funding 2 Waterfall 15 Oct 2015**

|   |   |                       |  |   |                         |
|---|---|-----------------------|--|---|-------------------------|
| <u>Funding 2 Available Revenue Receipts</u>       |   |                       | <u>Funding 2 Available Principal Receipts</u>      |   |                         |
| All Mortgages Trust Revenue Receipts distributed  | £ | 71,056,283.35         | All Mortgages Trust Principal Receipts distributed | £ | 974,538,385.67          |
| Amounts paid by the Seller to Funding 2           | £ | 95,584.34             | Funding 2 Principal on Cash Accumulation Ledger    | £ | 962,583,025.70          |
| Interest on the Funding 2 bank accounts           | £ | 1,575,647.38          | Amounts to be credited to PDL                      | £ | 37,282.33               |
| 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>477,727,515.07</u> |  | £ | <u>1,937,158,693.70</u> |
| <u>Distribution</u>                               |   |                       |  |   |                         |
| Trustee and Agent fees                            | £ | -                     | Towards replenishment General Reserve              | £ | -                       |
| Amounts due to the Master Issuer                  | £ | 491,643.98            | CR Liquidity Reserve Fund to required amount       | £ | -                       |
| Other senior fees                                 | £ | 46,439.63             | Towards redeeming AAA Loan Tranches                | £ | 657,977,190.12          |
| Amounts due to the Cash Manager                   | £ | 442,779.69            | Towards redeeming AA Loan Tranches                 | £ | -                       |
| Amounts due to the Corporate Services Provider    | £ | 6,706.71              | Towards redeeming A Loan Tranches                  | £ | -                       |
| Amounts payable under the Funding 2 Swap          | £ | 21,650,151.53         | Towards redeeming BBB Loan Tranches                | £ | -                       |
| Interest on AAA non-Yield Reserve Loan Tranches   | £ | 3,257,997.26          | CR Cash Accumulation Ledger                        | £ | 1,279,181,503.58        |
| Towards Yield Reserve Primary Loan Interest Amt   | £ | 26,902,230.44         | CR Funding 2 Principal Ledger                      | £ | -                       |
| Interest on AA Loan Tranches                      | £ | -                     |  |   |                         |
| Interest on A Loan Tranches                       | £ | 2,122,376.99          |  |   |                         |
| 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                | £ | 37,282.33             |  |   |                         |
| Interest on Z Loans                               | £ | 9,531,161.90          |  |   |                         |
| Other amounts due to Master Issuer                | £ | 3,499.44              |  |   |                         |
| Payment to Funding 2 in respect of profit         | £ | 1,669.72              |  |   |                         |
| Amounts due under the Start-up Loans              | £ | 8,233,575.45          |  |   |                         |
| Deferred Consideration to the Seller              | £ | -                     |  |   |                         |
|   | £ | <u>477,727,515.07</u> |  | £ | <u>1,937,158,693.70</u> |

**Master Issuer Waterfall 15 Oct 2015**

Master Issuer Revenue Receipts

|   |   |                      |
|---|---|----------------------|
| Interest received in respect of Loan Tranches | £ | 34,994,415.84        |
| Fees received under Master Intercompany Loan  | £ | 495,143.42           |
| Interest on the Master Issuer bank accounts   | £ | 236.22               |
| Any other net income                          | £ | -                    |
|   | £ | <u>35,489,795.48</u> |

Master Issuer Principal Receipts

|  |   |                       |
|--|---|-----------------------|
| Principal repaid by Funding 2 per Master ICL | £ | 657,977,190.12        |
|  | £ | <u>657,977,190.12</u> |

Distribution

|  |   |                      |
|--|---|----------------------|
| Trustee and Agent fees                         | £ | -                    |
| Other senior fees                              | £ | 48,864.29            |
| Amounts due to the Cash Manager                | £ | 442,779.69           |
| Amounts due to the Corporate Services Provider | £ | -                    |
| Amounts due to swap providers re Class A Notes | £ | 13,994,027.01        |
| Interest due on Class A Notes                  | £ | 18,878,011.84        |
| 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                  | £ | 2,122,376.99         |
| Amounts due to swap providers re Class C Notes | £ | -                    |
| Interest due on Class C Notes                  | £ | -                    |
| Balance to the Master Issuer                   | £ | <u>3,735.66</u>      |
|  | £ | <u>35,489,795.48</u> |

|  |   |                       |
|--|---|-----------------------|
| Amounts due to swap providers re Class A Notes | £ | 657,977,190.12        |
| 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                 | £ | -                     |
|  | £ | <u>657,977,190.12</u> |

**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<br>Natixis  |

**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.                 |