



UK Secured Funding Programmes

Holmes Master Issuer

| | |
|--------------------|------------------------|
| Report Date: | 31-Dec-14 |
| Reporting Period: | 01-Dec-14 to 31-Dec-14 |
| Distribution Date: | 08-Dec-14 |

Investors (or other appropriate third parties) can register at <https://boeportal.co.uk/santanderuk> (Internet Explorer version 8 or higher required) to download further disclosures in accordance with the Bank of England Market Notice Detailed eligibility requirements for residential mortgage backed securities and covered bonds backed by residential mortgages dated 30th November 2010.

DISCLAIMER: The following document has been prepared by Santander UK. The document is provided to you for information purposes only. The document is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Whilst every effort has been taken to ensure that the document is accurate, current, complete, fit for its intended purpose and compliant with the relevant United Kingdom legislation and regulations as at the date of issue, Santander UK does not warrant that this document is accurate, current, complete, fit for its intended purpose and compliant with the relevant United Kingdom legislation and regulations as errors might occur due to circumstances which are beyond our control. In particular, Santander UK does not warrant that any market data or prices are complete or accurate. Any opinions or estimates expressed in the documents may be subject to change without notice and Santander UK is under no obligation to update the opinions or estimates and neither Santander UK nor any of its affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents. Please remember that past performance is not necessarily a guide for future performance. The value of instruments and the income from them can go down as well as up.

DISCLAIMER: This document is a copy of the report produced in PDF format and available for downloading from www.aboutsantander.co.uk. In the event of any differences in the data between the Excel and PDF formats of the report, the PDF report should always be assumed to be correct. Whilst every attempt is made to keep the format and content of the Excel report the same each month Santander UK cannot be held responsible for any changes and the implications it may have for any individual manager's own spreadsheet links and macros.

Contacts:

All queries should be directed to:

Medium Term Funding Team 0207 756 7107 MTF@santander.co.uk

Holmes Master Trust Investor Report - December 2014

MAIN PARTIES TO THE STRUCTURE, RATINGS AND TRIGGERS (IF APPLICABLE)

| Role | Counterparty | Fitch/Moody's/S&P Long Term Rating | Fitch/Moody's/S&P Short Term Rating | Applicable Trigger (loss of) | Consequence |
|---|---|------------------------------------|-------------------------------------|--|--|
| Issuer Funding Mortgages Trustee | Holmes Master Issuer Holmes Funding Limited Holmes Trustees Limited | | | | |
| Seller | Santander UK | A / A2 / A | F1 / P-1 / A-1 | A3 (Moody's) BBB / Baa2 / BBB BBB- / Baa3 / BBB- F2 / P-2 / A-3 F2 / P-2 / A-2 A3 (Moody's) F1 (Fitch) / A-1 (S&P) Baa3 (Moody's) | Funding required to establish a liquidity reserve fund. Seller to submit to the Mortgages Trustee, Funding, the Security Trustee and the Rating Agencies draft letters of notice to the Borrowers of sale and purchase of Loans. Completion of legal assignment of Loans to the Mortgages Trustee. New Loans may not be assigned to the Mortgages Trustee. Funding may not offer payments to the Seller to acquire an increased interest in the Trust Property. Independent auditors need to be appointed to determine whether a random selection of Loans and their Related Security constituting the Trust Property complied with the representations and warranties at the date of assignment. Quarterly (instead of annual) review of the calculation components of the Minimum Seller Share. Adjustment to Minimum Seller Share. |
| Service Cash Manager | Santander UK Santander UK | A / A2 / A A / A2 / A | F1 / P-1 / A-1 F1 / P-1 / A-1 | F1 / P-1 / A-1 | The title deeds and the customer files relating to the Loans in the Portfolio to be segregated from the title deeds and customer files of other properties and mortgages of the Seller which do not form part of the Portfolio. |
| Each Start-up Loan Provider | Santander UK | A / A2 / A | F1 / P-1 / A-1 | | |
| Funding Account Bank A | Bank of New York Mellon | AA / Aa2 / AA- | F1+ / P1 / A-1+ | A or F1 / P-1 / A or A-1 (or A+ if no ST rating) | Termination of role and transfer of Funding Transaction Account to a financial institution having the required ratings, unless within 30 calendar days: (a) a guarantee of the Account Bank A's obligations is obtained from a financial institution having the required ratings; or (b) such other actions required by the Rating Agencies are taken to ensure that the ratings assigned to the outstanding Rated Notes are not adversely affected. |
| Funding Account Bank B | Santander UK | A / A2 / A | F1 / P-1 / A-1 | A or F1 / P-1 / A or A-1 (or A+ if no ST rating) | Termination of role and transfer of Funding GIC Account to a financial institution having the required ratings, unless within 30 calendar days: (a) a guarantee of the Account Bank B's obligations is obtained from a financial institution having the required ratings; or (b) such other actions required by the Rating Agencies are taken to ensure that the ratings assigned to the outstanding Rated Notes are not adversely affected. If certain conditions are met pursuant to the Panel Bank Guidelines (see Schedule 5 to the Cash Management Agreement) a limited amount of cash may be kept with Santander UK as an Eligible Bank when it is rated below A or F1 / P-1 / A or A-, but no lower than F2 and BBB+ / P-2 / A-2 and BBB+. |
| Mortgage Trust Account Bank | Santander UK | A / A2 / A | F1 / P-1 / A-1 | BBB+ or F2 / P-2 / BBB+ or A-2 A or F1 / P-1 / A or A-1 (or A+ if no ST rating) A or A-1 (or A+ if no ST rating) (S&P) | Termination of role and transfer of Mortgages Trustee GIC Account to a financial institution rated A and F1 / P-1 / A and A-1 (or A+ if no ST rating), unless within 30 calendar days: (a) the rights and obligations in respect of the provision of the Mortgages Trustee GIC Account are transferred to a financial institution rated A and F1 / P-1 / A and A-1 (or A+ if no ST rating); or (b) a guarantee from a financial institution rated A and F1 / P-1 / A and A-1 (or A+ if no ST rating) is obtained; or (c) such other action required by the Rating Agencies is taken to ensure that the ratings assigned to the outstanding Rated Notes are not adversely affected, and for each of the remedial actions above, a confirmation from the Rating Agencies that the outstanding Rated Notes will not be downgraded is also required. Termination of role and transfer of Mortgages Trustee GIC Account to a financial institution rated A and F1 / P-1 / A and A-1 (or A+ if no ST rating), unless within 60 London Business Days: (a) a stand-by arrangement is put in place in respect of the Mortgages Trustee GIC Account with a financial institution rated A and F1 / P-1 / A and A-1 (or A+ if no ST rating); or (b) such other action required by the Rating Agencies is taken to ensure that the ratings assigned to the outstanding Rated Notes are not adversely affected, and for each of the remedial actions above, a confirmation from the Rating Agencies that the outstanding Rated Notes will not be downgraded is also required. Termination of role and transfer of Mortgages Trustee GIC Account to a financial institution rated A and F1 / P-1 / A and A-1 (or A+ if no ST rating), unless within 60 London Business Days: (a) the Excess Amount (being the amount by which the monies collected by the Servicer in respect of the Loans and standing to the credit of the Mortgages Trustee GIC Account exceed 5% of the Funding Share) is transferred to a financial institution rated A and A-1 (or A+ if no ST rating) by S&P; or (b) such other action required by the Rating Agencies is taken to ensure that the ratings assigned to the outstanding Rated Notes are not adversely affected, and for each of the remedial actions above, a confirmation from the Rating Agencies that the outstanding Rated Notes will not be downgraded is also required. |
| Issuer Account Bank | Santander UK | A / A2 / A | F1 / P-1 / A-1 | F1 / P-1 / A or A-1 (or A+ if no ST rating) | Termination of Issuer Bank Account Agreement and closure of account, unless within 30 calendar days: (a) the relevant Master Issuer Transaction Account and rights and obligations of the Issuer Account Bank are transferred to a financial institution rated A and F1 / P-1 / A and A-1 (or A+ if no ST rating); (b) a guarantee of the Issuer Account Bank's obligations is obtained from a financial institution having the above ratings; or (c) such other actions are taken to ensure that the ratings assigned to the outstanding issuing entity rated notes are not adversely affected, and for each of the remedial actions above, a confirmation from the Rating Agencies that the outstanding Rated Notes will not be downgraded is also required. |
| Funding Swap Provider | Santander UK | A / A2 / A | F1 / P-1 / A-1 | A or F1 / A2 or P-1 (or A1 if no ST rating) / A or A-1 (A+ if not ST rating) BBB- or F3 / A3 or P-2 (A3 if no ST rating) / BBB+ | Remedial action required including posting collateral with possibility of obtaining guarantee, transferring to eligible transferee or taking such other action as will result in the rating of the relevant Notes being maintained at the same level. Further remedial action required including posting/continuing to post collateral with the possibility of obtaining a guarantee, transferring to eligible transferee or taking such other action as will result in the rating of the relevant Notes being maintained at the same level. |
| Issuer Swap Providers | Abbey National Treasury Services plc (all Notes other than the swaps in respect of the Notes hedged by Deutsche Bank AG and Natixis - see below) | A / A2 / A | F1 / P-1 / A-1 | A or F1 / A2 or P-1 (or A1 if no ST rating) / A or A-1 (A+ if no ST rating) BBB- or F3 / A3 or P-2 (A3 if no ST rating) / BBB+ | Remedial action required as above. Further remedial action required as above. |
| | Deutsche Bank AG (in respect of the 2012-1 Class A2 Notes, 1/6 of the 2012-1 Class A3 Notes and the 2012-4 Class A Notes) | A+ / A3 / A | F1+ / P-2 / A-1 | A or F1 / A3* / A or A-1 (A+ if no ST rating) BBB- or F3 / A3 or P-2 (A3 if no ST rating) / BBB+ | Remedial action required as above *except that for the 2012-4 Class A3 Notes the collateral posting trigger is only A2 or P-1 (or A1 if no ST rating) for Moody's. Further remedial action required as above *except that for the 2012-4 Class A Notes the collateral posting trigger is only A3 for Moody's. |
| | Natixis (in respect of 5/12 of the 2012-1 Class A3 Notes) | A / A2 / A | F1 / P-1 / A-1 | A or F1 / A2 or P-1 (or A1 if no ST rating) / A or A-1 (A+ if no ST rating) BBB- or F3 / A3 or P-2 (A3 if no ST rating) / BBB+ | Remedial action required as above. Further remedial action required as above. |
| Paying Agent and related roles | Bank of New York Mellon | AA / Aa2 / AA- | F1+ / P1 / A-1+ | | |
| Corporate Services Provider | Wilmington Trust SP Services (London) Limited | | | | |
| Note Trustee and Security Trustee | Bank of New York Mellon | | | | |

The table above is a brief overview only. For a more detailed summary, please consult pages 60 to 68 (Rating Triggers Table) of the base prospectus. Investors are also advised to consult the underlying Transaction Documents to understand the precise legal terms and conditions associated with the roles listed above and the rating triggers summarised above.

COLLATERAL REPORT

| Mortgage Loan Profile | |
|---|-----------------|
| Original number of Mortgage Loans in Pool | 115,191 |
| Original current value of Mortgage Loans in Pool | £ 6,399,214,138 |
| Current number of Mortgage Loans in Pool at 31 December 2014 | 95,545 |
| Current £ value of Mortgage Loans in Pool at 31 December 2014 | £ 9,107,730,908 |
| Weighted Average Yield on 08 December 2014 | 3.35% |

| Trust Assets | |
|--|------------------|
| Current value of Mortgage Loans in Pool at 08 December 2014 | 9,228,792,660.68 |
| Last months Closing Trust Assets at 10 November 2014 | 9,375,422,929.33 |
| Mortgage collections - Interest on 08 December 2014 | 25,067,968.38 |
| Mortgage collections - Principal (Scheduled) on 08 December 2014 | 80,579,708.36 |
| Mortgage collections - Principal (Unscheduled) on 08 December 2014 | 86,822,735.41 |
| Principal Ledger as calculated on 08 December 2014 | 385,515,452.35 |
| Funding Share as calculated on 08 December 2014 | 7,975,298,251.49 |
| Funding Share % as calculated on 08 December 2014 | 86.41757% |
| Seller Share as calculated on 08 December 2014 | 1,253,494,409.19 |
| Seller Share % as calculated on 08 December 2014 | 13.58243% |
| Minimum Seller Share (Amount) on 08 December 2014 | |
| W | 285,971,505.27 |
| X | 406,066,877.07 |
| Y | 208,887,394.18 |
| Z | - |
| AA | 107,871.99 |
| W + X + Y + Z + AA = | 901,033,648.51 |
| Minimum Seller Share (% of Total) on 08 December 2014 | 9.76329% |

| Arrears Analysis of Non Repossessed Mortgage Loans at 31 December 2014 | Number | Current balance £ | Arrears £ | By Number % | By current balance % |
|--|---------------|----------------------|------------------|----------------|-------------------------|
| Less than 1 month in arrears | 93,295 | 8,855,542,300 | - | 97.65 | 97.23 |
| 1<=2 months in arrears | 1,236 | 140,470,983 | 983,459 | 1.29 | 1.54 |
| 2<=3 months in arrears | 449 | 50,504,289 | 659,484 | 0.47 | 0.55 |
| 3<=4 months in arrears | 195 | 23,524,251 | 407,261 | 0.20 | 0.26 |
| 4<=5 months in arrears | 97 | 11,106,731 | 239,052 | 0.10 | 0.12 |
| 5<=6 months in arrears | 74 | 7,484,782 | 197,210 | 0.08 | 0.08 |
| 6<=7 months in arrears | 58 | 5,693,565 | 206,073 | 0.06 | 0.06 |
| 7<=8 months in arrears | 33 | 3,186,681 | 111,758 | 0.03 | 0.03 |
| 8<=9 months in arrears | 26 | 1,834,043 | 75,911 | 0.03 | 0.02 |
| 9<=10 months in arrears | 24 | 2,305,166 | 121,844 | 0.03 | 0.03 |
| 10<=11 months in arrears | 25 | 2,818,715 | 158,776 | 0.03 | 0.03 |
| 11<=12 months in arrears | 10 | 1,133,981 | 26,888 | 0.01 | 0.01 |
| More than 12 months in arrears | 18 | 1,599,716 | 109,367 | 0.02 | 0.02 |
| Total | 95,540 | 9,107,205,203 | 3,297,085 | 100.00 | 100.00 |

| Arrears Capitalised at 31 December 2014 | Number | Amount £ |
|---|--------|-------------|
| Capitalisation cases (in month) | 6 | 673,885 |
| Capitalisation cases (cumulative) * | 1,951 | 195,217,034 |

*Includes properties in possession cases, cases no longer in arrears but excludes any Loans repurchased from the Portfolio or Loans that have been redeemed since January 2008.

| Losses on Properties in Possession at 31 December 2014 | Number | Loss Amount £ |
|--|--------|------------------|
| Total loss on sale brought forward | 2,225 | 71,554,633 |
| Losses recorded this period | - | - |
| Total loss on sale carried forward | 2,225 | 71,554,633 |
| Recoveries* | 47 | 37,737 |

*This figure represents all live cases and would therefore exclude cases that have been closed due to bankruptcy.

| Properties in Possession at 31 December 2014 | Number | Current balance £ |
|--|--------|----------------------|
| Total properties in possession since inception | 4,528 | 529,649,061 |
| Repossessed (in month) | 2 | 275,339 |
| Sold (in month) | - | - |
| Current number in possession | 5 | 525,705 |
| Total properties sold since inception | 4,523 | 529,067,855 |

| Product Breakdown (By Balance) | Number of accounts | % by number | Current balance £ | % by balance |
|---|-----------------------|----------------|----------------------|-----------------|
| Discounted SVR Loans | 478 | 0.50 | 18,686,990 | 0.21 |
| Fixed Rate Loans | 7,943 | 8.31 | 722,410,824 | 7.93 |
| Bank of England Base Rate Tracker Loans | 36,363 | 38.06 | 3,703,824,808 | 40.67 |
| Standard Variable Loans | 50,761 | 53.12 | 4,662,808,287 | 51.20 |
| Unknown | 0 | - | - | - |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

| Payment Type (By Balance) | Number of accounts | % by number | Current balance £ | % by balance |
|---|-----------------------|----------------|----------------------|-----------------|
| Interest only and Combined repayment & int-only | 43,573 | 45.60 | 5,606,747,799 | 61.56 |
| Repayment | 51,972 | 54.40 | 3,500,983,109 | 38.44 |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

| Use Of Proceeds (By Balance) | Number of accounts | % by number | Current balance £ | % by balance |
|---------------------------------|-----------------------|----------------|----------------------|-----------------|
| Remortgage | 54,959 | 57.52 | 5,011,190,742 | 55.02 |
| House Purchase | 36,851 | 38.57 | 3,969,179,963 | 43.58 |
| Unknown | 3,735 | 3.91 | 127,360,203 | 1.40 |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

| Analysis of Mortgage loan size at reporting date £ | Number of accounts | % by number | Current balance £ | % by balance |
|---|-----------------------|----------------|----------------------|-----------------|
| 0 to <=50,000 | 33,810 | 35.39 | 865,637,535 | 9.50 |
| >50,000 to <=100,000 | 26,211 | 27.43 | 1,912,246,852 | 21.00 |
| >100,000 to <=150,000 | 16,840 | 17.63 | 2,067,821,738 | 22.70 |
| >150,000 to <=200,000 | 9,323 | 9.76 | 1,599,375,775 | 17.56 |
| >200,000 to <=250,000 | 4,420 | 4.63 | 978,759,358 | 10.75 |
| >250,000 to <=300,000 | 2,097 | 2.19 | 569,204,584 | 6.25 |
| >300,000 to <=350,000 | 1,186 | 1.24 | 381,357,332 | 4.19 |
| >350,000 to <=400,000 | 645 | 0.68 | 239,453,071 | 2.63 |
| >400,000 to <=450,000 | 394 | 0.41 | 165,622,846 | 1.82 |
| >450,000 to <=500,000 | 270 | 0.28 | 127,769,673 | 1.40 |
| >500,000 to <=550,000 | 161 | 0.17 | 82,777,588 | 0.91 |
| >550,000 to <=600,000 | 74 | 0.08 | 42,437,387 | 0.47 |
| >600,000 to <=650,000 | 52 | 0.05 | 32,324,353 | 0.35 |
| >650,000 to <=700,000 | 34 | 0.04 | 22,786,066 | 0.25 |
| >700,000 to <=750,000 | 27 | 0.03 | 19,404,570 | 0.21 |
| > 750,000 | 1 | - | 752,181 | 0.01 |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

As at the report date, the maximum loan size was £ 752,181.25, the minimum loan size was £ £ -9,051.52 and the average loan size was £ 95,323.99.

| Geographical Analysis By Region | Number of accounts | % by number | Current balance £ | % by balance |
|---------------------------------|-----------------------|----------------|----------------------|-----------------|
| East Anglia | 3,822 | 4.00 | 347,844,696 | 3.82 |
| East Midlands | 4,393 | 4.60 | 351,982,694 | 3.86 |
| London | 17,977 | 18.82 | 2,319,235,665 | 25.46 |
| North | 3,738 | 3.91 | 254,580,464 | 2.80 |
| North West | 12,272 | 12.84 | 922,531,958 | 10.13 |
| Scotland | 7,388 | 7.73 | 507,453,514 | 5.57 |
| South East (Excluding London) | 20,703 | 21.67 | 2,309,962,500 | 25.36 |
| South West | 7,953 | 8.32 | 797,396,127 | 8.76 |
| Yorks And Humber side | 4,401 | 4.61 | 332,168,021 | 3.65 |
| Wales | 6,289 | 6.58 | 498,341,928 | 5.47 |
| West Midlands | 6,607 | 6.92 | 466,218,929 | 5.12 |
| Unknown | 2 | - | 14,412 | - |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

| Substitution, redemptions and repurchases during period 1st December 2014 - 31st December 2014 | Number of accounts this period | Current balance this period £ |
|---|-----------------------------------|-------------------------------------|
| Substitution & Top up | 0 | 0 |
| Redeemed this period | 1,027 | 122,691,799 |
| Repurchases this period (including arrears)* | 453 | 51,403,376 |
| Arrears repurchased this period* | 0 | 0 |
| Cumulative arrears repurchased* | 3,506 | 413,285,825 |

* "Arrears" for this purpose means, in respect of a Loan, on any date that two or more Monthly Payments have become due and remain unpaid by the relevant Borrower, and this reporting line relates to repurchases under clause 8.11 of the Mortgage Sale Agreement.

| CPR Analysis* | 1 Month % | 1 Month Annualised % | 3 Month Average % | 3 Month Annualised % | 12 Month Average % |
|--|--------------|-------------------------|----------------------|-------------------------|-----------------------|
| Total (including unscheduled repayments and repurchases from the Mortgages Trust) | | | | | |
| Current month | 1.79% | 19.44% | 2.21% | 23.99% | 30.92% |
| Previous month | 2.27% | 24.10% | 2.34% | 25.26% | 30.94% |
| Unscheduled repayments and repurchases from the Mortgages Trust only | | | | | |
| Current month | 0.93% | 10.56% | 1.36% | 15.34% | 21.83% |
| Previous month | 1.40% | 15.59% | 1.51% | 16.91% | 22.08% |

*As of February 2014 the definitions and calculations for CPR/PPR have been amended to align the reporting between all Santander UK secured funding structures.

| Standard Variable Rate - Applicable to underwritten Santander UK mortgages | |
|--|----------|
| Existing Borrowers SVR | 4.74% |
| Effective date of change | Oct-2012 |
| Previous existing Borrowers SVR | 4.24% |
| Effective date of change | Mar-2009 |

| Remaining Term | Number of accounts | by number | Current balance £ | % by balance |
|----------------|--------------------|---------------|----------------------|---------------|
| 0 to <5 | 16,626 | 17.40 | 907,118,063 | 9.96 |
| >= 5 to < 10 | 22,226 | 23.26 | 1,606,848,789 | 17.64 |
| >= 10 to < 15 | 26,610 | 27.85 | 2,649,130,257 | 29.09 |
| >=15 to < 20 | 22,447 | 23.49 | 2,943,853,987 | 32.32 |
| >= 20 to < 25 | 6,307 | 6.60 | 819,703,470 | 9.00 |
| >= 25 to < 30 | 748 | 0.78 | 104,146,884 | 1.14 |
| >= 30 to < 35 | 578 | 0.60 | 76,705,939 | 0.84 |
| >= 35 to < 40 | 3 | - | 223,518 | - |
| >= 40 to < 45 | 0 | - | - | - |
| >= 45 | 0 | - | - | - |
| Unknown | 0 | - | - | - |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

As at the report date, the maximum remaining term for a loan was 434.00 months, the minimum remaining term was 0.00 months and the weighted average remaining term was 160.89 months.

| Seasoning | Number of accounts | % by number | Current balance £ | % by balance |
|-----------------|--------------------|---------------|----------------------|---------------|
| 0 to <6 | - | - | - | - |
| >= 6 to < 12 | - | - | - | - |
| >= 12 to < 18 | - | - | - | - |
| >= 18 to < 24 | - | - | - | - |
| >= 24 to < 30 | 2,154 | 2.25 | 238,637,785 | 2.62 |
| >= 30 to < 36 | 1,612 | 1.69 | 182,233,469 | 2.00 |
| >= 36 to < 42 | 1,108 | 1.16 | 137,414,025 | 1.51 |
| >= 42 to < 48 | 2,327 | 2.44 | 260,203,598 | 2.86 |
| >=48 to < 54 | 2,334 | 2.44 | 267,603,583 | 2.94 |
| >=54 to < 60 | 1,172 | 1.23 | 127,230,638 | 1.40 |
| >= 60 to < 66 | 1,646 | 1.72 | 178,312,491 | 1.96 |
| >= 66 to < 72 | 2,734 | 2.86 | 262,867,835 | 2.89 |
| >= 72 to < 78 | 3,333 | 3.49 | 419,697,519 | 4.61 |
| >= 78 to < 84 | 5,057 | 5.29 | 743,444,524 | 8.16 |
| >= 84 to < 90 | 9,148 | 9.57 | 1,183,962,070 | 13.00 |
| >= 90 to < 96 | 7,953 | 8.32 | 924,299,216 | 10.15 |
| >= 96 to < 102 | 7,749 | 8.11 | 817,735,620 | 8.98 |
| >= 102 to < 108 | 7,329 | 7.67 | 711,372,197 | 7.81 |
| >= 108 to < 114 | 4,481 | 4.69 | 406,880,347 | 4.47 |
| >= 114 to < 120 | 3,724 | 3.90 | 306,428,974 | 3.36 |
| >= 120 to < 126 | 3,933 | 4.12 | 310,837,149 | 3.41 |
| >= 126 to < 132 | 4,634 | 4.85 | 327,710,339 | 3.60 |
| >= 132 to < 138 | 4,556 | 4.77 | 323,812,325 | 3.56 |
| >= 138 to < 144 | 3,306 | 3.46 | 209,652,942 | 2.30 |
| >= 144 to < 150 | 4,161 | 4.36 | 241,969,258 | 2.66 |
| >= 150 to < 156 | 2,102 | 2.20 | 114,987,680 | 1.26 |
| >= 156 to < 162 | 2,431 | 2.54 | 141,928,299 | 1.56 |
| >= 162 to < 168 | 1,040 | 1.09 | 52,186,244 | 0.57 |
| >= 168 to < 174 | 810 | 0.85 | 38,530,672 | 0.42 |
| >= 174 to < 180 | 622 | 0.65 | 27,100,311 | 0.30 |
| >= 180 | 4,089 | 4.28 | 150,691,799 | 1.65 |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

As at the report date, the maximum seasoning for a loan was 232.00 months, the minimum seasoning was 25.00 months and the weighted average seasoning was 95.73 months.

| Indexed Current Loan to Value Using current capital balance and HPI indexed latest valuation | Number of accounts | % by number | Current balance £ | % by balance |
|--|--------------------|---------------|----------------------|---------------|
| >0% =<25% | 28,769 | 30.11 | 892,411,662 | 9.80 |
| >25% =<50% | 28,222 | 29.54 | 2,374,900,854 | 26.08 |
| >50% =<75% | 25,662 | 26.86 | 3,586,679,025 | 39.38 |
| >75% =<80% | 3,632 | 3.80 | 586,313,908 | 6.44 |
| >80% =<85% | 3,265 | 3.42 | 568,837,048 | 6.25 |
| >85% =<90% | 2,692 | 2.82 | 495,135,165 | 5.44 |
| >90% =<95% | 1,813 | 1.90 | 330,966,054 | 3.63 |
| >95% | 1,436 | 1.50 | 272,468,884 | 2.99 |
| Unknown | 54 | 0.06 | 18,309 | - |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

As at the report date, the maximum indexed LTV was 166.83, the minimum indexed LTV was 0.00 and the weighted average indexed LTV was 57.75.

| Loan to Value at Last Valuation Using current capital balance and unindexed latest valuation | Number of accounts | % by number | Current balance £ | % by balance |
|--|--------------------|---------------|----------------------|---------------|
| >0% =<25% | 22,735 | 23.80 | 613,475,537 | 6.74 |
| >25% =<50% | 25,486 | 26.67 | 1,920,873,931 | 21.09 |
| >50% =<75% | 28,442 | 29.77 | 3,579,349,408 | 39.30 |
| >75% =<80% | 5,882 | 6.16 | 919,777,423 | 10.10 |
| >80% =<85% | 4,245 | 4.44 | 691,177,910 | 7.59 |
| >85% =<90% | 3,913 | 4.10 | 673,534,527 | 7.40 |
| >90% =<95% | 2,605 | 2.73 | 445,921,427 | 4.90 |
| >95% | 2,168 | 2.27 | 260,610,716 | 2.86 |
| Unknown | 69 | 0.07 | 3,010,029 | 0.03 |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

As at the report date, the maximum unindexed LTV was 215.89, the minimum unindexed LTV was 0.00 and the weighted average unindexed LTV was 62.28.

| Original Loan to Value at Last Valuation Using original balance and valuation amount | Number of accounts | % by number | Current balance £ | % by balance |
|--|--------------------|---------------|----------------------|---------------|
| >0% =<25% | 8,339 | 8.73 | 335,672,736 | 3.69 |
| >25% =<50% | 22,165 | 23.20 | 1,358,697,991 | 14.92 |
| >50% =<75% | 33,051 | 34.59 | 3,391,167,047 | 37.23 |
| >75% =<80% | 8,152 | 8.53 | 1,047,862,381 | 11.51 |
| >80% =<85% | 6,714 | 7.03 | 901,153,394 | 9.89 |
| >85% =<90% | 9,680 | 10.13 | 1,307,628,656 | 14.36 |
| >90% =<95% | 7,375 | 7.72 | 762,538,675 | 8.37 |
| >95% | - | - | - | - |
| Unknown | 69 | 0.07 | 3,010,029 | 0.03 |
| Total | 95,545 | 100.00 | 9,107,730,908 | 100.00 |

As at the report date, the maximum original LTV was 95.00, the minimum LTV at origination was 0.12 and the weighted average LTV at origination was 67.68.

Holmes Master Trust Investor Report - December 2014

LOAN NOTE REPORT

Report Period 15th October 2014 - 15 January 2015
Closing Date 12/11/2010

Series 2010-1 Notes

| 2010-1 | ISIN (Reg S) | ISIN (144a) | Current Ratings S&P/Moody's/Fitch | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type |
|--------|--------------|--------------|-----------------------------------|------------------------------------|----------|--------------------------|------------------|---------------|-------------|----------------|--------------|-----------------------------|-----------------------|------------------|----------------------|--------------|----------------|-----------|
| A1 | XS0557834545 | US43641NBB91 | A1+P-1/F1+ | A1+P-1/F1+ | USD | 1.63 | 500,000,000 | (500,000,000) | 0 | 1M USD LIBOR | 0.15% | - | - | - | - | n/a | Oct-2011 | Bullet |
| A2 | XS0557834628 | US43641NBC74 | AAA/Aaa/AAA | AAA/Aaa/AAA | USD | 1.63 | 900,000,000 | (900,000,000) | 0 | 3M USD LIBOR | 1.40% | - | - | - | - | Apr-2014 | Oct-2054 | Sched AM |
| A3 | XS0557834891 | XS0557834974 | AAA/Aaa/AAA | AAA/Aaa/AAA | EUR | 1.14 | 500,000,000 | (500,000,000) | 0 | 3M EURIBOR | 1.40% | - | - | - | - | Apr-2014 | Oct-2054 | Sched AM |
| A4 | XS0557835195 | XS0557835278 | AAA/Aaa/AAA | AAA/Aaa/AAA | EUR | 1.14 | 750,000,000 | (133,955,585) | 616,044,415 | 3M EURIBOR | 1.50% | 1.58200% | 15/10/2014-15/01/2015 | 15/01/2015 | 2,490,599 | Jan-2016 | Oct-2054 | Sched AM |
| A5 | XS0557835351 | XS0557835435 | AAA/Aaa/AAA | AAA/Aaa/AAA | GBP | - | 375,000,000 | 0 | 375,000,000 | GBP FIXED | 0.00% | 4.00900% | 15/10/2014-15/04/2015 | 15/04/2015 | 7,516,875 | Oct-2017 | Oct-2054 | Bullet |
| Z | XS0557835518 | n/a | n/a | n/a | GBP | - | 600,000,000 | 0 | 600,000,000 | 3M GBP LIBOR | 0.90% | 1.45963% | 15/10/2014-15/01/2015 | 15/01/2015 | 2,207,440 | n/a | Oct-2054 | P-Through |

Closing Date 09/02/2011

Series 2011-1 Notes

| 2011-1 | ISIN (Reg S) | ISIN (144a) | Current Ratings S&P/Moody's/Fitch | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type |
|--------|--------------|--------------|-----------------------------------|------------------------------------|----------|--------------------------|------------------|---------------|-------------|----------------|--------------|-----------------------------|-----------------------|------------------|----------------------|--------------|----------------|-----------|
| A1 | XS0590150362 | US43641NBD57 | A-1+P-1/F1+ | A-1+P-1/F1+ | USD | 1.62 | 500,000,000 | (500,000,000) | 0 | 1M USD LIBOR | 0.14% | - | - | - | - | n/a | Jan-2012 | Bullet |
| A2 | XS0590150529 | US43641NBE31 | AAA/Aaa/AAA | AAA/Aaa/AAA | USD | 1.62 | 700,000,000 | (700,000,000) | 0 | 3M USD LIBOR | 1.35% | - | - | - | - | Jul-2014 | Oct-2054 | Sched AM |
| A3 | XS0590150446 | XS0590402276 | AAA/Aaa/AAA | AAA/Aaa/AAA | EUR | 1.17 | 650,000,000 | 0 | 650,000,000 | 3M EURIBOR | 1.35% | - | - | - | - | Jul-2014 | Oct-2054 | Sched AM |
| A4 | XS0590150792 | XS0590292073 | AAA/Aaa/AAA | AAA/Aaa/AAA | EUR | 1.17 | 500,000,000 | (45,897,011) | 454,102,989 | 3M EURIBOR | 1.45% | 1.53200% | 15/10/2014-15/01/2015 | 15/01/2015 | 1,777,864 | Apr-2016 | Oct-2054 | Sched AM |
| A5 | XS0590150875 | XS0590296223 | AAA/Aaa/AAA | AAA/Aaa/AAA | GBP | - | 325,000,000 | (29,833,057) | 295,166,943 | 3M GBP LIBOR | 1.45% | 2.00963% | 15/10/2014-15/01/2015 | 15/01/2015 | 1,495,129 | Apr-2016 | Oct-2054 | Sched AM |
| Z | XS0590163696 | n/a | n/a | n/a | GBP | - | 450,000,000 | 0 | 450,000,000 | 3M GBP LIBOR | 0.90% | 1.45963% | 15/10/2014-15/01/2015 | 15/01/2015 | 1,655,500 | n/a | Oct-2054 | P-Through |

Closing Date 21/09/2011

Series 2011-3 Notes

| 2011-3 | ISIN (Reg S) | ISIN (144a) | Current Ratings S&P/Moody's/Fitch | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type |
|--------|--------------|--------------|-----------------------------------|------------------------------------|----------|--------------------------|------------------|-----------------|-------------|----------------|--------------|-----------------------------|-----------------------|------------------|----------------------|--------------|----------------|-----------|
| A1 | XS0679914787 | US43641NBG88 | A-1+P-1/F1+ | A-1+P-1/F1+ | USD | 1.58 | 500,000,000 | (500,000,000) | 0 | 1M USD LIBOR | 0.13% | - | - | - | - | n/a | Jul-2012 | Bullet |
| A2 | XS0679914860 | US43641NBH61 | AAA/Aaa/AAA | AAA/Aaa/AAA | USD | 1.58 | 2,000,000,000 | (1,060,708,539) | 939,291,461 | 3M USD LIBOR | 1.55% | 1.78060% | 15/10/2014-15/01/2015 | 15/01/2015 | 4,274,173 | Jan-2015 | Oct-2054 | Sched AM |
| A3 | XS0679914853 | XS0679922899 | AAA/Aaa/AAA | AAA/Aaa/AAA | EUR | 1.15 | 200,000,000 | (106,070,854) | 93,929,146 | 3M EURIBOR | 1.40% | 1.48200% | 15/10/2014-15/01/2015 | 15/01/2015 | 355,741 | Jan-2015 | Oct-2054 | Sched AM |
| A4 | XS0679914844 | XS0679923937 | AAA/Aaa/AAA | AAA/Aaa/AAA | GBP | - | 165,000,000 | 0 | 165,000,000 | 3M GBP LIBOR | 1.65% | 2.20963% | 15/10/2014-15/01/2015 | 15/01/2015 | 918,964 | Oct-2016 | Oct-2054 | Sched AM |
| A5 | XS0679915081 | US43641NBL73 | AAA/Aaa/AAA | AAA/Aaa/AAA | USD | 1.58 | 500,000,000 | 0 | 500,000,000 | USD FIXED | 0.00% | 3.61500% | 15/07/2014-15/01/2015 | 15/01/2015 | 9,037,500 | Jan-2019 | Oct-2054 | Sched AM |
| A6 | XS0679915164 | US43641NBM56 | AAA/Aaa/AAA | AAA/Aaa/AAA | USD | 1.58 | 250,000,000 | 0 | 250,000,000 | 3M USD LIBOR | 1.75% | 1.98060% | 15/10/2014-15/01/2015 | 15/01/2015 | 1,265,383 | Jan-2019 | Oct-2054 | Sched AM |

Closing Date 25/01/2012

Series 2012-1 Notes

| 2012-1 | ISIN (Reg S) | ISIN (144a) | Current Ratings S&P/Moody's/Fitch | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type |
|--------|--------------|--------------|-----------------------------------|------------------------------------|----------|--------------------------|------------------|-----------------|----------------|----------------|--------------|-----------------------------|-----------------------|------------------|----------------------|--------------|----------------|-----------|
| A1 | XS0736418409 | US43641NBND0 | A-1+P-1/F1+ | A-1+P-1/F1+ | USD | 1.54 | 500,000,000 | (500,000,000) | 0 | 1M USD LIBOR | 0.20% | - | - | - | - | n/a | Jan-2013 | Bullet |
| A2 | XS0736397604 | US43641NBR97 | AAA/Aaa/AAA | AAA/Aaa/AAA | USD | 1.54 | 500,000,000 | (207,889,128) | 292,110,874 | 3M USD LIBOR | 1.65% | 1.88060% | 15/10/2014-15/01/2015 | 15/01/2015 | 1,403,878 | Apr-2015 | Oct-2054 | Sched AM |
| A3 | XS0736398834 | XS0739241205 | AAA/Aaa/AAA | AAA/Aaa/AAA | EUR | 1.20 | 1,200,000,000 | (498,933,902) | 701,066,098 | 3M EURIBOR | 1.55% | 1.63200% | 15/10/2014-15/01/2015 | 15/01/2015 | 2,923,913 | Apr-2015 | Oct-2054 | Sched AM |
| A4 | XS0736398917 | XS0739241114 | AAA/Aaa/AAA | AAA/Aaa/AAA | GBP | - | 375,000,000 | (72,761,194) | 102,238,806 | 3M GBP LIBOR | 1.75% | 2.30963% | 15/10/2014-15/01/2015 | 15/01/2015 | 595,187 | Apr-2015 | Oct-2054 | Sched AM |
| A5 | XS0736399055 | XS0739240819 | AAA/Aaa/AAA | AAA/Aaa/AAA | JPY | 118.00 | 20,000,000,000 | (9,315,565,032) | 11,684,434,968 | 3M JPY LIBOR | 1.25% | 1.35286% | 15/10/2014-15/01/2015 | 15/01/2015 | 40,695,303 | Apr-2015 | Oct-2054 | Sched AM |
| A6 | XS0736399139 | XS0739240900 | AAA/Aaa/AAA | AAA/Aaa/AAA | GBP | - | 215,000,000 | 0 | 215,000,000 | 3M GBP LIBOR | 1.85% | 2.40963% | 15/10/2014-15/01/2015 | 15/01/2015 | 1,305,821 | Jul-2017 | Oct-2054 | Sched AM |
| Z | XS0737122464 | n/a | n/a | n/a | GBP | - | 610,000,000 | 0 | 610,000,000 | 3M GBP LIBOR | 0.90% | 1.45963% | 15/10/2014-15/01/2015 | 15/01/2015 | 2,244,231 | n/a | Oct-2054 | P-Through |

Holmes Master Trust Investor Report - December 2014

LOAN NOTE REPORT

| Closing Date | | Series 2012-2 Notes | | | | | | | | | | | | | | | | | | |
|----------------|--|--|---|---|-------------------|--------------------------|---|-------------------------|--|--|-------------------------|----------------------------------|---|--|---------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------|--|
| 2012-2 | ISIN (Reg S) | ISIN (144a) | Current Ratings S&P/Moody's/Fitch | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type | | |
| A1 Z | XS0773322606 XS0773322788 | n/a n/a | AAA/Aaa/AAA n/a | AAA/Aaa/AAA n/a | USD GBP | 1.59 - | 1,250,000,000 175,000,000 | 0 0 | 1,250,000,000 175,000,000 | 3M USD LIBOR 3M GBP LIBOR | 1.55% 0.90% | 1.78060% 1.45963% | 15/10/2014-15/01/2014 15/10/2014-15/01/2014 | 15/01/2015 15/01/2015 | 5,688,028 643,837 | Oct-2017 n/a | Oct-2054 Oct-2054 | Sched AM P-Through | | |
| Closing Date | | Series 2012-3 Notes | | | | | | | | | | | | | | | | | | |
| 2012-3 | ISIN (Reg S) | ISIN (144a) | 08/01/2014 | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type | | |
| A1 B1 B2 | XS0790113475 XS0790113558 XS0790188055 | XS0790113632 US43641NBU72 XS0790188139 | AAA/Aaa/AAA AA/Aa3/AA AA/Aa3/AA | AAA/Aaa/AAA AA/Aa3/AA AA/Aa3/AA | GBP USD GBP | - 1.55 - | 515,000,000 140,000,000 33,000,000 | 0 0 0 | 515,000,000 140,000,000 33,000,000 | 3M GBP LIBOR 3M USD LIBOR 3M GBP LIBOR | 1.55% 2.20% 2.35% | 2.10963% 2.43060% 2.90963% | 15/10/2014-15/01/2014 15/10/2014-15/01/2014 15/10/2014-15/01/2014 | 15/01/2015 15/01/2015 15/01/2015 | 2,738,473 869,615 242,017 | Oct-2017 Oct-2017 Oct-2017 | Oct-2054 Oct-2054 Oct-2054 | Sched AM Sched AM Sched AM | | |
| Closing Date | | Series 2012-4 Notes | | | | | | | | | | | | | | | | | | |
| 2012-4 | ISIN (Reg S) | ISIN (144a) | Current Ratings S&P/Moody's/Fitch | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type | | |
| A1 Z | XS0816608755 XS0816612278 | n/a n/a | AAA/Aaa/AAA n/a | AAA/Aaa/AAA n/a | EUR GBP | 1.27 - | 650,000,000 180,000,000 | (371,428,572) 0 | 278,571,428 180,000,000 | 3M EURIBOR 3M GBP LIBOR | 0.75% 0.90% | 0.83200% 1.45963% | 15/10/2014-15/01/2014 15/10/2014-15/01/2014 | 15/01/2015 15/01/2015 | 592,305 662,232 | Jul-2015 n/a | Oct-2054 Oct-2054 | Sched AM P-Through | | |
| Closing Date | | Series 2013-1 Notes | | | | | | | | | | | | | | | | | | |
| 2013-1 | ISIN (Reg S) | ISIN (144a) | Current Ratings S&P/Moody's/Fitch | Original Ratings S&P/Moody's/Fitch | Currency | Applicable Exchange Rate | Original Balance | Repaid | Outstanding | Reference rate | Margin p.a.% | Current interest rate p.a.% | Accrual Period | Next coupon date | Interest next coupon | Step up Date | Legal Maturity | Bond Type | Placement | |
| A1 A2 A3 | XS0938279378 XS0938012704 XS0938091575 | US43641NBV55 XS0938943080 n/a | AAA/Aaa/AAA AAA/Aaa/AAA AAA/Aaa/AAA | AAA/Aaa/AAA AAA/Aaa/AAA AAA/Aaa/AAA | USD GBP GBP | 1.51 - - | 750,000,000 500,000,000 100,000,000 | (750,000,000) 0 0 | - 500,000,000 100,000,000 | 1M USD LIBOR 3M GBP LIBOR 3M GBP LIBOR | 0.08% 0.40% 0.40% | 0.95963% 0.40% 0.95963% | - 15/10/2014-15/01/2014 15/10/2014-15/01/2014 | - 15/01/2015 15/01/2015 | - 1,209,397 241,879 | n/a Oct-2016 Jan-2017 | Apr-2014 Oct-2054 Oct-2054 | Sched AM Sched AM Sched AM | Public Public Retained | |

*All Notes are listed on the London Stock Exchange.

| Combined Credit Enhancement | Total £ | | Current note subordination | Subordination + Reserve Fund | % Required |
|--------------------------------------|----------------|---------|-------------------------------|---------------------------------|------------|
| Class A Notes | £6,222,702,153 | 74.43% | 25.57% | 31.14% | 8.30% |
| Class B Notes | £123,177,134 | 1.47% | 24.10% | 29.66% | 5.70% |
| Class Z Notes | £2,015,000,000 | 24.10% | 0.00% | 0.00% | 0.00% |
| | £8,360,879,287 | 100.00% | | | |
| Funding Reserve Fund Required Amount | £465,000,000 | 5.56% | | | |

| | |
|---|----|
| Interest shortfall in period | £0 |
| Cumulative interest shortfall | £0 |
| Principal shortfall in period | £0 |
| Cumulative principal shortfall | £0 |
| Cumulative net loss | £0 |
| Excess principal paid in current period | £0 |

| Funding Reserve Fund | |
|-------------------------|--------------|
| Balance brought forward | £465,000,000 |
| Drawings | £0 |
| Top up | £0 |
| Balance carried forward | £465,000,000 |

| Excess Spread | |
|--|-------|
| Excess spread this month annualised | 1.99% |
| Excess spread rolling 12 month average | 2.36% |

*excess spread is calculated at each quarterly Interest Payment Date

| | |
|------------------------------|-------------|
| Funding Principal Ledger-AAA | 385,515,452 |
| Funding Principal Ledger-AA | - |
| Funding Principal Ledger-A | - |
| Funding Principal Ledger-BBB | - |
| Funding Principal Ledger | 385,515,452 |

| Accounts as at 31st December 2014 | Counterparty | Rate | Amount |
|-----------------------------------|-------------------------|---------------|-------------|
| Mortgages Trustee GIC | Santander UK | Libor | 107,639,179 |
| Funding GIC | Santander UK | Libor | 907,363,850 |
| Funding Transaction Account | Santander UK | Libor - 0.25% | 45,985 |
| Panel Banks | Bank of New York Mellon | - | - |

Holmes Master Trust Investor Report - December 2014

WATERFALLS

| MORTGAGES TRUSTEE REVENUE WATERFALL | | FUNDING REVENUE WATERFALL | | ISSUER REVENUE WATERFALL | |
|---|--|--|--|-----------------------------------|---|
| <i>*for distribution period 10th Nov - 8th Dec 2014</i> | | <i>*for interest period 15th Oct 2014 - 15 Jan 2015</i> | | | |
| (a) | Mortgages Trustee fees Other third party payments | (a) | Funding Security Trustee fees Fee under Intercompany Loan Other third party payments | (a) | Issuing Entity Security Trustee fees Note Trustee fees Agent Bank fees etc. |
| | 0.00 0.00 | | 0.00 0.00 0.00 | | 0.00 0.00 0.00 |
| (b) | Servicer fees | (b) | Cash Manager fees | (b) | Other third party payments |
| | 749,574.64 | | 0.00 | | 0.00 |
| (c) | Funding Seller | (c) | Funding Corporate Services fees Account Banks fees | (c) | Issuing Entity Cash Manager fees Issuing Entity Corporate Services Provider fees Issuing Entity Account Bank fees |
| | 26,233,573.82 -1,915,180.08 | | 0.00 0.00 | | 0.00 0.00 0.00 |
| MORTGAGES TRUSTEE PRINCIPAL WATERFALL | | (d) | Payment to Funding 1 Swap Provider | (d) | Interest on Class A Notes (including any payments to Issuing Entity Swap Providers) |
| <i>*for distribution period 10th Nov - 8th Dec 2014</i> | | | 0.00 | | 0.00 |
| (a) | Funding | (e) | Interest on AAA Term Advances | (e) | Interest on Class B Notes (including any payments to Issuing Entity Swap Providers) |
| | 167,402,443.77 | (f) | Credit to AAA Principal Deficiency Ledger | (f) | Interest on Class M Notes (including any payments to Issuing Entity Swap Providers) |
| (b) | Seller | (g) | Interest on AA Term Advances | (g) | Interest on Class C Notes (including any payments to Issuing Entity Swap Providers) |
| | 0.00 | (h) | Credit to AA Principal Deficiency Ledger | | 0.00 |
| | | (i) | Interest on A Term Advances | (h) | Interest on Class Z Notes |
| | | (j) | Credit to A Principal Deficiency Ledger | | 0.00 |
| | | (k) | Interest on BBB Term Advances | (i) | Excluded issuer swap payments |
| | | (l) | Credit to BBB Principal Deficiency Ledger | | 0.00 |
| | | (m) | Swap termination payments | (j) | Issuing Entity profit |
| | | | 0.00 | | 0.00 |
| | | (n) | Credit to First Reserve Fund | ISSUER PRINCIPAL WATERFALL | |
| | | (o) | Additional credit to First Reserve Fund | (a) | Repayment of Class A Notes (including principal payments to class A swap providers) |
| | | (p) | Credit to Liquidity Reserve Fund | | 0.00 |
| | | | 0.00 | (b) | Repayment of Class B Notes (including principal payments to class A swap providers) |
| | | (q) | Credit to NR Principal Deficiency Ledger | | 0.00 |
| | | | 0.00 | (c) | Repayment of Class M Notes (including principal payments to class A swap providers) |
| | | (r) | Interest on NR Term Advances | | 0.00 |
| | | | 0.00 | (d) | Repayment of Class C Notes (including principal payments to class A swap providers) |
| | | (s) | Excluded swap payments (with respect to the Issuer) and other fees under the Intercompany Loan Agreement | | 0.00 |
| | | | 0.00 | (e) | Repayment of Class Z Notes |
| | | (t) | Payment of Funding Start-up Loan | | 0.00 |
| | | | 0.00 | | |
| | | (u) | Profit to Funding | | |
| | | | 0.00 | | |
| | | (v) | Deferred Consideration | | |
| | | | 0.00 | | |
| | | FUNDING PRINCIPAL WATERFALL | | | |
| | | <i>* To be read in conjunction with rules on pgs 181- 185 of the base prospectus</i> | | | |
| | | (a) | Repayment of AAA Term Advances | | |
| | | | 0.00 | | |
| | | (b) | Credit to Cash Accumulation Ledger | | |
| | | | 0.00 | | |
| | | (c) | Repayment of AA Term Advances | | |
| | | (d) | Repayment of A Term Advances | | |
| | | (e) | Repayment of BBB Term Advances | | |
| | | | 0.00 0.00 0.00 | | |
| | | (f) | Repayment of NR Term Advances | | |
| | | | 0.00 | | |

SWAP PAYMENTS

| Note | Swap Counterparty | Currency Notional | Receive Reference Rate | Receive Margin | Receive Rate | Interest Received | Principal Received | € Notional | Pay reference rate | Pay margin | Pay rate | Interest Paid | Principal Paid |
|------|-------------------|-------------------|------------------------|----------------|--------------|-------------------|--------------------|------------|--------------------|------------|----------|---------------|----------------|
| | | | | | | | | | | | | | |

COLLATERAL

| Note | Collateral Postings | Counterparty |
|------|---------------------|--------------|
| | | |

There was no collateral posted during the reporting period 01-Dec-14 to 31-Dec-14.

| TRIGGER EVENTS | |
|---|----------------------|
| Asset Amount debited to AAA Principal Deficiency Sub Ledger, unless certain criteria are met | None |
| Non Asset Insolvency Event occurs in relation to Seller. Seller's role as Servicer terminated & new servicer appointed within 60 days. The then current Seller Share is less than the Minimum Seller Share. | None None None |
| An Arrears Trigger Event will occur if: (i) the Outstanding Principal Balance of the Loans in arrears for more than 90 days divided by the Outstanding Principal Balance of all of the Loans in the Mortgages Trust (expressed as a percentage) exceeds 2 per cent.; or (ii) the Issuer does not exercise its option to redeem the Issuing Entity Notes on the relevant step-up date pursuant to the Terms and Conditions of the Issuing Entity Notes (but only where such right of redemption arises on or after a particular specified date and not as a result of the occurrence of any event specified in the Terms and Conditions of the relevant Issuing Entity Notes) | None* None |
| Full details of all Trigger Events can be found within the Holmes Master Issuer plc base prospectus | |

* The arrears percentage as at 10th February 2014 was 0.00% after the repurchase of accounts in arrears for 2 months or higher. As a result the reserve fund will be reduced by £50m at the next quarterly distribution date in line with the legal agreements

Definitions

1 Arrears

This arrears multiplier is calculated as the arrears amount (which is the difference between the expected monthly repayments and the amount that has actually been paid, i.e. a total of under and/or over payments) divided by the monthly amount repayable. It is recalculated every time the arrears amount changes, i.e. on the date when a payment is due.

2 Defaults

For the purpose of the Bank of England Market Notice dated 30 November 2010 "defaults" is defined as properties been taken into possession.

3 1 month CPR

On any trust calculation date, the total principal receipts received during the immediately preceding trust calculation period divided by the aggregate current balance of the loans comprised in the trust property calculated on the previous trust calculation date in respect of the previous trust calculation period.

4 1 month annualised CPR

Calculated as $1 - ((1 - R) ^ 12)$ where R is (i) total principal receipts received scheduled and unscheduled during the relevant period, divided by (ii) the aggregate outstanding principal balance of the loans in the expected portfolio as at the start of that period.

5 3 month average CPR

The total principal receipts received during the immediately preceding trust calculation period for the last 3 months divided by the average aggregate current balance of the last 3 months of the loans comprised in the trust property.

6 3 month annualised CPR

Calculated as $1 - ((1 - R) ^ 4)$ where R is (i) total principal receipts received scheduled and unscheduled during the relevant period, divided by (ii) the average aggregate outstanding principal balance over the last 3 months of the loans in the expected portfolio as at the start of that period.

7 12 month average CPR

The total principal receipts received during the immediately preceding trust calculation period for the last 12 months divided by the average aggregate current balance of the last 12 months of the loans comprised in the trust property.

8 W

Savings balance

9 X

Current balance of Loans in the trust property multiplied by 4.4%

10 Y

Flexible drawings set-off risk

11 Z

Breach of Mortgage Sale Agreement

12 AA

Reward loans cashbacks

13 Excess Spread calculation

Excess spread is calculated by dividing (excess cash available for payment below the Funding Reserve Fund in the reserve waterfall) by (the weighted average Funding Share for the relevant period.)

Notes Article 122a of the EU Capital Requirements Directive

The seller confirms that, if it sells one or more new loans and their related security to the mortgages trustee on or after 1 January 2015, then on or immediately following the relevant sale date, the seller will ensure that it retains a material net economic interest in the securitisation of not less than 5 per cent. as contemplated by Article 122a of Directive 2006/48/EC (as amended) (as such Article is at the time implemented by the rules and guidance of the Financial Services Authority or any successor regulatory authority (the relevant rules)).

Redemptions

On the payment date 15th January 2015 the following notes were fully redeemed: Holmes 2011-3 A2 and Holmes 2011-3 A3

All capitalised terms used in this investor report have the meaning or descriptions assigned to them in the Holmes Master Issuer plc base prospectus.