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## IMPORTANT NOTICE

The information contained in the attached electronic copy of the final terms dated 2 November 2006 (the “**Final Terms**”) has been formatted in a manner which should exactly replicate the printed Final Terms. However, the physical appearance may differ and other discrepancies may occur for various reasons, including electronic communication difficulties or particular user equipment. The user of this electronic copy of the Final Terms assumes the risks of any discrepancies between the printed Final Terms and the electronic version of this document.

Neither this e-mail nor the attached electronic copy of the Final Terms constitutes an offer to sell or the solicitation of an offer to buy the securities described in the Final Terms in any jurisdiction in which such offer or solicitation would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

In order to be eligible to view this e-mail or access the Final Terms or make an investment decision with respect to the securities described therein, you must either (i) not be a “US Person” within the meaning of Regulation S of the US Securities Act of 1933, as amended (the “**Securities Act**”) nor a US Resident for purposes of the US Investment Company Act of 1940, as amended (the “**1940 Act**”) or (ii) be a person that is both a “**Qualified Institutional Buyer**” within the meaning of Rule 144A under the Securities Act (a “**QIB**”), and a “**Qualified Purchaser**” within the meaning of Section 2(a)(51)(A) under the 1940 Act and the rules and regulations thereunder (a “**QP**”).

Within the United Kingdom, the Final Terms is directed only at persons who (i) have professional experience in matters relating to investments or (ii) are persons falling within Article 49(2)(A) to (D) (“High Net Worth Companies, Unincorporated Associations Etc”) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as “**Relevant Persons**”). The Final Terms must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Final Terms relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. The Final Terms may not be forwarded or distributed to any other person within the United Kingdom and may not be reproduced in any manner whatsoever.

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THIS EMAIL IS NOT TO BE DISTRIBUTED OR FORWARDED TO ANY PERSON OTHER THAN THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM BARCLAYS BANK PLC AND CREDIT SUISSE SECURITIES (EUROPE) LIMITED AND DEUTSCHE BANK AG, LONDON BRANCH AND GOLDMAN SACHS INTERNATIONAL AND UBS LIMITED (AS “**DEALERS**”) ON BEHALF OF THE ISSUER AND ANY PERSON RETAINED TO ADVISE THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION WITH RESPECT TO THE OFFERING CONTEMPLATED IN THE FINAL TERMS AND IS NOT TO BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FURTHER DISTRIBUTION, FORWARDING OR REPRODUCTION OF THIS E-MAIL IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT. THE INFORMATION CONTAINED IN THIS E-MAIL MESSAGE IS CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED.

Final Terms dated 2 November 2006  
(to the base prospectus dated 2 November 2006)

## GRACECHURCH MORTGAGE FINANCING PLC

(incorporated in England and Wales with limited liability under registered number 5673206)

**Issue of €211,000,000 Class D3 Mortgage Backed Floating Rate Notes due 2056**  
under the £25,000,000,000 Gracechurch Mortgage Financing Residential Mortgage Backed Note  
Programme

(ultimately backed by trust property in the mortgages trust)

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved these series 2006-1-D3 notes or determined if these final terms are truthful or complete. Any representation to the contrary is a criminal offence.

The series 2006-1-D3 notes issued under the programme have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States. The issuer has not registered and does not intend to register as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act") in reliance on the exclusion provided in Section 3(c)(7) thereof. The series 2006-1-D3 notes are being offered and sold outside the United States to persons who are neither U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) (each a "U.S. Person") nor U.S. residents (as determined for the purposes of the Investment Company Act) (each a "U.S. Resident") in offshore transactions in reliance on Regulation S.

Please review and carefully consider the risk factors beginning on page 47 of the base prospectus before you purchase any series 2006-1-D3 notes.

You should read these final terms and the base prospectus carefully before you invest. A note is not a deposit and neither the series 2006-1-D3 notes nor the underlying mortgage loans are insured or guaranteed by Barclays Bank PLC or by any United Kingdom or United States governmental agency. The series 2006-1-D3 notes offered in these final terms and the base prospectus will be obligations of the issuer only. The issuer will seek to satisfy its obligations under these series 2006-1-D3 notes from its assets. The series 2006-1-D3 notes will not be obligations of Barclays Bank PLC or any of its affiliates.

Series 2006-1-D3 notes issued pursuant to the programme may not be reoffered, resold, pledged, exchanged or otherwise transferred except in transactions exempt from or not subject to the registration requirements of the Securities Act and any other applicable securities laws. By its purchase of a series 2006-1-D3 note, each purchaser will be deemed to have (1) represented and warranted that it is neither a U.S. Person nor a U.S. Resident, and that it is located outside the United States and (2) agreed that it will only resell such series 2006-1-D3 note in accordance with the applicable restrictions set forth herein. Neither U.S. Persons nor U.S. Residents may hold an interest in a Regulation S global certificate at any time. See "*Plan of distribution*" and "*Transfer Restrictions*" in these final terms and the base prospectus.

Regulation S notes (as defined herein) of the series 2006-1-D3 notes will be represented on issue by beneficial interests in one or more global certificates (each a "**Regulation S global certificate**"), in fully registered form, without interest coupons attached, which will be deposited with, and registered in the name of The Bank of New York as common depository (the "**common depository**") for Euroclear Bank S.A./N.V. ("**Euroclear**"), as operator of the Euroclear system, and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Ownership interests in the Regulation S global certificates (collectively, the "**global certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Series 2006-1-D3 notes in definitive certificated and fully registered form will be issued only in the limited circumstances described herein. In each case, purchasers and transferees of series 2006-1-D3 notes will be deemed to have made certain representations and agreements. See "*Plan of Distribution*" in these final terms and the base prospectus.

### *Dealers*

#### **Barclays Capital**

**Credit Suisse    Deutsche Bank    Goldman, Sachs & Co.    UBS Investment Bank**

## IMPORTANT NOTICES

In the event that any withholding or deduction for any taxes, duties, assessments or government charges of whatever nature is imposed, levied, collected, withheld or assessed on payments of principal or interest in respect of the series 2006-1-D3 notes by the United Kingdom, or any other jurisdiction or any political subdivision or any authority in or of such jurisdiction having power to tax, the issuer or the paying agents shall make such payments after such withholding or deduction and neither the issuer nor the paying agents will be required to make any additional payments to holders of series 2006-1-D3 notes in respect of such withholding or deduction.

This document constitutes final terms for the purposes of Article 5.4 of the Prospectus Directive and is supplemental to and must be read in conjunction with the base prospectus. Full information on the issuer and the offer of the series 2006-1-D3 notes is only available on the basis of the combination of these final terms and the base prospectus. The base prospectus is available for viewing at the specified office of the principal paying agent and the registered office of the issuer and copies may be obtained from the specified office of the principal paying agent.

The issuer has confirmed to the dealers named under "*Plan of Distribution*" below that these final terms, when read in conjunction with the base prospectus, contains all information which is (in the context of the programme, the issue, offering and sale of the series 2006-1-D3 notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed in these final terms are honestly held or made and are not misleading in any material respect; that these final terms does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the programme, the issue and offering and sale of the series 2006-1-D3 notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with these final terms or any other document entered into in relation to the programme or any information supplied by the issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the issuer or any dealer.

No representation or warranty is made or implied by the dealers or any of their respective affiliates, and neither the dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these final terms. Neither the delivery of these final terms nor the offering, sale or delivery of any note shall, in any circumstances, create any implication that the information contained in these final terms is true subsequent to the date hereof or the date upon which any future final terms (in relation to any future issue of other series 2006-1-D3 notes) is produced or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the issuer since the date thereof or, if later, the date upon which any future final terms (in relation to any future issue of other series 2006-1-D3 notes) is produced or that any other information supplied in connection with the programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No request has been made for a certificate permitting public offers of the series 2006-1-D3 notes in other member states of the European Union.

The distribution of these final terms and the offering, sale and delivery of the series 2006-1-D3 notes in certain jurisdictions may be restricted by law. Persons in possession of the final terms are required by the issuer and the dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of series 2006-1-D3 notes and on the distribution of these final terms and other offering material relating to the series 2006-1-D3 notes, see "*Plan of distribution*" and "*Transfer Restrictions*" in these final terms and the base prospectus.

An investment in the series 2006-1-D3 notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

The maximum aggregate principal amount outstanding of notes outstanding at any one time under the programme will not exceed £25,000,000,000 (and for this purpose, any series 2006-1-D3 notes

denominated in another currency shall be translated into sterling at the date of the agreement to issue such series 2006-1-D3 notes (calculated in accordance with the provisions of the dealer agreement)). The maximum aggregate principal amount outstanding of notes which may be outstanding at any one time under the programme may be increased from time to time, subject to compliance with the relevant provisions of the dealer agreement as defined under "*Plan of Distribution*" in the base prospectus.

Certain figures included in these final terms have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The information about these series 2006-1-D3 notes appears in two separate documents: a base prospectus and these final terms. The base prospectus provides general information about each series of notes issued under the Gracechurch Mortgage Financing residential mortgage backed note programme, some of which may not apply to the series 2006-1-D3] notes described in these final terms. With respect to the series 2006-1-D3 notes, these final terms are the "relevant final terms" or the "applicable final terms" referred to in the base prospectus.

These final terms may be used to offer and sell the series 2006-1-D3 notes only if accompanied by the base prospectus.

These final terms may supplement the disclosure in the base prospectus. If the terms in these final terms differ from the terms in the base prospectus, the terms in these final terms will prevail and apply to the series 2006-1-D3 notes.

You should rely only on the information in these final terms and the base prospectus, including information incorporated by reference. The issuer has not authorised anyone to provide different information.

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## TRANSACTION FEATURES

These final terms may supplement the disclosure in the base prospectus. If the terms in these final terms differ from the terms in the base prospectus, the terms in these final terms will prevail and apply to the series 2006-1-D3 notes. Unless otherwise indicated, words and expressions defined in the base prospectus shall have the same meanings below.

|                                      |  |
|--------------------------------------|--|
| Series Number:                       | Series 2006-1-D3   |
| Class of Notes:                      | D  |
| Expected Ratings from Moody's:       | Baa2   |
| Expected Ratings from S&P            | BBB  |
| Expected Ratings from Fitch Ratings: | BBB  |
| Issue Date:                          | 9 November 2006  |
| Issue Price:                         | 100 per cent.  |
| Specified Currency:                  | Euro   |
| Principal Amount:                    | €211,000,000   |
| Minimum Specified Denomination:      | €50,000  |
| Final Maturity Date:                 | Issuer payment date falling in November 2056   |
| Fixed or Floating Designation:       | Floating   |
| Basis:                               | Three month (or in the case of the first issuer interest period, the linear interpolation of three and four month) EURIBOR                                     |
| Margin Until Step-Up Date:           | 0.47%  |
| Margin After Step-Up Date:           | 0.94%  |
| Step-Up Date:                        | Issuer payment date falling in November 2011   |
| Optional Redemption:                 | On any step-up call date, 10% call date or Basel call date   |
| Business Day Convention:             | Modified following business day convention   |
| Day Count Fraction:                  | Actual/360   |
| Issuer Payment Dates:                | 20th day of February, May, August and November, in each year   |
| First Issuer Payment Date:           | Issuer payment date falling in February 2007   |
| Listing:                             | The Gilt Edged and Fixed Interest Market of the London Stock Exchange  |
| Form of Notes:                       | Regulation S note, represented by an interest in a global certificate registered in the name of the common depository of Euroclear and Clearstream, Luxembourg |
| Stock Exchange:                      | London   |

**LOAN NOTE TRANCHE SUPPORTING SERIES**

|  |  |
|--|--|
| Tranche Number:  | 2006-1-D3  |
| Designation for the purposes of the funding security trust deed: | Class D  |
| Issuance Date:   | 9 November 2006  |
| Initial Principal Amount <sup>1</sup> :                          | £141,534,746   |
| Funding Payment Dates:   | 20th day of February, May, August and November, in each year   |
| First Funding Payment Date:                                      | Funding payment date falling in February 2007  |
| Basis:   | Three month (or in the case of the first funding interest period, the linear interpolation of three and four month) Sterling LIBOR |
| Margin Until Step-Up Date:                                       | 0.5254%  |
| Margin After Step-Up Date:                                       | 1.0508%  |
| Step-Up Date:  | Funding payment date falling in November 2011  |
| Final Maturity Date:   | Funding payment date falling in November 2056  |
| Required Subordination Percentage:                               | 1.25%  |
| Common Funding Reserve Required Amount:                          | 1.25%  |

**Loan note tranche controlled amortisation schedule**

| <i>Payment Date Falling in:</i> | <i>Target Balance (£)</i> | <i>Euro equivalent Target Balance</i> |
|---------------------------------|---------------------------|---------------------------------------|
| February 2007                   | 141,534,746               | 211,000,000                           |
| May 2007                        | 141,534,746               | 211,000,000                           |
| August 2007                     | 141,534,746               | 211,000,000                           |
| November 2007                   | 141,534,746               | 211,000,000                           |
| February 2008                   | 141,534,746               | 211,000,000                           |
| May 2008                        | 141,534,746               | 211,000,000                           |
| August 2008                     | 141,534,746               | 211,000,000                           |
| November 2008                   | 141,534,746               | 211,000,000                           |
| February 2009                   | 141,534,746               | 211,000,000                           |
| May 2009                        | 141,534,746               | 211,000,000                           |
| August 2009                     | 141,534,746               | 211,000,000                           |
| November 2009                   | 141,534,746               | 211,000,000                           |
| February 2010                   | 141,534,746               | 211,000,000                           |
| May 2010                        | 141,534,746               | 211,000,000                           |
| August 2010                     | 141,534,746               | 211,000,000                           |
| November 2010                   | 141,534,746               | 211,000,000                           |
| February 2011                   | 141,534,746               | 211,000,000                           |
| May 2011                        | 141,534,746               | 211,000,000                           |
| August 2011                     | 141,534,746               | 211,000,000                           |
| November 2011                   | 116,469,146               | 173,632,202                           |
| February 2012 and thereafter    | 0                         | 0                                     |

**NEW MORTGAGE PORTFOLIO**

|  |                                       |
|--|---------------------------------------|
| Designation:                                   | Series 2006-1 mortgage loan portfolio |
| Maximum Permitted Mortgage Loan Maturity Date: | 20 November 2054                      |

<sup>1</sup> Loan note principal amounts are rounded to the nearest Pound.

## PARTIES

|  |  |
|--|--|
| <b>Dealer:</b>   | Barclays Bank PLC and Credit Suisse Securities (Europe) Limited and Deutsche Bank AG, London Branch and Goldman Sachs International and UBS Limited                                |
| <b>Issuer:</b>   | Gracechurch Mortgage Financing PLC   |
| <b>Issuer Security Trustee, Funding Security Trustee:</b>                                | The Bank of New York, London branch at its specified office in London, whose address in London is, at the date of these final terms, 40th Floor, One Canada Square, London E14 5AL |
| <b>Principal Paying Agent, Registrar, Transfer Agent, Agent Bank and Exchange Agent:</b> | The Bank of New York, London branch at its specified office in London, whose address in London is, at the date of these final terms, 40th Floor, One Canada Square, London E14 5AL |
| <b>Mortgages Trustee:</b>  | Gracechurch GMF Trustee Limited  |
| <b>Funding:</b>  | Gracechurch GMF Funding 1 Limited  |
| <b>Seller:</b>   | Barclays Bank PLC  |
| <b>Cash Manager:</b>   | Barclays Bank PLC  |
| <b>Administrator:</b>  | Barclays Bank PLC  |
| <b>PECOH:</b>  | Gracechurch GMF Options Limited  |
| <b>Holdings:</b>   | Gracechurch GMF Holdings Limited   |
| <b>Senior Expenses Loan Facility Provider:</b>   | Barclays Bank PLC  |
| <b>Junior Expenses Loan Facility Provider:</b>   | Barclays Bank PLC  |
| <b>Yield Supplement Loan Facility Provider:</b>  | Barclays Bank PLC  |
| <b>Basis Rate Swap Provider:</b>   | Barclays Bank PLC  |
| <b>Issuer Swap Provider:</b>   | Barclays Bank PLC  |
| <b>Common Depositary:</b>  | The Bank of New York, London branch at its specified office in London, whose address in London is, at the date of these final terms, 40th Floor, One Canada Square, London E14 5AL |



## OTHER SERIES ISSUED AND LOAN NOTE TRANCHES HELD

### Gracechurch Mortgage Financing PLC

Prior to this issue date, the issuer has issued the following series of notes:

| <i>Series</i>  | <i>Ratings</i>    | <i>Issue Date</i> | <i>Outstanding<br/>Principal<br/>Amount</i> | <i>Note Interest<br/>Rate</i> | <i>Final<br/>Maturity<br/>Date</i> |
|----------------|-------------------|-------------------|---|-------------------------------|------------------------------------|
| Not applicable | Not<br>applicable | Not<br>applicable | Not<br>applicable                           | Not<br>applicable             | Not<br>applicable                  |

In addition to the series 2006-1-D3 notes being issued on this issue date pursuant to these final terms, the issuer will also issue on this issue date the other following series of notes:

| <i>Series</i> | <i>Ratings</i> | <i>Issue Date</i> | <i>Outstanding<br/>Principal<br/>Amount</i> | <i>Note Interest Rate</i>   | <i>Final Maturity Date</i> |
|---------------|----------------|-------------------|---|---|----------------------------|
| 2006-1-A1     | Aaa/AAA/AAA    | 9 November 2006   | \$1,900,000,000                             | Prior to the issuer payment date falling in November 2011, 3 Month USD LIBOR plus 0.03% and thereafter USD LIBOR plus 0.06%           | 20 November 2031           |
| 2006-1-A2     | Aaa/AAA/AAA    | 9 November 2006   | €455,000,000                                | Prior to the issuer payment date falling in November 2011, 3 Month EURIBOR plus 0.04% and thereafter EURIBOR plus 0.08%               | 20 November 2031           |
| 2006-1-A3     | Aaa/AAA/AAA    | 9 November 2006   | £610,000,000                                | Prior to the issuer payment date falling in November 2011, 3 Month Sterling LIBOR plus 0.04% and thereafter Sterling LIBOR plus 0.08% | 20 November 2031           |
| 2006-1-A4     | Aaa/AAA/AAA    | 9 November 2006   | \$2,596,000,000                             | Prior to the issuer payment date falling in November 2011, 3 Month USD LIBOR plus 0.05% and thereafter USD LIBOR plus 0.10%           | 20 November 2056           |
| 2006-1-A5     | Aaa/AAA/AAA    | 9 November 2006   | €1,699,000,000                              | Prior to the issuer payment date falling in November 2011, 3 Month EURIBOR plus 0.10% and thereafter EURIBOR plus 0.20%               | 20 November 2056           |
| 2006-1-A6     | Aaa/AAA/AAA    | 9 November 2006   | \$1,038,500,000                             | Prior to the issuer payment date falling in May 2013, 3 Month USD LIBOR plus 0.10% and thereafter USD LIBOR plus 0.20%                | 20 November 2056           |
| 2006-1-A7     | Aaa/AAA/AAA    | 9 November 2006   | £500,000,000                                | Prior to the issuer payment date falling in May 2013, 3 Month Sterling LIBOR plus 0.11% and thereafter Sterling LIBOR plus 0.22%      | 20 November 2056           |
| 2006-1-B1     | Aa3/AA/AA      | 9 November 2006   | \$84,500,000                                | Prior to the issuer payment date falling in November 2011, 3 Month USD LIBOR plus 0.10% and thereafter USD LIBOR plus 0.20%           | 20 November 2056           |
| 2006-1-B3     | Aa3/AA/AA      | 9 November 2006   | €167,000,000                                | Prior to the issuer payment date falling in November 2011, 3 Month EURIBOR plus 0.18% and thereafter EURIBOR plus 0.36%               | 20 November 2056           |

| <i>Series</i> | <i>Ratings</i> | <i>Issue Date</i> | <i>Outstanding Principal Amount</i> | <i>Note Interest Rate</i>   | <i>Final Maturity Date</i> |
|---------------|----------------|-------------------|-------------------------------------|---|----------------------------|
| 2006-1-B4     | Aa3/AA/AA      | 9 November 2006   | £23,000,000                         | Prior to the issuer payment date falling in November 2011, 3 Month Sterling LIBOR plus 0.18% and thereafter Sterling LIBOR plus 0.36% | 20 November 2056           |
| 2006-1-C1     | A2/A/A         | 9 November 2006   | \$74,500,000                        | Prior to the issuer payment date falling in November 2011, 3 Month USD LIBOR plus 0.18% and thereafter USD LIBOR plus 0.36%           | 20 November 2056           |
| 2006-1-C3     | A2/A/A         | 9 November 2006   | €91,000,000                         | Prior to the issuer payment date falling in November 2011, 3 Month EURIBOR plus 0.27% and thereafter EURIBOR plus 0.54%               | 20 November 2056           |
| 2006-1-C4     | A2/A/A         | 9 November 2006   | £56,000,000                         | Prior to the issuer payment date falling in November 2011, 3 Month Sterling LIBOR plus 0.27% and thereafter Sterling LIBOR plus 0.54% | 20 November 2056           |
| 2006-1-D2     | Baa2/BBB/BBB   | 9 November 2006   | \$70,000,000                        | Prior to the issuer payment date falling in November 2011, 3 Month USD LIBOR plus 0.47% and thereafter USD LIBOR plus 0.94%           | 20 November 2056           |
| 2006-1-D4     | Baa2/BBB/BBB   | 9 November 2006   | £20,000,000                         | Prior to the issuer payment date falling in November 2011, 3 Month Sterling LIBOR plus 0.47% and thereafter Sterling LIBOR plus 0.94% | 20 November 2056           |

## Gracechurch GMF Funding 1 Limited

Prior to this issue date, funding has advanced the following loan note tranches:

| <i>Relevant Loan note tranche</i> | <i>Issuance Date</i> | <i>Current Interest Rate</i> | <i>Step-Up Date</i> | <i>Step-Up Date Interest Rate</i> | <i>Initial Principal Amount</i> | <i>Final Maturity Date</i> |
|-----------------------------------|----------------------|------------------------------|---------------------|-----------------------------------|---------------------------------|----------------------------|
| Not applicable                    | Not applicable       | Not applicable               | Not applicable      | Not applicable                    | Not applicable                  | Not applicable             |

In addition to the series 2006-1-D3 loan note tranches being advanced on this issue date pursuant to these final terms, funding will also advance on this issue date the following loan note tranches:

| <i>Relevant Loan note tranche</i> | <i>Issuance Date</i> | <i>Current Interest Rate<sup>1</sup></i> | <i>Step-Up Date</i> | <i>Step-Up Date Interest Rate<sup>1</sup></i> | <i>Initial Principal Amount<sup>2</sup></i> | <i>Final Maturity Date</i> |
|-----------------------------------|----------------------|--|---------------------|---|---|----------------------------|
| 2006-1-A1                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.0519%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.2538%           | £1,001,634,245                              | 20 November 2031           |
| 2006-1-A2                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.0435%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.2370%           | £305,205,259                                | 20 November 2031           |
| 2006-1-A3                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.0400%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.0800%           | £610,000,000                                | 20 November 2031           |
| 2006-1-A4                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.0889%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.3278%           | £1,368,548,685                              | 20 November 2056           |
| 2006-1-A5                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.1282%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.4064%           | £1,139,656,560                              | 20 November 2056           |
| 2006-1-A6                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.1452%      | 20 May 2013         | 3 Month Sterling LIBOR plus 0.4404%           | £547,472,191                                | 20 November 2056           |
| 2006-1-A7                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.1100%      | 20 May 2013         | 3 Month Sterling LIBOR plus 0.2200%           | £500,000,000                                | 20 November 2056           |
| 2006-1-B1                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.1321%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.4142%           | £44,546,365                                 | 20 November 2056           |
| 2006-1-B3                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.2141%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.5782%           | £112,020,392                                | 20 November 2056           |
| 2006-1-B4                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.1800%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.3600%           | £23,000,000                                 | 20 November 2056           |
| 2006-1-C1                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.2144%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.5788%           | £39,274,606                                 | 20 November 2056           |
| 2006-1-C3                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.3112%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.7724%           | £61,041,052                                 | 20 November 2056           |
| 2006-1-C4                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.2700%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.5400%           | £56,000,000                                 | 20 November 2056           |
| 2006-1-D2                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.5304%      | 20 November 2011    | 3 Month Sterling LIBOR plus 1.0608%           | £36,902,314                                 | 20 November 2056           |
| 2006-1-D4                         | 9 November 2006      | 3 Month Sterling LIBOR plus 0.4700%      | 20 November 2011    | 3 Month Sterling LIBOR plus 0.9400%           | £20,000,000                                 | 20 November 2056           |

1 Excluding for these purposes any further interest amount and any interpolation of such interest rates in relation to the first funding interest period.

2 Loan note principal amounts are rounded to the nearest Pound.

## CURRENCY PRESENTATION

Translations of pounds sterling into US dollars, unless otherwise stated in these Final Terms, have been made at the rate of £1.00 = \$1.8686, which reflects the noon buying rate in the City of New York for cable transfers in dollars per £1.00 sterling as certified for customs purposes by the Federal Reserve Bank on 6 October 2006. Use of this rate does not mean that pound sterling amounts actually represent those US dollar amounts or could be converted into US dollars at that rate at any particular time.

References throughout these Final Terms to “£”, “pounds” or “sterling” are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

References in these Final Terms to “US\$”, “USD”, “\$”, “US dollars” or “dollars” are to the lawful currency of the United States of America.

### Sterling/US dollar exchange rate history

|                      | <i>Years ended 31 December</i> |        |        |        |        |        |
|----------------------|--------------------------------|--------|--------|--------|--------|--------|
|                      | 2006                           | 2005   | 2004   | 2003   | 2002   | 2001   |
| Last <sup>1</sup>    |                                | 1.7230 | 1.9181 | 1.7858 | 1.6100 | 1.4546 |
| Average <sup>2</sup> | 1.8555                         | 1.8196 | 1.8334 | 1.6358 | 1.5038 | 1.4407 |
| High                 | 1.9143                         | 1.9291 | 1.9467 | 1.7858 | 1.6100 | 1.5038 |
| Low                  | 1.7376                         | 1.7142 | 1.7559 | 1.5541 | 1.4082 | 1.3727 |

<sup>1</sup> Last is the closing exchange rate on the last operating business day of each of the years indicated, years commencing from January 1 or the next operating business day.

<sup>2</sup> Average is the average daily exchange rate during the period.

## MATURITY AND REPAYMENT CONSIDERATIONS

Based upon the assumptions made in the base prospectus (see in the base prospectus “*Maturity and Repayment Considerations*”), the approximate weighted average lives of the series 2006-1-D3 notes, at various constant payment rates for the mortgage assets, would be as follows:

| <b>Constant payment rate (% per annum)</b> | <i>Possible weighted average life of the series 2006-1-D3 notes</i><br>(years) |
|--|--|
| 5%   | 5.03   |
| 10%  | 5.03   |
| 15%  | 5.03   |
| 20%  | 5.03   |
| 25%  | 5.03   |
| 30%  | 5.03   |
| 35%  | 5.03   |

## THE MORTGAGES TRUST

As at the mortgages trust establishment date, the size of the funding share of the trust property will be £100, the size of the funding (no.2) share of the trust property will be £100 and the size of the seller share of the trust property is expected to be approximately £7,643,145,025.

On the issue date, funding will make a further contribution of £6,006,836,416 to the mortgages trustee, and the mortgages trustee will utilise an amount equal to such contribution to make a special distribution to the seller of £6,006,836,416.

As at the issue date and following such contribution, the size of funding's beneficial interest in the trust property (the "**funding share**") will be £6,006,836,516 million, which will correspond to approximately 78.6% of the trust property. The actual share of funding's beneficial interest in the trust property on the issue date will not be determined until the day prior to the issue date.

As at the issue date and following the sale of the series 2006-1 mortgage loan portfolio to the mortgages trustee by the seller, the size of the seller's beneficial interest in the trust property (the "**seller share**") is expected to be approximately £1,636,308,609 million, which will correspond to approximately 21.4% of the trust property. The actual share of the seller's beneficial interest in the trust property on the issue date will not be determined until the day prior to the issue date.

## THE MORTGAGE ASSETS

### Introduction

At August 2006, mortgage loans outstanding in the UK amounted to approximately £1.037 trillion. Outstanding mortgage debt in the UK grew at an annual average rate of 9.46% between August 1995 and August 2006. At August 2006, banks held 57.3% of outstanding mortgage debt while building societies held 17.78% of outstanding mortgage debt.

The series 2006-1 cut-off date mortgage account portfolio plus the mortgage accounts that form part of the trust property at the cut-off date (the “cut-off date mortgage account portfolio”) was drawn up as at 31 August 2006 (the “cut-off date”).

62,176 of the mortgages securing the mortgage accounts in the cut-off date mortgage account portfolio (or 86.40% of the aggregate mortgage account balance of the mortgage accounts in the cut-off date mortgage account portfolio) are on freehold properties and 9,931 of the mortgages securing the mortgage accounts in the cut-off date mortgage account portfolio (or 13.60% of the aggregate mortgage account balance of the mortgage accounts in the cut-off date mortgage account portfolio) are on leasehold properties.

The cut-off date mortgage account portfolio as at the cut-off date comprised 72,107 mortgage accounts having: (i) an aggregate mortgage loan balance of £8,060,152,293.65; (ii) an aggregate mortgage reserve balance of £140,686,995.00; and (iii) an aggregate mortgage account balance of £8,200,839,288.65. The seller originated the mortgage accounts in the cut-off date mortgage account portfolio between 4 May 2004 and 31 January 2006. None of the mortgage accounts in the cut-off date mortgage account portfolio has an aggregate required monthly payment that is overdue by more than one month. All mortgage accounts in the cut-off date mortgage account portfolio were originated by the seller at least 6 months before the issue date.

### Interest payments and setting of interest rates

The borrower may have the flexibility of having a portion of a mortgage account accruing interest at a variable rate and the rest accruing interest at a fixed rate (subject to availability). 47,980 mortgage accounts in the cut-off date mortgage account portfolio (or 64.12% of the aggregate current balance of the mortgage loans in the cut-off date mortgage account portfolio) were fixed rate mortgage loans. 6,769 mortgage accounts (or 12.19% of the aggregate current balance of the mortgage loans in the cut-off date mortgage account portfolio) were tracker mortgage accounts. The remaining 17,358 mortgage accounts in the cut-off date mortgage account portfolio (or 23.69% of the aggregate current balance of the mortgage loans in the cut-off date mortgage account portfolio) were standard variable rate mortgage accounts or discounted variable rate mortgage accounts.

As at the date of these final terms the Barclays base rate is 4.75% per annum and the Barclays standard variable rate is 6.84% per annum.

### Assignment of the mortgage loans etc.

The mortgage loans in the 2006-1 new mortgage account portfolio will be transferred to the mortgages trustee on the mortgages trust establishment date in accordance with the terms of the mortgage sale agreement, as more fully described in the base prospectus (see in the base prospectus “*The Assignment of the Mortgage Loans and Related Security*”).

The initial purchase price payable by the mortgages trustee in respect of the 2006-1 new mortgage loan portfolio is approximately £7,513,369,828 and in addition the mortgages trustee will make an additional MRCLN advance of approximately £129,775,197.

### Selected statistical information on the issue date cut-off date mortgage account portfolio

The statistical and other information contained in these final terms has been compiled by reference to the mortgage accounts in the cut-off date mortgage account portfolio. Columns stating percentage amounts may not add up to 100% due to rounding. The characteristics of the mortgage account portfolio as of the issue date are not expected to differ materially from the characteristics of the cut-off date mortgage account portfolio, however, it should be noted that a mortgage account will have been removed from any additional mortgage account portfolio (which comprises a portion of the cut-off date mortgage account portfolio) if, in the period up to (and including) the assignment date related to such additional mortgage account portfolio, the mortgage

account is repaid in full or if the mortgage account does not comply with the terms of the mortgage sale agreement on about the applicable assignment date. Once such mortgage accounts are removed, the seller will then randomly select from the mortgage accounts remaining in the additional mortgage account portfolio those mortgage accounts to be assigned on the applicable assignment date once the determination has been made as to the anticipated principal balances of the notes to be issued and the corresponding size of the trust that would be required ultimately to support payments on the notes. The seller has not revalued any of the mortgaged properties since the date of the origination of the related mortgage account for the purposes of the issue of the notes, other than in respect of a mortgaged property of a related borrower that has remortgaged its property or to which the seller has made a further advance.

**Original term**

| <i>Age of mortgage account (years)</i> | <i>Aggregate mortgage account balance as of the cut-off date (£)</i> | <i>Aggregate mortgage account balance as of the cut-off date (US\$)</i> | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|--|--|---|-------------------|------------------------------------|-------------------|
| 0 to 5                                 | 72,089,889.63  | 134,707,167.76  | 0.88              | 874                                | 1.21              |
| 5 to 8                                 | 238,059,134.27   | 444,837,298.30  | 2.90              | 3,160                              | 4.38              |
| 8 to 10                                | 326,509,354.60   | 610,115,380.01  | 3.98              | 3,509                              | 4.87              |
| 10 to 12                               | 413,811,107.08   | 773,247,434.69  | 5.05              | 4,573                              | 6.34              |
| 12 to 14                               | 492,023,903.92   | 919,395,866.86  | 6.00              | 4,952                              | 6.87              |
| 14 to 15                               | 225,707,984.17   | 421,757,939.22  | 2.75              | 2,142                              | 2.97              |
| 15 to 16                               | 392,733,686.45   | 733,862,166.50  | 4.79              | 3,982                              | 5.52              |
| 16 to 17                               | 253,575,416.95   | 473,831,024.11  | 3.09              | 2,320                              | 3.22              |
| 17 to 18                               | 302,142,511.37   | 564,583,496.75  | 3.68              | 2,636                              | 3.66              |
| 18 to 19                               | 495,641,439.26   | 926,155,593.40  | 6.04              | 4,201                              | 5.83              |
| 19 to 20                               | 355,982,073.55   | 665,188,102.64  | 4.34              | 2,946                              | 4.09              |
| 20 to 21                               | 651,398,885.82   | 1,217,203,958.04  | 7.94              | 5,603                              | 7.77              |
| 21 to 22                               | 352,807,565.69   | 659,256,217.25  | 4.30              | 2,993                              | 4.15              |
| 22 to 23                               | 484,395,508.89   | 905,141,447.91  | 5.91              | 3,876                              | 5.38              |
| 23 to 24                               | 768,707,114.79   | 1,436,406,114.70  | 9.37              | 5,850                              | 8.11              |
| 24 to 25                               | 496,762,544.44   | 928,250,490.54  | 6.06              | 3,575                              | 4.96              |
| 25 to 26                               | 1,290,205,818.59   | 2,410,878,592.62  | 15.73             | 9,926                              | 13.77             |
| 26 to 27                               | 26,900,894.21  | 50,267,010.92   | 0.33              | 220                                | 0.31              |
| 27 to 28                               | 32,385,635.11  | 60,515,797.77   | 0.39              | 269                                | 0.37              |
| 28 to 30                               | 111,247,058.35   | 207,876,253.23  | 1.36              | 878                                | 1.22              |
| 30 to 34                               | 287,904,901.55   | 537,979,099.04  | 3.51              | 2,458                              | 3.41              |
| > 34                                   | 129,846,859.96   | 242,631,842.52  | 1.58              | 1,164                              | 1.61              |
| <b>Total</b>                           | <b>8,200,839,288.65</b>  | <b>15,324,088,294.77</b>  | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |



### Types of property

| Type of property    | Aggregate mortgage account balance as of the cut-off date (£) | Aggregate mortgage account balance as of the cut-off date (US\$) | % of total    | Number of mortgage accounts | % of total    |
|---------------------|---|--|---------------|-----------------------------|---------------|
| Bungalow            | 390,779,063.52  | 730,209,758.09   | 4.77          | 3,946                       | 5.47          |
| Detached House      | 2,550,615,472.37  | 4,766,080,071.67   | 31.10         | 15,578                      | 21.60         |
| Flat/Maisonette     | 914,848,093.13  | 1,709,485,146.82   | 11.16         | 7,526                       | 10.44         |
| Semi Detached House | 2,510,611,305.08  | 4,691,328,284.67   | 30.61         | 24,966                      | 34.62         |
| Terraced House      | 1,833,985,354.55  | 3,426,985,033.51   | 22.36         | 20,091                      | 27.86         |
| <b>Total</b>        | <b>8,200,839,288.65</b>                                       | <b>15,324,088,294.77</b>   | <b>100.00</b> | <b>72,107</b>               | <b>100.00</b> |

### Seasoning of mortgage accounts

The following table shows length of time since the mortgage accounts were originated as of the cut-off date.

| Age of mortgage accounts (months) | Aggregate mortgage account balance as of the cut-off date (£) | Aggregate mortgage account balance as of the cut-off date (US\$) | % of total    | Number of mortgage accounts | % of total    |
|-----------------------------------|---|--|---------------|-----------------------------|---------------|
| 7 to 9                            | 1,189,122,152.88  | 2,221,993,654.87   | 14.50         | 10,162                      | 14.09         |
| 9 to 11                           | 1,151,961,910.09  | 2,152,556,025.19   | 14.05         | 9,540                       | 13.23         |
| 11 to 13                          | 1,259,694,227.78  | 2,353,864,634.03   | 15.36         | 10,978                      | 15.22         |
| 13 to 15                          | 976,129,176.01  | 1,823,994,978.29   | 11.90         | 8,575                       | 11.89         |
| 15 to 17                          | 499,329,533.05  | 933,047,165.46   | 6.09          | 4,362                       | 6.05          |
| 17 to 19                          | 446,772,276.96  | 834,838,676.73   | 5.45          | 3,989                       | 5.53          |
| 19 to 21                          | 476,072,157.35  | 889,588,433.22   | 5.81          | 4,386                       | 6.08          |
| 21 to 23                          | 813,600,361.60  | 1,520,293,635.69   | 9.92          | 7,924                       | 10.99         |
| 23 to 25                          | 754,483,580.21  | 1,409,828,017.98   | 9.20          | 6,791                       | 9.42          |
| 25 to 27                          | 468,515,094.55  | 875,467,305.68   | 5.71          | 3,896                       | 5.40          |
| 27 to 29                          | 165,158,818.17  | 308,615,767.63   | 2.01          | 1,504                       | 2.09          |
| <b>Total</b>                      | <b>8,200,839,288.65</b>                                       | <b>15,324,088,294.77</b>   | <b>100.00</b> | <b>72,107</b>               | <b>100.00</b> |

The weighted average seasoning of mortgage accounts as of the cut-off date is expected to be 15.55 months. The maximum seasoning of mortgage accounts as of the cut-off date is expected to be 27.89 months and the minimum seasoning of the mortgage accounts as of the cut-off date is expected to be 6.97 months.

*Years to maturity*

| <i>Years to maturity</i> | <i>Aggregate mortgage account balance as of the cut-off date (£)</i> | <i>Aggregate mortgage account balance as of the cut-off date (US\$)</i> | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|--------------------------|--|---|-------------------|------------------------------------|-------------------|
| 0 to 3                   | 13,877,275.59  | 25,931,077.17   | 0.17              | 176                                | 0.24              |
| 3 to 5                   | 109,623,526.81   | 204,842,522.20  | 1.34              | 1,513                              | 2.10              |
| 5 to 7                   | 159,493,034.57   | 298,028,684.40  | 1.94              | 2,112                              | 2.93              |
| 7 to 9                   | 363,429,638.89   | 679,104,623.23  | 4.43              | 4,112                              | 5.70              |
| 9 to 11                  | 376,970,728.11   | 704,407,502.55  | 4.60              | 4,132                              | 5.73              |
| 11 to 13                 | 419,119,437.74   | 783,166,581.36  | 5.11              | 4,307                              | 5.97              |
| 13 to 15                 | 685,249,918.41   | 1,280,457,997.54  | 8.36              | 6,688                              | 9.28              |
| 15 to 17                 | 573,769,986.06   | 1,072,146,595.95  | 7.00              | 5,283                              | 7.33              |
| 17 to 19                 | 1,000,155,259.06   | 1,868,890,117.08  | 12.20             | 8,529                              | 11.83             |
| 19 to 21                 | 899,482,573.26   | 1,680,773,136.39  | 10.97             | 7,569                              | 10.50             |
| 21 to 23                 | 1,198,805,464.01   | 2,240,087,890.05  | 14.62             | 9,436                              | 13.09             |
| 23 to 25                 | 1,826,252,913.32   | 3,412,536,193.83  | 22.27             | 13,386                             | 18.56             |
| 25 to 27                 | 64,391,358.85  | 120,321,693.15  | 0.79              | 531                                | 0.74              |
| 27 to 29                 | 216,611,010.38   | 404,759,334.00  | 2.64              | 1,827                              | 2.53              |
| 29 to 31                 | 144,707,716.74   | 270,400,839.50  | 1.76              | 1,196                              | 1.66              |
| 31 to 33                 | 35,467,989.81  | 66,275,485.76   | 0.43              | 299                                | 0.41              |
| 33 to 35                 | 113,276,484.29   | 211,668,438.54  | 1.38              | 1,009                              | 1.40              |
| 35 to 27                 | 74,563.87  | 139,330.05  | 0.00              | 1                                  | 0.00              |
| 37 to 39                 | 80,408.88  | 150,252.03  | 0.00              | 1                                  | 0.00              |
| <b>Total</b>             | <b>8,200,839,288.65</b>  | <b>15,324,088,294.77</b>  | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |

The weighted average remaining term of the mortgage accounts as of the cut-off date is expected to be 18.89 years. The maximum remaining term as of the cut-off date is expected to be 37.96 years and the minimum remaining term as of the cut-off date is expected to be 0.13 years.

### *Geographical distribution of mortgaged properties*

The following table shows the distribution of mortgaged properties securing the mortgage accounts throughout England, Wales, Northern Ireland and Scotland as of the cut-off date. No mortgaged properties are situated outside England, Wales, Northern Ireland or Scotland. The geographical location of a mortgaged property securing a mortgage account has no impact upon the seller's lending criteria and credit scoring tests.

| <i>Region</i>            | <i>Aggregate mortgage account balance as of the cut-off date (£)</i> | <i>Aggregate mortgage account balance as of the cut-off date (US\$)</i> | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|--------------------------|--|---|-------------------|------------------------------------|-------------------|
| East Anglia              | 650,497,457.48   | 1,215,519,549.05  | 7.93              | 5,859                              | 8.13              |
| East Midlands            | 431,510,899.46   | 806,321,266.73  | 5.26              | 4,494                              | 6.23              |
| Greater London           | 793,949,096.04   | 1,483,573,280.86  | 9.68              | 4,112                              | 5.70              |
| North                    | 242,350,979.55   | 452,857,040.39  | 2.96              | 2,965                              | 4.11              |
| North West               | 650,044,358.97   | 1,214,672,889.17  | 7.93              | 7,170                              | 9.94              |
| Northern Ireland         | 112,650,116.17   | 210,498,007.08  | 1.37              | 1,524                              | 2.11              |
| South East               | 3,342,571,678.22   | 6,245,929,437.92  | 40.76             | 25,373                             | 35.19             |
| South West               | 651,179,227.27   | 1,216,793,504.08  | 7.94              | 5,963                              | 8.27              |
| Wales                    | 345,865,724.22   | 646,284,692.28  | 4.22              | 4,133                              | 5.73              |
| West Midlands            | 589,146,779.24   | 1,100,879,671.69  | 7.18              | 6,097                              | 8.46              |
| Yorkshire and Humberside | 391,072,972.03   | 730,758,955.54  | 4.77              | 4,417                              | 6.13              |
| <b>Total</b>             | <b>8,200,839,288.65</b>  | <b>15,324,088,294.77</b>  | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |

House prices and incomes vary throughout England, Scotland, Wales and Northern Ireland. The table below summarises the average house price in 2004 and the average income over the period from 2001 to 2004 for each region in order to produce a house price to earnings ratio for each region. This ratio is highest in the South West (7.39) and lowest in Scotland (3.90).

| <i>Region</i>          | <i>Average Price (£)</i> | <i>Average Earnings (£ per annum)</i> | <i>Price/Earnings Ratio</i> |
|------------------------|--------------------------|---------------------------------------|-----------------------------|
| East Anglia            | 196,763                  | 30,888                                | 6.37                        |
| East Midlands          | 152,247                  | 27,664                                | 5.50                        |
| Greater London         | 274,860                  | 38,480                                | 7.14                        |
| Northern Ireland       | 102,657                  | 23,972                                | 4.28                        |
| North East             | 121,853                  | 23,816                                | 5.12                        |
| North West             | 132,543                  | 25,428                                | 5.21                        |
| Scotland               | 101,628                  | 26,000                                | 3.90                        |
| South East             | 228,296                  | 34,216                                | 6.67                        |
| South West             | 198,769                  | 26,884                                | 7.39                        |
| Wales                  | 138,859                  | 23,972                                | 5.79                        |
| West Midlands          | 157,219                  | 26,260                                | 5.99                        |
| Yorkshire & Humberside | 133,801                  | 24,648                                | 5.43                        |

Sources: Office of National Statistics, Department for Communities and Local Government

### **Current loan to value ratios**

The following table shows the range of current loan to value, or LTV, ratios, which express the mortgage account balance of a mortgage account as at the cut-off date divided by the value of the mortgaged property securing that mortgage account at the same date. The seller has not revalued any of the mortgaged properties since the date of the origination of the related mortgage account, other than in respect of a mortgaged property of a related borrower that has remortgaged its property or to which the seller has made a further advance, as described in the base prospectus under “*The Mortgage Assets – overpayments, unauthorised underpayment and further advances on mortgage loans*”.

| <i>Current LTV (%)</i> | <i>Aggregate mortgage account balance as of the cut-off date (£)</i> | <i>Aggregate mortgage account balance as of the cut-off date (US\$)</i> | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|------------------------|--|---|-------------------|------------------------------------|-------------------|
| 0 to 20                | 191,899,392.26   | 358,583,204.38  | 2.34              | 4,899                              | 6.79              |
| 20 to 30               | 408,481,245.04   | 763,288,054.48  | 4.98              | 6,496                              | 9.01              |
| 30 to 40               | 681,343,963.39   | 1,273,159,329.99  | 8.31              | 8,511                              | 11.80             |
| 40 to 50               | 1,010,560,609.93   | 1,888,333,555.72  | 12.32             | 10,270                             | 14.24             |
| 50 to 60               | 1,229,050,722.86   | 2,296,604,180.74  | 14.99             | 10,419                             | 14.45             |
| 60 to 70               | 1,426,868,862.09   | 2,666,247,155.70  | 17.40             | 10,470                             | 14.52             |
| 70 to 80               | 1,623,522,575.52   | 3,033,714,284.62  | 19.80             | 9,998                              | 13.87             |
| 80 to 90               | 1,044,080,144.11   | 1,950,968,157.28  | 12.73             | 6,828                              | 9.47              |
| > 90                   | 585,031,773.45   | 1,093,190,371.87  | 7.13              | 4,216                              | 5.85              |
| <b>Total</b>           | <b>8,200,839,288.65</b>  | <b>15,324,088,294.77</b>  | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |

The weighted average current loan to value ratio of the mortgage accounts at the cut-off date was 62.12%.

### **Drawable loan to value ratio**

| <i>Mortgage reserve credit and aggregate debt limit LTV (%)</i> | <i>Aggregate mortgage account balance (£)</i> | <i>Aggregate mortgage account balance (US\$)</i> | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|---|---|--|-------------------|------------------------------------|-------------------|
| 0 to 20   | 113,379,242.98                                | 211,860,453.43                                   | 1.38              | 3,075                              | 4.26              |
| 20 to 30  | 297,735,797.62                                | 556,349,111.43                                   | 3.63              | 5,154                              | 7.15              |
| 30 to 40  | 538,538,246.08                                | 1,006,312,566.63                                 | 6.57              | 7,278                              | 10.09             |
| 40 to 50  | 858,669,420.87                                | 1,604,509,679.84                                 | 10.47             | 9,396                              | 13.03             |
| 50 to 60  | 1,169,695,931.54                              | 2,185,693,817.68                                 | 14.26             | 10,623                             | 14.73             |
| 60 to 70  | 1,403,359,765.47                              | 2,622,318,057.76                                 | 17.11             | 10,975                             | 15.22             |
| 70 to 80  | 1,709,273,823.08                              | 3,193,949,065.81                                 | 20.84             | 11,429                             | 15.85             |
| 80 to 90  | 1,124,857,191.79                              | 2,101,908,148.58                                 | 13.72             | 7,056                              | 9.79              |
| > 90  | 985,329,869.22                                | 1,841,187,393.62                                 | 12.01             | 7,121                              | 9.88              |
| <b>Total</b>  | <b>8,200,839,288.65</b>                       | <b>15,324,088,294.77</b>                         | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |

The weighted average drawable loan to value ratio of the mortgage accounts at the cut-off date was 65.43%.

### Original loan to value ratio

| Original LTV (%) | Aggregate mortgage account balance (£) | Aggregate mortgage account balance (US\$) | % of total    | Number of mortgage accounts | % of total    |
|------------------|--|---|---------------|-----------------------------|---------------|
| 0 to 20          | 164,561,397.48                         | 307,499,427.33                            | 2.01          | 4,108                       | 5.70          |
| 20 to 30         | 374,624,991.45                         | 700,024,259.02                            | 4.57          | 6,186                       | 8.58          |
| 30 to 40         | 653,103,299.04                         | 1,220,388,824.59                          | 7.96          | 8,352                       | 11.58         |
| 40 to 50         | 973,267,973.12                         | 1,818,648,534.57                          | 11.87         | 10,138                      | 14.06         |
| 50 to 60         | 1,230,537,197.38                       | 2,299,381,807.02                          | 15.01         | 10,710                      | 14.85         |
| 60 to 70         | 1,378,703,011.28                       | 2,576,244,446.88                          | 16.81         | 10,337                      | 14.34         |
| 70 to 80         | 1,519,322,506.98                       | 2,839,006,036.54                          | 18.53         | 9,787                       | 13.57         |
| 80 to 90         | 1,014,985,828.95                       | 1,896,602,519.98                          | 12.38         | 6,209                       | 8.61          |
| > 90             | 891,733,082.97                         | 1,666,292,438.84                          | 10.87         | 6,280                       | 8.71          |
| <b>Total</b>     | <b>8,200,839,288.65</b>                | <b>15,324,088,294.77</b>                  | <b>100.00</b> | <b>72,107</b>               | <b>100.00</b> |

The weighted average original loan to value ratio of the mortgage accounts at the cut-off date was 63.14%.

### Current indexed loan to value ratio

The following table shows the range of current indexed loan to value, or LTV, ratios, which express the mortgage account balance of a mortgage account as of the cut-off date divided by the indexed value of the mortgaged property securing that mortgage account as of the same date (calculated using the Halifax House Price Index).

| Current Indexed LTV (%) | Aggregate mortgage account balance as of the cut-off date (£) | Aggregate mortgage account balance as of the cut-off date (US\$) | % of total    | Number of mortgage accounts | % of total    |
|-------------------------|---|--|---------------|-----------------------------|---------------|
| 0 to 20                 | 238,478,868.26  | 445,621,613.23   | 2.91          | 5,767                       | 8.00          |
| 20 to 30                | 492,392,794.11  | 920,085,175.07   | 6.00          | 7,539                       | 10.46         |
| 30 to 40                | 828,467,238.64  | 1,548,073,882.12   | 10.10         | 9,757                       | 13.53         |
| 40 to 50                | 1,195,607,794.61  | 2,234,112,725.01   | 14.58         | 11,398                      | 15.81         |
| 50 to 60                | 1,399,883,837.15  | 2,615,822,938.10   | 17.07         | 11,214                      | 15.55         |
| 60 to 70                | 1,674,623,891.09  | 3,129,202,202.89   | 20.42         | 11,397                      | 15.81         |
| 70 to 80                | 1,300,725,736.21  | 2,430,536,110.68   | 15.86         | 7,847                       | 10.88         |
| 80 to 90                | 991,252,574.54  | 1,852,254,560.79   | 12.09         | 6,681                       | 9.27          |
| > 90                    | 79,406,554.04   | 148,379,086.88   | 0.97          | 507                         | 0.70          |
| <b>Total</b>            | <b>8,200,839,288.65</b>                                       | <b>15,324,088,294.77</b>   | <b>100.00</b> | <b>72,107</b>               | <b>100.00</b> |

The weighted average current indexed loan to value ratio of the mortgage accounts as of the cut-off date was 57.76%.

### Outstanding balances

The following table shows the outstanding balances of a mortgage account (including capitalised fees and/or charges, if applicable) as of the cut-off date:

| <i>Range of outstanding mortgage account balance</i> | <i>Aggregate mortgage account balance as of the cut-off date</i><br>(£) | <i>Aggregate mortgage account balance as of the cut-off date</i><br>(US\$) | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|--|---|--|-------------------|------------------------------------|-------------------|
| £0 to £50,000  | 443,205,086.46  | 828,173,024.56   | 5.40              | 12,503                             | 17.34             |
| £50,000 to £100,000                                  | 2,102,484,339.47  | 3,928,702,236.73   | 25.64             | 28,236                             | 39.16             |
| £100,000 to £150,000                                 | 2,026,157,364.69  | 3,786,077,651.66   | 24.71             | 16,599                             | 23.02             |
| £150,000 to £200,000                                 | 1,203,999,171.75  | 2,249,792,852.33   | 14.68             | 7,017                              | 9.73              |
| £200,000 to £250,000                                 | 681,688,018.19  | 1,273,802,230.79   | 8.31              | 3,071                              | 4.26              |
| £250,000 to £300,000                                 | 472,620,554.15  | 883,138,767.48   | 5.76              | 1,728                              | 2.40              |
| £300,000 to £350,000                                 | 322,614,866.11  | 602,838,138.81   | 3.93              | 999                                | 1.39              |
| £350,000 to £400,000                                 | 220,897,049.34  | 412,768,226.40   | 2.69              | 589                                | 0.82              |
| £400,000 to £450,000                                 | 179,242,795.95  | 334,933,088.51   | 2.19              | 422                                | 0.59              |
| £450,000 to £500,000                                 | 175,000,225.02  | 327,005,420.47   | 2.13              | 366                                | 0.51              |
| £500,000 to £600,000                                 | 147,631,953.96  | 275,865,069.17   | 1.80              | 270                                | 0.37              |
| £600,000 to £700,000                                 | 88,576,107.17   | 165,513,313.86   | 1.08              | 138                                | 0.19              |
| £700,000 to £800,000                                 | 75,966,529.58   | 141,951,057.17   | 0.93              | 101                                | 0.14              |
| £800,000 to £900,000                                 | 33,997,990.83   | 63,528,645.66  | 0.41              | 40                                 | 0.06              |
| £900,000 to £1,000,000                               | 26,757,235.98   | 49,998,571.15  | 0.33              | 28                                 | 0.04              |
| <b>Total</b>   | <b>8,200,839,288.65</b>   | <b>15,324,088,294.77</b>   | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |

The largest mortgage account had a mortgage account balance as of the cut-off date of £999,972.13 or US\$1,868,547.92. The average mortgage account balance as of the cut-off date was approximately £113,731.53 or US\$212,518.74.

### Initial advance

The following table shows the aggregate initial mortgage account balance of the mortgage accounts as of the date of the relevant advance:

| <i>Range of outstanding mortgage account balance</i> | <i>Aggregate mortgage account balance as of the cut-off date</i><br>(£) | <i>Aggregate mortgage account balance as of the cut-off date</i><br>(US\$) | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|--|---|--|-------------------|------------------------------------|-------------------|
| £0 to £50,000  | 417,292,394.01  | 779,752,567.45   | 5.09              | 11,725                             | 16.26             |
| £50,000 to £100,000                                  | 2,073,581,357.56  | 3,874,694,124.74   | 25.28             | 28,239                             | 39.16             |
| £100,000 to £150,000                                 | 2,023,628,461.91  | 3,781,352,143.93   | 24.68             | 16,829                             | 23.34             |
| £150,000 to £200,000                                 | 1,215,614,579.31  | 2,271,497,402.90   | 14.82             | 7,221                              | 10.01             |
| £200,000 to £250,000                                 | 698,072,176.24  | 1,304,417,668.52   | 8.51              | 3,206                              | 4.45              |
| £250,000 to £300,000                                 | 473,499,098.79  | 884,780,416.00   | 5.77              | 1,767                              | 2.45              |
| £300,000 to £350,000                                 | 317,712,469.73  | 593,677,520.94   | 3.87              | 1,011                              | 1.40              |
| £350,000 to £400,000                                 | 230,828,060.41  | 431,325,313.68   | 2.81              | 642                                | 0.89              |
| £400,000 to £450,000                                 | 182,971,936.77  | 341,901,361.05   | 2.23              | 447                                | 0.62              |
| £450,000 to £500,000                                 | 183,779,421.32  | 343,410,226.68   | 2.24              | 398                                | 0.55              |
| £500,000 to £600,000                                 | 149,300,881.82  | 278,983,627.77   | 1.82              | 283                                | 0.39              |
| £600,000 to £700,000                                 | 90,752,727.21   | 169,580,546.06   | 1.11              | 151                                | 0.21              |
| £700,000 to £800,000                                 | 71,097,465.10   | 132,852,723.29   | 0.87              | 99                                 | 0.14              |
| £800,000 to £900,000                                 | 47,018,008.40   | 87,857,850.50  | 0.57              | 59                                 | 0.08              |
| £900,000 to £1,000,000                               | 25,690,250.07   | 48,004,801.28  | 0.31              | 30                                 | 0.04              |
| <b>Total</b>   | <b>8,200,839,288.65</b>   | <b>15,324,088,294.77</b>   | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |

## Mortgage loan products – collateral level

| Mortgage loan products | Aggregate mortgage loan current balance as of the cut-off date (£) | Aggregate mortgage loan current balance as of the cut-off date (US\$) | % of total    | Aggregate mortgage reserve debt (£) | Aggregate mortgage reserve debt (US\$) | % of total    | Number of mortgage accounts | % of total    |
|------------------------|--|---|---------------|-------------------------------------|--|---------------|-----------------------------|---------------|
| Discounted             | 1,709,147,153.43   | 3,193,712,370.90  | 21.20         | 39,566,024                          | 73,933,072.45                          | 28.12         | 15,518                      | 21.52         |
| Fixed                  | 5,167,990,968.38   | 9,656,907,923.51  | 64.12         | 76,053,596                          | 142,113,749.49                         | 54.06         | 47,980                      | 66.54         |
| Standard Variable      | 200,395,303.21   | 374,458,663.58  | 2.49          | 5,761,794                           | 10,766,488.27                          | 4.10          | 1,840                       | 2.55          |
| Tracker                | 982,618,868.63   | 1,836,121,617.92  | 12.19         | 19,305,581                          | 36,074,408.66                          | 13.72         | 6,769                       | 9.39          |
| <b>Total</b>           | <b>8,060,152,293.65</b>  | <b>15,061,200,575.91</b>  | <b>100.00</b> | <b>140,686,995</b>                  | <b>262,887,718.86</b>                  | <b>100.00</b> | <b>72,107</b>               | <b>100.00</b> |

## Self Employed

| Self Employed | Aggregate mortgage account balance as of the cut-off date (£) | Aggregate mortgage account balance as of the cut-off date (US\$) | % of total    | Number of mortgage accounts | % of total    |
|---------------|---|--|---------------|-----------------------------|---------------|
| No            | 6,875,899,520.26  | 12,848,305,843.56  | 83.84         | 63,655                      | 88.28         |
| Yes           | 1,324,939,768.39  | 2,475,782,451.21   | 16.16         | 8,452                       | 11.72         |
| <b>Total</b>  | <b>8,200,839,288.65</b>                                       | <b>15,324,088,294.77</b>   | <b>100.00</b> | <b>72,107</b>               | <b>100.00</b> |

## Distribution of fixed rate mortgage loans

Fixed rate mortgage loans remain at the relevant fixed rate for a period of time as specified in the offer of advance, after which they move to the seller's standard variable rate or some other rate as specified in the offer of advance.

| Fixed rate % | Aggregate mortgage loan current balance as of the cut-off date (£) | Aggregate mortgage loan current balance as of the cut-off date (US\$) | % of total    | Aggregate mortgage reserve debt (£) | Aggregate mortgage reserve debt (US\$) | % of total    | Number of mortgage accounts | % of total    |
|--------------|--|---|---------------|-------------------------------------|--|---------------|-----------------------------|---------------|
| 3.00 to 3.99 | 21,259,716.52  | 39,725,906.29   | 0.41          | 467,665                             | 873,878.82                             | 0.61          | 113                         | 0.24          |
| 4.00 to 4.99 | 3,607,635,509.25   | 6,741,227,712.58  | 69.81         | 39,341,422                          | 73,513,381.15                          | 51.73         | 30,894                      | 64.39         |
| 5.00 to 5.99 | 1,519,344,189.03   | 2,839,046,551.62  | 29.40         | 35,225,932                          | 65,823,176.54                          | 46.32         | 16,640                      | 34.68         |
| 6.00 to 6.99 | 19,356,177.59  | 36,168,953.44   | 0.37          | 1,005,754                           | 1,879,351.92                           | 1.32          | 326                         | 0.68          |
| 7.00 to 7.99 | 353,553.54   | 660,650.14  | 0.01          | 12,823                              | 23,961.06                              | 0.02          | 6                           | 0.01          |
| 8.00 to 8.99 | 41,822.45  | 78,149.43   | 0.00          | 0                                   | 0.00                                   | 0.00          | 1                           | 0.00          |
| <b>Total</b> | <b>5,167,990,968.38</b>  | <b>9,656,907,923.51</b>   | <b>100.00</b> | <b>76,053,596</b>                   | <b>142,113,749.49</b>                  | <b>100.00</b> | <b>47,980</b>               | <b>100.00</b> |

## Distribution of termination of fixed rate mortgage (by quarter)

| Quarter in which fixed rate period ends | Aggregate mortgage loan current balance as of the cut-off date (£) | Aggregate mortgage loan current balance as of the cut-off date (US\$) | % of total    | Aggregate mortgage reserve debt (£) | Aggregate mortgage reserve debt (US\$) | % of total    | Number of mortgage accounts | % of total    |
|---|--|---|---------------|-------------------------------------|--|---------------|-----------------------------|---------------|
| 2006 – Q3                               | 220,444,221.83   | 411,922,072.91  | 4.27          | 6,472,406                           | 12,094,337.85                          | 8.51          | 2,279                       | 4.75          |
| 2006 – Q4                               | 7,664,838.41   | 14,322,517.05   | 0.15          | 97,681                              | 182,526.72                             | 0.13          | 64                          | 0.13          |
| 2007 – Q1                               | 492,991,285.72   | 921,203,516.50  | 9.54          | 10,401,350                          | 19,435,962.61                          | 13.68         | 4,384                       | 9.14          |
| 2007 – Q2                               | 306,085,158.40   | 571,950,726.99  | 5.92          | 4,994,927                           | 9,333,520.59                           | 6.57          | 2,917                       | 6.08          |
| 2007 – Q3                               | 1,008,082,481.29   | 1,883,702,924.54  | 19.51         | 10,268,788                          | 19,188,257.26                          | 13.50         | 8,678                       | 18.09         |
| 2007 – Q4                               | 7,629,114.78   | 14,255,763.88   | 0.15          | 151,557                             | 283,199.41                             | 0.20          | 63                          | 0.13          |
| 2008 – Q1                               | 1,070,767,563.21   | 2,000,836,268.61  | 20.72         | 9,580,221                           | 17,901,600.96                          | 12.60         | 8,703                       | 18.14         |
| 2008 – Q2                               | 126,783,229.11   | 236,907,141.91  | 2.45          | 2,351,018                           | 4,393,112.23                           | 3.09          | 1,146                       | 2.39          |
| 2008 – Q3                               | 302,648,588.16   | 565,529,151.84  | 5.86          | 2,953,752                           | 5,519,380.99                           | 3.88          | 2,545                       | 5.30          |
| 2008 – Q4                               | 23,926,629.83  | 44,709,300.50   | 0.46          | 535,634                             | 1,000,885.69                           | 0.70          | 179                         | 0.37          |
| 2009 – Q1                               | 187,173,572.06   | 349,752,536.75  | 3.62          | 1,793,917                           | 3,352,113.31                           | 2.36          | 1,643                       | 3.42          |
| 2009 – Q2                               | 73,859,507.21  | 138,013,875.17  | 1.43          | 2,424,679                           | 4,530,755.18                           | 3.19          | 700                         | 1.46          |
| 2009 – Q3                               | 216,149,855.10   | 403,897,619.24  | 4.18          | 7,267,245                           | 13,579,574.01                          | 9.56          | 2,448                       | 5.10          |
| 2009 – Q4                               | 560,968.08   | 1,048,224.95  | 0.01          | 1,000                               | 1,868.60                               | 0.00          | 7                           | 0.01          |
| 2010 – Q1                               | 149,309,491.90   | 278,999,716.56  | 2.89          | 4,035,087                           | 7,539,963.57                           | 5.31          | 1,739                       | 3.62          |
| 2010 – Q2                               | 201,784,883.08   | 377,055,232.52  | 3.90          | 3,582,953                           | 6,695,105.98                           | 4.71          | 2,237                       | 4.66          |
| 2010 – Q3                               | 327,180,497.07   | 611,369,476.83  | 6.33          | 4,613,164                           | 8,620,158.25                           | 6.07          | 3,511                       | 7.32          |
| 2011 – Q1                               | 399,063,074.78   | 745,689,261.53  | 7.72          | 3,575,343                           | 6,680,885.93                           | 4.70          | 4,309                       | 8.98          |
| 2011 – Q2                               | 11,201,430.85  | 20,930,993.69   | 0.22          | 209,831                             | 392,090.21                             | 0.28          | 119                         | 0.25          |
| 2011 – Q3                               | 8,755,669.41   | 16,360,843.86   | 0.17          | 238,914                             | 446,434.70                             | 0.31          | 85                          | 0.18          |
| 2011 – Q4                               | 736,205.67   | 1,375,673.91  | 0.01          | 43,489                              | 81,263.55                              | 0.06          | 12                          | 0.03          |
| 2015 – Q3                               | 15,998,166.17  | 29,894,173.31   | 0.31          | 277,148                             | 517,878.75                             | 0.36          | 140                         | 0.29          |
| 2016 – Q1                               | 106,872.97   | 199,702.83  | 0.00          | 0                                   | 0.00                                   | 0.00          | 2                           | 0.00          |
| 2016 – Q2                               | 8,804,956.44   | 16,452,941.60   | 0.17          | 160,987                             | 300,820.31                             | 0.21          | 68                          | 0.14          |
| 2016 – Q3                               | 282,706.85   | 528,266.02  | 0.01          | 22,505                              | 42,052.84                              | 0.03          | 2                           | 0.00          |
| <b>Total</b>                            | <b>5,167,990,968.38</b>  | <b>9,656,907,923.51</b>   | <b>100.00</b> | <b>76,053,596</b>                   | <b>142,113,749.49</b>                  | <b>100.00</b> | <b>47,980</b>               | <b>100.00</b> |

## Repayment terms

| Type of Repayment Plans | Aggregate mortgage loan current balance as of the cut-off date (£) | Aggregate mortgage loan current balance as of the cut-off date (US\$) | % of total    | Aggregate mortgage reserve debt (£) | Aggregate mortgage reserve debt (US\$) | % of total    | Number of mortgage accounts | % of total    |
|-------------------------|--|---|---------------|-------------------------------------|--|---------------|-----------------------------|---------------|
| Interest only           | 3,190,045,926.90   | 5,960,919,819.01  | 39.58         | 43,433,315                          | 81,159,492.41                          | 30.87         | 21,787                      | 30.21         |
| Repayment               | 4,870,106,366.75   | 9,100,280,756.91  | 60.42         | 97,253,680                          | 181,728,226.45                         | 69.13         | 50,320                      | 69.79         |
| <b>Total</b>            | <b>8,060,152,293.65</b>  | <b>15,061,200,575.91</b>  | <b>100.00</b> | <b>140,686,995</b>                  | <b>262,887,718.86</b>                  | <b>100.00</b> | <b>72,107</b>               | <b>100.00</b> |

Mortgage reserves do not have a repayment schedule (see “The Mortgage Assets – Repayment and Operation of the Mortgage Reserve”).



### *Arrears and loss experience*

The following table shows the arrears and repossession experience in respect of the cut-off date mortgage account portfolio.

The mortgage accounts used in the table below are administered in accordance with Barclays Bank PLC administration policies. The method by which Barclays Bank PLC classifies mortgage accounts as being in arrears is described in the base prospectus under “*The Administrator and the Administration Agreement – Arrears practice in respect of the mortgage loans*” and is important in helping to understand the arrears and repossession information in respect of the cut-off date mortgage account portfolio set forth in the following table.

### *Mortgage accounts in arrears*

| <i>Mortgage accounts in arrears</i> | <i>Aggregate mortgage accounts as of the cut-off date (£)</i> | <i>Aggregate mortgage accounts as of the cut-off date (US\$)</i> | <i>% of total</i> | <i>Number of mortgage accounts</i> | <i>% of total</i> |
|-------------------------------------|---|--|-------------------|------------------------------------|-------------------|
| Current <sup>1</sup>                | 8,200,839,288.65  | 15,324,088,294.77  | 100.00            | 72,107                             | 100.00            |
| > 1 and ≤ 2                         | 0.00  | 0.00   | 0.00              | 0                                  | 0.00              |
| > 2 and ≤ 3                         | 0.00  | 0.00   | 0.00              | 0                                  | 0.00              |
| > 3 and ≤ 6                         | 0.00  | 0.00   | 0.00              | 0                                  | 0.00              |
| > 6 and ≤ 12                        | 0.00  | 0.00   | 0.00              | 0                                  | 0.00              |
| > 12                                | 0.00  | 0.00   | 0.00              | 0                                  | 0.00              |
| <b>Total</b>                        | <b>8,200,839,288.65</b>                                       | <b>15,324,088,294.77</b>   | <b>100.00</b>     | <b>72,107</b>                      | <b>100.00</b>     |

1 For the purposes of the table above, current means any mortgage account with no more than one full monthly payment due.

## ARREARS EXPERIENCE OF THE SELLER

The following table summarises, in respect of the seller's overall mortgage portfolio, the seller's experience in administering mortgage accounts in arrears for residential mortgage accounts that were originated by the seller. The information set forth below includes information in respect of the seller's experience in administering mortgage loans secured by properties located in England, Wales, Scotland and Northern Ireland.

The mortgage accounts used for statistical purposes in the table below are administered in accordance with the administration policies of Barclays Bank PLC. Noteholders should note the method by which Barclays Bank PLC classifies accounts as being in arrears, which is described under "*The Administrator and the Administration Agreement – Arrears practice in respect of the mortgage loans*" in the Base Prospectus, and which is important in helping noteholders to understand the arrears experience of Barclays Bank PLC as set forth in the following table.



## PLAN OF DISTRIBUTION

**Name of dealers:** Barclays Bank PLC  
 Credit Suisse Securities (Europe) Limited  
 Deutsche Bank AG, London Branch  
 Goldman Sachs International  
 UBS Limited

**Stabilising Manager (if any):** Barclays Bank PLC

**Selling Restrictions:** As set out in the Base Prospectus

|                        | <i>ISIN Code</i> | <i>Common Code</i> |
|------------------------|------------------|--------------------|
|                        | <i>Reg S</i>     | <i>Reg S</i>       |
| Series 2006-1-D3 notes | XS0273844125     | 027384412          |

For the purposes of the U.S. federal securities laws, dealers engaged in the distribution of these series 2006-1-D3 notes may be deemed to be “underwriters”. Subject to the terms and conditions of the dealer agreement as supplemented by the relevant subscription agreement for these series 2006-1-D3 notes, the issuer has agreed to sell to each of the dealers named below, and each of those dealers has severally agreed to purchase, the principal amount of these series 2006-1-D3 notes set forth below its name:

|                        | <i>Barclays Bank<br/>PLC</i> | <i>Credit Suisse<br/>Securities<br/>(Europe)<br/>Limited</i> | <i>Deutsche<br/>Bank AG,<br/>London<br/>Branch</i> | <i>Goldman<br/>Sachs<br/>International</i> | <i>UBS Limited</i> | <i>Total</i> |
|------------------------|------------------------------|--|--|--|--------------------|--------------|
| Series 2006-1-D3 notes | €207,000,000                 | €1,000,000   | €1,000,000   | €1,000,000                                 | €1,000,000         | €211,000,000 |

The dealers have severally agreed, subject to the terms and conditions of the dealer agreement, to purchase all €211,000,000 aggregate principal amount of these series 2006-1-D3 notes if any of these series 2006-1-D3 notes are purchased.

After the public offering, the public offering price and other selling terms may be changed by the dealers.

In connection with the sale of these series 2006-1-D3 notes, the dealers may engage in:

- over-allotments, in which members of the syndicate selling these series 2006-1-D3 notes sell more notes than the issuer actually sold to the syndicate, creating a syndicate short position;
- stabilising transactions, in which purchases and sales of these series 2006-1-D3 notes may be made by the members of the selling syndicate at prices that do not exceed a specified maximum;
- syndicate covering transactions, in which members of the selling syndicate purchase these series 2006-1-D3 notes in the open market after the distribution has been completed in order to cover syndicate short positions; and
- penalty bids, by which dealers reclaim a selling concession from a syndicate member when any of these series 2006-1-D3 notes originally sold by that syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions.

These stabilising transactions, syndicate covering transactions and penalty bids may cause the price of these series 2006-1-D3 notes to be higher than it would otherwise be. These transactions, if commenced, may be discontinued at any time.

The issuer, the mortgages trustee, funding and Barclays Bank PLC have agreed to indemnify the dealers against certain liabilities, including liabilities under applicable securities laws.


## **LISTING APPLICATION**

This document comprises the final terms required to list the issue of the series 2006-1-D3 notes described herein pursuant to the Gracechurch Mortgage Financing residential mortgage backed note programme of the issuer.

## RESPONSIBILITY

The issuer accepts responsibility for the information contained in these final terms.

Signed on behalf of the issuer:

By:   
\_\_\_\_\_ *duly authorised*

## GENERAL INFORMATION

The admission of the programme to listing on the Official List of the UKLA and to trading on the regulated market of the London Stock Exchange will take effect on 9 November 2006. The listing of the series 2006-1-D3 notes on the regulated market of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). The series 2006-1-D3 notes intended to be admitted to listing on the Official List of the UKLA and admitted to trading on the regulated market of the London Stock Exchange will be so admitted to listing and trading upon submission to the UKLA and the regulated market of the London Stock Exchange of these final terms and any other information required by the UKLA and the regulated market of the London Stock Exchange, subject in each case to the issue of the relevant series 2006-1-D3 notes. Prior to official listing, dealings will be permitted by the regulated market of the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

The issuer confirms that the securitised assets backing the issue of the series 2006-1-D3 notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on notes. However, investors are advised that this confirmation is based on the information available to the issuer at the date of the base prospectus and these final terms and may be affected by future performance of such securitised assets. Consequently, investors are advised to review carefully the disclosure in the base prospectus together with any amendments or supplements thereto and other documents incorporated by reference in the base prospectus and, in relation to any series, these final terms.

An investment in the series 2006-1-D3 notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment. If any noteholders are in any doubt about the contents of these final terms, it should consult its stockbroker, bank manager, solicitor, accountant or other financial adviser.

The issuer has approved the issue of these securities by board resolution dated 31 October 2006.

There has been no significant change and no significant new matter has arisen since publication of the base prospectus.

It should be remembered that the price of securities and the income from them can go down as well as up.

### Documents available for inspection

For so long as the base prospectus is in effect, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the principal paying agent and from the registered office of the issuer, namely:

- (i) the dealer agreement and the series 2006-1 subscription agreement;
- (ii) the global loan note no.1;
- (iii) any supplement to the global loan note no.1;
- (iv) the mortgages trust deed;
- (v) the mortgage sale agreement;
- (vi) the MRCLN note purchase facility agreement;
- (vii) the MRCLN collateral agreement;
- (viii) the funding security trust deed;
- (ix) the issuer security trust deed;
- (x) the basis rate swap agreement;
- (xi) the series 2006-1 issuer Euro swap agreement;
- (xii) the series 2006-1 issuer Euro swap credit support document;
- (xiii) the issuer security trust deed supplement;
- (xiv) the agency agreement;
- (xv) the administration agreement;
- (xvi) the mortgages trustee cash management agreement;

- (xvii) the funding cash management agreement;
- (xviii) the issuer cash management agreement;
- (xix) the series post-enforcement call option agreement
- (xx) the funding account bank agreement;
- (xxi) the mortgages trustee account bank agreement;
- (xxii) the issuer account bank agreement;
- (xxiii) the collection account declaration of trust;
- (xxiv) the master definitions schedule;
- (xxv) the issuer master framework agreement;
- (xxvi) the senior expenses loan facility agreement;
- (xxvii) the junior expenses loan facility agreement;
- (xxviii) the issuer corporate services agreement;
- (xxix) the holdings corporate services agreement;
- (xxx) the PECO corporate services agreement;
- (xxxi) the funding corporate services agreement;
- (xxxii) the mortgages trustee corporate services agreement;
- (xxxiii) the tax deed of covenant;
- (xxxiv) the yield supplement loan facility agreement;
- (xxxv) the controlling beneficiary deed,

together with each other document entered into or to be entered into by the issuer, funding and the mortgages trustee pursuant to or in connection with any of the above documents, the “**transaction documents**”.



**ISSUER**

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1 Churchill Place  
London E14 5HP

**ARRANGER**

**Barclays Bank PLC**  
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Canary Wharf  
London E14 4BB

**FUNDING**

**Gracechurch GMF Funding 1 Limited**  
1 Churchill Place  
London E14 5HP

**MORTGAGES TRUSTEE**

**Gracechurch GMF Trustee Limited**  
26 New Street  
St. Helier, Jersey  
JE2 3RA  
Channel Islands

**ISSUER SECURITY TRUSTEE AND FUNDING**

**SECURITY TRUSTEE**  
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**PRINCIPAL PAYING AGENT**

**AND REGISTRAR**  
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