

IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the final terms attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the final terms. In accessing the final terms, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE US OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE US OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE FOLLOWING FINAL TERMS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are reminded that the final terms has been delivered to you on the basis that you are a person into whose possession the final terms may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the final terms to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the issuing entity in such jurisdiction.

This final terms has been delivered to you on the basis that you are a person into whose possession this prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the final terms, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the final terms by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005.

This final terms has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Permanent Master Issuer PLC nor any of ABN AMRO Bank N.V., London Branch, Citigroup Global Markets Limited or UBS Limited nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the final terms distributed to you in electronic format and the hard copy version available to you on request from Permanent Master Issuer PLC, ABN AMRO Bank N.V., London Branch, Citigroup Global Markets Limited and UBS Limited.

Final Terms dated 11 October 2006

PERMANENT MASTER ISSUER PLC

(Incorporated with limited liability in England and Wales with registered number 5922774)

Mortgage Backed Note Programme

Issue 2006-1 Notes

Series	Class	Interest rate	Initial principal amount	Issue price	Scheduled redemption dates	Maturity date
Series 1	Class A	0.02% margin below one-month USD-LIBOR	\$1,000,000,000	100%	October 2007	October 2007
Series 2	Class A	0.04% margin over three-month USD-LIBOR	\$1,750,000,000	100%	October 2009	October 2015
Series 3	Class A	0.055% margin over three-month Canadian Bankers Acceptances floating rate	CAN\$350,000,000	100%	October 2009 and January 2010	July 2033
Series 4	Class A1	0.06% margin over three-month EURIBOR	€500,000,000	100%	October 2008	October 2015
Series 4	Class A2	0.11% margin over three-month EURIBOR	€1,750,000,000	100%	July 2011 and October 2011	July 2033
Series 5	Class A	0.11% margin over three-month USD-LIBOR	\$1,500,000,000	100%	July 2012 and October 2012	July 2033
Series 6	Class A1	0.12% margin over three-month sterling LIBOR	£500,000,000	100%	April 2013	April 2020
Series 6	Class A2	0.12% margin over three-month sterling LIBOR	£600,000,000	100%	April 2013	April 2020
Series 1	Class B	0.08% margin over three-month USD-LIBOR	\$35,800,000	100%	—	July 2042
Series 2	Class B	0.12% margin over three-month USD-LIBOR	\$134,900,000	100%	—	July 2042
Series 4	Class B	0.15% margin over three-month EURIBOR	€129,300,000	100%	—	July 2042
Series 1	Class C	0.20% margin over three-month USD-LIBOR	\$35,800,000	100%	—	July 2042
Series 2	Class C	0.40% margin over three-month USD-LIBOR	\$134,900,000	100%	—	July 2042
Series 4	Class C	0.45% margin over three-month EURIBOR	€129,300,000	100%	—	July 2042

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the base prospectus dated 11 October 2006 which constitutes a base prospectus (the **base prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the final terms (the **final terms**) of the notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus. Full information on the issuing entity and the offer of the series and classes of notes subject thereof 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 offices of the Principal Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and copies may be obtained from the registered office of the issuing entity at 35 Great St. Helen's, London EC3A 6AP.

Arranger for the programme



Joint Lead Managers for the Series 4 Class A1 Notes, the Series 4 Class A2 Notes and the Series 6 Class A1 Notes

ABN AMRO

Citigroup

UBS Investment Bank

Co-Managers for the Series 4 Class A1 Notes, the Series 4 Class A2 Notes and the Series 6 Class A1 Notes

Deutsche Bank

Lehman Brothers

Societe Generale Corporate & Investment Banking

Lead Manager for the Series 3 Class A Notes and the Series 6 Class A2 Notes
HBOS Treasury Services plc

Joint Lead Managers for the Series 4 Class B Notes and the Series 4 Class C Notes
ABN AMRO **Citigroup**

	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
1. Series and Class:	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
2. Issuing entity:	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc
3. Specified Currency or Currencies:	US Dollars	US Dollars	Canadian Dollars	Euro	Euro	US Dollars	Sterling	Sterling
4. Initial Principal Amount:	\$1,000,000,000	\$1,750,000,000	CAN\$350,000,000	€500,000,000	€1,750,000,000	\$1,500,000,000	£500,000,000	£600,000,000
5. (a) Issue Price:	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount
(b) Gross proceeds:	\$1,000,000,000	\$1,750,000,000	CAN\$350,000,000	€500,000,000	€1,750,000,000	\$1,500,000,000	£500,000,000	£600,000,000
6. Funding 2 Reserve Required Amount:	For all Notes, £92,000,000							
7. Ratings (Standard & Poor's/Moody's/Fitch):	A-1+/P-1/F-1+	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
8. Specified Denominations:	\$100,000 and integral multiples of \$1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof	CAN\$100,000 and integral multiples of CAN\$1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof	£50,000 and integral multiples of £1,000 in excess thereof	£50,000 and integral multiples of £1,000 in excess thereof
9. (a) Closing Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
(b) Interest Commencement Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
10. Final Maturity Date:	Interest Payment Date falling in or nearest to October 2007	Interest Payment Date falling in or nearest to October 2015	Interest Payment Date falling in or nearest to July 2033	Interest Payment Date falling in or nearest to October 2015	Interest Payment Date falling in or nearest to July 2033	Interest Payment Date falling in or nearest to July 2033	Interest Payment Date falling in or nearest to April 2020	Interest Payment Date falling in or nearest to April 2020
11. Interest Basis:	One-month USD LIBOR Floating Rate	Three-month USD LIBOR Floating Rate	Three-month Canadian Bankers Acceptances Floating Rate	Three-month EURIBOR Floating Rate	Three-month EURIBOR Floating Rate	Three-month USD LIBOR Floating Rate	Three-month Sterling LIBOR Floating Rate	Three-month Sterling LIBOR Floating Rate
12. Redemption/Payment Basis:	Bullet Redemption	Bullet Redemption	Scheduled Redemption	Bullet Redemption	Scheduled Redemption	Scheduled Redemption	Bullet Redemption	Bullet Redemption
13. Change of Interest Basis or Redemption/Payment Basis:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Series and Class:	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
14. (a) Listing:	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market

(b) Estimate of total expenses related to admission to trading: For all Notes, £2,197,895

15. Method of distribution:	Syndicated	Syndicated	Non-Syndicated	Syndicated	Syndicated	Syndicated	Syndicated	Non-Syndicated
-----------------------------	------------	------------	----------------	------------	------------	------------	------------	----------------

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17. Floating Rate Note Provisions:	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
(a) Interest Payment Dates:	The 15th day of each calendar month in each year up to and including the Final Payment Date or, following the occurrence of a Pass-Through Trigger Event, 15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date

(b) Business Day Convention:	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention
(c) Additional Business Centre(s):	Not Applicable	Not Applicable	Toronto	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination

Series and Class:	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent Bank):	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(f) Screen Rate Determination:	<p>● Reference Rate:</p> <p>One-month USD LIBOR (or, in respect of the first interest Period for the issue 2006-1 series 1 class A notes, the linear interpolation of two-week USD LIBOR and one-month USD LIBOR) or, following the occurrence of a Pass-Through Trigger Event three-month USD LIBOR</p> <p>Three-month USD LIBOR (or, in respect of the first interest Period for the issue 2006-1 series 2 class A notes, the linear interpolation of two-month USD LIBOR and three-month USD LIBOR)</p> <p>Three-month Canadian Bankers Acceptances (or, in respect of the first interest Period for the issue 2006-1 series 3 class A notes, the linear interpolation of two-month Canadian Bankers Acceptances and three-month Canadian Bankers Acceptances)</p> <p>Three-month EURIBOR (or, in respect of the first interest Period for the issue 2006-1 series 4 class A1 notes, the linear interpolation of two-month EURIBOR or three-month EURIBOR)</p> <p>Three-month EURIBOR (or, in respect of the first interest Period for the issue 2006-1 series 4 class A2 notes, the linear interpolation of two-month EURIBOR and three-month EURIBOR)</p> <p>Three month USD LIBOR (or, in respect of the first interest Period for the issue 2006-1 series 5 class A notes, the linear interpolation of two-month USD LIBOR and three-month USD LIBOR)</p> <p>Three-month Sterling LIBOR (or, in respect of the first interest Period for the issue 2006-1 series 6 class A1 notes, the linear interpolation of two-month Sterling LIBOR and three-month Sterling LIBOR)</p> <p>Three-month Sterling LIBOR (or, in respect of the first interest Period for the issue 2006-1 series 6 class A2 notes, the linear interpolation of two-month Sterling LIBOR and three-month Sterling LIBOR)</p>							
● Interest Determination Date(s):	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The first day of each Interest Period	The second business day on which the TARGET System is open prior to the start of each Interest Period	The second business day on which the TARGET System is open prior to the start of each Interest Period	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The first day of each Interest Period	The first day of each Interest Period
● Relevant Screen Page:	Telerate Page 3750	Telerate Page 3750	Reuters Screen CDOR	Telerate Page 248	Telerate Page 248	Telerate Page 3750	Telerate Page 3750	Telerate Page 3750
(g) ISDA Determination:								
● Floating Rate Option:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
● Designated Maturity:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
● Reset Date:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Series and Class:	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
(h) Margin(s):	- 0.02% per annum	+ 0.04% per annum	+ 0.055% per annum	+ 0.06% per annum	+ 0.11% per annum	+ 0.11% per annum	+ 0.12% per annum	+ 0.12% per annum
(i) Minimum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(j) Maximum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(k) Step-Up Date	Not Applicable	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013
● Step-Up Margin(s):	Not Applicable	+ 0.08% per annum	+ 0.11% per annum	+ 0.12% per annum	+ 0.22% per annum	+ 0.22% per annum	+ 0.24% per annum	+ 0.24% per annum
● Step-Up Minimum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
● Step-Up Maximum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(l) Day Count Fraction:	Actual/360	Actual/360	Actual/365*	Actual/360	Actual/360	Actual/360	Actual/365	Actual/365
(m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes if different from those set out in the Conditions:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
18. Zero Coupon Note Provisions:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* For the purpose of disclosure pursuant to the Interest Act (Canada), the yearly rate of interest to which any rate of interest payable under the Series 3 Class A Notes, that is to be calculated on the basis of a year of 365 days, is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such yearly rate of interest is to be ascertained and the denominator of which is 365.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19.	Form of Notes:	Registered Notes: US Global Note registered in the name of a nominee for The Depository Trust Company	Registered Notes: US Global Note registered in the name of a nominee for The Depository Trust Company	Registered Notes: Reg S Global Note registered in the name of a nominee for The Canadian Depository for Securities Limited	Registered Notes: Reg S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream Luxembourg	Registered Notes: Reg S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream Luxembourg	Registered Notes: US Global Note registered in the name of a nominee for The Depository Trust Company	Registered Notes: Reg S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream Luxembourg	Registered Notes: Reg S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream Luxembourg	Registered Notes: Reg S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream Luxembourg
20.	Additional Financial Centre(s) or other special provisions relating to Interest Payment Dates:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
21.	Details relating to Bullet Redemption Notes:	Applicable	Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Applicable	Applicable
(a)	Redemption Amount:	\$1,000,000,000	\$1,750,000,000	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	£500,000,000
(b)	Bullet Redemption Date:	Interest Payment Date occurring in October 2007	Interest Payment Date occurring in October 2009	Not Applicable	Interest Payment Date occurring in October 2008	Not Applicable	Interest Payment Date occurring in October 2012 and October 2012	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013
22.	Details relating to Scheduled Redemption Notes:	Not Applicable	Not Applicable	Applicable	Not Applicable	Applicable	Interest Payment Dates occurring in July 2011 and October 2011	Not Applicable	Not Applicable	Not Applicable
(a)	Scheduled Redemption Dates:	Not Applicable	Not Applicable	Interest Payment Dates occurring in October 2009 and January 2010	Not Applicable	Interest Payment Dates occurring in July 2012 and October 2012	Interest Payment Dates occurring in July 2012 and October 2012	Not Applicable	Not Applicable	Not Applicable
(b)	Scheduled Amortisation Instalments:	Not Applicable	Not Applicable	CAN\$175,000,000/ CAN\$175,000,000	Not Applicable	€875,000,000/ €875,000,000	\$750,000,000/ \$750,000,000	Not Applicable	Not Applicable	Not Applicable
23.	Details relating to Pass-Through Notes:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
24.	Redemption Amount:	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies
25.	Interest Payment Date for Regulatory Call:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Series and Class:	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
1.								
26.	Issuing Entity Swap Provider(s): Deutsche Bank AG, London Branch	Deutsche Bank AG, London Branch	Credit Suisse International	Barclays Bank PLC	Barclays Bank PLC	Deutsche Bank AG, London Branch	Not Applicable	Not Applicable
27.	Specified currency exchange rate (Sterling/ specified currency): GBP 1.00/\$1.86898	GBP 1.00/\$1.86900	GBP 1.00/ CAN\$2.10691	GBP 1.00/€1.48544	GBP 1.00/€1.48544	GBP 1.00/\$1.86900	Not Applicable	Not Applicable
28.	Redenomination applicable: Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable
29.	U.S. tax treatment: Will be debt for United States federal income tax purposes, subject to the considerations in "United States federal income taxation" in the base prospectus	Will be debt for United States federal income tax purposes, subject to the considerations in "United States federal income taxation" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)	Not Applicable (These notes are not being offered or sold in the United States)	Not Applicable (These notes are not being offered or sold in the United States)	Will be debt for United States federal income tax purposes, subject to the considerations in "United States federal income taxation" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)	Not Applicable (These notes are not being offered or sold in the United States)
30.	ERISA eligible: Yes, subject to the considerations in "ERISA considerations" in the base prospectus	Yes, subject to the considerations in "ERISA considerations" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)	Not Applicable (These notes are not being offered or sold in the United States)	Not Applicable (These notes are not being offered or sold in the United States)	Yes, subject to the considerations in "ERISA considerations" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)	Not Applicable (These notes are not being offered or sold in the United States)
31.	Other final terms: Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
DISTRIBUTION								
32.	(a) If syndicated, names of Managers: Citigroup Global Markets Limited, ABN AMRO Bank N.V., London Branch, UBS Securities LLC, Société Générale, London Branch, Deutsche Bank Securities Inc., Lehman Brothers Inc.	Citigroup Global Markets Limited, ABN AMRO Bank N.V., London Branch, UBS Securities LLC, Société Générale, London Branch, Deutsche Bank Securities Inc., Lehman Brothers Inc.	HBOS Treasury Services plc	Citigroup Global Markets Limited, ABN AMRO Bank N.V., London Branch, UBS Limited, Société Générale, London Branch, Deutsche Bank AG, London Branch, Lehman Brothers International (Europe)	Citigroup Global Markets Limited, ABN AMRO Bank N.V., London Branch, UBS Limited, Société Générale, London Branch, Deutsche Bank AG, London Branch, Lehman Brothers International (Europe)	Citigroup Global Markets Limited, ABN AMRO Bank N.V., London Branch, UBS Securities LLC, Société Générale, London Branch, Deutsche Bank Securities Inc., Lehman Brothers Inc.	Citigroup Global Markets Limited, ABN AMRO Bank N.V., London Branch, UBS Limited, Société Générale, London Branch, Deutsche Bank AG, London Branch, Lehman Brothers International (Europe)	Citigroup Global Markets Limited, ABN AMRO Bank N.V., London Branch, UBS Limited, Société Générale, London Branch, Deutsche Bank AG, London Branch, Lehman Brothers International (Europe)
33.	(b) Stabilising Manager (if any): Not Applicable	Citigroup Global Markets Limited	Not Applicable	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Not Applicable
34.	If non-syndicated, name of relevant Dealer: Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
35.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
36.	Additional selling restrictions: Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

1.	Series and Class:	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
OPERATIONAL INFORMATION									
36.	Any clearing system(s) other than DTC, Euroclear or Clearstream, Luxembourg and the relevant identification numbers:	Not Applicable	Not Applicable	The Canadian Depository for Securities Limited (G7014RAQ5)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
37.	Delivery:	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment
38.	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
39.	ISIN Code:	US71419GAA85	US71419GAB68	CAG7014RAQ51	XS0270510067	XS0270510653	US71419GAG55	XS0270511628	XS0270512279
40.	Common Code:	027106811	027107648	027124968	027051006	027051065	027124623	027051162	027051227
41.	CUSIP:	71419GAA8	71419GAB6	G7014RAQ5	Not Applicable	Not Applicable	71419GAG5	Not Applicable	Not Applicable
LOAN TRANCHE INFORMATION									
42.	Loan Tranche:	The series 1 class A notes will fund the AAA (series 1 class A) loan tranche	The series 2 class A notes will fund the AAA (series 2 class A) loan tranche	The series 3 class A notes will fund the AAA (series 3 class A) loan tranche	The series 4 class A notes will fund the AAA (series 4 class A1) loan tranche	The series 4 class A2 notes will fund the AAA (series 4 class A2) loan tranche	The series 5 class A notes will fund the AAA (series 5 class A) loan tranche	The series 6 class A1 notes will fund the AAA (series 6 class A1) loan tranche	The series 6 class A2 notes will fund the AAA (series 6 class A2) loan tranche
43.	Borrower:	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited
44.	Designated Loan Tranche rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
45.	Designation of Loan Tranche:	Bullet Loan Tranche	Bullet Loan Tranche	Scheduled Amortisation Loan Tranche	Bullet Loan Tranche	Scheduled Amortisation Loan Tranche	Scheduled Amortisation Loan Tranche	Bullet Loan Tranche	Bullet Loan Tranche
46.	Initial Principal Amount:	£535,050,000	£936,330,000	£166,120,000	£336,600,000	£1,178,100,000	£802,570,000	£500,000,000	£600,000,000
(a)	Closing Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
(b)	Interest Commencement Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
47.	Loan Tranche rate:	- 0.0189%	+ 0.05%	+ 0.0427%	+ 0.0519%	+ 0.1051%	+ 0.1232%	+ 0.12%	+ 0.12%
48.	Step-Up Date (if any):	Not Applicable	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013
49.	Stepped-up Loan Tranche rate:	Not Applicable	0.35%	0.3354%	0.3538%	0.4602%	0.4964%	0.24%	0.24%
50.	Details relating to Bullet Loan Tranches:	Applicable	Applicable	Not Applicable	Applicable	Not Applicable	Not Applicable	Applicable	Applicable

Series and Class:	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A1	Series 4 Class A2	Series 5 Class A	Series 6 Class A1	Series 6 Class A2
1. (a) Bullet Repayment Date:	The Funding 2 Interest Payment Date occurring in October 2007	The Funding 2 Interest Payment Date occurring in October 2009	Not Applicable	The Funding 2 Interest Payment Date occurring in October 2008	Not Applicable	Not Applicable	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013
(b) Relevant Accumulation Amount:	\$1,000,000,000	\$1,750,000,000	Not Applicable	€500,000,000	Not Applicable	Not Applicable	€500,000,000	€600,000,000
51. Details relating to Scheduled Amortisation Loan Tranches:	Not Applicable	Not Applicable	Applicable	Not Applicable	Applicable	Applicable	Not Applicable	Not Applicable
(a) Scheduled Repayment Dates:	Not Applicable	Not Applicable	The Funding 2 Interest Payment Dates occurring in October 2009 and January 2010	Not Applicable	The Funding 2 Interest Payment Dates occurring in July 2011 and October 2011	The Funding 2 Interest Payment Dates occurring in July 2012 and October 2012	Not Applicable	Not Applicable
(b) Relevant Accumulation Amounts:	Not Applicable	Not Applicable	CAN\$175,000,000/ CAN\$175,000,000	Not Applicable	€875,000,000/ €875,000,000	\$750,000,000/ \$750,000,000	Not Applicable	Not Applicable
52. Details relating to Pass-Through Loan Tranches:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
53. Final Repayment Date:	The Funding 2 Interest Payment Date falling in October 2007	The Funding 2 Interest Payment Date falling in October 2015	The Funding 2 Interest Payment Date falling in July 2033	The Funding 2 Interest Payment Date falling in October 2015	The Funding 2 Interest Payment Date falling in July 2033	The Funding 2 Interest Payment Date falling in July 2033	The Funding 2 Interest Payment Date falling in April 2020	The Funding 2 Interest Payment Date falling in April 2020
54. Loan Payment Dates:	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date
REMARKETING ARRANGEMENTS								
55. Do the Notes have the benefit of remarketing arrangements:	No	No	No	No	No	No	No	No
if yes:								
● Name of remarketing bank	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
● Name of conditional purchaser	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
● Other details	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

1.	Series and Class:	Series 1 Class B	Series 2 Class B	Series 4 Class B	Series 1 Class C	Series 2 Class C	Series 4 Class C
2.	Issuing entity:	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc	Permanent Master Issuer plc
3.	Specified Currency or Currencies:	US Dollars	US Dollars	Euro	US Dollar	US Dollars	Euro
4.	Initial Principal Amount:	\$35,800,000	\$134,900,000	€129,300,000	\$35,800,000	\$134,900,000	€129,300,000
5.	(a) Issue Price:	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount	100% of the Aggregate Nominal Amount
	(b) Gross proceeds:	\$35,800,000	\$134,900,000	€129,300,000	\$35,800,000	\$134,900,000	€129,300,000
6.	Funding 2 Reserve Required Amount:	For all Notes, £92,000,000					
7.	Ratings (Standard & Poor's/Moody's/ Fitch):	AA/Aa3/AA	AA/Aa3/AA	AA/Aa3/AA	BBB/Baa2/BBB	BBB/Baa2/BBB	BBB/Baa2/BBB
8.	Specified Denominations:	\$100,000 and integral multiples of \$1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof	\$100,000 and integral multiples of \$1,000 in excess thereof	€50,000 and integral multiples of €1,000 in excess thereof
9.	(a) Closing Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
	(b) Interest Commencement Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
10.	Final Maturity Date:	Interest Payment Date falling in or nearest to July 2042	Interest Payment Date falling in or nearest to July 2042	Interest Payment Date falling in or nearest to July 2042	Interest Payment Date falling in or nearest to July 2042	Interest Payment Date falling in or nearest to July 2042	Interest Payment Date falling in or nearest to July 2042
11.	Interest Basis:	Three-month USD LIBOR Floating Rate	Three-month USD LIBOR Floating Rate	Three-month EURIBOR Floating Rate	Three-month USD LIBOR Floating Rate	Three-month USD LIBOR Floating Rate	Three-month EURIBOR Floating Rate
12.	Redemption/Payment Basis:	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through
13.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
14.	(a) Listing:	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market	London Stock Exchange's Gilt Edged and Fixed Interest Market
	(b) Estimate of total expenses related to admission to trading:	For all Notes, £2,197,895					
15.	Method of distribution:	Syndicated	Syndicated	Syndicated	Syndicated	Syndicated	Syndicated

1.	Series and Class:	Series 1 Class B	Series 2 Class B	Series 4 Class B	Series 1 Class C	Series 2 Class C	Series 4 Class C
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE							
16.	Fixed Rate Note Provisions:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17.	Floating Rate Note Provisions:	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
(a)	Interest Payment Dates:	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date	15th January, 15th April, 15th July and 15th October in each year up to and including the Final Maturity Date
(b)	Business Day Convention:	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention
(c)	Additional Business Centre(s):	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent Bank):	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(f)	Screen Rate Determination:						
	● Reference Rate:	Three-month USD LIBOR (or, in respect of the first Interest Period for the issue 2006-1 series 1 class B notes, the linear interpolation of two-month USD LIBOR and three-month USD LIBOR)	Three-month USD LIBOR (or, in respect of the first Interest Period for the issue 2006-1 series 2 class B notes, the linear interpolation of two-month USD LIBOR and three-month USD LIBOR)	Three-month EURIBOR (or, in respect of the first Interest Period for the issue 2006-1 series 4 class B notes, the linear interpolation of two-month EURIBOR and three-month EURIBOR)	Three-month USD LIBOR (or, in respect of the first Interest Period for the issue 2006-1 series 1 class C notes, the linear interpolation of two-month USD LIBOR and three-month USD LIBOR)	Three-month USD LIBOR (or, in respect of the first Interest Period for the issue 2006-1 series 2 class C notes, the linear interpolation of two-month USD LIBOR and three-month USD LIBOR)	Three-month EURIBOR (or, in respect of the first Interest Period for the issue 2006-1 series 4 class C notes, the linear interpolation of two-month EURIBOR and three-month EURIBOR)
	● Interest Determination Date(s):	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The second business day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period	The second business day on which the TARGET System is open prior to the start of each Interest Period

1.	Series and Class:	Series 1 Class B	Series 2 Class B	Series 4 Class B	Series 1 Class C	Series 2 Class C	Series 4 Class C
	● Relevant Screen Page:	Tolerate Page 3750	Tolerate Page 3750	Tolerate Page 248	Tolerate Page 3750	Tolerate Page 3750	Tolerate Page 248
(g)	ISDA Determination:						
	● Floating Rate Option:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	● Designated Maturity:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	● Reset Date:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(h)	Margin(s):	+ 0.08% per annum	+ 0.12% per annum	+ 0.15% per annum	+ 0.20% per annum	+ 0.40% per annum	+ 0.45% per annum
(i)	Minimum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(j)	Maximum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(k)	Step-Up Date	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013	Interest Payment Date occurring in April 2013
	● Step-Up Margin(s):	+ 0.16% per annum	+ 0.24% per annum	+ 0.30% per annum	+ 0.40% per annum	+ 0.80% per annum	+ 0.90% per annum
	● Step-Up Minimum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	● Step-Up Maximum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(l)	Day Count Fraction:	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360
(m)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
18.	Zero Coupon Note Provisions:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Series and Class:	Series 1 Class B	Series 2 Class B	Series 4 Class B	Series 1 Class C	Series 2 Class C	Series 4 Class C
GENERAL PROVISIONS APPLICABLE TO THE NOTES						
19. Form of Notes:	Registered Notes: US Global Note registered in the name of a nominee for The Depository Trust Company	Registered Notes: US Global Note registered in the name of a nominee for The Depository Trust Company	Registered Notes: Reg S Global Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream Luxembourg	Registered Notes: US Global Note registered in the name of a nominee for The Depository Trust Company	Registered Notes: US Global Note registered in the name of a nominee for The Depository Trust Company	Registered Notes: Reg S Global Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream Luxembourg
20. Additional Financial Centre(s) or other special provisions relating to Interest Payment Dates:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
21. Details relating to Bullet Redemption Notes:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
22. Details relating to Scheduled Redemption Notes:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
23. Details relating to Pass-Through Notes:	Applicable The series 1 class B notes will be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date on which all the series 1 notes of a higher rating have been redeemed in full	Applicable The series 2 class B notes will be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date on which all the series 2 notes of a higher rating have been redeemed in full	Applicable The series 4 class B notes will be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date on which all the series 4 notes of a higher rating have been redeemed in full	Applicable The series 1 class C notes will be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date on which all the series 1 notes of a higher rating have been redeemed in full	Applicable The series 2 class C notes will be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date on which all the series 2 notes of a higher rating have been redeemed in full	Applicable The series 4 class C notes will be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date on which all the series 4 notes of a higher rating have been redeemed in full
24. Redemption Amount:	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies	Condition 5(F) applies
25. Interest Payment Date for Regulatory Call:	Interest Payment Date occurring in April 2009	Interest Payment Date occurring in April 2009	Interest Payment Date occurring in April 2009	Interest Payment Date occurring in April 2009	Interest Payment Date occurring in April 2009	Interest Payment Date occurring in April 2009
26. Issuing Entity Swap Provider(s):	Deutsche Bank AG, London Branch	Deutsche Bank AG, London Branch	Barclays Bank PLC	Deutsche Bank AG, London Branch	Deutsche Bank AG, London Branch	Barclays Bank PLC
27. Specified currency exchange rate (Sterling/specified currency):	GBP 1.00/\$1.86848	GBP 1.00/\$1.86894	GBP 1.00/€1.48535	GBP 1.00/\$1.86848	GBP 1.00/\$1.86894	GBP 1.00/€1.48535
28. Redenomination applicable:	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable
29. U.S. tax treatment:	Will be debt for United States federal income tax purposes, subject to the considerations in "United States federal income taxation" in the base prospectus	Will be debt for United States federal income tax purposes, subject to the considerations in "United States federal income taxation" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)	Should be debt for United States federal income tax purposes, subject to the considerations in "United States federal income taxation" in the base prospectus	Should be debt for United States federal income tax purposes, subject to the considerations in "United States federal income taxation" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)
30. ERISA eligible:	Yes, subject to the considerations in "ERISA considerations" in the base prospectus	Yes, subject to the considerations in "ERISA considerations" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)	Yes, subject to the considerations in "ERISA considerations" in the base prospectus	Yes, subject to the considerations in "ERISA considerations" in the base prospectus	Not Applicable (These notes are not being offered or sold in the United States)

1.	Series and Class:	Series 1 Class B	Series 2 Class B	Series 4 Class B	Series 1 Class C	Series 2 Class C	Series 4 Class C
31.	Other final terms:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
DISTRIBUTION							
32.	(a) If syndicated, names of Managers:	Citigroup Global Markets Limited and ABN AMRO Bank N.V., London Branch	Citigroup Global Markets Limited and ABN AMRO Bank N.V., London Branch	Citigroup Global Markets Limited and ABN AMRO Bank N.V., London Branch	Citigroup Global Markets Limited and ABN AMRO Bank N.V., London Branch	Citigroup Global Markets Limited and ABN AMRO Bank N.V., London Branch	Citigroup Global Markets Limited and ABN AMRO Bank N.V., London Branch
	(b) Stabilising Manager (if any):	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited
33.	If non-syndicated, name of relevant Dealer:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable.
34.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
35.	Additional selling restrictions:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
OPERATIONAL INFORMATION							
36.	Any clearing system(s) other than DTC, Euroclear or Clearstream, Luxembourg and the relevant identification numbers:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
37.	Delivery:	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment	Delivery against payment
38.	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
39.	ISIN Code:	US71419GAC42	US71419GAD25	X50270510810	US71419GAE08	US71419GAF72	X50270511115
40.	Common Code:	0207107168	027107788	027051081	027107354	027107044	027051111
41.	CUSIP:	71419GAC4	71419GAD2	Not Applicable	71419GAE0	71419GAF7	Not Applicable
LOAN TRANCHE INFORMATION							
42.	Loan Tranche:	The series 1 class B notes will fund the AA (series 1 class B) loan tranche	The series 2 class B notes will fund the AA (series 2 class B) loan tranche	The series 4 class B notes will fund the AA (series 4 class B) loan tranche	The series 1 class C notes will fund the BBB (series 1 class C) loan tranche	The series 2 class C notes will fund the BBB (series 2 class C) loan tranche	The series 4 class C notes will fund the BBB (series 4 class C) loan tranche
43.	Borrower:	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited	Permanent Funding (No. 2) Limited
44.	Designated Loan Tranche rating	AA/Aa3/AA	AA/Aa3/AA	AA/Aa3/AA	BBB/Baa2/BBB	BBB/Baa2/BBB	BBB/Baa2/BBB
45.	Designation of Loan Tranche:	Pass-Through Loan Tranche	Pass-Through Loan Tranche	Pass-Through Loan Tranche	Pass-Through Loan Tranche	Pass-Through Loan Tranche	Pass-Through Loan Tranche
46.	Initial Principal Amount	£19,160,000	£72,180,000	£87,050,000	£19,160,000	£72,180,000	£87,050,000

1.	Series and Class:	Series 1 Class B	Series 2 Class B	Series 4 Class B	Series 1 Class C	Series 2 Class C	Series 4 Class C
(a)	Closing Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
(b)	Interest Commencement Date:	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006	17 October 2006
47.	Loan Tranche rate:	+ 0.0976%	+ 0.1413%	+ 0.1500%	+ 0.2542%	+ 0.4608%	+ 0.4707%
48.	Step-Up Date (if any):	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013	The Funding 2 Interest Payment Date occurring in April 2013
49.	Stepped-up Loan Tranche rate:	0.4452%	0.5326%	0.5500%	0.7584%	1.1716%	1.1914%
50.	Details relating to Bullet Loan Tranches:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
51.	Details relating to Scheduled Amortisation Loan Tranches:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
52.	Details relating to Pass-Through Loan Tranches:	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
53.	Final Repayment Date:	The Funding 2 Interest Payment Date falling in July 2042	The Funding 2 Interest Payment Date falling in July 2042	The Funding 2 Interest Payment Date falling in July 2042	The Funding 2 Interest Payment Date falling in July 2042	The Funding 2 Interest Payment Date falling in July 2042	The Funding 2 Interest Payment Date falling in July 2033
54.	Loan Payment Dates:	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date	Each Interest Payment Date
REMARKETING ARRANGEMENTS							
55.	Do the Notes have the benefit of remarketing arrangements:	No	No	No	No	No	No
If yes:							
●	Name of remarketing bank	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
●	Name of conditional purchaser	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
●	Other details	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Additional risk factors in relation to the issue 2006-1 notes

The principal risks associated with an investment in the issue 2006-1 notes are set out in the “**Risk factors**” section of the base prospectus. These risks are material to an investment in the Reg S notes and in the issuing entity. This section sets out certain additional risk factors associated with an investment in the issue 2006-1 notes. If you are considering purchasing any of the issue 2006-1 notes, you should carefully read and think about all the information contained in these final terms (including the additional risk factors set out below) and the base prospectus (including the “**Risk Factors**” section on pages 38 to 71 of the base prospectus) prior to making any investment decision.

Restrictions on transfers of the notes; lack of liquidity

The issue 2006-1 notes are a new issue of securities for which there is currently no market. None of the issuing entity, the dealers or the managers intend to create a market for the issue 2006-1 notes. Accordingly, no assurance can be given as to the development or liquidity of any market for issue 2006-1 notes. Because of the restrictions on transfers of the issue 2006-1 notes, investors must be able to bear the risks of their investment in the issue 2006-1 notes for an indefinite period of time.

You may not be able to sell the notes

There currently is no secondary market for the issue 2006-1 notes. If no secondary market develops, you may not be able to sell the issue 2006-1 notes prior to their maturity. The issuing entity cannot offer any assurance that a secondary market will develop or, if one does develop, that it will continue to exist.

Issuing Entity Swap Providers

Barclays Bank PLC

Barclays Bank PLC is the issuer entity swap provider in respect of the series 4 notes. Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP. Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”.

Barclays Bank PLC and its subsidiary undertakings (taken together, the **Barclays Group**) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group and one of the largest financial services companies in the world by market capitalisation.

The short term unsecured obligations of Barclays Bank PLC are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated AA by Standard & Poor's, Aa1 by Moody's and AA+ by Fitch Ratings Limited.

Based on the Barclays Group's unaudited financial information for the period ended 30 June 2006, the Barclays Group had total assets of £986,375 million (2005: £850,388 million), total net loans and advances¹ of £317,427 million (2005: £272,348 million), total deposits² of £339,421 million (2005: £302,253 million), and total shareholders' equity of £25,790 million (2005: £22,050 million) (including minority interests of £1,608 million (2005: £200 million)). The profit before tax of the Barclays Group for the period ended 30 June 2006 was £3,700 million (2005: £2,690 million) after impairment charges on loans and advances and other credit provisions of £1,057 million (2005: £706 million). The financial information in this paragraph is extracted from the unaudited consolidated accounts of the Barclays Group for the half-year ended 30 June 2006.

Credit Suisse International

Credit Suisse International is the issuer entity swap provider in respect of the series 3 class A notes. Credit Suisse International was incorporated in England and Wales under the Companies Act 1985, on 9 May 1990, with registered no. 2500199 and was re-registered as an unlimited liability company under the name “Credit Suisse Financial Products” on 6 July 1990, and was renamed Credit Suisse First Boston International on 27 March 2000. Its registered office and principal place of business is at One Cabot Square, London E14 4QJ, telephone number + 44 (0)20 7888 8888. Credit Suisse International is an English bank and is regulated as an EU credit institution by the FSA under the FSMA. The FSA has issued a scope of permission notice authorising Credit Suisse International to carry out specified regulated investment activities. With effect from 16 January 2006, Credit Suisse International was renamed “Credit Suisse International”.

Credit Suisse International is an unlimited liability company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of Credit Suisse International in the event of its liquidation. The joint, several and unlimited liability of the shareholders of Credit Suisse International to meet any insufficiency in the assets of Credit Suisse International will only apply upon liquidation of Credit Suisse International. Therefore, prior to any liquidation of Credit Suisse International, the Securityholders may only have recourse to the assets of the Credit Suisse International and not to those of its shareholders.

Credit Suisse International commenced business on 16 July 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange,

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

equities, commodities and credit. The primary objective of the Issuer is to provide comprehensive treasury and risk management derivative product services. Credit Suisse International has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets. Effective 1 January 2006, Credit Suisse International is managed as a part of the Investment Banking division of Credit Suisse in the Europe, Middle East and Africa region, and prior to that time was managed as a part of the Credit Suisse First Boston division of Credit Suisse. The newly integrated Credit Suisse is one bank and is structured along three lines of business. Investment Banking includes the products and services provided to corporate and investment banking clients. Private Banking includes international and Swiss wealth management as well as services for private clients and corporate clients including pension funds in Switzerland. Asset Management includes asset management products and services.

Shareholders

Credit Suisse owns 56 per cent., Credit Suisse (International) Holding AG (formerly known as Credit Suisse First Boston (International) Holding AG), a wholly owned subsidiary of Credit Suisse, owns 24 per cent. and Credit Suisse Group owns 20 per cent. of Credit Suisse International's ordinary voting shares. Credit Suisse and Credit Suisse (International) Holding AG have entered into a voting agreement relating to the election of directors. With respect to Credit Suisse International's participating non-voting shares (other than an issue of "Class A" participating non-voting shares) Credit Suisse owns 4.9 per cent., Credit Suisse Investments (UK), (formerly known as Credit Suisse First Boston (UK) Investments) a wholly owned subsidiary of Credit Suisse, owns 75.1 per cent. and Credit Suisse Group owns 20 per cent. In addition, Credit Suisse and Credit Suisse Investments (UK) each own half of Credit Suisse International's "Class A" participating non-voting shares and Credit Suisse Investments (UK) owns 80 per cent. and Credit Suisse Group owns 20 per cent. of the Issuer's perpetual non-cumulative "Class A" preference shares. Credit Suisse (International) Holding AG owns 100 per cent. of Credit Suisse International's non-cumulative "Class B" Preference Shares. Credit Suisse (International) Holding AG owns 42.2857 per cent. and Credit Suisse Investments (UK) owns 57.7143 per cent. of Credit Suisse International's non-cumulative "Class C" preference shares. Credit Suisse (International) Holding AG owns 100 per cent. of Credit Suisse International's non-cumulative "Class D" preference shares. On 15 March 2006 the total authorised share capital of Credit Suisse International increased from USD 3,300,000,000 to USD 4,000,000,000 by the creation of a new class of shares being 700,000,000 "Class E" preference shares of USD 1 each, of which USD 535,000,000 was issued to Credit Suisse (International) Holding AG. Credit Suisse (International Holding) AG owns 100 per cent. of Credit Suisse International's non-cumulative "Class E" preference shares.

Credit Ratings

Credit Suisse International has been assigned a senior unsecured debt rating of AA- (outlook stable) by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, a senior debt rating of Aa3 (stable outlook) by Moody's Investors Service and a long-term rating of AA- (stable outlook) by Fitch Ratings Limited.

Deutsche Bank AG, London Branch

Deutsche Bank Aktiengesellschaft (**Deutsche Bank**) is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. Deutsche Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main. Deutsche Bank originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957.

Deutsche Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the **Deutsche Bank Group**).

Deutsche Bank AG, London Branch is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG, London Branch is an authorized person for the purposes of section 19 of the FSMA 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

As of 31 December 2005, Deutsche Bank's issued share capital amounted to EUR 1,419,610,291.20 consisting of 554,535,270 ordinary shares of no par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges. They are also listed on the New York Stock Exchange.

As of 31 December 2005, based on financial statements prepared pursuant to United States Generally Accepted Accounting Principles, Deutsche Bank Group had total assets of EUR 992 billion, total liabilities of EUR 962 billion and total shareholders' equity of EUR 30 billion.

Deutsche Bank's long-term senior debt has been assigned a rating of AA- (outlook stable) by Standard & Poor's, Aa3 (outlook stable) by Moody's Investors Services and AA- (outlook stable) by Fitch Ratings.

Except for the information provided in the preceding paragraphs, Barclays Bank PLC, Credit Suisse International and Deutsche Bank AG, London Branch and any affiliated entity described in this section have not been involved in the preparation of, and do not accept responsibility for, these final terms.

Start-up loans

The Funding 2 start-up loan to be made available to Funding 2 on the closing date in connection with the issue 2006-1 notes will have the terms as set out in Annex C.

Other series issued

As of the closing date, the aggregate principal amount outstanding of notes issued by the issuing entity (converted, where applicable, into sterling at the applicable specified currency exchange rate), including the issue 2006-1 notes described herein, will be as set out in Annex A.

Other loan tranches

As of the closing date, the aggregate outstanding principal balance of loan tranches advanced by the issuing entity to Funding 2 under the master intercompany loan agreement, including the loan tranches described herein, will be as set out in Annex A.

Mortgages Trust and the Portfolio

As at the closing date the minimum seller share will be approximately £2,300,000,000.

For the purposes of paragraph (d) of the definition of **non-asset trigger event**, the aggregate outstanding balance of loans comprising the trust property must be at least £33,000,000,000. See **“The mortgages trust – Cash management of trust property – distribution of principal receipts to Funding 2”** in the base prospectus.

For the purposes of paragraph (c) of the definition of **product switch** (See **“Sale of loans and their related security – Product switches”** in the base prospectus) any variation to the maturity date of a loan must not extend beyond June 2040 while any loan tranche under the master intercompany loan is outstanding.

Use of proceeds

The gross proceeds from the issue of the issue 2006-1 notes equal approximately £5,411,550,000 and (after exchanging, where applicable, the proceeds of the notes for sterling, calculated by reference to the applicable specified currency exchange rate) will be used by the issuing entity to make available loan tranches to Funding 2 pursuant to the terms of the master intercompany loan agreement. Funding 2 will use the gross proceeds of each loan tranche to pay the purchase price to the seller for the sale of the new portfolio to the mortgages trustee on the closing date.

Maturity and prepayment considerations

The average lives of any class of the issue 2006-1 notes cannot be stated, as the actual rate of repayment of the loans and redemption of the mortgages and a number of other relevant factors are unknown. However, calculations of the possible average lives of each class of the issue 2006-1 notes can be made based on certain assumptions. The assumptions used to calculate the possible average lives of each class of the issue 2006-1 notes in the following table include that:

1. neither the issuing entity security nor the Funding 2 security has been enforced;
2. the seller is not in breach of the terms of the mortgage sale agreement;
3. the seller sells no new loans to the mortgages trustee after the closing date and the loans are assumed to amortise in accordance with the assumed constant payment rate indicated in the table below (subject to assumption 4 below);
4. the seller sells to the mortgages trustee sufficient new loans and their related security (i) in the period up to (but excluding) the interest payment date in July 2009, such that the aggregate principal amount outstanding of loans in the portfolio at any time is not less than £33,000,000,000 and (ii) during the period from and including the interest payment date falling in July 2009 to (but excluding) the interest payment date in April 2010, such that the aggregate principal amount outstanding of the loans in the portfolio at any time is not less than £32,000,000,000 or (in each case) such higher amount as may be required to be maintained as a result of any new Funding 1 issuing entities providing new term advances to Funding 1 and/or the issuing entity advancing new loan tranches to Funding 2 which Funding 1 and/or Funding 2, as the case may be, uses to pay to the seller and/or Funding 1 or Funding 2, as the case may be, for an increase in its share of the trust property and/or to pay the seller for the sale of new loans to the mortgages trustee;
5. neither an asset trigger event nor a non-asset trigger event occurs;
6. no event occurs that would cause payments on scheduled amortisation loan tranches or pass-through loan tranches to be deferred (unless such advances are deferred in accordance with Rule (1) (C) or Rule (1) (D) as set out in “**Cashflows – Rule (1) – Repayment deferrals**” in the accompanying prospectus);
7. the annualised CPR as at the closing date is assumed to be the same as the various assumed rates in the table below;
8. there is a balance of £0.00 in the Funding 2 cash accumulation ledger at the closing date and a balance of £0.00 in the Funding 1 cash accumulation ledger at the closing date;
9. the issuing entity exercises its option to redeem the issue 2006-1 notes (not including the series 1 class A notes) on the step-up date, relating to the issue 2006-1 notes; and
10. the closing date is 17 October 2006.

CPR and possible average lives of each series and class of issue 2006-1 notes (in years)

Based upon the foregoing assumptions, the approximate average life in years of each series and class of issue 2006-1 notes, at various assumed rates of repayment of the loans, would be as follows:

Constant payment rate ⁽¹⁾ (per annum)	series 1 class A notes	series 2 class A notes	series 3 class A notes	series 4 class A1 notes	series 4 class A2 notes	series 5 class A notes	series 6 class A1 notes	series 6 class A2 notes
5 per cent.....	1.03	3.22	6.26	2.00	6.26	6.30	6.50	6.50
10 per cent.....	0.99	3.00	3.12	2.00	4.87	5.87	6.50	6.50
15 per cent.....	0.99	3.00	3.12	2.00	4.87	5.87	6.50	6.50
20 per cent.....	0.99	3.00	3.12	2.00	4.87	5.87	6.50	6.50
25 per cent.....	0.99	3.00	3.12	2.00	4.87	5.87	6.50	6.50
30 per cent.....	0.99	3.00	3.12	2.00	4.87	5.87	6.50	6.50
35 per cent.....	0.99	3.00	3.12	2.00	4.87	5.87	6.50	6.50

Constant payment rate ⁽¹⁾ (per annum)	series 1 class B notes	series 2 class B notes	series 4 class B notes	series 1 class C notes	series 2 class C notes	series 4 class C notes
5 per cent.	6.50	6.50	6.50	6.50	6.50	6.50
10 per cent.	5.25	5.25	5.25	5.49	5.49	5.49
15 per cent.	0.99	3.00	5.00	0.99	3.16	5.01
20 per cent.	0.99	3.00	5.00	0.99	3.00	5.00
25 per cent.	0.99	3.00	5.00	0.99	3.00	5.00
30 per cent.	0.99	3.00	5.00	0.99	3.00	5.00
35 per cent.	0.99	3.00	5.00	0.99	3.00	5.00

(1) Includes both scheduled and unscheduled payments.

Assumptions (1), (2), (3), (4), (5), (6), (9) and (10) relate to circumstances which are not predictable. No assurance can be given that the issuing entity will be in a position to redeem the notes on the step-up date. If the issuing entity does not so exercise its option to redeem, then the average lives of the then outstanding notes would be extended.

The average lives of the notes are subject to factors largely outside the control of the issuing entity and consequently no assurance can be given that these assumptions and estimates will prove in any way to be realistic and they must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of these estimated average lives, see **“Risk factors – The yield to maturity of the notes may be adversely affected by prepayments or redemptions on the loans”** in the base prospectus.

Statistical information on the portfolio

The cut-off date mortgage portfolio

For the purposes of this section entitled “**Statistical information on the portfolio**”, all references to “portfolio”, unless the context otherwise requires, include the loans and their related security expected to be sold to the mortgages trustee on the closing date.

The statistical and other information contained in these final terms has been compiled by reference to the loans in the portfolio as at the cut-off date that, subject as provided, are expected to indirectly secure the issue 2006-1 notes and all other notes of the issuing entity and the Funding 1 issuing entities as at 16 August 2006 (the **cut-off date**). Columns stating percentage amounts may not add up to 100% due to rounding. A loan will be removed from any new portfolio (which comprises a portion of the portfolio as at the cut-off date) if, in the period up to (and including) the assignment date relating to such new portfolio, the loan is repaid in full or if the loan does not comply with the terms of the mortgage sale agreement on or about the applicable assignment date. Once such loans are removed, the seller will then randomly select from the loans remaining in the new portfolio those loans 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 offered notes and all other notes of the issuing entity and the Funding 1 issuing entities. The loans in the mortgages trust are selected on the basis of the seller’s selection criteria for inclusion in the mortgages trust. The material aspects of the seller’s lending criteria are described under “**The loans – Underwriting –**” and “**The loans – Lending criteria**” in the base prospectus. Standardised credit scoring is not used in the UK mortgage market. For an indication of the credit quality of borrowers in respect of the loans, investors may refer to such lending criteria and to the historical performance of the loans in the mortgages trust as set forth in these final terms. One significant indicator of obligor credit quality is arrears and losses. The information presented under “**Delinquency and loss experience of the portfolio (including loans which previously formed part of the portfolio)**” on page 33 in these final terms reflects the arrears and repossession experience for loans serviced by Halifax in the portfolio, including loans that were contained in the portfolio since the inception of the mortgages trust and loans expected to be transferred to the mortgages trust on the closing date. All of the loans in the table were originated by Halifax, but not all of the loans form part of the portfolio. Halifax services all of the loans it originates. It is not expected that the characteristics of the portfolio as at the closing date will differ materially from the characteristics of the portfolio as at the cut-off date. Except as otherwise indicated, these tables have been prepared using the current balance as at the cut-off date, which includes all principal and accrued interest for the loans in the portfolio.

The portfolio as at the cut-off date consisted of 645,438 mortgage accounts, comprising loans originated by Halifax and secured over properties located in England, Wales and Scotland and having an aggregate outstanding principal balance of £49,156,985,289.32 as at that date. The loans in the portfolio as at the cut-off date were originated by the seller between 1 February 1996 and 30 June 2006.

As at 1 September 2006, HVR 1 was 6.75% per annum, HVR 2 was 6.00% per annum and the Halifax flexible variable rate was 5.90% per annum.

Approximately 2.19% of the aggregate outstanding principal balance of the loans in the portfolio as at the cut-off date were extended to the relevant borrowers in connection with the purchase by those borrowers of properties from local authorities or certain other landlords under the **right-to-buy** schemes governed by the Housing Act 1985 (as amended by the Housing Act 2004) or (as applicable) the Housing (Scotland) Act 1987 (as amended by the Housing (Scotland) Act 2001).

As at the closing date:

- the Funding 2 share of the trust property will be approximately £28,000,000,000, representing approximately 60.87% of the trust property;

- the Funding 1 share of the trust property will be approximately £5,411,550,000, representing approximately 11.76% of the trust property; and
- the seller share of the trust property will be approximately £12,588,450,000, representing approximately 27.37% of the trust property.

The actual amounts of the Funding 2 share of the trust property, the Funding 1 share of the trust property and the seller share of the trust property as at the closing date will not be determined until the day before the closing date which will be after the date of these final terms.

Outstanding balances as at the cut-off date

The following table shows the range of outstanding mortgage account balances (including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) as at the cut-off date.

Range of outstanding balances as at the cut-off date*	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
£0 – £24,999.99.....	£1,486,555,936.34	3.02%	103,130	15.98%
£25,000 – £49,999.99.....	£5,994,203,739.27	12.19%	160,610	24.88%
£50,000 – £74,999.99.....	£7,867,204,741.78	16.00%	126,977	19.67%
£75,000 – £99,999.99.....	£7,993,808,103.94	16.26%	92,224	14.29%
£100,000 – £124,999.99.....	£6,728,505,041.33	13.69%	60,214	9.33%
£125,000 – £149,999.99.....	£5,196,500,503.47	10.57%	38,040	5.89%
£150,000 – £174,999.99.....	£3,579,035,496.94	7.28%	22,185	3.44%
£175,000 – £199,999.99.....	£2,531,800,146.69	5.15%	13,578	2.10%
£200,000 – £224,999.99.....	£1,850,896,978.01	3.77%	8,743	1.35%
£225,000 – £249,999.99.....	£1,365,431,219.84	2.78%	5,759	0.89%
£250,000 – £299,999.99.....	£1,736,845,644.41	3.53%	6,370	0.99%
£300,000 – £349,999.99.....	£1,102,592,458.95	2.24%	3,409	0.53%
£350,000 – £399,999.99.....	£745,756,706.25	1.52%	1,996	0.31%
£400,000 – £449,999.99.....	£583,218,434.35	1.19%	1,372	0.21%
£450,000 – £500,000.....	£394,630,137.75	0.80%	831	0.13%
Totals.....	£49,156,985,289.32	100.00%	645,438	100.00%

* Including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.

The largest mortgage account (including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) had an outstanding current balance as at the cut-off date of £499,988.65 and the smallest mortgage account had an outstanding current balance as at the cut-off date of £1.00. The average current balance (including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) as at the cut-off date was approximately £76,160.66.

LTV ratios at origination

The following table shows the range of LTV ratios, which express the outstanding balance of the aggregate of loans in a mortgage account (excluding capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) as at the date of the initial loan origination divided by the value of the property securing the loans in 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 loan other than where an additional lending has been applied for or advanced on an account since origination, in which case the original valuation may have been updated with a more recent valuation. Where this is the case, this revised valuation has been used in formulating this data.

Range of LTV ratios at origination*	Aggregate outstanding balance at origination (£)	% of total	Number of mortgage accounts	% of total
0% – 24.99%	£2,098,890,129.64	4.27%	65,405	10.13%
25% – 49.99%	£12,050,528,625.19	24.51%	203,563	31.54%
50% – 74.99%	£20,446,377,981.63	41.59%	223,253	34.59%
75% – 79.99%	£3,376,036,468.96	6.87%	31,851	4.93%
80% – 84.99%	£2,312,248,578.79	4.70%	23,145	3.59%
85% – 89.99%	£2,984,034,890.45	6.07%	29,633	4.59%
90% – 94.99%	£3,336,752,791.81	6.79%	36,008	5.58%
95% – 97%	£1,802,687,786.35	3.67%	22,343	3.46%
97%+	£749,428,036.50	1.52%	10,237	1.59%
Totals	£49,156,985,289.32	100.00%	645,438	100.00%

* Excluding capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.

The weighted average LTV ratio of the mortgage accounts (excluding any capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) at origination was 62.40%. The highest LTV ratio of any mortgage account (excluding any capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) at origination was 136.06% and the lowest was 0.04%.

Cut-off date LTV ratios

The following table shows the range of LTV ratios, which express the outstanding balance of the aggregate of loans in a mortgage account (including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) as at the cut-off date divided by the indexed valuation of the property securing the loans in that mortgage account at the same date.

Range of LTV ratios as at the cut-off date*	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
0% – 24.99%	£5,100,224,185.18	10.38%	166,952	25.87%
25% – 49.99%	£17,477,322,380.75	35.55%	253,561	39.29%
50% – 74.99%	£19,174,950,891.88	39.01%	168,264	26.07%
75% – 79.99%	£2,376,505,269.37	4.83%	18,557	2.88%
80% – 84.99%	£2,495,578,075.08	5.08%	18,611	2.88%
85% – 89.99%	£1,752,031,289.98	3.56%	13,140	2.04%
90% – 94.99%	£680,696,216.77	1.38%	5,496	0.85%
95% – 96.99%	£63,182,620.48	0.13%	524	0.08%
97% – 100%	£35,089,390.92	0.07%	322	0.05%
100%+	£1,404,968.91	0.00%	11	0.00%
Totals	£49,156,985,289.32	100.00%	645,438	100.00%

* Including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.

The weighted average LTV ratio of the mortgage accounts (including any capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) as at the cut-off date was 52.09%. The highest LTV ratio of any mortgage account (including any capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) was 118.35% and the lowest was 0.00%.

Geographical distribution

The following table shows the distribution of properties securing the loans throughout England, Wales and Scotland as at the cut-off date. No such properties are situated outside England, Wales or Scotland. The seller's lending criteria and current credit scoring tests do not take into account the geographical location of the property securing a loan.

Regions	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
London & South East	£14,586,184,445.80	29.67%	129,171	20.01%
Midlands & East Anglia	£10,875,710,389.61	22.12%	141,825	21.97%
North	£6,726,307,714.84	13.68%	118,139	18.30%
North West.....	£5,829,643,550.66	11.86%	95,370	14.78%
Scotland.....	£3,862,429,716.80	7.86%	67,938	10.53%
South Wales & West	£7,231,839,302.30	14.71%	92,631	14.35%
Unknown*	£44,870,169.31	0.09%	364	0.06%
Totals.....	£49,156,985,289.32	100.00%	645,438	100.00%

* Where the postal code for the relevant property has not yet been allocated or is not shown in the seller's records.

The table below summarises the major industries for each region. For a discussion of geographic concentration risks, see “**Risk factors – The timing and amount of payments on the loans could be affected by various factors which may adversely affect payments on the notes**” in the base prospectus.

Regions	Major industries
North	Traditional heavy industry concentrated around Tyneside and Teeside
Yorks and Humber	Iron and steel; textiles and clothing; coal; fishing
East Midlands	Diverse industry but specialises in hosiery, footwear and clothing
East Anglia	Agriculture and food processing; footwear and tourism; micro technology
South East	Financial and commercial centre; technological and light engineering
South West	Agriculture and food processing; tourism; aerospace; tobacco
West Midlands	Mechanical and electrical engineering; vehicles; iron and steel; potteries
North West	Heavy engineering; cotton; clothing; glass; chemicals; vehicles
Wales	Coal, iron and steel in South Wales. Agriculture; light engineering
Scotland	North Sea oil; agriculture; shipbuilding; tourism
Northern Ireland	Shipbuilding; textiles

Source: www.bized.ac.uk/learn/economics/firms/locationnotes.htm

House prices and incomes vary throughout England, Scotland and Wales. The table below summarises the average house price and the average income for each region for the year ended 31 December 2005 in order to produce a house price to earnings ratio for each region.

Regions	Average earnings (£ per annum)*	House price (£)**	Price/Earnings ratio
North	34,973	£137,229	3.92
North West	37,747	£149,599	3.96
Yorkshire & Humberside	37,210	£148,014	3.98
East Midlands	39,185	£161,487	4.12
West Midlands	39,047	£168,904	4.33
East Anglia	41,600	£184,966	4.45
London	61,532	£282,548	4.59
South East	49,872	£239,251	4.80
South West	43,225	£204,686	4.74
Wales	36,651	£149,979	4.09
Scotland	36,714	£129,631	3.53

* Average recorded income of borrowers.

** Simple average house price.

Source: www.communities.gov.uk/index.asp?id=1156110

Seasoning of loans

The following table shows the number of months since the date of origination of the initial loan in a mortgage account. The ages (but not the balances) of the loans in this table have been forecast forward to the expected closing date of 17 October 2006 for the purpose of calculating the seasoning.

Forecasted age of loans in months as at expected closing date	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
< 6	£1,995,283,014.45	4.06%	17,282	2.68%
6 to < 12	£4,107,961,796.03	8.36%	36,850	5.71%
12 to < 18	£5,910,010,403.79	12.02%	57,199	8.86%
18 to < 24	£6,398,101,457.48	13.02%	69,296	10.74%
24 to < 30	£7,458,585,135.61	15.17%	80,169	12.42%
30 to < 36	£4,395,645,925.95	8.94%	52,850	8.19%
36 to < 42	£4,432,023,645.32	9.02%	54,363	8.42%
42 to < 48	£2,751,582,848.16	5.60%	39,495	6.12%
48 to < 54	£2,588,540,305.31	5.27%	39,474	6.12%
54 to < 60	£1,751,691,369.45	3.56%	30,974	4.80%
60 to < 66	£1,519,469,677.47	3.09%	28,913	4.48%
66 to < 72	£785,633,616.59	1.60%	16,808	2.60%
72+	£5,062,456,093.71	10.30%	121,765	18.87%
Totals	£49,156,985,289.32	100.00%	645,438	100.00%

The forecasted maximum, minimum and weighted average seasoning of loans as at 17 October 2006 will be 128.77, 3.46 and 35.42 months, respectively.

Years to maturity of loans

The following table shows the number of remaining years of the term of the initial loan in a mortgage account as at the cut-off date.

Years to maturity	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
< 5.....	£891,412,103.47	1.81%	33,786	5.23%
5 to < 10.....	£4,156,736,699.98	8.46%	90,130	13.96%
10 to < 15.....	£6,694,012,233.94	13.62%	107,935	16.72%
15 to < 20.....	£11,755,168,964.58	23.91%	157,112	24.34%
20 to < 25.....	£22,594,783,019.46	45.96%	224,921	34.85%
25 to < 30.....	£2,571,878,833.26	5.23%	23,723	3.68%
30 to < 35.....	£492,993,434.63	1.00%	7,831	1.21%
Totals.....	£49,156,985,289.32	100.00%	645,438	100.00%

The maximum, minimum and weighted average remaining term of the loans as at the cut-off date was 33.83, 0.00 and 18.85 years, respectively.

Purpose of loan

The following table shows whether the purpose of the initial loan in a mortgage account on origination was to finance the purchase of a new property or to remortgage a property already owned by the borrower.

Use of proceeds	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
Purchase.....	£31,468,691,028.85	64.02%	420,227	65.11%
Remortgage.....	£17,688,294,260.47	35.98%	225,211	34.89%
Totals.....	£49,156,985,289.32	100.00%	645,438	100.00%

As at the cut-off date, the weighted average balance of loans used to finance the purchase of a new property was £125,344.00 and the weighted average balance of loans used to remortgage a property already owned by the borrower was £129,371.60.

Property type

The following table shows the types of properties to which the mortgage accounts relate.

Property type	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
Detached	£14,855,767,791.88	30.22%	152,955	23.70%
Semi-detached	£14,484,460,409.43	29.47%	213,106	33.02%
Terraced	£13,719,115,510.30	27.91%	205,715	31.87%
Other*	£6,097,641,577.71	12.40%	73,662	11.41%
Totals	£49,156,985,289.32	100.00%	645,438	100.00%

* Primarily flats or maisonettes.

As at the cut-off date, the weighted average balance of loans secured by Detached, Semi-detached and Terraced was £160,923.53, £106,254.47 and £108,216.94, respectively.

Origination channel

The following table shows the origination channel for the initial loan in a mortgage account.

Origination channel	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
Direct origination by Halifax	£20,815,814,712.70	42.35%	316,373	49.02%
Intermediaries	£28,228,216,933.79	57.42%	326,600	50.60%
Other channels	£112,953,642.83	0.23%	2,465	0.38%
Totals	£49,156,985,289.32	100.00%	645,438	100.00%

The direct origination by Halifax includes Halifax estate agency branches, direct internet applications and telephone sales.

As at the cut-off date, the weighted average balance of loans originated through direct origination, intermediaries and other channels was £107,948.32, £140,859.14 and £84,459.15, respectively.

Repayment terms

The following table shows the repayment terms for the loans in the mortgage accounts as at the cut-off date. Where any loan in a mortgage account is interest-only, then that entire mortgage account is classified as interest-only.

Repayment terms	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
Repayment	£30,094,989,727.45	61.22%	443,386	68.70%
Interest-only	£19,061,995,561.87	38.78%	202,052	31.30%
Totals	£49,156,985,289.32	100.00%	645,438	100.00%

As at the cut-off date, the weighted average balance of repayment loans and interest-only loans was £107,617.42 and £157,068.01, respectively.

Special rate and flexible loans

The following table shows the distribution of special rate loans and flexible loans as at the cut-off date.

Type of rate	Aggregate outstanding interest bearing balance as at the cut-off date (£)	% of total	Number of product holdings	% of total
Special rate loans				
Discounted variable rate loans.....	£190,755,684.96	0.45%	4,492	0.80%
Fixed rate loans	£24,409,720,970.22	57.13%	287,944	51.06%
Capped rate loans.....	£0.00	0.00%	—	0.00%
Tracker rate loans	£18,052,835,871.27	42.25%	270,651	47.99%
Total special rate loans.....	£42,653,312,526.45	99.82%	563,087	99.84%
Flexible loans.....	£75,177,064.30	0.18%	877	0.16%
Total special rate and flexible.....	£42,728,489,590.75	100.00%	563,964	100.00%

Payment methods

The following table shows the payment methods for the mortgage accounts as at the cut-off date.

Payment method	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
Halifax payment plan	£10,411,174,841.90	21.18%	159,577	24.72%
Direct debit	£37,015,444,339.94	75.30%	453,519	70.27%
Other*	£1,730,366,107.48	3.52%	32,342	5.01%
Totals.....	£49,156,985,289.32	100.00%	645,438	100.00%

* External standing orders, internal standing orders and payments made at Halifax branches.

Distribution of fixed rate loans

As at the cut-off date, approximately 49.78% of the loans in the portfolio were fixed rate loans. The following tables show the distribution of fixed rate loans by their fixed rate of interest as at such date and the year in which the loans cease to bear a fixed rate of interest and instead bear a floating rate of interest. Unlike the prior tables in this section, the figures in these tables have been calculated on the basis of loan product holdings rather than mortgage accounts. A mortgage account may have more than one active loan product.

Fixed rate loans remain at the relevant fixed rate for a period of time as specified in the offer conditions, after which they move to a variable base rate or some other rate as specified in the offer conditions.

Fixed rate %	Aggregate outstanding interest bearing balance as at the cut-off date (£)	% of total	Number of product holdings	% of total fixed rate holdings
0 – 3.99	£511,004,011.99	2.09%	11,798	4.10%
4.00 – 4.99	£13,725,005,626.50	56.23%	127,739	44.36%
5.00 – 5.99	£9,673,090,912.18	39.63%	137,466	47.74%
6.00 – 6.99	£499,087,041.43	2.04%	10,888	3.78%
7.00 – 7.99	£1,432,468.38	0.01%	50	0.02%
8.00 – 8.99	£100,909.74	0.00%	3	0.00%
Totals	£24,409,720,970.22	100.00%	287,944	100.00%

Year in which current fixed rate period ends	Aggregate outstanding interest bearing balance as at the cut-off date (£)	% of total	Number of product holdings	% of total fixed rate holdings
2006	£3,014,500,908.48	12.35%	33,359	11.59%
2007	£8,505,825,680.37	34.85%	89,578	31.11%
2008	£7,379,000,837.09	30.23%	75,248	26.13%
2009	£1,886,104,303.05	7.73%	25,568	8.88%
2010	£1,567,438,608.93	6.42%	25,388	8.82%
2011	£1,351,034,893.67	5.53%	21,036	7.31%
2012	£0.00	0.00%	—	0.00%
2013	£93,095,225.14	0.38%	1,326	0.46%
2014	£359,049,460.44	1.47%	4,691	1.63%
2015	£169,310,151.28	0.69%	3,861	1.34%
2016	£84,360,901.77	0.35%	7,889	2.74%
Totals	£24,409,720,970.22	100.00%	287,944	100.00%

MIG policies

The following table shows the percentage of mortgage accounts as at the cut-off date the initial loans under which were subject to MIG policies arranged at the time the loan was originated.

	Aggregate outstanding balance as at the cut-off date (£)	% of total	Number of mortgage accounts	% of total
MIG policy	£15,114,609,326.58	30.75%	167,416	25.94%

Payment rate analysis

The following table shows the annualised payment rate for the most recent one-month, three-month and 12-month period for the mortgage accounts in the portfolio.

As of month-end	one-month annualised	three-month annualised	12 month- annualised
31 August 2006	40.06%	34.23%	33.23%

In the table above,

- one-month annualised CPR is calculated as $1 - ((1 - R) ^ 12)$,
- three-month annualised CPR is calculated as the average of the one-month annualised CPR for the most recent three months, and
- 12-month annualised CPR is calculated as the average of the one-month annualised CPR for the most recent 12 months,

where in each case R is (i) total principal receipts received plus the principal balance of loans repurchased by the seller (primarily due to further advances) during the relevant period, divided by (ii) the aggregate outstanding principal balance of the loans in the portfolio as at the start of that period.

Delinquency and loss experience of the portfolio (including loans which previously formed part of the portfolio)

Since the establishment of the mortgages trust, total losses on loans in the portfolio (including loans which previously formed part of the portfolio) were £2,056,057.90 as at the cut-off date.

The following table summarises loans in arrears and repossession experience for loans in the portfolio (including loans which previously formed part of the portfolio) as at the cut-off date. The seller will represent and warrant on the closing date that no loan to be transferred to the mortgages trust on the closing date will have experienced any arrears in the prior 12 months. All of the loans in the table were originated by Halifax. Halifax services all of the loans it originates.

Halifax identifies a loan as being in arrears where an amount equal to or greater than a full month's contractual payment is past its due date. Halifax does not define a loan as defaulted at any particular delinquency level, but rather at the time it takes the related property into possession. Halifax does not write off a loan as uncollectible until it disposes of the property relating to that loan following default.

Loans in the portfolio (including loans which previously formed part of the portfolio) as at the cut-off date

	31 Jan 2003	31 Jan 2004	31 Jan 2005	31 Jan 2006	31 Jul 2006
	(£)	(£)	(£)	(£)	(£)
Outstanding balance (£)	9,822,904,621.52	20,823,633,204.57	32,803,402,722.89	44,221,208,421.96	50,035,167,879.03
Number of loans outstanding	181,203	370,159	510,562	608,985	656,078
Outstanding balance of loans in arrears (£)					
1 - < 2 months	83,381,878.47	199,423,873.03	408,424,671.36	487,715,926.66	469,909,075.16
2 - < 3 months	13,445,691.37	34,100,157.04	93,022,085.20	158,401,254.38	150,640,754.59
3 - < 6 months	7,793,806.23	27,786,252.32	78,853,905.79	196,163,776.13	210,972,326.57
6 - < 12 months	558,964.89	6,997,316.45	29,679,140.54	102,820,850.11	139,383,836.50
12+ months	177,671.06	654,159.73	3,749,603.49	18,864,147.78	37,581,932.55
Total outstanding balance of loans in arrears	105,358,012.02	268,961,758.57	613,729,406.38	963,965,955.06	1,008,487,925.37
Total outstanding balance of loans in arrears as % of the outstanding balance	1.0726%	1.2916%	1.8709%	2.1799%	2.0156%
Outstanding balance of loans relating to properties in possession	0.00	32,271.54	1,669,763.45	6,387,795.62	12,452,747.95
Outstanding balance of loans relating to properties sold during the periods ⁽¹⁾	0.00	60,781.61	1,217,085.14	5,602,540.60	13,419,798.99
Net loss on sales of all repossessed properties ⁽²⁾	0.00	0.00	18,611.89	420,037.43	1,353,805.78
Ratio of aggregate net losses to aggregate outstanding balance of loans	0	0	0.00006	0.00095	0.00271
Average net loss on all properties sold	0.00	0.00	886.28	6,000.53	9,209.56
Number of loans outstanding in arrears					
1 - < 2 months	1,438	3,084	5,261	5,679	5,307
2 - < 3 months	237	543	1,205	1,828	1,667
3 - < 6 months	140	485	1,122	2,203	2,263
6 - < 12 months	15	150	444	1,110	1,466
12+ months	1	11	72	240	372
Total number of loans outstanding in arrears	1,831	4,273	8,104	11,060	11,075
Total number of loans outstanding in arrears as % of the number of loans outstanding	1.0105	1.1544	1.5873	1.8161	1.6881
Number of properties in possession	0	1	20	74	127
Number of properties sold during the period	0	2	21	70	147

(1) Properties sold may relate to properties taken into possession in prior periods.

(2) Net loss is net of recoveries in the current period on properties sold in prior periods.

There can be no assurance that the arrears experience with respect to the loans comprising the portfolio in the future will correspond to the experience of the portfolio as set forth in the foregoing table. If the property market experiences an overall decline in property values so that the value of the properties in the portfolio falls below the principal balances of the loans, the actual rates of arrears could be significantly higher than those previously experienced. In addition, other adverse economic conditions, whether or not they affect property values, may nonetheless affect the timely payment by borrowers of principal and interest and, accordingly, the rates of arrears and losses with respect to the loans in the portfolio. Noteholders should observe that the United Kingdom experienced relatively low and stable interest rates during the periods covered in the preceding table. If interest rates were to rise, it is likely that the rate of arrears would rise.

The level of mortgage arrears on loans originated by Halifax has reduced since the recession in the United Kingdom in the early nineties. The introduction of the scorecard in judging applications – and thus reducing discretion – has helped to keep the arrears level low, as have a healthy economic climate and historically low interest rates.

House price inflation has indirectly contributed to the improved arrears situation by enabling borrowers to sell at a profit if they encounter financial hardship. In the late 1980s house prices rose substantially faster than inflation as housing turnover increased to record levels. This was at a time when the economy grew rapidly, which led to falling unemployment and relatively high rates of real income growth. These fed into higher demand for housing, and house prices rose rapidly. Demand was further increased by changes in taxation legislation with regard to tax relief on mortgage payments in 1988. When monetary policy was subsequently tightened (in terms of both “locking in” sterling to the European Exchange Rate Mechanism and higher interest rates), the pace of economic activity first slowed and then turned into recession. Rising unemployment combined with high interest rates led to a fall in housing demand and increased default rates and repossessions. The ability of borrowers to refinance was limited as house prices began to fall and many were in a position of negative equity (borrowings greater than the resale value of the property) in relation to their mortgages.

Halifax regularly reviews its lending policies in the light of prevailing market conditions and reviews actions so as to mitigate possible problems. The performance of Halifax new business and the arrears profiles are continuously monitored in monthly reports. Any deterioration of the arrears level is investigated and the internal procedures are reviewed if necessary.

Characteristics of the United Kingdom residential mortgage market

The UK housing market is primarily one of owner-occupied housing, with the remainder in some form of public, private landlord or social ownership. The mortgage market, whereby loans are provided for the purchase of a property and secured on that property, is the primary source of household borrowings in the United Kingdom.

Set out in the following tables are certain characteristics of the United Kingdom mortgage market.

Industry CPR rates

In the following tables, quarterly industry constant repayment rate (**industry CPR**) data was calculated by dividing the amount of scheduled and unscheduled repayments of mortgages made by building societies in a quarter by the quarterly balance of mortgages outstanding for building societies in the United Kingdom. These quarterly repayment rates were then annualised using standard methodology.

Quarter	Industry CPR rate for the quarter (%)	12-month rolling average (%)	Quarter	Industry CPR rate for the quarter (%)	12-month rolling average (%)
March 1985	10.02	11.61	June 1985	11.67	11.49
September 1985	13.46	11.76	December 1985	13.68	12.21
March 1986	11.06	12.47	June 1986	15.53	13.43
September 1986	17.52	14.45	December 1986	15.60	14.92
March 1987	10.57	14.80	June 1987	14.89	14.64
September 1987	16.79	14.46	December 1987	16.18	14.61
March 1988	13.55	15.35	June 1988	16.03	15.64
September 1988	18.23	16.00	December 1988	12.60	15.10
March 1989	8.85	13.93	June 1989	13.04	13.18
September 1989	11.53	11.51	December 1989	10.38	10.95
March 1990	8.91	10.96	June 1990	9.37	10.05
September 1990	9.66	9.58	December 1990	10.58	9.63
March 1991	9.07	9.67	June 1991	10.69	10.00
September 1991	11.57	10.48	December 1991	10.24	10.39
March 1992	9.14	10.41	June 1992	9.12	10.02
September 1992	9.75	9.56	December 1992	7.96	8.99
March 1993	8.53	8.84	June 1993	9.97	9.05
September 1993	10.65	9.28	December 1993	10.01	9.79
March 1994	8.97	9.90	June 1994	10.48	10.03
September 1994	11.05	10.13	December 1994	10.68	10.29
March 1995	9.15	10.34	June 1995	10.51	10.35
September 1995	11.76	10.53	December 1995	11.61	10.76
March 1996	10.14	11.00	June 1996	11.32	11.21
September 1996	13.20	11.57	December 1996	12.58	11.81
March 1997	9.75	11.71	June 1997	15.05	12.65
September 1997	12.18	12.39	December 1997	11.17	12.04
March 1998	10.16	12.14	June 1998	12.05	11.39
September 1998	13.79	11.79	December 1998	13.42	12.36
March 1999	11.14	12.60	June 1999	14.39	13.19
September 1999	15.59	13.64	December 1999	14.94	14.02
March 2000	13.82	14.69	June 2000	13.86	14.55
September 2000	14.89	14.38	December 2000	15.55	14.53
March 2001	15.47	14.94	June 2001	17.36	15.81
September 2001	19.12	16.87	December 2001	19.01	17.74

Quarter	Industry CPR rate for the quarter (%)	12-month rolling average (%)	Quarter	Industry CPR rate for the quarter (%)	12-month rolling average (%)
March 2002	18.68	18.54	June 2002	19.88	19.17
September 2002	22.40	19.99	December 2002	22.16	20.78
March 2003	19.51	20.99	June 2003	20.18	21.06
September 2003	21.65	20.88	December 2003	21.33	20.67
March 2004	19.90	20.77	June 2004	21.42	21.07
September 2004	21.41	21.01	December 2004	18.71	20.36
March 2005	17.76	19.83	June 2005	17.75	18.91
September 2005	20.24	18.62	December 2005	20.36	19.03
			March 2006	19.65	19.50

Source of repayment and outstanding mortgage information: Council of Mortgage Lenders

You should note that the CPR table above presents the historical CPR experience only of building societies in the United Kingdom. During the late 1990s, a number of former building societies (including the seller) converted stock to form UK banks and the CPR experience of these banks is therefore not included in the foregoing building society CPR data.

Repossession rate

The table below sets out the repossession rate of residential properties in the United Kingdom since 1985.

Year	Repossessions (%)	Year	Repossessions (%)	Year	Repossessions (%)
1985	0.25	1992	0.69	1999	0.27
1986	0.30	1993	0.58	2000	0.20
1987	0.32	1994	0.47	2001	0.15
1988	0.22	1995	0.47	2002	0.11
1989	0.17	1996	0.40	2003	0.07
1990	0.47	1997	0.31	2004	0.05
1991	0.77	1998	0.31	2005	0.09

Source: Council of Mortgage Lenders

House price to earnings ratio

The following table shows the ratio for each year of the average annual value of houses compared to the average annual salary in the United Kingdom. The average annual earnings figures are constructed using the CML's new earnings survey figures referring to weekly earnings in April of each year for those male employees whose earnings were not affected by their absence from work. While this is a good indication of house affordability, it does not take into account the fact that the majority of households have more than one income to support a mortgage loan.

Year	House Price to Earnings Ratio	Year	House Price to Earnings Ratio
1994	3.45	2000	4.46
1995	3.39	2001	4.54
1996	3.42	2002	5.12
1997	3.64	2003	5.67
1998	3.88	2004	6.03
1999	4.11	2005	6.18

Source: Council of Mortgage Lenders

House price index

UK residential property prices, as measured by the Nationwide House Price Index and Halifax Price Index (collectively the **Housing Indices**), have generally followed the UK Retail Price Index over an extended period. (Nationwide is a UK building society and Halifax is a UK bank.)

The UK housing market has been through various economic cycles in the recent past, with large year-to-year increases in the Housing Indices occurring in the late 1980s and large decreases occurring in the early 1990s.

Quarter	Retail Price Index		Nationwide House Price Index		Halifax House Price Index	
	Index	% annual change	Index	% annual change	Index	% annual change
March 1985	92.0	5.4	66.2	11.2	113.5	8.6
June 1985.....	95.1	6.8	68.2	10.3	115.4	8.5
September 1985.....	95.4	6.1	69.2	10.5	116.8	7.5
December 1985.....	95.9	5.4	70.7	8.6	120.6	8.3
March 1986	96.5	4.8	71.1	7.1	124.0	8.8
June 1986.....	97.8	2.8	73.8	7.9	128.1	10.4
September 1986.....	97.9	2.6	76.3	9.8	132.2	12.4
December 1986.....	99.1	3.3	79.0	11.1	136.8	12.6
March 1987	100.3	3.8	81.6	13.8	142.3	13.8
June 1987.....	101.9	4.1	85.8	15.1	146.7	13.6
September 1987.....	102.1	4.2	88.6	15.0	151.5	13.6
December 1987.....	103.2	4.0	88.5	11.4	158.0	14.4
March 1988	103.7	3.3	90.0	9.8	167.0	16.0
June 1988.....	106.2	4.1	97.6	12.9	179.4	20.1
September 1988.....	107.7	5.3	108.4	20.2	197.4	26.5
December 1988.....	109.9	6.3	114.2	25.5	211.8	29.3
March 1989	111.7	7.4	118.8	27.8	220.7	27.9
June 1989.....	114.9	7.9	124.2	24.1	226.1	23.1
September 1989.....	116.0	7.4	125.2	14.4	225.5	13.3
December 1989.....	118.3	7.4	122.7	7.2	222.5	4.9
March 1990	120.4	7.5	118.9	0.1	223.7	1.4
June 1990.....	126.0	9.2	117.7	(5.4)	223.3	(1.2)
September 1990.....	128.1	9.9	114.2	(9.2)	222.7	(1.2)
December 1990.....	130.1	9.5	109.6	(11.3)	223.0	0.2
March 1991	130.8	8.3	108.8	(8.9)	223.1	(0.3)
June 1991.....	133.6	5.9	110.6	(6.2)	221.9	(0.6)
September 1991.....	134.2	4.7	109.5	(4.2)	219.5	(1.4)
December 1991.....	135.5	4.1	107.0	(2.4)	217.7	(2.4)
March 1992	136.2	4.0	104.1	(4.4)	213.2	(4.5)
June 1992.....	139.1	4.0	105.1	(5.1)	208.8	(6.1)
September 1992.....	139.0	3.5	104.2	(5.0)	206.9	(5.9)
December 1992.....	139.6	3.0	100.1	(6.7)	199.5	(8.7)
March 1993	138.7	1.8	100.0	(4.0)	199.6	(6.6)
June 1993.....	140.9	1.3	103.6	(1.4)	201.7	(3.5)
September 1993.....	141.3	1.6	103.2	(1.0)	202.6	(2.1)
December 1993.....	141.8	1.6	101.8	1.7	203.5	2.0
March 1994	142.0	2.4	102.4	2.4	204.6	2.5
June 1994.....	144.5	2.5	102.5	(1.1)	202.9	0.6
September 1994.....	144.6	2.3	103.2	0.0	202.7	0.0
December 1994.....	145.5	2.6	104.0	2.1	201.9	(0.8)
March 1995	146.8	3.3	101.9	(0.5)	201.8	(1.4)
June 1995.....	149.5	3.4	103.0	0.5	199.3	(1.8)
September 1995.....	149.9	3.6	102.4	(0.8)	197.8	(2.4)
December 1995.....	150.1	3.1	101.6	(2.3)	199.2	(1.3)
March 1996	150.9	2.8	102.5	0.6	202.1	0.1
June 1996.....	152.8	2.2	105.8	2.7	206.7	3.6

Quarter	Retail Price Index		Nationwide House Price Index		Halifax House Price Index	
	Index	% annual change	Index	% annual change	Index	% annual change
September 1996.....	153.1	2.1	107.7	5.1	208.8	5.4
December 1996.....	154.0	2.6	110.1	8.0	213.9	7.1
March 1997.....	154.9	2.6	111.3	8.3	216.7	7.0
June 1997.....	156.9	2.6	116.5	9.6	220.2	6.3
September 1997.....	158.4	3.4	121.2	11.8	222.6	6.4
December 1997.....	159.7	3.6	123.3	11.4	225.4	5.2
March 1998.....	160.2	3.4	125.5	12.0	228.4	5.3
June 1998.....	163.2	3.9	130.1	11.0	232.1	5.3
September 1998.....	163.7	3.3	132.4	8.8	234.8	5.3
December 1998.....	164.4	2.9	132.3	7.0	237.2	5.1
March 1999.....	163.7	2.2	134.6	7.0	238.6	4.4
June 1999.....	165.5	1.4	139.7	7.1	245.5	5.6
September 1999.....	165.6	1.2	144.4	8.6	255.5	8.4
December 1999.....	166.8	1.4	148.9	11.8	264.1	10.7
March 2000.....	167.5	2.3	155.0	14.1	273.1	13.5
June 2000.....	170.6	3.0	162.0	14.8	272.8	10.5
September 2000.....	170.9	3.2	161.5	11.2	275.9	7.7
December 2000.....	172.0	3.1	162.8	9.0	278.6	5.3
March 2001.....	171.8	2.5	167.5	7.8	281.7	3.1
June 2001.....	173.9	1.9	174.8	7.6	293.2	7.2
September 2001.....	174.0	1.8	181.6	11.8	302.4	9.2
December 2001.....	173.8	1.0	184.6	12.5	311.8	11.3
March 2002.....	173.9	1.2	190.2	12.7	327.3	15.0
June 2002.....	176.0	1.2	206.5	16.6	343.7	15.9
September 2002.....	176.6	1.5	221.1	19.7	366.1	19.1
December 2002.....	178.2	2.5	231.3	22.6	392.1	22.9
March 2003.....	179.2	3.0	239.3	22.9	403.8	21.0
June 2003.....	181.3	3.0	250.1	19.2	419.0	19.8
September 2003.....	181.8	2.9	258.9	15.8	434.5	17.1
December 2003.....	182.9	2.6	267.1	14.4	455.3	14.9
March 2004.....	183.8	2.5	277.3	14.8	480.3	17.3
June 2004.....	186.3	2.7	296.2	16.9	508.4	19.3
September 2004.....	187.4	3.0	306.2	16.8	522.0	18.3
December 2004.....	189.2	3.4	304.1	13.0	523.5	14.0
March 2005.....	189.7	3.2	304.8	9.4	526.9	9.3
June 2005.....	191.9	3.0	314.2	5.9	526.8	3.6
September 2005.....	192.6	2.7	314.4	2.7	538.7	3.1
December 2005.....	193.7	2.4	314.0	3.2	551.0	5.1
March 2006.....	194.2	2.3	319.8	4.8	561.1	6.3
June 2006.....	197.6	2.9	329.2	4.7	576.0	8.9

Source: Office for National Statistics, Nationwide Building Society and Halifax, respectively. "NA" indicates that the relevant figure is not available.

The percentage annual change in the table above is calculated in accordance with the following formula:

$LN(x/y)$ where x is equal to the current quarter's index value and y is equal to the index value of the previous year's corresponding quarter.

All information contained in these final terms in respect of the Nationwide House Price Index has been reproduced from information published by Nationwide Building Society. All information contained in these final terms in respect of the Halifax House Price Index has been reproduced

from information published by HBOS plc. The issuing entity confirms that all information in these final terms in respect of the Nationwide House Price Index and the Halifax House Price Index has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Nationwide Building Society and HBOS plc, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Note, however, that the issuing entity has not participated in the preparation of that information nor made any enquiry with respect to that information. Neither the issuing entity nor Nationwide Building Society nor HBOS plc makes any representation as to the accuracy of the information or has any liability whatsoever to you in connection with that information. Anyone relying on the information does so at their own risk.

ANNEX A

Notes issued by issuing entity and loan tranches advanced by issuing entity to Funding 2 in connection therewith

As at the closing date, the aggregate principal amount outstanding of notes issued by the issuing entity (converted, where applicable, into sterling at the applicable specified currency exchange rate), including the notes described herein, will be:

class A notes.....	£5,054,770,000
class B notes.....	£178,390,000
class C notes.....	£178,390,000

As at the closing date, the aggregate outstanding principal balance of loan tranches advanced by the issuing entity to Funding 2 under the master intercompany loan agreement, including the loan tranches described herein, will be:

AAA.....	£5,054,770,000
AA.....	£178,390,000
BBB.....	£178,390,000

ANNEX B

Notes issued by Funding 1 issuing entities and term advances by Funding 1 issuing entities to Funding 1 in connection therewith

As at the closing date, the aggregate principal amount outstanding of notes issued by Funding 1 issuing entities (converted, where applicable, into sterling at the applicable specified currency exchange rate), will be:

AAA	£27,768,847,000
AA	£986,755,000
A.....	£127,409,000
BBB.....	£915,012,000

As at the closing date, the aggregate outstanding principal balance of term advances advanced by Funding 1 issuing entities to Funding 1, will be:

AAA.....	£27,768,847,000
AA	£986,755,000
A.....	£127,409,000
BBB.....	£915,012,000

ANNEX C

Series start-up loan and previous start-up loans to Funding 2

The Funding 2 start-up loan to be made available to Funding 2 on the closing date in connection with the issue 2006-1 notes will have the following terms:

Funding 2 start-up loan provider:	Halifax
Initial outstanding principal balance:	£100,000,000
Interest rate:	Three-month sterling LIBOR plus 0.25% per annum

ANNEX D

Previous start-up loans to Funding 1

The following start-up loans have been made available to Funding 1 by Halifax (in its capacity as the start-up loan provider) in connection with the issues of notes, by the Funding 1 issuing entities set out below, for the stated current outstanding principal balance and interest rate:

Funding 1 issuing entity	Current outstanding principal balance
Permanent Financing (No.1) plc.....	£76,270,091.98
Permanent Financing (No.2) plc.....	£77,335,819.50
Permanent Financing (No.3) plc.....	£33,590,299.20
Permanent Financing (No.4) plc.....	£68,771,102.90
Permanent Financing (No.5) plc.....	£39,737,347.11
Permanent Financing (No.6) plc.....	£5,880,921.26
Permanent Financing (No.7) plc.....	£84,056,267.62
Permanent Financing (No.8) plc.....	£37,027,625.25
Permanent Financing (No.9) plc.....	£5,799,342.19

ANNEX E

Static Pool Data

This annex sets out, to the extent material, certain static pool information with respect to the loans in the mortgages trust.

The issuing entity has not included static pool information in this annex on prepayments because changes in prepayment and payment rates historically have not affected repayment of the notes, and are not anticipated to have a significant effect on future payments on the notes for a number of reasons including the following: the mechanics of the mortgages trust require an extended cash accumulation period when prepayment rates fall below certain minima dictated by the rating agencies, serving to limit the extent to which slow prepayments would cause the average lives of the notes to extend. Conversely, rapid prepayments should not cause the average lives of the notes to shorten so long as the seller maintains the minimum required mortgages trust size. Furthermore, only a limited amount of note principal in relation to the very large mortgages trust size is actually due to be repaid on any particular interest payment date.

One of the characteristics of the mortgages trust is that the seller is able to sell more loans to the mortgages trustee over time, whether in connection with an issuance of notes by the issuing entity, any new Funding 2 issuing entity or any Funding 1 issuing entity or in order to maintain the minimum seller share. To aid in understanding changes to the mortgages trust over time, the following table sets out information relating to each sale of loans by the seller to the mortgages trustee pursuant to the mortgage sale agreement.

Date	Balance of loans substituted or sold	Number of loans substituted or sold	In connection with previous issue by
June 2002.....	£10,117,255,819	173,505	Permanent Financing (No. 1) PLC
November 2002.....	£898,016,408	16,209	N/A
January 2003.....	£894,475,758	16,835	N/A
March 2003.....	£10,538,839,220	186,140	Permanent Financing (No. 2) PLC
June 2003.....	£1,576,963,369	25,652	N/A
September 2003.....	£1,688,468,552	23,426	N/A
October 2003.....	£2,735,667,398	37,770	N/A
January 2004.....	£2,670,143,154	35,418	N/A
March 2004.....	£9,376,972,811	134,716	Permanent Financing (No. 4) PLC
July 2004.....	£3,698,396,657	48,652	N/A
November 2004.....	£9,582,315,930	104,569	Permanent Financing (No. 6) PLC
March 2005.....	£6,625,343,617	70,542	Permanent Financing (No. 7) PLC
June 2005.....	£9,483,670,772	101,317	Permanent Financing (No. 8) PLC
December 2005.....	£5,786,749,656	65,460	N/A
March 2006.....	£9,637,574,095	101,599	Permanent Financing (No. 9) PLC

The sale of new loans by the seller to the mortgages trustee is subject to conditions, including ones required by the rating agencies, designed to maintain certain credit-related and other characteristics of the mortgages trust. These include limits on loans in arrears in the mortgages trust at the time of sale, limits on the aggregate balance of loans sold, limits on changes in the weighted average foreclosure frequency (**WAFF**) and the weighted average loss severity (**WALS**), minimum yield for the loans in the mortgages trust after the sale and maximum LTV for the loans in the mortgages trust after the sale. See a description of these conditions in “**Sale of the loans and their related security — Sale of loans and their related security to the mortgages trustee on the sale dates**” in the base prospectus.

The following tables show, for each of the last five years of origination, the distribution of loans in the mortgages trust originated in that year by delinquency category as at each year-end starting in 2002, when the mortgages trust was established.

**Portfolio arrears by year of origination
Loans originated in 2001
as at each specified date**

	31 December 2002			31 December 2003			31 December 2004			31 December 2005		
	Number	Principal balance	% by number	Number	Principal balance	% by number	Number	Principal balance	% by number	Number	Principal balance	% by number
< 1 month.....	31,056	£2,067,815,506.17	98.35%	69,156	£3,928,308,333.74	98.57%	66,020	£3,490,804,655.45	98.41%	53,112	£2,708,370,121.10	98.02%
1 - < 2 months.....	443	£30,778,764.13	1.40%	709	£48,794,510.89	1.01%	666	£41,188,641.03	0.99%	562	£36,919,662.41	1.04%
2 - < 3 months.....	53	£3,706,043.16	0.17%	141	£8,504,061.78	0.20%	148	£9,132,487.95	0.22%	157	£10,727,450.22	0.29%
3 - < 6 months.....	23	£1,658,074.57	0.07%	120	£6,862,076.15	0.17%	169	£8,627,408.20	0.25%	211	£13,932,712.13	0.39%
6 - < 12 months.....	3	£132,908.78	0.01%	28	£1,604,651.77	0.04%	69	£4,576,113.41	0.10%	110	£7,410,333.96	0.20%
12+ months.....				4	£165,817.79	0.01%	17	£720,432.45	0.03%	32	£1,624,814.71	0.06%
Total	31,578	£2,104,091,296.81	100.00%	70,158	£3,994,179,452.12	100.00%	67,089	£3,555,049,798.49	100.00%	54,184	£2,778,985,094.53	100.00%

**Loans originated in 2002
as at each specified date**

	31 December 2002			31 December 2003			31 December 2004			31 December 2005		
	Number	Principal balance	% by number	Number	Principal balance	% by number	Number	Principal balance	% by number	Number	Principal balance	% by number
< 1 month.....	1,727	£126,307,564.56	99.48%	46,697	£3,388,754,285.77	98.91%	112,326	£7,715,051,727.75	98.19%	82,578	£5,313,206,575.66	97.14%
1 - < 2 months.....	7	£569,682.47	0.40%	370	£29,694,533.26	0.78%	1,369	£113,084,968.76	1.20%	1,236	£102,798,534.42	1.45%
2 - < 3 months.....	2	£147,586.08	0.12%	90	£6,982,473.20	0.19%	281	£21,469,974.92	0.25%	368	£32,782,261.81	0.43%
3 - < 6 months.....				49	£3,657,248.63	0.10%	308	£23,788,337.75	0.27%	472	£40,800,694.05	0.56%
6 - < 12 months.....				7	£264,059.37	0.01%	106	£7,300,194.83	0.09%	284	£25,831,543.76	0.33%
12+ months.....							8	£406,929.28	0.01%	72	£6,024,736.92	0.08%
Total	1,736	£127,024,833.12	100.00%	47,213	£3,429,292,600.23	100.00%	114,398	£7,881,102,139.29	100.00%	85,010	£5,521,444,346.62	100.00%

Loans originated in 2003 as at each specified date

	31 December 2002			31 December 2003			31 December 2004			31 December 2005		
	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance
< 1 month.....	12,597	£1,053,542,109.67	98.67%	108,700	£9,227,540,592.24	98.48%	108,801	£8,700,882,418.00	97.11%	108,801	£8,700,882,418.00	96.40%
1 - < 2 months.....	105	£10,192,062.89	0.82%	1,196	£115,817,389.19	1.08%	1,737	£173,884,749.58	1.55%	1,737	£173,884,749.58	1.93%
2 - < 3 months.....	27	£2,231,878.38	0.21%	240	£22,249,037.02	0.22%	536	£53,514,449.90	0.48%	536	£53,514,449.90	0.59%
3 - < 6 months.....	22	£1,653,973.03	0.17%	179	£15,944,468.84	0.16%	612	£60,450,194.41	0.55%	612	£60,450,194.41	0.67%
6 - < 12 months.....	1	£153,196.12	0.01%	59	£5,947,263.53	0.05%	303	£32,151,785.67	0.27%	303	£32,151,785.67	0.36%
12+ months.....				5	£843,952.10	0.00%	45	£4,830,377.80	0.04%	45	£4,830,377.80	0.05%
Total	12,752	£1,067,773,220.09	100.00%	110,379	£9,388,342,702.92	100.00%	112,034	£9,025,713,975.36	100.00%	112,034	£9,025,713,975.36	100.00%

Loans originated in 2004 as at each specified date

	31 December 2002			31 December 2003			31 December 2004			31 December 2005		
	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance
< 1 month.....	47,273	£4,349,384,125.53	98.97%	47,273	£4,349,384,125.53	98.86%	144,025	£13,394,350,935.59	98.11	144,025	£13,394,350,935.59	97.88%
1 - < 2 months.....	415	£41,574,042.02	0.87%	415	£41,574,042.02	0.94%	1,613	£166,716,327.95	1.10	1,613	£166,716,327.95	1.22%
2 - < 3 months.....	50	£5,904,471.66	0.10%	50	£5,904,471.66	0.13%	520	£53,715,820.69	0.35	520	£53,715,820.69	0.39%
3 - < 6 months.....	25	£2,323,075.30	0.05%	25	£2,323,075.30	0.05%	467	£49,782,391.43	0.32	467	£49,782,391.43	0.36%
6 - < 12 months.....	3	£385,070.08	0.01%	3	£385,070.08	0.01%	161	£18,535,619.02	0.11	161	£18,535,619.02	0.14%
12+ months.....	1	£5,645.80	0.00%	1	£5,645.80	0.00%	11	£1,389,217.86	0.01	11	£1,389,217.86	0.01%
Total	47,767	£4,399,576,430.39	100.00%	47,767	£4,399,576,430.39	100.00%	146,797	£13,684,490,312.54	100.00	146,797	£13,684,490,312.54	100.00%

Loans originated in 2005 as at each specified date

	31 December 2002			31 December 2003			31 December 2004			31 December 2005		
	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance
< 1 month.....	41,324	£3,853,299,928.89	98.93%	41,324	£3,853,299,928.89	98.93%	41,324	£3,853,299,928.89	98.93%	41,324	£3,853,299,928.89	98.73%
1 - < 2 months.....	333	£36,743,353.97	0.80%	333	£36,743,353.97	0.80%	333	£36,743,353.97	0.80%	333	£36,743,353.97	0.94%
2 - < 3 months.....	65	£6,592,397.35	0.17%	65	£6,592,397.35	0.17%	65	£6,592,397.35	0.17%	65	£6,592,397.35	0.17%
3 - < 6 months.....	45	£5,764,591.80	0.15%	45	£5,764,591.80	0.15%	45	£5,764,591.80	0.15%	45	£5,764,591.80	0.15%
6 - < 12 months.....	6	£549,023.66	0.01%	6	£549,023.66	0.01%	6	£549,023.66	0.01%	6	£549,023.66	0.01%
12+ months.....												
Total	41,773	£3,902,949,295.67	100.00%	41,773	£3,902,949,295.67	100.00%	41,773	£3,902,949,295.67	100.00%	41,773	£3,902,949,295.67	100.00%

All loans in the mortgages trust as at each specified date

	31 December 2002			31 December 2003			31 December 2004			31 December 2005		
	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance	Number	Principal balance	% by balance
< 1 month.....	154,808	£8,546,845,121.26	98.94%	154,808	£8,546,845,121.26	98.94%	154,808	£8,546,845,121.26	98.80%	154,808	£8,546,845,121.26	98.37%
1 - < 2 months.....	1372	£87,299,087.79	0.88%	1372	£87,299,087.79	0.88%	1372	£87,299,087.79	0.87%	1372	£87,299,087.79	1.13%
2 - < 3 months.....	206	£12,118,729.53	0.13%	206	£12,118,729.53	0.14%	206	£12,118,729.53	0.17%	206	£12,118,729.53	0.22%
3 - < 6 months.....	80	£4,358,492.51	0.05%	80	£4,358,492.51	0.05%	80	£4,358,492.51	0.13%	80	£4,358,492.51	0.19%
6 - < 12 months.....	5	£184,769.53	0.00%	5	£184,769.53	0.00%	5	£184,769.53	0.03%	5	£184,769.53	0.20%
12+ months.....	0	£0.00	0.00%	0	£0.00	0.00%	0	£0.00	0.00%	0	£0.00	0.08%
Total.....	156,471	£8,650,806,200.62	100.00%	156,471	£8,650,806,200.62	100.00%	156,471	£8,650,806,200.62	100.00%	156,471	£8,650,806,200.62	100.00%

Listing and admission to trading application

These final terms comprise the final terms required for the notes described herein to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market pursuant to the Mortgage Backed Note Programme of Permanent Master Issuer plc.

Responsibility

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

Signed on behalf of the issuing entity:

By: _____
Duly authorised

