

All values are in thousands of pounds sterling unless otherwise stated

Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

Current Period		
	Number	£000's
Brought Forward	379,723	30,057,088
Replenishment	10,740	1,174,539
Repurchased	(4,669)	(434,435)
Redemptions	(9,041)	(802,695)
Losses	(38)	(163)
Capitalised Interest	0	3,947 (* see below)
Other Movements	0	0
Carried Forward	376,715	29,998,281

* Capitalised interest refers to interest due met from amounts standing to the credit of overpayment facilities on flexible loans

Cumulative		
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	1,294,005	105,267,363
Repurchased	(418,034)	(32,244,242)
Redemptions	(613,175)	(49,604,377)
Losses	(1,272)	(3,118)
Capitalised Interest	0	183,441 (* see above)
Other Movements	0	0
Carried Forward	376,715	29,998,281

	Trust Payment Rate (CPR)	Annualised Trust Payment Rate (CPR)	
1 Month	4.12%	39.61%	(including
3 Month	13.13%	43.05%	redemptions and
12 Month	44.33%	44.33%	repurchases)

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Asset Profiles

Weighted Average Seasoning	39.86	months
Weighted Average Loan size	£79,631,24	
Weighted Average LTV	65.12%	*** (see below)
Weighted Average Indexed LTV	57.25%	using Halifax House Price Index
Weighted Average Indexed LTV	56.64%	using Nationwide House Price Index
Weighted Average Remaining Term	17.57	Years

Product Type Analysis

	£000's	%
Variable Rate	10,247,413	34.16%
Fixed Rate	7,802,553	26.01%
Tracker Rate	11,948,315	39.83%
	29,998,281	100.00%

As at 08 January 2007 approximately 14.75% of the loans were flexible loans

Repayment Method Analysis

	£000's	%
Endowment	4,298,754	14.33%
Interest Only	6,812,610	22.71%
Repayment	18,886,918	62.96%
	29,998,281	100.00%

As at 08 January 2007 approximately 18.85% of the loans were written under Abbey's policy of non-income verification

Loan Purpose Analysis

	£000's	%
Purchase	19,705,871	65.69%
Remortgage	10,292,410	34.31%
	29,998,281	100.00%

Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 December 2006	7.09%
01 September 2006	6.75%
01 September 2005	6.50%
01 September 2004	6.75%

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Geographic Analysis

Region	Number	£000's	%
East Anglia	14,741	1,089,252	3.63%
East Midlands	20,075	1,400,306	4.67%
Greater London	66,061	6,645,254	22.15%
North	15,619	925,743	3.09%
North West	42,352	2,715,827	9.05%
Scotland	24,105	1,422,832	4.74%
South East	98,979	9,256,092	30.86%
South West	29,314	2,327,446	7.76%
Wales	17,094	1,059,224	3.53%
West Midlands	24,437	1,667,181	5.56%
Yorkshire and Humberside	23,227	1,440,597	4.80%
Unknown	711	48,527	0.16%
Total	376,715	29,998,281	100.00%

Original LTV Bands

Range	Number	£000's	%	Average Seasoning
0.00 - 25.00	24,429	1,014,731	3.38%	33.23
25.01 - 50.00	97,827	6,168,085	20.56%	35.44
50.01 - 75.00	149,338	13,421,338	44.74%	35.90
75.01 - 80.00	16,285	1,532,757	5.11%	43.00
80.01 - 85.00	20,135	2,038,147	6.79%	41.47
85.01 - 90.00	33,671	3,428,155	11.43%	41.26
90.01 - 95.00	35,030	2,395,068	7.98%	62.28
Total	376,715	29,998,281	100.00%	39.18

*** The balance is the current outstanding balance on the account including accrued interest. The LTV is that at origination and excludes any capitalised high loan to value fees, valuation fees or booking fees.

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Arrears

Band	Number	Principal	Overdue	%
Current	365,493	29,090,591	(2,411)	97.02%
1.00 - 1.99 months	6,479	514,449	4,641	1.72%
2.00 - 2.99 months	2,030	161,949	2,714	0.54%
3.00 - 3.99 months	1,006	77,723	1,871	0.26%
4.00 - 4.99 months	517	43,096	1,297	0.14%
5.00 - 5.99 months	279	23,432	856	0.08%
6.00 - 11.99 months	606	50,444	2,696	0.17%
12 months and over	67	5,773	704	0.02%
Properties in Possession	238	16,488	1,968	0.05%
Total	376,715	29,983,945	14,336	100.00%

Definition of Arrears

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

Movement in Shares of Trust

	Funding	Seller
	£000's	£000's
Balance Brought Forward	15,801,756	14,255,332
Replenishment of Assets	0	1,174,539
Acquisition by Funding	0	0
Distribution of Principal Receipts	(1,001,922)	(235,208)
Allocation of Losses	(85)	(78)
Share of Capitalised Interest	1,877	2,070
Payment Re Capitalised Interest	(1,877)	1,877
Balance Carried Forward	14,799,749	15,198,532

Carried Forward Percentage	49.33533%	50.66467%
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Minimum Seller Share	1,617,935	5.39%
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Cash Accumulation Ledger

	£000's
Brought Forward	2,603,903
Additional Amounts Accumulated	1,002,007
Payment of Notes	(1,017,901)
Carried Forward	2,588,009

Target Balance	1,047,164	payable on 16th January 2007
	633,500	payable on 16th April 2007
	509,355	payable on 16th July 2007
	397,246	payable on 15th October 2007
	2,587,265	

Excess Spread *

Quarter to 16/10/06	0.4790%
Quarter to 17/07/06	0.4492%
Quarter to 15/04/06	0.2602%
Quarter to 15/01/06	0.5407%

*Excess spread is calculated by reference to deferred consideration (determined according to relevant accounting policies) for the period, adjusted for non-cash related items and items relating to amounts falling due after transfers to the first and second reserve funds in the Funding Revenue Priority of Payments, expressed as a percentage of the average note balance over that period.

Reserve Funds

	First Reserve	Second Reserve	Funding Reserve
Balance as at 16/10/2006	£272,000,000.00	£0.00	£0.00
Required Amount as at 16/10/2006	£272,000,000.00	£0.00	£0.00
Percentage of Notes	1.56%	0.00%	0.00%
Percentage of Funding Share	1.84%	0.00%	0.00%

Notes Outstanding

	£000's
AAA Notes Outstanding	16,252,901
AA Notes Outstanding	440,914
A Notes Outstanding	153,497
BBB Notes Outstanding	540,446
Total	17,387,758

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Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	243	18,981
Reposessed in Period	34	7,967
Sold in Period	(39)	(8,492)
Carried Forward	238	18,456

	Cumulative	
	Number	£000's
Reposessed to date	1,500	193,626
Sold to date	(1,262)	(175,170)
Carried Forward	238	18,456

Repossession Sales Information

Average time Possession to Sale	98 Days
Average arrears at time of Sale	£5,391

MIG Claim Status **

	Number	£000's
MIG Claims made	199	1,396

**On the 14th December 2005, Abbey exercised its right to cancel all relevant MIG policies and therefore, none of the mortgage loans in the portfolio are currently covered by a MIG policy.

Note

On 17th July Holmes Financing 3 exercised its option to redeem all of the remaining notes outstanding in accordance with Condition 5(D) of the notes

Trigger Events

There has been no debit to the AAA Principal Deficiency Ledger
 The Seller has not suffered an Insolvency Event
 The Seller is still the Servicer
 The Outstanding Principal balance is in excess of £25 billion

Contact Details

If you have any queries regarding this report please contact the Securitisation Team via

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Holmes Financing No 1 plc, Holmes Financing No 2 plc, Holmes Financing No 3 plc, Holmes Financing No 4 plc, Holmes Financing No 5 plc, Holmes Financing No 6 plc, Holmes Financing No 7 plc, Holmes Financing No 8 plc, Holmes Financing No 9 plc, Holmes Financing No 10 plc, Holmes Master Issuer 2006-1

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Notes	Deal	Rating (S&P/Moody's/Fitch)	Outstanding	Reference Rate	Margin
Series 3 Class A1	Holmes Financing No. 1	AAA/Aaa/AAA	£375,000,000	5.12063%	0.26%
Series 3 Class A2	Holmes Financing No. 1	AAA/Aaa/AAA	€ 320,000,000	3.49400%	0.26%
Series 3 Class B	Holmes Financing No. 1	AA/Aa3/AA	£24,000,000	5.12063%	0.45%
Series 3 Class C	Holmes Financing No. 1	BBB/Baa2/BBB	£30,000,000	5.12063%	1.60%
Series 4 Class A	Holmes Financing No. 1	AAA/Aaa/AAA	£250,000,000		6.62%
Series 4 Class B	Holmes Financing No. 1	AA/Aa3/AA	£11,000,000	5.12063%	0.62%
Series 4 Class C	Holmes Financing No. 1	BBB/Baa2/BBB	£14,000,000	5.12063%	1.75%
Series 4 Class A	Holmes Financing No. 2	AAA/Aaa/AAA	€ 500,000,000	3.49400%	0.27%
Series 4 Class B	Holmes Financing No. 2	AA/Aa3/AA	€ 21,000,000	3.49400%	0.50%
Series 4 Class C	Holmes Financing No. 2	BBB/Baa2/BBB	€ 35,000,000	3.49400%	1.60%
Series 3 Class A	Holmes Financing No. 6	AAA/Aaa/AAA	€ 1,000,000,000	3.49400%	0.24%
Series 3 Class B	Holmes Financing No. 6	AA/Aa3/AA	€ 34,000,000	3.49400%	0.50%
Series 3 Class C	Holmes Financing No. 6	BBB/Baa2/BBB	€ 57,000,000	3.49400%	1.50%
Series 4 Class A 1	Holmes Financing No. 6	AAA/Aaa/AAA	\$1,000,000,000	5.37375%	0.24%
Series 4 Class A 2	Holmes Financing No. 6	AAA/Aaa/AAA	CHF 300,000,000		2.50%
Series 4 Class B	Holmes Financing No. 6	AA/Aa3/AA	\$40,000,000	5.37375%	0.52%
Series 4 Class C	Holmes Financing No. 6	BBB/Baa2/BBB	\$69,000,000	5.37375%	1.55%
Series 5 Class A	Holmes Financing No. 6	AAA/Aaa/AAA	£500,000,000	5.12063%	0.24%
Series 5 Class B	Holmes Financing No. 6	AA/Aa3/AA	£17,000,000	5.12063%	0.52%
Series 5 Class C	Holmes Financing No. 6	BBB/Baa2/BBB	£29,000,000	5.12063%	1.55%
Series 3 Class A	Holmes Financing No. 7	AAA/Aaa/AAA	\$500,000,000	5.37375%	0.23%
Series 3 Class B	Holmes Financing No. 7	AA/Aa3/AA	£15,000,000	5.12063%	0.50%
Series 3 Class M	Holmes Financing No. 7	A/A2/A	£20,000,000	5.12063%	0.80%
Series 4 Class A 1	Holmes Financing No. 7	AAA/Aaa/AAA	€ 500,000,000	3.49400%	0.26%
Series 4 Class A 2	Holmes Financing No. 7	AAA/Aaa/AAA	£250,000,000	5.12063%	0.26%
Series 4 Class B	Holmes Financing No. 7	AA/Aa3/AA	€ 41,000,000	3.49400%	0.53%
Series 4 Class M	Holmes Financing No. 7	A/A2/A	€ 56,000,000	3.49400%	0.80%
Series 2 Class A	Holmes Financing No. 8	AAA/Aaa/AAA	\$1,500,000,000	5.37375%	0.08%
Series 2 Class B	Holmes Financing No. 8	AA/Aa3/AA	\$51,000,000	5.37375%	0.17%
Series 2 Class C	Holmes Financing No. 8	BBB/Baa2/BBB	\$87,000,000	5.37375%	0.72%
Series 3 Class A	Holmes Financing No. 8	AAA/Aaa/AAA	€ 990,000,000	3.49400%	0.15%
Series 3 Class B	Holmes Financing No. 8	AA/Aa3/AA	€ 34,000,000	3.49400%	0.27%
Series 3 Class C	Holmes Financing No. 8	BBB/Baa2/BBB	€ 57,500,000	3.49400%	0.85%
Series 4 Class A 1	Holmes Financing No. 8	AAA/Aaa/AAA	£900,000,000	5.12063%	0.15%
Series 4 Class A 2	Holmes Financing No. 8	AAA/Aaa/AAA	\$500,000,000	5.37375%	0.14%
Series 4 Class B	Holmes Financing No. 8	AA/Aa3/AA	£39,900,000	5.12063%	0.30%
Series 4 Class C	Holmes Financing No. 8	BBB/Baa2/BBB	£68,000,000	5.12063%	0.90%
Series 2 Class A	Holmes Financing No. 9	AAA/Aaa/AAA	\$2,175,000,000	5.37375%	0.06%
Series 3 Class A1	Holmes Financing No. 9	AAA/Aaa/AAA	€ 740,000,000	3.49400%	0.10%
Series 3 Class A2	Holmes Financing No. 9	AAA/Aaa/AAA	£400,000,000	5.12063%	0.09%
Series 4 Class A	Holmes Financing No. 9	AAA/Aaa/AAA	£600,000,000	5.12063%	0.09%
Series 1 Class A	Holmes Financing No. 10	AAA/Aaa/AAA	\$1,260,000,000	5.32000%	-0.03%
Series 1 Class B	Holmes Financing No. 10	AA/Aa3/AA	\$47,000,000	5.37375%	0.08%
Series 1 Class C	Holmes Financing No. 10	BBB/Baa2/BBB	\$47,000,000	5.37375%	0.27%
Series 2 Class A	Holmes Financing No. 10	AAA/Aaa/AAA	\$1,440,000,000	5.37375%	0.03%
Series 2 Class B	Holmes Financing No. 10	AA/Aa3/AA	\$55,000,000	5.37375%	0.09%
Series 2 Class C	Holmes Financing No. 10	BBB/Baa2/BBB	\$55,000,000	5.37375%	0.35%

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Series 3 Class A	Holmes Financing No. 10	AAA/Aaa/AAA	€ 1,000,000,000	3.49400%	0.07%
Series 3 Class B1	Holmes Financing No. 10	AA/Aa3/AA	€ 37,000,000	3.49400%	0.12%
Series 3 Class B2	Holmes Financing No. 10	AA/Aa3/AA	£27,500,000	5.12063%	0.12%
Series 3 Class M1	Holmes Financing No. 10	A/A2/A	€ 34,000,000	3.49400%	0.20%
Series 3 Class M2	Holmes Financing No. 10	A/A2/A	£20,000,000	5.12063%	0.20%
Series 3 Class C1	Holmes Financing No. 10	BBB/Baa2/BBB	€ 52,500,000	3.49400%	0.40%
Series 3 Class C2	Holmes Financing No. 10	BBB/Baa2/BBB	£22,000,000	5.12063%	0.40%
Series 4 Class A1	Holmes Financing No. 10	AAA/Aaa/AAA	\$1,440,000,000	5.37375%	0.08%
Series 4 Class A2	Holmes Financing No. 10	AAA/Aaa/AAA	£750,000,000	5.12063%	0.09%
Series 1 Class A	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	\$1,500,000,000	5.32000%	-0.02%
Series 1 Class B	Holmes Master Issuer 2006-1	AA/Aa3/AA	\$45,000,000	5.34375%	0.09%
Series 1 Class C	Holmes Master Issuer 2006-1	BBB/Baa2/BBB	\$45,000,000	5.34375%	0.24%
Series 2 Class A	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	\$1,500,000,000	5.34375%	0.06%
Series 2 Class B	Holmes Master Issuer 2006-1	AA/Aa3/AA	\$35,000,000	5.34375%	0.12%
Series 2 Class M	Holmes Master Issuer 2006-1	A/A2/A	\$30,000,000	5.34375%	0.19%
Series 2 Class C	Holmes Master Issuer 2006-1	BBB/Baa2/BBB	\$40,000,000	5.34375%	0.39%
Series 3 Class A1	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	\$900,000,000	5.34375%	0.08%
Series 3 Class A2	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	€ 670,000,000	3.53900%	0.10%
Series 3 Class A3	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	£700,000,000	5.18082%	0.10%
Series 3 Class B2	Holmes Master Issuer 2006-1	AA/Aa3/AA	€ 37,500,000	3.53900%	0.15%
Series 3 Class B3	Holmes Master Issuer 2006-1	AA/Aa3/AA	£20,000,000	5.18082%	0.15%
Series 3 Class M2	Holmes Master Issuer 2006-1	A/A2/A	€ 35,500,000	3.53900%	0.22%
Series 3 Class M3	Holmes Master Issuer 2006-1	A/A2/A	£12,000,000	5.18082%	0.22%
Series 3 Class C2	Holmes Master Issuer 2006-1	BBB/Baa2/BBB	€ 61,500,000	3.53900%	0.42%
Series 3 Class C3	Holmes Master Issuer 2006-1	BBB/Baa2/BBB	£12,500,000	5.18082%	0.42%

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Retired Class A Notes

Date Retired	Holmes 1	Holmes 2	Holmes 3	Holmes 4	Holmes 5	Holmes 6	Holmes 7	Holmes 8	Holmes 9	Holmes 10	Holmes 2006-1
02Q3	-	703	-	-	352	-	-	-	-	-	-
02Q4	-	-	-	-	352	-	-	-	-	-	-
03Q1	-	-	750	-	-	-	-	-	-	-	-
03Q2	-	-	-	-	-	-	-	-	-	-	-
03Q3	600	-	-	-	-	481	-	-	-	-	-
03Q4	-	176	-	191	-	481	-	-	-	-	-
04Q1	-	176	-	191	-	-	241	-	-	-	-
04Q2	-	176	-	191	-	-	241	-	-	-	-
04Q3	-	176	-	191	-	-	-	-	-	-	-
04Q4	-	-	-	-	698	-	-	-	-	-	-
05Q1	-	-	750	-	-	-	-	-	-	-	-
05Q2	-	-	-	-	-	801	-	1,001	-	-	-
05Q3	650	-	-	-	-	-	-	-	-	-	-
05Q4	-	125	-	-	-	-	-	-	-	-	-
06Q1	-	125	-	-	-	-	803	-	-	-	-
06Q2	-	125	-	-	-	-	-	-	-	-	-
06Q3	-	125	546	1,456	-	-	-	-	-	-	-
06Q4	-	-	-	350	875	-	-	-	1,018	-	-

Outstanding Class A Notes

Expected Redemption	Holmes 1	Holmes 2	Holmes 3	Holmes 4	Holmes 5	Holmes 6	Holmes 7	Holmes 8	Holmes 9	Holmes 10	Holmes 2006-1
06Q4	-	-	-	-	-	-	-	-	-	-	-
07Q1	-	-	-	-	-	-	161	812	-	-	-
07Q2	-	-	-	-	-	634	161	-	-	-	-
07Q3	575	-	-	-	-	-	-	-	-	679	-
07Q4	-	300	-	-	-	770	-	-	-	-	795
08Q1	-	-	-	-	-	-	-	-	-	-	-
08Q2	-	-	-	-	-	500	592	221	-	388	-
08Q3	-	-	-	-	-	-	-	221	1,272	388	-
08Q4	-	-	-	-	-	-	-	221	-	-	-
09Q1	-	-	-	-	-	-	-	1,171	-	-	-
09Q2	-	-	-	-	-	-	-	-	-	342	-
09Q3	-	-	-	-	-	-	-	-	-	342	397
09Q4	-	-	-	-	-	-	-	-	-	-	397
10Q1	-	-	-	-	-	-	-	-	453	-	-
10Q2	-	-	-	-	-	-	-	-	453	-	-
10Q3	250	-	-	-	-	-	-	-	600	-	-
10Q4	-	-	-	-	-	-	-	-	-	1,526	1,632
11Q1	-	-	-	-	-	-	-	-	-	-	-

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