

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  
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited  
**For Period 09 April 2004 to 10 May 2004**

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	415,312	29,369,452
Replenishment	21,173	1,806,915
Repurchased	(7,861)	(637,571)
Redemptions	(11,526)	(804,655)
Losses	(8)	0
Capitalised Interest	0	3,818
Other Movements	0	0
Carried Forward	417,090	29,737,959

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	795,985	58,788,163
Repurchased	(224,640)	(15,756,427)
Redemptions	(269,006)	(19,727,183)
Losses	(440)	(777)
Capitalised Interest	0	34,970
Other Movements	0	(1)
Carried Forward	417,090	29,737,959

	Period CPR	Annualised CPR	
1 Month	4.85%	74.65%	**( including redemptions and repurchases )
3 Month	13.47%	66.95%	
12 Month	54.74%	54.74%	

\*\* The annualised CPR's are expressed as a percentage of the outstanding balance at the end of the period

Asset Profiles

Weighted Average Seasoning	32.18	months
Weighted Average Loan size	£71,298.66	
Weighted Average LTV	71.98%	*** (see below)
Weighted Average Indexed LTV	54.62%	Halifax
Weighted Average Indexed LTV	53.97%	Nationwide
Weighted Average Remaining Term	18.56	Years

Product Type Analysis

	£000's	%
Variable Rate	9,471,540	31.85%
Fixed Rate	5,572,894	18.74%
Tracker Rate	14,693,526	49.41%
	29,737,959	100.00%

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As at 10 May 2004 approximately 7% of the loans were flexible loans

<u>Repayment Method Analysis</u>	£000's	%
Endowment	6,955,709	23.39%
Interest Only	4,065,179	13.67%
Repayment	18,717,071	62.94%
	29,737,959	100.00%

As at 10 May 2004 approximately 13.1% of the loans were self-certified

<u>Loan Purpose Analysis</u>	£000's	%
Purchase	23,362,141	78.56%
Remortgage	6,375,818	21.44%
	29,737,959	100.00%

Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 March 2004	6.00%
01 December 2003	5.75%
01 August 2003	5.54%
01 March 2003	5.79%

Geographic Analysis

<u>Region</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
East Anglia	16,932	1,122,493	3.77%
East Midlands	22,885	1,411,124	4.75%
Greater London	67,567	6,256,904	21.04%
North	17,976	939,761	3.16%
North West	47,593	2,688,028	9.04%
Scotland	27,643	1,520,251	5.11%
South East	107,605	9,170,046	30.84%
South West	33,087	2,334,056	7.85%
Wales	20,474	1,097,582	3.69%
West Midlands	28,457	1,739,437	5.85%
Yorkshire and Humberside	26,190	1,417,631	4.77%
Unknown	681	40,646	0.14%
<b>Total</b>	<b>417,090</b>	<b>29,737,959</b>	<b>100.00%</b>

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Original LTV Bands

Range	Number	£000's	%
0.00 - 25.00	12,932	554,902	1.87%
25.01 - 50.00	67,424	4,052,729	13.63%
50.01 - 75.00	143,626	11,232,238	37.77%
75.01 - 80.00	22,777	1,802,766	6.06%
80.01 - 85.00	28,237	2,311,400	7.77%
85.01 - 90.00	53,464	4,360,446	14.66%
90.01 - 95.00	88,630	5,423,478	18.24%
<b>Total</b>	<b>417,090</b>	<b>29,737,959</b>	<b>100.00%</b>

\*\*\* 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.

Arrears

Band	Number	Principal	Overdue	%
Current	406,067	29,006,378	(3,882)	97.56%
1.00 - 1.99 months	7,168	486,106	3,724	1.63%
2.00 - 2.99 months	1,886	119,561	1,814	0.40%
3.00 - 3.99 months	783	47,561	1,046	0.16%
4.00 - 4.99 months	425	26,332	745	0.09%
5.00 - 5.99 months	254	16,491	566	0.06%
6.00 - 11.99 months	379	23,159	1,134	0.08%
12 months and over	46	2,544	305	0.01%
Properties in Possession	82	4,031	344	0.01%
<b>Total</b>	<b>417,090</b>	<b>29,732,163</b>	<b>5,796</b>	<b>100.00%</b>

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.

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Movement in Shares of Trust

	Funding £000's	Seller £000's
Balance Brought Forward	16,489,985	12,879,467
Replenishment of Assets	0	1,806,915
Acquisition by Funding	0	0
Distribution of Principal Receipts	(406,070)	(1,036,156)
Allocation of Losses	0	0
Share of Capitalised Interest	2,145	1,673
Payment Re Capitalised Interest	(2,145)	2,145
Balance Carried Forward	16,083,915	13,654,044
Carried Forward Percentage	54.08547%	45.91453%
Minimum Seller Share	1,258,870	4.23%

Cash Accumulation Ledger

	£000's
Brought Forward	858,525
Additional Amounts Accumulated	406,070
Payment of Notes	(608,160)
Carried Forward	656,435

Target Balance	406,070	payable on 15th July 2004
	250,365	payable on 15th April 2005
	656,435	

Liquidity Facilities

	Drawn £000's	Undrawn £000's
Holmes Funding	£0	£25,000
Holmes Financing 1	£0	£25,000
Holmes Financing 2	£0	£25,000
Holmes Financing 3	£0	£25,000
Holmes Financing 4	£0	£25,000
Holmes Financing 5	£0	£25,000
Holmes Financing 6	£0	£25,000

Excess Spread \*

Quarter to 15/04/04	0.3687%
Quarter to 15/01/04	0.4098%
Quarter to 15/10/03 (Restated)**	0.3433%
Quarter to 15/07/03 (Restated)**	0.3852%

\*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.

\*\*The figures for excess spread in prior periods have been restated to incorporate the cumulative effects of accounting adjustments. This restatement does not affect the past or current cash value of amounts standing to the credit of either the first or the second reserve funds.

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Reserve Funds	First Reserve	Second Reserve	Funding Reserve
Balance as at 15/04/2004	£338,000,000.00	£7,977,968.00	£67,722,808.72
Required Amount as at 15/04/2004	£338,000,000.00	£7,977,968.00	£70,000,000.00
Percentage of Notes	2.02%	0.05%	0.40%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	75	4,100
Repossessed in Period	25	2,468
Sold in Period	(18)	(2,191)
Carried Forward	82	4,377

	Cumulative	
	Number	£000's
Repossessed to date	545	34,149
Sold to date	(463)	(29,772)
Carried Forward	82	4,377

Repossession Sales Information

Average time Possession to Sale	82	Days
Average arrears at time of Sale	£3,373	

MIG Claim Status

	Number	£000's
MIG Claims made	194	1,375
MIG Claims outstanding	1	7

Average time claim to payment	36
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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

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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
02Q3	-	703	-	-	352	-	-	-
02Q4	-	-	-	-	352	-	-	-
03Q1	-	-	750	-	-	-	-	-
03Q2	-	-	-	-	-	-	-	-
03Q3	600	-	-	-	-	481	-	-
03Q4	-	176	-	191	-	481	-	-
04Q1	-	176	-	191	-	-	241	-
04Q2	-	176	-	191	-	-	241	-

**Outstanding Class A Notes**

Expected Redemption	Holmes 1	Holmes 2	Holmes 3	Holmes 4	Holmes 5	Holmes 6	Holmes 7	Holmes 8
04Q2	-	-	-	-	-	-	-	-
04Q3	-	176	-	191	-	-	-	-
04Q4	-	-	-	-	698	-	-	-
05Q1	-	-	750	-	-	-	-	-
05Q2	-	-	-	-	-	801	-	1,001
05Q3	650	-	-	-	-	-	-	-
05Q4	-	125	-	-	-	-	-	-
06Q1	-	125	-	-	-	-	803	-
06Q2	-	125	-	-	-	-	-	-
06Q3	-	125	500	1,340	-	-	-	-
06Q4	-	-	-	350	875	-	-	-
07Q1	-	-	-	-	-	-	161	812
07Q2	-	-	-	-	-	634	161	-
07Q3	575	-	-	-	-	-	-	-
07Q4	-	300	-	-	-	770	-	-
08Q1	-	-	-	-	-	-	-	-
08Q2	-	-	-	-	-	500	592	221
08Q3	-	-	-	-	-	-	-	221
08Q4	-	-	-	-	-	-	-	221
09Q1	-	-	-	-	-	-	-	1,171
09Q2	-	-	-	-	-	-	-	-
09Q3	-	-	-	-	-	-	-	-
09Q4	-	-	-	-	-	-	-	-
10Q1	-	-	-	-	-	-	-	-
10Q2	-	-	-	-	-	-	-	-
10Q3	250	-	-	-	-	-	-	-
10Q4	-	-	-	-	-	-	-	-

## Expected Redemption of Class A Notes

■ Holmes 1 
 ■ Holmes 2 
 ■ Holmes 3 
 ■ Holmes 4 
 ■ Holmes 5 
 ■ Holmes 6 
 ■ Holmes 7 
 ■ Holmes 8

£ millions

