

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 11 January 2005 to 08 February 2005**

**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	403,736	29,923,207
Replenishment	12,232	1,075,011
Repurchased	(3,605)	(297,725)
Redemptions	(9,490)	(924,627)
Losses	(17)	(12)
Capitalised Interest	0	5,268 ( * see below )
Other Movements	0	1
Carried Forward	<b>402,856</b>	<b>29,781,123</b>

\* 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	936,839	71,190,807
Repurchased	(276,718)	(19,829,110)
Redemptions	(371,874)	(28,065,434)
Losses	(582)	(840)
Capitalised Interest	0	86,486 ( * see above )
Other Movements	0	0
Carried Forward	<b>402,856</b>	<b>29,781,123</b>

	Period CPR	Annualised CPR	
1 Month	4.10%	60.58%	**( including redemptions and repurchases )
3 Month	11.95%	58.05%	
12 Month	59.20%	59.20%	

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

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Asset Profiles

Weighted Average Seasoning	33.03	months
Weighted Average Loan size	£73,924.98	
Weighted Average LTV	69.46%	*** (see below)
Weighted Average Indexed LTV	53.75%	using Halifax House Price Index
Weighted Average Indexed LTV	52.73%	using Nationwide House Price Index
Weighted Average Remaining Term	18.34	Years

Product Type Analysis

	£000's	%
Variable Rate	8,538,248	28.67%
Fixed Rate	6,271,905	21.06%
Tracker Rate	14,970,971	50.27%
	29,781,123	100.00%

As at 08 February 2005 approximately 8.69% of the loans were flexible loans

Repayment Method Analysis

	£000's	%
Endowment	5,828,166	19.57%
Interest Only	4,818,586	16.18%
Repayment	19,134,372	64.25%
	29,781,123	100.00%

As at 08 February 2005 approximately 16.48% of the loans were written under Abbey's policy of non-income verification

Loan Purpose Analysis

	£000's	%
Purchase	21,716,395	72.92%
Remortgage	8,064,728	27.08%
	29,781,123	100.00%

Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 September 2004	6.75%
01 July 2004	6.50%
01 June 2004	6.25%
01 March 2004	6.00%

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Geographic Analysis

Region	Number	£000's	%
East Anglia	16,571	1,141,409	3.83%
East Midlands	22,194	1,433,629	4.81%
Greater London	66,493	6,340,299	21.29%
North	17,567	953,690	3.20%
North West	45,687	2,708,814	9.10%
Scotland	26,568	1,499,749	5.04%
South East	103,340	9,081,979	30.50%
South West	32,074	2,360,166	7.93%
Wales	19,389	1,087,269	3.65%
West Midlands	27,244	1,728,246	5.80%
Yorkshire and Humberside	25,242	1,418,293	4.76%
Unknown	487	27,580	0.09%
<b>Total</b>	<b>402,856</b>	<b>29,781,123</b>	<b>100.00%</b>

Original LTV Bands

Range	Number	£000's	%
0.00 - 25.00	16,668	701,800	2.36%
25.01 - 50.00	78,138	4,761,817	15.99%
50.01 - 75.00	150,090	12,208,004	40.99%
75.01 - 80.00	21,074	1,754,972	5.89%
80.01 - 85.00	25,621	2,230,862	7.49%
85.01 - 90.00	45,666	3,976,361	13.35%
90.01 - 95.00	65,599	4,147,307	13.93%
<b>Total</b>	<b>402,856</b>	<b>29,781,123</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.

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Arrears

Band	Number	Principal	Overdue	%
Current	392,259	28,976,691	(3,826)	97.33%
1.00 - 1.99 months	5,612	447,094	3,745	1.50%
2.00 - 2.99 months	2,226	158,917	2,471	0.53%
3.00 - 3.99 months	1,146	81,084	1,784	0.27%
4.00 - 4.99 months	574	38,939	1,140	0.13%
5.00 - 5.99 months	374	25,534	910	0.09%
6.00 - 11.99 months	500	34,249	1,696	0.12%
12 months and over	33	1,676	245	0.01%
Properties in Possession	132	8,073	701	0.03%
<b>Total</b>	<b>402,856</b>	<b>29,772,257</b>	<b>8,866</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.

Movement in Shares of Trust

	Funding	Seller
	£000's	£000's
Balance Brought Forward	12,935,052	16,988,133
Replenishment of Assets	0	1,075,011
Acquisition by Funding	0	0
Distribution of Principal Receipts	(190,902)	(1,031,449)
Allocation of Losses	(5)	(7)
Share of Capitalised Interest	2,278	2,990
Payment Re Capitalised Interest	(2,278)	2,278
<b>Balance Carried Forward</b>	<b>12,744,145</b>	<b>17,036,956</b>

Carried Forward Percentage	42.79273%	57.20727%
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Minimum Seller Share	1,324,878	4.45%
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Cash Accumulation Ledger

	£000's
Brought Forward	2,575,269
Additional Amounts Accumulated	190,902
Payment of Notes	(811,000)
Carried Forward	1,955,171

Target Balance	1,955,171	payable on 15th April 2005
		0 payable on 15th July 2005
	1,955,171	

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 15/1/05	0.3015%
Quarter to 15/10/04	0.5449%
Quarter to 15/07/04	0.3214%
Quarter to 15/04/04	0.3687%

\*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 18/01/2005	£338,000,000.00	£0.00	£70,000,000.00
Required Amount as at 18/01/2005	£338,000,000.00	£0.00	£70,000,000.00
Percentage of Notes	2.30%	0.00%	0.48%

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Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	114	6,878
Reposessed in Period	35	3,382
Sold in Period	(17)	(2,187)
Carried Forward	132	8,073

	Cumulative	
	Number	£000's
Reposessed to date	714	53,325
Sold to date	(582)	(45,252)
Carried Forward	132	8,073

Repossession Sales Information

Average time Possession to Sale	86	Days
Average arrears at time of Sale	£3,609	

MIG Claim Status

	Number	£000's
MIG Claims made	195	1,382
MIG Claims outstanding	0	0

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

Proposed Changes

Abbey has requested Fitch Ratings to confirm the impact on the rating of the issued securities if the minimum required short term rating of Abbey as sterling account bank / GIC provider is changed to F1 from F1+. Once Fitch has completed its review of the appropriate documentation amendments, it expects to confirm that this change will have no effect on the rating of any of the securities issued by any of the Issuers. In addition, it has indicated that in the event that Abbey is downgraded below F1 then Abbey's obligations will either need to be guaranteed by a third party rated at least F1 or transferred to a counterparty rated at least F1, within 30 days of the downgrade, to prevent a downgrade by Fitch of any of the issued securities

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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	-
04Q3	-	176	-	191	-	-	-	-
04Q4	-	-	-	-	698	-	-	-

**Outstanding Class A Notes**

Expected Redemption	Holmes 1	Holmes 2	Holmes 3	Holmes 4	Holmes 5	Holmes 6	Holmes 7	Holmes 8
04Q4	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

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