

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  
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited  
**For Period 09 September 2003 to 08 October 2003**

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	360,186	23,996,843
Replenishment	12,397	945,000
Repurchased	(6,860)	(502,818)
Redemptions	(10,858)	(758,273)
Losses	(22)	(15)
Capitalised Interest	0	2,675
Other Movements	0	0
Carried Forward	354,843	23,683,412

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	617,594	44,182,239
Repurchased	(170,766)	(11,981,130)
Redemptions	(206,871)	(14,929,755)
Losses	(305)	(668)
Capitalised Interest	0	13,512
Other Movements	0	0
Carried Forward	354,843	23,683,412

	Period CPR	Annualised CPR	
1 Month	5.32%	84.20%	**( including redemptions and repurchases )
3 Month	16.14%	83.47%	
12 Month	65.22%	65.22%	

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

Asset Profiles

Weighted Average Seasoning	35.77	months
Weighted Average Loan size	£66,743.35	
Weighted Average LTV	76.07%	*** (see below)
Weighted Average Remaining Term	18.72	Years

Product Type Analysis

	£000's	%
Variable Rate	9,378,631	39.60%
Fixed Rate	4,322,223	18.25%
Tracker Rate	9,982,558	42.15%
	23,683,412	100.00%

As at 8th October 2003 approximately 7% of the loans were flexible loans

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Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 August 2003	5.54%
01 March 2003	5.79%
01 November 2002	5.94%

Geographic Analysis

<u>Region</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
East Anglia	13,875	850,172	3.59%
East Midlands	18,846	1,068,621	4.51%
Greater London	60,305	5,220,124	22.04%
North	14,823	720,989	3.04%
North West	40,630	2,109,700	8.91%
Scotland	21,119	1,125,099	4.75%
South East	92,476	7,368,392	31.11%
South West	27,476	1,798,392	7.59%
Wales	17,842	883,701	3.73%
West Midlands	24,285	1,380,097	5.83%
Yorkshire and Humberside	22,221	1,100,266	4.65%
Unknown	945	57,859	0.24%
<b>Total</b>	<b>354,843</b>	<b>23,683,412</b>	<b>100.00%</b>

Original LTV Bands

<u>Range</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
0.00 - 25.00	7,300	295,823	1.25%
25.01 - 50.00	43,910	2,415,720	10.20%
50.01 - 75.00	103,926	7,435,865	31.40%
75.01 - 80.00	19,293	1,417,619	5.99%
80.01 - 85.00	24,883	1,895,116	8.00%
85.01 - 90.00	52,484	4,053,128	17.11%
90.01 - 95.00	103,047	6,170,141	26.05%
<b>Total</b>	<b>354,843</b>	<b>23,683,412</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	343,619	22,995,499	(3,130)	97.12%
1.00 - 1.99 months	7,398	455,295	3,435	1.92%
2.00 - 2.99 months	1,698	102,270	1,455	0.43%
3.00 - 3.99 months	810	46,797	962	0.20%
4.00 - 4.99 months	443	28,106	733	0.12%
5.00 - 5.99 months	274	16,144	519	0.07%
6.00 -11.99 months	475	27,146	1,313	0.11%
12 months and over	51	3,126	275	0.01%
Properties in Possession	75	3,190	277	0.01%
<b>Total</b>	<b>354,843</b>	<b>23,677,573</b>	<b>5,839</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 £000's	Seller £000's
Balance Brought Forward	14,060,023	9,936,820
Replenishment of Assets	0	945,000
Acquisition by Funding	0	0
Distribution of Principal Receipts	0	(1,261,091)
Allocation of Losses	(9)	(6)
Share of Capitalised Interest	1,568	1,107
Payment Re Capitalised Interest	(1,568)	1,568
Balance Carried Forward	14,060,014	9,623,398
<b>Carried Forward Percentage</b>	<b>59.36651%</b>	<b>40.63349%</b>
<b>Minimum Seller Share</b>	<b>947,336</b>	<b>4.00%</b>

Cash Accumulation Ledger

	£000's
Brought Forward	896,660
Additional Amounts Accumulated	9
Payment of Notes	0
Carried Forward	896,669

Target Balance 896,646 payable on 15th October 2003

Liquidity Facilities

Drawn £000's                      Undrawn £000's

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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 15/07/03	0.4620%
Quarter to 15/04/03	0.6113%
Quarter to 15/01/03	0.5960%
Quarter to 15/10/02	0.5892%

Reserve Funds

	First Reserve	Second Reserve
Balance as at 15/07/2003	£229,932,855.00	£56,890,739.99
Required Amount as at 15/07/2003	£350,000,000.00	£160,929,823.00
Percentage of Notes	1.63%	0.40%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	61	2,732
Repossessed in Period	27	1,652
Sold in Period	(13)	(917)
Carried Forward	75	3,467

	Cumulative	
	Number	£000's
Repossessed to date	392	20,000
Sold to date	(317)	(16,533)
Carried Forward	75	3,467

Repossession Sales Information

Average time Possession to Sale	79	Days
Average arrears at time of Sale	£3,183	

MIG Claim Status

	Number	£000's
MIG Claims made	172	1,280
MIG Claims outstanding	9	85

Average time claim to payment	35
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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 £21 billion

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**Retired Class A Notes**

Date Retired	Holmes 1	Holmes 2	Holmes 3	Holmes4	Holmes 5	Holmes 6	Holmes 7
02Q3	-	703	-	-	352	-	-
02Q4	-	-	-	-	352	-	-
03Q1	-	-	750	-	-	-	-
03Q2	-	-	-	-	-	-	-
03Q3	600	-	-	-	-	481	-
03Q4	-	176	-	191	-	481	-

**Outstanding Class A Notes**

Expected Redemption	Holmes 1	Holmes 2	Holmes 3	Holmes4	Holmes 5	Holmes 6	Holmes 7
03Q4	-	-	-	-	-	-	-
04Q1	-	176	-	191	-	-	241
04Q2	-	176	-	191	-	-	241
04Q3	-	176	-	191	-	-	-
04Q4	-	-	-	-	698	-	-
05Q1	-	-	750	-	-	-	-
05Q2	-	-	-	-	-	801	-
05Q3	650	-	-	-	-	-	-
05Q4	-	125	-	-	-	-	-
06Q1	-	125	-	-	-	-	803
06Q2	-	125	-	-	-	-	-
06Q3	-	125	500	1,340	-	-	-
06Q4	-	-	-	350	875	-	-
07Q1	-	-	-	-	-	-	161
07Q2	-	-	-	-	-	634	161
07Q3	575	-	-	-	-	-	-
07Q4	-	300	-	-	-	770	-
08Q1	-	-	-	-	-	-	-
08Q2	-	-	-	-	-	500	592
08Q3	-	-	-	-	-	-	-
08Q4	-	-	-	-	-	-	-
09Q1	-	-	-	-	-	-	-
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

