

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 November 2004 to 08 December 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	404,673	29,709,291	
Replenishment	16,950	1,531,483	
Repurchased	(4,539)	(388,583)	
Redemptions	(12,375)	(941,302)	
Losses	(24)	(26)	
Capitalised Interest	0	6,140	(* see below)
Other Movements	0	0	
Carried Forward	404,685	29,917,003	

\* 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	913,235	69,108,657	
Repurchased	(270,789)	(19,313,448)	
Redemptions	(352,390)	(26,352,515)	
Losses	(562)	(828)	
Capitalised Interest	0	75,923	(* see above)
Other Movements	0	0	
Carried Forward	404,685	29,917,003	

	Period CPR	Annualised CPR	
1 Month	4.45%	66.88%	**( including redemptions and repurchases )
3 Month	14.88%	75.49%	
12 Month	58.76%	58.76%	

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

Asset Profiles

Weighted Average Seasoning	32.29	months
Weighted Average Loan size	£73,926.64	
Weighted Average LTV	69.75%	*** (see below)
Weighted Average Indexed LTV	56.75%	using Halifax House Price Index
Weighted Average Indexed LTV	56.29%	using Nationwide House Price Index
Weighted Average Remaining Term	18.40	Years

Product Type Analysis

	£000's	%
Variable Rate	8,143,408	27.22%
Fixed Rate	6,186,836	20.68%
Tracker Rate	15,586,759	52.10%
	29,917,003	100.00%

As at 08 December 2004 approximately 8.50% of the loans were flexible loans

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 November 2004 to 08 December 2004**

All values are in thousands of pounds sterling unless otherwise stated

<u>Repayment Method Analysis</u>	£000's	%
Endowment	5,977,417	19.98%
Interest Only	4,750,820	15.88%
Repayment	19,188,766	64.14%
	29,917,003	100.00%

As at 08 December 2004 approximately 16.78% of the loans were written under Abbey's policy of non-income verification

<u>Loan Purpose Analysis</u>	£000's	%
Purchase	21,839,412	73.00%
Remortgage	8,077,591	27.00%
	29,917,003	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%

Geographic Analysis

<u>Region</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
East Anglia	16,650	1,147,092	3.83%
East Midlands	22,271	1,434,175	4.79%
Greater London	66,545	6,349,888	21.23%
North	17,619	957,176	3.20%
North West	45,729	2,702,658	9.03%
Scotland	26,794	1,508,882	5.04%
South East	103,940	9,129,672	30.52%
South West	32,331	2,376,595	7.94%
Wales	19,434	1,084,904	3.63%
West Midlands	27,414	1,736,520	5.80%
Yorkshire and Humberside	25,445	1,432,589	4.79%
Unknown	513	56,852	0.19%
<b>Total</b>	<b>404,685</b>	<b>29,917,003</b>	<b>100.00%</b>

Original LTV Bands

<u>Range</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
0.00 - 25.00	16,133	684,689	2.29%
25.01 - 50.00	76,740	4,700,936	15.71%
50.01 - 75.00	149,665	12,162,575	40.65%
75.01 - 80.00	21,290	1,766,843	5.91%
80.01 - 85.00	25,926	2,241,157	7.49%
85.01 - 90.00	46,574	4,018,128	13.43%
90.01 - 95.00	68,357	4,342,675	14.52%
<b>Total</b>	<b>404,685</b>	<b>29,917,003</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.

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 November 2004 to 08 December 2004

All values are in thousands of pounds sterling unless otherwise stated

Arrears

Band	Number	Principal	Overdue	%
Current	394,505	29,159,164	(3,931)	97.49%
1.00 - 1.99 months	5,733	447,072	3,656	1.49%
2.00 - 2.99 months	2,061	145,619	2,294	0.49%
3.00 - 3.99 months	1,085	73,084	1,624	0.24%
4.00 - 4.99 months	488	31,978	939	0.11%
5.00 - 5.99 months	251	17,376	620	0.06%
6.00 -11.99 months	425	27,900	1,368	0.09%
12 months and over	24	1,322	167	0.00%
Properties in Possession	113	6,193	558	0.02%
<b>Total</b>	<b>404,685</b>	<b>29,909,708</b>	<b>7,295</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	13,948,227	15,761,064 ***
Replenishment of Assets	0	1,531,483
Acquisition by Funding	0	0
Distribution of Principal Receipts	(11)	(1,329,874)
Allocation of Losses	(12)	(14)
Share of Capitalised Interest	2,883	3,257
Payment Re Capitalised Interest	(2,883)	2,883
Balance Carried Forward	13,948,204	15,968,799
Carried Forward Percentage	46.62300%	53.37700%
Minimum Seller Share	1,315,651	4.40%

\*\*\* Restated due to allocation error for losses in period to 9th August 2004

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 November 2004 to 08 December 2004

All values are in thousands of pounds sterling unless otherwise stated

Cash Accumulation Ledger

	£000's
Brought Forward	1,562,073
Additional Amounts Accumulated	11
Payment of Notes	0
Carried Forward	1,562,084

Target Balance	811,000	payable on 18th January 2005
	751,073	payable on 15th April 2005
	1,562,073	

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 15/10/04	0.5449%
Quarter to 15/07/04	0.3214%
Quarter to 15/04/04	0.3687%
Quarter to 15/01/04	0.4098%

\*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 15/10/2004	£338,000,000.00	£0.00	£70,000,000.00
Required Amount as at 15/10/2004	£338,000,000.00	£0.00	£70,000,000.00
Percentage of Notes	2.18%	0.00%	0.45%

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 November 2004 to 08 December 2004

**All values are in thousands of pounds sterling unless otherwise stated**

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	105	6,248
Reposessed in Period	21	1,875
Sold in Period	(13)	(1,372)
Carried Forward	113	6,751

	Cumulative	
	Number	£000's
Reposessed to date	672	8,123
Sold to date	(559)	(1,372)
Carried Forward	113	6,751

Repossession Sales Information

Average time Possession to Sale	84	Days
Average arrears at time of Sale	£3,574	

MIG Claim Status

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

Average time claim to payment	36
-------------------------------	----

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

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 November 2004 to 08 December 2004

**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	-	-	-	-	-	-	-	-

## Expected Redemption of Class A Notes

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

£ millions

