

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 October 2004 to 08 November 2004

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Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

	Current Period		
	Number	£000's	
Brought Forward	407,722	29,928,569	
Replenishment	15,310	1,357,176	
Repurchased	(6,386)	(507,025)	
Redemptions	(11,971)	(1,077,527)	
Losses	(2)	24	
Capitalised Interest	0	8,074	(* see below)
Other Movements	0	0	
Carried Forward	404,673	29,709,291	

* 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	896,285	67,577,174	
Repurchased	(266,250)	(18,924,865)	
Redemptions	(340,015)	(25,411,213)	
Losses	(538)	(802)	
Capitalised Interest	0	69,783	(* see above)
Other Movements	0	0	
Carried Forward	404,673	29,709,291	

	Period CPR	Annualised CPR	
1 Month	5.33%	84.38%	**(including redemptions and repurchases)
3 Month	15.39%	78.68%	
12 Month	58.65%	58.65%	

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

Asset Profiles

Weighted Average Seasoning	32.19	months
Weighted Average Loan size	£73,415.55	
Weighted Average LTV	69.97%	*** (see below)
Weighted Average Indexed LTV	56.51%	using Halifax House Price Index
Weighted Average Indexed LTV	56.00%	using Nationwide House Price Index
Weighted Average Remaining Term	18.42	Years

Product Type Analysis

	£000's	%
Variable Rate	8,187,881	27.56%
Fixed Rate	5,912,149	19.90%
Tracker Rate	15,609,261	52.54%
	29,709,291	100.00%

As at 08 November 2004 approximately 8.36% of the loans were flexible loans

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<u>Repayment Method Analysis</u>	£000's	%
Endowment	6,084,463	20.48%
Interest Only	4,628,708	15.58%
Repayment	18,999,092	63.95%
	29,709,291	100.01%

As at 08 November 2004 approximately 16.7% of the loans were written under Abbey's policy of non-income verification

<u>Loan Purpose Analysis</u>	£000's	%
Purchase	21,791,765	73.35%
Remortgage	7,917,526	26.65%
	29,709,291	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	16,702	1,146,364	3.86%
East Midlands	22,265	1,424,016	4.79%
Greater London	66,465	6,265,978	21.09%
North	17,585	951,610	3.20%
North West	45,495	2,675,540	9.01%
Scotland	26,881	1,502,850	5.06%
South East	104,094	9,114,514	30.68%
South West	32,393	2,364,745	7.96%
Wales	19,392	1,078,058	3.63%
West Midlands	27,445	1,731,703	5.83%
Yorkshire and Humberside	25,420	1,423,899	4.79%
Unknown	536	30,014	0.10%
Total	404,673	29,709,291	100.00%

Original LTV Bands

<u>Range</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
0.00 - 25.00	15,653	666,397	2.24%
25.01 - 50.00	75,420	4,612,473	15.53%
50.01 - 75.00	149,132	12,003,541	40.40%
75.01 - 80.00	21,378	1,765,941	5.94%
80.01 - 85.00	26,073	2,239,947	7.54%
85.01 - 90.00	47,024	4,023,158	13.54%
90.01 - 95.00	69,993	4,397,834	14.80%
Total	404,673	29,709,291	100.00%

*** 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	393,029	28,897,083	(3,096)	97.29%
1.00 - 1.99 months	7,326	513,330	4,233	1.73%
2.00 - 2.99 months	2,112	147,220	2,319	0.50%
3.00 - 3.99 months	932	61,691	1,427	0.21%
4.00 - 4.99 months	466	30,630	892	0.10%
5.00 - 5.99 months	294	20,002	708	0.07%
6.00 - 11.99 months	379	23,657	1,237	0.08%
12 months and over	30	1,526	184	0.01%
Properties in Possession	105	5,876	372	0.02%
Total	404,673	29,701,015	8,276	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 £000's	Seller £000's
Balance Brought Forward	14,009,197	15,919,372 ***
Replenishment of Assets	0	1,357,176
Acquisition by Funding	0	0
Distribution of Principal Receipts	(60,978)	(1,523,574)
Allocation of Losses	0	24
Share of Capitalised Interest	3,780	4,294
Payment Re Capitalised Interest	(3,780)	3,780
Balance Carried Forward	13,948,219	15,761,072
Carried Forward Percentage	46.94902%	53.05098%
Minimum Seller Share	1,299,912	4.38%

*** Restated due to allocation error in distributed principal receipts in period to 9th August 2004

Cash Accumulation Ledger

	£000's	
Brought Forward	2,325,053	
Additional Amounts Accumulated	60,978	
Payment of Notes	(823,958)	
Carried Forward	1,562,073	
Target Balance	811,000	payable on 18th January 2005
	751,073	payable on 15th April 2005
	1,562,073	

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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%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	94	5,386
Repossessed in Period	18	1,729
Sold in Period	(7)	(867)
Carried Forward	105	6,248

	Cumulative	
	Number	£000's
Repossessed to date	651	47,048
Sold to date	(546)	(40,800)
Carried Forward	105	6,248

Repossession Sales Information

Average time Possession to Sale	83	Days
Average arrears at time of Sale	£3,560	

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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

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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	-	-	-	-	-	-	-	-

Expected Redemption of Class A Notes

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

£ millions

