

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 10 February 2004 to 08 March 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	351,709	23,853,528
Replenishment	14,374	1,169,135
Repurchased	(7,388)	(573,098)
Redemptions	(8,899)	(592,352)
Losses	(24)	(16)
Capitalised Interest	0	3,336
Other Movements	0	0
Carried Forward	349,772	23,860,533

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	694,283	50,077,270
Repurchased	(208,475)	(14,578,160)
Redemptions	(250,807)	(18,064,705)
Losses	(420)	(777)
Capitalised Interest	0	27,691
Other Movements	0	0
Carried Forward	349,772	23,860,533

	Period CPR	Annualised CPR	
1 Month	4.88%	75.33%	**(including redemptions and repurchases)
3 Month	14.05%	70.45%	
12 Month	64.90%	64.90%	

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

Asset Profiles

Weighted Average Seasoning	36.85	months
Weighted Average Loan size	£68,217.39	
Weighted Average LTV	74.49%	*** (see below)
Weighted Average Remaining Term	18.51	Years

Product Type Analysis

	£000's	%
Variable Rate	8,747,271	36.66%
Fixed Rate	4,015,728	16.83%
Tracker Rate	11,097,534	46.51%
	23,860,533	100.00%

As at 08 March 2004 approximately 7% of the loans were flexible loans

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<u>Repayment Method Analysis</u>	£000's	%
Endowment	6,268,162	26.27%
Interest Only	2,805,999	11.76%
Repayment	14,786,372	61.97%
	23,860,533	100.00%

As at 08 March 2004 approximately 8.5% of the loans were self-certified

<u>Loan Purpose Analysis</u>	£000's	%
Purchase	20,615,501	86.40%
Remortgage	3,245,032	13.60%
	23,860,533	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	13,897	880,345	3.69%
East Midlands	18,873	1,102,842	4.62%
Greater London	57,330	5,086,151	21.32%
North	14,883	744,997	3.12%
North West	40,397	2,168,669	9.09%
Scotland	22,859	1,214,207	5.09%
South East	89,842	7,354,112	30.82%
South West	27,284	1,834,928	7.69%
Wales	17,565	896,002	3.76%
West Midlands	24,036	1,405,222	5.89%
Yorkshire and Humberside	22,072	1,129,018	4.73%
Unknown	734	44,040	0.18%
Total	349,772	23,860,533	100.00%

Original LTV Bands

<u>Range</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
0.00 - 25.00	8,385	345,211	1.45%
25.01 - 50.00	47,937	2,723,932	11.42%
50.01 - 75.00	109,780	8,101,806	33.95%
75.01 - 80.00	19,634	1,485,998	6.23%
80.01 - 85.00	24,758	1,936,137	8.11%
85.01 - 90.00	49,130	3,846,954	16.12%
90.01 - 95.00	90,148	5,420,495	22.72%
Total	349,772	23,860,533	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	341,021	23,307,611	(3,424)	97.70%
1.00 - 1.99 months	5,049	317,826	2,756	1.33%
2.00 - 2.99 months	1,701	107,583	1,656	0.45%
3.00 - 3.99 months	842	51,423	1,123	0.22%
4.00 - 4.99 months	400	24,174	671	0.10%
5.00 - 5.99 months	251	16,051	547	0.07%
6.00 -11.99 months	383	23,180	1,162	0.10%
12 months and over	52	3,465	354	0.01%
Properties in Possession	73	4,066	309	0.02%
Total	349,772	23,855,379	5,154	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	Seller
	£000's	£000's
Balance Brought Forward	12,756,557	11,096,971
Replenishment of Assets	0	1,169,135
Acquisition by Funding	0	0
Distribution of Principal Receipts	0	(1,165,450)
Allocation of Losses	(8)	(8)
Share of Capitalised Interest	1,785	1,551
Payment Re Capitalised Interest	(1,785)	1,785
Balance Carried Forward	12,756,549	11,103,984
Carried Forward Percentage	53.46297%	46.53703%
Minimum Seller Share	954,421	4.00%

Cash Accumulation Ledger

	£000's
Brought Forward	608,163
Additional Amounts Accumulated	8
Payment of Notes	0
Carried Forward	608,171
Target Balance	608,160 payable on 15th April 2004

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<u>Liquidity Facilities</u>	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 15/01/04	0.4098%
Quarter to 15/10/03 (Restated)**	0.3433%
Quarter to 15/07/03 (Restated)**	0.3852%
Quarter to 15/04/03 (Restated)**	0.3806%

*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.

<u>Reserve Funds</u>	First Reserve	Second Reserve
Balance as at 15/01/2004	£292,045,557.96	£56,890,739.99
Required Amount as at 15/01/2004	£350,000,000.00	£122,161,456.00
Percentage of Notes	2.18%	0.42%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	83	4,711
Reposessed in Period	15	2,520
Sold in Period	(25)	(2,856)
Carried Forward	73	4,375

	Cumulative	
	Number	£000's
Reposessed to date	503	29,929
Sold to date	(430)	(25,554)
Carried Forward	73	4,375

Repossession Sales Information

Average time Possession to Sale	80	Days
Average arrears at time of Sale	£3,282	

MIG Claim Status

Number	£000's
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MIG Claims made	197	1,364
MIG Claims outstanding	4	20
Average time claim to payment	35	

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	-
04Q1	-	176	-	191	-	-	241

Outstanding Class A Notes

Expected Redemption	Holmes 1	Holmes 2	Holmes 3	Holmes4	Holmes 5	Holmes 6	Holmes 7
04Q1	-	-	-	-	-	-	-
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

