

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 September 2004 to 08 October 2004

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Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

	Current Period		
	Number	£000's	
Brought Forward	408,037	29,774,932	
Replenishment	19,163	1,681,116	
Repurchased	(6,946)	(546,768)	
Redemptions	(12,469)	(989,271)	
Losses	(63)	(44)	
Capitalised Interest	0	8,605	(* see below)
Other Movements	0	(1)	
Carried Forward	407,722	29,928,569	

* 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	880,975	66,219,998	
Repurchased	(259,864)	(18,417,840)	
Redemptions	(328,044)	(24,333,686)	
Losses	(536)	(826)	
Capitalised Interest	0	61,709	(* see above)
Other Movements	0	0	
Carried Forward	407,722	29,928,569	

	Period CPR	Annualised CPR	
1 Month	5.13%	80.27%	**(including redemptions and repurchases)
3 Month	15.08%	76.77%	
12 Month	57.14%	57.14%	

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

Asset Profiles

Weighted Average Seasoning	32.16	months
Weighted Average Loan size	£73,404.35	
Weighted Average LTV	70.18%	*** (see below)
Weighted Average Indexed LTV	56.20%	using Halifax House Price Index
Weighted Average Indexed LTV	55.65%	using Nationwide House Price Index
Weighted Average Remaining Term	18.41	Years

Product Type Analysis

	£000's	%
Variable Rate	8,305,178	27.75%
Fixed Rate	5,910,892	19.75%
Tracker Rate	15,712,499	52.50%
	29,928,569	100.00%

As at 08 October 2004 approximately 8.1% of the loans were flexible loans

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<u>Repayment Method Analysis</u>	£000's	%
Endowment	6,279,014	20.98%
Interest Only	4,582,064	15.31%
Repayment	19,067,491	63.71%
	29,928,569	100.00%

As at 08 October 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	22,072,320	73.75%
Remortgage	7,856,249	26.25%
	29,928,569	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	16,838	1,150,770	3.85%
East Midlands	22,421	1,427,726	4.77%
Greater London	66,816	6,345,937	21.20%
North	17,718	958,605	3.20%
North West	45,864	2,689,174	8.99%
Scotland	27,117	1,516,132	5.07%
South East	104,978	9,182,210	30.68%
South West	32,591	2,373,841	7.93%
Wales	19,575	1,083,047	3.62%
West Midlands	27,649	1,742,231	5.82%
Yorkshire and Humberside	25,588	1,426,532	4.77%
Unknown	567	32,364	0.11%
Total	407,722	29,928,569	100.00%

Original LTV Bands

<u>Range</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
0.00 - 25.00	15,311	655,436	2.19%
25.01 - 50.00	74,727	4,576,078	15.29%
50.01 - 75.00	149,362	12,055,228	40.28%
75.01 - 80.00	21,628	1,780,750	5.95%
80.01 - 85.00	26,408	2,259,607	7.55%
85.01 - 90.00	47,927	4,073,278	13.61%
90.01 - 95.00	72,359	4,528,192	15.13%
Total	407,722	29,928,569	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	397,122	29,199,645	(3,165)	97.49%
1.00 - 1.99 months	6,698	465,714	4,023	1.55%
2.00 - 2.99 months	1,820	151,560	1,976	0.51%
3.00 - 3.99 months	885	57,601	1,346	0.19%
4.00 - 4.99 months	454	29,365	868	0.10%
5.00 - 5.99 months	261	17,971	642	0.06%
6.00 -11.99 months	356	22,434	1,186	0.07%
12 months and over	32	1,794	223	0.01%
Properties in Possession	94	4,943	443	0.02%
Total	407,722	29,951,027	7,542	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	14,188,169	15,586,763
Replenishment of Assets	0	1,681,116
Acquisition by Funding	0	0
Distribution of Principal Receipts	(1,000,365)	(535,675)
Allocation of Losses	(22)	(22)
Share of Capitalised Interest	4,339	4,266
Payment Re Capitalised Interest	(4,339)	4,339
Balance Carried Forward	13,187,782	16,740,787

Carried Forward Percentage	44.06419%	55.93581%
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Minimum Seller Share	1,298,983	4.34%
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Cash Accumulation Ledger

	£000's
Brought Forward	1,324,688
Additional Amounts Accumulated	1,000,365
Payment of Notes	0
Carried Forward	2,325,053

Target Balance	823,958	payable on 15th October 2004
	750,000	payable on 15th January 2005
	751,095	payable on 15th April 2005
	2,325,053	

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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

<u>Excess Spread *</u>	
Quarter to 15/07/04	0.3214%
Quarter to 15/04/04	0.3687%
Quarter to 15/01/04	0.4098%
Quarter to 15/10/03 (Restated)**	0.3433%

*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	Funding Reserve
Balance as at 15/07/2004	£338,000,000.00	£0.00	£70,000,000.00
Required Amount as at 15/07/2004	£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	89	4,928
Repossessed in Period	23	3,299
Sold in Period	(18)	(2,841)
Carried Forward	94	5,386

	Cumulative	
	Number	£000's
Repossessed to date	633	45,319
Sold to date	(539)	(39,933)
Carried Forward	94	5,386

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Repossession Sales Information

Average time Possession to Sale	83	Days
Average arrears at time of Sale	£3,553	

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	-	-	-	-

Outstanding Class A Notes

Expected Redemption	Holmes 1	Holmes 2	Holmes 3	Holmes 4	Holmes 5	Holmes 6	Holmes 7	Holmes 8
04Q3	-	-	-	-	-	-	-	-
04Q4	-	-	-	-	698	-	-	-
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

Legend: Holmes 1 (light blue), Holmes 2 (maroon), Holmes 3 (yellow), Holmes 4 (cyan), Holmes 5 (purple), Holmes 6 (pink), Holmes 7 (dark blue), Holmes 8 (green)

