

Periodic Report re Holmes Trustees Limited and Holmes Funding Limited

For Period 11 April 2006 to 08 May 2006

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	389,880	29,627,943
Replenishment	15,414	1,587,474
Repurchased	(5,333)	(465,189)
Redemptions	(8,574)	(739,280)
Losses	(34)	(185)
Capitalised Interest	0	3,486 (* see below)
Other Movements	0	0
Carried Forward	391,353	30,014,249

* 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	1,186,035	94,125,258
Repurchased	(376,359)	(28,463,203)
Redemptions	(532,531)	(42,193,811)
Losses	(983)	(2,238)
Capitalised Interest	0	149,029 (* see above)
Other Movements	0	0
Carried Forward	391,353	30,014,249

	Annualised Trust Payment	
	Trust Payment Rate (CPR)	Rate (CPR)
1 Month	4.07%	39.23% (including
3 Month	13.78%	44.74% redemptions and
12 Month	47.47%	47.47% repurchases)

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Asset Profiles

Weighted Average Seasoning	37.58	months
Weighted Average Loan size	£76,693.55	
Weighted Average LTV	66.28%	**** (see below)
Weighted Average Indexed LTV	54.13%	using Halifax House Price Index
Weighted Average Indexed LTV	52.71%	using Nationwide House Price Index
Weighted Average Remaining Term	17.83	Years

Product Type Analysis

	£000's	%
Variable Rate	10,321,900	34.39%
Fixed Rate	6,756,207	22.51%
Tracker Rate	12,936,141	43.10%
	30,014,249	100.00%

As at 08 May 2006 approximately 12.84% of the loans were flexible loans

Repayment Method Analysis

	£000's	%
Endowment	4,850,303	16.16%
Interest Only	5,987,843	19.95%
Repayment	19,176,104	63.89%
	30,014,249	100.00%

As at 08 May 2006 approximately 15.44% of the loans were written under Abbey's policy of non-income verification

Loan Purpose Analysis

	£000's	%
Purchase	20,961,952	69.84%
Remortgage	9,052,297	30.16%
	30,014,249	100.00%

Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 September 2005	6.50%
01 September 2004	6.75%
01 July 2004	6.50%
01 June 2004	6.25%

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Geographic Analysis

Region	Number	£000's	%
East Anglia	15,835	1,132,249	3.77%
East Midlands	21,069	1,413,094	4.71%
Greater London	67,600	6,584,710	21.94%
North	16,636	942,804	3.14%
North West	43,996	2,712,139	9.04%
Scotland	25,631	1,475,365	4.92%
South East	101,864	9,206,986	30.68%
South West	30,500	2,329,168	7.76%
Wales	18,013	1,072,215	3.57%
West Midlands	25,827	1,701,380	5.67%
Yorkshire and Humberside	24,066	1,427,521	4.76%
Unknown	316	16,618	0.06%
Total	391,353	30,014,249	100.00%

Original LTV Bands

Range	Number	£000's	%	Average Seasoning
0.00 - 25.00	22,535	945,449	3.15%	29.66
25.01 - 50.00	94,974	5,903,803	19.67%	31.62
50.01 - 75.00	150,983	12,816,084	42.70%	33.64
75.01 - 80.00	18,055	1,611,765	5.37%	40.14
80.01 - 85.00	22,160	2,107,000	7.02%	39.10
85.01 - 90.00	38,201	3,673,744	12.24%	39.06
90.01 - 95.00	44,445	2,956,404	9.85%	58.60
Total	391,353	30,014,249	100.00%	36.97

*** 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	380,480	29,105,921	(3,068)	97.02%
1.00 - 1.99 months	5,590	484,298	4,006	1.61%
2.00 - 2.99 months	2,314	181,545	2,830	0.61%
3.00 - 3.99 months	1,076	83,465	1,857	0.28%
4.00 - 4.99 months	530	39,811	1,115	0.13%
5.00 - 5.99 months	368	29,444	1,011	0.10%
6.00 - 11.99 months	709	55,627	2,870	0.19%
12 months and over	77	6,089	644	0.02%
Properties in Possession	209	15,154	1,630	0.05%
Total	391,353	30,001,354	12,895	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	13,523,035	16,104,908
Replenishment of Assets	0	1,587,474
Acquisition by Funding	0	0
Distribution of Principal Receipts	(179,866)	(1,024,603)
Allocation of Losses	(84)	(101)
Share of Capitalised Interest	1,591	1,895
Payment Re Capitalised Interest	(1,591)	1,591
Balance Carried Forward	13,343,085	16,671,164

Carried Forward Percentage	44.45584%	55.54416%
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Minimum Seller Share	1,513,977	5.04%
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Cash Accumulation Ledger

	£000's	
Brought Forward	1,188,777	
Additional Amounts Accumulated	180,337	
Payment of Notes	(190,070)	
Carried Forward	1,179,044	
Target Balance	669,859	payable on 17th July 2006
	508,714	payable on 15th December 2006
	1,178,573	

Excess Spread *

Quarter to 15/04/06	0.2602%
Quarter to 15/01/06	0.5407%
Quarter to 15/10/05	0.4882%
Quarter to 15/07/05	0.2536%

*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 18/04/2006	£264,000,000.00	£0.00	£0.00
Required Amount as at 18/04/2006	£264,000,000.00	£0.00	£0.00
Percentage of Notes	1.82%	0.00%	0.00%

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Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	209	16,039
Reposessed in Period	46	7,999
Sold in Period	(35)	(7,254)
Carried Forward	220	16,784

	Cumulative	
	Number	£000's
Reposessed to date	1,197	130,728
Sold to date	(977)	(113,944)
Carried Forward	220	16,784

Repossession Sales Information

Average time Possession to Sale	97 Days
Average arrears at time of Sale	£4,819

MIG Claim Status **

	Number	£000's
MIG Claims made	199	1,396

**On the 14th October 2005, Abbey exercised its right to cancel all relevant MIG policies and therefore, none of the mortgage loans in the portfolio are currently covered by a MIG policy.

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

Contact Details

If you have any queries regarding this report please contact the Securitisation Team via

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Facsimilie : +44 (1908) 343019

Email : Securitisation@Abbey.com

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, Holmes Financing No 9 plc

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<u>Notes</u>	<u>Deal</u>	<u>Rating (S&P/Moody's/Fitch)</u>	<u>Outstanding</u>	<u>Reference Rate</u>	<u>Margin</u>
Series 3 Class A1	Holmes Financing No. 1	AAA/Aaa/AAA	£375,000,000	4.62688%	0.26%
Series 3 Class A2	Holmes Financing No. 1	AAA/Aaa/AAA	€ 320,000,000	2.76400%	0.26%
Series 3 Class B	Holmes Financing No. 1	AA/Aa3/AA	£24,000,000	4.62688%	0.45%
Series 3 Class C	Holmes Financing No. 1	BBB/Baa2/BBB	£30,000,000	4.62688%	1.60%
Series 4 Class A	Holmes Financing No. 1	AAA/Aaa/AAA	£250,000,000		6.62%
Series 4 Class B	Holmes Financing No. 1	AA/Aa3/AA	£11,000,000	4.62688%	0.62%
Series 4 Class C	Holmes Financing No. 1	BBB/Baa2/BBB	£14,000,000	4.62688%	1.75%
Series 3 Class A	Holmes Financing No. 2	AAA/Aaa/AAA	£250,000,000	4.62688%	0.24%
Series 3 Class B	Holmes Financing No. 2	AA/Aa3/AA	£19,000,000	4.62688%	0.45%
Series 3 Class C	Holmes Financing No. 2	BBB/Baa2/BBB	£25,000,000	4.62688%	1.50%
Series 4 Class A	Holmes Financing No. 2	AAA/Aaa/AAA	€ 500,000,000	2.76400%	0.27%
Series 4 Class B	Holmes Financing No. 2	AA/Aa3/AA	€ 21,000,000	2.76400%	0.50%
Series 4 Class C	Holmes Financing No. 2	BBB/Baa2/BBB	€ 35,000,000	2.76400%	1.60%
Series 3 Class A	Holmes Financing No. 3	AAA/Aaa/AAA	€ 805,000,000	2.76400%	0.24%
Series 3 Class B	Holmes Financing No. 3	AA/Aa3/AA	€ 24,000,000	2.76400%	0.40%
Series 3 Class C	Holmes Financing No. 3	BBB/Baa2/BBB	€ 50,000,000	2.76400%	1.50%
Series 2 Class A	Holmes Financing No. 4	AAA/Aaa/AAA	€ 800,000,000		5.05%
Series 2 Class B	Holmes Financing No. 4	AA/Aa3/AA	€ 35,800,000	2.76400%	0.40%
Series 2 Class C	Holmes Financing No. 4	BBB/Baa2/BBB	€ 53,800,000	2.76400%	1.45%
Series 3 Class A1	Holmes Financing No. 4	AAA/Aaa/AAA	£550,000,000	4.62688%	0.23%
Series 3 Class A2	Holmes Financing No. 4	AAA/Aaa/AAA	\$410,000,000	5.06825%	0.23%
Series 3 Class B	Holmes Financing No. 4	AA/Aa3/AA	\$34,500,000	5.06825%	0.44%
Series 3 Class C	Holmes Financing No. 4	BBB/Baa2/BBB	\$49,500,000	5.06825%	1.30%
Series 4 Class A	Holmes Financing No. 4	AAA/Aaa/AAA	CHF 850,000,000		3.50%
Series 4 Class B	Holmes Financing No. 4	AA/Aa3/AA	£11,000,000	4.62688%	0.43%
Series 4 Class C	Holmes Financing No. 4	BBB/Baa2/BBB	£19,000,000	4.62688%	1.50%
Series 3 Class A 1	Holmes Financing No. 5	AAA/Aaa/AAA	€ 600,000,000		4.25%
Series 3 Class A 2	Holmes Financing No. 5	AAA/Aaa/AAA	£500,000,000	4.62688%	0.23%
Series 3 Class B	Holmes Financing No. 5	AA/Aa3/AA	€ 53,000,000	2.76400%	0.40%
Series 3 Class C	Holmes Financing No. 5	BBB/Baa2/BBB	€ 76,000,000	2.76400%	1.47%
Series 3 Class A	Holmes Financing No. 6	AAA/Aaa/AAA	€ 1,000,000,000	2.76400%	0.24%
Series 3 Class B	Holmes Financing No. 6	AA/Aa3/AA	€ 34,000,000	2.76400%	0.50%
Series 3 Class C	Holmes Financing No. 6	BBB/Baa2/BBB	€ 57,000,000	2.76400%	1.50%
Series 4 Class A 1	Holmes Financing No. 6	AAA/Aaa/AAA	\$1,000,000,000	5.06825%	0.24%
Series 4 Class A 2	Holmes Financing No. 6	AAA/Aaa/AAA	CHF 300,000,000		2.50%
Series 4 Class B	Holmes Financing No. 6	AA/Aa3/AA	\$40,000,000	5.06825%	0.52%
Series 4 Class C	Holmes Financing No. 6	BBB/Baa2/BBB	\$69,000,000	5.06825%	1.55%
Series 5 Class A	Holmes Financing No. 6	AAA/Aaa/AAA	£500,000,000	4.62688%	0.24%
Series 5 Class B	Holmes Financing No. 6	AA/Aa3/AA	£17,000,000	4.62688%	0.52%
Series 5 Class C	Holmes Financing No. 6	BBB/Baa2/BBB	£29,000,000	4.62688%	1.55%
Series 3 Class A	Holmes Financing No. 7	AAA/Aaa/AAA	\$500,000,000	5.06825%	0.23%
Series 3 Class B	Holmes Financing No. 7	AA/Aa3/AA	£15,000,000	4.62688%	0.50%

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Series 3 Class M	Holmes Financing No. 7	A/A2/A	£20,000,000	4.62688%	0.80%
Series 4 Class A 1	Holmes Financing No. 7	AAA/Aaa/AAA	€ 500,000,000	2.76400%	0.26%
Series 4 Class A 2	Holmes Financing No. 7	AAA/Aaa/AAA	£250,000,000	4.62688%	0.26%
Series 4 Class B	Holmes Financing No. 7	AA/Aa3/AA	€ 41,000,000	2.76400%	0.53%
Series 4 Class M	Holmes Financing No. 7	A/A2/A	€ 56,000,000	2.76400%	0.80%
Series 2 Class A	Holmes Financing No. 8	AAA/Aaa/AAA	\$1,500,000,000	5.06825%	0.08%
Series 2 Class B	Holmes Financing No. 8	AA/Aa3/AA	\$51,000,000	5.06825%	0.17%
Series 2 Class C	Holmes Financing No. 8	BBB/Baa2/BBB	\$87,000,000	5.06825%	0.72%
Series 3 Class A	Holmes Financing No. 8	AAA/Aaa/AAA	€ 990,000,000	2.76400%	0.15%
Series 3 Class B	Holmes Financing No. 8	AA/Aa3/AA	€ 34,000,000	2.76400%	0.27%
Series 3 Class C	Holmes Financing No. 8	BBB/Baa2/BBB	€ 57,500,000	2.76400%	0.85%
Series 4 Class A 1	Holmes Financing No. 8	AAA/Aaa/AAA	£900,000,000	4.62688%	0.15%
Series 4 Class A 2	Holmes Financing No. 8	AAA/Aaa/AAA	\$500,000,000	5.06825%	0.14%
Series 4 Class B	Holmes Financing No. 8	AA/Aa3/AA	£39,900,000	4.62688%	0.30%
Series 4 Class C	Holmes Financing No. 8	BBB/Baa2/BBB	£68,000,000	4.62688%	0.90%
Series 1 Class A	Holmes Financing No. 9	AAA/Aaa/AAA	\$1,740,000,000	5.06825%	-0.03%
Series 2 Class A	Holmes Financing No. 9	AAA/Aaa/AAA	\$2,175,000,000	5.06825%	0.06%
Series 3 Class A1	Holmes Financing No. 9	AAA/Aaa/AAA	€ 740,000,000	2.76400%	0.10%
Series 3 Class A2	Holmes Financing No. 9	AAA/Aaa/AAA	£400,000,000	4.62688%	0.09%
Series 4 Class A	Holmes Financing No. 9	AAA/Aaa/AAA	£600,000,000	4.62688%	0.09%

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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	Holmes 9
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	-	-	-	-
05Q1	-	-	750	-	-	-	-	-	-
05Q2	-	-	-	-	-	801	-	1,001	-
05Q3	650	-	-	-	-	-	-	-	-
05Q4	-	125	-	-	-	-	-	-	-
06Q1	-	125	-	-	-	-	803	-	-
06Q2	-	125	-	-	-	-	-	-	-

Outstanding Class A Notes

Expected Redemption	Holmes 1	Holmes 2	Holmes 3	Holmes 4	Holmes 5	Holmes 6	Holmes 7	Holmes 8	Holmes 9
06Q2	-	-	-	-	-	-	-	-	-
06Q3	-	125	500	1,340	-	-	-	-	-
06Q4	-	-	-	350	875	-	-	-	-
07Q1	-	-	-	-	-	-	161	812	1,018
07Q2	-	-	-	-	-	634	161	-	-
07Q3	575	-	-	-	-	-	-	-	-
07Q4	-	300	-	-	-	770	-	-	-
08Q1	-	-	-	-	-	-	-	-	-
08Q2	-	-	-	-	-	500	592	221	-
08Q3	-	-	-	-	-	-	-	221	1,272
08Q4	-	-	-	-	-	-	-	221	-
09Q1	-	-	-	-	-	-	-	1,171	-
09Q2	-	-	-	-	-	-	-	-	-
09Q3	-	-	-	-	-	-	-	-	-
09Q4	-	-	-	-	-	-	-	-	-
10Q1	-	-	-	-	-	-	-	-	453
10Q2	-	-	-	-	-	-	-	-	453
10Q3	250	-	-	-	-	-	-	-	600
10Q4	-	-	-	-	-	-	-	-	-

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