

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 09 October 2003 to 10 November 2003

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 | 354,843 | 23,683,412 |
| Replenishment | 17,522 | 1,328,115 |
| Repurchased | (6,092) | (466,460) |
| Redemptions | (8,826) | (708,857) |
| Losses | (26) | (80) |
| Capitalised Interest | 0 | 2,307 |
| Other Movements | 0 | 0 |
| Carried Forward | 357,421 | 23,838,437 |

| | Cumulative | |
|----------------------|----------------|-------------------|
| | Number | £000's |
| Brought Forward | 115,191 | 6,399,214 |
| Replenishment | 635,116 | 45,510,354 |
| Repurchased | (176,858) | (12,447,590) |
| Redemptions | (215,697) | (15,638,612) |
| Losses | (331) | (748) |
| Capitalised Interest | 0 | 15,819 |
| Other Movements | 0 | 0 |
| Carried Forward | 357,421 | 23,838,437 |

| | Period CPR | Annualised CPR | |
|----------|------------|----------------|---|
| 1 Month | 4.93% | 76.24% | **(including redemptions and repurchases) |
| 3 Month | 15.64% | 80.29% | |
| 12 Month | 65.25% | 65.25% | |

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

Asset Profiles

| | | |
|---------------------------------|------------|-----------------|
| Weighted Average Seasoning | 36.10 | months |
| Weighted Average Loan size | £66,695.68 | |
| Weighted Average LTV | 75.84% | *** (see below) |
| Weighted Average Remaining Term | 18.66 | Years |

Product Type Analysis

| | £000's | % |
|---------------|-------------------|----------------|
| Variable Rate | 9,265,192 | 38.87% |
| Fixed Rate | 4,216,043 | 17.69% |
| Tracker Rate | 10,357,202 | 43.45% |
| | 23,838,437 | 100.00% |

As at 10th November 2003 approximately 7% of the loans were flexible loans

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| <u>Repayment Method Analysis</u> | £000's | % |
|----------------------------------|------------|---------|
| Endowment | 6,603,247 | 27.70% |
| Interest Only | 2,758,107 | 11.57% |
| Repayment | 14,477,083 | 60.73% |
| | 23,838,437 | 100.00% |

As at 10th November 2003 approximately 5% of the loans were Self Certified

| <u>Loan Purpose Analysis</u> | £000's | % |
|------------------------------|------------|---------|
| Purchase | 21,247,199 | 89.13% |
| Remortgage | 2,591,238 | 10.87% |
| | 23,838,437 | 100.00% |

Mortgage Standard Variable Rate

| <u>Effective Date</u> | <u>Rate</u> |
|-----------------------|-------------|
| 01 August 2003 | 5.54% |
| 01 March 2003 | 5.79% |
| 01 November 2002 | 5.94% |

Geographic Analysis

| <u>Region</u> | <u>Number</u> | <u>£000's</u> | <u>%</u> |
|--------------------------|----------------|-------------------|----------------|
| East Anglia | 13,932 | 856,725 | 3.59% |
| East Midlands | 18,954 | 1,076,465 | 4.52% |
| Greater London | 60,356 | 5,227,866 | 21.93% |
| North | 14,868 | 719,780 | 3.02% |
| North West | 40,694 | 2,112,386 | 8.86% |
| Scotland | 23,010 | 1,221,983 | 5.13% |
| South East | 92,679 | 7,386,185 | 30.98% |
| South West | 27,510 | 1,800,533 | 7.55% |
| Wales | 17,847 | 884,130 | 3.71% |
| West Midlands | 24,409 | 1,393,450 | 5.85% |
| Yorkshire and Humberside | 22,251 | 1,103,833 | 4.63% |
| Unknown | 911 | 55,101 | 0.23% |
| Total | 357,421 | 23,838,437 | 100.00% |

Original LTV Bands

| <u>Range</u> | <u>Number</u> | <u>£000's</u> | <u>%</u> |
|---------------|----------------|-------------------|----------------|
| 0.00 - 25.00 | 7,462 | 302,442 | 1.27% |
| 25.01 - 50.00 | 44,978 | 2,481,238 | 10.41% |
| 50.01 - 75.00 | 105,708 | 7,556,576 | 31.70% |
| 75.01 - 80.00 | 19,503 | 1,432,310 | 6.01% |
| 80.01 - 85.00 | 25,162 | 1,917,656 | 8.04% |
| 85.01 - 90.00 | 52,696 | 4,062,334 | 17.04% |
| 90.01 - 95.00 | 101,912 | 6,085,881 | 25.53% |
| Total | 357,421 | 23,838,437 | 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 | 347,723 | 23,238,821 | (3,651) | 97.50% |
| 1.00 - 1.99 months | 5,934 | 367,426 | 2,842 | 1.54% |
| 2.00 - 2.99 months | 1,614 | 100,170 | 1,430 | 0.42% |
| 3.00 - 3.99 months | 855 | 51,046 | 1,055 | 0.21% |
| 4.00 - 4.99 months | 428 | 25,577 | 674 | 0.11% |
| 5.00 - 5.99 months | 246 | 14,663 | 485 | 0.06% |
| 6.00 -11.99 months | 487 | 29,025 | 1,346 | 0.12% |
| 12 months and over | 55 | 3,532 | 302 | 0.01% |
| Properties in Possession | 79 | 3,410 | 284 | 0.01% |
| Total | 357,421 | 23,833,670 | 4,767 | 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 | 14,060,014 | 9,623,398 |
| Replenishment of Assets | 0 | 1,328,115 |
| Acquisition by Funding | 0 | 0 |
| Distribution of Principal Receipts | (695,294) | (480,023) |
| Allocation of Losses | (47) | (33) |
| Share of Capitalised Interest | 1,370 | 937 |
| Payment Re Capitalised Interest | (1,370) | 1,370 |
| Balance Carried Forward | 13,364,673 | 10,473,764 |
| | | |
| Carried Forward Percentage | 56.06355% | 43.93645% |
| | | |
| Minimum Seller Share | 953,537 | 4.00% |

Cash Accumulation Ledger

| | £000's |
|--------------------------------|---|
| Brought Forward | 896,669 |
| Additional Amounts Accumulated | 695,341 |
| Payment of Notes | (896,646) |
| Carried Forward | 695,364 |
| | |
| Target Balance | 695,317 payable on 15th January 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 |

| <u>Excess Spread</u> | |
|----------------------|---------|
| Quarter to 15/10/03 | 0.4766% |
| Quarter to 15/07/03 | 0.4620% |
| Quarter to 15/04/03 | 0.6113% |
| Quarter to 15/01/03 | 0.5960% |

| <u>Reserve Funds</u> | First Reserve | Second Reserve |
|----------------------------------|-----------------|-----------------|
| Balance as at 15/10/2003 | £238,731,086.30 | £56,890,739.99 |
| Required Amount as at 15/10/2003 | £350,000,000.00 | £153,217,750.00 |
| Percentage of Notes | 1.78% | 0.42% |

Properties in Possession

Stock

| | Current Period | |
|----------------------|----------------|---------|
| | Number | £000's |
| Brought Forward | 75 | 3,467 |
| Reposessed in Period | 26 | 1,574 |
| Sold in Period | (22) | (1,347) |
| Carried Forward | 79 | 3,694 |

| | Cumulative | |
|--------------------|------------|----------|
| | Number | £000's |
| Reposessed to date | 418 | 21,574 |
| Sold to date | (339) | (17,880) |
| Carried Forward | 79 | 3,694 |

Repossession Sales Information

| | | |
|---------------------------------|--------|------|
| Average time Possession to Sale | 79 | Days |
| Average arrears at time of Sale | £3,225 | |

MIG Claim Status

| | Number | £000's |
|------------------------|--------|--------|
| MIG Claims made | 174 | 1,288 |
| MIG Claims outstanding | 3 | 15 |

| | |
|-------------------------------|----|
| 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 | - |

Outstanding Class A Notes

| Expected Redemption | Holmes 1 | Holmes 2 | Holmes 3 | Holmes4 | Holmes 5 | Holmes 6 | Holmes 7 |
|---------------------|----------|----------|----------|---------|----------|----------|----------|
| 03Q4 | - | - | - | - | - | - | - |
| 04Q1 | - | 176 | - | 191 | - | - | 241 |
| 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

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

