

Holmes Financing No 1 plc, Holmes Financing No 2 plc,
Holmes Financing No 3 plc and Holmes Financing No 4 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 9th October 2001 to 8th November 2001

All values are expressed in thousands of pounds sterling unless otherwise stated

Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

| | Current Period | |
|-----------------|----------------|------------|
| | Number | £000's |
| Brought Forward | 203,824 | 11,960,466 |
| Replenishment | 88,154 | 6,316,801 |
| Repurchased | (2,118) | (160,710) |
| Redemptions | (4,970) | (263,399) |
| Other Movements | 0 | 0 |
| Carried Forward | 284,890 | 17,853,158 |

| | Cumulative | |
|-----------------|------------|-------------|
| | Number | £000's |
| Brought Forward | 115,191 | 6,399,214 |
| Replenishment | 231,350 | 15,457,125 |
| Repurchased | (25,940) | (1,679,931) |
| Redemptions | (35,711) | (2,323,250) |
| Other Movements | 0 | 0 |
| Carried Forward | 284,890 | 17,853,158 |

| | | |
|-------------------------|--------|--|
| Annualised 1 Month CPR | 31.84% | ** (including redemptions and repurchases) |
| Annualised 3 Month CPR | 32.79% | |
| Annualised 12 Month CPR | 19.69% | |

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

Asset Profiles

| | | |
|---------------------------------|--------------|-----------------|
| Weighted Average Seasoning | 35.15 Months | *** (see below) |
| Weighted Average Loan size | £62,666.85 | |
| Weighted Average LTV | 78.96% | |
| Weighted Average Remaining Term | 19.45 Years | |

Product Type Analysis

| | £000's | % |
|--------------------|------------|---------|
| Variable Rate | 12,120,509 | 67.89% |
| Fixed Rate | 5,732,649 | 32.11% |
| Tracker Rate | 0 | 0.00% |
| Flexible Mortgages | 0 | 0.00% |
| | 17,853,158 | 100.00% |

Mortgage Standard Variable Rate

| | | |
|----------------|-------------------|------------------|
| Rate | 6.75% | 6.50% |
| Effective Date | 01 September 2001 | 01 November 2001 |

Geographic Analysis

| Region | Number | £000's | % |
|----------------|--------|-----------|--------|
| East Anglia | 11,073 | 609,118 | 3.41% |
| East Midlands | 15,092 | 790,533 | 4.43% |
| Greater London | 55,201 | 4,282,299 | 23.99% |
| North West | 33,451 | 1,660,922 | 9.30% |
| North | 13,051 | 603,514 | 3.38% |
| South East | 81,262 | 5,934,945 | 33.24% |
| South West | 22,577 | 1,336,533 | 7.49% |

| | | | |
|--------------------------|----------------|-------------------|----------------|
| Wales | 14,118 | 660,633 | 3.70% |
| West Midlands | 18,851 | 1,025,550 | 5.74% |
| Yorkshire and Humberside | 20,106 | 941,487 | 5.27% |
| Unknown | 108 | 7,624 | 0.04% |
| Total | 284,890 | 17,853,158 | 100.00% |

Abbey National has reallocated a number of Post Codes to different Geographical regions from those used in the prospectus and therefore some minor changes to distribution may be seen.

Original LTV Bands

| Range | Number | £000's | % |
|---------------|----------------|-------------------|----------------|
| 0.00 - 25.00 | 3,758 | 148,768 | 0.83% |
| 25.01 - 50.00 | 27,630 | 1,398,426 | 7.83% |
| 50.01 - 75.00 | 69,248 | 4,604,706 | 25.79% |
| 75.01 - 80.00 | 14,794 | 1,029,122 | 5.76% |
| 80.01 - 85.00 | 18,789 | 1,343,380 | 7.52% |
| 85.01 - 90.00 | 41,868 | 3,077,027 | 17.24% |
| 90.01 - 95.00 | 108,803 | 6,251,729 | 35.02% |
| Total | 284,890 | 17,853,158 | 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.

Arrears

| Band | Number | Principal £000's | Overdue £000's | % |
|--------------------------|----------------|-------------------|----------------|----------------|
| Current | 280,184 | 17,606,182 | (388) | 98.63% |
| 1.00 - 1.99 months | 3,157 | 164,056 | 1,344 | 0.92% |
| 2.00 - 2.99 months | 727 | 38,915 | 586 | 0.22% |
| 3.00 - 3.99 months | 308 | 16,537 | 347 | 0.09% |
| 4.00 - 4.99 months | 183 | 9,156 | 257 | 0.05% |
| 5.00 - 5.99 months | 120 | 5,844 | 206 | 0.03% |
| 6.00 - 11.99 months | 169 | 7,614 | 370 | 0.04% |
| 12 months and over | 19 | 942 | 105 | 0.01% |
| Properties in Possession | 23 | 1,014 | 71 | 0.01% |
| Total | 284,890 | 17,850,260 | 2,898 | 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.

Shares of Trust last Distribution Date (8th November 2001)

| | £000's | % |
|---------------|-------------------|-------------------|
| Funding Share | 11,973,516 | 67.06666% |
| Seller Share | 5,879,642 | 32.93334% |
| | 17,853,158 | 100.00000% |

| | | |
|----------------------|---------|-------|
| Minimum Seller Share | 714,487 | 4.00% |
|----------------------|---------|-------|

Cash Accumulation Ledger

| | £000's |
|--------------------------------|--------|
| Brought Forward | 0 |
| Additional Amounts Accumulated | 0 |
| Payment of Notes | 0 |
| Carried Forward | 0 |

Excess Spread

| | |
|-----------------------|---------|
| Quarter to 16/10/2001 | 0.4621% |
| Quarter to 16/7/2001 | 0.6650% |
| Quarter to 16/4/2001 | 0.8645% |

Reserve Funds

| | First Reserve | Second Reserve |
|--------------------------|-----------------|----------------|
| Balance as at 15/10/2001 | £127,075,547.00 | £19,000,000.00 |
| Percentage of Notes | 1.06% | 0.16% |

Properties in PossessionStock

| | Current Period | |
|-----------------------|----------------|--------|
| | Number | £000's |
| Brought Forward | 26 | 1,169 |
| Repossessed in Period | 9 | 442 |
| Sold in Period | (12) | (526) |
| Carried Forward | 23 | 1,085 |

| | Cumulative | |
|---------------------|------------|---------|
| | Number | £000's |
| Repossessed to date | 58 | 2,618 |
| Sold to date | (35) | (1,533) |
| Carried Forward | 23 | 1,085 |

Repossession Sales Information

| | | |
|---------------------------------|-----------|------|
| Average time Possession to Sale | 77 | Days |
| Average arrears at time of Sale | £4,742.00 | |

MIG Claim Status

| | Number | £000's |
|------------------------|--------|--------|
| MIG Claims made | 21 | 159 |
| MIG Claims outstanding | 8 | 59 |

| | |
|-------------------------------|---------|
| Average time claim to payment | 23 days |
|-------------------------------|---------|

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 £16 billion