

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 11th September 2001 to 8th October 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	204,165	11,967,948
Replenishment	5,891	413,599
Repurchased	(2,494)	(171,281)
Redemptions	(3,738)	(249,800)
Other Movements	0	0
Carried Forward	203,824	11,960,466

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	143,196	9,140,324
Repurchased	(23,822)	(1,519,221)
Redemptions	(30,741)	(2,059,851)
Other Movements	0	0
Carried Forward	203,824	11,960,466

Annualised 1 Month CPR	50.29%	** (including redemptions and repurchases)
Annualised 3 Month CPR	53.02%	
Annualised 12 Month CPR	26.96%	

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

Asset Profiles

Weighted Average Seasoning	37 Months	*** (see below)
Weighted Average Loan size	£58,680.36	
Weighted Average LTV	79.25%	
Weighted Average Remaining Term	19	

Product Type Analysis

	£000's	%
Variable Rate	7,793,440	65.16%
Fixed Rate	4,167,026	34.84%
Tracker Rate	0	0.00%
Flexible Mortgages	0	0.00%
	11,960,466	100.00%

Mortgage Standard Variable Rate

Rate	7.00%	6.75%
Effective Date	01 June 2001	01 September 2001

Geographic Analysis

Region	Number	£000's	%
East Anglia	7,758	404,260	3.38%
East Midlands	11,017	547,557	4.58%
Greater London	37,516	2,694,520	22.53%
North West	9,826	435,494	3.64%
North	24,504	1,168,560	9.77%
South East	56,306	3,862,058	32.29%

South West	15,489	859,431	7.19%
Wales	10,003	449,613	3.76%
West Midlands	13,947	721,216	6.03%
Yorkshire and Humberside	15,244	687,088	5.74%
Unknown	2,214	130,669	1.09%
Total	203,824	11,960,466	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 July be seen.

Original LTV Bands

Range	Number	£000's	%
0.00 - 25.00	2,507	88,959	0.74%
25.01 - 50.00	19,478	911,348	7.62%
50.01 - 75.00	49,122	3,047,527	25.48%
75.01 - 80.00	10,436	678,563	5.67%
80.01 - 85.00	13,261	889,072	7.43%
85.01 - 90.00	28,855	1,984,457	16.59%
90.01 - 95.00	80,165	4,360,540	36.46%
Total	203,824	11,960,466	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	199,240	11,732,225	284	98.12%
1.00 - 1.99 months	3,139	151,379	1,328	1.27%
2.00 - 2.99 months	686	37,172	572	0.31%
3.00 - 3.99 months	308	15,915	345	0.13%
4.00 - 4.99 months	161	7,529	223	0.06%
5.00 - 5.99 months	105	5,081	186	0.04%
6.00 - 11.99 months	145	6,154	314	0.05%
12 months and over	14	529	61	0.00%
Properties in Possession	26	1,104	65	0.01%
Total	203,824	11,957,088	3,378	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 October 2001)

	£000's	%
Funding Share	9,494,516	79.38249%
Seller Share	2,465,950	20.61751%
	11,960,466	100.00000%

Minimum Seller Share	478,419	4.00%
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Cash Accumulation Ledger

	£000's
Brought Forward	0
Additional Amounts Accumulated	0

Payment of Notes	0
Carried Forward	0

Excess Spread

Quarter to 16/7/2001	0.6650%
Quarter to 16/4/2001	0.8645%
Quarter to 16/1/2001	0.6047%

The introduction of Holmes Financing No's 3 & 4 reduced the excess spread for the interest period to 16th July 2001 due to the difference in days between the assets and liabilities that occurs in the first interest period.

Reserve Funds

	First Reserve	Second Reserve
Balance as at 16/7/2001	£98,222,138.00	£19,000,000.00
Percentage of Notes	1.03%	0.20%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	22	777
Repossessed in Period	10	583
Sold in Period	(6)	(191)
Carried Forward	26	1,169

	Cumulative	
	Number	£000's
Repossessed to date	49	2,176
Sold to date	(23)	(1,007)
Carried Forward	26	1,169

Repossession Sales Information

Average time Possession to Sale	74	Days
Average arrears at time of Sale	£4,370.00	

MIG Claim Status

	Number	£000's
MIG Claims made	13	100
MIG Claims outstanding	3	24

Average time claim to payment	22 days
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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 £9 billion