

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  
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited  
**For Period 11th December 2001 to 8th January 2002**

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	285,734	17,887,313
Replenishment	7,138	511,511
Repurchased	(1,958)	(148,062)
Redemptions	(5,218)	(296,582)
Other Movements	0	26
Carried Forward	285,696	17,954,206

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	249,853	16,780,490
Repurchased	(33,377)	(2,184,139)
Redemptions	(45,971)	(3,041,385)
Other Movements	0	26
Carried Forward	285,696	17,954,206

Annualised 1 Month CPR	33.38%	** ( including redemptions and repurchases )
Annualised 3 Month CPR	41.64%	
Annualised 12 Month CPR	25.15%	

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

Asset Profiles

Weighted Average Seasoning	36.82	
Weighted Average Loan size	£62,843.74	
Weighted Average LTV	79.09%	*** (see below)
Weighted Average Remaining Term	19.32 years	

Product Type Analysis

	£000's	%
Variable Rate	11,937,752	66.49%
Fixed Rate	6,016,454	33.51%
Tracker Rate	0	0.00%
Flexible Mortgages	0	0.00%
	17,954,206	100.00%

Mortgage Standard Variable Rate

Effective Date	Rate
01 September 2001	6.75%
01 November 2001	6.50%
01 December 2001	6.10%

Geographic Analysis

Region	Number	£000's	%
East Anglia	11,100	613,547	3.42%
East Midlands	15,167	796,871	4.44%
Greater London	55,158	4,307,104	23.99%
North West	13,143	609,435	3.39%
North	33,747	1,672,898	9.32%
South East	81,247	5,958,504	33.19%
South West	22,647	1,345,175	7.49%

Wales	14,294	669,170	3.73%
West Midlands	18,870	1,027,108	5.72%
Yorkshire and Humberside	20,194	945,083	5.26%
Unknown	129	9,311	0.05%
<b>Total</b>	<b>285,696</b>	<b>17,954,206</b>	<b>100.00%</b>

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	3,760	149,088	0.83%
25.01 - 50.00	27,052	1,372,665	7.65%
50.01 - 75.00	69,663	4,635,391	25.82%
75.01 - 80.00	14,889	1,036,143	5.77%
80.01 - 85.00	19,008	1,361,198	7.58%
85.01 - 90.00	42,403	3,126,275	17.41%
90.01 - 95.00	108,921	6,273,446	34.94%
<b>Total</b>	<b>285,696</b>	<b>17,954,206</b>	<b>100.00%</b>

\*\*\* 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	Overdue	%
Current	279,820	17,634,182	(1,863)	98.23%
1.00 - 1.99 months	4,002	221,072	1,674	1.23%
2.00 - 2.99 months	870	46,996	680	0.26%
3.00 - 3.99 months	387	20,301	425	0.11%
4.00 - 4.99 months	192	9,553	269	0.05%
5.00 - 5.99 months	139	6,999	232	0.04%
6.00 - 11.99 months	232	10,416	506	0.06%
12 months and over	27	1,135	134	0.01%
Properties in Possession	27	1,381	114	0.01%
<b>Total</b>	<b>285,696</b>	<b>17,952,035</b>	<b>2,171</b>	<b>100.00%</b>

#### 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 January 2002)

	£000's	%
Funding Share	11,973,516	66.68920%
Seller Share	5,980,690	33.31080%
	17,954,206	100.00000%

Minimum Seller Share	718,008	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 16/10/2001	0.4621%
Quarter to 16/7/2001	0.6650%

Quarter to 16/4/2001 

0.8645%
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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 Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	29	1,453
Repossessed in Period	2	195
Sold in Period	(4)	(153)
Carried Forward	27	1,495

	Cumulative	
	Number	£000's
Repossessed to date	72	3,441
Sold to date	(45)	(1,946)
Carried Forward	27	1,495

Repossession Sales Information

Average time Possession to Sale 

79
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 Days

Average arrears at time of Sale 

£4,526.00
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MIG Claim Status

	Number	£000's
MIG Claims made	30	229
MIG Claims outstanding	0	0

Average time claim to payment 

23 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 £16 billion