

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 10 September 2002 to 09 October 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	288,036	17,769,990
Replenishment	14,376	1,091,764
Repurchased	(4,931)	(605,857)
Redemptions	(11,185)	(461,460)
Losses	(18)	(42)
Other Movements	0	0
Carried Forward	286,278	17,794,395

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	350,961	23,926,479
Repurchased	(76,328)	(5,555,715)
Redemptions	(103,411)	(6,975,196)
Losses	(135)	(387)
Other Movements	0	0
Carried Forward	286,278	17,794,395

Annualised 1 Month CPR	98.55%	**(including redemptions and repurchases)
Annualised 3 Month CPR	85.82%	
Annualised 12 Month CPR	50.31%	

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

Asset Profiles

Weighted Average Seasoning	39.59	
Weighted Average Loan size	£62,157.75	
Weighted Average LTV	77.85%	*** (see below)
Weighted Average Remaining Term	19.06	

Product Type Analysis

	£000's	%
Variable Rate	11,262,737	63.29%
Fixed Rate	5,419,585	30.46%
Tracker Rate	1,112,072	6.25%
Flexible Mortgages	0	0.00%
	17,794,395	100.00%

Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 December 2001	6.10%

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Geographic Analysis

Region	Number	£000's	%
East Anglia	11,093	616,405	3.46%
East Midlands	15,524	807,503	4.54%
Greater London	52,811	4,153,208	23.34%
North	13,564	618,668	3.48%
North West	35,698	1,741,768	9.79%
South East	77,668	5,687,936	31.96%
South West	22,559	1,347,627	7.57%
Wales	15,322	707,708	3.98%
West Midlands	19,865	1,053,681	5.92%
Yorkshire and Humberside	20,278	931,002	5.23%
Unknown	1,896	128,889	0.72%
Total	286,278	17,794,395	100.00%

Original LTV Bands

Range	Number	£000's	%
0.00 - 25.00	4,264	169,587	0.95%
25.01 - 50.00	28,004	1,418,090	7.97%
50.01 - 75.00	68,860	4,542,268	25.53%
75.01 - 80.00	14,784	1,019,512	5.73%
80.01 - 85.00	18,836	1,331,664	7.48%
85.01 - 90.00	41,057	2,971,813	16.70%
90.01 - 95.00	110,473	6,341,461	35.64%
Total	286,278	17,794,395	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	Overdue	%
Current	277,975	17,338,910	(2,680)	97.46%
1.00 - 1.99 months	5,465	298,037	2,466	1.68%
2.00 - 2.99 months	1,294	71,765	1,058	0.40%
3.00 - 3.99 months	570	30,823	644	0.17%
4.00 - 4.99 months	362	21,026	577	0.12%
5.00 - 5.99 months	214	10,643	368	0.06%
6.00 - 11.99 months	330	17,356	856	0.10%
12 months and over	24	907	142	0.01%
Properties in Possession	44	1,365	132	0.01%
Total	286,278	17,790,832	3,563	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.

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Shares of Trust last Distribution Date (09 October 2002)

	£000's	%
Funding Share	10,505,815	59.04002%
Seller Share	7,288,580	40.95998%
	17,794,395	100.00000%

Minimum Seller Share	711,617	4.00%
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Cash Accumulation Ledger

	£000's
Brought Forward	412,676
Additional Amounts Accumulated	25
Payment of Notes	0
Carried Forward	412,701

Liquidity Facilities Amounts Drawn

Holmes Funding	£0
Holmes Financing 1	£0
Holmes Financing 2	£0
Holmes Financing 3	£0
Holmes Financing 4	£0
Holmes Financing 5	£0

Excess Spread

Quarter to 15/7/2002	0.5891%
Quarter to 15/4/2002	0.5414%
Quarter to 15/1/2002	0.5487%
Quarter to 16/10/2001	0.4621%

Reserve Funds

	First Reserve	Second Reserve
Balance as at 15/7/2002	£185,000,000.00	£30,059,959.55
Required Amount as at 15/7/2002	£185,000,000.00	£73,825,687.00
Percentage of Notes	1.75%	0.28%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	44	1,426
Reposessed in Period	12	848
Sold in Period	(12)	(777)
Carried Forward	44	1,497

	Cumulative	
	Number	£000's
Reposessed to date	196	9,040
Sold to date	(152)	(7,543)
Carried Forward	44	1,497

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Repossession Sales Information

Average time Possession to Sale	80	Days
Average arrears at time of Sale	£3,059	

MIG Claim Status

	Number	£000's
MIG Claims made	101	751
MIG Claims outstanding	15	101

Average time claim to payment	31
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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