

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 August 2001 to 10th September 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	204,668	12,010,019
Replenishment	6,250	435,825
Repurchased	(2,935)	(170,728)
Redemptions	(3,818)	(307,168)
Other Movements	0	0
Carried Forward	<b>204,165</b>	<b>11,967,948</b>

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	137,305	<b>8,726,725</b>
Repurchased	(21,328)	<b>(1,347,940)</b>
Redemptions	(27,003)	<b>(1,810,051)</b>
Other Movements	0	0
Carried Forward	<b>204,165</b>	<b>11,967,948</b>

Annualised 1 Month CPR	58.57%	**( including redemptions and repurchases )
Annualised 3 Month CPR	52.38%	
Annualised 12 Month CPR	24.10%	

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

Asset Profiles

Weighted Average Seasoning	<b>37 Months</b>	*** (see below)
Weighted Average Loan size	£58,619.00	
Weighted Average LTV	<b>79.26%</b>	
Weighted Average Remaining Term	<b>19</b>	

Product Type Analysis

	£000's	%
Variable Rate	7,821,054	<b>65.35%</b>
Fixed Rate	4,146,894	<b>34.65%</b>
Tracker Rate	0	<b>0.00%</b>
Flexible Mortgages	0	<b>0.00%</b>
	<b>11,967,948</b>	<b>100.00%</b>

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	<b>7,812</b>	<b>406,851</b>	3.40%
East Midlands	<b>11,123</b>	<b>553,408</b>	4.62%

Greater London	38,047	2,727,807	22.79%
North West	9,928	439,006	3.67%
North	25,116	1,199,754	10.02%
South East	57,022	3,900,667	32.59%
South West	15,613	864,201	7.22%
Wales	9,961	448,012	3.74%
West Midlands	14,095	729,054	6.09%
Yorkshire and Humberside	15,348	692,170	5.78%
Unknown	100	7,018	0.06%
Total	204,165	11,967,948	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	2,491	88,950	0.74%
25.01 - 50.00	19,404	910,252	7.61%
50.01 - 75.00	49,198	3,053,171	25.51%
75.01 - 80.00	10,451	676,365	5.65%
80.01 - 85.00	13,308	886,224	7.40%
85.01 - 90.00	28,694	1,968,838	16.45%
90.01 - 95.00	80,619	4,384,148	36.63%
Total	204,165	11,967,948	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	£000's	£000's	%
Current	200,053	11,761,689	279	98.30%
1.00 - 1.99 months	2,787	137,330	1,208	1.15%
2.00 - 2.99 months	654	35,026	527	0.29%
3.00 - 3.99 months	257	12,762	287	0.11%
4.00 - 4.99 months	144	6,714	192	0.06%
5.00 - 5.99 months	80	3,912	134	0.03%
6.00 - 11.99 months	137	6,203	320	0.05%
12 months and over	14	532	56	0.00%
Properties in Possession	39	731	46	0.01%
Total	204,165	11,964,899	3,049	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 (10th September 2001)

	£000's	%
Funding Share	9,494,516	79.33286%
Seller Share	2,473,432	20.66714%
	11,967,948	100.00000%

Minimum Seller Share	478,389	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.

	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	17	846
Repossessed in Period	10	315
Sold in Period	(5)	(384)
Carried Forward	22	777

	Cumulative	
	Number	£000's
Repossessed to date	39	1,593
Sold to date	(17)	(816)
Carried Forward	22	777

Repossession Sales Information

Average time Possession to Sale	75	Days
Average arrears at time of Sale	£2,346.00	

MIG Claim Status

	Number	£000's
MIG Claims made	10	76
MIG Claims outstanding	0	0

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