

Holmes Financing No 1 plc, Holmes Financing No 2 plc and Holmes Financing No 3 plc  
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited  
For Period 9th May 2001 to 8th June 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	116,346	6,402,436
Replenishment	90,170	5,675,175 *
Repurchased	(3,614)	(239,903)
Redemptions	(1,952)	(223,879)
Other Movements	0	333
Carried Forward	200,950	11,614,162

\* This replenishment represents loans added to the Trust on the 23rd May in conjunction with the closing date of Holmes Financing No 3 plc

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	112,731	7,032,505
Repurchased	(12,796)	(804,400)
Redemptions	(14,176)	(1,013,156)
Other Movements	0	(1)
Carried Forward	200,950	11,614,162

Annualised 1 Month CPR	58.57%	**( including redemptions and repurchases )
Annualised 3 Month CPR	29.58%	
Annualised 12 Month CPR	N/A	

\*\* 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 months	*** (see below)
Weighted Average Loan size	£57,796.28	
Weighted Average LTV	79.23%	
Weighted Average Remaining Term	19	

Product Type Analysis

	£000's	%
Variable Rate	7,270,465	62.60%
Fixed Rate	4,343,697	37.40%
Tracker Rate	0	0.00%
Flexible Mortgages	0	0.00%
	11,614,162	100.00%

Mortgage Standard Variable Rate

Rate	7.74%	7.25%	7.00%
Effective Date	01 March 2000	01 May 2001	01 June 2001

Geographic Analysis

Region	Number	£000's	%
East Anglia	7,778	398,754	3.43%
East Midlands	11,051	540,899	4.66%
Greater London	37,035	2,592,101	22.32%

North West	24,450	1,163,344	10.02%
North	9,881	437,765	3.77%
South East	56,562	3,814,351	32.84%
South West	15,406	839,867	7.23%
Wales	9,471	421,929	3.63%
West Midlands	14,089	720,890	6.21%
Yorkshire and Humberside	15,133	678,184	5.84%
Unknown	94	6,078	0.05%
<b>Total</b>	<b>200,950</b>	<b>11,614,162</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	2,381	83,694	0.72%
25.01 - 50.00	18,835	873,419	7.52%
50.01 - 75.00	48,498	2,969,874	25.57%
75.01 - 80.00	10,317	656,682	5.65%
80.01 - 85.00	13,232	868,293	7.48%
85.01 - 90.00	27,200	1,826,134	15.72%
90.01 - 95.00	80,487	4,336,066	37.33%
<b>Total</b>	<b>200,950</b>	<b>11,614,162</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	£000's	£000's	%
Current	196,978	11,424,385	1,691	98.40%
1.00 - 1.99 months	2,907	134,234	1,252	1.16%
2.00 - 2.99 months	567	28,585	452	0.25%
3.00 - 3.99 months	206	9,415	212	0.08%
4.00 - 4.99 months	86	4,190	123	0.04%
5.00 - 5.99 months	67	3,472	124	0.03%
6.00 - 11.99 months	115	4,904	263	0.04%
12 months and over	10	449	45	0.00%
Properties in Possession	14	345	21	0.00%
<b>Total</b>	<b>200,950</b>	<b>11,609,979</b>	<b>4,183</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 June 2001)

	£000's	%
Funding Share	6,827,516	58.78613%
Seller Share	4,786,646	41.21387%
	11,614,162	100.00000%

Minimum Seller Share	464,399	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 16/4/2001	0.8645%
Quarter to 16/1/2001	0.6047%

The introduction of Holmes Financing No 2 plc slightly reduced the excess spread for the interest period to 16th January 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 23/5/2001	£46,145,194.58	£0.00
Percentage of Notes	0.68%	0.00%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	8	280
Repossessed in Period	4	116
Sold in Period	(3)	(86)
Carried Forward	9	310

	Cumulative	
	Number	£000's
Repossessed to date	14	463
Sold to date	(5)	(153)
Carried Forward	9	310

Repossession Sales Information

Average time Possession to Sale	80 Days
Average arrears at time of Sale	£1,561.00

MIG Claim Status

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

Average time claim to payment	24 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 £9 billion