

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 July 2001 to 9th August 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	206,659	12,090,298
Replenishment	5,460	374,497
Repurchased	(2,935)	(200,308)
Redemptions	(4,516)	(254,468)
Other Movements	0	0
Carried Forward	204,668	12,010,019

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	131,055	8,290,900
Repurchased	(18,393)	(1,177,212)
Redemptions	(23,185)	(1,502,883)
Other Movements	0	0
Carried Forward	204,668	12,010,019

Annualised 1 Month CPR	54.90%	**(including redemptions and repurchases)
Annualised 3 Month CPR	51.53%	
Annualised 12 Month CPR	23.26%	

** 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 Months	*** (see below)
Weighted Average Loan size	£58,680.49	
Weighted Average LTV	79.22%	
Weighted Average Remaining Term	19	

Product Type Analysis

	£000's	%
Variable Rate	7,598,739	63.27%
Fixed Rate	4,411,280	36.73%
Tracker Rate	0	0.00%
Flexible Mortgages	0	0.00%
	12,010,019	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	7,871	408,959	3.41%
East Midlands	11,199	557,036	4.64%

Greater London	38,150	2,729,716	22.73%
North West	25,099	1,203,512	10.02%
North	9,947	441,616	3.68%
South East	57,285	3,923,108	32.67%
South West	15,657	868,873	7.23%
Wales	9,858	442,913	3.69%
West Midlands	14,171	734,287	6.11%
Yorkshire and Humberside	15,335	693,397	5.77%
Unknown	96	6,602	0.05%
Total	204,668	12,010,019	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 June be seen.

Original LTV Bands

Range	Number	£000's	%
0.00 - 25.00	2,476	88,487	0.74%
25.01 - 50.00	19,282	906,021	7.54%
50.01 - 75.00	49,257	3,058,885	25.47%
75.01 - 80.00	10,483	678,002	5.65%
80.01 - 85.00	13,359	889,580	7.41%
85.01 - 90.00	28,500	1,955,857	16.29%
90.01 - 95.00	81,311	4,433,187	36.91%
Total	204,668	12,010,019	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	200,767	11,810,277	321	98.36%
1.00 - 1.99 months	2,688	136,670	1,180	1.14%
2.00 - 2.99 months	586	31,305	485	0.26%
3.00 - 3.99 months	264	12,432	278	0.10%
4.00 - 4.99 months	115	5,321	155	0.04%
5.00 - 5.99 months	81	4,093	145	0.03%
6.00 - 11.99 months	123	5,522	286	0.05%
12 months and over	15	459	82	0.00%
Properties in Possession	29	1,278	52	0.01%
Total	204,668	12,007,357	2,984	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 (9th July 2001)

	£000's	%
Funding Share	9,494,516	79.05496%
Seller Share	2,515,503	20.94504%
	12,010,019	100.00000%

Minimum Seller Share	480,239	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 has 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 9/8/2001	£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	15	473
Repossessed in Period	7	486
Sold in Period	(5)	(113)
Carried Forward	17	846

	Cumulative	
	Number	£000's
Repossessed to date	29	1,278
Sold to date	(12)	(432)
Carried Forward	17	846

Repossession Sales Information

Average time Possession to Sale	72	Days
Average arrears at time of Sale	£1,880.00	

MIG Claim Status

	Number	£000's
MIG Claims made	8	60
MIG Claims outstanding	3	16

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