

Holmes Master Issuer (Series 2007-1, Series 2007-2, Series 2010-1),  
Periodic Report re Holmes Trustee Limited, Holmes Funding Limited and Holmes Funding 2 Limited  
**For Period 11 January 2011 to 08 February 2011**

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	130,957	13,278,023
Replenishment	0	0
Repurchased	(1,098)	(145,489)
Redemptions	(986)	(156,643)
Losses	(6)	(176)
Capitalised Interest	0	647 (* see below )
Other Movements	0	0
Carried Forward	128,867	12,976,362

\* Capitalised interest refers to interest due met from amounts standing to the credit of overpayment facilities on flexible loans

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	2,001,135	192,813,577
Repurchased	(1,058,669)	(102,077,511)
Redemptions	(927,058)	(84,443,748)
Losses	(1,732)	(55,506)
Capitalised Interest	0	340,336 (* see above )
Other Movements	0	0
Carried Forward	128,867	12,976,362

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Prepayment Rates ( \*\* see below )

	Trust Payment Rate (CPR) - Redemptions	Annualised Trust Payment Rate (CPR)
1 Month	1.18%	13.27%
3 Month	3.23%	12.31%
12 Month	11.12%	11.12%

	Trust Payment Rate (CPR) - Repurchases	Annualised Trust Payment Rate (CPR)
1 Month ***	1.10%	10.86%
3 Month ***	2.65%	9.23%
12 Month ***	11.64%	11.64%

	Trust Payment Rate (CPR) - Redemptions and Repurchases	Annualised Trust Payment Rate (CPR)
1 Month ***	2.28%	24.13%
3 Month ***	5.88%	21.54%
12 Month ***	22.76%	22.76%

\*\* These rates have been calculated as per the method defined in the prospectus.

\*\*\* These rates do not include the Repurchase of loans executed on 7th October, 2010 as part of the Holmes Trust re-structure.

Asset Profiles

Weighted Average Seasoning	55.20	Months	
Weighted Average Loan size	£100,695.77		
Weighted Average LTV	68.54%	*** (see below)	
Weighted Average Indexed LTV (Halifax HPI) *	64.00%		Original Loan and Indexed Original Valuation 71.61%
Weighted Average Indexed LTV (Nationwide HPI) *	62.96%		Original Loan and Indexed Original Valuation 68.27%
Weighted Average Remaining Term	16.66	Years	

Product Type Analysis

	£000's	%
Variable Rate	5,381,297	41.47%
Fixed Rate	3,995,422	30.79%
Tracker Rate	3,599,643	27.74%
	12,976,362	100.00%

As at 08 February 2011 approximately 19.62% of the loans were flexible loans

\* These figures have been calculated on a new and improved valuation basis as per the Special Schedule issued along with the February, 2009 report. The latest AVM update was run in Q4 2010.

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<u>Repayment Method Analysis</u>	£000's	%
Endowment	792,856	6.11%
Interest Only	5,960,043	45.93%
Repayment	6,223,463	47.96%
	12,976,362	100.00%

As at 08 February 2011 approximately 35.76% of the loans were written under Santander's policy of non-income verification

<u>Loan Purpose Analysis</u>	£000's	%
Purchase	5,470,834	42.16%
Remortgage	7,505,528	57.84%
	12,976,362	100.00%

Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 April 2009	4.24%
01 February 2009	4.69%
01 January 2009	4.94%
01 December 2008	5.44%

Geographic Analysis

Region	Number	£000's	%
East Anglia	5,216	476,666	3.67%
East Midlands	5,715	489,647	3.77%
Greater London	26,368	3,569,597	27.51%
North	5,083	362,113	2.79%
North West	15,987	1,270,414	9.79%
Scotland	7,980	572,730	4.41%
South East	29,093	3,366,699	25.94%
South West	10,761	1,082,601	8.34%
Wales	5,685	442,544	3.41%
West Midlands	8,191	687,781	5.30%
Yorkshire and Humberside	8,784	655,479	5.05%
Unknown	4	91	0.00%
Total	128,867	12,976,362	100.00%

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Original LTV Bands

Range	Number	£000's	%	Average Seasoning
0.00 - 25.00	10,607	348,538	2.69%	57.63
25.01 - 50.00	31,074	1,997,476	15.39%	59.84
50.01 - 75.00	49,321	5,527,893	42.60%	53.61
75.01 - 80.00	6,607	897,467	6.92%	54.03
80.01 - 85.00	11,448	1,714,585	13.21%	48.93
85.01 - 90.00	13,410	1,944,462	14.98%	53.13
90.01 - 95.00	6,400	545,941	4.21%	81.65
Total	128,867	12,976,362	100.00%	55.20

\*\*\* 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	123,299	12,290,936	1,086	94.81%
1.00 - 1.99 months	2,611	317,464	2,024	2.45%
2.00 - 2.99 months	947	115,242	1,399	0.89%
3.00 - 3.99 months	534	65,664	1,120	0.51%
4.00 - 4.99 months	321	37,411	823	0.29%
5.00 - 5.99 months	229	26,514	725	0.20%
6.00 - 11.99 months	590	70,181	2,552	0.54%
12 months and over	239	27,127	2,120	0.21%
Properties in Possession	97	13,045	929	0.10%
Total	128,867	12,963,584	12,778	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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Movement in Shares of Trust

	Funding 1	Funding 2	Seller
	£000's	£000's	£000's
Balance Brought Forward	8,430,083	0	4,847,940
Replenishment of Assets	0	0	0
Acquisition by Funding	0	0	0
Distribution of Principal Receipts	(237,696)	0	(64,436)
Allocation of Losses	(112)	0	(64)
Share of Capitalised Interest	412	0	235
Payment Re Capitalised Interest	(412)	0	412
Balance Carried Forward	<u>8,192,275</u>	<u>0</u>	<u>4,784,087</u>

Carried Forward Percentage	63.13229%	0.00000%	36.86771%
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Minimum Seller Share	861,181	6.64%
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Cash Accumulation Ledger

	Funding 1	Funding 2
	£000's	£000's
Brought Forward	214,371	0
Additional Amounts Accumulated	237,808	0
Payment of Notes	(212,833)	0
Carried Forward	<u>239,346</u>	<u>0</u>

Target Balance	3,302,684	-	payable on 15th April, 2011
	-	-	
	-	-	
	<u>3,302,684</u>	<u>0</u>	

Excess Spread \*

	Funding 1	Funding 2
Quarter to 18/01/2011	2.3149%	n/a
Quarter to 15/10/2010	0.9587%	0.0132%
Quarter to 15/7/2010	1.1084%	0.9851%
Quarter to 15/4/2010	1.0319%	0.9799%

\*In order to more accurately show the credit support available to note holders in Holmes, excess spread is now reported as all excess revenue at and under the payments of start-up loans in the Funding pre-enforcement revenue priority of payments. The previous measure was an amount net of payments that in reality were subordinated to revenue that investors could use if ever required.

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Funding 1 Reserve Funds

	First Reserve	Second Reserve	Third Reserve	Funding Reserve
Balance as at 18/01/2011	£400,000,000.00	£0.00	£0.00	£0.00
Required Amount as at 18/01/2011	£400,000,000.00	£0.00	£0.00	£0.00
Percentage of Notes	4.74%	0.00%	0.00%	0.00%
Percentage of Funding Share	4.88%	0.00%	0.00%	0.00%

Funding 2 Reserve Funds

	First Reserve	Second Reserve	Third Reserve	Funding Reserve
Balance as at 8/10/2010	£0.00	£0.00	£0.00	£0.00
Required Amount as at 8/10/2010	£0.00	£0.00	£0.00	£0.00
Percentage of Notes	0.00%	0.00%	0.00%	0.00%
Percentage of Funding Share	0.00%	0.00%	0.00%	0.00%

Funding 1 Redemption Reserve Ledger

	First Reserve
Balance as at 08 February 2011	£5,501,099,000.00

Notes Outstanding

	Funding 1		Funding 2	
	£000's	Enhancement	£000's	Enhancement
AAA Notes Outstanding	7,831,111	7.12%	0	0.00%
AA Notes Outstanding	0	7.12%	0	0.00%
A Notes Outstanding	0	7.12%	0	0.00%
BBB Notes Outstanding	0	7.12%	0	0.00%
BB Notes Outstanding	0	7.12%	0	0.00%
NR Notes Outstanding	600,000	0.00%	0	0.00%
Total	8,431,111		0	

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Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	77	10,433
Repossessed in Period	34	4,571
Repurchased in Period	0	0
Sold in Period	(14)	(1,030)
Carried Forward	97	13,974

	Cumulative	
	Number	£000's
Repossessed to date	4,122	476,838
Repurchased to date	(184)	(26,385)
Sold to date	(3,841)	(436,479)
Carried Forward	97	13,974

Repossession Sales Information

Average time Possession to Sale	109 Days
Average arrears at time of Sale	£7,645

Trigger Events

<b>Asset</b>	
Amount debited to the AAA principal deficiency sub ledger (Funding programme notes outstanding)	None
<b>Non Asset</b>	
Insolvency event occurs in relation to seller	None
Seller's role as servicer terminated & new servicer appointed within 60 days	None
The then current Seller Share is less than the minimum seller's share	None
<b>An arrears trigger event will occur if:</b>	
(i) the outstanding principal balance of the loans in arrears for more than 90 days divided by the outstanding principal balance of all of the loans in the mortgages trust (expressed as a percentage) exceeds 2 per cent. or	None
(ii) the issuing entity does no	
Full details of all trigger events can be found within the Holmes Master Issuer plc offering circular	

Contact Details

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<u>Notes</u>	<u>Deal</u>	<u>Rating (S&amp;P/Moody's/Fitch)</u>	<u>Outstanding</u>	<u>Reference Rate</u>	<u>Margin</u>
Series 3 Class A1	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	\$1,600,000,000	0.30313%	0.08%
Series 3 Class A2	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	€ 1,500,000,000	1.00600%	0.10%
Series 3 Class A3	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	£800,000,000	0.77000%	0.10%
Series 4 Class A	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	\$1,000,000,000	0.30313%	0.10%
Series 3 Class A1	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	\$1,250,000,000	0.30313%	0.08%
Series 3 Class A2	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	€ 1,300,000,000	1.00600%	0.09%
Series 3 Class A3	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	£450,000,000	0.77000%	0.09%
Series 4 Class A1	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	\$750,000,000	0.30313%	0.10%
Series 1 Class A1	Holmes Master Issuer 2010-1	A1+/P-1/A1+	\$500,000,000	0.26125%	0.15%
Series 1 Class A2	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	\$122,081,380	0.30313%	1.40%
Series 1 Class A2	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	\$115,457,441	0.30313%	1.40%
Series 1 Class A2	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	\$109,192,906	0.30313%	1.40%
Series 1 Class A2	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	\$103,268,274	0.30313%	1.40%
Series 1 Class A2	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	\$97,665,104	0.30313%	1.40%
Series 1 Class A2	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	\$92,365,952	0.30313%	1.40%
Series 1 Class A2	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	\$259,968,944	0.30313%	1.40%
Series 1 Class A3	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 67,822,989	1.00600%	1.40%
Series 1 Class A3	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 64,143,023	1.00600%	1.40%
Series 1 Class A3	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 60,662,725	1.00600%	1.40%
Series 1 Class A3	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 57,371,263	1.00600%	1.40%
Series 1 Class A3	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 54,258,391	1.00600%	1.40%
Series 1 Class A3	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 51,314,418	1.00600%	1.40%
Series 1 Class A3	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 144,427,191	1.00600%	1.40%
Series 1 Class A4	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 68,845,516	1.00600%	1.50%
Series 1 Class A4	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 65,110,069	1.00600%	1.50%
Series 1 Class A4	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 61,577,302	1.00600%	1.50%
Series 1 Class A4	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 58,236,216	1.00600%	1.50%
Series 1 Class A4	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 55,076,413	1.00600%	1.50%
Series 1 Class A4	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 52,088,055	1.00600%	1.50%
Series 1 Class A4	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	€ 389,066,429	1.00600%	1.50%
Series 1 Class A5	Holmes Master Issuer 2010-1	AAA/Aaa/AAA	£375,000,000	0.77000%	1.41%
Series 1 Class Z	Holmes Master Issuer 2010-1		£600,000,000	0.77000%	0.90%



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**Retired Class A Notes**

Date Retired	Holmes 1	Holmes 9	Holmes 10	Holmes 2006-1	Holmes 2007-1	Holmes 2007-2	Holmes 2007-3	Holmes 2008-1	Holmes 2008-2	Holmes 2010-1
02Q3	-	-	-	-	-	-	-	-	-	-
02Q4	-	-	-	-	-	-	-	-	-	-
03Q1	-	-	-	-	-	-	-	-	-	-
03Q2	-	-	-	-	-	-	-	-	-	-
03Q3	600	-	-	-	-	-	-	-	-	-
03Q4	-	-	-	-	-	-	-	-	-	-
04Q1	-	-	-	-	-	-	-	-	-	-
04Q2	-	-	-	-	-	-	-	-	-	-
04Q3	-	-	-	-	-	-	-	-	-	-
04Q4	-	-	-	-	-	-	-	-	-	-
05Q1	-	-	-	-	-	-	-	-	-	-
05Q2	-	-	-	-	-	-	-	-	-	-
05Q3	650	-	-	-	-	-	-	-	-	-
05Q4	-	-	-	-	-	-	-	-	-	-
06Q1	-	-	-	-	-	-	-	-	-	-
06Q2	-	-	-	-	-	-	-	-	-	-
06Q3	-	-	-	-	-	-	-	-	-	-
06Q4	-	1,018	-	-	-	-	-	-	-	-
07Q1	-	-	-	-	-	-	-	-	-	-
07Q2	-	-	-	-	-	-	-	-	-	-
07Q3	575	-	679	-	-	-	-	-	-	-
07Q4	-	-	-	-	-	-	-	-	-	-
08Q1	-	-	-	-	771	-	-	-	-	-
08Q2	-	-	388	-	600	715	-	-	-	-
08Q3	-	-	388	-	-	715	-	-	-	-
08Q4	-	1,272	-	-	-	-	-	-	-	-
09Q1	-	-	-	-	-	-	-	-	-	-
09Q2	-	-	342	-	-	-	-	-	-	-
09Q3	-	-	342	397	-	-	-	-	-	-
09Q4	-	-	-	397	-	-	-	-	-	-
10Q1	-	453	-	-	386	-	-	-	600	-
10Q2	-	453	-	-	386	1,664	-	-	500	-
10Q3	250	600	-	-	-	-	6,758	7,500	11,400	-
10Q4	-	-	1,526	1,632	-	-	-	-	-	-
11Q1	-	-	-	-	-	-	-	-	-	-

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Outstanding Class A Notes

Expected Redemption	Holmes 1	Holmes 9	Holmes 10	Holmes 2006-1	Holmes 2007-1	Holmes 2007-2	Holmes 2007-3	Holmes 2008-1	Holmes 2008-2	Holmes 2010-1
11Q1	-	-	-	-	-	-	-	-	-	-
11Q2	-	-	-	-	2,649	654	-	-	-	-
11Q3	-	-	-	-	-	654	-	-	-	-
11Q4	-	-	-	-	-	654	-	-	-	307
12Q1	-	-	-	-	-	-	-	-	-	-
12Q2	-	-	-	-	-	-	-	-	-	-
12Q3	-	-	-	-	-	377	-	-	-	-
12Q4	-	-	-	-	515	-	-	-	-	195
13Q1	-	-	-	-	-	-	-	-	-	184
13Q2	-	-	-	-	-	-	-	-	-	174
13Q3	-	-	-	-	-	-	-	-	-	165
13Q4	-	-	-	-	-	-	-	-	-	156
14Q1	-	-	-	-	-	-	-	-	-	147
14Q2	-	-	-	-	-	-	-	-	-	627
14Q3	-	-	-	-	-	-	-	-	-	-
14Q4	-	-	-	-	-	-	-	-	-	-
15Q1	-	-	-	-	-	-	-	-	-	-
15Q2	-	-	-	-	-	-	-	-	-	-
15Q3	-	-	-	-	-	-	-	-	-	-
15Q4	-	-	-	-	-	-	-	-	-	-
16Q1	-	-	-	-	-	-	-	-	-	-
16Q2	-	-	-	-	-	-	-	-	-	-
16Q3	-	-	-	-	-	-	-	-	-	-
16Q4	-	-	-	-	-	-	-	-	-	-
17Q1	-	-	-	-	-	-	-	-	-	-
17Q2	-	-	-	-	-	-	-	-	-	-
17Q3	-	-	-	-	-	-	-	-	-	-
17Q4	-	-	-	-	-	-	-	-	-	375
18Q1	-	-	-	-	-	-	-	-	-	-

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