**ABBEY COVERED BONDS LLP**
**Monthly Report** **March 2007**

**Date of Report** **08/03/2007**

**Counterparties**

| | |
|---|---|
| Group Guarantor | Abbey National plc |
| Servicer | Abbey National plc |
| Cash Manager | Abbey National plc |
| Covered Bond Swap Providers | Barclays Capital |
| | Citibank |
| | Deutsche Bank AG |
| Interest Rate Swap Provider | Abbey National Treasury Services |
| Bank Account Provider | Abbey National plc |

Asset Coverage Test

| | | |
|---|---|---|
| A= | £ 8,598,060,600 | (Adjusted loan balances) |
| B= | £ - | (Principal collections not applied) |
| C= | £ - | (Cash Capital Contributions) |
| D= | £ - | (Substitution Assets) |
| V= | £ 87,946,378 | (For set-off risk in relation to Flexible Plus Loans) |
| W= | £ 379,545,919 | (For set-off risk in relation to general depositors) |
| X= | £ 56,692,251 | (For set-off risk in relation to drawdown facilities) |
| Y= | £ - | (Aggregate of Future payments on Reward Loans) |
| Z= | £ 147,797,940 | (Potential negative carry on funds held in GIC) |
| Total A+B+C+D-(V+W+X+Y+Z) | £ 7,926,078,111 | |
| | **Pass** | Pass / Fail |
| Method Used for Calculating "A" | A(ii) | A( i) Adjusted Current balance less deemed reductions / A(ii) Arrears adjusted Balance less deemed reductions multiplied by Asset Percentage |
| Asset Percentage | 90.7% | |
| Amount of Credit Support | £ 4,900,663,111 | Result of the over collateralisation in the Asset Coverage Test |

**Portfolio Characteristics**

| | |
|---|---|
| Total Outstanding Current Balance of Mortgages in the Portfolio | £ 9,488,647,981 |
| Number of Mortgages in Pool | 127,274 |
| Average Loan Balance | £ 74,552.92 |
| Weighted Average Current LTV | 69.01% |

| Current LTV Levels Breakdown * | Number | Value | % of Total |
|---|---|---|---|
| 0 - 30% | 29,566 | 723,905,259 | 7.6% |
| 30 - 35% | 6,191 | 279,983,692 | 3.0% |
| 35 - 40% | 6,316 | 323,723,860 | 3.4% |
| 40 - 45% | 6,687 | 413,229,395 | 4.4% |
| 45 - 50% | 6,999 | 488,644,099 | 5.1% |
| 50 - 55% | 7,182 | 591,591,254 | 6.2% |
| 55 - 60% | 7,421 | 674,732,412 | 7.1% |
| 60 - 65% | 6,893 | 655,501,962 | 6.9% |
| 65 - 70% | 7,658 | 780,278,618 | 8.2% |
| 70 - 75% | 8,416 | 973,482,507 | 10.3% |
| 75 - 80% | 6,050 | 667,245,709 | 7.0% |
| 80 - 85% | 6,146 | 643,225,616 | 6.8% |
| 85 - 90% | 6,961 | 846,881,546 | 8.9% |
| 90 - 95% | 4,011 | 430,987,290 | 4.5% |
| 95 -100% | 3,104 | 301,205,093 | 3.2% |
| 100% + | 7,673 | 694,029,670 | 7.3% |
| Totals | 127,274 | 9,488,647,981 | 100.0% |

* using latest (non-indexed) valuation

**Cash Ledgers**

| | |
|---|---|
| Revenue Ledger | - |
| Principal Ledger | - |
| Reserve Ledger | 18,427,985 |
| Payments Ledger | 9,472,560 |
| Cash Contributions Ledger | |
| Total | 27,900,546 |

**Represented By :**

| | |
|---|---|
| GIC Account | 27,900,546 |
| Transaction Account | - |
| Authorised Investments / Substitution Assets | - |
| Total | 27,900,546 |

**LLP Balance Sheet**

| | |
|---|---|
| Cash | 27,900,546 |
| Mortgages | 9,488,647,981 |
| Authorised Investments / Substitution Assets | - |
| Total | 9,516,548,527 |

| | |
|---|---|
| Capital Account Ledger - AN plc | 6,491,133,527 |
| Capital Account Ledger - ANTS | - |
| Intercompany Loan Outstanding | 3,025,415,000 |
| Total | 9,516,548,527 |

| **Credit Ratings** | Long Term Moodys, S&P, Fitch | Short Term Moodys, S&P, Fitch |
|---|---|---|
| AN plc | Aa3, A+, AA- | P-1, A-1, F1+ |
| Barclays Capital | Aa1, AA, AA+ | P-1, A-1+, F1+ |
| Citibank | Aa1, AA-, AA+ | P-1, A-1+, F1+ |
| Deutsche Bank AG | Aa3, AA-, AA- | P-1, A-1+, F1+ |

| | |
|---|---|
| AN plc Event Of Default | No |
| LLP Event Of Default | No |