**ABBEY COVERED BONDS LLP**
**Monthly Report** **July 2008**

**Date of Report** **08/07/2008**

**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= | £ 18,225,834,418 | (Adjusted loan balances) |
| B= | £ - | (Principal collections not applied) |
| C= | £ - | (Cash Capital Contributions) |
| D= | £ - | (Substitution Assets) |
| V= | £ 187,283,894 | (For set-off risk in relation to Flexible Plus Loans) |
| W= | £ 804,641,815 | (For set-off risk in relation to general depositors) |
| X= | £ 112,635,197 | (For set-off risk in relation to drawdown facilities) |
| Y= | £ 653,480 | (Aggregate of Future payments on Reward Loans) |
| Z= | £ 676,039,417 | (Potential negative carry on funds held in GIC) |
| Total A+B+C+D-(V+W+X+Y+Z) | £ 16,444,580,615 | |
| | **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 | £ 13,419,165,615 | Result of the over collateralisation in the Asset Coverage Test |

**Portfolio Characteristics**

| | |
|---|---|
| Total Outstanding Current Balance of Mortgages in the Portfolio | £ 20,116,045,370 |
| Number of Mortgages in Pool | 204,060 |
| Average Loan Balance | £ 98,579.07 |
| Weighted Average Current LTV | 70.81% |

| Current LTV Levels Breakdown * | Number | Value | % of Total |
|---|---|---|---|
| 0 - 30% | 42,611 | 1,456,228,504 | 7.2% |
| 30 - 35% | 7,910 | 481,322,758 | 2.4% |
| 35 - 40% | 8,309 | 578,686,206 | 2.9% |
| 40 - 45% | 9,228 | 739,639,445 | 3.7% |
| 45 - 50% | 9,918 | 879,366,635 | 4.4% |
| 50 - 55% | 10,675 | 1,064,967,683 | 5.3% |
| 55 - 60% | 11,164 | 1,218,052,582 | 6.1% |
| 60 - 65% | 11,675 | 1,347,655,074 | 6.7% |
| 65 - 70% | 12,848 | 1,575,681,621 | 7.8% |
| 70 - 75% | 14,534 | 1,948,470,686 | 9.7% |
| 75 - 80% | 12,361 | 1,678,679,635 | 8.3% |
| 80 - 85% | 12,041 | 1,678,234,507 | 8.3% |
| 85 - 90% | 13,179 | 1,977,796,601 | 9.8% |
| 90 - 95% | 8,548 | 1,273,641,601 | 6.3% |
| 95 -100% | 5,500 | 707,461,964 | 3.5% |
| 100% + | 13,559 | 1,510,159,870 | 7.5% |
| Totals | 204,060 | 20,116,045,370 | 100.0% |

* using latest (non-indexed) valuation

**Cash Ledgers**

| | |
|---|---|
| Revenue Ledger | - |
| Principal Ledger | - |
| Reserve Ledger | 22,174,525 |
| Payments Ledger | 11,297,600 |
| Cash Contributions Ledger | - |
| Total | 33,472,125 |

**Represented By :**

| | |
|---|---|
| GIC Account | 33,472,125 |
| Transaction Account | - |
| Authorised Investments / Substitution Assets | - |
| Total | 33,472,125 |

**LLP Balance Sheet**

| | |
|---|---|
| Cash | 33,472,125 |
| Mortgages | 20,116,045,370 |
| Authorised Investments / Substitution Assets | - |
| Total | 20,149,517,495 |

| | |
|---|---|
| Capital Account Ledger - AN plc | 17,124,102,495 |
| Capital Account Ledger - ANTS | - |
| Intercompany Loan Outstanding | 3,025,415,000 |
| Total | 20,149,517,495 |

| **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 |