ABBEY COVERED BONDS LLP

Monthly Report **October 2008**

Date of Report **08/10/2008**

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=	£	20,109,233,082	(Adjusted loan balances)
B=	£	-	(Principal collections not applied)
C=	£	-	(Cash Capital Contributions)
D=	£	-	(Substitution Assets)
E=	£	379,064,442	(balance of LLP GIC account)
V=	£	214,614,771	(For set-off risk in relation to Flexible Plus Loans)
W=	£	888,139,594	(For set-off risk in relation to general depositors)
X=	£	130,388,472	(For set-off risk in relation to drawdown facilities)
Y=	£	635,433	(Aggregate of Future payments on Reward Loans)
Z=	£	1,070,096,738	(Potential negative carry on funds held in GIC)
Total A+B+C+D-(V+W+X+Y+Z)	£	18,184,422,515	
		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	£	2,159,007,515	Result of the over collateralisation in the Asset Coverage Test

Portfolio Characteristics

Total Outstanding Current Balance of Mortgages in the Portfolio	£	22,203,489,860
Number of Mortgages in Pool		218,619
Average Loan Balance	£	101,562.49
Weighted Average Current LTV		70.72%

Current LTV Levels Breakdown *	Number	Value	% of Total
0 - 30%	44,552	1,576,259,154	7.1%
30 - 35%	8,494	541,343,544	2.4%
35 - 40%	9,066	668,969,341	3.0%
40 - 45%	10,104	847,240,426	3.8%
45 - 50%	11,027	1,017,998,891	4.6%
50 - 55%	11,932	1,249,251,961	5.6%
55 - 60%	12,651	1,442,496,655	6.5%
60 - 65%	13,281	1,613,398,977	7.3%
65 - 70%	14,835	1,899,916,200	8.6%
70 - 75%	16,884	2,363,153,246	10.6%
75 - 80%	13,807	1,953,269,964	8.8%
80 - 85%	11,959	1,674,836,172	7.5%
85 - 90%	13,000	1,953,163,984	8.8%
90 - 95%	8,407	1,249,408,581	5.6%
95 -100%	5,443	700,415,101	3.2%
100% +	13,177	1,452,367,664	6.5%
Totals	218,619	22,203,489,860	100.0%

* using latest (non-indexed) valuation

Cash Ledgers

Revenue Ledger	-
Principal Ledger	-
Reserve Ledger	227,400,336
Payments Ledger	151,664,106
Cash Contributions Ledger	-
Total	379,064,442

Represented By :

GIC Account	379,064,442
Transaction Account	-
Authorised Investments / Substitution Assets	-
Total	379,064,442

LLP Balance Sheet

Cash	379,064,442
Mortgages	22,203,489,860
Authorised Investments / Substitution Assets	-
Total	22,582,554,302

Capital Account Ledger - AN plc	6,557,139,302
Capital Account Ledger - ANTS	-
Intercompany Loan Outstanding	16,025,415,000
Total	22,582,554,302

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