**ABBEY COVERED BONDS LLP**
**Monthly Report** **December 2009**

**Date of Report** **04/12/2009**

**Counterparties**

| | |
|---|---|
| Group Guarantor | Abbey National plc |
| Servicer | Abbey National plc |
| Cash Manager | Abbey National plc |
| Covered Bond Swap Providers | Royal Bank of Scotland Plc |
| | Barclays plc |
| | BNP Paribas |
| | Citibank |
| | Deutsche Bank AG, London Branch |
| | Abbey National Treasury Services |
| Interest Rate Swap Provider | Abbey National Treasury Services |
| Bank Account Provider | Abbey National plc |

Asset Coverage Test

| | | | |
|---|---|---|---|
| A= | £ | 12,632,940,666 | (Adjusted loan balances) |
| B= | £ | 1,529,573,658 | (Principal collections not applied) |
| C= | £ | - | (Cash Capital Contributions) |
| D= | £ | - | (Substitution Assets) |
| E= | £ | - | (balance of LLP GIC account) |
| V= | £ | 176,715,381 | (For set-off risk in relation to Flexible Plus Loans) |
| W= | £ | 617,902,198 | (For set-off risk in relation to general depositors) |
| X= | £ | 125,321,939 | (For set-off risk in relation to drawdown facilities) |
| Y= | £ | 282,485 | (Aggregate of Future payments on Reward Loans) |
| Z= | £ | 492,919,740 | (Potential negative carry on funds held in GIC) |
| | | | |
| Total A+B+C+D+E-(V+W+X+Y+Z) | £ | 12,749,372,580 | |
| | | **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 | | 82.0% | |
| Amount of Credit Support | £ | 3,107,832,580 | Result of the over collateralisation in the Asset Coverage Test |

**Portfolio Characteristics**

| | | |
|---|---|---|
| Total Outstanding Current Balance of Mortgages in the Portfolio | £ | 15,447,554,954 |
| Number of Mortgages in Pool | | 149,505 |
| Average Loan Balance | £ | 103,324.67 |
| Weighted Average Current LTV | | 61.54% |

| Current LTV Levels Breakdown * | Number | Value | % of Total |
|---|---|---|---|
| 0 - 30% | 34,056 | 1,156,973,561 | 7.5% |
| 30 - 35% | 6,504 | 430,800,982 | 2.8% |
| 35 - 40% | 7,057 | 542,689,350 | 3.5% |
| 40 - 45% | 7,777 | 686,444,462 | 4.4% |
| 45 - 50% | 8,652 | 834,630,305 | 5.4% |
| 50 - 55% | 9,558 | 1,060,410,322 | 6.9% |
| 55 - 60% | 10,291 | 1,228,533,444 | 8.0% |
| 60 - 65% | 10,890 | 1,368,265,737 | 8.9% |
| 65 - 70% | 12,377 | 1,665,953,272 | 10.8% |
| 70 - 75% | 14,834 | 2,177,038,041 | 14.1% |
| 75 - 80% | 12,424 | 1,862,149,903 | 12.1% |
| 80 - 85% | 13,422 | 2,084,805,681 | 13.5% |
| 85 - 90% | 1,662 | 348,623,255 | 2.3% |
| 90 - 95% | 1 | 236,642 | 0.0% |
| 95 -100% | - | - | 0.0% |
| 100% + | - | - | 0.0% |
| Totals | 149,505 | 15,447,554,954 | 100.0% |

* using latest (non-indexed) valuation

**Cash Ledgers**

| | |
|---|---|
| Revenue Ledger | - |
| Principal Ledger | 1,500,000,000 |
| Reserve Ledger | 22,240,098 |
| Payments Ledger | 7,333,560 |
| Cash Contributions Ledger | - |
| Total | 1,529,573,658 |

**Represented By :**

| | |
|---|---|
| GIC Account | 1,529,573,658 |
| Transaction Account | - |
| Authorised Investments / Substitution Assets | - |
| Total | 1,529,573,658 |

**LLP Balance Sheet**

| | |
|---|---|
| Cash | 1,529,573,658 |
| Mortgages | 15,447,554,954 |
| Authorised Investments / Substitution Assets | - |
| Total | 16,977,128,612 |

| | |
|---|---|
| Capital Account Ledger - AN plc | 7,335,588,612 |
| Capital Account Ledger - ANTS | - |
| Intercompany Loan Outstanding | 9,641,540,000 |
| Total | 16,977,128,612 |

| **Credit Ratings** | Long Term<br>Moodys, S&P, Fitch | Short Term<br>Moodys, S&P, Fitch |
|---|---|---|
| Abbey National plc | Aa3,AA,AA- | P-1,A-1+,F1+ |
| Abbey National Treasury Services | Aa3,AA,AA- | P-1,A-1+,F1+ |
| Royal Bank of Scotland Plc | A1,A,AA- | P-1,A-1,F1+ |
| Barclays plc | A1,A+,AA- | P-1,A-1,F1+ |
| BNP Paribas | Aa1,AA,AA | P-1,A-1+,F1+ |
| Citibank | A1,A+,A+ | P-1,A-1,F1+ |
| Deutsche Bank AG | Aa1,A+,AA- | P-1,A-1,F1+ |

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