ABBEY COVERED BONDS LLP
Monthly Report **December 2006**

Date of Report **08/12/2006**

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=	£ 8,679,489,334	(Adjusted loan balances)
B=	£ -	(Principal collections not applied)
C=	£ -	(Cash Capital Contributions)
D=	£ -	(Substitution Assets)
V=	£ 75,992,646	(For set-off risk in relation to Flexible Plus Loans)
W=	£ 383,186,551	(For set-off risk in relation to general depositors)
X=	£ 36,652,013	(For set-off risk in relation to drawdown facilities)
Y=	£ -	(Aggregate of Future payments on Reward Loans)
Z=	£ 151,579,709	(Potential negative carry on funds held in GIC)
Total A+B+C+D-(V+W+X+Y+Z)	£ 8,032,078,415	
	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	£ 5,006,663,415	Result of the over collateralisation in the Asset Coverage Test

Portfolio Characteristics

Total Outstanding Current Balance of Mortgages in the Portfolio	£ 9,579,663,778
Number of Mortgages in Pool	130,841
Average Loan Balance	£ 73,216.07
Weighted Average Current LTV	68.64%

Current LTV Levels Breakdown *	Number	Value	% of Total
0 - 30%	29,915	730,495,995	7.6%
30 - 35%	6,327	281,518,146	2.9%
35 - 40%	6,612	335,978,881	3.5%
40 - 45%	7,016	427,870,728	4.5%
45 - 50%	7,363	504,459,188	5.3%
50 - 55%	7,712	622,594,304	6.5%
55 - 60%	7,854	718,222,300	7.5%
60 - 65%	7,145	668,102,086	7.0%
65 - 70%	7,758	761,727,837	8.0%
70 - 75%	8,656	965,822,023	10.1%
75 - 80%	6,067	643,596,933	6.7%
80 - 85%	6,318	643,045,328	6.7%
85 - 90%	7,371	870,207,641	9.1%
90 - 95%	4,163	429,731,622	4.5%
95 -100%	3,269	313,687,738	3.3%
100% +	7,295	662,603,028	6.9%
Totals	130,841	9,579,663,778	100.0%

* using latest (non-indexed) valuation

Cash Ledgers

Revenue Ledger	-
Principal Ledger	-
Reserve Ledger	18,041,690
Payments Ledger	9,135,691
Cash Contributions Ledger	-
Total	27,177,382

Represented By :

GIC Account	27,177,382
Transaction Account	-
Authorised Investments / Substitution Assets	-
Total	27,177,382

LLP Balance Sheet

Cash	27,177,382
Mortgages	9,579,663,778
Authorised Investments / Substitution Assets	-
Total	9,606,841,160

Capital Account Ledger - AN plc	6,581,426,160
Capital Account Ledger - ANTS	-
Intercompany Loan Outstanding	3,025,415,000
Total	9,606,841,160

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