

Newcastle Building Society Covered Bonds LLP

Reporting Month: July 2009
Date of Report: 31 July 2009

Counterparties

Servicer	Newcastle Building Society
Cash Manager	Newcastle Building Society
Interest Rate Swap Provider	Newcastle Building Society
Bank Account Provider	Barclays Bank plc

Asset Coverage Test

A = (Arrears Adjusted True Balance)	594,626,320
B = (Principle collections not applied)	0
C = (Cash Capital Contributions)	0
D = (Substitution Assets)	0
Y = (For Set-off Risk)	46,323,405
Z = (Potential negative carry on funds held in GIC from sale of assets)	20,050,000
Total: A+B+C+D-(Y+Z)	528,252,915
Principal Amount Outstanding	500,000,000
	PASS
Method Used for Calculating "A" (Note 1)	A (ii)
Amount of Credit Support (Note 2)	28,252,915
Asset Percentage	89.00%

Notes

- 1 (i) aggregate Adjusted True Balance less deemed reductions
(ii) aggregate Arrears Adjusted True Balance less deemed reductions multiplied by the Asset Percentage

- 2 Result of the over-collateralisation in the ACT

Cash Ledgers

Revenue Ledger	2,148,685
Principal Ledger	48,535,952
Reserve Ledger	2,072,058
Coupon Ledger	476,600
Capital Account Ledger - Newcastle Building Society	0
Intercompany Loan Ledger	0
Total	53,233,295

GIC Account	51,161,237
Reserve GIC Account	2,072,058
Transaction Account	0
Substitution Assets	0
Authorised Investments	0
Total	53,233,295

Credit Ratings

	Short Term (Moody, Fitch)	Long Term (Moody, Fitch)
Newcastle Building Society Covered Bonds	Aaa/AAA	Aaa/AAA
Newcastle Building Society	P-2/F3	Baa2/BBB-
NBS Event of Default?	NO	
LLP Event of Default?	NO	

Mortgage Portfolio

Number of Mortgage Loans in Pool	8,800
Number of Individual Mortgage Accounts in Pool	13,647
Current Balance	668,119,460

Portfolio Characteristics

Weighted Average Seasoning (by value) in Months	65.7
Weighted Average Remaining Term (by value) in Years	14.1
Average Loan Size	75,923
Weighted Average LTV (by value)	46.35%
Weighted Average Indexed LTV (by value)	44.43%

Indexed LTV Levels Breakdown

	Number	Number %	Value	% of Total
0% < 25%	3,211	36.5%	110,009,132	16.5%
>=25% < 50%	3,747	42.6%	301,025,991	45.1%
>=50% < 55%	436	5.0%	52,852,584	7.9%
>=55% < 60%	404	4.6%	54,476,253	8.2%
>=60% < 65%	320	3.6%	43,563,945	6.5%
>=65% < 70%	269	3.1%	40,569,841	6.1%
>=70% < 75%	205	2.3%	30,591,854	4.6%
>=75% < 80%	137	1.6%	22,185,355	3.3%
>=80% < 85%	65	0.7%	11,832,169	1.8%
>=85% < 90%	6	0.1%	1,012,336	0.2%
>=90% < 95%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%
Total	8,800	100.0%	668,119,460	100.0%

Geographic Analysis

	Number	Number %	Value	% of Total
East Anglia	102	1.2%	8,780,905	1.3%
East Midlands	431	4.9%	31,456,731	4.7%
London	620	7.0%	86,707,419	13.0%
North	2,897	32.9%	155,879,852	23.3%
North West	728	8.3%	55,170,524	8.3%
Scotland	1,045	11.9%	61,644,931	9.2%
South East	1,097	12.5%	132,779,027	19.9%
South West	353	4.0%	31,091,467	4.7%
Wales	114	1.3%	9,072,499	1.4%
West Midlands	354	4.0%	31,390,109	4.7%
Yorks and Humber	1,059	12.0%	64,145,996	9.6%

Total	8,800	100.0%	668,119,460	100.0%
--------------	--------------	---------------	--------------------	---------------

Repayment Method

	Accounts	Balance Outstanding	% of Total
Interest Only	2,120	188,100,732	28.2%
Part & Part	1,711	141,434,911	21.2%
Repayment	4,969	338,583,817	50.7%
Total	8,800	668,119,460	100.0%

Arrears Analysis

	Cases	Balance Outstanding
0-3 Mths	8,800	668,119,460
3-6 Mths	0	0
6-9 Mths	0	0
9-12 Mths	0	0
12-15 Mths	0	0
15+ Mths	0	0
Total	8,800	668,119,460