

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)	589,172,226
B = (Principle collections not applied)	0
C = (Cash Capital Contributions)	0
D = (Substitution Assets)	0
Y = (For Set-off Risk)	40,903,746
Z = (Potential negative carry on funds held in GIC from sale of assets)	18,287,500
Total: A+B+C+D-(Y+Z)	529,980,980
Principal Amount Outstanding	500,000,000
	PASS
Method Used for Calculating "A" (Note 1)	A (ii)
Amount of Credit Support (Note 2)	29,980,980
Asset Percentage	89.00%

Notes

- (i) aggregate Adjusted True Balance less deemed reductions
(ii) aggregate Arrears Adjusted True Balance less deemed reductions multiplied by the Asset Percentage
- Result of the over-collateralisation in the ACT

Cash Ledgers

Revenue Ledger	1,859,089
Principal Ledger	11,717,917
Reserve Ledger	1,875,414
Coupon Ledger	458,300
Capital Account Ledger - Newcastle Building Society	0
Intercompany Loan Ledger	0
Total	15,910,720

GIC Account	14,034,718
Reserve GIC Account	1,875,414
Transaction Account	588
Substitution Assets	0
Authorised Investments	0
Total	15,910,720

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	9,042
Number of Individual Mortgage Accounts in Pool	14,141
Current Balance	661,991,265

Portfolio Characteristics

Weighted Average Seasoning (by value) in Months	67.1
Weighted Average Remaining Term (by value) in Years	13.9
Average Loan Size	73,213
Weighted Average LTV (by value)	45.08%
Weighted Average Indexed LTV (by value)	42.63%

Indexed LTV Levels Breakdown

	Number	Number %	Value	% of Total
0% < 25%	3,434	38.0%	119,740,843	18.1%
>=25% < 50%	3,827	42.3%	308,583,577	46.6%
>=50% < 55%	446	4.9%	54,378,994	8.2%
>=55% < 60%	440	4.9%	55,742,334	8.4%
>=60% < 65%	336	3.7%	44,408,241	6.7%
>=65% < 70%	264	2.9%	35,241,676	5.3%
>=70% < 75%	182	2.0%	26,092,995	3.9%
>=75% < 80%	97	1.1%	15,741,028	2.4%
>=80% < 85%	14	0.2%	1,708,947	0.3%
>=85% < 90%	2	0.0%	352,629	0.1%
>=90% < 95%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%
Total	9,042	100.0%	661,991,265	100.0%

Geographic Analysis

	Number	Number %	Value	% of Total
East Anglia	112	1.2%	9,097,465	1.4%
East Midlands	473	5.2%	33,821,053	5.1%
London	581	6.4%	76,809,037	11.6%
North	3,117	34.5%	169,462,897	25.6%
North West	801	8.9%	60,434,001	9.1%
Scotland	947	10.5%	54,512,750	8.2%
South East	1,047	11.6%	118,102,794	17.8%
South West	383	4.2%	33,975,111	5.1%
Wales	139	1.5%	10,206,633	1.5%
West Midlands	392	4.3%	33,461,449	5.1%
Yorks and Humber	1,050	11.6%	62,108,075	9.4%
Total	9,042	100.0%	661,991,265	100.0%

Repayment Method

	Accounts	Balance Outstanding	% of Total
Interest Only	2,064	175,632,548	26.5%
Part & Part	1,694	135,632,296	20.5%
Repayment	5,284	350,726,421	53.0%
Total	9,042	661,991,265	100.0%

Arrears Analysis

	Cases	Balance Outstanding
0-3 Mths	9,042	661,991,265
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	9,042	661,991,265

Newcastle Building Society Covered Bonds LLP

Reporting Month:

December 2009

Date of Report:

31 December 2009**Amortisation Test**

A = (Amortisation Test True Balance)	661,991,265
B = (Cash and Authorised Investments)	0
C = (Substitution Assets)	0
Z = (Potential negative carry on funds held in GIC from sale of assets)	18,287,500
Total: A+B+C-Z	643,703,765
Principal Amount Outstanding	500,000,000

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Headroom	143,703,765
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