

# Bank of Scotland plc €60 billion Covered Bond Programme

## Final Monthly Report June 2022

**Administration**

Name of issuer	Bank of Scotland plc
Name of RCB programme	€60 billion Covered Bond Programme
Name, job title and contact details of person validating this form	Tracey Hill   Head of Securitisation   traceyhill@halifax.co.uk   0113 233 0579
Date of form submission	18 Jul 2022
Start Date of reporting period	1 Jun 2022
End Date of reporting period	30 Jun 2022
Web links - prospectus, transaction documents, loan-level data	<a href="http://www.lloydsbankinggroup.com/investors/covered-bonds">http://www.lloydsbankinggroup.com/investors/covered-bonds</a>

**Counterparties, Ratings**

	Counterparty/ies	Fitch		Moody's		S&P		DBRS	
		Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating
Covered bonds		n/a	AAA	n/a	Aaa	n/a	AAA	n/a	n/a
Issuer	Bank of Scotland plc	n/a	F1 / A+	n/a	P-1 / A1	n/a	A-1 / A+	n/a	n/a
Seller(s)	Bank of Scotland plc	n/a	F1 / A+	n/a	P-1 / A1	n/a	A-1 / A+	n/a	n/a
Cash manager	Bank of Scotland plc	n/a	F1 / A+	n/a	P-1 / A1	n/a	A-1 / A+	n/a	n/a
Account bank	Bank of Scotland plc	<F1 / <A	F1 / A+	<P-1 / -	P-1 / A1	- / <A	A-1 / A+	n/a	n/a
Stand-by account bank	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Servicer(s)	Bank of Scotland plc	<BBB- / -	F1 / A+	<Baa3 / -	P-1 / A1	<BBB- / -	A-1 / A+	n/a	n/a
Stand-by servicer(s)	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Swap provider(s) on cover pool	Bank of Scotland plc	<F1 / <A	F1 / A+	<P-1 / <A2	P-1 / A1	<A-1 / <A	A-1 / A+	n/a	n/a
Stand-by swap provider(s) on cover pool	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Swap notional amount(s) (GBP)	£ 2,376,070,638 <sup>(3)</sup>								
Swap notional maturity/ies	n/a								
LLP receive rate/margin	2.18% <sup>(3)</sup>								
LLP pay rate/margin	3.20% <sup>(3)</sup>								
Collateral posting amount(s) (GBP)	£ -								

**Accounts, Ledgers**

	Value as of End Date of reporting period	Value as of Start Date of reporting period	Targeted Value
Revenue receipts (please disclose all parts of waterfall)			
Revenue Receipts (on the Loans)	£ 2,905,984	n/a	n/a
Bank Interest	£ 25,746	n/a	n/a
Excess amount released from Reserve Fund	£ -	n/a	n/a
Available Revenue Receipts	£ 2,931,730	n/a	n/a
Senior fees (including Cash Manager & Servicer)	£ 208,502	n/a	n/a
Amounts due under cover pool swap	£ 991,578	n/a	n/a
Amounts due under Intercompany Loan	£ -	n/a	n/a
Deferred Consideration	£ 1,728,650	n/a	n/a
Members' profit	£ 3,000	n/a	n/a
Total distributed	£ 2,931,730	n/a	n/a
Principal receipts (please disclose all parts of waterfall)			
Principal Receipts (on the Loans)	£ 18,042,746	n/a	n/a
Any other amount standing to credit Principal Ledger	£ -	n/a	n/a
Excess amount released Pre-Maturity Liquidity Ledger	£ -	n/a	n/a
Cash Capital Contribution from Members	£ -	n/a	n/a
Available Principal Receipts	£ 18,042,746	n/a	n/a
Credit to Pre-Maturity Liquidity Ledger	£ -	n/a	n/a
Acquisition of Loans (Replenishments)	£ -	n/a	n/a
Credit to Principal Ledger	£ -	n/a	n/a
Amounts due under Intercompany Loan	£ -	n/a	n/a
Capital Distribution to Members	£ 18,042,746	n/a	n/a
Total distributed	£ 18,042,746	n/a	n/a
Reserve ledger	£ -	£ -	£ -
Revenue ledger	£ 2,931,730	£ 6,128,948	n/a
Principal ledger	£ 18,042,746	£ 41,079,577	n/a
Pre-maturity liquidity ledger	£ -	£ -	£ -

## Bank of Scotland plc €60 billion Covered Bond Programme

### Asset Coverage Test

	Value	Description
A	£ -	Adjusted Aggregate Loan Amount
B	£ -	Principal collections not yet applied
C	£ -	Qualifying additional collateral
D	£ -	Substitute assets
E	£ -	Proceeds of sold mortgage loans
V	n/a	Set-off offset loans
W	n/a	Personal secured loans
X	£ -	Flexible draw capacity
Y	£ -	Set-off
Z	£ -	Negative carry
Total	£ -	
Method used for calculating component 'A'		A(ii) <sup>(4)</sup>
Asset percentage (%)	86.34%	
Maximum asset percentage from Fitch (%)	90.50%	
Maximum asset percentage from Moody's (%)	89.00%	
Maximum asset percentage from S&P (%)	86.34%	
Maximum asset percentage from DBRS (%)	n/a	
Credit support as derived from ACT (GBP)	£ -	
Credit support as derived from ACT (%)	0.0%	

### Programme-Level Characteristics

Programme currency	EUR
Programme size	60,000,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	£ -
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	£ -
Cover pool balance (GBP)	£ -
GIC account balance (GBP)	£ 20,974,476 <sup>(5)</sup>
Any additional collateral (please specify)	-
Any additional collateral (GBP)	£ -
Aggregate balance of off-set mortgages (GBP)	£ -
Aggregate deposits attaching to the cover pool (GBP)	£ -
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	£ -
Nominal level of overcollateralisation (GBP)	£ - <sup>(6)</sup>
Nominal level of overcollateralisation (%)	0.0%
Number of loans in cover pool	0
Average loan balance (GBP)	£ -
Weighted average non-indexed LTV (%)	0.0%
Weighted average indexed LTV (%)	0.0%
Weighted average seasoning (months)	0.0
Weighted average remaining term (months)	0.0
Weighted average interest rate (%)	0.00%
Standard Variable Rate(s) (%)	4.49% & 4.39%
Constant Pre-Payment Rate (% , current month)	- <sup>(7)</sup>
Constant Pre-Payment Rate (% , quarterly average)	- <sup>(7)</sup>
Principal Payment Rate (% , current month)	0.00%
Principal Payment Rate (% , quarterly average)	0.00%
Constant Default Rate (% , current month)	n/a <sup>(8)</sup>
Constant Default Rate (% , quarterly average)	n/a <sup>(8)</sup>
Fitch Discontinuity Cap	n/a <sup>(9)</sup>
Moody's Timely Payment Indicator	Probable <sup>(10)</sup>
Moody's Collateral Score (%)	5.2% <sup>(10)</sup>

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### Mortgage collections

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Mortgage collections (scheduled - interest)	£ 2,905,984
Mortgage collections (scheduled - principal)	£ -
Mortgage collections (unscheduled - interest)	£ -
Mortgage collections (unscheduled - principal)	£ 18,042,746

### Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	0	0.00%	-	0.00%
Loans bought back by seller(s)	32,315	100.00%	2,360,317,501	100.00%
of which are non-performing loans	0	0.00%	0	0.00%
of which have breached R&Ws	0	0.00%	0	0.00%
Loans sold into the cover pool	0	0.00%	-	0.00%

The Seller's obligation to pay consideration for the repurchase of the cover pool was offset against the LLP's obligations to repay the term advance, under the intercompany loan, relating to the series 23 covered bonds and reimburse the Seller's capital contribution balance.

### Product Rate Type and Reversionary Profiles

	Number	% of total number	Amount (GBP)	% of total amount	Weighted average				
					Current rate	Remaining teaser period (months)	Current margin	Reversionary margin	Initial rate
Fixed at origination, reverting to SVR									
Fixed at origination, reverting to Libor									
Fixed at origination, reverting to tracker									
Fixed for life									
Tracker at origination, reverting to SVR									
Tracker at origination, reverting to Libor									
Tracker for life									
SVR, including discount to SVR									
Libor									
<b>Total</b>	<b>0</b>	<b>0.00%</b>							<b>0</b>

(11)

(12), (13)

### Stratifications

Arrears breakdown	Number	% of total number	Amount (GBP)	% of total amount
Current				
0-1 month in arrears				
1-2 months in arrears				
2-3 months in arrears				
3-6 months in arrears				
6-12 months in arrears				
12+ months in arrears				
<b>Total</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

Current non-indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%				
50-55%				
55-60%				
60-65%				
65-70%				
70-75%				
75-80%				
80-85%				
85-90%				
90-95%				
95-100%				
100-105%				
105-110%				
110-125%				
125%+				
<b>Total</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

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Current indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%				
50-55%				
55-60%				
60-65%				
65-70%				
70-75%				
75-80%				
80-85%				
85-90%				
90-95%				
95-100%				
100-105%				
105-110%				
110-125%				
125%+				
<b>Total</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000				
5,000-10,000				
10,000-25,000				
25,000-50,000				
50,000-75,000				
75,000-100,000				
100,000-150,000				
150,000-200,000				
200,000-250,000				
250,000-300,000				
300,000-350,000				
350,000-400,000				
400,000-450,000				
450,000-500,000				
500,000-600,000				
600,000-700,000				
700,000-800,000				
800,000-900,000				
900,000-1,000,000				
1,000,000 +				
<b>Total</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

Regional distribution	Number	% of total number	Amount (GBP)	% of total amount
East Midlands				
East of England				
London				
North East				
North West				
Scotland				
South East				
South West				
Wales				
West Midlands				
Yorkshire And The Humber				
Unknown				
<b>Total</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

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## Bank of Scotland plc €60 billion Covered Bond Programme

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment				
Part-and-part				
Interest-only				
Offset				
Total	0	0.00%	0	0.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months				
12-24 months				
24-36 months				
36-48 months				
48-60 months				
60-72 months				
72-84 months				
84-96 months				
96-108 months				
108-120 months				
120-150 months				
150-180 months				
180+ months				
Total	0	0.00%	0	0.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed				
SVR				
Tracker				
Other (please specify)				
Total	0	0.00%	0	0.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied				
Buy-to-let				
Second home				
Total	0	0.00%	0	0.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified				
Fast-track				
Self-certified				
Total	0	0.00%	0	0.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months				
30-60 months				
60-120 months				
120-180 months				
180-240 months				
240-300 months				
300-360 months				
360+ months				
Total	0	0.00%	0	0.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed				
Self-employed				
Unemployed				
Retired				
Guarantor				
Other				
Total	0	0.00%	0	0.00%

## Bank of Scotland plc €60 billion Covered Bond Programme

**Covered Bonds Outstanding, Associated Derivatives (please disclose for all bonds outstanding)**

Series	0023/07
Issue date	8 Jun 2007
Original rating (Moody's/S&P/Fitch/DBRS)	Aaa / AAA / AAA / -
Current rating (Moody's/S&P/Fitch/DBRS)	Aaa / AAA / AAA / -
Denomination	EUR
Amount at issuance	1,250,000,000
Amount outstanding	0
FX swap rate (rate:£1)	1.248
Maturity type (hard/soft-bullet/pass-through)	Soft bullet
Scheduled final maturity date	8 Jun 2022
Legal final maturity date	8 Jun 2022 <sup>(17)</sup>
ISIN	XS0304459026
Stock exchange listing	Luxembourg
Coupon payment frequency	Annual
Coupon payment date	8 Jun
Coupon (rate if fixed, margin and reference rate if floating)	4.750%
Margin payable under extended maturity period (%)	N/A
Swap counterparty/ies	Bank of Scotland
Swap notional denomination	GBP
Swap notional amount	0
Swap notional maturity	8 Jun 2022
LLP receive rate/margin	4.750%
LLP pay rate/margin	Daily SONIA
Collateral posting amount	0023/07

**Programme triggers**

Event	Summary of Event	Trigger (S&P, Moody's, Fitch, DBRS; short-term, long-term)	Trigger breached (yes/no)	Consequence of a trigger breach
Pre-Maturity Liquidity Test	Loss of required rating by the Issuer	Short term: A-1+ / P-1 / F1+ / - Long term: - / A1 / - / -	No	Requirement to fund the Pre-Maturity Liquidity Ledger to the Required Redemption Amount and, if necessary, the sale of Selected Loans.
Reserve Fund trigger	Loss of required rating by the Issuer	Short term: - / P-1 / F1 / - Long term: BBB / - / A / -	No	Requirement to establish and maintain the Reserve Fund and to trap any Available Revenue Receipts (in accordance with the relevant waterfall), as necessary, to fund the Reserve Fund to the Reserve Fund Required Amount.
Set-off risk protection trigger	Loss of required rating by the Issuer	Short term: - / P-1 / F1 / - Long term: BBB / A2 / A / -	No	The sizing of the set-off risk protection in the Asset Coverage Test shall be increased from zero to 5% (or such other amount as may be set from time to time, subject to the Issuer obtaining a Rating Agency Confirmation).
Interest Rate Swap Provider rating trigger	Loss of required rating by the Interest Rate Swap Provider	Short term: A-1 / P-1 / F1 / - Long term: A / A2 / A / -	No	Requirement to post collateral, transfer obligations to a suitably rated replacement swap provider, procure another suitably rated entity to become a co-obligor or guarantor or other actions as may be agreed with the relevant agency in order to maintain or restore (as applicable) the ratings of the covered bonds). The ratings shown are the first level of triggers. Other triggers exist at lower levels with further consequences.
Covered Bond Swap Provider rating trigger	Loss of required rating by the relevant Covered Bond Swap Provider	Short term: A-1 / P-1 / F1 / - Long term: A / A2 / A / -	No	Requirement to post collateral, transfer obligations to a suitably rated replacement swap provider, procure another suitably rated entity to become a co-obligor or guarantor or other actions as may be agreed with the relevant agency in order to maintain or restore (as applicable) the ratings of the covered bonds). The ratings shown are the first level of triggers. Other triggers exist at lower levels with further consequences.
Account Bank rating trigger	Loss of required rating by the Account Bank	Short term: - / P-1 / F1 / - Long term: A / - / A / -	No	Termination event pursuant to the Bank Account Agreement, unless downgrade remedied in accordance with the terms of the Bank Account Agreement.
Perfection preparation trigger	Loss of required rating by the Seller	Long term: BBB / Baa2 / BBB / -	No	The Seller shall deliver to the LLP, the Security Trustee and the Rating Agencies a draft letter of notice to the Borrowers of the sale and purchase of the loans.
Perfection trigger	Loss of required rating by the Seller	Long term: BBB / Baa3 / BBB / -	No	Legal title to the Loans and their Related Security will be transferred to the LLP.
Servicer trigger	Loss of required rating by the Servicer	Long term: BBB / Baa3 / BBB / -	No	The Servicer will use reasonable endeavours to enter, within 60 days, into a master servicing agreement with a third party in such form as the LLP and the Security Trustee shall reasonably require.
Title deeds	Loss of required rating by the Servicer	Short term: A-1+ / P-1 / F1+ / -	Yes	The Servicer will use reasonable endeavours to ensure that the Title Deeds are identified as distinct from the title deeds of other properties and mortgages that do not form part of the portfolio.

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Cash Manager verification trigger	Loss of required rating by the Cash Manager	Long term: BBB- / Baa3 / BBB- / -	No	The Asset Monitor will be required to report on the arithmetic accuracy of the Cash Manager's calculations more frequently.
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## Bank of Scotland plc €60 billion Covered Bond Programme

### Non-rating triggers

Event	Summary of Event	Trigger breached (yes/no)	Consequence of a trigger breach
Asset Coverage Test	On a Calculation Date, the Adjusted Aggregate Loan Amount is less than the Principal Amount Outstanding of Covered Bonds.	No	Breach of Asset Coverage Test not remedied on the next Calculation Date will result in HBOS Event of Default.
Interest Rate Shortfall Test	The amount of income that the LLP expects to receive in the next Calculation Period is insufficient to cover the would be amounts due to the Covered Bond Swap Provider(s) and other senior expenses ranking in priority thereto.	No	Standard variable rate and variable margins (on Tracker Rate Loans) may be increased.
HBOS Event of Default	Any of the conditions, events or acts provided in Condition 10(a) of the Prospectus (Events of Default and Enforcement - HBOS Events of Default) occur.	No	Covered Bonds will become immediately due and payable against the Issuer and Group Guarantor. Notice to pay served on the LLP. Following service of Notice to Pay, LLP required to make payments of Guaranteed Amounts under the Covered Bonds.
Yield Shortfall Test	Following HBOS Event of Default, the Loans must yield Spot SONIA plus 0.50%.	No	Standard variable rate and variable margins (on Tracker Rate Loans) may be increased.
Amortisation Test	On a Calculation Date, following a Notice to Pay, the Amortisation Test Aggregate Loan Amount is less than the Principal Amount Outstanding of Covered Bonds.	No	LLP Event of Default will occur.
LLP Event of Default	Any of the conditions, events or acts provided in Condition 10(b) of the Prospectus (Events of Default and Enforcement - LLP Events of Default) occur.	No	Covered Bonds will become immediately due and payable against the LLP, as well as the Issuer and Group Guarantor. Security becomes enforceable.

### Glossary

Term	Definition
Months in Arrears	The amount of arrears divided by the current payment due. The arrears table on page 3 includes repossessions.
Indexed LTV	The current balance of the loans in a mortgage account divided by the indexed valuation of the property securing that mortgage account at the reporting date.
Non-indexed LTV	The current balance of the loans in a mortgage account divided by the latest valuation of the property held in the Seller's records, securing that mortgage account, at the reporting date.
Seasoning	Seasoning is reported on an aggregated basis for each mortgage account. It is calculated using the origination date of the original loan in the mortgage account and ignores any subsequent loans on the mortgage account.
PPR	Monthly PPR reflects the aggregate of scheduled and unscheduled principal receipts, including the proceeds from loan repurchases by the Seller.
Amount (GBP)	The aggregate current balance of the loans including (without double counting) the initial advance, any further advance, any flexible drawing, capitalised expenses, capitalised arrears and capitalised interest less any prepayments, repayments or payments of the foregoing prior to the relevant date, plus accrued interest on the loans at the relevant date
Original Valuation (for ACT only)	in relation to any property means the value given to that property by the most recent valuation addressed to the Seller of the Loan secured over that property.
Indexed Valuation (for ACT only)	(a) where the Original Valuation of the property is equal to or greater than the Halifax Price Indexed Valuation as at that date, the Halifax Price Indexed Valuation; or (b) where the Original Valuation of the property is less than the Halifax Price Indexed Valuation as at that date, the Original Valuation plus 85% of the difference between the Original Valuation and the Halifax Price Indexed Valuation.

### Footnotes

- <sup>(1)</sup> There are no minimum ratings for the Issuer, Seller or Cash Manager. However, there are certain event triggers linked to their ratings. Please refer to the Programme triggers table on page 7 for details.
- <sup>(2)</sup> For triggers relating to the swap provider(s) on the cover pool, the rating trigger disclosed is the next trigger point. There may be subsequent triggers and these are detailed in the relevant swap agreement.
- <sup>(3)</sup> Relates to the asset swap for the June 2022 Calculation Period. Notional Amount at end of period reduced to zero and asset swap terminated.
- <sup>(4)</sup> A(i) is the sum of the Adjusted Current Balance of each loan, which is the lower of (1) the actual Current Balance or (2) 60% of the Indexed Valuation minus, in each case, the relevant value of deemed reductions;
- <sup>(4)</sup> A(ii) is the aggregate Current Balance of each loan (less deemed reductions) multiplied by the Asset Percentage.
- <sup>(5)</sup> The GIC account balance has been adjusted to include cash from assets for the last day of the month collected first working day of following month.
- <sup>(6)</sup> The nominal level of overcollateralisation includes cash held on both the Pre-Maturity Liquidity Ledger and the Principal Ledger.
- <sup>(7)</sup> The Seller does not currently record which element of mortgage collections are scheduled and unscheduled in the reporting system used for the BoS Covered Bond programme, as such, this breakdown is not available.
- <sup>(8)</sup> Not applicable for the asset pool which is a revolving pool.
- <sup>(9)</sup> Following the implementation of its new Covered Bond Rating Criteria, Fitch Ratings no longer uses its D-Cap. At the time of this report, the replacement Payment Continuity Uplift (PCU) on the programme is 6.
- <sup>(10)</sup> Source: Moody's performance report dated 19th April 2022.
- <sup>(11)</sup> Based on the mortgage accounts' current primary product holding (rather than any historic product previously held). In addition to the primary product holding, an account may have other active product holdings which may or may not be the same as the primary product holding.
- <sup>(12)</sup> The margins are based on the index rate and, therefore, fixed are reported at the fixed rate, trackers are reported over BBR (1%) and variable over SVR (4.49%).
- <sup>(13)</sup> The initial rate is considered to be the same as the current rate.
- <sup>(14)</sup> Regions are NUTS1 classifications (Nomenclature of Units for Territorial Statistics).
- <sup>(15)</sup> Any 'Part-and-part' loans have been included in 'Interest-only'.
- <sup>(16)</sup> The Seller does not currently retain these details in the reporting system used for the BoS Covered Bond programme.
- <sup>(17)</sup> The date stated is the final maturity date applicable to the issuer. However, the extended due for payment date applicable to the LLP is 12 months following this date.

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