

**Transaction details**

Reporting Date	16th February 2012
Reporting Period Start	1st January 2012
Reporting Period End	31st January 2012
Accrual Period	16th Jan 2012 to 16th Feb 2012
Next payment date	16th February 2012

**Contact details and report distribution channels**

<b>Contact</b>	<b>Email</b>	<b>Tel</b>	<b>Fax</b>
Tracey Hill	<a href="mailto:Traceyhill@halifax.co.uk">Traceyhill@halifax.co.uk</a>	0113 235 2176	0113 235 7511
Gary Staines	<a href="mailto:Gary.staines@lloydsbanking.com">Gary.staines@lloydsbanking.com</a>	0207 158 1932	

Website to obtain further information: [http://www.lloydsbankinggroup.com/investors/debt\\_investors.asp](http://www.lloydsbankinggroup.com/investors/debt_investors.asp)

**Asset Details**

Mortgage Balance at beginning of period	£	36,475,766,581.29	Number of Mortgages at beginning of period	385,120
Mortgage Balance at end of period	£	36,075,040,396.10	Number of Mortgages at end of period	381,686

Substitutions/Repurchases	Balance	Number
Substitutions in period	£ -	0
Repurchase in period	£58,209,450.88	537

Revenue collected in period (inc Bank interest)	£	994,776,881.56
Principal Collected in period	£	-
Yield (pre-swap)		3.69568%
Net Yield (post-swap)		0.98188%
Other Substituted assets	£	-

**Performance Ratios**

PPR					
Month	Monthly PPR	1-month annualised	3-month annualised	12-month annualised	
January 2012	1.16%	13.09%	16.69%	16.81%	
December 2011	1.40%	15.51%	17.24%	16.67%	
November 2011	1.97%	21.28%	17.42%	16.47%	

**Stratification Tables**

Arrears & Possessions					
Months in arrears	Aggregate outstanding balance	% of Total	Aggregate amount of Arrears	Number of Accounts	% of Total
Less than 1 month	35,473,269,561.90	98.33%	1,269,651.92	376,198	98.56%
1 - 2 months	369,869,774.03	1.03%	2,412,356.29	3,263	0.85%
2 - 3 months	154,279,363.88	0.43%	1,838,663.72	1,374	0.36%
3 - 6 months	61,251,383.14	0.17%	1,175,105.76	590	0.15%
6 - 12 months	7,764,022.23	0.02%	267,406.81	142	0.04%
12 months +	8,606,290.92	0.02%	838,416.67	119	0.03%
Total	36,075,040,396.10	100.00%	7,801,601.17	381,686	100.00%

Indexed LTV				
Indexed LTV	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
>= 0% - 29.99%	2,769,099,507.83	7.68%	90,594	23.74%
>= 30% - 34.99%	1,043,777,352.67	2.89%	18,212	4.77%
>= 35% - 39.99%	1,168,817,296.87	3.24%	17,943	4.70%
>= 40% - 44.99%	1,327,092,110.22	3.68%	17,721	4.64%
>= 45% - 49.99%	1,503,692,103.53	4.17%	17,542	4.60%
>= 50% - 54.99%	1,736,292,141.41	4.81%	17,968	4.71%
>= 55% - 59.99%	1,981,326,462.08	5.49%	18,349	4.81%
>= 60% - 64.99%	2,251,164,243.62	6.24%	19,072	5.00%
>= 65% - 69.99%	2,600,126,067.59	7.21%	20,523	5.38%
>= 70% - 74.99%	3,065,210,101.38	8.50%	22,809	5.98%
>= 75% - 79.99%	3,167,638,795.29	8.78%	23,387	6.13%
>= 80% - 84.99%	3,073,406,892.35	8.52%	21,998	5.76%
>= 85% - 89.99%	2,795,952,079.48	7.75%	19,764	5.18%
>= 90% - 94.99%	2,370,239,833.53	6.57%	17,272	4.53%
>= 95% - 99.99%	1,938,058,907.02	5.37%	14,045	3.68%

Bank of Scotland plc €60bn Covered Bond programme

>= 100% - 104.99%	1,564,893,921.39	4.34%	11,258	2.95%
>= 105% - 109.99%	972,530,110.92	2.70%	7,354	1.93%
>= 110% - 114.99%	483,337,323.27	1.34%	3,814	1.00%
>= 115% - 119.99%	197,443,528.11	0.55%	1,546	0.41%
>= 120% - 124.99%	48,866,600.45	0.14%	392	0.10%
>=125%	16,075,017.09	0.04%	123	0.03%
<b>Total</b>	<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

\*including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees and using latest indexed valuation

Maximum Indexed LTV	1.61%
The weighted average Indexed LTV is	69.52%
Minimum Indexed LTV	-0.24%

Outstanding Balances

Ranges of balances at the end of the reporting period	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
>=0 - < 50,000	3,329,329,328.13	9.23%	122,766	32.16%
>=50,000 - < 100,000	9,083,657,767.46	25.18%	122,870	32.19%
>=100,000 - < 150,000	8,992,963,877.50	24.93%	73,914	19.37%
>=150,000 - < 200,000	5,489,520,211.91	15.22%	32,028	8.39%
>=200,000 - < 250,000	3,033,339,610.01	8.41%	13,696	3.59%
>=250,000 - < 300,000	1,699,264,262.32	4.71%	6,247	1.64%
>=300,000 - < 350,000	1,061,761,803.45	2.94%	3,296	0.86%
>=350,000 - < 400,000	764,698,795.05	2.12%	2,052	0.54%
>=400,000 - < 450,000	549,399,700.85	1.52%	1,302	0.34%
>=450,000 - < 500,000	495,755,320.23	1.37%	1,043	0.27%
>=500,000 - < 550,000	378,167,969.33	1.05%	730	0.19%
>=550,000 - < 600,000	259,998,960.48	0.72%	453	0.12%
>=600,000 - < 650,000	225,719,527.86	0.63%	363	0.10%
>=650,000 - < 700,000	178,180,205.28	0.49%	265	0.07%
>=700,000 - < 750,000	145,859,102.86	0.40%	202	0.05%
>=750,000 - < 800,000	120,528,203.81	0.33%	157	0.04%
>=800,000 - < 850,000	86,819,095.53	0.24%	106	0.03%
>=850,000 - < 900,000	61,069,383.46	0.17%	70	0.02%
>=900,000 - < 950,000	59,687,450.32	0.17%	65	0.02%
>=950,000 - < 1,000,000	58,319,109.51	0.16%	60	0.02%
>=1,000,000	1,000,710.75	0.00%	1	0.00%
<b>Total</b>	<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

Maximum Loan balance	£ 1,000,710.75
Weighted Average Loan Balance	£ 170,219.38
Average Loan Balance	£ 94,514.97
Minimum Loan Balance	-£ 83,236.46

Bank of Scotland plc €60bn Covered Bond programme

Seasoning

Age of loans in months		Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
0 months	<6 months	65,118,701.77	0.18%	546	0.14%
6 months	<12 months	301,771,712.80	0.84%	2,622	0.69%
12 months	<18 months	128,071,900.87	0.36%	1,101	0.29%
18 months	<24 months	205,883,145.74	0.57%	1,706	0.45%
24 months	<30 months	159,805,841.68	0.44%	1,400	0.37%
30 months	<36 months	104,141,446.12	0.29%	992	0.26%
36 months	<42 months	1,211,091,455.94	3.36%	9,210	2.41%
42 months	<48 months	4,238,236,931.46	11.75%	36,935	9.68%
48 months	<54 months	5,763,165,164.63	15.98%	44,410	11.64%
54 months	<60 months	4,148,269,718.34	11.50%	31,339	8.21%
60 months	<66 months	2,935,477,555.49	8.14%	26,243	6.88%
66 months	<72 months	2,953,263,376.96	8.19%	29,112	7.63%
72 months	<84 months	4,847,516,324.15	13.44%	51,261	13.43%
84 months	<96 months	2,798,254,258.74	7.76%	34,100	8.93%
96 months	<108 months	2,220,969,368.61	6.16%	30,924	8.10%
>=108 Months		3,993,983,492.80	11.07%	79,785	20.90%
<b>Total</b>		<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

Maximum Seasoning	191.97 Months
Weighted average seasoning	71.61 Months
Minimum Seasoning	5.03 Months

Years to Maturity

Years to Maturity		Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
0 Years	<5 Years	1,537,144,542.65	4.26%	31,886	8.35%
5 Years	<10 Years	3,690,243,911.81	10.23%	53,068	13.90%
10 Years	<15 Years	6,396,179,691.03	17.73%	72,421	18.97%
15 Years	<20 Years	11,132,324,655.22	30.86%	98,289	25.75%
20 Years	<25 Years	7,215,517,611.81	20.00%	55,572	14.56%
25 Years	<30 Years	3,044,086,630.39	8.44%	30,494	7.99%
30 Years	<35 Years	2,567,933,348.49	7.12%	34,423	9.02%
35 Years +		491,610,004.70	1.36%	5,533	1.45%
<b>Total</b>		<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

Maximum Remaining Term	40.08 Years
Weighted average remaining term	18 Years
Minimum Remaining Term	0 Years

Geographical Region

Region		Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
Unknown		15,291,372.23	0.04%	113	0.03%
East Midlands		2,106,549,791.17	5.84%	25,957	6.80%
East of England		3,401,651,523.49	9.43%	30,536	8.00%
London		6,213,425,718.04	17.22%	38,475	10.08%
North East		1,308,838,007.20	3.63%	18,875	4.95%
North West		3,421,082,158.28	9.48%	44,493	11.66%
Scotland		3,813,276,773.66	10.57%	58,829	15.41%
South East		5,943,077,265.71	16.47%	46,380	12.15%
South West		2,611,246,886.66	7.24%	26,101	6.84%
Wales		1,239,307,594.93	3.44%	16,313	4.27%
West Midlands		2,668,522,684.03	7.40%	31,431	8.23%
Yorkshire And The Humber		3,332,770,620.70	9.24%	44,183	11.58%
<b>Total</b>		<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

Bank of Scotland plc €60bn Covered Bond programme

Current LTV

Current LTV	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
>= 0% - 29.99%	3,002,375,937.87	8.32%	91,804	24.05%
>= 30% - 34.99%	1,145,718,813.87	3.18%	19,391	5.08%
>= 35% - 39.99%	1,319,186,878.15	3.66%	19,447	5.10%
>= 40% - 44.99%	1,530,579,655.92	4.24%	19,890	5.21%
>= 45% - 49.99%	1,728,096,419.10	4.79%	20,118	5.27%
>= 50% - 54.99%	2,045,376,392.70	5.67%	20,973	5.49%
>= 55% - 59.99%	2,456,645,828.45	6.81%	22,339	5.85%
>= 60% - 64.99%	2,780,650,955.23	7.71%	23,779	6.23%
>= 65% - 69.99%	3,505,433,069.31	9.72%	27,282	7.15%
>= 70% - 74.99%	4,265,622,866.70	11.82%	30,755	8.06%
>= 75% - 79.99%	3,876,928,289.35	10.75%	27,452	7.19%
>= 80% - 84.99%	3,042,259,349.77	8.43%	21,135	5.54%
>= 85% - 89.99%	2,739,471,322.61	7.59%	18,484	4.84%
>= 90% - 94.99%	1,497,247,309.74	4.15%	10,770	2.82%
>= 95% - 99.99%	578,775,688.50	1.60%	4,317	1.13%
>= 100% - 104.99%	255,848,589.43	0.71%	1,801	0.47%
>= 105% - 109.99%	171,194,567.52	0.47%	1,114	0.29%
>= 110% - 114.99%	93,980,938.58	0.26%	603	0.16%
>= 115% - 119.99%	33,258,439.12	0.09%	193	0.05%
>= 120% - 124.99%	4,877,141.76	0.01%	25	0.01%
>=125%	1,511,942.42	0.00%	14	0.00%
<b>Total</b>	<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

\*including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees and using latest non-indexed valuation

Maximum Current LTV	161.32%
The Weighted Average Current LTV is	64.03%
Minimum Current LTV	-0.19%

Property Type

Property type	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
Detached	10,720,156,102.28	29.72%	84,065	22.02%
Semi-Detached	10,698,325,886.59	29.66%	126,529	33.15%
Terraced	10,010,928,433.68	27.75%	122,260	32.03%
Other*	4,645,629,973.55	12.88%	48,832	12.79%
<b>Total</b>	<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

\*Primarily flats & Maisonettes

Repayment Types

Repayment terms	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
Interest only	17,151,549,324.57	47.54%	145,338	38.08%
Repayment	18,923,491,071.53	52.46%	236,348	61.92%
<b>Total</b>	<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

Special rate and flexible loans

Type of Loan	Aggregate outstanding IBB balance	% of Total	Number of Accounts	% of Total
Discounted loans	394,976,824.58	1.09%	3,004	0.79%
Fixed rate loans	8,160,223,435.32	22.62%	86,276	22.60%
Tracker rate loans	6,622,594,207.10	18.36%	71,740	18.80%
Loans on Standard Variable Rate	20,897,245,929.10	57.93%	220,666	57.81%
<b>Total</b>	<b>36,075,040,396.10</b>	<b>100.00%</b>	<b>381,686</b>	<b>100.00%</b>

of which

Flexible loans	161,146,958.41	0.45%	1,636	0.43%
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Fixed Interest Rates

Fixed rate	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
0 - <4.00%	903,076,222.01	11.07%	7,173	8.31%
4.00 - <5.00%	2,350,451,047.36	28.80%	23,157	26.84%
5.00 - <6.00%	3,594,216,917.13	44.05%	37,260	43.19%
6.00 - <7.00%	1,237,586,695.33	15.17%	16,987	19.69%
>=7.00%	74,892,553.49	0.92%	1,699	1.97%
<b>Total</b>	<b>8,160,223,435.32</b>	<b>100.00%</b>	<b>86,276</b>	<b>100.00%</b>

**Bank of Scotland plc €60bn Covered Bond programme**

Year Fixed Rate Product ends

Year in which current fixed rate period ends	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
2011	229,418.81	0.00%	16	0.02%
2012	3,471,224,731.56	42.54%	36,475	42.28%
2013	2,467,704,341.99	30.24%	23,678	27.44%
2014	1,277,074,415.56	15.65%	13,344	15.47%
2015	266,472,679.98	3.27%	3,953	4.58%
2016	242,756,364.87	2.97%	3,136	3.63%
2017	242,101,026.17	2.97%	3,353	3.89%
2018+	192,660,456.38	2.36%	2,321	2.69%
<b>Total</b>	<b>8,160,223,435.32</b>	<b>100.00%</b>	<b>86,276</b>	<b>100.00%</b>

**The Asset Coverage Test**

Part A is defined by the lower of two variables which are:-

(i) Adjusted Current Balance of each loan in the portfolio which is (1) the lower of the actual current balance of each relevant loan and (2) 60 per cent. of the Indexed Valuation (please see Glossary which defines these terms) minus the adjusted current balance of the deemed reductions

(ii) Aggregate current balance of the loans in the portfolio *minus* the aggregate current balance of deemed reductions, *the result of which is multiplied* by the Asset Percentage

**A(i)**

Adjusted Current Balance	£	29,702,329,748.84
<i>minus</i> Adjusted Current Balance of Deemed Reductions	£	64,814,256.66
	£	<b>29,637,515,492.18</b>

**A(ii)**

Aggregate Current Balance	£	36,075,040,396.10
<i>minus</i> Aggregate Current Balance of Deemed Reductions	£	79,421,831.42
Net sum	£	35,995,618,564.68
Net sum multiplied by Asset Percentage	£	<b>25,196,932,995.28</b>

<b>Lower of A(i) and A(ii)</b>	£	<b>25,196,932,995.28</b>
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Lower of A (i) Adjusted Current Balance less Deemed Reductions or A(ii) Aggregate Current Balance less Deemed Reductions multiplied by the Asset Percentage

**Method Used for Calculation**

**A(ii)**

**Asset Percentage**

**70.00%**

Asset Percentage

<b>A =</b>	£	25,196,932,995.28	Aggregate Current Balance less Deemed Reductions multiplied by the Asset Percentage
<b>B =</b>	£	2,509,430,873.31	Principal Receipts that have not been applied to acquire further loans or otherwise applied in accordance with the Transaction Documents
<b>C =</b>	£	-	Cash Capital Contributions made by the Members or proceeds of Term Advances that have not been applied to acquire further loans or otherwise applied in accordance with the Transaction Documents
<b>D =</b>	£	-	Outstanding Principal Balance of any Substitution Assets
<b>E =</b>	£	-	Amount of any Sale Proceeds standing to the credit of the GIC Account and credited to the Pre-maturity Liquidity Ledger
<b>X =</b>	£	1,803,752,019.81	5% of the aggregate Current Balance of the Loans in the Portfolio, on the relevant Calculation Date
<b>Y =</b>	£	17,363,072.54	8% (cost of refinancing the amount drawn) multiplied by the Flexible Redraw Capacity, (the excess of the Maximum amount that Borrowers may draw under Flexible Loans in the Portfolio (whether or not drawn) as determined, and the Aggregate Current Balance of all Flexible Loans in the Portfolio) multiplied by 3.
<b>Z =</b>	£	632,117,717.37	Weighted Average Maturity of all Covered Bonds outstanding, multiplied by the Sterling Equivalent of the Aggregate Principal Amount Outstanding of the Covered Bonds multiplied by 0.65%
<b>Adjusted Aggregate Loan Amount: (A+B+C+D+E-(X+Y+Z))</b>	£	<b>25,253,131,058.87</b>	
<b>Principal Amount Outstanding of the Covered Bonds</b>	£	<b>23,237,138,595.03</b>	
<b>Current Amount of Credit Support</b>	£	<b>2,015,992,463.84</b>	Result of the Overcollateralisation in the Asset Coverage Test
		<b>PASS</b>	Pass/Fail

The Maximum Asset Percentage available to the Pool is 92.5%. However, we are current using a lower Asset Percentage (AP) to support the ratings on the Bonds

If the Adjusted Aggregate loan amount is less than the aggregate Principal outstanding of the Covered Bonds then the Asset Coverage test will fail. This must be cured by the next calculation date

**Interest Shortfall Test**

Revenue receipts	£	105,915,590.46	
Interest	£	1,699,041.17	
Interest Rate Swap	-£	55,473,993.09	
Interest for Shortfall	£	-	
Interest on payments	-£	15,682,301.53	
Servicer and Cash Manager Fees	-£	3,097,941.82	
<b>Excess Cash</b>	<b>£</b>	<b>33,360,395.19</b>	<b>PASS</b>

**Pre Maturity Test - Cash is held in the GIC account to meet the Pre Maturity requirement**

**The Amortisation Test/Yield Shortfall Test**

The calculation of these tests is only required to be performed once a HBOS Event of Default has occurred, therefore until there is an HBOS Event of Default this section will be intentionally left blank

**GIC Account**

Reserve Fund Ledger	£	749,165,191.37
Pre-Maturity Ledger	£	2,082,365,619.91
Revenue Ledger	£	112,370,981.19
Principal Ledger	£	927,065,253.40
<b>Total Balance</b>	<b>£</b>	<b>3,870,967,045.87</b>

**Waterfall distributed on 16th January 2012****Revenue**

<b>Total Revenue to be distributed</b>	£	<b>114,231,101.03</b>
Amounts payable to third parties	£	24,866.32
(i) Servicer Fees, expenses	£	1,517,553.67
(ii) Cash Manager remuneration & costs	£	1,517,553.67
(iii) Account Bank fees/costs	£	-
(iv) Corporate Service Provider costs	£	-
(v) Asset Monitor - all costs except indemnity amount	£	-
Amounts paid under the IRS	£	59,721,530.70
Reserve Ledger credit (up to req'd amount)	£	-
(i) Pre-Maturity Liquidity Ledger (if req'd)	£	-
(ii) amounts standing to Prematurity ledger	£	-
IF a Servicer Event of Default occurs, all remaining revenue to GIC A/C	£	-
Excluded Swap Termination Amount (see comment)	£	-
Amounts due under intercompany loans	£	15,407,516.51
Indemnity Amount to the Members	£	-
Indemnity Amount to the Asset Monitor	£	-
Deferred Consideration	£	36,039,080.16
Profit allocation to Members of LLP	£	3,000.00

**Principal**

<b>Total Principal to be distributed</b>	£	<b>1,380,942,432.88</b>
Pre-Maturity Liquidity Ledger	£	1,380,942,432.88
Acquisition of New Loans	£	-
Principal Ledger	£	-
Principal Repayments on the ICL	£	-
Return of Capital Contribution	£	-

For further details of the Waterfall please refer to Pages 244-252 of the Base prospectus dated 10th March 2010

**Bank of Scotland plc €60bn Covered Bond programme**

**Structure and Liability Details**

Series Name	2	4	5	6	7	9	10
Issue Date	23-Oct-2003	4-Jun-2004	23-Sep-2004	13-Dec-2004	8-Feb-2005	15-Aug-2005	15-Aug-2005
Original Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Current Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Currency	EURO	EURO	EURO	GBP	EURO	EURO	EURO
Issue Size	2,000,000,000	1,250,000,000	2,000,000,000	500,000,000	1,500,000,000	644,850,000	189,100,000
Issue Size (GBP equivalent)	1,392,600,000	831,875,000	1,360,544,218	500,000,000	1,038,000,000	446,881,050	131,046,300
Exchange Rate	1.4362	1.5026	1.4700	1.0000	1.4451	1.4430	1.4430
Outstanding Amount	2,000,000,000	1,250,000,000	2,000,000,000	500,000,000	1,500,000,000	644,850,000	189,100,000
Coupon	Annual Fixed	Annual Fixed	Annual Fixed	3M GBP+0.075%	Annual Fixed	6M Euribor Flat	3M Euribor Flat
Current Rate	4.5000%	4.8750%	4.2500%	1.05525%	3.8750%	1.75800%	1.41700%
Expected Maturity Date	23-Oct-13	04-Jun-19	23-Sep-14	13-Dec-14	07-Feb-20	10-Oct-12	30-Sep-13
Final Legal Maturity Date	23-Oct-13	04-Jun-19	23-Sep-14	13-Dec-14	07-Feb-20	10-Oct-12	30-Sep-13
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0178952650	XS0193640629	XS0201674594	XS0208047778	XS0212074388	XS0226831799	XS0226832250
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.0000%	0.0000%	0.0000%	1.0553%	0.0000%	1.7580%	1.4170%
Margin	4.5000%	4.8750%	4.2500%	0.0750%	3.8750%	0.0000%	0.0000%
Current Bond Accrual Period	23/10/2011 to 23/10/2012	04/06/2011 to 04/06/2012	23/09/2011 to 23/09/2012	13/12/2011 to 13/03/2012	07/02/2011 to 07/02/2012	07/10/2011 to 09/04/2012	20/12/2011 to 20/03/2012

*Previous Payment Date*

Expected Coupon Amount	62,667,000.00	40,553,906.25	57,823,129.27	1,408,941.78	40,222,500.00	4,037,197.89	469,389.65
Coupon Amount Paid	62,667,000.00	40,553,906.25	57,823,129.27	1,408,941.78	40,222,500.00	4,037,197.89	469,389.65
Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Principal Bond Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Bond Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Intercompany interest amount	903,921.40	539,960.95	883,114.34	324,544.52	673,754.42	290,065.59	85,060.72
Intercompany interest amount paid	903,921.40	539,960.95	883,114.34	324,544.52	673,754.42	290,065.59	85,060.72
Expected Intercompany principal amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany principal amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Series Name	11	12	13	14	15	16	17
Issue Date	15-Aug-2005	2-Mar-2011	2-Mar-2011	20-Dec-2010	25-Jan-2006	13-Jul-2006	13-Jul-2006
Original Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Current Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA(sf)/Aaa(sf)/AAA(sf)	AAA(sf)/Aaa(sf)/AAA(sf)	AAA(sf)/Aaa(sf)/AAA(sf)	AAA(sf)/Aaa(sf)/AAA(sf)	AAA(sf)/Aaa(sf)/AAA(sf)
Currency	USD	EURO	GBP	EURO	EURO	EURO	EURO
Issue Size	70,200,000	292,250,000	233,800,000	200,000,000	2,000,000,000	1,500,000,000	1,500,000,000
Issue Size (GBP equivalent)	39,527,027	250,000,000	200,000,000	200,000,000	1,372,000,000	1,041,750,000	1,041,750,000
Exchange Rate	1.7760	1.1690	1.1690	1.0000	1.4577	1.4399	1.4399
Outstanding Amount	70,200,000	292,250,000	233,800,000	200,000,000	2,000,000,000	1,500,000,000	1,500,000,000
Coupon	3M USD -0.01	Annual Fixed	Annual Fixed	3M GBP+1.28%	Annual Fixed	Annual Fixed	Annual Fixed
Current Rate	0.56315%	2.58900%	2.86500%	1.03263%	3.25000%	4.50000%	4.37500%
Expected Maturity Date	30-Sep-13	26-Nov-12	28-May-13	25-Nov-13	25-Jan-13	13-Jul-21	13-Jul-16
Final Legal Maturity Date	30-Sep-13	26-Nov-12	28-May-13	25-Nov-13	25-Jan-13	13-Jul-21	13-Jul-16
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0226831872	XS0236528385	XS0236528542	XS0236527817	XS0241851764	XS0260981658	XS0260981229
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.5632%	0.0000%	0.0000%	1.0326%	0.0000%	0.0000%	0.0000%
Margin	-0.0100%	2.5890%	2.8650%	1.2800%	3.2500%	4.5000%	4.3750%
Current Bond Accrual Period	20/12/2011 to 20/03/2012	26/11/2011 to 26/11/2012	28/05/2011 to 28/05/2012	25/11/2011 to 27/02/2012	25/01/2011 to 25/01/2012	13/07/2011 to 13/07/2012	13/07/2011 to 13/07/2012

*Previous Payment Date*

Expected Coupon Amount	55,268.28	6,472,500.00	5,730,000.00	1,191,162.85	44,590,000.00	46,878,750.00	45,576,562.50
Coupon Amount Paid	55,268.28	6,472,500.00	5,730,000.00	1,191,162.85	44,590,000.00	46,878,750.00	45,576,562.50
Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Principal Bond Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Bond Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Intercompany interest amount	25,656.56	162,272.26	129,817.81	129,817.81	890,550.16	676,188.51	676,188.51
Intercompany interest amount paid	25,656.56	162,272.26	129,817.81	129,817.81	890,550.16	676,188.51	676,188.51
Expected Intercompany principal amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany principal amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Bank of Scotland plc €60bn Covered Bond programme**

<b>Series Name</b>	<b>18</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>25</b>	<b>26</b>
Issue Date	21-Nov-2006	15-Dec-2006	20-Feb-2007	8-Jun-2007	8-Jun-2007	26-Oct-2007	18-Dec-2007
Original Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Current Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Currency	EURO	GBP	USD	EURO	EURO	EURO	DKR
Issue Size	2,000,000,000	500,000,000	3,000,000,000	1,250,000,000	1,250,000,000	2,000,000,000	4,680,000,000
Issue Size (GBP equivalent)	1,345,000,000	500,000,000	1,520,000,000	850,000,000	850,000,000	1,396,000,000	453,550,000
Exchange Rate	1.4870	1.0000	1.9737	1.4706	1.4706	1.4327	10.3186
Outstanding Amount	2,000,000,000	500,000,000	3,000,000,000	1,250,000,000	1,250,000,000	2,000,000,000	4,680,000,000
Coupon	Annual Fixed	3M GBP-0.02%	Semi Annual	Annual Fixed	Annual Fixed	Annual Fixed	6MDKK CIBOR+0.29%
Current Rate	3.87500%	0.98669%	5.25000%	4.62500%	4.75000%	4.75000%	1.25250%
Expected Maturity Date	15-Jan-14	31-Jan-12	21-Feb-17	08-Jun-17	08-Jun-22	26-Jan-15	02-Jan-18
Final Legal Maturity Date	15-Jan-14	31-Jan-12	21-Feb-17	08-Jun-17	08-Jun-22	26-Jan-15	02-Jan-18
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0275093473	XS0279552748	XS0286774483	XS0304458721	XS0304459026	XS0327502224	DK0030075023
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.0000%	0.9867%	0.0000%	0.0000%	0.0000%	0.0000%	1.2525%
Margin	3.8750%	-0.0200%	5.2500%	4.6250%	4.7500%	4.7500%	0.2900%
Current Bond Accrual Period	15/01/2011 to 15/01/2012	31/10/2011 to 31/01/2012	21/02/2011 to 21/08/2012	08/06/2011 to 08/06/2012	08/06/2011 to 08/06/2012	26/01/2011 to 26/01/2012	03/01/2012 to 02/07/2012

<i>Previous Payment Date</i>							
Expected Coupon Amount	52,118,750.00	1,218,294.25	39,900,000.00	39,312,500.00	40,375,000.00	66,310,000.00	3,517,437.73
Coupon Amount Paid	52,118,750.00	1,218,294.25	39,900,000.00	39,312,500.00	40,375,000.00	66,310,000.00	3,517,437.73
Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Principal Bond Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Bond Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Intercompany interest amount	873,024.76	324,544.52	986,615.34	551,725.68	551,725.68	906,128.30	294,394.33
Intercompany interest amount paid	873,024.76	324,544.52	986,615.34	551,725.68	551,725.68	906,128.30	294,394.33
Expected Intercompany principal amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany principal amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00

<b>Series Name</b>	<b>29</b>	<b>33</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>
Issue Date	22-May-2008	20-Dec-2010	20-Dec-2010	20-Dec-2010	20-Dec-2010	20-Dec-2010	20-Dec-2010
Original Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Current Rating	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Currency	GBP	GBP	EURO	EURO	EURO	GBP	EURO
Issue Size	1,000,000,000	1,000,000,000	591,750,000	591,750,000	591,750,000	410,000,000	2,130,300,000
Issue Size (GBP equivalent)	1,000,000,000	1,000,000,000	500,000,000	500,000,000	500,000,000	410,000,000	1,800,000,000
Exchange Rate	1.0000	1.0000	1.1835	1.1835	1.1835	1.0000	1.1835
Outstanding Amount	1,000,000,000	1,000,000,000	591,750,000	591,750,000	591,750,000	410,000,000	2,130,300,000
Coupon	1M LIBOR+0.12%	3M LIBOR+1.28	Annual Fixed	Annual Fixed	Annual Fixed	3M LIBOR+1.29%	Annual Fixed
Current Rate	0.76750%	0.98544%	3.37500%	3.37500%	3.37500%	1.03388%	3.62500%
Expected Maturity Date	22-Sep-19	27-Jan-14	27-Oct-14	25-Jan-16	25-Jan-16	27-May-14	27-Jul-15
Final Legal Maturity Date	22-Sep-19	27-Jan-14	27-Oct-14	25-Jan-16	25-Jan-16	27-May-14	27-Jul-15
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0366238375	XS0390482213	XS0390479185	XS0390479268	XS0391406591	XS0391406088	XS0391405783
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.7675%	0.9854%	0.0000%	0.0000%	0.0000%	1.0339%	0.0000%
Margin	0.1200%	1.2800%	3.3750%	3.3750%	3.3750%	1.2900%	3.6250%
Current Bond Accrual Period	22/12/2011 to 23/01/2012	27/10/2011 to 27/01/2012	27/10/2011 to 27/10/2012	20/12/2011 to 20/12/2012	20/12/2011 to 20/12/2012	28/11/2011 to 27/02/2012	27/07/2011 to 27/07/2012

<i>Previous Payment Date</i>							
Expected Coupon Amount	778,082.19	5,710,150.14	16,875,000.00	16,875,000.00	16,875,000.00	2,375,451.04	65,250,000.00
Coupon Amount Paid	778,082.19	5,710,150.14	16,875,000.00	16,875,000.00	16,875,000.00	2,375,451.04	65,250,000.00
Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Interest Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Principal Bond Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Bond Paid	1,100,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Intercompany interest amount	649,089.04	649,089.04	324,544.52	324,544.52	324,544.52	266,126.51	1,168,360.27
Intercompany interest amount paid	649,089.04	649,089.04	324,544.52	324,544.52	324,544.52	266,126.51	1,168,360.27
Expected Intercompany principal amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany principal amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Series Name	40	41
Issue Date	20-Dec-2010	24-Mar-2010
Original Rating	AAA/Aaa/AAA	AAA/Aaa/AAA
Current Rating	AAA/Aaa/AAA	AAA/Aaa/AAA
Currency	EURO	EURO
Issue Size	591,750,000	850,000,000
Issue Size (GBP equivalent)	500,000,000	766,615,000
Exchange Rate	1.1835	1.1088
Outstanding Amount	591,750,000	850,000,000
Coupon	Annual Fixed	3M Euribor+0.95%
Current Rate	3.50000%	1.410002.486%
Expected Maturity Date	23-Aug-17	24-Mar-16
Final Legal Maturity Date	23-Aug-17	24-Mar-16
Bond Structure	Hard Bullet	Hard Bullet
ISIN:	XS0391405940	XS0496583468
Stock Exchange Listing	Luxembourg	Luxembourg
Reference Rate	0.0000%	1.4100%
Margin	3.5000%	0.9500%
Current Bond Accrual Period	20/12/2011 to 20/12/2012	28/12/2011 to 26/03/2012

Previous Payment Date		
Expected Coupon Amount	17,500,000.00	4,472,772.63
Coupon Amount Paid	17,500,000.00	4,472,772.63
Interest Shortfall	0.00	0.00
Cumulative Interest Shortfall	0.00	0.00
Expected Principal Bond Payment	0.00	0.00
Principal Bond Paid	0.00	0.00
Principal Shortfall	0.00	0.00
Cumulative Principal Shortfall	0.00	0.00
Expected Intercompany interest amount	324,544.52	497,601.40
Intercompany interest amount paid	324,544.52	497,601.40
Expected Intercompany principal amount	0.00	0.00
Intercompany principal amount paid	0.00	0.00

**SWAPS**

Covered Bond swaps

Issue	Currency swap Provider	Rates	Required Rating (S&P/Moody's Fitch)	Current Rating (S&P/Moody's Fitch)
2	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
4	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
5	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
6	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
7	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
9	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
10	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
11	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
12	Bank of Scotland plc	1m Libor +131.2bps	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
13	Bank of Scotland plc	1m Libor +143.2bps	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
14	Bank of Scotland plc	1m Libor +161.6bps	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
15	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
16	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
17	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
18	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
21	Bank of Scotland plc	GBP-LIBOR Flat	A-1+/A1/F1	A-1/P-1/F-1
22	Bank of Scotland plc	Flat	A-1/A2 & P-1/A+ or F1	A-1/A1&P-1/A or F1
23	Bank of Scotland plc	Flat	A-1/A2 & P-1/A+ or F1	A-1/A1&P-1/A or F1
25	Bank of Scotland plc	Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
26	Bank of Scotland plc	Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
33	Bank of Scotland plc	1m Libor +128bps	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
35	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
36	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
37	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
38	Bank of Scotland plc	1m Libor +129bps	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
39	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
40	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1
41	Bank of Scotland plc	Flat	A-1 / A2 & P1 / A or F1	A-1/A1&P-1/A or F1

The notional amounts and LLP receive rates match the bond details shown in the 'Structure and Liability Details' section

**Bank of Scotland plc €60bn Covered Bond programme**

Collateral posted

Currency SWAP Provider	Collateral Posted
Bank of Scotland plc	£5,325,803,369.00

Covered Bond Swaps are contingent swaps and actual payments / receipts are triggered only after certain events related to the swap counterparty

Swaps have been written over a number of years using the rating agency criteria applicable at the time of that transaction. Therefore the terms of each swap can differ. The Current Triggers above reflect the level at which collateral is required to be posted.

Interest rate swap

Interest rate swap provider	Notional Amount	Calculation Period Swap Provider amount	Calculation period Issuer Amount	Collateral Posted
Bank of Scotland plc	£ 36,375,812,178.00	£ 56,610,510.47	£ 116,507,889.51	£ -

**Other Key Parties**

Issuer	Bank of Scotland plc
Servicer	Bank of Scotland plc
Cash Manager	Bank of Scotland plc
Account Bank	Bank of Scotland plc
GIC Provider	Bank of Scotland plc
Interest Rate Swap Provider	Bank of Scotland plc
Covered Bond Swap Provider	Bank of Scotland plc
Standby Account Bank	Citibank NA, London branch
Standby GIC Provider	Citibank NA, London branch
Issuing and Principal Paying Agent	Citibank NA, London branch
Bond Trustee	Citicorp Trustee Company Ltd
Security Trustee	Citicorp Trustee Company Ltd
Group Guarantor	HBOS plc

Bank of Scotland plc €60bn Covered Bond programme

Counterparty linked rating triggers

Party to the Transaction	Name	Required Rating	Rating (where required)	Status	Consequences
		(S&P / Moody's/Fitch)	(S&P / Moody's/Fitch)		
Issuer	Bank of Scotland plc	1. Short term < A-1+ / Long term <A1 or short term <P-1 / short term <F1+	A-1; A1; P-1 / F1	Breached	Pre-Maturity Liquidity Test breach resulting in need to fund the Pre-Maturity Liquidity Ledger in respect of upcoming hard bullet bonds and/or leading to the sale of Selected Loans
		2. Short term <A-1+ / Short term <P-1 / short term <F1+	A-1 / P-1 / F1	Breached	Issuer required to establish and maintain Reserve Fund
Servicer	Bank of Scotland plc	Long term <BBB- / long term <Baa3 / long term < BBB-	A+ / A1 / A	Not breached	Servicer required to use reasonable efforts to enter, within 60 days, into a back-up or master servicing agreement with a third party with suitable experience and credentials
Cash Manager or Issuer	Bank of Scotland plc / Bank of Scotland plc	Long term <BBB- / long term <Baa3 / long term < BBB-	A+ / A1 / A	Not breached	Asset Monitor required to report on arithmetic accuracy of Cash Manager's calculations more frequently
Account Bank	Bank of Scotland plc	Short term A-1+ / short term <P-1 / short term <F1	A-1 / P-1 / F1	Not breached (S&P rating waived)	Termination Event pursuant to the Bank Account Agreement, unless such downgrade is remedied in accordance with the terms of the Bank Account Agreement
Seller	Bank of Scotland plc	Long term <BBB- / long term <Baa3 / long term < BBB-	A+ / A1 / A	Not breached	Legal title to the loans and their Related Security transferred to LLP
Covered Bonds Swap Provider(s)	Bank of Scotland plc	Counterparty credit ratings are downgraded by a Rating Agency below the required ratings specified in the relevant swap agreement.	A+; A-1 / A1; P-1 / A / F1	Some breached; others not	Swap provider to provide collateral for its obligations, procure another entity to become a co-obligor or guarantor, arrange for its obligations to be transferred to a replacement counterparty or terminate the swap. Where applicable, Counterparty is posting collateral.
Interest Rate Swap Provider	Bank of Scotland plc	Counterparty credit ratings are downgraded by a Rating Agency below the required ratings specified in the relevant swap agreement.	A+; A-1 / A1; P-1 / A / F2	Not breached	Swap provider to provide collateral for its obligations, arrange for its obligations to be transferred to a replacement counterparty or terminate the swap

## Issuer and LLP Events of Default

Party	Trigger Event	Status	Consequences
Issuer	Any of the events listed at Condition 10(a) (Events of Default, Acceleration and Enforcement – HBOS Events of Default) occurs. See the section of the Prospectus entitled "Terms and Conditions of the Covered Bonds" for more information.	Not breached	<ul style="list-style-type: none"> <li>Covered Bonds become accelerated as against the Issuer (but not against the LLP).</li> <li>Notice to Pay served on the LLP.</li> <li>Following service of Notice to Pay, LLP starts making payments of Guaranteed Amounts under the Covered Bonds.</li> </ul>
LLP	Any of the events listed at Condition 10(b) of the Prospectus ( <i>Events of Default and Enforcement – LLP Events of Default</i> ) occurs and an LLP Acceleration Notice is served. See the section of the Prospectus entitled " Terms and Conditions of the Covered Bonds " for more information.	Not breached	<ul style="list-style-type: none"> <li>Security becomes enforceable.</li> <li>Covered Bonds will become immediately due and repayable as against the Issuer (if not already the case) and also against the LLP.</li> <li>Moneys received or recovered by the Security Trustee will be applied in accordance with the Post-Enforcement Priority of Payments.</li> </ul>

## Glossary

Term	Definition
Months in Arrears	The number of months in arrears is based on the most recent payments due. It is not the amount of arrears/current payment due. The arrears table on Page 1 includes the repossession figures.
Accounts in arrears	A loan is identified as being in arrears where an amount equal to or greater than a full month's contractual payment is outstanding at the end of the month.
Current LTV	Current LTV is calculated using the current outstanding mortgage balance over the latest valuation amount
Indexed LTV	Indexed LTV is calculated using the current outstanding mortgage balance over the Halifax House Price Index for that property. This is updated quarterly in January, April, July and October.
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.
Region	Reported Regions are Nomenclature of Units for Territorial Statistics 1 classifications (NUTS1)
Type of loan	The "Type of Loan", "Fixed Rate" and "Year in which Current Fixed rate period ends" have been prepared on the basis of the type of loan applicable to each mortgage accounts primary product holding. In addition to the primary product holding, a mortgage account may other active product holdings which may or may not be the same type as the main product holding.
PPR	Monthly PPR reflects the aggregate of scheduled and unscheduled principal receipts, including the proceeds from loan repurchases by the Seller. It should be noted that in previous reports this was labelled CPR. Constant Prepayment Rate (CPR) reflects payments received in addition to scheduled principal repayments and is not currently currently available.
Outstanding Principal Balance	the aggregate principal 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
Capitalised arrears	is a reclassification of an account where the arrears of interest may be capitalised with the agreement of the borrower once a borrower has made six consecutive scheduled payments of at least the contractual payment
Default	A loan is not defined as defaulted until the property relating to that loan has been taken into possession. A loan is not charged off as uncollectable until the property relating to that loan has been disposed of following default.
<b>The following are definitions specifically relating to the Asset Coverage test only</b>	
Original Valuation	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 the Property
Indexed Valuation	(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 (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