

**Transaction details**

Reporting Date	16 Nov 2012
Reporting Period Start	1 Oct 2012
Reporting Period End	31 Oct 2012
LLP Accrual Period	16 Oct 2012 to 16 Nov 2012
Next LLP Payment Date	16 Nov 2012

**Contact details and report distribution channels**

Contact	Email	Tel	Fax
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Investor reports, prospectus and access to key transaction documents and loan level data may be obtained at

[http://www.lloydsbankinggroup.com/investors/debt\\_investors/covered\\_bonds\\_terms.asp](http://www.lloydsbankinggroup.com/investors/debt_investors/covered_bonds_terms.asp)

**Asset Details**

Mortgage Balance at beginning of period	£	32,731,657,589.20	Number of Mortgages at beginning of period	352,551
Mortgage Balance at end of period	£	36,119,765,300.45	Number of Mortgages at end of period	384,116

Substitutions/Repurchases		Balance	Number
Substitutions in period	£	4,075,616,352.26	37,722
Repurchased in period	£	287,152,176.31	2,741

Revenue collected in period (inc Bank interest)	£	108,707,292.35
Principal Collected in period	£	699,312,416.04
Yield (pre-swap)		3.94074%
Net Yield (post-swap)		1.17248%
Other Substituted assets	£	-

**Performance Ratios**

Month	Monthly PPR	1-month annualised	3-month annualised	12-month annualised
Oct 2012	2.14%	22.83%	17.09%	15.67%
Sep 2012	1.13%	12.78%	14.21%	14.97%
Aug 2012	1.38%	15.37%	14.62%	15.24%

**Stratification Tables**

Months in arrears	Aggregate outstanding balance	% of Total	Aggregate amount of Arrears	Number of Accounts	% of Total
Less than 1 month	£ 35,500,613,016.88	98.29%	£ 1,497,611.83	378,606	98.57%
1 - 2 months	£ 412,560,406.11	1.14%	£ 2,830,185.68	3,676	0.96%
2 - 3 months	£ 144,679,513.23	0.40%	£ 1,894,912.45	1,306	0.34%
3 - 6 months	£ 61,901,766.77	0.17%	£ 1,165,725.92	527	0.14%
6 - 12 months	£ 10,597.46	0.00%	£ 26.71	1	0.00%
12 months +	£ -	0.00%	£ -	0	0.00%
Total	£ 36,119,765,300.45	100.00%	£ 7,388,462.59	384,116	100.00%

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

**Indexed LTV**

Indexed LTV	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
>= 0% - 29.99%	£ 2,756,360,447.71	7.63%	90,067	23.45%
>= 30% - 34.99%	£ 1,020,433,833.65	2.83%	17,795	4.63%
>= 35% - 39.99%	£ 1,179,781,016.30	3.27%	17,852	4.65%
>= 40% - 44.99%	£ 1,349,830,505.06	3.74%	17,772	4.63%
>= 45% - 49.99%	£ 1,527,645,207.29	4.23%	17,662	4.60%
>= 50% - 54.99%	£ 1,784,325,272.57	4.94%	18,201	4.74%
>= 55% - 59.99%	£ 2,098,468,152.05	5.81%	18,980	4.94%
>= 60% - 64.99%	£ 2,243,403,244.05	6.21%	19,312	5.03%
>= 65% - 69.99%	£ 2,674,399,865.03	7.40%	21,365	5.56%
>= 70% - 74.99%	£ 3,290,356,393.15	9.11%	24,855	6.47%
>= 75% - 79.99%	£ 3,367,793,951.02	9.32%	25,486	6.63%
>= 80% - 84.99%	£ 3,212,220,941.13	8.89%	23,333	6.07%
>= 85% - 89.99%	£ 2,889,216,053.42	8.00%	21,250	5.53%
>= 90% - 94.99%	£ 2,245,342,744.28	6.22%	16,972	4.42%
>= 95% - 99.99%	£ 1,716,360,039.72	4.75%	12,651	3.29%
>= 100% - 104.99%	£ 1,302,855,767.05	3.61%	9,438	2.46%
>= 105% - 109.99%	£ 813,412,627.98	2.25%	6,140	1.60%
>= 110% - 114.99%	£ 418,788,819.01	1.16%	3,263	0.85%
>= 115% - 119.99%	£ 169,886,954.16	0.47%	1,288	0.34%
>= 120% - 124.99%	£ 47,088,384.60	0.13%	345	0.09%
>=125%	£ 11,795,081.22	0.03%	89	0.02%
<b>Total</b>	<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</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	163.68%
Weighted Average Indexed LTV	68.84%
Minimum Indexed LTV	0.00%

**Outstanding Balances**

Ranges of balances at the end of the reporting period	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
< 50,000	£ 3,309,539,697.37	9.16%	121,912	31.74%
>=50,000 - < 100,000	£ 9,306,299,894.45	25.77%	126,035	32.81%
>=100,000 - < 150,000	£ 9,040,466,432.55	25.03%	74,318	19.35%
>=150,000 - < 200,000	£ 5,542,373,044.05	15.34%	32,323	8.41%
>=200,000 - < 250,000	£ 3,025,201,575.93	8.38%	13,661	3.56%
>=250,000 - < 300,000	£ 1,666,467,130.09	4.61%	6,126	1.59%
>=300,000 - < 350,000	£ 1,027,204,022.38	2.84%	3,191	0.83%
>=350,000 - < 400,000	£ 762,363,907.44	2.11%	2,046	0.53%
>=400,000 - < 450,000	£ 528,420,275.34	1.46%	1,251	0.33%
>=450,000 - < 500,000	£ 472,549,587.46	1.31%	994	0.26%
>=500,000 - < 550,000	£ 345,384,456.24	0.96%	666	0.17%
>=550,000 - < 600,000	£ 237,121,365.77	0.66%	414	0.11%
>=600,000 - < 650,000	£ 205,166,014.17	0.57%	330	0.09%
>=650,000 - < 700,000	£ 166,025,696.00	0.46%	247	0.06%
>=700,000 - < 750,000	£ 134,558,343.07	0.37%	186	0.05%
>=750,000 - < 800,000	£ 110,775,839.39	0.31%	144	0.04%
>=800,000 - < 850,000	£ 81,921,289.04	0.23%	100	0.03%
>=850,000 - < 900,000	£ 58,530,544.98	0.16%	67	0.02%
>=900,000 - < 950,000	£ 47,806,162.29	0.13%	52	0.01%
>=950,000 - < 1,000,000	£ 51,590,022.44	0.14%	53	0.01%
>=1,000,000	£ -	0.00%	0	0.00%
<b>Total</b>	<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</b>	<b>100.00%</b>

Maximum Loan balance	£ 997,090.95
Weighted Average Loan Balance	£ 167,163.99
Average Loan Balance	£ 94,033.48
Minimum Loan Balance	-£ 13,578.17

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	£ 187,877,344.31	0.52%	1,600	0.42%
6 months	<12 months	£ 1,343,893,366.33	3.72%	11,714	3.05%
12 months	<18 months	£ 892,891,915.14	2.47%	7,934	2.07%
18 months	<24 months	£ 584,052,157.03	1.62%	5,289	1.38%
24 months	<30 months	£ 583,249,080.22	1.61%	5,181	1.35%
30 months	<36 months	£ 485,781,487.07	1.34%	4,346	1.13%
36 months	<42 months	£ 324,050,344.21	0.90%	3,097	0.81%
42 months	<48 months	£ 233,022,506.55	0.65%	2,051	0.53%
48 months	<54 months	£ 2,679,812,514.39	7.42%	22,742	5.92%
54 months	<60 months	£ 4,112,785,142.83	11.39%	35,233	9.17%
60 months	<66 months	£ 5,747,924,066.49	15.91%	43,765	11.39%
66 months	<72 months	£ 2,255,506,653.78	6.24%	19,203	5.00%
72 months	<84 months	£ 5,389,711,155.64	14.92%	53,664	13.97%
84 months	<96 months	£ 3,811,350,128.62	10.55%	42,639	11.10%
96 months	<108 months	£ 2,275,440,145.46	6.30%	29,273	7.62%
>=108 Months		£ 5,212,417,292.38	14.43%	96,385	25.09%
<b>Total</b>		<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</b>	<b>100.00%</b>

Maximum Seasoning	200.97 Months
Weighted Average Seasoning	74.48 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	£ 1,672,767,396.65	4.63%	33,036	8.60%
5 Years	<10 Years	£ 3,867,896,566.52	10.71%	56,165	14.62%
10 Years	<15 Years	£ 6,806,539,805.35	18.84%	75,213	19.58%
15 Years	<20 Years	£ 11,286,455,558.65	31.25%	97,906	25.49%
20 Years	<25 Years	£ 6,286,335,298.32	17.40%	51,579	13.43%
25 Years	<30 Years	£ 3,365,414,461.07	9.32%	34,616	9.01%
30 Years	<35 Years	£ 2,453,779,079.04	6.79%	31,455	8.19%
35 Years +		£ 380,577,134.85	1.05%	4,146	1.08%
<b>Total</b>		<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</b>	<b>100.00%</b>

Maximum Remaining Term	40.08 Years
Weighted Average Remaining Term	17.9 Years
Minimum Remaining Term	0 Years

Geographical Region

Region		Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
Unknown		£ 12,532,209.59	0.03%	104	0.03%
East Midlands		£ 2,095,629,319.36	5.80%	25,888	6.74%
East of England		£ 3,388,703,363.68	9.38%	30,354	7.90%
London		£ 6,057,738,343.38	16.77%	37,804	9.84%
North East		£ 1,303,032,136.58	3.61%	18,901	4.92%
North West		£ 3,468,298,788.09	9.60%	45,079	11.74%
Scotland		£ 4,061,860,447.98	11.25%	61,162	15.92%
South East		£ 5,819,218,640.82	16.11%	45,787	11.92%
South West		£ 2,640,988,033.68	7.31%	26,323	6.85%
Wales		£ 1,282,882,696.20	3.55%	16,849	4.39%
West Midlands		£ 2,664,197,828.25	7.38%	31,569	8.22%
Yorkshire And The Humber		£ 3,324,683,492.84	9.20%	44,296	11.53%
<b>Total</b>		<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</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%	£ 2,946,932,967.69	8.16%	91,061	23.71%
>= 30% - 34.99%	£ 1,093,324,674.59	3.03%	18,532	4.82%
>= 35% - 39.99%	£ 1,298,876,813.17	3.60%	19,213	5.00%
>= 40% - 44.99%	£ 1,504,471,816.84	4.17%	19,558	5.09%
>= 45% - 49.99%	£ 1,714,133,441.55	4.75%	19,982	5.20%
>= 50% - 54.99%	£ 2,070,707,532.85	5.73%	20,958	5.46%
>= 55% - 59.99%	£ 2,519,628,615.95	6.98%	22,716	5.91%
>= 60% - 64.99%	£ 2,685,019,744.76	7.43%	23,600	6.14%
>= 65% - 69.99%	£ 3,467,510,112.97	9.60%	27,543	7.17%
>= 70% - 74.99%	£ 4,475,874,886.76	12.39%	32,745	8.52%
>= 75% - 79.99%	£ 3,889,672,053.07	10.77%	27,952	7.28%
>= 80% - 84.99%	£ 3,249,057,878.90	9.00%	23,284	6.06%
>= 85% - 89.99%	£ 2,805,304,148.17	7.77%	19,562	5.09%
>= 90% - 94.99%	£ 1,357,182,463.36	3.76%	9,898	2.58%
>= 95% - 99.99%	£ 520,895,890.40	1.44%	3,911	1.02%
>= 100% - 104.99%	£ 242,951,907.25	0.67%	1,755	0.46%
>= 105% - 109.99%	£ 157,164,845.15	0.44%	1,056	0.27%
>= 110% - 114.99%	£ 84,645,335.03	0.23%	559	0.15%
>= 115% - 119.99%	£ 30,190,683.52	0.08%	189	0.05%
>= 120% - 124.99%	£ 4,488,586.55	0.01%	24	0.01%
>=125%	£ 1,730,901.92	0.00%	18	0.00%
<b>Total</b>	<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</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	167.48%
Weighted Average Current LTV	64.16%
Minimum Current LTV	0.00%

**Property Type**

Property type	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
Detached	£ 10,707,250,133.81	29.64%	84,463	21.99%
Semi-Detached	£ 10,809,733,957.62	29.93%	127,807	33.27%
Terraced	£ 10,021,545,655.52	27.75%	123,229	32.08%
Other*	£ 4,581,235,553.50	12.68%	48,617	12.66%
<b>Total</b>	<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</b>	<b>100.00%</b>

\*Primarily flats & Maisonettes

**Repayment Types**

Repayment terms	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
Interest only	£ 16,685,242,517.37	46.19%	142,065	36.98%
Repayment	£ 19,434,522,783.08	53.81%	242,051	63.02%
<b>Total</b>	<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</b>	<b>100.00%</b>

**Special rate and flexible loans**

Type of Loan	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
Discounted loans	£ 114,976,912.76	0.32%	1,089	0.28%
Fixed rate loans	£ 9,892,630,409.42	27.39%	99,886	26.00%
Tracker rate loans	£ 4,835,769,194.36	13.39%	60,176	15.67%
Loans on Standard Variable Rate	£ 21,276,388,783.91	58.91%	222,965	58.05%
<b>Total</b>	<b>£ 36,119,765,300.45</b>	<b>100.00%</b>	<b>384,116</b>	<b>100.00%</b>

**of which**

Flexible loans	£ 168,680,554.56	0.47%	1,736	0.45%
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**Fixed Interest Rates**

Fixed rate	Aggregate outstanding balance	% of Total	Number of Accounts	% of Total
0 - <4.00%	£ 3,773,723,228.15	38.15%	34,823	34.86%
4.00 - <5.00%	£ 2,526,039,087.36	25.53%	23,987	24.01%
5.00 - <6.00%	£ 2,613,980,371.65	26.42%	28,449	28.48%
6.00 - <7.00%	£ 926,408,388.24	9.36%	11,744	11.76%
>=7.00%	£ 52,479,334.02	0.53%	883	0.88%
<b>Total</b>	<b>£ 9,892,630,409.42</b>	<b>100.00%</b>	<b>99,886</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
2012	£ 625,515,823.03	6.32%	6,954	6.96%
2013	£ 3,228,537,931.44	32.64%	31,233	31.27%
2014	£ 4,639,164,023.59	46.90%	43,563	43.61%
2015	£ 590,644,142.45	5.97%	7,613	7.62%
2016	£ 300,426,317.39	3.04%	3,771	3.78%
2017	£ 320,826,045.44	3.24%	4,373	4.38%
2018+	£ 187,516,126.08	1.90%	2,379	2.38%
<b>Total</b>	<b>£ 9,892,630,409.42</b>	<b>100.00%</b>	<b>99,886</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

<b>A(i)</b>	
Adjusted Current Balance	£ 29,943,203,624.43
<b>minus</b> Adjusted Current Balance of Deemed Reductions	£ 62,549,773.14
	<b>£ 29,880,653,851.29</b>
<b>A(ii)</b>	
Aggregate Current Balance	£ 36,119,765,300.45
<b>minus</b> Aggregate Current Balance of Deemed Reductions	£ 80,010,295.29
Net sum	£ 36,039,755,005.16
Net sum multiplied by Asset Percentage	<b>£ 25,227,828,503.61</b>
<b>Lower of A(i) and A(ii)</b>	<b>£ 25,227,828,503.61</b>

<b>Method Used for Calculation</b>	<b>A(ii)</b>	Lower of A (i) Adjusted Current Balance less Deemed Reductions or A(ii) Aggregate Current Balance less Deemed Reductions multiplied by the Asset Percentage
<b>Asset Percentage</b>	<b>70.00%</b>	Asset Percentage
<b>A =</b>	£ 25,227,828,503.61	Aggregate Current Balance less Deemed Reductions multiplied by the Asset Percentage
<b>B =</b>	£ 3,404,440,093.98	Principal Receipts that have not been applied to acquire further loans or otherwise applied in accordance with the Transaction Documents
<b>C =</b>	£ 693,270,087.46	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>	£ 1,805,988,265.02	5% of the aggregate Current Balance of the Loans in the Portfolio, on the relevant Calculation Date
<b>Y =</b>	£ 19,749,802.18	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>	£ 562,972,653.77	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>Principal Amount Outstanding of the Covered Bonds</b>	£ 24,224,899,855.66	
<b>Current Amount of Credit Support</b>	£ 2,711,928,108.42	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	£	116,000,000	
Bank Interest	£	1,040,000	
Interest Rate Swap	-£	68,500,000	
Interest for Shortfall	£	-	
Would be amounts due Covered Bond Swaps	-£	19,959,231	
Servicer and Cash Manager Fees	-£	3,067,706	
<b>Excess Cash</b>	<b>£</b>	<b>25,513,063</b>	<b>PASS</b>

**Pre-Maturity Test** - Cash is held in the GIC account to meet the Required Redemption Amount

**The Amortisation Test/Yield Shortfall Test** - only required once an HBOS Event of Default has occurred

**GIC Account**

Reserve Fund Ledger	£	742,001,049.65
Pre-Maturity Liquidity Ledger	£	3,398,397,765.40
Revenue Ledger	£	108,707,292.35
Principal Ledger	£	699,312,416.04
<b>Total Balance</b>	<b>£</b>	<b>4,948,418,523.44</b>

**Waterfall 16 Oct 2012****Revenue**

<b>Total Available Revenue Receipts</b>	£	110,268,995.20
Amounts payable to third parties	£	3,120.00
(i) Servicer Fees, expenses	£	1,314,326.49
(ii) Cash Manager remuneration & costs	£	1,314,326.49
(iii) Account Bank fees/costs	£	-
(iv) Corporate Service Provider costs	£	-
(v) Asset Monitor - all costs except indemnity amount	£	-
Amounts paid under the IRS	£	60,192,812.85
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	£	9,600,439.71
Indemnity Amount to the Members	£	-
Indemnity Amount to the Asset Monitor	£	-
Deferred Consideration	£	37,840,969.66
Profit allocation to Members of LLP	£	3,000.00

**Principal**

<b>Total Available Principal Receipts</b>	£	<b>1,105,067,827.37</b>
Pre-Maturity Liquidity Ledger	£	249,780,004.37
Acquisition of New Loans	£	-
Principal Ledger	£	-
Principal Repayments on the ICL	£	855,287,823.00
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	11
Issue Date	23-Oct-2003	4-Jun-2004	23-Sep-2004	13-Dec-2004	8-Feb-2005	15-Aug-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	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	AAA/Aaa/AAA
Currency	EUR	EUR	EUR	GBP	EUR	EUR	EUR	USD
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	70,200,000
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	39,527,027
Exchange Rate	1.4362	1.5026	1.4700	1.0000	1.4451	1.4430	1.4430	1.7760
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	70,200,000
Coupon	Annual Fixed	Annual Fixed	Annual Fixed	3M GBP LIBOR +0.075%	Annual Fixed	6M Euribor Flat	3M Euribor Flat	3M USD LIBOR -0.01
Current Rate	4.500%	4.250%	4.250%	0.73688%	3.875%	1.070%	0.244%	0.36875%
Expected Maturity Date	23-Oct-13	04-Jun-19	23-Sep-14	15-Dec-14	07-Feb-20	10-Oct-12	30-Sep-13	30-Sep-13
Final Legal Maturity Date	23-Oct-13	04-Jun-19	23-Sep-14	15-Dec-14	07-Feb-20	10-Oct-12	30-Sep-13	30-Sep-13
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0178952650	XS0193640629	XS0201674594	XS0208047778	XS0212074388	XS0226831799	XS0226832250	XS0226831872
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.000%	0.000%	0.000%	0.66188%	0.000%	1.070%	0.244%	0.37875%
Margin	0.000%	0.000%	0.000%	0.075%	0.000%	0.000%	0.000%	-0.010%
Current Bond Accrual Period	23/10/2012 to 23/10/2013	04/06/2012 to 04/06/2013	23/09/2012 to 23/09/2013	13/09/2012 to 13/12/2012	07/02/2012 to 07/02/2013		20/09/2012 to 20/12/2012	20/09/2012 to 20/12/2012

**Previous Payment Date**

Expected Coupon Amount	90,000,000.00	60,937,500.00	85,000,000.00	1,338,524.59	58,125,000.00	3,469,113.88	318,465.41	82,138.29
Coupon Amount Paid	90,000,000.00	60,937,500.00	85,000,000.00	1,338,524.59	58,125,000.00	3,469,113.88	318,465.41	82,138.29
Interest Shortfall	0.00	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	0.00
Expected Principal Bond Payment	0.00	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	0.00
Principal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CumulativePrincipal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Intercompany interest amount (GBP)	575,353.64	343,689.73	562,109.78	206,575.34	428,850.41	184,629.21	54,141.87	16,330.62
Intercompany interest amount paid (GBP)	575,353.64	343,689.73	562,109.78	206,575.34	428,850.41	184,629.21	54,141.87	16,330.62
Expected Intercompany principal amount (GBP)	0.00	0.00	0.00	0.00	0.00	446,881,050.00	0.00	0.00
Intercompany principal amount paid (GBP)	0.00	0.00	0.00	0.00	0.00	446,881,050.00	0.00	0.00

Series Name	12	13	14	15	16	17	18
Issue Date	25-Nov-2005	25-Nov-2005	25-Nov-2005	25-Jan-2006	13-Jul-2006	13-Jul-2006	17-Nov-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/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Currency	EUR	EUR	GBP	EUR	EUR	EUR	EUR
Issue Size	292,250,000	233,800,000	200,000,000	2,000,000,000	1,500,000,000	1,500,000,000	2,000,000,000
Issue Size (GBP equivalent)	250,000,000	200,000,000	200,000,000	1,372,000,000	1,041,750,000	1,041,750,000	1,345,000,000
Exchange Rate	1.1690	1.1690	1.0000	1.4577	1.4399	1.4399	1.4870
Outstanding Amount	292,250,000	233,800,000	200,000,000	2,000,000,000	1,500,000,000	1,500,000,000	2,000,000,000
Coupon	Annual Fixed	Annual Fixed	3M GBP LIBOR +1.28%	Annual Fixed	Annual Fixed	Annual Fixed	Annual Fixed
Current Rate	2.589%	2.865%	1.96688%	3.250%	4.500%	4.375%	3.875%
Expected Maturity Date	26-Nov-12	28-May-13	25-Nov-13	25-Jan-13	13-Jul-21	13-Jul-16	15-Jan-14
Final Legal Maturity Date	26-Nov-12	28-May-13	25-Nov-13	25-Jan-13	13-Jul-21	13-Jul-16	15-Jan-14
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0236528385	XS0236528542	XS0236527817	XS0241851764	XS0260981658	XS0260981229	XS0275093473
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.000%	0.000%	0.68688%	0.000%	0.000%	0.000%	0.000%
Margin	0.000%	0.000%	1.280%	0.000%	0.000%	0.000%	0.000%
Current Bond Accrual Period	26/11/2011 to 26/11/2012	28/05/2012 to 28/05/2013	28/08/2012 to 26/11/2012	25/01/2012 to 25/01/2013	13/07/2012 to 15/07/2013	13/07/2012 to 15/07/2013	16/01/2012 to 15/01/2013

**Previous Payment Date**

Expected Coupon Amount	7,566,352.50	6,698,370.00	1,182,308.74	65,000,000.00	67,500,000.00	65,625,000.00	77,500,000.00
Coupon Amount Paid	7,566,352.50	6,698,370.00	1,182,308.74	65,000,000.00	67,500,000.00	65,625,000.00	77,500,000.00
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	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
CumulativePrincipal Shortfall	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected Intercompany interest amount (GBP)	103,287.67	82,630.14	82,630.14	566,842.74	430,399.73	430,399.73	555,687.67
Intercompany interest amount paid (GBP)	103,287.67	82,630.14	82,630.14	566,842.74	430,399.73	430,399.73	555,687.67
Expected Intercompany principal amount (GBP)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany principal amount paid (GBP)	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>21</b>	<b>22</b>	<b>23</b>	<b>25</b>	<b>26</b>	<b>29</b>	<b>33</b>
Issue Date	20-Feb-2007	8-Jun-2007	8-Jun-2007	26-Oct-2007	18-Dec-2007	22-May-2008	26-Sep-2008
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	USD	EUR	EUR	EUR	DKK	EUR	GBP
Issue Size	3,000,000,000	1,250,000,000	1,250,000,000	2,000,000,000	4,680,000,000	1,196,000,000	1,000,000,000
Issue Size (GBP equivalent)	1,520,000,000	850,000,000	850,000,000	1,396,000,000	453,550,000	1,000,000,000	1,000,000,000
Exchange Rate	1.9737	1.4706	1.4706	1.4327	10.3186	1.1960	1.0000
Outstanding Amount	2,193,934,000	1,250,000,000	1,250,000,000	2,000,000,000	4,680,000,000	1,196,000,000	1,000,000,000
Coupon	Semi Annual Fixed	Annual Fixed	Annual Fixed	Annual Fixed	6M DKK CIBOR+0.29%	3M Euribor +1.75%	3M LIBOR+1.28
Current Rate	5.250%	4.625%	4.750%	4.750%	1.135%	1.983%	2.03150%
Expected Maturity Date	21-Feb-17	08-Jun-17	08-Jun-22	26-Jan-15	02-Jan-18	23-Sep-19	27-Jan-14
Final Legal Maturity Date	21-Feb-17	08-Jun-17	08-Jun-22	26-Jan-15	02-Jan-18	23-Sep-19	27-Jan-14
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0286774483	XS0304458721	XS0304459026	XS0327502224	DK0030075023	XS0366238375	XS0390482213
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.000%	0.000%	0.000%	0.000%	0.845%	0.233%	0.75150%
Margin	0.000%	0.000%	0.000%	0.000%	0.290%	1.750%	1.280%
Current Bond Accrual Period	21/08/2012 to 21/02/2013	08/06/2012 to 10/06/2013	08/06/2012 to 10/06/2013	26/01/2012 to 28/01/2013	02/07/2012 to 02/01/2013	24/09/2012 to 24/12/2012	27/07/2012 to 29/10/2012

<b>Previous Payment Date</b>							
Expected Coupon Amount	157,500,000.00	57,812,500.00	59,375,000.00	95,000,000.00	36,295,025.00	7,516,793.56	5,217,513.66
Coupon Amount Paid	157,500,000.00	57,812,500.00	59,375,000.00	95,000,000.00	36,295,025.00	7,516,793.56	5,217,513.66
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 (GBP)	627,989.04	351,178.08	351,178.08	576,758.36	187,384.49	413,150.68	413,150.68
Intercompany interest amount paid (GBP)	627,989.04	351,178.08	351,178.08	576,758.36	187,384.49	413,150.68	413,150.68
Expected Intercompany principal amount (GBP)	408,406,773.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany principal amount paid (GBP)	408,406,773.00	0.00	0.00	0.00	0.00	0.00	0.00

<b>Series Name</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>40</b>	<b>41</b>
Issue Date	26-Sep-2008	26-Sep-2008	2-Oct-2008	2-Oct-2008	2-Oct-2008	2-Oct-2008	24-Mar-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	EUR	EUR	EUR	GBP	EUR	EUR	EUR
Issue Size	591,750,000	591,750,000	591,750,000	410,000,000	2,130,300,000	591,750,000	850,000,000
Issue Size (GBP equivalent)	500,000,000	500,000,000	500,000,000	410,000,000	1,800,000,000	500,000,000	766,615,000
Exchange Rate	1.1835	1.1835	1.1835	1.0000	1.1835	1.1835	1.1088
Outstanding Amount	591,750,000	591,750,000	591,750,000	410,000,000	2,130,300,000	591,750,000	850,000,000
Coupon	Annual Fixed	Annual Fixed	Annual Fixed	3M GBP LIBOR+1.29%	Annual Fixed	Annual Fixed	3M Euribor+0.95%
Current Rate	3.37500%	3.37500%	3.37500%	1.97688%	3.62500%	3.50000%	1.18300%
Expected Maturity Date	27-Oct-14	25-Jan-16	25-Jan-16	27-May-14	27-Jul-15	23-Aug-17	24-Mar-16
Final Legal Maturity Date	27-Oct-14	25-Jan-16	25-Jan-16	27-May-14	27-Jul-15	23-Aug-17	24-Mar-16
Bond Structure	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet	Hard Bullet
ISIN:	XS0390479185	XS0390479268	XS0391406591	XS0391406088	XS0391405783	XS0391405940	XS0496583468
Stock Exchange Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Reference Rate	0.000%	0.000%	0.000%	0.68688%	0.000%	0.000%	0.233%
Margin	0.000%	0.000%	0.000%	1.290%	0.000%	0.000%	0.950%
Current Bond Accrual Period	29/10/2012 to 28/10/2013	20/12/2011 to 20/12/2012	20/12/2011 to 20/12/2012	28/08/2012 to 27/11/2012	27/07/2012 to 29/07/2013	20/12/2011 to 20/12/2012	24/09/2012 to 24/12/2012

<b>Previous Payment Date</b>							
Expected Coupon Amount	19,971,562.50	19,971,562.50	19,971,562.50	2,356,211.75	77,223,375.00	20,711,250.00	3,448,520.83
Coupon Amount Paid	19,971,562.50	19,971,562.50	19,971,562.50	2,356,211.75	77,223,375.00	20,711,250.00	3,448,520.83
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 (GBP)	206,575.34	206,575.34	206,575.34	169,391.78	743,671.23	206,575.34	316,727.51
Intercompany interest amount paid (GBP)	206,575.34	206,575.34	206,575.34	169,391.78	743,671.23	206,575.34	316,727.51
Expected Intercompany principal amount (GBP)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany principal amount paid (GBP)	0.00	0.00	0.00	0.00	0.00	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/A2&P-1/A or F1
13	Bank of Scotland plc	1m Libor +143.2bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
14	Bank of Scotland plc	1m Libor +161.6bps	A-1 / A2 & P1 / A or F1	A-1/A2&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	GBP-LIBOR Flat	A-1/A2 & P-1/A+ or F1	A-1/A2&P-1/A or F1
23	Bank of Scotland plc	GBP-LIBOR Flat	A-1/A2 & P-1/A+ or F1	A-1/A2&P-1/A or F1
25	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
26	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
29	Bank of Scotland plc	1m Libor +233.1bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
33	Bank of Scotland plc	1m Libor +160.8bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
35	Bank of Scotland plc	1m Libor +195.7bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
36	Bank of Scotland plc	1m Libor +159.4bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
37	Bank of Scotland plc	1m Libor +159.4bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
38	Bank of Scotland plc	1m Libor +162.1bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
39	Bank of Scotland plc	1m Libor +198.3bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
40	Bank of Scotland plc	1m Libor +132.2bps	A-1 / A2 & P1 / A or F1	A-1/A2&P-1/A or F1
41	Bank of Scotland plc	GBP-LIBOR Flat	A-1 / A2 & P1 / A or F1	A-1/A2&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	£4,866,830,000.00

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	£ 32,630,871,157.60	£ 44,793,684.19	£ 107,174,326.20	£ -

**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 (S&P / Moody's/Fitch)	Rating (where required) (S&P / Moody's/Fitch)	Status	Consequences
Issuer	Bank of Scotland plc	1. Short term < A-1+ / Long term <A1 or short term <P-1 / short term <F1+	A-1 / A2; 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 / A2 / 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 / A2 / 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 / A2 / 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/ A2; 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 / A2; P-1 / A; F1	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