

# Bank of Scotland plc €60 billion Covered Bond Programme

## Monthly Report January 2014

This document is directed at persons in the UK and other EEA countries who are market counterparties and intermediate customers and may not be used or relied upon by private customers (as such terms are defined by the rules of the Financial Services Authority). Nothing in this document is, or is to be construed as, an offer of or invitation to subscribe for, underwrite or purchase securities in any jurisdiction. Nothing in this document constitutes an offer of securities for sale in the United States.

This report is for information purposes only and is not intended as an offer or invitation with respect to the purchase or sale of security. Reliance should not be placed on the information herein when making any decision whether to buy, hold or sell notes (or other securities) or for any other purpose.

### 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 235 2176
Date of form submission	17 Feb 2014
Start Date of reporting period	1 Jan 2014
End Date of reporting period	31 Jan 2014
Web links - prospectus, transaction documents, loan-level data	<a href="http://www.lloydsbankinggroup.com/investors/debt-investors/covered-bonds">http://www.lloydsbankinggroup.com/investors/debt-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 <sup>(1)</sup>	Bank of Scotland plc	n/a	F1 / A	n/a	P-1 / A2	n/a	A-1 / A	n/a	R-1(middle)/ AA(low)
Seller(s) <sup>(1)</sup>	Bank of Scotland plc	n/a	F1 / A	n/a	P-1 / A2	n/a	A-1 / A	n/a	R-1(middle)/ AA(low)
Cash manager <sup>(1)</sup>	Bank of Scotland plc	n/a	F1 / A	n/a	P-1 / A2	n/a	A-1 / A	n/a	R-1(middle)/ AA(low)
Account bank	Bank of Scotland plc	<F1 / A	F1 / A	<P-1	P-1 / A2	<A	A-1 / A	n/a	R-1(middle)/ AA(low)
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 / A2	<BBB-	A-1 / A	n/a	R-1(middle)/ AA(low)
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 <sup>(2)</sup>	Bank of Scotland plc	<F1 / A	F1 / A	<P-1 / A2	P-1 / A2	<A-1 / A	A-1 / A	n/a	R-1(middle)/ AA(low)
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) <sup>(3)</sup>	£ 20,240,416,908								
Swap notional maturity/ies <sup>(3)</sup>	n/a								
LLP receive rate/margin <sup>(3)</sup>	1.59%								
LLP pay rate/margin <sup>(3)</sup>	3.81%								
Collateral posting amount(s) (GBP) <sup>(3)</sup>	£ -								

### Accounts, Ledgers

	Value as of End Date of reporting period	Value as of Start Date of reporting period	Targeted Value
<b>Revenue receipts (please disclose all parts of waterfall)</b>			
Revenue Receipts (on the Loans)	£ 62,713,173	n/a	n/a
Bank Interest	£ 390,793	n/a	n/a
Excess amount released from Reserve Fund	£ -	n/a	n/a
Available Revenue Receipts	£ 63,103,966	n/a	n/a
Senior fees (including Cash Manager & Servicer)	£ 1,798,603	n/a	n/a
Amounts due under cover pool swap	£ 38,200,086	n/a	n/a
Amounts due under Intercompany Loan	£ 3,995,278	n/a	n/a
Deferred Consideration	£ 19,106,998	n/a	n/a
Members' profit	£ 3,000	n/a	n/a
Total distributed	£ 63,103,966	n/a	n/a
<b>Principal receipts (please disclose all parts of waterfall)</b>			
Principal Receipts (on the Loans)	£ 247,442,413	n/a	n/a
Any other amount standing to credit Principal Ledger	£ 341,911,772	n/a	n/a
Excess amount released Pre-Maturity Liquidity Ledger	£ 564,101	n/a	n/a
Cash Capital Contribution from Members	£ 163,247,184	n/a	n/a
Available Principal Receipts	£ 753,165,468	n/a	n/a
Credit to Pre-Maturity Liquidity Ledger	£ 688,712,109	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	£ 64,453,360	n/a	n/a
Total distributed	£ 753,165,468	n/a	n/a
Reserve ledger	£ -	£ -	£ -
Revenue ledger	£ 63,103,966	£ 64,324,995	n/a
Principal ledger	£ 63,889,259	£ 194,485,335	n/a
Pre-maturity liquidity ledger	£ 1,676,051,794	£ 1,900,110,128	£ 1,675,487,694

# Bank of Scotland plc €60 billion Covered Bond Programme

## Asset Coverage Test

	Value	Description
A	£ 15,432,633,875	Adjusted Aggregate Loan Amount
B	£ 1,261,555,863	Principal collections not yet applied
C	£ 414,495,931	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	£ 10,280,804	Flexible draw capacity
Y	£ 1,003,390,637	Set-off
Z	£ 291,079,387	Negative carry
Total	£ 15,803,934,842	
Method used for calculating component 'A' <sup>(4)</sup>		A(ii)
Asset percentage (%)		77.0%
Maximum asset percentage from Fitch (%)		78.0%
Maximum asset percentage from Moody's (%)		83.3%
Maximum asset percentage from S&P (%)		77.5%
Maximum asset percentage from DBRS (%)		n/a
Credit support as derived from ACT (GBP)	£ 4,944,928,165	
Credit support as derived from ACT (%)		45.5%

## 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)	£ 10,859,006,676	
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	£ 11,020,091,239	
Cover pool balance (GBP)	£ 20,067,812,735	
GIC account balance (GBP) <sup>(5)</sup>	£ 1,803,045,019	
Any additional collateral (please specify)		None
Any additional collateral (GBP)	£ -	
Aggregate balance of off-set mortgages (GBP)	£ -	
Aggregate deposits attaching to the cover pool (GBP)	£ 71,371,760	
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	£ -	
Nominal level of overcollateralisation (GBP) <sup>(6)</sup>	£ 10,884,857,853	
Nominal level of overcollateralisation (%)		100.2%
Number of loans in cover pool		222,019
Average loan balance (GBP)	£ 90,388	
Weighted average non-indexed LTV (%)		63.2%
Weighted average indexed LTV (%)		64.9%
Weighted average seasoning (months)		89.9
Weighted average remaining term (months)		203.8
Weighted average interest rate (%)		3.74%
Standard Variable Rate(s) (%)		3.99% & 3.89%
Constant Pre-Payment Rate (% , current month) <sup>(7)</sup>		
Constant Pre-Payment Rate (% , quarterly average) <sup>(7)</sup>		
Principal Payment Rate (% , current month)		13.68%
Principal Payment Rate (% , quarterly average)		26.04%
Constant Default Rate (% , current month) <sup>(8)</sup>		n/a
Constant Default Rate (% , quarterly average) <sup>(8)</sup>		n/a
Fitch Discontinuity Cap <sup>(9)</sup>		4 (moderate)
Moody's Timely Payment Indicator <sup>(10)</sup>		Probable
Moody's Collateral Score (%) <sup>(10)</sup>		8.0%

# Bank of Scotland plc €60 billion Covered Bond Programme

## Mortgage collections <sup>(7)</sup>

Mortgage collections (scheduled - interest)	£ 62,713,173
Mortgage collections (scheduled - principal)	
Mortgage collections (unscheduled - interest)	£ -
Mortgage collections (unscheduled - principal)	£ 247,442,413

## Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	1,797	0.81%	135,249,398	0.67%
Loans bought back by seller(s)	275	0.12%	27,234,957	0.14%
of which are non-performing loans	230	0.10%	23,475,155	0.12%
of which have breached R&Ws	45	0.02%	3,759,802	0.02%
Loans sold into the cover pool	0	0.00%	-	0.00%

## Product Rate Type and Reversionary Profiles <sup>(11)</sup>

	Number	% of total number	Amount (GBP)	% of total amount	Weighted average				
					Current rate	Remaining teaser period (months)	Current margin <sup>(12)</sup>	Reversionary margin <sup>(12)</sup>	Initial rate <sup>(13)</sup>
Fixed currently, reverting to SVR	57,109	25.72%	5,865,829,128	29.23%	3.78%	20.36	3.78%	0.00%	3.78%
Fixed currently, reverting to Libor	0	0.00%	-	0.00%	-	-	-	-	-
Fixed currently, reverting to tracker	2,023	0.91%	172,809,863	0.86%	5.85%	13.94	5.85%	0.00%	5.85%
Fixed for life	619	0.28%	17,021,138	0.08%	5.32%	-	5.32%	-	5.32%
Tracker currently, reverting to SVR	1,615	0.73%	130,019,097	0.65%	3.08%	6.94	2.58%	0.00%	3.08%
Tracker currently, reverting to Libor	0	0.00%	-	0.00%	-	-	-	-	-
Tracker for life	27,580	12.42%	1,743,766,751	8.69%	1.77%	-	1.27%	-	1.77%
SVR, including discount to SVR	133,073	59.94%	12,138,366,758	60.49%	3.99%	-	0.00%	-	3.99%
Libor	0	0.00%	-	0.00%	-	-	-	-	-
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>	<b>3.74%</b>				<b>3.74%</b>

## Stratifications

Arrears breakdown	Number	% of total number	Amount (GBP)	% of total amount
Current	216,340	97.44%	19,446,231,192	96.90%
0-1 month in arrears	2,195	0.99%	234,227,365	1.17%
1-2 months in arrears	2,334	1.05%	256,332,129	1.28%
2-3 months in arrears	892	0.40%	103,686,215	0.52%
3-6 months in arrears	257	0.12%	27,325,273	0.14%
6-12 months in arrears	1	0.00%	10,561	0.00%
12+ months in arrears	0	0.00%	-	0.00%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Current non-indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%	101,519	45.73%	5,034,264,873	25.09%
50-55%	12,633	5.69%	1,238,138,445	6.17%
55-60%	13,215	5.95%	1,467,993,269	7.32%
60-65%	13,895	6.26%	1,549,362,887	7.72%
65-70%	15,789	7.11%	1,920,060,005	9.57%
70-75%	17,682	7.96%	2,348,720,634	11.70%
75-80%	15,255	6.87%	2,064,674,387	10.29%
80-85%	12,450	5.61%	1,692,467,610	8.43%
85-90%	10,653	4.80%	1,494,946,520	7.45%
90-95%	4,691	2.11%	670,699,724	3.34%
95-100%	2,251	1.01%	300,454,497	1.50%
100-105%	988	0.45%	136,708,623	0.68%
105-110%	592	0.27%	86,272,210	0.43%
110-125%	398	0.18%	62,455,669	0.31%
125%+	8	0.00%	593,383	0.00%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

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

Current indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%	102,045	45.96%	5,094,557,503	25.39%
50-55%	11,497	5.18%	1,196,029,030	5.96%
55-60%	11,912	5.37%	1,354,954,421	6.75%
60-65%	12,177	5.48%	1,417,530,730	7.06%
65-70%	14,047	6.33%	1,751,386,482	8.73%
70-75%	14,779	6.66%	1,910,979,358	9.52%
75-80%	13,551	6.10%	1,757,993,964	8.76%
80-85%	12,707	5.72%	1,680,274,904	8.37%
85-90%	10,198	4.59%	1,323,761,160	6.60%
90-95%	7,287	3.28%	979,984,989	4.88%
95-100%	5,553	2.50%	765,296,058	3.81%
100-105%	3,520	1.59%	469,934,855	2.34%
105-110%	1,746	0.79%	231,346,491	1.15%
110-125%	986	0.44%	132,130,355	0.66%
125%+	14	0.01%	1,652,433	0.01%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	4,398	1.98%	11,236,835	0.06%
5,000-10,000	5,326	2.40%	41,044,234	0.20%
10,000-25,000	23,383	10.53%	417,656,936	2.08%
25,000-50,000	41,705	18.78%	1,549,182,092	7.72%
50,000-75,000	40,141	18.08%	2,502,000,199	12.47%
75,000-100,000	33,681	15.17%	2,928,528,274	14.59%
100,000-150,000	40,611	18.29%	4,931,294,489	24.57%
150,000-200,000	17,155	7.73%	2,939,120,085	14.65%
200,000-250,000	7,217	3.25%	1,598,243,519	7.96%
250,000-300,000	3,159	1.42%	858,291,148	4.28%
300,000-350,000	1,709	0.77%	550,121,907	2.74%
350,000-400,000	1,118	0.50%	416,671,985	2.08%
400,000-450,000	650	0.29%	274,857,702	1.37%
450,000-500,000	499	0.22%	236,969,351	1.18%
500,000-600,000	594	0.27%	321,260,443	1.60%
600,000-700,000	318	0.14%	204,357,753	1.02%
700,000-800,000	188	0.08%	139,527,612	0.70%
800,000-900,000	103	0.05%	86,774,480	0.43%
900,000-1,000,000	64	0.03%	60,673,691	0.30%
1,000,000 +	0	0.00%	-	0.00%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Regional distribution <sup>(14)</sup>	Number	% of total number	Amount (GBP)	% of total amount
East Midlands	14,977	6.75%	1,173,470,620	5.85%
East of England	17,049	7.68%	1,853,931,246	9.24%
London	20,866	9.40%	3,246,388,263	16.18%
North East	11,138	5.02%	747,523,133	3.72%
North West	26,584	11.97%	1,982,759,648	9.88%
Scotland	36,663	16.51%	2,349,464,870	11.71%
South East	25,402	11.44%	3,116,280,633	15.53%
South West	14,959	6.74%	1,463,181,729	7.29%
Wales	9,897	4.46%	727,739,900	3.63%
West Midlands	18,357	8.27%	1,507,667,163	7.51%
Yorkshire And The Humber	26,080	11.75%	1,894,708,461	9.44%
Unknown	47	0.02%	4,697,070	0.02%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

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

Repayment type <sup>(15)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	143,179	64.49%	10,943,580,905	54.53%
Part-and-part				
Interest-only	78,840	35.51%	9,124,231,830	45.47%
Offset	0	0.00%	-	0.00%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0 - <12 months	0	0.00%	-	0.00%
12 - <24 months	4,728	2.13%	525,193,272	2.62%
24 - <36 months	9,335	4.20%	1,003,900,094	5.00%
36 - <48 months	6,992	3.15%	744,003,427	3.71%
48 - <60 months	3,705	1.67%	373,198,953	1.86%
60 - <72 months	18,688	8.42%	2,150,399,110	10.72%
72 - <84 months	40,014	18.02%	4,935,170,033	24.59%
84 - <96 months	30,611	13.79%	3,063,031,127	15.26%
96 - <108 months	28,535	12.85%	2,542,416,445	12.67%
108 - <120 months	19,159	8.63%	1,485,523,479	7.40%
120 - <150 months	31,674	14.27%	2,026,864,307	10.10%
150 - <180 months	15,352	6.91%	701,798,420	3.50%
180+ months	13,226	5.96%	516,314,070	2.57%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	59,751	26.91%	6,055,660,129	30.18%
SVR	133,073	59.94%	12,138,366,758	60.49%
Tracker	29,195	13.15%	1,873,785,848	9.34%
Other (please specify)	0	0.00%	-	0.00%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	221,143	99.61%	£19,973,096,216.43	99.53%
Buy-to-let	0	0.00%	-	0.00%
Second home	876	0.39%	£94,716,518.65	0.47%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Income verification type <sup>(16)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Fully verified				
Fast-track				
Self-certified				
<b>Total</b>	<b>0</b>		<b>-</b>	

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0 - <30 months	8,647	3.89%	375,358,788	1.87%
30 - <60 months	13,320	6.00%	769,757,916	3.84%
60 - <120 months	36,355	16.37%	2,467,143,941	12.29%
120 - <180 months	49,345	22.23%	4,537,164,082	22.61%
180 - <240 months	52,216	23.52%	6,091,219,645	30.35%
240 - <300 months	23,755	10.70%	2,634,194,728	13.13%
300 - <360 months	22,900	10.31%	1,933,718,599	9.64%
360+ months	15,481	6.97%	1,259,255,035	6.27%
<b>Total</b>	<b>222,019</b>	<b>100.00%</b>	<b>20,067,812,735</b>	<b>100.00%</b>

Employment status <sup>(16)</sup>	Number	% of total number	Amount (GBP)	% of total amount
Employed				
Self-employed				
Unemployed				
Retired				
Guarantor				
Other				
<b>Total</b>	<b>0</b>		<b>-</b>	

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

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

Series	CB0004/04	CB0005/04	CB0006/04	CB0007/05	0016/06	0017/06	0018/06	0021/07
Issue date	4 Jun 2004	23 Sep 2004	13 Dec 2004	8 Feb 2005	13 Jul 2006	13 Jul 2006	17 Nov 2006	20 Feb 2007
Original rating (Moody's/S&P/Fitch/DBRS)	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 (Moody's/S&P/Fitch/DBRS)	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -
Denomination	EUR	EUR	GBP	EUR	EUR	EUR	EUR	USD
Amount at issuance	1,250,000,000	2,000,000,000	500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	2,000,000,000	3,000,000,000
Amount outstanding	1,250,000,000	1,088,800,000	110,350,000	1,500,000,000	1,500,000,000	1,500,000,000	0	2,193,934,000
FX swap rate (rate:£1)	1.248	1.248	-	1.248	1.248	1.248	1.248	1.611
Maturity type (hard/soft-bullet/pass-through)	Hard bullet	Hard bullet	Hard bullet	Hard bullet	Hard bullet	Hard bullet	Hard bullet	Hard bullet
Scheduled final maturity date	4 Jun 2019	23 Sep 2014	15 Dec 2014	7 Feb 2020	13 Jul 2021	13 Jul 2016	15 Jan 2014	21 Feb 2017
Legal final maturity date	4 Jun 2019	23 Sep 2014	15 Dec 2014	7 Feb 2020	13 Jul 2021	13 Jul 2016	15 Jan 2014	21 Feb 2017
ISIN	XS0193640629	XS0201674594	XS0208047778	XS0212074388	XS0260981658	XS0260981229	XS0275093473	XS0286774483
Stock exchange listing	London & Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
Coupon payment frequency	Annual	Annual	Quarterly	Annual	Annual	Annual	Annual	Semi-annual
Coupon payment date	4 Jun	23 Sep	13 Mar Jun Sep Dec	7 Feb	13 Jul	13 Jul	15 Jan	21 Feb & Aug
Coupon (rate if fixed, margin and reference rate if floating)	4.875%	4.250%	3m GBP LIBOR +0.075%	3.875%	4.500%	4.375%	3.875%	5.250%
Margin payable under extended maturity period (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Swap counterparty/ies	Bank of Scotland	Bank of Scotland	Bank of Scotland	Bank of Scotland	Bank of Scotland	Bank of Scotland	Bank of Scotland	Bank of Scotland
Swap notional denomination	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Swap notional amount	1,001,500,000	872,346,560	110,350,000	1,201,800,000	1,201,800,000	1,201,800,000	0	1,361,761,529
Swap notional maturity	4 Jun 2019	23 Sep 2014	15 Dec 2014	7 Feb 2020	13 Jul 2021	13 Jul 2016	15 Jan 2014	21 Feb 2017
LLP receive rate/margin	4.875%	4.250%	3m GBP LIBOR +0.075%	3.875%	4.500%	4.375%	3.875%	5.250%
LLP pay rate/margin	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR
Collateral posting amount	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -

Series	0022/07	0023/07	0025/07	0026/07	0041/10
Issue date	8 Jun 2007	8 Jun 2007	26 Oct 2007	18 Dec 2007	24 Mar 2010
Original rating (Moody's/S&P/Fitch/DBRS)	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -
Current rating (Moody's/S&P/Fitch/DBRS)	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -	Aaa / AAA / AAA / -
Denomination	EUR	EUR	EUR	DKK	EUR
Amount at issuance	1,250,000,000	1,250,000,000	2,000,000,000	4,680,000,000	850,000,000
Amount outstanding	1,250,000,000	1,250,000,000	854,323,000	4,680,000,000	850,000,000
FX swap rate (rate:£1)	1.248	1.248	1.248	10.319	1.109
Maturity type (hard/soft-bullet/pass-through)	Hard bullet	Hard bullet	Hard bullet	Hard bullet	Hard bullet
Scheduled final maturity date	8 Jun 2017	8 Jun 2022	26 Jan 2015	2 Jan 2018	24 Mar 2016
Legal final maturity date	8 Jun 2017	8 Jun 2022	26 Jan 2015	2 Jan 2018	24 Mar 2016
ISIN	XS0304458721	XS0304459026	XS0327502224	DK0030075023	XS0496583468
Stock exchange listing	Luxembourg	Luxembourg	Luxembourg	Copenhagen	Luxembourg
Coupon payment frequency	Annual	Annual	Annual	Semi-annual	Quarterly
Coupon payment date	8 Jun	8 Jun	26 Jan	1 Jan & Jul	24 Mar Jun Sep Dec
Coupon (rate if fixed, margin and reference rate if floating)	4.625%	4.750%	4.750%	6m DKK CIBOR + 0.29%	3m EURIBOR +0.95%
Margin payable under extended maturity period (%)	N/A	N/A	N/A	N/A	N/A
Swap counterparty/ies	Bank of Scotland	Bank of Scotland	Bank of Scotland	Bank of Scotland	Bank of Scotland
Swap notional denomination	GBP	GBP	GBP	GBP	GBP
Swap notional amount	1,001,500,000	1,001,500,000	684,483,588	453,549,999	766,615,000
Swap notional maturity	8 Jun 2017	8 Jun 2022	26 Jan 2015	2 Jan 2018	24 Mar 2016
LLP receive rate/margin	4.625%	4.750%	4.750%	6m DKK CIBOR + 0.29%	3m EURIBOR +0.95%
LLP pay rate/margin	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR	1m GBP LIBOR
Collateral posting amount	£ -	£ -	£ -	£ -	£ -

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

### Programme triggers

Event	Summary of Event	Trigger (S&P, Moody's, Fitch, DBRS; short-term, long-term)	Current Rating (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 / - / -	Short term: A-1 / P-1 / F1 / - Long term: A / A2 / A / -	Yes	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 / -	Short term: A-1 / P-1 / F1 / - Long term: A / A2 / 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 / -	Short term: A-1 / P-1 / F1 / - Long term: A / 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 / -	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 / -	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 / -	Short term: A-1 / P-1 / F1 / - Long term: A / A2 / 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 / -	Long term: A / A2 / A / -	No	The Seller shall deliver to the LLP 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- / -	Long term: A / A2 / A / -	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- / -	Long term: A / A2 / A / -	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 / F-1+ / -	Short term: A-1 / P-1 / F-1 / -	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.
Cash Manager verification trigger	Loss of required rating by the Cash Manager	Long term: BBB- / Baa3 / BBB- / -	Long term: A / A2 / A / -	No	The Asset Monitor will be required to report on the arithmetic accuracy of the Cash Manager's calculations more frequently.

# 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 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 1m LIBOR 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.
- <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 Aggregate Current Balance of deemed reductions;  
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, as such, this breakdown is not available.
- <sup>(8)</sup> Not applicable for the asset pool which is a revolving pool.
- <sup>(9)</sup> Source: Fitch Update dated 16 August 2013.
- <sup>(10)</sup> Source: Moody's performance report dated 8 January 2014.
- <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 (0.50%) and variable over SVR (3.99%).
- <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 its live reporting systems.