

HBOS Social Housing Covered Bonds LLP
Quarterly Investor Report - 15 March 2018

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20/03/2018

HBOS SOCIAL HOUSING COVERED BONDS LLP
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Date of Report 15-Mar-2018

Current Counterparties

Group Guarantors	HBOS plc
Servicer	Bank of Scotland plc
Cash Manager	Bank of Scotland plc
Covered Bond Swap Provider	Bank of Scotland plc
Interest Rate Swap Provider	Bank of Scotland plc
Account Bank Provider	Bank of Scotland plc

GIC Sub Accounts

Revenue GIC Sub-Account	12,896,001
Principal GIC Sub-Account	72,271,133
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	85,167,134

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	82
Transaction Account Total	82

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	515,069,017
Capital Account - Addison Social Housing LLP	0
Total	515,069,017

Credit Ratings

	Short Term		Long Term	
	Moody's	S&P	Moody's	S&P
Bank of Scotland plc	P-1	A-1	Aa3	A

HBOS Event of Default?

LLP Event of Default?

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Asset Coverage Test *

* The full definition of the Asset Coverage Test is documented within the Offering Circular

A = Net Current Balance of Loans in the Portfolio x Asset Percentage	1,225,018,377
B = Unapplied Principal Receipts	72,271,133
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	21,802,876

Total: A+B+C+D+E-X **1,275,486,634**

Principal Amount Outstanding	1,200,000,000
Asset Coverage Test	PASS
Asset Percentage	74.13%
Maximum Level of Issuance	77.18%
Current Level of Issuance	72.62%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	1,652,527,151
Number of Loan Agreements in the Portfolio	47
Average Loan Balance	35,160,152

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	127,854,185	7.7%	3	8
East Midlands	334,267,006	20.2%	6	47
London	262,927,704	15.9%	9	35
North East	0	0.0%	0	0
North West	188,702,121	11.4%	7	41
South East	280,347,749	17.0%	4	32
South West	258,070,699	15.6%	9	41
Wales	97,453,714	5.9%	5	38
West Midlands	100,765,611	6.1%	3	16
Yorkshire & The Humber	2,138,362	0.1%	1	1
Totals	1,652,527,151	100.0%	47	259

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	3	278,508,379
25 bps - <30 bps	9	448,676,432
30 bps - <40 bps	6	128,061,344
40 bps - <50 bps	6	82,929,297
50 bps - <60 bps	1	73,301,216
60 bps - <80 bps	1	11,130,733
80 bps - <100 bps	5	250,235,334
100 bps - <120 bps	3	97,275,240
120 bps - <140 bps	3	87,844,203
140 bps +	10	194,564,972
Total	47	1,652,527,151
Weighted average (bps)		67.72

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	16	263,617,266
500 units - <1,000 units	8	349,649,423
1,000 units - <2,000 units	5	174,783,823
2,000 units - <3,000 units	6	222,987,597
3,000 units - <4,000 units	4	159,005,828
4,000 units - <5,000 units	2	129,891,284
5,000 units - <10,000 units	4	313,937,774
10,000 units - <15,000 units	2	38,654,156
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	47	1,652,527,151
Weighted average (units)		3,027

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	12	339,906,857
5 years - <10 years	8	224,838,505
10 years - <15 years	5	280,897,606
15 years - <20 years	12	400,095,872
20 years - <25 years	10	406,788,311
25 years - <30 years	0	0
30 years +	0	0
Total	47	1,652,527,151
Weighted average (years)		13.6

Last Valuation	No. Facilities	Balance
2006 - 2008	0	0
2008 - 2010	1	26,486,340
2010 - 2012	7	268,820,456
2012 - 2014	9	232,307,952
2014 - 2016	21	820,887,988
Total	47	1,652,527,151
Weighted average (date)		Mar-2015

Rank	Balance	Percentage
1	138,665,249	8.39%
2	125,114,512	7.57%
3	91,960,247	5.56%
4	88,262,751	5.34%
5	87,706,214	5.31%
6	84,585,684	5.12%
7	80,027,334	4.84%
8	75,497,168	4.57%
9	73,301,216	4.44%
10	70,108,094	4.24%

Asset Cover Analysis at Calculation Date

Asset Cover - Covenant No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	2
105% - <110%	4	0	4
110% - <115%	1	1	10
115% - <120%	3	1	5
120% - <125%	0	2	8
125% - <130%	0	4	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
Total	8	9	30
			47

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	2
105% - <110%	0	0	2
110% - <115%	0	0	4
115% - <120%	0	0	1
120% - <125%	1	0	0
125% - <130%	1	0	1
130% - <135%	0	0	2
135% - <140%	0	1	1
140% +	6	8	17
Total	8	9	30
			47

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	144,657,000
105% - <110%	0	0	37,555,662
110% - <115%	0	0	150,135,428
115% - <120%	0	0	50,270,733
120% - <125%	47,781,785	0	0
125% - <130%	21,308,280	0	84,585,684
130% - <135%	0	0	27,033,638
135% - <140%	0	4,776,772	10,077,249
140% +	239,435,962	82,264,664	752,644,294
Total	308,526,028	87,041,437	1,256,959,687
			1,652,527,151

Basis I = Existing Usage Valuation (EUV), which provides a valuation of the housing stock based on current occupancy levels.
 Basis II LSVT = Market Valuation subject to Tenancies (MVT), which provides a valuation of the housing stock based on full occupancy levels.
 Basis II - Mixed-funded = Housing stock is valued on Basis I and Basis II - LSVT, as above.