

HBOS Social Housing Covered Bonds LLP
Quarterly Investor Report - 13 September 2019

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20/09/2019

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 3 2019

Date of Report 13-Sep-2019

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	12,720,407
Principal GIC Sub-Account	383,586,748
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	396,307,154

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	88
Transaction Account Total	88

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	767,883,167
Capital Account - Addison Social Housing LLP	0
Total	767,883,167

Credit Ratings

	Short Term		Long Term	
	Moodys	S&P	Moodys	S&P
Bank of Scotland plc	P-1	A-1	Aa3	A+

HBOS Event of Default?

NO

LLP Event of Default?

NO

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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	1,121,730,628
B = Unapplied Principal Receipts	191,246,158
C = Unapplied Cash Capital Contributions	192,340,590
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	16,390,908

Total: A+B+C+D+E-X	1,488,926,468
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Principal Amount Outstanding	1,200,000,000
Asset Coverage Test	PASS
Asset Percentage	70.94%
Maximum Level of Issuance	94.16%
Current Level of Issuance	75.89%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	1,581,238,551
Number of Loan Agreements in the Portfolio	42
Average Loan Balance	38,566,794

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	127,439,705	8.1%	3	9
East Midlands	212,547,087	13.4%	4	26
London	324,969,389	20.6%	5	16
North East	0	0.0%	0	0
North West	201,985,140	12.8%	8	39
South East	332,180,672	21.0%	5	20
South West	201,965,503	12.8%	8	39
Wales	71,276,661	4.5%	5	24
West Midlands	107,254,781	6.8%	3	16
Yorkshire & The Humber	1,619,613	0.1%	1	1
Totals	1,581,238,551	100.0%	42	190

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	1	277,393,523
25 bps - <30 bps	9	474,514,659
30 bps - <40 bps	3	133,776,117
40 bps - <50 bps	4	88,394,018
50 bps - <60 bps	0	0
60 bps - <80 bps	4	123,760,717
80 bps - <100 bps	7	230,021,993
100 bps - <120 bps	2	44,633,220
120 bps - <140 bps	1	12,517,815
140 bps +	11	196,226,490
Total	42	1,581,238,551
Weighted average (bps)		64.46

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	12	127,424,102
500 units - <1,000 units	6	238,706,959
1,000 units - <2,000 units	6	233,969,637
2,000 units - <3,000 units	8	231,728,621
3,000 units - <4,000 units	3	130,487,595
4,000 units - <5,000 units	1	277,393,523
5,000 units - <10,000 units	4	305,087,610
10,000 units - <15,000 units	2	36,440,505
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	42	1,581,238,551
Weighted average (units)		3,280

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	19	598,121,281
5 years - <10 years	3	73,075,030
10 years - <15 years	4	354,244,781
15 years - <20 years	11	298,957,196
20 years - <25 years	5	256,840,263
Total	42	1,581,238,551
Weighted average (years)		10.9

Last Valuation	No. Facilities	Balance
2010 - 2012	3	131,867,192
2012 - 2014	3	93,353,338
2014 - 2016	9	189,466,754
2016 - present	27	1,166,551,267
Total	42	1,581,238,551
Weighted average (date)		May-2017

Rank	Balance	Percentage
1	388,978,345	24.60%
2	120,102,998	7.60%
3	92,403,155	5.84%
4	87,442,420	5.53%
5	80,063,641	5.06%
6	74,020,338	4.68%
7	71,292,563	4.51%
8	64,724,009	4.09%
9	48,061,782	3.04%
10	41,031,550	2.59%

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	3
105% - <110%	5	0	3
110% - <115%	1	0	8
115% - <120%	1	2	7
120% - <125%	0	1	5
125% - <130%	0	4	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
Total	7	8	27
			42

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	1	2
105% - <110%	0	0	1
110% - <115%	0	0	0
115% - <120%	0	0	2
120% - <125%	0	0	0
125% - <130%	1	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	6	7	22
Total	7	8	27
			42

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	3,592,537	166,423,493
105% - <110%	0	0	11,067,616
110% - <115%	0	0	0
115% - <120%	0	0	71,292,563
120% - <125%	0	0	0
125% - <130%	21,111,498	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	217,164,845	123,136,241	967,449,758
Total	238,276,343	126,728,778	1,216,233,430
			1,581,238,551

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.