

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

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23/12/2019

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 4 2019

Date of Report 13-Dec-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	12,124,520
Principal GIC Sub-Account	453,061,191
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	465,185,710

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	89
Transaction Account Total	89

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	811,365,250
Capital Account - Addison Social Housing LLP	0
Total	811,365,250

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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QUARTERLY REPORT - QUARTER 4 2019

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	1,109,942,207
B = Unapplied Principal Receipts	69,474,443
C = Unapplied Cash Capital Contributions	383,586,748
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	14,293,623

Total: A+B+C+D+E-X **1,548,709,775**

Principal Amount Outstanding	600,000,000
Asset Coverage Test	PASS
Asset Percentage	70.94%
Maximum Level of Issuance	98.98%
Current Level of Issuance	38.35%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	1,564,621,098
Number of Loan Agreements in the Portfolio	41
Average Loan Balance	38,161,490

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	139,012,847	8.9%	4	10
East Midlands	212,567,050	13.6%	4	26
London	322,457,121	20.6%	5	14
North East	0	0.0%	0	0
North West	197,739,784	12.6%	7	31
South East	320,542,753	20.5%	5	21
South West	167,891,488	10.7%	7	37
Wales	75,284,116	4.8%	5	25
West Midlands	127,506,631	8.1%	3	18
Yorkshire & The Humber	1,619,309	0.1%	1	1
Totals	1,564,621,098	100.0%	41	183

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	2	275,772,624
25 bps - <30 bps	9	483,820,604
30 bps - <40 bps	1	3,595,895
40 bps - <50 bps	4	187,570,764
50 bps - <60 bps	0	0
60 bps - <80 bps	4	122,949,983
80 bps - <100 bps	7	233,986,274
100 bps - <120 bps	3	52,744,761
120 bps - <140 bps	1	10,014,711
140 bps +	10	194,165,483
Total	41	1,564,621,098
Weighted average (bps)		65.24

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	12	139,217,816
500 units - <1,000 units	6	246,685,819
1,000 units - <2,000 units	6	231,957,990
2,000 units - <3,000 units	7	190,670,801
3,000 units - <4,000 units	4	395,393,563
4,000 units - <5,000 units	0	0
5,000 units - <10,000 units	4	324,259,083
10,000 units - <15,000 units	2	36,436,025
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	41	1,564,621,098
Weighted average (units)		3,295

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QUARTERLY REPORT - QUARTER 4 2019

Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	18	619,945,360
5 years - <10 years	3	69,906,833
10 years - <15 years	3	301,940,581
15 years - <20 years	11	304,443,471
20 years - <25 years	6	268,384,854
Total	41	1,564,621,098
Weighted average (years)		10.8

Last Valuation	No. Facilities	Balance
2010 - 2012	2	95,116,310
2012 - 2014	1	10,013,213
2014 - 2016	6	206,985,277
2016 - present	32	1,252,506,299
Total	41	1,564,621,098
Weighted average (date)		Oct-2017

Rank	Balance	Percentage
1	377,339,938	24.12%
2	140,216,947	8.96%
3	93,963,883	6.01%
4	87,402,812	5.59%
5	80,063,543	5.12%
6	74,006,657	4.73%
7	72,502,251	4.63%
8	71,284,870	4.56%
9	48,060,626	3.07%
10	40,307,745	2.58%

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%	4	0	5
110% - <115%	1	0	8
115% - <120%	0	1	7
120% - <125%	0	1	6
125% - <130%	0	3	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
Total	5	6	30
			41

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% +	4	5	25
Total	5	6	30
			41

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	3,595,895	167,970,540
105% - <110%	0	0	11,067,072
110% - <115%	0	0	0
115% - <120%	0	0	71,284,870
120% - <125%	0	0	0
125% - <130%	21,109,652	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	162,219,428	40,834,535	1,086,539,106
Total	183,329,080	44,430,430	1,336,861,588
			1,564,621,098

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.