

HBOS Social Housing Covered Bonds LLP
Quarterly Investor Report - 15 June 2020

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22/06/2020

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 2 2020

Date of Report 15-Jun-2020

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	10,322,172
Principal GIC Sub-Account	227,329,765
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	237,651,937

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	91
Transaction Account Total	91

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	802,885,472
Capital Account - Addison Social Housing LLP	0
Total	802,885,472

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	1,060,590,544
B = Unapplied Principal Receipts	227,329,765
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	13,207,809

Total: A+B+C+D+E-X **1,274,712,501**

Principal Amount Outstanding	600,000,000
Asset Coverage Test	PASS
Asset Percentage	89.72%
Maximum Level of Issuance	107.83%
Current Level of Issuance	50.76%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	1,182,111,619
Number of Loan Agreements in the Portfolio	37
Average Loan Balance	31,948,963

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	119,793,908	10.1%	3	7
East Midlands	122,942,930	10.4%	3	12
London	162,602,704	13.8%	5	11
North East	0	0.0%	0	0
North West	172,841,247	14.6%	6	30
South East	344,058,765	29.1%	5	21
South West	119,779,295	10.1%	6	32
Wales	72,111,434	6.1%	5	22
West Midlands	66,361,722	5.6%	3	20
Yorkshire & The Humber	1,619,613	0.1%	1	1
Totals	1,182,111,619	100.0%	37	156

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	6	281,016,571
25 bps - <30 bps	8	325,261,452
30 bps - <40 bps	1	3,409,808
40 bps - <50 bps	2	29,071,782
50 bps - <60 bps	0	0
60 bps - <80 bps	4	122,622,246
80 bps - <100 bps	5	196,624,594
100 bps - <120 bps	3	59,232,493
120 bps - <140 bps	1	10,011,504
140 bps +	7	154,861,170
Total	37	1,182,111,619
Weighted average (bps)		68.29

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	11	114,274,935
500 units - <1,000 units	6	236,328,927
1,000 units - <2,000 units	5	115,266,750
2,000 units - <3,000 units	6	154,754,110
3,000 units - <4,000 units	3	96,878,782
4,000 units - <5,000 units	0	0
5,000 units - <10,000 units	5	442,757,457
10,000 units - <15,000 units	1	21,850,659
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	37	1,182,111,619
Weighted average (units)		3,462

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	14	277,578,305
5 years - <10 years	5	73,828,044
10 years - <15 years	5	346,998,200
15 years - <20 years	8	325,557,426
20 years - <25 years	5	158,149,645
Total	37	1,182,111,619
Weighted average (years)		12.4

Last Valuation	No. Facilities	Balance
2010 - 2012	0	0
2012 - 2014	0	0
2014 - 2016	4	152,003,997
2016 - present	33	1,030,107,621
Total	37	1,182,111,619
Weighted average (date)		Feb-2018

Rank	Balance	Percentage
1	267,691,052	22.65%
2	87,229,948	7.38%
3	86,762,119	7.34%
4	80,043,097	6.77%
5	77,213,820	6.53%
6	73,892,195	6.25%
7	66,111,398	5.59%
8	48,037,260	4.06%
9	39,585,420	3.35%
10	38,672,893	3.27%

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	3
110% - <115%	1	0	8
115% - <120%	0	1	6
120% - <125%	0	1	5
125% - <130%	0	3	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
Total	5	6	26
			37

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	1
105% - <110%	0	1	1
110% - <115%	0	0	3
115% - <120%	0	0	1
120% - <125%	0	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	5	5	20
Total	5	6	26
			37

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	29,398
105% - <110%	0	3,409,808	11,065,982
110% - <115%	0	0	140,003,593
115% - <120%	0	0	86,762,119
120% - <125%	0	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	157,367,988	28,291,932	755,180,799
Total	157,367,988	31,701,739	993,041,891
			1,182,111,619

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.