

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

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21/09/2020

**HBOS SOCIAL HOUSING COVERED BONDS LLP**  
**QUARTERLY REPORT - QUARTER 3 2020**

**Date of Report** 15-Sep-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	8,726,017
Principal GIC Sub-Account	191,426,797
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
<b>GIC Account Total</b>	<b>200,152,814</b>

**Transaction Accounts**

Transaction Principal Account	0
Transaction Revenue Account	92
<b>Transaction Account Total</b>	<b>92</b>

**Investments**

Substitution Assets Balance	0
Authorised Investments Balance	0
<b>Total</b>	<b>0</b>

**Capital Contribution Balance**

Capital Account - Bank of Scotland	592,534,148
Capital Account - Addison Social Housing LLP	0
<b>Total</b>	<b>592,534,148</b>

**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?

**HBOS SOCIAL HOUSING COVERED BONDS LLP**  
**QUARTERLY REPORT - QUARTER 3 2020**

**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	902,187,432
B = Unapplied Principal Receipts	191,426,797
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	12,667,836

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**Total: A+B+C+D+E-X** **1,080,946,393**

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Principal Amount Outstanding	600,000,000
Asset Coverage Test	PASS
Asset Percentage	89.72%
Maximum Level of Issuance	107.50%
Current Level of Issuance	59.67%

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**Portfolio Characteristics**

Total of the aggregate Current Balance of Loans in the Portfolio	1,005,558,885
Number of Loan Agreements in the Portfolio	28
Average Loan Balance	35,912,817

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	119,794,871	11.9%	3	7
East Midlands	117,480,620	11.7%	3	12
London	84,562,905	8.4%	4	10
North East	0	0.0%	0	0
North West	165,146,930	16.4%	6	30
South East	293,999,166	29.2%	3	19
South West	114,865,746	11.4%	4	24
Wales	41,991,544	4.2%	2	5
West Midlands	66,097,489	6.6%	2	9
Yorkshire & The Humber	1,619,613	0.2%	1	1
<b>Totals</b>	<b>1,005,558,885</b>	<b>100.0%</b>	<b>28</b>	<b>117</b>

**Margin**

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	2	280,741,703
25 bps - <30 bps	7	291,134,156
30 bps - <40 bps	2	31,674,961
40 bps - <50 bps	1	18,004,958
50 bps - <60 bps	0	0
60 bps - <80 bps	2	40,099,431
80 bps - <100 bps	3	90,410,497
100 bps - <120 bps	4	93,197,567
120 bps - <140 bps	1	10,010,113
140 bps +	6	150,285,499
<b>Total</b>	<b>28</b>	<b>1,005,558,885</b>
<b>Weighted average (bps)</b>		<b>65.64</b>

**Property Numbers**

Property Numbers	No. Facilities	Balance
0 units - <500 units	7	85,161,298
500 units - <1,000 units	6	239,145,127
1,000 units - <2,000 units	6	167,408,393
2,000 units - <3,000 units	3	39,582,034
3,000 units - <4,000 units	2	89,893,576
4,000 units - <5,000 units	0	0
5,000 units - <10,000 units	3	362,516,670
10,000 units - <15,000 units	1	21,851,787
15,000 units - <20,000 units	0	0
20,000 units +	0	0
<b>Total</b>	<b>28</b>	<b>1,005,558,885</b>
<b>Weighted average (units)</b>		<b>3,452</b>

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**QUARTERLY REPORT - QUARTER 3 2020**

**Portfolio Characteristics (cont)**

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	10	165,021,290
5 years - <10 years	4	122,382,107
10 years - <15 years	5	348,675,447
15 years - <20 years	5	211,338,938
20 years - <25 years	4	158,141,103
<b>Total</b>	<b>28</b>	<b>1,005,558,885</b>
<b>Weighted average (years)</b>		<b>12.7</b>

Last Valuation	No. Facilities	Balance
2012 - 2014	0	0
2014 - 2016	3	150,409,414
2016 - 2018	16	682,523,530
2018 - present	9	172,625,941
<b>Total</b>	<b>28</b>	<b>1,005,558,885</b>
<b>Weighted average (date)</b>		<b>Jan-2018</b>

Rank	Balance	Percentage
1	267,729,694	26.62%
2	86,777,384	8.63%
3	80,264,424	7.98%
4	73,147,718	7.27%
5	72,321,096	7.19%
6	66,097,489	6.57%
7	39,060,914	3.88%
8	38,677,025	3.85%
9	35,362,038	3.52%
10	34,499,402	3.43%

**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%	3	0	2
110% - <115%	1	0	7
115% - <120%	0	0	3
120% - <125%	0	1	4
125% - <130%	0	3	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
<b>Total</b>	<b>4</b>	<b>5</b>	<b>19</b>
			<b>28</b>

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	0
105% - <110%	0	1	1
110% - <115%	0	0	1
115% - <120%	0	0	3
120% - <125%	0	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	4	4	14
<b>Total</b>	<b>4</b>	<b>5</b>	<b>19</b>
			<b>28</b>

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	0
105% - <110%	0	3,404,969	11,063,710
110% - <115%	0	0	73,147,718
115% - <120%	0	0	152,874,873
120% - <125%	0	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	149,851,843	28,291,922	586,923,850
<b>Total</b>	<b>149,851,843</b>	<b>31,696,891</b>	<b>824,010,151</b>
			<b>1,005,558,885</b>

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.