

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

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21/12/2020

**HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 4 2020**

Date of Report 15-Dec-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	7,239,461
Principal GIC Sub-Account	19,198,582
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	26,438,043

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	93
Transaction Account Total	93

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	405,329,649
Capital Account - Addison Social Housing LLP	0
Total	405,329,649

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	878,551,201
B = Unapplied Principal Receipts	19,198,582
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	12,133,733

Total: A+B+C+D+E-X **885,616,050**

Principal Amount Outstanding	600,000,000
Asset Coverage Test	PASS
Asset Percentage	89.72%
Maximum Level of Issuance	90.44%
Current Level of Issuance	61.27%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	979,214,446
Number of Loan Agreements in the Portfolio	28
Average Loan Balance	34,971,944

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	113,060,116	11.5%	3	6
East Midlands	116,139,492	11.9%	3	12
London	84,550,822	8.6%	5	10
North East	0	0.0%	0	0
North West	156,799,468	16.0%	6	30
South East	282,691,622	28.9%	2	16
South West	116,284,423	11.9%	4	25
Wales	41,974,851	4.3%	2	5
West Midlands	66,094,343	6.7%	2	9
Yorkshire & The Humber	1,619,309	0.2%	1	1
Totals	979,214,446	100.0%	28	114

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	2	280,596,907
25 bps - <30 bps	8	303,516,154
30 bps - <40 bps	1	3,406,633
40 bps - <50 bps	1	18,004,053
50 bps - <60 bps	0	0
60 bps - <80 bps	2	39,296,215
80 bps - <100 bps	3	78,759,762
100 bps - <120 bps	4	95,179,806
120 bps - <140 bps	1	10,008,796
140 bps +	6	150,446,119
Total	28	979,214,446
Weighted average (bps)		66.17

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	7	85,144,379
500 units - <1,000 units	6	241,515,860
1,000 units - <2,000 units	6	156,535,153
2,000 units - <3,000 units	3	39,580,875
3,000 units - <4,000 units	2	78,944,655
4,000 units - <5,000 units	0	0
5,000 units - <10,000 units	3	355,642,091
10,000 units - <15,000 units	1	21,851,432
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	28	979,214,446
Weighted average (units)		3,436

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	10	142,003,575
5 years - <10 years	4	121,564,473
10 years - <15 years	5	350,533,798
15 years - <20 years	5	213,721,541
20 years - <25 years	4	151,391,058
Total	28	979,214,446
Weighted average (years)		12.7

Last Valuation	No. Facilities	Balance
2012 - 2014	0	0
2014 - 2016	2	97,150,778
2016 - 2018	16	674,714,208
2018 - present	10	207,349,459
Total	28	979,214,446
Weighted average (date)		May-2018

Rank	Balance	Percentage
1	267,587,553	27.33%
2	80,046,226	8.17%
3	74,542,402	7.61%
4	73,137,219	7.47%
5	70,118,718	7.16%
6	66,094,343	6.75%
7	41,061,021	4.19%
8	38,664,630	3.95%
9	35,536,386	3.63%
10	34,483,563	3.52%

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	5
125% - <130%	0	2	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
Total	4	4	20
			28

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	0
120% - <125%	0	0	2
125% - <130%	0	0	1
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	4	3	15
Total	4	4	20
			28

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	0
105% - <110%	0	3,406,633	11,064,652
110% - <115%	0	0	73,137,219
115% - <120%	0	0	0
120% - <125%	0	0	66,094,343
125% - <130%	0	0	80,046,226
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	140,900,477	10,285,754	594,279,142
Total	140,900,477	13,692,387	824,621,581
			979,214,446

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.