

HBOS Social Housing Covered Bonds LLP
Quarterly Investor Report - 15 September 2021

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20/09/2021

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 3 2021

Date of Report 15-Sep-2021

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	5,923,130
Principal GIC Sub-Account	96,879,620
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	102,802,750

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	96
Transaction Account Total	96

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	419,641,989
Capital Account - Addison Social Housing LLP	0
Total	419,641,989

Credit Ratings

	Short Term		Long Term	
	Moody's	S&P	Moody's	S&P
Bank of Scotland plc	P-1	A-1	A1	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	566,370,178
B = Unapplied Principal Receipts	7,548,682
C = Unapplied Cash Capital Contributions	89,330,938
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	9,991,506

Total: A+B+C+D+E-X **653,258,293**

Principal Amount Outstanding	500,000,000
Asset Coverage Test	PASS
Asset Percentage	68.53%
Maximum Level of Issuance	79.04%
Current Level of Issuance	60.50%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	826,455,827
Number of Loan Agreements in the Portfolio	20
Average Loan Balance	41,322,791

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	96,565,207	11.7%	2	5
East Midlands	111,100,129	13.4%	3	12
London	33,673,394	4.1%	2	3
North East	0	0.0%	0	0
North West	153,915,473	18.6%	6	27
South East	279,727,876	33.8%	2	15
South West	117,791,945	14.3%	4	13
Wales	33,681,803	4.1%	1	3
West Midlands	0	0.0%	0	0
Yorkshire & The Humber	0	0.0%	0	0
Totals	826,455,827	100.0%	20	78

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	1	265,599,583
25 bps - <30 bps	6	216,991,346
30 bps - <40 bps	2	81,522,191
40 bps - <50 bps	0	0
50 bps - <60 bps	0	0
60 bps - <80 bps	2	39,217,741
80 bps - <100 bps	4	88,567,658
100 bps - <120 bps	3	88,767,552
120 bps - <140 bps	0	0
140 bps +	2	44,976,839
Total	20	825,642,909
Weighted average (bps)		55.20

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	5	66,547,196
500 units - <1,000 units	4	191,782,442
1,000 units - <2,000 units	5	99,106,624
2,000 units - <3,000 units	1	30,402,021
3,000 units - <4,000 units	2	73,229,723
4,000 units - <5,000 units	0	0
5,000 units - <10,000 units	2	343,924,084
10,000 units - <15,000 units	1	20,650,820
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	20	825,642,909
Weighted average (units)		3,728

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	6	109,035,464
5 years - <10 years	3	30,032,554
10 years - <15 years	4	376,005,968
15 years - <20 years	5	256,313,726
20 years - <25 years	2	54,255,198
Total	20	825,642,909
Weighted average (years)		12.7

Last Valuation	No. Facilities	Balance
2012 - 2014	0	0
2014 - 2016	1	14,101,463
2016 - 2018	4	157,429,598
2018 - present	15	654,111,848
Total	20	825,642,909
Weighted average (date)		Apr-2020

Rank	Balance	Percentage
1	265,599,583	32.17%
2	78,324,501	9.49%
3	77,214,585	9.35%
4	71,557,654	8.67%
5	64,414,003	7.80%
6	46,078,667	5.58%
7	33,925,696	4.11%
8	33,604,378	4.07%
9	30,402,021	3.68%
10	20,650,820	2.50%

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	1
105% - <110%	3	0	2
110% - <115%	1	0	4
115% - <120%	0	0	4
120% - <125%	0	0	2
125% - <130%	0	1	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
Total	4	2	14
			20

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	0
105% - <110%	0	0	0
110% - <115%	0	1	1
115% - <120%	0	0	1
120% - <125%	1	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	3	1	12
Total	4	2	14
			20

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	0
105% - <110%	0	0	0
110% - <115%	0	3,197,690	11,051,143
115% - <120%	0	0	71,557,654
120% - <125%	46,078,667	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	93,362,203	674,841	599,720,711
Total	139,440,870	3,872,531	682,329,508
			825,642,909

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.