

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

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20/12/2021

**HBOS SOCIAL HOUSING COVERED BONDS LLP  
QUARTERLY REPORT - QUARTER 4 2021**

**Date of Report** 15-Dec-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	5,581,981
Principal GIC Sub-Account	128,196,299
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
<b>GIC Account Total</b>	<b>133,778,280</b>

**Transaction Accounts**

Transaction Principal Account	0
Transaction Revenue Account	97
<b>Transaction Account Total</b>	<b>97</b>

**Investments**

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

**Capital Contribution Balance**

Capital Account - Bank of Scotland	464,976,020
Capital Account - Addison Social Housing LLP	0
<b>Total</b>	<b>464,976,020</b>

**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	576,057,747
B = Unapplied Principal Receipts	128,196,299
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	9,518,443

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**Total: A+B+C+D+E-X** **694,735,603**


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Principal Amount Outstanding	500,000,000
Asset Coverage Test	PASS
Asset Percentage	68.53%
Maximum Level of Issuance	82.65%
Current Level of Issuance	59.48%

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**Portfolio Characteristics**

Total of the aggregate Current Balance of Loans in the Portfolio	840,592,072
Number of Loan Agreements in the Portfolio	21
Average Loan Balance	40,028,194

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	96,550,683	11.5%	2	5
East Midlands	109,273,520	13.0%	3	12
London	33,674,691	4.0%	2	3
North East	0	0.0%	0	0
North West	130,214,036	15.5%	6	22
South East	279,742,533	33.3%	2	15
South West	157,454,806	18.7%	5	11
Wales	33,681,803	4.0%	1	3
West Midlands	0	0.0%	0	0
Yorkshire & The Humber	0	0.0%	0	0
<b>Totals</b>	<b>840,592,072</b>	<b>100.0%</b>	<b>21</b>	<b>71</b>

**Margin**

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	1	265,650,369
25 bps - <30 bps	6	212,553,519
30 bps - <40 bps	2	81,725,412
40 bps - <50 bps	1	45,019,457
50 bps - <60 bps	0	0
60 bps - <80 bps	2	38,298,840
80 bps - <100 bps	4	86,700,934
100 bps - <120 bps	3	65,416,175
120 bps - <140 bps	0	0
140 bps +	2	45,227,366
<b>Total</b>	<b>21</b>	<b>840,592,072</b>
<b>Weighted average (bps)</b>		<b>53.70</b>

**Property Numbers**

Property Numbers	No. Facilities	Balance
0 units - <500 units	5	66,633,662
500 units - <1,000 units	4	187,812,326
1,000 units - <2,000 units	5	73,438,733
2,000 units - <3,000 units	2	75,494,611
3,000 units - <4,000 units	2	72,367,157
4,000 units - <5,000 units	0	0
5,000 units - <10,000 units	2	344,176,244
10,000 units - <15,000 units	1	20,669,340
15,000 units - <20,000 units	0	0
20,000 units +	0	0
<b>Total</b>	<b>21</b>	<b>840,592,072</b>
<b>Weighted average (units)</b>		<b>3,720</b>

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**QUARTERLY REPORT - QUARTER 4 2021**

**Portfolio Characteristics (cont)**

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	7	160,519,740
5 years - <10 years	4	63,223,028
10 years - <15 years	3	310,217,687
15 years - <20 years	5	252,280,473
20 years - <25 years	2	54,351,143
<b>Total</b>	<b>21</b>	<b>840,592,072</b>
<b>Weighted average (years)</b>		<b>11.6</b>

Last Valuation	No. Facilities	Balance
2012 - 2014	0	0
2014 - 2016	1	14,092,164
2016 - 2018	5	196,207,470
2018 - present	15	630,292,438
<b>Total</b>	<b>21</b>	<b>840,592,072</b>
<b>Weighted average (date)</b>		<b>Feb-2020</b>

Rank	Balance	Percentage
1	285,650,369	31.60%
2	78,525,875	9.34%
3	72,889,953	8.67%
4	71,641,013	8.52%
5	64,543,470	7.68%
6	45,019,457	5.36%
7	34,174,997	4.07%
8	33,681,803	4.01%
9	30,475,154	3.63%
10	22,628,010	2.69%

**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%	4	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
<b>Total</b>	<b>5</b>	<b>2</b>	<b>14</b>
			<b>21</b>

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%	0	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	5	1	12
<b>Total</b>	<b>5</b>	<b>2</b>	<b>14</b>
			<b>21</b>

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	3,199,537	11,052,369
115% - <120%	0	0	71,641,013
120% - <125%	0	0	0
125% - <130%	0	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	160,131,894	675,146	593,892,114
<b>Total</b>	<b>160,131,894</b>	<b>3,874,683</b>	<b>676,585,496</b>
			<b>840,592,072</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.