

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 3 2010

Date of Report 15-Sep-2010

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

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	2,911,208,012
B = Unapplied Principal Receipts	0
C = Unapplied Cash Capital Contributions	418,623,331
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	66,362,345

Total: A+B+C+D+E-X **3,263,468,998**

Principal Amount Outstanding	2,400,000,000
Asset Coverage Test	PASS
Asset Percentage	86.00%
Maximum Level of Issuance	96.41%
Current Level of Issuance	70.90%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	3,385,125,595
Number of Loan Agreements in the Portfolio	74
Average Loan Balance	45,744,940

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	261,578,851	7.7%	4	27
East Midlands	330,444,847	9.8%	4	58
London	699,477,423	20.7%	16	81
North East	16,275,827	0.5%	1	8
North West	241,822,656	7.1%	12	63
South East	983,308,122	29.0%	13	128
South West	378,638,646	11.2%	12	70
Wales	44,254,417	1.3%	2	21
West Midlands	379,152,749	11.2%	8	45
Yorkshire & The Humber	50,172,056	1.5%	2	13
Totals	3,385,125,595	100.0%	74	514

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GIC Sub Accounts

Revenue GIC Sub-Account	31,278,385
Principal GIC Sub-Account	463,404,751
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	494,683,136

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	63
Transaction Account Total	63

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	1,446,417,454
Capital Account - Addison Social Housing LLP	0
Total	1,446,417,454

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?

NO

LLP Event of Default?

NO