

**HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 1 2013**

Date of Report 15-Mar-2013

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	28,342,998
Principal GIC Sub-Account	44,075,947
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	72,418,944

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	62
Transaction Account Total	62

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	560,315,594
Capital Account - Addison Social Housing LLP	0
Total	560,315,594

Credit Ratings

	Short Term		Long Term	
	Moody's	S&P	Moody's	S&P
Bank of Scotland plc	P-1	A-1	A2	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	2,365,259,334
B = Unapplied Principal Receipts	45,535,947
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	48,325,463

Total: A+B+C+D+E-X **2,362,469,818**

Principal Amount Outstanding	1,800,000,000
Asset Coverage Test	PASS
Asset Percentage	82.30%
Maximum Level of Issuance	82.20%
Current Level of Issuance	63.64%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	2,873,948,158
Number of Loan Agreements in the Portfolio	56
Average Loan Balance	51,320,503

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	284,255,393	9.9%	4	16
East Midlands	254,163,211	8.8%	3	38
London	502,201,138	17.5%	12	74
North East	0	0.0%	0	0
North West	209,138,756	7.3%	7	64
South East	801,431,914	27.9%	12	94
South West	414,724,236	14.4%	9	66
Wales	44,591,203	1.6%	2	18
West Midlands	319,528,335	11.1%	5	39
Yorkshire & The Humber	43,913,973	1.5%	2	12
Totals	2,873,948,158	100.0%	56	421

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	6	285,371,071
25 bps - <30 bps	20	1,253,081,324
30 bps - <40 bps	8	513,105,021
40 bps - <50 bps	7	219,133,551
50 bps - <60 bps	4	100,199,900
60 bps - <80 bps	2	38,397,454
80 bps - <100 bps	3	159,198,630
100 bps - <120 bps	2	122,034,838
120 bps - <140 bps	3	158,402,380
140 bps +	1	25,023,990
Total	56	2,873,948,158
Weighted average (bps)		43.87

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	17	266,547,664
500 units - <1,000 units	13	525,910,429
1,000 units - <2,000 units	8	407,616,152
2,000 units - <3,000 units	2	120,611,613
3,000 units - <4,000 units	5	539,871,413
4,000 units - <5,000 units	2	164,075,062
5,000 units - <10,000 units	8	775,749,652
10,000 units - <15,000 units	0	0
15,000 units - <20,000 units	1	73,566,174
20,000 units +	0	0
Total	56	2,873,948,158
Weighted average (units)		3,532

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	3	226,767,423
5 years - <10 years	5	62,770,321
10 years - <15 years	6	157,466,777
15 years - <20 years	5	202,232,542
20 years - <25 years	26	1,402,779,243
25 years - <30 years	11	821,931,852
30 years +	0	0
Total	56	2,873,948,158
Weighted average (years)		21.5

Last Valuation	No. Facilities	Balance
2000 - 2002	1	5,002,093
2002 - 2004	2	17,535,443
2004 - 2006	14	558,187,447
2006 - 2008	25	1,386,914,159
2008 - 2010	14	906,309,016
2010 - present	0	0
Total	56	2,873,948,158
Weighted average (date)		Mar-2008

Rank	Balance	Percentage
1	159,058,994	5.53%
2	144,079,939	5.01%
3	139,051,072	4.84%
4	137,096,493	4.77%
5	122,928,257	4.28%
6	110,200,388	3.83%
7	100,755,344	3.51%
8	100,277,640	3.49%
9	99,820,625	3.47%
10	99,417,430	3.46%

Asset Cover Analysis at Calculation Date

Asset Cover - Covenant No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded	Multiple Bases
100% - <105%	0	0	0	0
105% - <110%	6	1	0	2
110% - <115%	2	1	8	6
115% - <120%	2	0	8	2
120% - <125%	3	0	5	2
125% - <130%	1	0	5	0
130% - <135%	1	0	1	0
135% - <140%	0	0	0	0
140% +	0	0	0	0
Total	15	2	27	12
				56

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded	Multiple Bases
100% - <105%	4	0	1	0
105% - <110%	2	0	0	0
110% - <115%	1	0	3	3
115% - <120%	0	0	3	4
120% - <125%	1	0	4	1
125% - <130%	1	0	3	1
130% - <135%	0	0	2	0
135% - <140%	0	0	1	0
140% +	7	2	9	3
Total	16	2	26	12
				56

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded	Multiple Bases
100% - <105%	395,713,744	0	122,928,257	0
105% - <110%	35,239,642	0	0	0
110% - <115%	20,162,754	0	178,271,704	254,163,211
115% - <120%	0	0	112,373,342	320,994,430
120% - <125%	50,329,310	0	75,698,227	100,755,344
125% - <130%	21,530,128	0	73,215,287	72,690,443
130% - <135%	0	0	38,273,354	0
135% - <140%	0	0	48,755,309	0
140% +	432,755,213	173,386,799	170,960,698	175,750,964
Total	955,730,790	173,386,799	820,476,177	924,354,391
				2,873,948,158

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.
 Multiple Bases = Following consolidation in the sector, many RSL's now hold housing stock which has been valued on various bases.