

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 1 2015

Date of Report 15-Dec-2014

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	22,073,868
Principal GIC Sub-Account	80,892,643
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	102,966,511

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	70
Transaction Account Total	70

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	1,122,596,654
Capital Account - Addison Social Housing LLP	0
Total	1,122,596,654

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	1,940,600,362
B = Unapplied Principal Receipts	80,892,643
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	37,899,765

Total: A+B+C+D+E-X **1,983,593,239**

Principal Amount Outstanding	1,800,000,000
Asset Coverage Test	PASS
Asset Percentage	68.03%
Maximum Level of Issuance	69.53%
Current Level of Issuance	63.10%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	2,852,691,375
Number of Loan Agreements in the Portfolio	61
Average Loan Balance	46,765,432

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	144,411,221	5.1%	4	13
East Midlands	302,667,138	10.6%	5	45
London	730,970,574	25.6%	17	68
North East	0	0.0%	0	0
North West	206,412,778	7.2%	7	54
South East	813,987,325	28.5%	11	73
South West	286,306,940	10.0%	7	46
Wales	60,538,335	2.1%	2	18
West Midlands	280,015,976	9.8%	6	51
Yorkshire & The Humber	27,381,089	1.0%	2	6
Totals	2,852,691,375	100.0%	61	374

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	15	971,010,329
25 bps - <30 bps	13	645,877,196
30 bps - <40 bps	5	212,282,088
40 bps - <50 bps	4	140,725,592
50 bps - <60 bps	4	133,383,057
60 bps - <80 bps	1	24,894,476
80 bps - <100 bps	6	242,461,298
100 bps - <120 bps	2	7,791,597
120 bps - <140 bps	4	208,210,471
140 bps +	7	266,055,272
Total	61	2,852,691,375
Weighted average (bps)		56.23

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	21	416,161,138
500 units - <1,000 units	13	421,170,844
1,000 units - <2,000 units	11	687,505,669
2,000 units - <3,000 units	4	347,632,259
3,000 units - <4,000 units	3	209,336,603
4,000 units - <5,000 units	1	159,244,948
5,000 units - <10,000 units	6	477,210,611
10,000 units - <15,000 units	1	40,635,492
15,000 units - <20,000 units	1	93,793,810
20,000 units +	0	0
Total	61	2,852,691,375
Weighted average (units)		3,109

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	16	724,658,364
5 years - <10 years	6	69,690,399
10 years - <15 years	4	207,750,892
15 years - <20 years	8	395,740,868
20 years - <25 years	21	1,149,334,478
25 years - <30 years	6	305,516,375
30 years +	0	0
Total	61	2,852,691,375
Weighted average (years)		15.6

Last Valuation	No. Facilities	Balance
2000 - 2002	1	5,001,992
2002 - 2004	1	4,924,183
2004 - 2006	12	294,608,166
2006 - 2008	23	1,364,308,721
2008 - 2010	14	716,399,667
2010 - present	10	467,448,646
Total	61	2,852,691,375
Weighted average (date)		Jan-2009

Rank	Balance	Percentage
1	296,456,362	10.39%
2	155,515,088	5.45%
3	137,961,157	4.84%
4	123,143,607	4.32%
5	111,062,355	3.89%
6	99,534,328	3.49%
7	99,020,404	3.47%
8	96,083,390	3.37%
9	93,793,810	3.29%
10	88,619,618	3.11%

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%	7	1	0	1
110% - <115%	5	3	11	1
115% - <120%	2	1	8	1
120% - <125%	1	0	5	0
125% - <130%	1	0	9	0
130% - <135%	0	0	4	0
135% - <140%	0	0	0	0
140% +	0	0	0	0
Total	16	5	37	3
				61

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded	Multiple Bases
100% - <105%	0	0	0	0
105% - <110%	0	0	0	0
110% - <115%	3	0	4	1
115% - <120%	1	3	5	1
120% - <125%	1	0	7	0
125% - <130%	0	0	4	0
130% - <135%	1	0	0	1
135% - <140%	0	1	1	0
140% +	10	1	16	0
Total	16	5	37	3
				61

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded	Multiple Bases
100% - <105%	0	0	0	0
105% - <110%	0	0	0	0
110% - <115%	104,754,145	0	110,866,810	137,961,157
115% - <120%	18,507,698	101,648,026	276,452,442	99,020,404
120% - <125%	25,654,530	0	207,305,208	0
125% - <130%	0	0	92,909,630	0
130% - <135%	21,524,465	0	0	80,490,608
135% - <140%	0	99,534,328	65,365,284	0
140% +	842,069,134	93,793,810	474,833,698	0
Total	1,012,509,971	294,976,164	1,227,733,071	317,472,168
				2,852,691,375

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.