

**HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 2 2015**

Date of Report 15-Jun-2015

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	23,477,156
Principal GIC Sub-Account	258,238,987
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	281,716,143

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	71
Transaction Account Total	71

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	1,165,872,385
Capital Account - Addison Social Housing LLP	0
Total	1,165,872,385

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	1,848,186,384
B = Unapplied Principal Receipts	258,238,987
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	36,553,590

Total: A+B+C+D+E-X **2,069,871,781**

Principal Amount Outstanding	1,800,000,000
Asset Coverage Test	PASS
Asset Percentage	68.03%
Maximum Level of Issuance	76.19%
Current Level of Issuance	66.25%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	2,716,842,407
Number of Loan Agreements in the Portfolio	57
Average Loan Balance	47,663,902

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	138,734,290	5.1%	3	8
East Midlands	304,222,192	11.2%	5	50
London	665,727,421	24.5%	16	63
North East	0	0.0%	0	0
North West	196,557,272	7.2%	7	46
South East	781,883,320	28.8%	11	77
South West	261,440,881	9.6%	6	39
Wales	57,723,284	2.1%	2	18
West Midlands	283,516,104	10.4%	5	46
Yorkshire & The Humber	27,037,643	1.0%	2	5
Totals	2,716,842,407	100.0%	57	352

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	14	912,470,370
25 bps - <30 bps	12	602,617,539
30 bps - <40 bps	5	212,243,395
40 bps - <50 bps	4	137,922,203
50 bps - <60 bps	4	133,051,913
60 bps - <80 bps	1	24,897,269
80 bps - <100 bps	7	332,150,246
100 bps - <120 bps	1	5,788,631
120 bps - <140 bps	3	179,753,671
140 bps +	6	175,947,170
Total	57	2,716,842,407
Weighted average (bps)		54.18

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	19	416,654,789
500 units - <1,000 units	13	426,750,485
1,000 units - <2,000 units	11	691,471,051
2,000 units - <3,000 units	4	342,571,555
3,000 units - <4,000 units	2	172,628,847
4,000 units - <5,000 units	1	159,215,088
5,000 units - <10,000 units	5	373,076,491
10,000 units - <15,000 units	1	40,647,306
15,000 units - <20,000 units	1	93,826,795
20,000 units +	0	0
Total	57	2,716,842,407
Weighted average (units)		3,002

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	14	663,525,825
5 years - <10 years	6	69,331,494
10 years - <15 years	5	281,847,196
15 years - <20 years	8	295,893,265
20 years - <25 years	21	1,211,874,748
25 years - <30 years	3	194,369,879
30 years +	0	0
Total	57	2,716,842,407
Weighted average (years)		15.7

Last Valuation	No. Facilities	Balance
2000 - 2002	1	5,002,112
2002 - 2004	1	4,924,197
2004 - 2006	12	291,547,640
2006 - 2008	22	1,300,024,352
2008 - 2010	13	680,841,300
2010 - present	8	434,502,806
Total	57	2,716,842,407
Weighted average (date)		Jan-2009

Rank	Balance	Percentage
1	296,321,471	10.91%
2	133,741,619	4.92%
3	125,517,259	4.62%
4	99,048,293	3.65%
5	96,112,281	3.54%
6	95,444,528	3.51%
7	93,826,795	3.45%
8	92,118,137	3.39%
9	88,632,497	3.26%
10	88,367,091	3.25%

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	0	0	1
110% - <115%	5	3	10	1
115% - <120%	1	1	8	1
120% - <125%	1	0	5	0
125% - <130%	1	0	9	0
130% - <135%	0	0	3	0
135% - <140%	0	0	0	0
140% +	0	0	0	0
Total	15	4	35	3
				57

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%	2	0	3	1
115% - <120%	1	3	5	1
120% - <125%	1	0	7	0
125% - <130%	0	0	5	0
130% - <135%	1	0	0	1
135% - <140%	0	0	1	0
140% +	10	1	14	0
Total	15	4	35	3
				57

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%	99,093,186	0	92,657,273	133,741,619
115% - <120%	17,710,917	101,661,040	276,467,068	99,048,293
120% - <125%	25,656,058	0	212,646,673	0
125% - <130%	0	0	182,581,066	0
130% - <135%	21,529,024	0	0	80,510,710
135% - <140%	0	0	65,381,418	0
140% +	805,569,529	93,826,795	408,761,741	0
Total	969,558,713	195,487,835	1,238,495,238	313,300,622
				2,716,842,407

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.