

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 3 2015

Date of Report 15-Sep-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	23,292,866
Principal GIC Sub-Account	336,127,914
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	359,420,779

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	72
Transaction Account Total	72

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	1,042,829,343
Capital Account - Addison Social Housing LLP	0
Total	1,042,829,343

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	1,697,870,165
B = Unapplied Principal Receipts	336,127,914
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	35,236,057

Total: A+B+C+D+E-X **1,998,762,022**

Principal Amount Outstanding	1,800,000,000
Asset Coverage Test	PASS
Asset Percentage	68.03%
Maximum Level of Issuance	80.08%
Current Level of Issuance	72.12%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	2,495,876,880
Number of Loan Agreements in the Portfolio	54
Average Loan Balance	46,219,942

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	138,951,066	5.6%	3	8
East Midlands	307,767,775	12.3%	5	43
London	594,851,670	23.8%	15	64
North East	0	0.0%	0	0
North West	196,393,527	7.9%	7	46
South East	655,093,347	26.2%	10	73
South West	233,371,886	9.4%	5	35
Wales	58,822,709	2.4%	2	19
West Midlands	283,587,237	11.4%	5	46
Yorkshire & The Humber	27,037,664	1.1%	2	5
Totals	2,495,876,880	100.0%	54	339

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	12	759,072,460
25 bps - <30 bps	10	485,051,679
30 bps - <40 bps	5	212,322,453
40 bps - <50 bps	4	138,941,350
50 bps - <60 bps	4	128,547,385
60 bps - <80 bps	1	24,897,290
80 bps - <100 bps	7	336,769,367
100 bps - <120 bps	1	5,790,014
120 bps - <140 bps	3	179,762,464
140 bps +	7	224,722,419
Total	54	2,495,876,880
Weighted average (bps)		59.15

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	18	420,005,600
500 units - <1,000 units	13	431,737,314
1,000 units - <2,000 units	10	592,138,687
2,000 units - <3,000 units	3	198,268,022
3,000 units - <4,000 units	2	188,579,429
4,000 units - <5,000 units	0	0
5,000 units - <10,000 units	6	530,685,120
10,000 units - <15,000 units	1	40,648,246
15,000 units - <20,000 units	1	93,814,462
20,000 units +	0	0
Total	54	2,495,876,880
Weighted average (units)		3,261

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	14	667,738,543
5 years - <10 years	6	67,922,684
10 years - <15 years	5	281,881,630
15 years - <20 years	8	292,556,345
20 years - <25 years	18	990,088,373
25 years - <30 years	3	195,689,306
30 years +	0	0
Total	54	2,495,876,880
Weighted average (years)		15.0

Last Valuation	No. Facilities	Balance
2000 - 2002	1	5,002,228
2002 - 2004	1	4,924,709
2004 - 2006	12	290,860,045
2006 - 2008	19	1,058,388,463
2008 - 2010	13	709,588,140
2010 - present	8	427,113,295
Total	54	2,495,876,880
Weighted average (date)		Feb-2009

Rank	Balance	Percentage
1	159,256,755	6.38%
2	133,741,116	5.36%
3	125,526,444	5.03%
4	107,055,624	4.29%
5	101,076,847	4.05%
6	99,262,791	3.98%
7	95,458,437	3.82%
8	93,814,462	3.76%
9	88,638,295	3.55%
10	88,361,710	3.54%

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%	4	3	9	1
115% - <120%	1	1	8	1
120% - <125%	0	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	13	4	34	3
				54

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	6	0
125% - <130%	0	0	5	0
130% - <135%	1	0	0	1
135% - <140%	0	0	1	0
140% +	8	1	14	0
Total	13	4	34	3
				54

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%	99,088,304	0	92,211,989	133,741,116
115% - <120%	17,707,846	101,669,051	276,497,619	99,262,791
120% - <125%	25,657,573	0	193,354,579	0
125% - <130%	0	0	182,284,463	0
130% - <135%	21,531,546	0	0	81,523,806
135% - <140%	0	0	65,389,277	0
140% +	578,263,827	93,814,462	433,878,631	0
Total	742,249,095	195,483,513	1,243,616,559	314,527,713
				2,495,876,880

Basis I = Existing Usage Valuation (EU), 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.