

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 1 2016

Date of Report 15-Mar-2016

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	20,926,592
Principal GIC Sub-Account	59,965,704
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	80,892,296

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	74
Transaction Account Total	74

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	789,839,339
Capital Account - Addison Social Housing LLP	0
Total	789,839,339

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	1,926,101,437
B = Unapplied Principal Receipts	59,965,704
C = Unapplied Cash Capital Contributions	0
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	32,153,541

Total: A+B+C+D+E-X **1,953,913,601**

Principal Amount Outstanding	1,700,000,000
Asset Coverage Test	PASS
Asset Percentage	75.67%
Maximum Level of Issuance	76.76%
Current Level of Issuance	66.79%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	2,545,343,060
Number of Loan Agreements in the Portfolio	63
Average Loan Balance	40,402,271

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	180,835,995	7.1%	4	10
East Midlands	318,472,344	12.5%	6	48
London	429,188,721	16.9%	12	54
North East	0	0.0%	0	0
North West	195,841,240	7.7%	7	46
South East	679,324,129	26.7%	10	73
South West	333,171,955	13.1%	10	52
Wales	96,980,662	3.8%	6	42
West Midlands	284,496,297	11.2%	6	37
Yorkshire & The Humber	27,031,717	1.1%	2	5
Totals	2,545,343,060	100.0%	63	367

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	12	723,162,031
25 bps - <30 bps	9	530,402,593
30 bps - <40 bps	5	144,024,088
40 bps - <50 bps	5	86,091,413
50 bps - <60 bps	3	178,625,879
60 bps - <80 bps	2	37,328,293
80 bps - <100 bps	7	297,661,476
100 bps - <120 bps	4	65,295,151
120 bps - <140 bps	4	184,485,363
140 bps +	12	298,266,774
Total	63	2,545,343,060
Weighted average (bps)		64.57

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	21	258,686,743
500 units - <1,000 units	13	466,555,797
1,000 units - <2,000 units	15	769,102,120
2,000 units - <3,000 units	5	362,147,392
3,000 units - <4,000 units	1	33,648,256
4,000 units - <5,000 units	3	294,750,536
5,000 units - <10,000 units	3	175,580,762
10,000 units - <15,000 units	2	184,871,456
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	63	2,545,343,060
Weighted average (units)		3,084

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	16	625,813,604
5 years - <10 years	7	180,039,105
10 years - <15 years	7	271,404,398
15 years - <20 years	10	337,800,310
20 years - <25 years	20	1,018,394,905
25 years - <30 years	3	111,890,738
30 years +	0	0
Total	63	2,545,343,060
Weighted average (years)		14.7

Last Valuation	No. Facilities	Balance
2000 - 2002	0	0
2002 - 2004	1	4,924,020
2004 - 2006	1	34,695,190
2006 - 2008	0	0
2008 - 2010	4	219,796,087
2010 - present	57	2,285,927,763
Total	63	2,545,343,060
Weighted average (date)		May-2013

Rank	Balance	Percentage
1	159,215,983	6.26%
2	148,263,149	5.82%
3	133,716,905	5.25%
4	101,050,163	3.97%
5	101,031,063	3.97%
6	95,440,852	3.75%
7	93,791,477	3.68%
8	88,623,123	3.48%
9	84,512,031	3.32%
10	84,078,099	3.30%

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%	1	0	0	0
105% - <110%	10	0	2	1
110% - <115%	7	3	10	1
115% - <120%	2	0	4	0
120% - <125%	1	0	11	0
125% - <130%	4	0	3	0
130% - <135%	1	0	1	0
135% - <140%	0	0	0	0
140% +	0	0	1	0
Total	26	3	32	2
				63

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded	Multiple Bases
100% - <105%	2	1	3	0
105% - <110%	0	0	3	0
110% - <115%	2	0	0	0
115% - <120%	0	0	1	0
120% - <125%	1	0	1	0
125% - <130%	1	0	3	1
130% - <135%	0	2	0	0
135% - <140%	1	0	0	0
140% +	19	0	21	1
Total	26	3	32	2
				63

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded	Multiple Bases
100% - <105%	100,625,991	13,030,366	117,220,953	0
105% - <110%	0	0	139,399,424	0
110% - <115%	144,084,240	0	0	0
115% - <120%	0	0	34,695,190	0
120% - <125%	9,226,001	0	24,891,746	0
125% - <130%	21,527,154	0	100,442,732	133,716,905
130% - <135%	0	88,623,123	0	0
135% - <140%	12,436,548	0	0	0
140% +	875,954,982	0	628,417,543	101,050,163
Total	1,163,854,916	101,653,489	1,045,067,587	234,767,069
				2,545,343,060

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.