

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 2 2016

Date of Report 15-Jun-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	21,317,115
Principal GIC Sub-Account	191,266,996
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	212,584,111

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	75
Transaction Account Total	75

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	852,091,088
Capital Account - Addison Social Housing LLP	0
Total	852,091,088

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	1,876,378,153
B = Unapplied Principal Receipts	131,301,292
C = Unapplied Cash Capital Contributions	59,965,704
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	30,897,719

Total: A+B+C+D+E-X **2,036,747,430**

Principal Amount Outstanding	1,700,000,000
Asset Coverage Test	PASS
Asset Percentage	75.67%
Maximum Level of Issuance	82.14%
Current Level of Issuance	68.56%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	2,479,633,740
Number of Loan Agreements in the Portfolio	63
Average Loan Balance	39,359,266

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	186,474,530	7.5%	5	11
East Midlands	323,533,839	13.0%	6	47
London	360,352,209	14.5%	11	45
North East	0	0.0%	0	0
North West	194,285,075	7.8%	7	44
South East	662,274,987	26.7%	10	70
South West	346,133,190	14.0%	10	52
Wales	95,092,435	3.8%	6	39
West Midlands	284,458,869	11.5%	6	37
Yorkshire & The Humber	27,028,606	1.1%	2	5
Totals	2,479,633,740	100.0%	63	350

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	13	718,750,954
25 bps - <30 bps	9	492,327,757
30 bps - <40 bps	5	136,073,353
40 bps - <50 bps	5	85,882,967
50 bps - <60 bps	3	178,416,648
60 bps - <80 bps	2	37,326,995
80 bps - <100 bps	7	294,266,480
100 bps - <120 bps	4	75,029,854
120 bps - <140 bps	4	184,504,418
140 bps +	12	277,054,314
Total	64	2,479,633,740
Weighted average (bps)		63.68

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	22	253,589,223
500 units - <1,000 units	11	340,354,349
1,000 units - <2,000 units	16	696,787,774
2,000 units - <3,000 units	5	366,404,790
3,000 units - <4,000 units	1	33,323,091
4,000 units - <5,000 units	3	290,461,167
5,000 units - <10,000 units	4	285,320,892
10,000 units - <15,000 units	2	213,392,453
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	64	2,479,633,740
Weighted average (units)		3,631

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Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	16	608,180,494
5 years - <10 years	7	146,373,532
10 years - <15 years	8	298,157,704
15 years - <20 years	10	367,635,859
20 years - <25 years	18	942,789,834
25 years - <30 years	4	116,496,317
30 years +	0	0
Total	63	2,479,633,740
Weighted average (years)		14.6

Last Valuation	No. Facilities	Balance
2000 - 2002	0	0
2002 - 2004	1	4,924,953
2004 - 2006	1	34,630,264
2006 - 2008	0	0
2008 - 2010	2	78,114,831
2010 - present	59	2,361,963,693
Total	63	2,479,633,740
Weighted average (date)		Oct-2013

Rank	Balance	Percentage
1	189,133,867	7.63%
2	129,403,045	5.22%
3	102,276,181	4.12%
4	101,063,550	4.08%
5	101,031,021	4.07%
6	93,879,698	3.79%
7	93,807,735	3.78%
8	88,635,632	3.57%
9	84,521,897	3.41%
10	84,087,029	3.39%

Asset Cover Analysis at Calculation Date

Asset Cover - Covenant No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	1	1
105% - <110%	7	0	6
110% - <115%	5	1	13
115% - <120%	1	1	6
120% - <125%	0	1	11
125% - <130%	1	6	0
130% - <135%	0	2	0
135% - <140%	0	0	0
140% +	0	1	0
Total	14	13	37
			64

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	2	2	6
105% - <110%	0	0	4
110% - <115%	2	0	0
115% - <120%	0	1	0
120% - <125%	0	1	2
125% - <130%	1	1	2
130% - <135%	0	0	1
135% - <140%	1	1	2
140% +	8	7	20
Total	14	13	37
			64

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	88,635,632	6,000,386	318,918,035
105% - <110%	0	0	142,416,544
110% - <115%	144,107,454	0	0
115% - <120%	0	34,630,264	0
120% - <125%	0	9,227,131	68,241,484
125% - <130%	21,522,486	5,001,896	93,879,698
130% - <135%	0	0	129,403,045
135% - <140%	12,438,763	40,104,919	116,364,188
140% +	311,854,640	67,296,054	869,591,122
Total	578,558,974	162,260,650	1,738,814,116
			2,479,633,740

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.