

# Investor Monthly Report December 2009 : Lloyds TSB Covered Bonds LLP

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## Reporting Information

Reporting Date:	15 January 2010
Reporting Period:	1 December - 31 December 2009
Next Interest Payment Date: Monthly pay notes	8 January 2010
Last Interest Payment Date: Monthly pay notes	8 December 2009

## Correspondence Details

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## Parties

Key Parties to the Transaction	Name
Issuer	Lloyds TSB Bank plc
Guarantor	Lloyds TSB Covered Bonds LLP
Seller	Lloyds TSB Bank plc
Principal Paying Agent and Agent Bank	The Bank of New York Mellon
Bonds Trustee/Security Trustee	BNY Corporate Trustee Services Limited
Asset Monitor	PricewaterhouseCoopers LLP
Servicer	Cheltenham and Gloucester plc
Cash Manager	Cheltenham and Gloucester plc
Covered Bonds Swap Provider	N/A
Interest Rate Swap Provider	Lloyds TSB Bank plc
Account Bank/GIC provider	Lloyds TSB Bank plc
Arranger	Lloyds TSB Bank plc
Dealer	Lloyds TSB Bank plc

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This report and its notes are a summary of certain features of the notes and their structure.

No liability is accepted as to the accuracy or completeness of the data. Please refer to the issue documentation for notes and structure for further information.

This report is for information purposes only and is not intended as an offer or invitation with respect to the purchase or sale of security. Reliance should not be placed on the information herein when making any decision whether to buy, hold or sell notes (or other securities) or for any other purpose.

## Asset coverage test

A= (Adjusted loan balance)	£10,184,283,040
B= (Principal collections not applied)	£581,666,517
C=(Cash Capital Contributions held on Capital I	£0
D=(Substitution Assets)	£0
E=(Sales proceeds or Capital Contributions credited to the Pre-Maturity Liquidity Ledger)	£0
X=(For set-off risk*)	£0
Y=(For redraw capacity)	£0
Z=(potential negative carry held on funds held in GIC from sale of assets)	£88,997,260
Total A+B+C+D+E-(X+Y+Z)	£10,676,952,297
Method used for calculating "A"	A(b)
Asset percentage	81.3%
Covered bonds (GBP)	£8,000,000,000
Over collateralisation	£2,676,952,297

## Cash ledgers

Revenue ledger	16,567,646
Principal ledger	581,666,517
Reserve ledger	7,794,593
Pre-maturity liquidity ledger	0
Capital account ledger - cash capital contributions	0
Total	606,028,756

GIC account	606,028,756
Transaction account	-
Authorised investments/substitution assets	0
Total	606,028,756

Note: The cash ledgers reflect current month cash positions adjusted for the waterfall payments and receipts

\*This rises to 5% of the aggregated current balance of loans in the portfolio on the relevant calculation date if the Seller's ratings fall below S&P short term rating A-1 or long term Moody's A2 or Fitch A-

\*\*This asset percentage is the required level for a AAA rating from each Rating Agency, including a AAA rating on a Probability of Default (PD) only basis from Fitch. A rating of AAA from each Rating Agency would also be achieved using a lower level of over-collateralisation (a higher asset percentage of 83.9).

## Mortgage LLP Assets

Number of Accounts in Pool	121,799
Current Balance - LLP Mortgage Assets	£12,575,166,948

## Credit ratings\*

	Moody's	S&P**	Fitch
Issuer - short term	P-1	A-1	F1+
Issuer - long term	Aa3	A+	AA-

Issuer event of default	No
LLP Event of default	No

\*Ratings applicable at waterfall date

\*\* S&P will no longer rate this programme from reporting period 1st January 2010

## Arrears Analysis of Mortgage Accounts

Month(s) In Arrears	Number of Accounts	By Number (%)	Principal (£)	By Principal (%)	Arrears (£)
>1 <2	1,103	0.91	111,115,952	0.88	837,324
>2 <3	381	0.31	37,614,753	0.30	555,666
>3 <6	519	0.43	52,078,821	0.41	1,273,268
>6 <9	191	0.16	19,505,857	0.16	793,423
>9 <12	93	0.08	11,186,701	0.09	559,739
12+	113	0.09	13,067,224	0.10	724,935
<b>Total</b>	<b>2,400</b>	<b>1.98</b>	<b>244,569,308</b>	<b>1.94</b>	<b>4,744,355</b>

This includes details of the current portfolio and excludes any arrears cases repurchased by the Seller prior to the end of the reporting period. There is no obligation on the Seller to repurchase other than is required by the transaction documents.

Arrears are calculated in accordance with standard market practice in the UK. A mortgage is identified as being in arrears when, on any due date, the overdue amounts which were due on previous due dates equal, in the aggregate, one or more full monthly payments.

In making an arrears determination, the administrator calculates as of the date of determination the difference between the sum of all monthly payments that were due and payable by a borrower on any due date up to that date of determination (less the aggregate amount of all authorised underpayments made by such borrower up to such date of determination) and the sum of all payments actually made by that borrower up to that date of determination. If the result arrived at by dividing that difference (if any) by the amount of the required monthly payment equals or exceeds 1 the loan is deemed to be in arrears. Arrears classification is determined based on the number of full monthly payments that have been missed. A borrower that has missed payments that in the aggregate equal or exceeding 2 monthly payments (but for which the aggregate of missed payments is less than 3 monthly payments) would be classified as being between 2 - 3 months in arrears, and so on.

### Loan Analysis

Weighted Average Seasoning (by value) Months	35.01
Weighted Average Remaining Term (by value) Years	15.82
Average Loan Size	£103,245
Weighted Average Original LTV (by value)	58.04%
Weighted Average Current Indexed LTV (by value) *	59.42%

\* Indexation is applied on a regional basis to property valuations on a quarterly basis in January, April, July and October of each year.

### Product Breakdown

	Value	% of Total of value
Fixed Rate (by balance)	4,419,566,556	35.14%
Standard Variable Rate based (by balance)	3,901,852,282	31.03%
Tracker (by balance)	4,253,748,110	33.83%
<b>Total</b>	<b>12,575,166,948</b>	<b>100.00%</b>

### Geographic Analysis

	Number of Accounts	% of Total of Accounts	Value (£)	% of Total of value
East Anglia	5,543	4.55%	526,136,953	4.18%
East Midlands	7,901	6.49%	664,424,566	5.28%
Greater London	12,549	10.30%	1,998,998,300	15.90%
Northern	6,514	5.35%	498,609,261	3.97%
North West	12,822	10.53%	1,078,808,677	8.58%
Scotland	3,606	2.96%	344,483,612	2.74%
South East	25,139	20.64%	3,090,582,748	24.58%
South West	16,719	13.73%	1,720,156,094	13.68%
Wales	6,893	5.66%	560,592,887	4.46%
West Midlands	14,852	12.19%	1,328,647,774	10.57%
Yorkshire & Humberside	9,261	7.60%	763,726,077	6.07%
<b>Total</b>	<b>121,799</b>	<b>100.00%</b>	<b>12,575,166,948</b>	<b>100.00%</b>

### Indexed\* Loan to Value Ratios

	Number of Accounts	Value (£)	% of Total (by Value)
0% < 25%	17,650	713,571,595	5.67%
> 25% to 50%	37,383	3,108,572,660	24.72%
> 50% to 55%	8,801	948,540,006	7.54%
> 55% to 60%	9,154	1,072,780,739	8.53%
> 60% to 65%	8,848	1,082,883,281	8.61%
> 65% to 70%	9,328	1,220,101,456	9.70%
> 70% to 75%	10,371	1,440,237,972	11.45%
> 75% to 80%	8,141	1,141,618,488	9.08%
> 80% to 85%	6,564	959,243,637	7.63%
> 85% to 90%	4,277	661,157,387	5.26%
> 90% to 95%	1,236	217,263,627	1.73%
> 95% to 100%	43	8,545,732	0.07%
>100%	3	650,367	0.01%
<b>Total</b>	<b>121,799</b>	<b>12,575,166,948</b>	<b>100.00%</b>

\*Indexation is applied on a regional basis to property valuations on a quarterly basis in January, April, July and October of each year.

### Repayment Terms

	Number of Loans (sub accounts)	Value (£)	% of Total (by Value)
Interest Only	102,141	5,245,766,770	41.72%
Repayment	207,483	7,329,400,178	58.28%
<b>Total</b>	<b>309,624</b>	<b>12,575,166,948</b>	<b>100.00%</b>

### Standard Variable Rate

C & G existing borrowers SVR	2.50%
Effective Date of Last Change	1 April 2009

### Bonds Outstanding

2008

Series	Rating (Moody's/S&P/Fitch)	Currency	Initial Tranche Size	£ Equivalent	Pool Factor	Benchmark	Current Rate Fixing	Margin	Current all-in rate	Scheduled Payment Dates	Hard/Soft Maturity	ISIN : Reg S	ISIN: 144a
Series 2008-1	Aaa/AAA/AAA	GBP	£2,000,000,000	£0	1.00	1m Libor	0.51313%	0.40%	0.91313%	Nov-11	Soft	XS0392503065	-
Series 2008-2	Aaa/AAA/AAA	GBP	£2,000,000,000	£0	1.00	1m Libor	0.51313%	0.40%	0.91313%	May-12	Soft	XS0392503495	-
Series 2008-3	Aaa/AAA/AAA	GBP	£2,000,000,000	£0	1.00	1m Libor	0.51313%	0.40%	0.91313%	Nov-12	Soft	XS0392503735	-
Series 2008-4	Aaa/AAA/AAA	GBP	£2,000,000,000	£0	1.00	1m Libor	0.51313%	0.40%	0.91313%	May-13	Soft	XS0392504030	-