

Investor Monthly Report October 2009 : Lloyds TSB Covered Bonds LLP

Reporting Information

Reporting Date:	15 November 2009
Reporting Period:	1 October - 31 October 2009
Next Interest Payment Date: Monthly pay notes	9 November 2009
Last Interest Payment Date: Monthly pay notes	8 October 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)	£8,241,239,501
B= (Principal collections not applied)	£199,598,517
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)	£132,920,548
Total A+B+C+D+E-(X+Y+Z)	£8,307,917,470
Method used for calculating "A"	A(b)
Asset percentage**	82.7%
Covered bonds (GBP)	£8,000,000,000
Over collateralisation	£307,917,470

Cash ledgers

Revenue ledger	4,666,453
Principal ledger	199,598,518
Reserve ledger	7,365,051
Pre-maturity liquidity ledger	0
Capital account ledger - cash capital contributions	0
Total	211,630,022

GIC account	211,630,022
Transaction account	-
Authorised investments/substitution assets	0
Total	211,630,022

Note: The cash ledgers reflect October cash positions adjusted for the November 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 87.5).

Mortgage LLP Assets

Number of Accounts in Pool	98,513
Current Balance - LLP Mortgage Assets	£10,010,147,369

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

Arrears Analysis of Mortgage Accounts

Month(s) In Arrears	Number of Accounts	By Number (%)	Principal (£)	By Principal (%)	Arrears (£)
>1 <2	1,063	1.08	106,163,518	1.06	818,844
>2 <3	408	0.41	43,393,308	0.43	615,504
>3 <6	485	0.49	49,880,436	0.50	1,229,085
>6 <9	177	0.18	19,100,503	0.19	721,739
>9 <12	76	0.08	7,776,401	0.08	416,731
12+	73	0.07	9,274,850	0.09	461,748
Total	2,282	2.32	235,589,016	2.35	4,263,652

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	39.44
Weighted Average Remaining Term (by value) Years	15.60
Average Loan Size	£101,612
Weighted Average Original LTV (by value)	58.53%
Weighted Average Current Indexed LTV (by value) *	60.53%

* 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)	3,376,950,520	33.73%
Standard Variable Rate based (by balance)	3,166,040,980	31.63%
Tracker (by balance)	3,467,155,868	34.64%
Total	10,010,147,369	100.00%

Geographic Analysis

	Number of Accounts	% of Total of Accounts	Value (£)	% of Total of value
East Anglia	4,694	4.76%	447,226,828	4.46%
East Midlands	6,435	6.53%	535,529,753	5.35%
Greater London	10,129	10.28%	1,582,985,955	15.81%
Northern	5,121	5.20%	384,147,859	3.84%
North West	10,410	10.57%	871,001,329	8.70%
Scotland	2,593	2.63%	242,772,827	2.43%
South East	20,371	20.68%	2,456,236,943	24.54%
South West	13,473	13.68%	1,357,252,277	13.56%
Wales	5,656	5.74%	455,094,097	4.55%
West Midlands	12,183	12.37%	1,074,422,485	10.73%
Yorkshire & Humberside	7,448	7.56%	603,477,017	6.03%
Total	98,513	100.00%	10,010,147,369	100.00%

Indexed* Loan to Value Ratios

	Number of Accounts	Value (£)	% of Total (by Value)
0% < 25%	14,685	575,859,381	5.75%
> 25% to 50%	29,790	2,414,954,368	24.14%
> 50% to 55%	6,710	701,845,050	7.01%
> 55% to 60%	6,827	772,675,433	7.72%
> 60% to 65%	6,813	813,879,999	8.13%
> 65% to 70%	7,090	904,724,358	9.04%
> 70% to 75%	6,773	909,207,616	9.08%
> 75% to 80%	6,984	967,041,734	9.66%
> 80% to 85%	6,830	998,268,666	9.97%
> 85% to 90%	4,605	705,919,965	7.05%
> 90% to 95%	1,360	236,604,050	2.36%
> 95% to 100%	45	8,860,100	0.09%
>100%	1	306,649	0.00%
Total	98,513	10,010,147,369	100.00%

*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	84,553	4,180,914,629	41.77%
Repayment	172,163	5,829,232,740	58.23%
Total	256,716	10,010,147,369	100.00%

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	0.50875%	0.40%	0.90875%	Nov-11	Soft	XS0392503065	-
Series 2008-2	Aaa/AAA/AAA	GBP	£2,000,000,000	£0	1.00	1m Libor	0.50875%	0.40%	0.90875%	May-12	Soft	XS0392503495	-
Series 2008-3	Aaa/AAA/AAA	GBP	£2,000,000,000	£0	1.00	1m Libor	0.50875%	0.40%	0.90875%	Nov-12	Soft	XS0392503735	-
Series 2008-4	Aaa/AAA/AAA	GBP	£2,000,000,000	£0	1.00	1m Libor	0.50875%	0.40%	0.90875%	May-13	Soft	XS0392504030	-