

# Monthly Report December 2010 : Lloyds TSB Covered Bonds LLP

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## Reporting Information

Reporting Date:	17 January 2011
Reporting Period:	1 December - 31 December 2010

## 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	PwC LLP
Servicer	Cheltenham and Gloucester plc
Cash Manager	Cheltenham and Gloucester plc
Covered Bonds Swap Provider	Lloyds TSB Bank plc
Interest Rate Swap Provider	Lloyds TSB Bank plc
Account Bank/GIC provider	Lloyds TSB Bank plc
Arranger	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)	£9,907,020,386
B= (Principal collections not applied)	£2,918,585,351
C=(Cash Capital Contributions held on Capital Ledger)	£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)	£503,082,853
Total A+B+C+D+E-(X+Y+Z)	£12,322,522,884
Method used for calculating "A" A(b)	
Asset percentage**	79.9%
Covered bonds (GBP)	£9,884,125,053
Over collateralisation	£2,438,397,831

\*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 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 85.1).

## Mortgage LLP Assets

Number of Mortgage Accounts in Portfolio	123,246
Current Balance - LLP Mortgage Accounts	£12,451,761,405

## Arrears Analysis of Non-Repossessed Mortgage Accounts

Month(s) In Arrears	Number of Mortgage Accounts	% of Total by Number	Current Balance (£)	% of Current Balance	Arrears Balance (£)
1 to <2	1,133	0.92	111,840,702	0.90	791,300
2 to <3	439	0.36	42,905,207	0.34	553,317
3 to <6	509	0.41	50,763,613	0.41	1,236,186
6 to <9	237	0.19	23,259,255	0.19	912,371
9 to <12	113	0.09	11,329,347	0.09	568,218
12+	261	0.21	26,584,477	0.21	1,960,366
<b>Total</b>	<b>2,692</b>	<b>2.18</b>	<b>266,682,602</b>	<b>2.14</b>	<b>6,021,757</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 account 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 2 to <3 months in arrears, and so on. For the purpose of the Asset Coverage Test, an account is treated as being in default if it is 3 or more months in arrears.

## Cash ledgers

Revenue ledger	-
Principal ledger	2,918,585,351
Retained profit	6,000
Reserve ledger	-
Pre-maturity liquidity ledger	-
Capital account ledger - cash capital contributions	-
<b>Total</b>	<b>2,918,591,351</b>

GIC account	2,918,591,351
Transaction account	-
Authorised investments/substitution assets	-
<b>Total</b>	<b>2,918,591,351</b>

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

## Credit ratings\*

	Moody's	Fitch
Issuer - short term	P-1	F1+
Issuer - long term	Aa3	AA-

Issuer event of default	No
LLP Event of default	No

\*Ratings applicable at waterfall date

### Loan Analysis

Weighted Average Seasoning (by value) Months	43.54
Weighted Average Remaining Term (by value) Years	15.67
Average Mortgage Account Balance	£101,032
Weighted Average Original LTV (by value)	58.77%
Weighted Average Current Indexed LTV (by value) *	56.73%

\* 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

	Current Balance (£)	% of Current Balance
Fixed Rate Loans (by balance)	3,781,006,493	30.37%
Standard Variable Rate Loans based (by balance)	4,780,563,250	38.39%
Tracker Loans (by balance)	3,890,191,663	31.24%
<b>Total</b>	<b>12,451,761,405</b>	<b>100.00%</b>

### Geographic Analysis

	Number of Mortgage Accounts	% of Total of Mortgage Accounts	Current Balance (£)	% of Current Balance
East Anglia	5,666	4.60%	529,629,620	4.25%
East Midlands	8,072	6.55%	666,405,396	5.35%
Greater London	12,431	10.09%	1,943,522,006	15.61%
Northern	6,723	5.45%	500,239,813	4.02%
North West	13,136	10.66%	1,074,252,093	8.63%
Scotland	3,649	2.96%	341,299,576	2.74%
South East	25,104	20.37%	3,043,436,473	24.44%
South West	16,797	13.63%	1,708,494,463	13.72%
Wales	7,134	5.79%	571,337,465	4.59%
West Midlands	15,008	12.18%	1,309,018,295	10.51%
Yorkshire & Humberside	9,526	7.73%	764,126,206	6.14%
<b>Total</b>	<b>123,246</b>	<b>100.00%</b>	<b>12,451,761,405</b>	<b>100.00%</b>

### Indexed\* Loan to Value Ratios

	Number of Mortgage Accounts	Current Balance (£)	% of Current Balance
0% to 25%	20,879	830,812,803	6.67%
> 25% to 50%	39,702	3,382,688,222	27.17%
> 50% to 55%	9,375	1,050,296,402	8.43%
> 55% to 60%	9,259	1,104,612,665	8.87%
> 60% to 65%	9,305	1,180,059,988	9.48%
> 65% to 70%	10,382	1,414,006,105	11.36%
> 70% to 75%	10,051	1,396,625,660	11.22%
> 75% to 80%	7,484	1,064,881,028	8.55%
> 80% to 85%	4,099	614,957,478	4.94%
> 85% to 90%	2,015	304,582,658	2.45%
> 90% to 95%	599	92,454,453	0.74%
> 95% to 100%	87	14,241,523	0.11%
>100%	9	1,542,420	0.01%
<b>Total</b>	<b>123,246</b>	<b>12,451,761,405</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.

### Original Loan to Value Ratios

	Number of Mortgage Accounts	Current Balance (£)	% of Current Balance
0% to 25%	12,979	631,382,336	5.07%
> 25% to 50%	39,188	3,267,946,956	26.24%
> 50% to 55%	9,102	961,438,345	7.72%
> 55% to 60%	12,341	1,437,404,444	11.54%
> 60% to 65%	8,349	993,251,310	7.98%
> 65% to 70%	9,723	1,220,533,165	9.80%
> 70% to 75%	14,216	1,981,405,417	15.91%
> 75% to 80%	6,188	776,375,823	6.24%
> 80% to 85%	2,782	343,831,803	2.76%
> 85% to 90%	4,036	455,728,484	3.66%
> 90% to 95%	4,176	370,246,008	2.97%
> 95% to 100%	129	9,384,055	0.08%
>100%	37	2,833,261	0.02%
<b>Total</b>	<b>123,246</b>	<b>12,451,761,405</b>	<b>100.00%</b>

### Outstanding balances

	Number of Mortgage Accounts	% of Total of Mortgage Accounts	Current Balance (£)	% of Current Balance
< £15,000	4,090	3.32%	35,184,798	0.28%
£15,000 to < £20,000	2,298	1.86%	40,611,884	0.33%
£20,000 to < £30,000	5,896	4.78%	148,941,796	1.20%
£30,000 to < £40,000	7,105	5.76%	249,849,075	2.01%
£40,000 to < £50,000	9,645	7.83%	436,435,290	3.51%
£50,000 to < £60,000	10,696	8.68%	587,028,013	4.71%
£60,000 to < £70,000	10,303	8.36%	668,433,862	5.37%
£70,000 to < £80,000	9,496	7.70%	711,367,066	5.71%
£80,000 to < £90,000	8,513	6.91%	722,244,553	5.80%
£90,000 to < £100,000	7,419	6.02%	703,824,271	5.65%
£100,000 to < £110,000	6,623	5.37%	693,865,153	5.57%
£110,000 to < £120,000	5,562	4.51%	638,987,382	5.13%
£120,000 to < £130,000	5,078	4.12%	633,630,059	5.09%
£130,000 to < £140,000	4,217	3.42%	568,414,131	4.56%
£140,000 to < £150,000	3,574	2.90%	517,751,769	4.16%
£150,000 to < £250,000	16,689	13.54%	3,116,180,168	25.03%
>£250,000 to <£350,000	4,079	3.31%	1,182,628,305	9.50%
=>350,000	1,963	1.59%	796,383,829	6.40%
<b>Total</b>	<b>123,246</b>	<b>100.00%</b>	<b>12,451,761,405</b>	<b>100.00%</b>

### Seasoning of Loans

	Number of Mortgage Loans	% of Total of Mortgage Loans	Current Balance (£)	% of Current Balance
0 to <6 months	5,908	1.90%	260,070,371	2.09%
6 to <12 months	13,448	4.32%	566,360,562	4.55%
12 to <18 months	16,835	5.41%	741,479,722	5.95%
18 to <24 months	23,534	7.56%	1,174,486,270	9.43%
24 to <30 months	16,181	5.20%	804,017,532	6.46%
30 to <36 months	59,382	19.07%	2,781,902,190	22.34%
36 to <42 months	44,763	14.38%	1,914,648,365	15.38%
42 to <48 months	18,936	6.08%	869,418,882	6.98%
48 to <54 months	13,958	4.48%	631,153,725	5.07%
54 to <60 months	8,522	2.74%	331,645,207	2.66%
60 to <66 months	7,243	2.33%	275,892,955	2.22%
66 to <72 months	6,870	2.21%	231,193,234	1.86%
72+ months	75,740	24.33%	1,869,492,393	15.01%
<b>Total</b>	<b>311,320</b>	<b>100.00%</b>	<b>12,451,761,405</b>	<b>100.00%</b>

**Years to Maturity**

	Number of Mortgage Loans	% of Total of Mortgage Loans	Current Balance (£)	% of Current Balance
0 to <5	33,658	10.81%	726,262,766	5.83%
5 to <10	60,931	19.57%	1,797,477,719	14.44%
10 to <15	75,694	24.31%	2,736,284,581	21.98%
15 to <20	81,861	26.29%	3,791,845,674	30.45%
20 to <25	48,699	15.64%	2,816,943,223	22.62%
25 to <30	7,810	2.51%	436,512,329	3.51%
30 to <35	2,652	0.85%	145,584,111	1.17%
35+	15	0.00%	851,003	0.01%
<b>Total</b>	<b>311,320</b>	<b>100.00%</b>	<b>12,451,761,405</b>	<b>100.00%</b>

**Repayment Terms**

	Number of Loans	Current Balance (£)	% of Current Balance
Interest Only	107,142	5,462,393,465	43.87%
Repayment	204,178	6,989,367,940	56.13%
<b>Total</b>	<b>311,320</b>	<b>12,451,761,405</b>	<b>100.00%</b>

**Standard Variable Rate**

Current Standard Variable Rate	2.50%
Effective date of last change	1 April 2009

## Bonds Outstanding

2008

Series	Current Rating (Moody's/Fitch)	Currency	Current Tranche Size	£ Equivalent	Benchmark	Current Rate Fixing	Margin	Current all-in rate	Interest Payment Frequency	Next Interest Payment Date	Scheduled Repayment Date	Hard/Soft Maturity	ISIN
Series 2008-1	Aaa/AAA	GBP	£1,000,000,000	£1,000,000,000	1m Libor	0.57813%	0.40%	0.97813%	Monthly	08-Jan-11	08-Nov-11	Soft	XS0392503065
Series 2008-2	Aaa/AAA	GBP	£1,000,000,000	£1,000,000,000	1m Libor	0.57813%	0.40%	0.97813%	Monthly	08-Jan-11	08-May-12	Soft	XS0392503495
Series 2008-3	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1m Libor	0.57813%	0.40%	0.97813%	Monthly	08-Jan-11	08-Nov-12	Soft	XS0392503735
Series 2008-4	Aaa/AAA	GBP	£1,250,000,000	£1,250,000,000	1m Libor	0.57813%	0.40%	0.97813%	Monthly	08-Jan-11	08-May-13	Soft	XS0392504030

2010

Series	Current Rating (Moody's/Fitch)	Currency	Current Tranche Size	£ Equivalent	Coupon Type	Current Rate Fixing	Interest Payment Frequency	Next Interest Payment Date	Scheduled Repayment Date	Hard/Soft Maturity	ISIN
Series 2010-1	Aaa/AAA	EUR	€ 1,500,000,000	£1,366,500,000	Annual Fixed	3.37500%	Annual	17-Mar-11	17-Mar-15	Soft	XS0482808465
Series 2010-2	Aaa/AAA	EUR	€ 750,000,000	£624,000,000	Annual Fixed	4.00000%	Annual	25-Jun-11	25-Jun-18	Soft	XS0519671787
Series 2010-3	Aaa/AAA	EUR	€ 250,000,000	£206,250,000	Annual Fixed	2.62500%	Annual	01-Jul-11	01-Jul-13	Soft	XS0522716223
Series 2010-4	Aaa/AAA	EUR	€ 50,000,000	£40,919,553	Annual Fixed	4.00000%	Annual	02-Sep-11	02-Sep-24	Soft	XS0538831685
Series 2010-5	Aaa/AAA	EUR	€ 2,000,000,000	£1,712,000,000	Annual Fixed	4.00000%	Annual	29-Sep-11	29-Sep-20	Soft	XS0542950810
Series 2010-6	Aaa/AAA	EUR	€ 250,000,000	£216,250,000	Annual Fixed	2.37500%	Annual	11-Oct-11	11-Oct-13	Soft	XS0548151660
Series 2010-7	Aaa/AAA	EUR	€ 543,000,000	£468,205,500	Annual Fixed	4.00000%	Annual	12-Oct-11	12-Oct-22	Soft	XS0548498343