

Investor Monthly Report January 2010 : Lloyds TSB Covered Bonds LLP

Reporting Information

Reporting Date:	15 February 2010
Reporting Period:	1 January - 31 January 2010
Next Interest Payment Date: Monthly pay notes	8 February 2010
Last Interest Payment Date: Monthly pay notes	8 January 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	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)	£9,866,688,253
B= (Principal collections not applied)	£758,372,841
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)	£120,821,918
Total A+B+C+D+E-(X+Y+Z)	£10,504,239,176
Method used for calculating "A"	A(b)
Asset percentage**	79.9%
Covered bonds (GBP)	£8,000,000,000
Over collateralisation	£2,504,239,176

Cash ledgers

Revenue ledger	32,782,139
Principal ledger	758,372,841
Reserve ledger	-
Pre-maturity liquidity ledger	0
Capital account ledger - cash capital contributions	0
Total	791,154,980

GIC account	791,154,980
Transaction account	-
Authorised investments/substitution assets	0
Total	791,154,980

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 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 Accounts in Pool	120,468
Current Balance - LLP Mortgage Assets	£12,400,791,459

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

Arrears Analysis of Mortgage Accounts

Month(s) In Arrears	Number of Accounts	By Number (%)	Principal (£)	By Principal (%)	Arrears (£)
>1 <2	1,150	0.95	116,183,323	0.94	815,753
>2 <3	434	0.36	43,808,278	0.35	605,824
>3 <6	529	0.44	52,912,180	0.43	1,284,791
>6 <9	218	0.18	20,435,225	0.16	901,680
>9 <12	106	0.09	10,769,592	0.09	554,280
12+	152	0.13	15,187,713	0.12	987,970
Total	2,589	2.15	259,296,311	2.09	5,150,298

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	36.01
Weighted Average Remaining Term (by value) Years	15.76
Average Loan Size	£102,938
Weighted Average Original LTV (by value)	58.10%
Weighted Average Current Indexed LTV (by value) *	58.05%

* 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)	4,352,188,676	35.10%
Standard Variable Rate based (by balance)	3,844,194,442	31.00%
Tracker (by balance)	4,204,408,342	33.90%
Total	12,400,791,459	100.00%

Geographic Analysis

	Number of Accounts	% of Total of Accounts	Value (£)	% of Total of value
East Anglia	5,492	4.57%	519,124,324	4.19%
East Midlands	7,807	6.48%	654,543,936	5.28%
Greater London	12,407	10.30%	1,970,685,496	15.89%
Northern	6,446	5.35%	491,508,402	3.96%
North West	12,686	10.53%	1,064,926,064	8.59%
Scotland	3,569	2.96%	339,821,070	2.74%
South East	24,869	20.64%	3,046,794,313	24.57%
South West	16,524	13.72%	1,695,780,367	13.67%
Wales	6,822	5.66%	553,402,854	4.46%
West Midlands	14,679	12.18%	1,310,577,663	10.57%
Yorkshire & Humberside	9,167	7.61%	753,626,970	6.08%
Total	120,468	100.00%	12,400,791,459	100.00%

Indexed* Loan to Value Ratios

	Number of Accounts	Value (£)	% of Total (by Value)
0% < 25%	18,274	752,744,140	6.07%
> 25% to 50%	37,921	3,219,793,019	25.96%
> 50% to 55%	9,114	1,007,012,578	8.12%
> 55% to 60%	9,107	1,079,638,051	8.71%
> 60% to 65%	8,886	1,113,187,801	8.98%
> 65% to 70%	9,798	1,315,401,153	10.61%
> 70% to 75%	10,005	1,398,716,758	11.28%
> 75% to 80%	7,447	1,034,649,868	8.34%
> 80% to 85%	6,075	896,052,185	7.23%
> 85% to 90%	3,229	490,451,044	3.95%
> 90% to 95%	602	91,509,028	0.74%
> 95% to 100%	8	1,174,171	0.01%
>100%	2	461,662	0.00%
Total	120,468	12,400,791,459	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	101,343	5,210,974,250	42.02%
Repayment	203,271	7,189,817,209	57.98%
Total	304,614	12,400,791,459	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/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	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.51500%	0.40%	0.91500%	Nov-11	Soft	XS0392503065	-
Series 2008-2	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.51500%	0.40%	0.91500%	May-12	Soft	XS0392503495	-
Series 2008-3	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.51500%	0.40%	0.91500%	Nov-12	Soft	XS0392503735	-
Series 2008-4	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.51500%	0.40%	0.91500%	May-13	Soft	XS0392504030	-