

Investor Monthly Report May 2010 : Lloyds TSB Covered Bonds LLP

Reporting Information

Reporting Date:	15 June 2010
Reporting Period:	1 May - 31 May 2010
Next Interest Payment Date: Monthly pay notes	8 June 2010
Last Interest Payment Date: Monthly pay notes	10 May 2010

Correspondence Details

Steve Vance	Cheltenham & Gloucester	Senior Manager	Steve.Vance@Lloydstsb.co.uk	+44 145 2373701
Gary Staines	Lloyds TSB Bank plc	Director	Gary.Staines@Lloydstsb.co.uk	+44 207 1581932

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	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
Dealer	Lloyds TSB Bank plc

Investor Monthly Report May 2010 : Lloyds TSB Covered Bonds LLP

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)	£9,243,156,640
B= (Principal collections not applied)	£1,546,704,395
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)	£156,041,296
Total A+B+C+D+E-(X+Y+Z)	£10,633,819,739
Method used for calculating "A"	A(b)
Asset percentage**	79.9%
Covered bonds (GBP)	£8,366,500,000
Over collateralisation	£2,267,319,739

*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	114,265
Current Balance - LLP Mortgage Assets	£11,621,538,292

Arrears Analysis of Mortgage Accounts

Month(s) In Arrears	Number of Accounts	By Number (%)	Principal (£)	By Principal (%)	Arrears (£)
>1 <2	1,033	0.90	100,880,237	0.87	723,182
>2 <3	427	0.37	41,505,001	0.36	563,518
>3 <6	501	0.44	51,856,451	0.45	1,195,329
>6 <9	227	0.20	21,948,734	0.19	883,365
>9 <12	145	0.13	14,944,223	0.13	832,219
12+	205	0.18	23,235,363	0.20	1,459,390
Total	2,538	2.22	254,370,009	2.20	5,657,003

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.

Cash ledgers

Revenue ledger	62,977,424
Principal ledger	1,546,704,395
Reserve ledger	-
Pre-maturity liquidity ledger	0
Capital account ledger - cash capital contributions	0
Total	1,609,681,819

GIC account	1,609,681,819
Transaction account	-
Authorised investments/substitution assets	0
Total	1,609,681,819

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	39.93
Weighted Average Remaining Term (by value) Years	15.38
Average Mortgage Size	£101,707
Weighted Average Original LTV (by value)	58.25%
Weighted Average Current Indexed LTV (by value) *	57.02%

* 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)	3,826,239,818	32.92%
Standard Variable Rate based (by balance)	3,993,917,663	34.37%
Tracker (by balance)	3,801,380,811	32.71%
Total	11,621,538,292	100.00%

Geographic Analysis

	Number of Accounts	% of Total of Accounts	Value (£)	% of Total of value
East Anglia	5,169	4.52%	484,825,253	4.17%
East Midlands	7,403	6.48%	612,839,339	5.27%
Greater London	11,813	10.34%	1,850,934,693	15.93%
Northern	6,163	5.39%	464,190,676	3.99%
North West	12,065	10.56%	1,000,763,694	8.61%
Scotland	3,412	2.99%	320,917,784	2.76%
South East	23,505	20.57%	2,848,894,534	24.52%
South West	15,561	13.61%	1,580,453,964	13.60%
Wales	6,485	5.68%	520,599,663	4.48%
West Midlands	13,952	12.21%	1,229,789,791	10.58%
Yorkshire & Humberside	8,737	7.65%	707,328,901	6.09%
Total	114,265	100.00%	11,621,538,292	100.00%

Indexed* Loan to Value Ratios

	Number of Accounts	Value (£)	% of Total (by Value)
0% < 25%	18,356	752,331,301	6.47%
> 25% to 50%	36,844	3,140,270,622	27.03%
> 50% to 55%	8,720	977,124,159	8.41%
> 55% to 60%	8,707	1,034,591,712	8.90%
> 60% to 65%	8,508	1,077,067,844	9.27%
> 65% to 70%	9,543	1,298,132,701	11.17%
> 70% to 75%	9,039	1,238,043,742	10.65%
> 75% to 80%	6,773	955,700,440	8.22%
> 80% to 85%	5,028	749,988,680	6.45%
> 85% to 90%	2,216	322,108,272	2.77%
> 90% to 95%	485	69,207,902	0.60%
> 95% to 100%	39	6,226,244	0.05%
>100%	7	744,674	0.01%
Total	114,265	11,621,538,292	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	98,639	5,042,901,421	43.39%
Repayment	187,843	6,578,636,870	56.61%
Total	286,482	11,621,538,292	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	Currency	Tranche Size	£ Equivalent	Pool		Current		Current	Scheduled	Hard/Soft		
	(Moody's/Fitch)				Factor	Benchmark	Rate Fixing	Margin		all-in rate	Payment Dates	Maturity	ISIN : Reg S
Series 2008-1	Aaa/AAA	GBP	£1,000,000,000	£1,000,000,000	1.00	1m Libor	0.56750%	0.40%	0.96750%	Nov-11	Soft	XS0392503065	-
Series 2008-2	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.56750%	0.40%	0.96750%	May-12	Soft	XS0392503495	-
Series 2008-3	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.56750%	0.40%	0.96750%	Nov-12	Soft	XS0392503735	-
Series 2008-4	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.56750%	0.40%	0.96750%	May-13	Soft	XS0392504030	-

2010

Series	Rating	Currency	Tranche Size	£ Equivalent	Pool		Current	Scheduled	Hard/Soft		
	(Moody's/Fitch)				Factor	Coupon Type				Rate Fixing	Payment Dates
Series 2010-1	Aaa/AAA	EUR	€ 1,500,000,000	£1,366,500,000	1.00	Annual Fixed	3.37500%	Mar-15	Soft	XS0482808465	-