

Monthly Report October 2010 : Lloyds TSB Covered Bonds LLP

Reporting Information

Reporting Date:	15 November 2010
Reporting Period:	1 October - 31 October 2010
Next Interest Payment Date: Monthly pay notes	8 November 2010
Last Interest Payment Date: Monthly pay notes	8 October 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)	£10,219,720,644
B= (Principal collections not applied)	£2,521,137,017
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)	£491,141,779
Total A+B+C+D+E-(X+Y+Z)	£12,249,715,882
Method used for calculating 'A'	A(b)
Asset percentage**	79.9%
Covered bonds (GBP)	£9,696,989,553
Over collateralisation	£2,552,726,329

*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	126,402
Current Balance - LLP Mortgage Account:	£12,845,420,989

Arrears Analysis of Non-Repurchased Mortgage Accounts

Month(s) In Arrears	Number of Mortgage Accounts	% of Total by Number	Current Balance (£)	% of Current Balance	Arrears Balance (£)
1 to <2	1,075	0.85	106,319,705	0.83	725,063
2 to <3	411	0.33	40,485,551	0.32	545,427
3 to <6	523	0.41	52,545,219	0.41	1,238,212
6 to <9	245	0.19	22,989,013	0.18	911,629
9 to <12	125	0.10	13,385,119	0.10	709,298
12+	259	0.20	26,417,434	0.21	1,898,578
Total	2,638	2.09	262,142,041	2.04	6,028,206

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 servicer 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 current monthly payment equals or exceeds 1 the Mortgage Account is deemed to be in arrears. Arrears classification is determined based on the number of equivalent full current months 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	6,000
Principal ledger	2,521,137,017
Reserve ledger	-
Pre-maturity liquidity ledger	0
Capital account ledger - cash capital contributions	0
Total	2,521,143,017

GIC account	2,521,143,017
Transaction account	-
Authorised investments/substitution assets	0
Total	2,521,143,017

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	41.60
Weighted Average Remaining Term (by value) Years	15.81
Average Mortgage Account Balance	£101,624
Weighted Average Original LTV (by value)	58.71%
Weighted Average Current Indexed LTV (by value) *	56.95%

* 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)	4,123,895,195	32.10%
Standard Variable Rate Loans based (by balance)	4,724,798,809	36.78%
Tracker Loans (by balance)	3,996,726,984	31.11%
Total	12,845,420,989	100.00%

Geographic Analysis

	Number of Mortgage Accounts	% of Total of Mortgage Accounts	Current Balance (£)	% of Current Balance
East Anglia	5,809	4.60%	545,668,482	4.25%
East Midlands	8,292	6.56%	689,772,339	5.37%
Greater London	12,756	10.09%	2,002,697,010	15.59%
Northern	6,890	5.45%	516,943,556	4.02%
North West	13,443	10.64%	1,104,836,713	8.60%
Scotland	3,736	2.96%	352,920,898	2.75%
South East	25,775	20.39%	3,142,048,726	24.46%
South West	17,272	13.66%	1,764,926,318	13.74%
Wales	7,323	5.79%	588,752,797	4.58%
West Midlands	15,363	12.15%	1,349,920,183	10.51%
Yorkshire & Humberside	9,743	7.71%	786,933,965	6.13%
Total	126,402	100.00%	12,845,420,989	100.00%

Indexed* Loan to Value Ratios

	Number of Mortgage Accounts	Current Balance (£)	% of Current Balance
0% to 25%	20,895	837,377,434	6.52%
> 25% to 50%	40,572	3,461,836,671	26.95%
> 50% to 55%	9,593	1,076,510,489	8.38%
> 55% to 60%	9,549	1,139,292,797	8.87%
> 60% to 65%	9,545	1,212,257,037	9.44%
> 65% to 70%	10,715	1,458,683,228	11.36%
> 70% to 75%	10,359	1,447,351,247	11.27%
> 75% to 80%	7,882	1,121,324,066	8.73%
> 80% to 85%	4,426	656,361,856	5.11%
> 85% to 90%	2,128	320,779,336	2.50%
> 90% to 95%	636	97,542,147	0.76%
> 95% to 100%	97	15,379,426	0.12%
>100%	5	725,254	0.01%
Total	126,402	12,845,420,989	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.

Original Loan to Value Ratios

	Number of Mortgage Accounts	Current Balance (£)	% of Current Balance
0% to 25%	13,333	654,564,026	5.10%
> 25% to 50%	40,255	3,383,946,082	26.34%
> 50% to 55%	9,330	993,342,159	7.73%
> 55% to 60%	12,660	1,481,112,297	11.53%
> 60% to 65%	8,565	1,024,657,608	7.98%
> 65% to 70%	9,966	1,257,990,954	9.79%
> 70% to 75%	14,514	2,031,920,676	15.82%
> 75% to 80%	6,349	801,910,073	6.24%
> 80% to 85%	2,843	352,028,075	2.74%
> 85% to 90%	4,141	469,944,621	3.66%
> 90% to 95%	4,272	381,066,877	2.97%
> 95% to 100%	136	9,830,302	0.08%
>100%	38	3,107,239	0.02%
Total	126,402	12,845,420,989	100.00%

Outstanding balances

	Number of Mortgage Accounts	% of Total of Mortgage Accounts	Current Balance (£)	% of Current Balance
< £15,000	4,073	3.22%	35,404,488	0.28%
£15,000 to < £20,000	2,244	1.78%	39,715,596	0.31%
£20,000 to < £30,000	5,941	4.70%	150,023,113	1.17%
£30,000 to < £40,000	7,170	5.67%	252,179,508	1.96%
£40,000 to < £50,000	9,833	7.78%	445,389,799	3.47%
£50,000 to < £60,000	10,896	8.62%	598,088,812	4.66%
£60,000 to < £70,000	10,574	8.37%	685,869,399	5.34%
£70,000 to < £80,000	9,780	7.74%	732,690,813	5.70%
£80,000 to < £90,000	8,727	6.90%	740,336,067	5.76%
£90,000 to < £100,000	7,707	6.10%	731,129,959	5.69%
£100,000 to < £110,000	6,827	5.40%	715,286,277	5.57%
£110,000 to < £120,000	5,773	4.57%	663,220,485	5.16%
£120,000 to < £130,000	5,227	4.14%	652,148,814	5.08%
£130,000 to < £140,000	4,364	3.45%	588,286,107	4.58%
£140,000 to < £150,000	3,698	2.93%	535,742,128	4.17%
£150,000 to < £250,000	17,342	13.72%	3,239,287,160	25.22%
>£250,000 to <£350,000	4,204	3.33%	1,219,592,249	9.49%
=>£350,000	2,022	1.60%	821,030,214	6.39%
Total	126,402	100.00%	12,845,420,989	100.00%

Seasoning of Loans

	Number of Mortgage Loans	% of Total of Mortgage Loans	Current Balance (£)	% of Current Balance
0 to <6 months	12,446	3.89%	542,041,245	4.22%
6 to <12 months	11,297	3.53%	479,778,873	3.74%
12 to <18 months	19,183	5.99%	871,503,822	6.78%
18 to <24 months	25,775	8.06%	1,346,315,109	10.48%
24 to <30 months	18,679	5.84%	823,193,483	6.41%
30 to <36 months	67,286	21.03%	3,127,568,345	24.35%
36 to <42 months	35,855	11.21%	1,548,582,500	12.06%
42 to <48 months	18,234	5.70%	860,244,117	6.70%
48 to <54 months	11,956	3.74%	512,694,595	3.99%
54 to <60 months	9,393	2.94%	376,399,647	2.93%
60 to <66 months	7,464	2.33%	277,578,335	2.16%
66 to <72 months	6,226	1.95%	203,137,626	1.58%
72+ months	76,193	23.81%	1,876,383,293	14.61%
Total	319,987	100.00%	12,845,420,989	100.00%

Years to Maturity

	Number of Mortgage Loans	% of Total of Mortgage Loans	Current Balance (£)	% of Current Balance
0 to <5	33,565	10.49%	726,023,850	5.65%
5 to <10	62,198	19.44%	1,833,037,462	14.27%
10 to <15	77,122	24.10%	2,782,809,742	21.66%
15 to <20	84,568	26.43%	3,907,175,075	30.42%
20 to <25	51,568	16.12%	2,984,234,537	23.23%
25 to <30	8,200	2.56%	459,283,764	3.58%
30 to <35	2,754	0.86%	152,152,193	1.18%
35+	12	0.00%	704,365	0.01%
Total	319,987	100.00%	12,845,420,989	100.00%

Repayment Terms

	Number of Loans	Current Balance (£)	% of Current Balance
Interest Only	108,970	5,564,975,193	43.32%
Repayment	211,017	7,280,445,796	56.68%
Total	319,987	12,845,420,989	100.00%

Standard Variable Rate

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

Bonds Outstanding

2008

Series	Rating (Moody's/Fitch)	Currency	Tranche Size	£ Equivalent	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	£1,000,000,000	£1,000,000,000	1m Libor	0.57125%	0.40%	0.97125%	Nov-11	Soft	XS0392503065	-
Series 2008-2	Aaa/AAA	GBP	£1,000,000,000	£1,000,000,000	1m Libor	0.57125%	0.40%	0.97125%	May-12	Soft	XS0392503495	-
Series 2008-3	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1m Libor	0.57125%	0.40%	0.97125%	Nov-12	Soft	XS0392503735	-
Series 2008-4	Aaa/AAA	GBP	£1,250,000,000	£1,250,000,000	1m Libor	0.57125%	0.40%	0.97125%	May-13	Soft	XS0392504030	-

2010

Series	Rating (Moody's/Fitch)	Currency	Tranche Size	£ Equivalent	Coupon Type	Current Rate Fixing	Scheduled Payment Dates	Hard/Soft Maturity	ISIN : Reg S	ISIN: 144a
Series 2010-1	Aaa/AAA	EUR	€1,500,000,000	£1,366,500,000	Annual Fixed	3.37500%	Mar-15	Soft	XS0482808465	-
Series 2010-2	Aaa/AAA	EUR	€750,000,000	£624,000,000	Annual Fixed	4.00000%	Jun-18	Soft	XS0519671787	-
Series 2010-3	Aaa/AAA	EUR	€250,000,000	£206,250,000	Annual Fixed	2.62500%	Jul-13	Soft	XS0522716223	-
Series 2010-4	Aaa/AAA	EUR	€50,000,000	£40,919,553	Annual Fixed	4.00000%	Sep-24	Soft	XS0538831685	-
Series 2010-5	Aaa/AAA	EUR	€2,000,000,000	£1,712,000,000	Annual Fixed	4.00000%	Sep-20	Soft	XS0542950810	-
Series 2010-6	Aaa/AAA	EUR	€250,000,000	£216,250,000	Annual Fixed	2.37500%	Oct-13	Soft	XS0548151660	-
Series 2010-7	Aaa/AAA	EUR	€324,000,000	£281,070,000	Annual Fixed	4.00000%	Oct-22	Soft	XS0548498343	-