

Investor Monthly Report September 2010 : Lloyds TSB Covered Bonds LLP

Reporting Information

Reporting Date:	15 October 2010
Reporting Period:	1 September - 30 September 2010
Next Interest Payment Date: Monthly pay notes	8 October 2010
Last Interest Payment Date: Monthly pay notes	8 September 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	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)	£8,609,895,752
B= (Principal collections not applied)	£2,347,567,997
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)	£438,876,811
Total A+B+C+D+E-(X+Y+Z)	£10,518,586,938
Method used for calculating "A" A(b)	
Asset percentage**	79.9%
Covered bonds (GBP)	£9,199,669,553
Over collateralisation	£1,318,917,385

*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	107,858
Current Balance - LLP Mortgage Account:	£10,828,732,682

Arrears Analysis of Mortgage Accounts

Month(s) In Arrears	Number of Accounts	By Number (%)	Principal (£)	By Principal (%)	Arrears (£)
>1 <2	1,039	0.96	100,560,131	0.93	720,681
>2 <3	399	0.37	39,080,668	0.36	533,065
>3 <6	537	0.50	53,025,509	0.49	1,251,762
>6 <9	235	0.22	21,893,141	0.20	854,261
>9 <12	125	0.12	12,744,805	0.12	704,423
12+	255	0.24	27,118,851	0.25	1,933,800
Total	2,590	2.40	254,423,105	2.35	5,997,992

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	2,347,561,997
Reserve ledger	-
Pre-maturity liquidity ledger	0
Capital account ledger - cash capital contributions	0
Total	2,347,567,997

GIC account	2,347,567,997
Transaction account	-
Authorised investments/substitution assets	0
Total	2,347,567,997

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	44.34
Weighted Average Remaining Term (by value) Years	15.61
Average Mortgage Size	£100,398
Weighted Average Original LTV (by value)	58.39%
Weighted Average Current Indexed LTV (by value) *	55.94%

* 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 Loans (by balance)	3,184,589,946	29.41%
Standard Variable Rate Loans based (by balance)	4,230,686,632	39.07%
Tracker Loans (by balance)	3,413,456,104	31.52%
Total	10,828,732,682	100.00%

Geographic Analysis

	Number of Mortgage Accounts	% of Total of Mortgage Accounts	Value (£)	% of Total of value
East Anglia	4,864	4.51%	449,952,182	4.16%
East Midlands	6,999	6.49%	572,454,231	5.29%
Greater London	11,160	10.35%	1,723,855,222	15.92%
Northern	5,812	5.39%	430,757,029	3.98%
North West	11,457	10.62%	939,799,665	8.68%
Scotland	3,227	2.99%	299,725,655	2.77%
South East	22,144	20.53%	2,652,049,034	24.49%
South West	14,588	13.53%	1,465,895,302	13.54%
Wales	6,158	5.71%	487,867,145	4.51%
West Midlands	13,199	12.24%	1,147,687,281	10.60%
Yorkshire & Humberside	8,250	7.65%	658,689,936	6.08%
Total	107,858	100.00%	10,828,732,682	100.00%

Indexed* Loan to Value Ratios

	Number of Mortgage Accounts	Value (£)	% of Total (by Value)
0% to 25%	18,558	750,879,414	6.93%
> 25% to 50%	35,791	3,071,159,565	28.36%
> 50% to 55%	8,254	931,309,006	8.60%
> 55% to 60%	8,094	969,448,181	8.95%
> 60% to 65%	8,301	1,056,432,230	9.76%
> 65% to 70%	9,104	1,242,377,430	11.47%
> 70% to 75%	8,025	1,094,727,990	10.11%
> 75% to 80%	5,944	841,003,415	7.77%
> 80% to 85%	4,064	615,864,452	5.69%
> 85% to 90%	1,439	214,132,630	1.98%
> 90% to 95%	263	38,523,689	0.36%
> 95% to 100%	14	2,433,222	0.02%
>100%	7	441,458	0.00%
Total	107,858	10,828,732,682	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	Value (£)	% of Total (by Value)
0% to 25%	11,164	556,357,070	5.14%
> 25% to 50%	35,121	2,944,133,296	27.19%
> 50% to 55%	8,062	853,163,149	7.88%
> 55% to 60%	10,576	1,230,534,560	11.36%
> 60% to 65%	7,527	892,600,264	8.24%
> 65% to 70%	8,607	1,074,948,529	9.93%
> 70% to 75%	11,121	1,528,263,430	14.11%
> 75% to 80%	5,573	698,246,647	6.45%
> 80% to 85%	2,381	282,349,269	2.61%
> 85% to 90%	3,664	410,274,879	3.79%
> 90% to 95%	3,898	345,770,809	3.19%
> 95% to 100%	131	9,295,466	0.09%
>100%	33	2,795,314	0.03%
Total	107,858	10,828,732,682	100.00%

Outstanding balances

	Number of Mortgage Accounts	% of Total of Mortgage Accounts	Value (£)	% of Total of value
< £15,000	3,653	3.39%	31,421,897	0.29%
£15,000 to < £20,000	1,945	1.80%	34,435,120	0.32%
£20,000 to < £30,000	5,117	4.74%	129,053,097	1.19%
£30,000 to < £40,000	6,165	5.72%	216,863,180	2.00%
£40,000 to < £50,000	8,510	7.89%	385,733,300	3.56%
£50,000 to < £60,000	9,458	8.77%	519,275,920	4.80%
£60,000 to < £70,000	9,188	8.52%	596,301,506	5.51%
£70,000 to < £80,000	8,493	7.87%	636,239,570	5.88%
£80,000 to < £90,000	7,493	6.95%	635,852,937	5.87%
£90,000 to < £100,000	6,540	6.06%	620,483,720	5.73%
£100,000 to < £110,000	5,771	5.35%	604,891,821	5.59%
£110,000 to < £120,000	4,895	4.54%	562,469,447	5.19%
£120,000 to < £130,000	4,348	4.03%	542,470,706	5.01%
£130,000 to < £140,000	3,654	3.39%	492,596,751	4.55%
£140,000 to < £150,000	3,115	2.89%	451,359,112	4.17%
£150,000 to < £250,000	14,343	13.30%	2,678,520,807	24.74%
>£250,000 to <£350,000	3,510	3.25%	1,018,444,411	9.41%
=>350,000	1,660	1.54%	672,319,381	6.21%
Total	107,858	100.00%	10,828,732,682	100.00%

Seasoning of Loans

	Number of Mortgage Loans	% of Total of Mortgage Loans	Value (£)	% of Total of value
0 - 6 months	0	0.00%	0	0.00%
6 - 11 months	21	0.01%	1,242,605	0.01%
12 - 17 months	17,144	6.37%	788,227,787	7.28%
18 - 23 months	20,319	7.55%	1,076,851,825	9.94%
24 - 29 months	26,929	10.01%	1,220,701,234	11.27%
30 - 35 months	62,216	23.12%	2,843,187,008	26.26%
36 - 41 months	27,800	10.33%	1,232,391,070	11.38%
42 - 47 months	16,646	6.19%	799,768,906	7.39%
48 - 53 months	9,284	3.45%	384,845,494	3.55%
54 - 59 months	7,946	2.95%	326,265,915	3.01%
60 - 65 months	7,265	2.70%	272,171,110	2.51%
66 - 71 months	5,343	1.99%	176,869,590	1.63%
72 + months	68,191	25.34%	1,706,210,138	15.76%
Total	269,104	100.00%	10,828,732,682	100.00%

Years to Maturity

	Number of Mortgage Loans	% of Total of Mortgage Loans	Value (£)	% of Total of value
0 - 4	29,054	10.80%	635,078,588	5.86%
5 - 9	51,964	19.31%	1,555,018,813	14.36%
10 - 14	64,896	24.12%	2,365,010,216	21.84%
15 - 19	72,163	26.82%	3,354,688,660	30.98%
20 - 24	42,460	15.78%	2,449,078,415	22.62%
25 - 29	6,542	2.43%	362,036,710	3.34%
30 - 34	2,021	0.75%	107,726,158	0.99%
35 +	4	0.00%	95,122	0.00%
Total	269,104	100.00%	10,828,732,682	100.00%

Repayment Terms

	Number of Loans (sub accounts)	Value (£)	% of Total (by Value)
Interest Only	95,092	4,833,878,759	44.64%
Repayment	174,012	5,994,853,923	55.36%
Total	269,104	10,828,732,682	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	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	£1,000,000,000	£1,000,000,000	1.00	1m Libor	0.56875%	0.40%	0.96875%	Nov-11	Soft	XS0392503065	
Series 2008-2	Aaa/AAA	GBP	£1,000,000,000	£1,000,000,000	1.00	1m Libor	0.56875%	0.40%	0.96875%	May-12	Soft	XS0392503495	
Series 2008-3	Aaa/AAA	GBP	£2,000,000,000	£2,000,000,000	1.00	1m Libor	0.56875%	0.40%	0.96875%	Nov-12	Soft	XS0392503735	
Series 2008-4	Aaa/AAA	GBP	£1,250,000,000	£1,250,000,000	1.00	1m Libor	0.56875%	0.40%	0.96875%	May-13	Soft	XS0392504030	

2010

Series	Rating (Moody's/Fitch)	Currency	Tranche Size	£ Equivalent	Pool Factor	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	1.00	Annual Fixed	3.37500%	Mar-15	Soft	XS0482808465	
Series 2010-2	Aaa/AAA	EUR	€ 750,000,000	£624,000,000	1.00	Annual Fixed	4.00000%	Jun-18	Soft	XS0519671787	
Series 2010-3	Aaa/AAA	EUR	€ 250,000,000	£206,250,000	1.00	Annual Fixed	2.62500%	Jul-13	Soft	XS0522716223	
Series 2010-4	Aaa/AAA	EUR	€ 50,000,000	£40,919,553	1.00	Annual Fixed	4.00000%	Sep-24	Soft	XS0538831685	
Series 2010-5	Aaa/AAA	EUR	€ 2,000,000,000	£1,712,000,000	1.00	Annual Fixed	4.00000%	Sep-20	Soft	XS0542950810	