

# Coventry Building Society Covered Bonds

## Investor Report

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### Reporting Information

Reporting Date	31/08/2012
Reporting Period	01/07/2012 to 31/07/2012

### Outstanding Issuances

Coventry Building Society Covered Bond Series	Issue Date
1	22/07/2008
2	20/11/2008
3	19/04/2011
4	24/10/2011
5	10/02/2012

### Investor Relations Contacts

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# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Assets

All values are in pounds sterling unless otherwise stated

### Assets

	Prior Period	Current Period
Number of mortgage accounts in Pool	41,337	41,454
Number of loans in Pool	48,508	48,610
True Balance of mortgage accounts in Pool	£4,407,337,431	£4,402,212,891
Cash and other Substitution Assets	£84,023,508	£118,472,474

### Asset types

Commercial mortgages	Not permitted
ABS	Not permitted
Non-first lien	Not permitted
Non-UK mortgages	Not permitted
% UK residential mortgages	100.0
% First lien	100.0
% Income verification requested	100.0
% Buy-to-let mortgages	0.0

### Collections

	Prior Period	Current Period
Mortgage Collections	£66,154,178	£101,121,852

### Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.45%	3.50%

### Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	41,323	99.7%	4,388,007,321	99.7%	-
>=1 and <2	112	0.3%	11,824,546	0.3%	83,221
>=2 and <3	19	0.0%	2,381,024	0.1%	30,254
>=3 and <6	-	-	-	-	-
>=6 and <9	-	-	-	-	-
>=9 and <12	-	-	-	-	-
>=12	-	-	-	-	-
<b>Totals</b>	<b>41,454</b>	<b>100.0%</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>113,475</b>

Arrears capitalised in the period are not material and have not been included in the above balances.

There were no defaults and losses (following any sales or recoveries) in the current period, and cumulative amounts are nil.

There were no repossessions made and no stock of repossessions held in the current period.

### Reconciliation of movements

	Number of loans	Balance (£)
Opening totals	41,337	4,407,337,431
Loans added to pool	877	103,583,256
Loans repurchased from pool	(223)	(22,060,558)
Principal receipts	(537)	(86,380,432)
Other movements	-	(266,806)
Closing totals	41,454	4,402,212,891

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## Investor Report

## Mortgage Portfolio Breakdown

### Summary Statistics

	Seasoning (months)	Remaining term (years)	Loan Size (£)			Non-Indexed LTV (%)	Indexed LTV (%)	Arrears Balance (£)
			Whole Pool	Interest only	Repayment			
Weighted Average	34.7	17.2	106,195	132,643	98,979	55.3%	54.8%	866
Min	2.9	0.0	0	114	0	0.0%	0.0%	0
Max	90.9	35.0	971,799	971,799	944,880	102.4%	102.4%	7,732

### Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.96%	1.51%	19.73%
Previous PPR - Total	1.23%	1.31%	16.87%

The rates shown in this table are calculated from the total Principal Receipts in the month including contractual repayments, unscheduled prepayments and redemptions.

### Constant Prepayment Rates (CPPR)

	Monthly	3 Month Average	Annualised
Current CPPR - Total	1.65%	1.20%	15.33%
Previous CPPR - Total	0.90%	0.98%	12.36%

The rates shown in this table are calculated from the total Unscheduled Principal Receipts in the month from unscheduled prepayments and redemptions only.

### Constant Default Rates (CDR)

	Monthly	3 Month Average	Annualised
Current CDR Rate - Total	0.00%	0.00%	0.00%
Previous CDR Rate - Total	0.00%	0.00%	0.00%

### Standard Variable Rates

	CBS Existing Borrower SVR, %	With Effect From
Standard Variable Rate, Current	4.74%	01/02/2009
Standard Variable Rate, Historical	4.99%	01/01/2008
Privilege Rate, Current	4.49%	01/02/2009
Privilege Rate, Historical	4.79%	01/01/2008

The "Privilege Rate" is a variable rate offered to certain owner-occupying borrowers who have been on the same product for five years or more.

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Geographical Distribution

Regions	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
East Anglia	175,894,638	4.0%	1,843	4.4%
East Midlands	351,179,973	8.0%	4,036	9.7%
London	629,809,669	14.3%	3,618	8.7%
North	153,419,163	3.5%	2,072	5.0%
North West	346,403,604	7.9%	3,808	9.2%
Outer Metropolitan	700,782,557	15.9%	4,747	11.5%
Outer South East	549,302,045	12.5%	4,642	11.2%
South West	424,492,587	9.6%	4,113	9.9%
Wales	135,149,278	3.1%	1,587	3.8%
West Midlands	630,567,302	14.3%	7,350	17.7%
Yorkshire and Humberside	305,212,074	6.9%	3,638	8.8%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

### Non-Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	363,914,343	8.3%	9,769	23.6%
>=25% and <50%	1,216,457,839	27.6%	12,700	30.6%
>=50% and <55%	342,515,782	7.8%	2,683	6.5%
>=55% and <60%	380,135,804	8.6%	2,771	6.7%
>=60% and <65%	425,136,554	9.7%	2,881	6.9%
>=65% and <70%	441,453,074	10.0%	2,977	7.2%
>=70% and <75%	613,684,511	13.9%	3,852	9.3%
>=75% and <80%	453,806,797	10.3%	2,734	6.6%
>=80% and <85%	115,631,929	2.6%	784	1.9%
>=85% and <90%	37,000,085	0.8%	235	0.6%
>=90% and <95%	9,073,147	0.2%	50	0.1%
>=95% and <100%	3,116,233	0.1%	17	0.0%
>=100%	286,794	0.0%	1	0.0%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

### Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	367,510,630	8.3%	9,677	23.3%
>=25% and <50%	1,226,498,468	27.9%	12,637	30.5%
>=50% and <55%	346,996,323	7.9%	2,703	6.5%
>=55% and <60%	381,879,679	8.7%	2,793	6.7%
>=60% and <65%	416,506,151	9.5%	2,815	6.8%
>=65% and <70%	498,539,493	11.3%	3,209	7.7%
>=70% and <75%	638,356,588	14.5%	4,153	10.0%
>=75% and <80%	496,117,690	11.3%	3,243	7.8%
>=80% and <85%	28,198,232	0.6%	213	0.5%
>=85% and <90%	1,322,842	0.0%	10	0.0%
>=90% and <95%	-	-	-	-
>=95% and <100%	-	-	-	-
>=100%	286,794	0.0%	1	0.0%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Outstanding True Balances

Range of outstanding balances	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<£50,000	303,113,832	6.9%	10,612	25.6%
>=£50,000 and <£100,000	973,634,646	22.1%	13,075	31.5%
>=£100,000 and <£150,000	1,086,670,313	24.7%	8,909	21.5%
>=£150,000 and <£200,000	777,769,128	17.7%	4,526	10.9%
>=£200,000 and <£250,000	429,476,433	9.8%	1,933	4.7%
>=£250,000 and <£300,000	286,228,985	6.5%	1,053	2.5%
>=£300,000 and <£400,000	288,573,779	6.6%	846	2.0%
>=£400,000 and <£500,000	137,845,789	3.1%	309	0.7%
>=£500,000 and <£750,000	94,285,875	2.1%	162	0.4%
>=£750,000 and <£1,000,000	24,614,110	0.6%	29	0.1%
>=£1,000,000	-	-	-	-
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

### Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
>1 and <6	312,795,420	7.1%	2,421	5.8%
>=6 and <12	441,998,203	10.0%	3,796	9.2%
>=12 and <18	535,422,039	12.2%	4,530	10.9%
>=18 and <24	651,335,306	14.8%	5,453	13.2%
>=24 and <30	428,122,726	9.7%	3,615	8.7%
>=30 and <36	291,938,006	6.6%	2,882	7.0%
>=36 and <42	347,464,350	7.9%	3,097	7.5%
>=42 and <48	101,514,004	2.3%	1,202	2.9%
>=48 and <54	232,842,042	5.3%	2,729	6.6%
>=54 and <60	220,423,153	5.0%	2,398	5.8%
>=60 and <66	194,724,392	4.4%	2,109	5.1%
>=66 and <72	171,350,686	3.9%	1,811	4.4%
>=72	472,282,565	10.7%	5,411	13.1%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Years to maturity of loans

Years to maturity	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<5	171,620,926	3.9%	3,642	8.8%
>=5 and <10	518,020,014	11.8%	7,444	18.0%
>=10 and <15	869,687,858	19.8%	9,120	22.0%
>=15 and <20	1,355,960,394	30.8%	11,076	26.7%
>=20 and <25	1,156,551,057	26.3%	7,924	19.1%
>=25 and <30	241,674,182	5.5%	1,601	3.9%
>=30 and <35	88,577,923	2.0%	646	1.6%
>=35	120,536	0.0%	1	0.0%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

### Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total loans
Fixed rate	2,080,506,021	47.3%	21,017	43.2%
Capped	209,528,399	4.8%	1,617	3.3%
Variable	2,112,178,471	48.0%	25,976	53.4%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>48,610</b>	<b>100.0%</b>

### Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	3,076,271,326	69.9%	31,080	75.0%
Interest Only	939,507,989	21.3%	7,083	17.1%
Combination (Interest Only and Repayment)	386,433,575	8.8%	3,291	7.9%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

### Originator

	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,402,212,891	100.0%	41,454	100.0%
<b>Totals</b>	<b>4,402,212,891</b>	<b>100.0%</b>	<b>41,454</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
Current	1,590,918,793	725,924,448	911,929,306	1,130,145,912	28,802,068	-	286,794	4,388,007,321
>=1 and <3 Months in Arrears	3,090,305	2,951,555	3,116,337	4,328,366	719,007	-	-	14,205,570
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>1,594,009,098</b>	<b>728,876,003</b>	<b>915,045,643</b>	<b>1,134,474,279</b>	<b>29,521,074</b>	-	<b>286,794</b>	<b>4,402,212,891</b>

### Regional Distribution

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
East Anglia	61,578,475	31,846,783	36,083,266	45,926,538	459,576	-	-	175,894,638
East Midlands	123,371,853	57,464,064	70,057,449	98,738,984	1,547,623	-	-	351,179,973
London	237,092,131	105,589,881	151,568,899	134,808,572	463,391	-	286,794	629,809,669
North	53,515,996	23,093,595	31,167,733	44,870,333	771,507	-	-	153,419,163
North West	105,182,767	55,489,151	67,827,309	110,127,153	7,777,224	-	-	346,403,604
Outer Metropolitan	264,595,094	111,701,781	149,051,122	174,141,386	1,293,174	-	-	700,782,557
Outer South East	206,556,851	94,417,312	111,909,242	135,655,852	762,788	-	-	549,302,045
South West	167,555,051	74,320,186	80,547,761	100,623,279	1,446,311	-	-	424,492,587
Wales	45,110,601	18,731,988	23,607,855	38,628,757	9,070,077	-	-	135,149,278
West Midlands	229,359,257	105,826,425	131,582,521	163,135,749	663,349	-	-	630,567,302
Yorkshire and Humberside	100,091,021	50,394,836	61,642,486	87,817,676	5,266,055	-	-	305,212,074
<b>Totals</b>	<b>1,594,009,098</b>	<b>728,876,003</b>	<b>915,045,643</b>	<b>1,134,474,279</b>	<b>29,521,074</b>	-	<b>286,794</b>	<b>4,402,212,891</b>

### Repayment Type

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
Repayment	1,051,668,227	503,594,528	668,330,457	830,965,122	21,426,198	-	286,794	3,076,271,326
Interest Only	371,574,345	150,430,903	175,353,102	235,933,849	6,215,789	-	-	939,507,989
Combination (Interest Only and Repayment)	170,766,527	74,850,571	71,362,084	67,575,307	1,879,087	-	-	386,433,575
<b>Total</b>	<b>1,594,009,098</b>	<b>728,876,003</b>	<b>915,045,643</b>	<b>1,134,474,279</b>	<b>29,521,074</b>	-	<b>286,794</b>	<b>4,402,212,891</b>

### Interest Payment Type

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
Fixed	656,601,276	335,937,644	450,937,558	620,532,772	16,209,978	-	286,794	2,080,506,021
Capped	68,894,390	51,196,114	50,957,450	38,356,521	123,923	-	-	209,528,399
Variable	868,513,433	341,742,245	413,150,635	475,584,985	13,187,173	-	-	2,112,178,471
<b>Totals</b>	<b>1,594,009,098</b>	<b>728,876,003</b>	<b>915,045,643</b>	<b>1,134,474,279</b>	<b>29,521,074</b>	-	<b>286,794</b>	<b>4,402,212,891</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears

	% of Total Balance split by Region											
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	Total
Current	175,606,439	350,461,787	628,627,038	152,200,618	344,938,992	697,743,829	547,745,093	423,158,658	134,416,383	628,959,124	304,149,361	<b>4,388,007,321</b>
>=1 and <3 Months in Arrears	288,199	718,186	1,182,631	1,218,545	1,464,613	3,038,728	1,556,952	1,333,930	732,895	1,608,178	1,062,713	<b>14,205,570</b>
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>175,894,638</b>	<b>351,179,973</b>	<b>629,809,669</b>	<b>153,419,163</b>	<b>346,403,604</b>	<b>700,782,557</b>	<b>549,302,045</b>	<b>424,492,587</b>	<b>135,149,278</b>	<b>630,567,302</b>	<b>305,212,074</b>	<b>4,402,212,891</b>

### Current Mortgage Principal Balance

	% of Total Balance split by Region											
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	Total
<£50,000	13,830,172	34,363,025	10,680,447	23,912,329	33,952,186	19,105,800	26,402,553	27,943,727	14,802,779	64,696,549	33,424,264	<b>303,113,832</b>
>=£50,000 and <£100,000	47,643,363	110,311,560	43,856,869	49,749,342	101,780,609	78,795,082	95,984,669	93,695,112	43,080,157	207,587,811	101,150,073	<b>973,634,646</b>
>=£100,000 and <£150,000	51,650,524	103,172,663	95,439,153	40,181,957	87,235,328	143,870,633	146,785,703	129,909,153	37,255,268	169,817,536	81,352,395	<b>1,086,670,313</b>
>=£150,000 and <£200,000	28,444,959	50,292,022	135,115,246	19,385,306	55,551,030	149,937,885	113,199,391	79,188,155	19,545,742	84,018,869	43,090,526	<b>777,769,128</b>
>=£200,000 and <£250,000	14,838,510	21,544,304	99,509,517	9,481,316	25,307,354	92,596,095	63,516,185	34,410,033	9,563,372	41,127,183	17,582,565	<b>429,476,433</b>
>=£250,000 and <£300,000	7,057,158	15,345,906	78,770,988	3,586,307	18,172,404	62,923,561	35,041,988	23,380,461	4,597,251	26,948,191	10,404,769	<b>286,228,985</b>
>=£300,000 and <£400,000	5,454,041	10,055,359	85,866,770	4,307,107	13,376,744	75,363,602	35,143,556	21,448,079	4,082,807	23,723,611	9,752,103	<b>288,573,779</b>
>=£400,000 and <£500,000	3,684,324	5,016,270	37,393,219	1,702,905	7,737,356	40,109,768	20,078,008	9,253,610	461,531	8,777,997	3,630,800	<b>137,845,789</b>
>=£500,000 and <£750,000	2,456,838	1,078,863	33,707,814	1,112,593	3,290,593	28,786,887	10,719,722	4,463,408	1,760,372	3,018,551	3,890,234	<b>94,285,875</b>
>=£750,000 and <£1,000,000	834,750	-	9,469,647	-	-	9,293,245	2,430,270	800,848	-	851,005	934,345	<b>24,614,110</b>
>=£1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>175,894,638</b>	<b>351,179,973</b>	<b>629,809,669</b>	<b>153,419,163</b>	<b>346,403,604</b>	<b>700,782,557</b>	<b>549,302,045</b>	<b>424,492,587</b>	<b>135,149,278</b>	<b>630,567,302</b>	<b>305,212,074</b>	<b>4,402,212,891</b>

<b>Average Mortgage size</b>	95,439	87,012	174,077	74,044	90,967	147,626	118,333	103,208	85,160	85,791	83,896
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### Repayment Type

	% of Total Balance split by Region											
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	Total
Repayment	127,730,030	262,284,429	406,832,091	112,606,064	250,212,292	470,646,980	374,444,173	271,594,988	92,801,695	477,396,333	229,722,253	<b>3,076,271,326</b>
Interest Only	30,837,640	55,147,323	175,635,483	28,959,259	71,467,184	163,206,552	119,925,225	109,863,681	33,152,187	100,146,692	51,166,763	<b>939,507,989</b>
Combination (Interest Only and Repayment)	17,326,969	33,748,222	47,342,094	11,853,840	24,724,128	66,929,026	54,932,648	43,033,918	9,195,397	53,024,277	24,323,057	<b>386,433,575</b>
<b>Total</b>	<b>175,894,638</b>	<b>351,179,973</b>	<b>629,809,669</b>	<b>153,419,163</b>	<b>346,403,604</b>	<b>700,782,557</b>	<b>549,302,045</b>	<b>424,492,587</b>	<b>135,149,278</b>	<b>630,567,302</b>	<b>305,212,074</b>	<b>4,402,212,891</b>

### Interest Payment Type

	% of Total Balance split by Region											
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	Total
Fixed	84,034,002	156,821,145	318,442,471	69,161,141	162,336,687	359,181,816	275,250,350	205,724,199	62,037,883	246,974,165	140,542,163	<b>2,080,506,021</b>
Capped	6,739,818	13,936,872	41,141,227	4,843,049	20,007,407	38,218,202	25,540,542	20,627,482	3,970,988	21,698,481	12,804,332	<b>209,528,399</b>
Variable	85,120,819	180,421,957	270,225,970	79,414,972	164,059,510	303,382,540	248,511,153	198,140,907	69,140,407	361,894,656	151,865,579	<b>2,112,178,471</b>
<b>Total</b>	<b>175,894,638</b>	<b>351,179,973</b>	<b>629,809,669</b>	<b>153,419,163</b>	<b>346,403,604</b>	<b>700,782,557</b>	<b>549,302,045</b>	<b>424,492,587</b>	<b>135,149,278</b>	<b>630,567,302</b>	<b>305,212,074</b>	<b>4,402,212,891</b>



# Coventry Building Society Covered Bonds

## Investor Report

## Key Events & Parties

### Summary of Tests & Triggers

Event	Summary	Trigger	Base Prospectus	Breached	Consequence if Trigger Breached
<b>Issuer Event of Default</b>	Issuer failure to pay on Covered Bonds or issuer insolvency	Issuer failure to pay on Covered Bonds or issuer insolvency	141-142	No	Activates the Covered Bond Guarantee
<b>Servicer Trigger (1)</b>	Servicer's ratings fall below required levels	(Initial) Moody's short-term: P-2 , Fitch short-term: F-2	151-152	No	At initial trigger, direct funds to account held with Stand-by Account Bank
<b>Servicer Trigger (2)</b>	Servicer's ratings fall below required levels	(Subsequent) Moody's long-term: Baa1, Fitch long-term: BBB	151-152	No	Replace servicer within 60 days at subsequent breach
<b>Asset Coverage Test</b>	Failure of Asset Coverage Test	Adjusted Aggregate Loan Amount less than Aggregate Principal Amount Outstanding	159-163	No	If not remedied within three calculation dates, triggers Issuer Event of Default
<b>Interest Shortfall Test</b>	Failure of Interest Shortfall Test	Forecast revenue insufficient to fund payments	N/A	No	Consider a cash capital contribution
<b>Swap Counterparty Rating Trigger</b> (see page 13, "Collateral Postings")	Breach of ratings trigger	Counterparty ratings downgrade	N/A	Yes	Collateral posting

Key Parties	Current Long Term Rating (S&P / Moody's / Fitch)	Current Short Term Rating (S&P / Moody's / Fitch)	Role
<b>Coventry Building Society</b>	NR / A3 / A	NR / P-2 / F1	Issuer, Servicer, Cash Manager, Interest Rate (Asset) Swap Provider and Covered Bond (Liability) Swap Provider
<b>Coventry Building Society Covered Bonds LLP</b>	N/A	N/A	LLP
<b>HSBC Bank plc</b>	AA- / Aa3 / AA	A-1+ / P-1 / F1+	Covered Bond (Liability) Swap Provider, Bank Account/GIC Provider, Registrar, Principal Paying Agent, Exchange Agent, Transfer Agent and Calculation Agent
<b>HSBC Corporate Trustee Company (UK) Ltd</b>	N/A	N/A	Bond Trustee and Security Trustee
<b>Deloitte LLP</b>	N/A	N/A	Asset Monitor
<b>Structured Finance Management Ltd</b>	N/A	N/A	Corporate Services Provider



# Coventry Building Society Covered Bonds

## Investor Report

## Principal & Revenue Receipts and Ledgers

### Principal & Revenue Receipts

Revenue Receipts		(£)
<b>Calculation Date :</b>	<b>17/08/2012</b>	
Has an LLP notice to pay been issued ?	<b>No</b>	
Balance b/f		<b>13,477,025</b>
Interest Received on mortgages	Period 01/07/2012 to 31/07/2012	<b>14,741,421</b>
Fees Received on mortgages due to CBS	Period 01/07/2012 to 31/07/2012	<b>240,754</b>
Interest Received on GIC Account	Period 01/07/2012 to 31/07/2012	<b>2,554</b>
Interest Received on Substitution Assets	Period 01/07/2012 to 31/07/2012	<b>90,674</b>
Interest on Interest Rate Swap - Series 1-5	Period 25/06/2012 to 24/07/2012	<b>(6,067,960)</b>
Interest on Covered Bond Swap - Series 3	Period 25/06/2012 to 17/08/2012	<b>(1,452,329)</b>
Interest on Covered Bond Swap - Series 4	Period 25/06/2012 to 24/07/2012	<b>(1,309,667)</b>
Interest on Covered Bond Swap - Series 5	Period 25/06/2012 to 24/07/2012	<b>(993,798)</b>
Interest on Term Advance- Series 1&2	Period 25/06/2012 to 24/07/2012	<b>(1,247,621)</b>
Interest on Term Advance- Series 5	Period 25/06/2012 to 24/07/2012	-
Excess Funds on Reserve Fund		<b>428,175</b>
Transfer to Reserve Fund		-
Any other receipts not covered above	Period 01/07/2012 to 31/07/2012	<b>96,557</b>
Payments made (incl repatriation to CBS)	Period 25/06/2012 to 24/07/2012	<b>(1,833,825)</b>
<b>If LLP notice to pay issued</b>		
Amount of Reserve Fund		-
<b>Less :</b>		
Amounts paid to third parties		-
<b>Available Revenue as at month end</b>		<b>16,171,960</b>

Principal Receipts		(£)
<b>Calculation Date :</b>	<b>17/08/2012</b>	
Principal receipts b/f		<b>54,198,225</b>
Utilisation of Principal Receipts	Period 25/06/2012 to 24/07/2012	<b>(54,198,225)</b>
Scheduled Principal Receipts	Period 01/07/2012 to 31/07/2012	<b>13,603,101</b>
Unscheduled Principal Receipts	Period 01/07/2012 to 31/07/2012	<b>72,777,330</b>
Proceeds from term loans		-
<b>Less Mortgages Purchased</b>		
Unutilised Proceeds		-
Cash Capital Contributions		-
Proceeds from Mortgage Sales		-
Capital receivables under Covered Bond Swap		-
<b>Available Principal Receipts as at month end</b>		<b>86,380,432</b>

### Ledgers

	Month End 31/07/2012	Month End 30/06/2012
<b>Principal Ledger</b>	(£)	(£)
Balance b/f on Principal Ledger	54,198,225	60,922,327
Utilisation of Principal Receipts	(54,198,225)	(60,922,327)
Principal repayments under mortgages	86,380,432	54,198,225
<b>Balance c/f on Principal Ledger</b>	<b>86,380,432</b>	<b>54,198,225</b>

	(£)	(£)
<b>Revenue Ledger</b>	(£)	(£)
Balance b/f on Revenue Ledger	13,477,025	14,936,371
Interest Receipts on Mortgages	14,741,421	11,955,953
Interest due on bank accounts & investments	93,228	32,347
Other payments/(receipts)	(6,071,754)	(6,922,850)
Payments due under Interest Rate Swap	(6,067,960)	(6,524,796)
<b>Balance c/f on Revenue Ledger</b>	<b>16,171,960</b>	<b>13,477,025</b>

	(£)	(£)
<b>Reserve Ledger</b>	(£)	(£)
Balance b/f on Reserve Ledger	16,348,258	16,519,495
Transfers to/from GIC	(428,175)	(171,237)
Cash Capital Contribution	-	-
<b>Balance c/f on Reserve Ledger</b>	<b>15,920,083</b>	<b>16,348,258</b>
Reserve Fund Required Amount	15,920,083	16,348,258

	(£)	(£)
<b>Pre-Maturity Liquidity Ledger</b>	(£)	(£)
Hard Bullet Covered Bonds	n/a	n/a
Pre Maturity Test	n/a	n/a
Pre-Maturity Liquidity Ledger	-	-

<b>Total cash holding month end</b>	<b>118,472,474</b>	<b>84,023,508</b>
<b>Bond value</b>	<b>3,220,050,000</b>	<b>3,220,050,000</b>
<b>Percentage Cash Holding</b>	<b>3.7%</b>	<b>2.6%</b>

	(£)	(£)
<b>Summary Balance Sheet and Ledgers</b>	(£)	(£)
GIC Account	4,472,474	11,023,508
Substitution Assets <sup>1</sup>	114,000,000	73,000,000
<b>Subtotal</b>	<b>118,472,474</b>	<b>84,023,508</b>
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,402,212,891	4,407,337,431
<b>Total Assets</b>	<b>4,520,685,365</b>	<b>4,491,360,939</b>
Intercompany Loan <sup>2</sup>	3,220,050,000	3,220,050,000
Capital Account	1,300,635,365	1,271,310,939
<b>Total Liabilities</b>	<b>4,520,685,365</b>	<b>4,491,360,939</b>

<sup>1</sup>Substitution Assets comprise short term cash deposits

<sup>2</sup>Where non-sterling, translated at the exchange rate in the corresponding Covered Bond Swap

# Coventry Building Society Covered Bonds

## Investor Report

Notes in Issue

	Series	1	2	3	4	5
Notes In Issue	<b>Issue Date</b>	22/07/2008	20/11/2008	19/04/2011	24/10/2011	10/02/2012
	<b>Original rating (Moody's / S&amp;P / Fitch)</b>	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
	<b>Current rating (Moody's / S&amp;P / Fitch)</b>	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
	<b>Currency</b>	GBP	GBP	GBP	EUR	GBP
	<b>Issue size</b>	1,500,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	<b>Relevant Swap Rate</b>	1.000	1.000	1.000	0.877	1.000
	<b>GBP Equivalent</b>	1,500,000,000	500,000,000	750,000,000	570,050,000	500,000,000
	<b>Current Period Balance</b>	900,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	<b>Previous Period Balance</b>	900,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	<b>Current Period Pool Factor</b>	1	1	1	1	1
	<b>Previous Period Pool Factor</b>	1	1	1	1	1
	<b>Expected maturity date</b>	24/07/2013	24/11/2013	19/04/2018	24/10/2014	10/02/2015
	<b>Legal final maturity date</b>	24/07/2013	24/11/2013	19/04/2018	24/10/2014	10/02/2015
	<b>Extended Due for Payment Date</b>	24/07/2014	24/11/2014	19/04/2019	24/10/2015	10/02/2016
<b>ISIN</b>	XS0378817240	XS0400750542	XS0618833635	XS0696058857	XS0744752568	
<b>Stock exchange listing</b>	LSE	LSE	LSE	LSE	LSE	
Interest Payments <sup>1</sup> 01/07/2012 - 31/07/2012	<b>Interest Payment Frequency</b>	Monthly	Monthly	Annually	Annually	Quarterly
	<b>Accrual Start Date</b>	25/06/2012	25/06/2012	19/04/2012	24/10/2011	10/05/2012
	<b>Accrual End Date</b>	24/07/2012	24/07/2012	19/04/2013	24/10/2012	10/08/2012
	<b>Accrual Day Count</b>	29	29	365	366	92
	<b>Coupon Reference Rate</b>	0.62163%	0.62163%	N/A	N/A	1.00875%
	<b>Relevant Margin</b>	0.50000%	0.50000%	4.62500%	2.87500%	1.60000%
	<b>Current Period Coupon Reference Rate</b>	1m GBP LIBOR	1m GBP LIBOR	Fixed	Fixed	3m GBP LIBOR
	<b>Current Period Coupon</b>	1.12163%	1.12163%	4.62500%	2.87500%	2.60875%
	<b>Current Period Coupon Amount<sup>1</sup></b>	802,042	445,579	-	-	-
	<b>Current Interest Shortfall</b>	-	-	-	-	-
	<b>Cumulative Interest Shortfall</b>	-	-	-	-	-
<b>Next Interest Payment Date</b>	24/08/2012	24/08/2012	19/04/2013	24/10/2012	10/08/2012	
Principal Payments <sup>1</sup> 01/07/2012 - 31/07/2012	<b>Bond Structure</b>	Soft bullet	Soft bullet	Soft bullet	Soft bullet	Soft bullet
	<b>Current Period Scheduled Principal Payment</b>	-	-	-	-	-
	<b>Actual Principal Paid</b>	-	-	-	-	-
	<b>Principal Shortfall</b>	-	-	-	-	-
	<b>Cumulative Principal Shortfall</b>	-	-	-	-	-
<b>Expected Principal Payment Date</b>	24/07/2013	24/11/2013	19/04/2018	24/10/2014	10/02/2015	

<sup>1</sup>Payments made during the Reporting Period

# Coventry Building Society Covered Bonds

## Investor Report

Swaps

### Swaps<sup>1</sup>

Related Covered Bonds	Maturity	Notional currency	Notional	Counterparty	Receive reference rate	Receive margin	Receive rate	Pay reference rate	Pay margin	Pay rate	Payments (made)/received (£)
	<b>Interest Rate (Asset) Swap</b>										
Series 1-5	19/04/2018	GBP	4,505,955,112	Coventry Building Society	1m LIBOR	1.19000%	1.8116%	Basket of rates	N/A	3.50656%	(6,067,960)
	<b>Covered Bond (Liability) Swap</b>										
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.62500%	1m LIBOR	1.63%	2.20875%	(1,452,329)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	2.89163%	(1,309,667)
Series 5	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.60875%	1m LIBOR	1.88%	2.50163%	(993,798)

<sup>1</sup>Data in this table is presented in relation to payments made in the Reporting Period

### Collateral Received

Counterparty	Counterparty Rating (Moody's / Fitch)		Required Rating (Initial Rating Event: Moody's / Fitch)		Breached (Y/N)	Breach Remedy (if applicable)	Collateral Posting (£)
	Long-term	Short-term	Long-term	Short-term			
<b>Interest Rate (Asset) Swap</b> Coventry Building Society	A3 / A	P-2 / F1	A2 / A	P-1 / F1	Y	Post collateral	- <sup>2</sup>
<b>Covered Bond (Liability) Swap</b> HSBC Bank plc	Aa3 / AA	P-1 / F1+	A2 / A	P-1 / F1	N	Post collateral	-
Coventry Building Society	A3 / A	P-2 / F1	A2 / A	P-1 / F1	Y	Post collateral	3,500,000

<sup>2</sup>The amount of collateral required in respect of the Interest Rate (Asset) Swap is zero because the LLP is out of the money.

# Coventry Building Society Covered Bonds

## Investor Report

## Glossary

<b>Adjusted True Balance</b>	In the ACT calculation, this is the sum of the "Adjusted True Balance" of each Loan in the Portfolio, which shall be the lower of (1) the actual True Balance of the relevant Loan in the Portfolio and (2) the Indexed Valuation relating to that Loan multiplied by M (where for all Loans that are less than three months in arrears or not in arrears, M = 0.75, for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of less than or equal to 75 percent, M = 0.40 and for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of more than 75 percent, M = 0.25); Minus the aggregate sum of any assets to be removed as defined by the Transaction Documents.
<b>Arrears Adjusted True Balance</b>	In the ACT calculation, this is the aggregate "Arrears Adjusted True Balance" of the Loans in the Portfolio which in relation to each Loan shall be the lower of (1) the actual True Balance of the relevant Loan and (2) the Indexed Valuation relating to that Loan multiplied by N (where for all Loans that are less than three months in arrears or not in arrears, N = 1, for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of less than or equal to 75 percent, N = 0.40 and for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of more than 75 percent, N = 0.25); Minus the aggregate sum of any assets to be removed as defined by the Transaction Documents; Multiplied by the Asset Percentage (as defined below).
<b>Arrears Balance</b>	Arrears includes any fees and insurance premiums that are past due and interest on arrears. Capitalised arrears are excluded from the Arrears Balance. Accounts that are less than one Months in Arrears are excluded from the calculation of the weighted average Arrears Balance.
<b>Asset Percentage</b>	The Asset Percentage is defined in the Transaction Documents as the lowest of (i) 90 percent, (ii) the percentage required to ensure that the Covered Bonds maintain the then current ratings assigned to them by Fitch and (iii) the percentage required to ensure that the Covered Bonds achieve an Aaa rating by Moody's using Moody's expected loss methodology.
<b>Constant Default Rates (CDR)</b>	Constant Default Rate is calculated from the balance of loans entering into default in the month.
<b>Constant Prepayment Rates (CPPR)</b>	The Constant Prepayment Rate is calculated from the total Unscheduled Principal Receipts. This is consistent with the ESF definition for Constant Prepayment Rates.
<b>Default</b>	For the purposes of this report a loan is identified as being in default where the Months in Arrears is six or more.
<b>Geographical Distribution</b>	This uses the regions in the HPI Regional Series published by Nationwide Building Society. The definition of those regions is available at <a href="http://web.archive.org/web/20100815095614/http://www.nationwide.co.uk/hpi/regions.htm">http://web.archive.org/web/20100815095614/http://www.nationwide.co.uk/hpi/regions.htm</a> . This definition differs from the standard NUTS 2 regions used in other reporting.
<b>Income Verification Requested</b>	Income verification has been requested on all mortgages in the pool at application. With certain low-risk low-LTV loans, proof of income is only required for a random selection of loans. The performance of the loans and decline/withdrawal rates on the random selection is closely monitored.
<b>Indexed</b>	Indexation is applied to house price valuations on a regional basis using non-seasonally adjusted data. The indexation is applied to the data as at the end of March, June, September and December. Note that December indexation is not applied in the Investor Report until January.
<b>Interest Payments</b>	Payments received in a reporting period are applied first to interest and then to principal.
<b>Months in Arrears</b>	Months in Arrears is calculated as the Arrears balance divided by the normal contractual payment due, ignoring any temporary arrangement or payment holiday. If the Months in Arrears is less than one, the loan is reported as current.
<b>Mortgage Account</b>	A mortgage account consists of one or more underlying loans all secured with equal priority by a first charge on the same property and thereby forming a single mortgage account.
<b>Mortgage Collections</b>	The aggregate amount of scheduled and unscheduled principal, and interest collected during the reporting period.
<b>Negative carry adjustment</b>	In the ACT calculation, this is the weighted average remaining maturity of all Covered Bonds outstanding multiplied by the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor. The "Negative Carry Factor" is (i) 0.5 percent if the weighted average margin of the interest rate payable on the Covered Bonds is less or equal to 0.1 percent per annum or (ii) 0.5 percent plus that margin minus 0.1 percent, if that margin is greater than 0.1 percent per annum (provided that if the weighted average remaining maturity is less than one, the weighted average shall be deemed, for the purposes of this calculation, to be one).
<b>Principal Payment Rates (PPR)</b>	Principal Payment Rates are calculated from the total Principal Receipts in the month including redemptions, contractual repayments and unscheduled prepayments. The ESF uses the term "Principal Payment Rates" for this value.
<b>Principal Receipts</b>	Payments received in a reporting period are applied first to interest and then to principal.
<b>Product Groups</b>	Product groups are reported at an individual loan level (please refer to the definition of 'Mortgage Account' above).
<b>Reserve Fund Required Amount</b>	The value disclosed at the month end is equal to the value calculated at the calculation date immediately proceeding the month end.
<b>Savings Set Off Balance</b>	In the ACT calculation, this is the amount equal to the lower of (i) 100 percent of the aggregate deposit balances (including saving balances and offset balances) of each savings account held at the Seller by Borrowers whose Loans are included in the Portfolio and (ii) the aggregate True Balances of those Borrower's Loans
<b>Scheduled Principal Receipts</b>	The element of Principal Receipts that are included in the contractual payment for a Borrower who has a Repayment or Combination mortgage
<b>True Balance</b>	As at the given date, the aggregate (but avoiding double counting) of (i) the original principal amount advanced to the relevant Borrower and any further amount advanced, (ii) any interest, fees or charges which has been properly capitalised and (iii) any other amount (including Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid and has not been capitalised
<b>Unscheduled Principal Receipts</b>	The element of Principal Receipts that are not Scheduled Principal Receipts
<b>Variable Rates</b>	The issuer operates a number of variable administered rates including a Standard Variable Rates and the Privilege Rate, which is offered to certain owner-occupying borrowers who have been on the same product for five years or more.