

# Coventry Building Society Covered Bonds

## Investor Report

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### Reporting Information

Reporting Date	31/01/2012
Reporting Period	01/12/2011 to 31/12/2011

### 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

### 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	41,651	41,081
Number of loans in Pool	49,440	48,740
True Balance of mortgage accounts in Pool	£4,511,791,733	£4,444,814,714
Cash and other Substitution Assets	£62,785,254	£64,662,215

### 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	£60,495,217	£63,381,315

### Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.55%	3.54%

### Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£) <sup>1</sup>
Current	39,944	97.2%	4,316,979,604	97.1%	-
>=1 and <2	1,119	2.7%	125,809,504	2.8%	733,503
>=2 and <3	17	0.0%	1,910,860	0.0%	20,859
>=3 and <6	1	0.0%	114,746	0.0%	2,590
>=6 and <9	-	-	-	-	-
>=9 and <12	-	-	-	-	-
>=12	-	-	-	-	-
<b>Totals</b>	<b>41,081</b>	<b>100.0%</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>756,952</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.

<sup>1</sup> See comments in glossary regarding the movement in arrears balances against prior month

### Reconciliation of movements

	Number of loans	Balance (£)
Opening totals	41,651	4,511,791,733
Loans added to pool	-	1,561,217
Loans repurchased from pool	(570)	(18,933,550)
Principal receipts	-	(50,789,721)
Other movements	-	1,185,034
Closing totals	41,081	4,444,814,714

# Coventry Building Society Covered Bonds

## 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	32.2	17.3	108,196	135,752	100,919	55.9%	55.3%	666
Min	3.0	0.0	0	0	0	0.0%	0.0%	0
Max	83.9	34.8	983,356	983,356	854,926	96.7%	87.1%	4,161

### Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.14%	1.24%	15.93%
Previous PPR - Total	1.09%	1.25%	16.09%

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	0.84%	0.94%	11.91%
Previous CPPR - Total	0.81%	0.93%	11.80%

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 Mortgage Rate, Current	4.74%	01/02/2009
Standard Mortgage Rate, Historical	4.99%	01/01/2008
Privilege Mortgage Rate, Current	4.49%	01/02/2009
Privilege Mortgage Rate, Historical	4.79%	01/01/2008

The "Privilege Rate" is 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
East Anglia	167,411,694	3.8%	1,737	4.2%
East Midlands	352,553,606	7.9%	3,980	9.7%
London	629,689,991	14.2%	3,546	8.6%
North	160,718,232	3.6%	2,061	5.0%
North West	344,925,578	7.8%	3,720	9.1%
Outer Metropolitan	707,174,813	15.9%	4,719	11.5%
Outer South East	542,223,892	12.2%	4,506	11.0%
South West	424,409,027	9.5%	4,009	9.8%
Wales	137,471,794	3.1%	1,565	3.8%
West Midlands	669,780,947	15.1%	7,645	18.6%
Yorkshire and Humberside	308,455,142	6.9%	3,593	8.7%
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</b>	<b>100.0%</b>

### Non-Indexed Loan to Value ratios

Range of LTV ratios at origination	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
<25%	348,445,631	7.8%	9,332	22.7%
>=25% and <50%	1,184,768,590	26.7%	12,287	29.9%
>=50% and <55%	341,868,477	7.7%	2,613	6.4%
>=55% and <60%	375,551,573	8.4%	2,725	6.6%
>=60% and <65%	417,241,521	9.4%	2,814	6.8%
>=65% and <70%	452,066,740	10.2%	2,996	7.3%
>=70% and <75%	716,220,679	16.1%	4,439	10.8%
>=75% and <80%	413,491,438	9.3%	2,542	6.2%
>=80% and <85%	148,078,635	3.3%	1,016	2.5%
>=85% and <90%	38,957,853	0.9%	273	0.7%
>=90% and <95%	7,427,523	0.2%	40	0.1%
>=95% and <100%	696,054	0.0%	4	0.0%
>=100%	-	-	-	-
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</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
<25%	357,280,985	8.0%	9,325	22.7%
>=25% and <50%	1,203,917,044	27.1%	12,300	29.9%
>=50% and <55%	339,225,691	7.6%	2,631	6.4%
>=55% and <60%	382,330,449	8.6%	2,727	6.6%
>=60% and <65%	412,083,114	9.3%	2,767	6.7%
>=65% and <70%	507,724,257	11.4%	3,266	8.0%
>=70% and <75%	738,823,584	16.6%	4,640	11.3%
>=75% and <80%	484,051,123	10.9%	3,301	8.0%
>=80% and <85%	18,947,461	0.4%	122	0.3%
>=85% and <90%	431,006	0.0%	2	0.0%
>=90% and <95%	-	-	-	-
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</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
<£50,000	283,965,036	6.4%	10,051	24.5%
>=£50,000 and <£100,000	963,561,624	21.7%	12,887	31.4%
>=£100,000 and <£150,000	1,104,312,894	24.8%	9,049	22.0%
>=£150,000 and <£200,000	791,086,445	17.8%	4,602	11.2%
>=£200,000 and <£250,000	461,540,290	10.4%	2,077	5.1%
>=£250,000 and <£300,000	292,651,986	6.6%	1,075	2.6%
>=£300,000 and <£400,000	283,379,273	6.4%	831	2.0%
>=£400,000 and <£500,000	133,342,439	3.0%	299	0.7%
>=£500,000 and <£750,000	104,897,927	2.4%	179	0.4%
>=£750,000 and <£1,000,000	26,076,801	0.6%	31	0.1%
>=£1,000,000	-	-	-	-
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</b>	<b>100.0%</b>

### Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
>1 and <6	229,903,035	5.2%	1,913	4.7%
>=6 and <12	552,124,066	12.4%	4,596	11.2%
>=12 and <18	750,028,280	16.9%	6,118	14.9%
>=18 and <24	639,708,339	14.4%	5,080	12.4%
>=24 and <30	387,770,512	8.7%	3,620	8.8%
>=30 and <36	334,481,326	7.5%	3,027	7.4%
>=36 and <42	112,626,549	2.5%	1,243	3.0%
>=42 and <48	227,896,485	5.1%	2,500	6.1%
>=48 and <54	305,358,022	6.9%	3,106	7.6%
>=54 and <60	213,571,110	4.8%	2,250	5.5%
>=60 and <66	204,966,025	4.6%	2,098	5.1%
>=66 and <72	193,822,361	4.4%	2,054	5.0%
>=72	292,558,603	6.6%	3,476	8.5%
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</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
<5	139,317,486	3.1%	3,065	7.5%
>=5 and <10	508,801,804	11.4%	7,093	17.3%
>=10 and <15	871,167,676	19.6%	8,968	21.8%
>=15 and <20	1,380,284,975	31.1%	11,305	27.5%
>=20 and <25	1,223,944,072	27.5%	8,344	20.3%
>=25 and <30	244,407,026	5.5%	1,723	4.2%
>=30 and <35	76,891,676	1.7%	583	1.4%
>=35	-	-	-	-
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</b>	<b>100.0%</b>

### Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total
Fixed rate	2,226,524,554	50.1%	23,197	47.6%
Capped	272,813,387	6.1%	2,369	4.9%
Variable	1,945,476,773	43.8%	23,174	47.5%
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>48,740</b>	<b>100.0%</b>

### Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
Repayment	3,095,684,346	69.6%	30,675	74.7%
Interest Only	944,836,652	21.3%	6,960	16.9%
Combination (Interest Only and Repayment)	404,293,715	9.1%	3,446	8.4%
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</b>	<b>100.0%</b>

### Originator

	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
Coventry Building Society	4,444,814,714	100.0%	41,081	100.0%
<b>Totals</b>	<b>4,444,814,714</b>	<b>100.0%</b>	<b>41,081</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears<sup>1</sup>

	% 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	1,519,261,493	701,547,334	894,678,977	1,183,299,707	18,192,094	-	-	4,316,979,604
>=1 and <3 Months in Arrears	41,936,536	20,008,806	25,128,394	39,460,254	1,186,374	-	-	127,720,364
>=3 and <6 Months in Arrears	-	-	-	114,746	-	-	-	114,746
>=6 Months in Arrears	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>1,561,198,029</b>	<b>721,556,140</b>	<b>919,807,371</b>	<b>1,222,874,707</b>	<b>19,378,467</b>	-	-	<b>4,444,814,714</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	57,907,380	27,947,626	36,455,155	45,101,532	-	-	-	167,411,694
East Midlands	113,939,717	59,326,829	72,229,372	106,541,840	515,848	-	-	352,553,606
London	224,673,172	93,900,231	134,999,233	169,683,036	6,434,319	-	-	629,689,991
North	54,445,764	25,270,937	33,362,702	47,126,802	512,027	-	-	160,718,232
North West	101,238,037	54,401,525	67,394,852	112,137,262	9,753,902	-	-	344,925,578
Outer Metropolitan	258,200,894	112,404,869	150,894,274	185,396,720	278,057	-	-	707,174,813
Outer South East	196,827,289	91,234,989	108,623,129	145,538,485	-	-	-	542,223,892
South West	164,565,224	72,789,319	79,428,840	107,252,959	372,685	-	-	424,409,027
Wales	47,483,600	20,279,762	28,944,944	40,763,489	-	-	-	137,471,794
West Midlands	242,274,310	112,744,715	141,527,392	172,549,141	685,389	-	-	669,780,947
Yorkshire and Humberside	99,642,643	51,255,338	65,947,479	90,783,443	826,240	-	-	308,455,142
<b>Totals</b>	<b>1,561,198,029</b>	<b>721,556,140</b>	<b>919,807,371</b>	<b>1,222,874,707</b>	<b>19,378,467</b>	-	-	<b>4,444,814,714</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	1,019,878,267	488,556,401	657,748,967	912,515,378	16,985,333	-	-	3,095,684,346
Interest Only	365,053,346	154,287,547	189,323,461	235,555,596	616,703	-	-	944,836,652
Combination (Interest Only and Repayment)	176,266,416	78,712,191	72,734,944	74,803,733	1,776,431	-	-	404,293,715
<b>Total</b>	<b>1,561,198,029</b>	<b>721,556,140</b>	<b>919,807,371</b>	<b>1,222,874,707</b>	<b>19,378,467</b>	-	-	<b>4,444,814,714</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	684,667,276	353,075,888	459,300,023	715,006,255	14,475,113	-	-	2,226,524,554
Capped	107,904,499	62,568,891	65,613,518	36,601,122	125,357	-	-	272,813,387
Variable	768,626,254	305,911,361	394,893,830	471,267,330	4,777,997	-	-	1,945,476,773
<b>Totals</b>	<b>1,561,198,029</b>	<b>721,556,140</b>	<b>919,807,371</b>	<b>1,222,874,707</b>	<b>19,378,467</b>	-	-	<b>4,444,814,714</b>

<sup>1</sup> See comments in glossary regarding the movement in arrears balances against prior month

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears<sup>1</sup>

	% 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	164,453,994	341,328,281	609,912,264	156,239,263	336,351,517	687,414,596	530,943,194	414,116,775	132,653,977	644,437,132	299,128,611	<b>4,316,979,604</b>
>=1 and <3 Months in Arrears	2,957,700	11,225,324	19,777,727	4,478,968	8,574,061	19,760,217	11,280,698	10,292,251	4,817,817	25,229,069	9,326,531	<b>127,720,364</b>
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-	-	114,746	-	<b>114,746</b>
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>167,411,694</b>	<b>352,553,606</b>	<b>629,689,991</b>	<b>160,718,232</b>	<b>344,925,578</b>	<b>707,174,813</b>	<b>542,223,892</b>	<b>424,409,027</b>	<b>137,471,794</b>	<b>669,780,947</b>	<b>308,455,142</b>	<b>4,444,814,714</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	13,101,718	31,725,483	9,633,985	22,637,548	30,428,710	16,774,766	24,013,686	25,263,627	13,581,428	64,639,750	32,164,337	<b>283,965,036</b>
>=£50,000 and <£100,000	44,596,920	110,517,634	42,139,594	50,337,806	99,311,294	76,075,572	90,478,383	91,433,794	42,540,826	216,967,722	99,162,078	<b>963,561,624</b>
>=£100,000 and <£150,000	48,779,036	107,144,787	91,283,073	42,497,817	87,246,804	142,410,038	147,507,910	128,873,502	39,618,820	183,843,364	85,107,742	<b>1,104,312,894</b>
>=£150,000 and <£200,000	28,543,806	51,491,577	129,615,311	21,389,801	56,012,143	156,913,019	109,900,080	80,289,085	19,895,689	94,330,629	42,705,306	<b>791,086,445</b>
>=£200,000 and <£250,000	15,958,804	20,720,211	102,025,162	9,993,433	28,428,276	105,041,097	63,092,162	38,694,016	10,062,230	44,361,340	23,163,560	<b>461,540,290</b>
>=£250,000 and <£300,000	5,469,671	13,679,915	84,426,404	5,936,084	18,364,485	59,410,358	37,619,173	23,767,060	5,949,190	27,208,456	10,821,191	<b>292,651,986</b>
>=£300,000 and <£400,000	6,364,220	10,490,586	82,807,499	4,664,128	13,113,220	73,185,167	34,024,867	21,012,051	3,575,088	25,427,609	8,714,840	<b>283,379,273</b>
>=£400,000 and <£500,000	2,238,034	4,523,167	40,839,547	2,138,113	5,293,479	36,870,208	19,772,736	9,815,556	461,574	9,214,871	2,175,154	<b>133,342,439</b>
>=£500,000 and <£750,000	2,359,486	2,260,246	35,017,853	1,123,501	5,920,968	32,121,705	13,312,852	4,459,450	1,786,950	2,932,281	3,602,635	<b>104,897,927</b>
>=£750,000 and <£1,000,000	-	-	11,901,564	-	806,199	8,372,884	2,502,042	800,885	-	854,926	838,300	<b>26,076,801</b>
>=£1,000,000	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>167,411,694</b>	<b>352,553,606</b>	<b>629,689,991</b>	<b>160,718,232</b>	<b>344,925,578</b>	<b>707,174,813</b>	<b>542,223,892</b>	<b>424,409,027</b>	<b>137,471,794</b>	<b>669,780,947</b>	<b>308,455,142</b>	<b>4,444,814,714</b>

<b>Average Mortgage size</b>	96,380	88,581	177,578	77,981	92,722	149,857	120,334	105,864	87,841	87,610	85,849
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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	121,470,938	261,632,986	406,400,735	115,758,072	244,340,067	473,361,799	370,434,067	272,655,759	93,343,348	505,552,423	230,734,152	<b>3,095,684,346</b>
Interest Only	29,661,442	54,068,368	175,111,849	30,377,069	72,500,447	164,346,735	119,071,328	109,196,234	34,216,915	104,942,563	51,343,701	<b>944,836,652</b>
Combination (Interest Only and Repayment)	16,279,314	36,852,252	48,177,407	14,583,090	28,085,064	69,466,279	52,718,496	42,557,034	9,911,530	59,285,961	26,377,289	<b>404,293,715</b>
<b>Total</b>	<b>167,411,694</b>	<b>352,553,606</b>	<b>629,689,991</b>	<b>160,718,232</b>	<b>344,925,578</b>	<b>707,174,813</b>	<b>542,223,892</b>	<b>424,409,027</b>	<b>137,471,794</b>	<b>669,780,947</b>	<b>308,455,142</b>	<b>4,444,814,714</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	82,768,214	169,713,233	341,591,082	78,159,407	172,746,829	384,207,305	280,113,751	212,138,952	69,277,910	280,012,504	155,795,367	<b>2,226,524,554</b>
Capped	9,639,851	18,771,627	49,731,349	8,106,114	25,340,553	43,545,980	30,439,019	25,842,633	5,999,902	37,877,822	17,518,537	<b>272,813,387</b>
Variable	75,003,629	164,068,746	238,367,560	74,452,711	146,838,196	279,421,528	231,671,121	186,427,443	62,193,982	351,890,621	135,141,237	<b>1,945,476,773</b>
<b>Total</b>	<b>167,411,694</b>	<b>352,553,606</b>	<b>629,689,991</b>	<b>160,718,232</b>	<b>344,925,578</b>	<b>707,174,813</b>	<b>542,223,892</b>	<b>424,409,027</b>	<b>137,471,794</b>	<b>669,780,947</b>	<b>308,455,142</b>	<b>4,444,814,714</b>

<sup>1</sup> See comments in glossary regarding the movement in arrears balances against prior month



# 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 and Interest Rate (Asset) Swap Provider
<b>Coventry Building Society Covered Bonds LLP</b>	N/A	N/A	LLP
<b>HSBC Bank plc</b>	AA- / Aa2 / 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>Ernst &amp; Young 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

## Asset Coverage Test

Asset Coverage Test		
Calculation Date	19/01/2012	19/12/2011
<b>Aggregate Adjusted Loan Amount</b>	<b>= A+B+C+D-(X+Y+Z)</b>	
<b>Description</b>	<b>Value</b>	<b>Value</b>
True Balance	4,444,814,714	4,511,791,733
Adjusted Indexed Valuation	10,119,499,721	10,261,378,460
Asset Percentage	78.7%	78.7%
arrears	4,444,699,968	4,511,788,940
arrears =< 75% LTV	114,746	-
arrears > 75% LTV	-	-
Principal Outstanding on Bonds	2,770,050,000	2,770,050,000
Bonds (Weighted Average Years)	3.2	3.2
Negative Carry Factor (Weighted Average)	1.57%	1.57%
<b>A = Lower of (i) and (ii) multiplied by Asset Percentage :</b>		
<b>(i) Adjustment on True Balance</b>		
Adjusted True Balance		
made up by:	<b>M</b>	
Loans < 3 months in arrears	0.75	4,416,617,105
Loans in arrears =< 75% LTV	0.4	62,911
Loans in arrears > 75% LTV	0.25	-
<b>Adjusted True Balance</b>		<b>4,416,680,016</b>
<b>(ii) Arrears Adjustment on True Balance</b>		
Arrears Adjusted True Balance		
made up by:	<b>N</b>	
Loans < 3 months in arrears	1	4,434,422,424
Loans in arrears =< 75% LTV	0.4	62,911
Loans in arrears > 75% LTV	0.25	-
<b>sub total</b>		<b>4,434,485,335</b>
<b>Asset Percentage</b>		
Contractual (maximum)	90.0%	90.0%
Moody's Required	78.7%	78.7%
Fitch Required	83.7%	83.7%
<b>Current Asset Percentage (% used)</b>	<b>78.7%</b>	<b>78.7%</b>
<b>Arrears Adjusted True Balance</b>	<b>3,489,939,959</b>	<b>3,540,022,284</b>

Asset Coverage Test (continued)		
	19/01/2012	19/12/2011
<b>A: Arrears Adjusted True Balance</b>	<b>3,489,939,959</b>	<b>3,540,022,284</b>
<b>B: Principal Receipts Retained in Cash</b>	-	-
<b>C: Retained Cash Contributions</b>	-	-
<b>D: Substitution Assets- Principal Receipts<sup>1</sup></b>	<b>50,789,721</b>	<b>49,145,685</b>
<b>- Capital Contributions</b>	-	-
<b>X: Savings set off balance</b>	<b>(117,316,899)</b>	<b>(115,765,428)</b>
<b>Y : Flexible draw deduction</b>	-	-
<b>Z: Negative carry adjustment</b>	<b>(160,687,340)</b>	<b>(164,384,012)</b>
<b>Adjusted Aggregate Loan Amount</b>	<b>3,262,725,440</b>	<b>3,309,018,529</b>
<b>Aggregate Principal Amount Outstanding</b>	<b>2,770,050,000</b>	<b>2,770,050,000</b>
<b>Test Result</b>	<b>PASS</b>	<b>PASS</b>
<b>Surplus Result</b>	<b>492,675,440</b>	<b>538,968,529</b>
<b>Loan Amount to Covered Bond ratio percentage</b>	<b>84.90%</b>	<b>83.71%</b>

Credit Enhancement and Liquidity Support		
	31/12/2011	30/11/2011
Reserve funds	13,872,495	13,639,568
Retained principal	50,789,721	49,145,685
Overcollateralisation	1,674,764,714	1,741,741,733
- Required by ACT	1,182,089,274	1,202,773,204
- Surplus over ACT	492,675,440	538,968,529

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

# Coventry Building Society Covered Bonds

## Investor Report

## Principal & Revenue Receipts and Ledgers

### Principal & Revenue Receipts

Revenue Receipts		(£)
<b>Calculation Date :</b>	<b>19/01/2012</b>	
Has an LLP notice to pay been issued ?	<b>No</b>	
Balance b/f		<b>12,742,736</b>
Interest Received on mortgages	Period 01/12/2011 to 31/12/2011	<b>12,591,594</b>
Fees Received on mortgages due to CBS	Period 01/12/2011 to 31/12/2011	<b>384,413</b>
Interest Received on GIC Account	Period 01/12/2011 to 31/12/2011	<b>2,729</b>
Interest Received on Substitution Assets	Period 01/12/2011 to 31/12/2011	<b>38,273</b>
Interest Rate Swap	Period 24/11/2011 to 28/12/2011	<b>(6,320,405)</b>
Interest on Covered Bond Swap	Period 19/12/2011 to 19/01/2012	<b>(1,528,729)</b>
Interest on Covered Bond Swap - Currency	Period 24/11/2011 to 28/12/2011	<b>(1,596,537)</b>
Interest on Term Advance	Period 24/11/2011 to 28/12/2011	<b>(1,670,298)</b>
Excess Funds on Reserve Fund		-
Transfer to Reserve Fund		<b>(232,926)</b>
Any other receipts not covered above	Period 01/12/2011 to 31/12/2011	<b>127,533</b>
Payments made (incl repatriation to CBS)	Period 24/11/2011 to 28/12/2011	<b>(393,841)</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>14,144,542</b>

### Principal Receipts

Principal Receipts		(£)
<b>Calculation Date :</b>	<b>19/01/2012</b>	
Principal receipts b/f		<b>49,145,685</b>
Utilisation of Principal Receipts	Period 24/11/2011 to 28/12/2011	<b>(49,145,685)</b>
Scheduled Principal Receipts	Period 01/12/2011 to 31/12/2011	<b>13,496,043</b>
Unscheduled Principal Receipts	Period 01/12/2011 to 31/12/2011	<b>37,293,677</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>50,789,721</b>

### Ledgers

	Month End 31/12/2011	Month End 30/11/2011
<b>Principal Ledger</b>	(£)	(£)
Balance b/f on Principal Ledger	49,145,685	60,015,701
Utilisation of Principal Receipts	(49,145,685)	(60,015,701)
Principal repayments under mortgages	50,789,721	49,145,685
<b>Balance c/f on Principal Ledger</b>	<b>50,789,721</b>	<b>49,145,685</b>

	(£)	(£)
<b>Revenue Ledger</b>	(£)	(£)
Balance b/f on Revenue Ledger	12,742,736	13,409,522
Interest Receipts on Mortgages	12,591,594	11,349,532
Interest due on bank accounts & investments	41,002	46,595
Other payments/(receipts)	(4,910,385)	(6,063,593)
Payments due under Interest Rate Swap	(6,320,405)	(5,999,320)
<b>Balance c/f on Revenue Ledger</b>	<b>14,144,542</b>	<b>12,742,736</b>

	(£)	(£)
<b>Reserve Ledger</b>	(£)	(£)
Balance b/f on Reserve Ledger	13,639,568	9,269,065
Transfers to/from GIC	232,926	4,370,503
<b>Balance c/f on Reserve Ledger</b>	<b>13,872,495</b>	<b>13,639,568</b>
Reserve Fund Required Amount	13,872,495	13,639,568

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

<b>Total cash holding month end</b>	<b>78,806,758</b>	<b>75,527,989</b>
<b>Bond value</b>	<b>2,770,050,000</b>	<b>2,770,050,000</b>
<b>Percentage Cash Holding</b>	<b>2.8%</b>	<b>2.7%</b>

	(£)	(£)
<b>Summary Balance Sheet and Ledgers</b>	(£)	(£)
GIC Account	9,806,758	4,527,989
Substitution Assets <sup>1</sup>	69,000,000	71,000,000
<b>Subtotal</b>	<b>78,806,758</b>	<b>75,527,989</b>
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,444,814,714	4,511,791,733
<b>Total Assets</b>	<b>4,523,621,472</b>	<b>4,587,319,722</b>
Intercompany Loan <sup>2</sup>	2,770,050,000	2,770,050,000
Capital Account	1,753,571,472	1,817,269,722
<b>Total Liabilities</b>	<b>4,523,621,472</b>	<b>4,587,319,722</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
Notes In Issue	<b>Issue Date</b>	22/07/2008	20/11/2008	19/04/2011	24/10/2011
	<b>Original rating (Moody's / S&amp;P / Fitch)</b>	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
	<b>Currency</b>	GBP	GBP	GBP	EUR
	<b>Issue size</b>	1,500,000,000	500,000,000	750,000,000	650,000,000
	<b>Relevant Swap Rate</b>	1.000	1.000	1.000	0.877
	<b>GBP Equivalent</b>	1,500,000,000	500,000,000	750,000,000	570,050,000
	<b>Current Period Balance</b>	950,000,000	500,000,000	750,000,000	650,000,000
	<b>Previous Period Balance</b>	950,000,000	500,000,000	750,000,000	650,000,000
	<b>Current Period Pool Factor</b>	1	1	1	1
	<b>Previous Period Pool Factor</b>	1	1	1	1
	<b>Expected maturity date</b>	24/07/2013	24/11/2013	19/04/2018	24/10/2014
	<b>Legal final maturity date</b>	24/07/2013	24/11/2013	19/04/2018	24/10/2014
	<b>Extended Due for Payment Date</b>	24/07/2014	24/11/2014	19/04/2019	24/10/2015
<b>ISIN</b>	XS0378817240	XS0400750542	XS0618833635	XS0696058857	
<b>Stock exchange listing</b>	LSE	LSE	LSE	LSE	
Interest Payments <sup>1</sup> 01/12/2011 - 31/12/2011	<b>Interest Payment Frequency</b>	Monthly	Monthly	Annual	Annual
	<b>Accrual Start Date</b>	24/11/2011	24/11/2011	19/04/2011	24/10/2011
	<b>Accrual End Date</b>	28/12/2011	28/12/2011	19/04/2012	24/10/2012
	<b>Accrual Day Count</b>	34	34	366	366
	<b>Coupon Reference Rate</b>	0.737%	0.737%	N/A	N/A
	<b>Relevant Margin</b>	0.500%	0.500%	4.625%	2.875%
	<b>Current Period Coupon Reference Rate</b>	1m GBP LIBOR	1m GBP LIBOR	Fixed	Fixed
	<b>Current Period Coupon</b>	1.237%	1.237%	4.625%	2.875%
	<b>Current Period Coupon Amount<sup>1</sup></b>	1,094,333	575,965	-	-
	<b>Current Interest Shortfall</b>	-	-	-	-
	<b>Cumulative Interest Shortfall</b>	-	-	-	-
<b>Next Interest Payment Date</b>	24/01/2012	24/01/2012	19/04/2012	24/10/2012	
Principal Payments <sup>1</sup> 01/12/2011 - 31/12/2011	<b>Bond Structure</b>	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	

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

# Coventry Building Society Covered Bonds

## Investor Report

Swaps

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

Related Covered Bond	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 1-4	19/04/2018	GBP	4,013,124,611	Coventry Building Society	1m LIBOR	1.12%	1.8566%	Basket of rates	N/A	3.55%	(6,320,405)
	<b>Covered Bond (Liability) Swap</b>										
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.6250%	1m LIBOR	1.63%	2.40%	(1,528,729)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.8750%	1m LIBOR	2.27%	3.01%	(1,596,537)

<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)		Breach (Y/N)	Breach Remedy (if applicable)	Collateral Posting (£)
	Long-term	Short-term	Long-term	Short-term			
HSBC plc	Aa2 / 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	-2

<sup>2</sup>The amount of collateral required is zero because the mark to market value of the swap currently stands in the LLP's favour

# 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>	The Arrears Balance is normally calculated after allowing a period for clearance through payment systems. For the December 2011 Arrears Balance, the balance has been reported prior to the end of this period, due to bank holiday delays. A review of payments received subsequently shows arrears balances have returned to a level consistent with the prior month. 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://www.nationwide.co.uk/hpi/regions.htm">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.

# Coventry Building Society Covered Bonds

## Investor Report

*Disclaimer*

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