



## Covered Bonds Investor Report

Coventry Building Society  
 Monthly Investor Report as at 28 February 2011  
 Publication date of report: 6 April 2011

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KEY PARTIES		
Function	Party	Credit Rating (Moody's, Fitch, S&P)
Issuer	Coventry Building Society	P-2/A3, F1/A, NR
Servicer	Coventry Building Society	P-2/A3 - F1/A - NR
Cash Manager	Coventry Building Society	P-2/A3 - F1/A - NR
Interest Rate (Asset) Swap Provider	Coventry Building Society	P-2/A3 - F1/A - NR
Covered Bond (Liability) Swap Provider	None	n/a
Account Bank	HSBC Bank plc	P-1/Aa2 - F1+/AA - A-1+/AA
GIC Provider	HSBC Bank plc	P-1/Aa2 - F1+/AA - A-1+/AA
Bond Trustee	HSBC Corporate Trustee Company (UK) Ltd	n/a
Security Trustee	HSBC Corporate Trustee Company (UK) Ltd	n/a
Asset Monitor	Ernst & Young LLP	n/a
Corporate Services Provider	Structured Finance Management Ltd	n/a
Dealers	BNP Paribas, London branch	P-1/Aa2 - F1+/AA - A-1+/AA
	Barclays Bank PLC	P-1/Aa3 - F1+/AA - A-1+/AA
Registrar	HSBC Bank plc	P-1/Aa2 - F1+/AA - A-1+/AA
Principal Paying Agent	HSBC Bank plc	P-1/Aa2 - F1+/AA - A-1+/AA
Exchange Agent	HSBC Bank plc	P-1/Aa2 - F1+/AA - A-1+/AA
Transfer Agent	HSBC Bank plc	P-1/Aa2 - F1+/AA - A-1+/AA
Calculation Agent	HSBC Bank plc	P-1/Aa2 - F1+/AA - A-1+/AA

ASSET COVERAGE TEST		
		£
A *	Balance of Loans adjusted for Asset Percentage, LTV and Arrears	2,700,445,250
B	Retained Principal Receipts	-
C	Retained Cash Contributions	-
D	Substitution Assets	-
X	Savings set off balance	(224,199,306)
Y	Flexible draw deduction	-
Z	Negative carry adjustment	(44,556,164)
Adjusted Aggregate Loan amount		<u>2,431,689,779</u>
Covered Bonds principal outstanding		2,000,000,000
Surplus		<u>431,689,779</u>

\* Based on A(ii), the Aggregate Arrears Adjusted True Balance less deemed reductions, multiplied by the Asset Percentage

LLP SUMMARY BALANCE SHEET & LEDGER BALANCES			
Revenue Ledger	9,480,891	Intercompany Loan *	2,000,000,000
Principal Ledger	43,308,765	Capital Account	1,614,179,032
Reserve Ledger	6,100,500		
GIC Account	58,890,156		
Transaction Account	0		
Substitution Assets	0		
Authorised Investments	0		
Loan Balance	3,555,288,876		
Total Assets	<u>3,614,179,032</u>	Total Liabilities	<u>3,614,179,032</u>

\* Where non-sterling, translated at the exchange rate in the corresponding Covered Bond Swap



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KEY EVENTS & TEST RESULTS	
Event	Status
Interest Rate Shortfall Test	Pass
Asset Coverage Test	Pass
Portfolio Yield Test	Pass
Issuer Event of Default	No
LLP Event of Default	No
Servicer Termination Event	No
Cash Manager Relevant Event	No
Interest Rate Swap Early Termination Event	No
Covered Bond Swap Early Termination Event	No
Exchange Event	No
Insolvency Event	No
Non-Asset Trigger Event	No
Asset Segregation Event	No

LOANS IN ARREARS				
Months in arrears *	Number of accounts	%	Loan Balance £	%
Not in arrears or <=3 mths	35,083	100.0%	3,554,915,569	100.0%
3 - 6 months	1	0.0%	97,681	0.0%
6 - 9 months	1	0.0%	29,576	0.0%
9 - 12 months	0	0.0%	0	0.0%
12 - 15 months	0	0.0%	0	0.0%
15+ months	1	0.0%	246,051	0.0%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>

\* Months in arrears is calculated as the balance of arrears outstanding divided by the customer's current monthly payment.

INDEXED LOAN TO VALUE				
LTV* Band	Number of accounts	%	£	%
<25%	10,064	28.7%	314,138,238	8.8%
>=25%<50%	10,199	29.1%	983,435,682	27.7%
>=50%<55%	2,038	5.8%	263,724,858	7.4%
>=55%<60%	2,138	6.1%	298,527,885	8.4%
>=60%<65%	2,181	6.2%	320,314,032	9.0%
>=65%<70%	2,204	6.3%	348,779,342	9.8%
>=70%<75%	3,170	9.0%	523,298,211	14.7%
>=75%<80%	3,063	8.7%	498,788,373	14.0%
>=80%<85%	21	0.1%	3,432,856	0.1%
>=85%<90%	3	0.0%	404,822	0.0%
>=90%<95%	3	0.0%	292,439	0.0%
>=95%<100%	2	0.0%	152,139	0.0%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>
<b>Weighted Average:</b>	<b>54.9%</b>			

\* Property values are indexed using quarterly House Price Index published by Nationwide Building Society. The indexation method used in the Asset Coverage Test calculation caps the increase in prices to 85%; however, this method is not used in the calculation of the figures above.

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NON-INDEXED* LOAN TO VALUE				
LTV* Band	Number of accounts	%	£	%
<25%	10,418	29.7%	328,643,322	9.2%
>=25%<50%	10,409	29.7%	1,021,483,292	28.7%
>=50%<55%	2,120	6.0%	278,809,782	7.8%
>=55%<60%	2,225	6.3%	311,393,676	8.8%
>=60%<65%	2,253	6.4%	340,298,199	9.6%
>=65%<70%	2,254	6.4%	359,637,240	10.1%
>=70%<75%	3,302	9.4%	555,845,312	15.6%
>=75%<80%	1,346	3.8%	230,865,198	6.5%
>=80%<85%	460	1.3%	73,135,485	2.1%
>=85%<90%	158	0.5%	29,349,127	0.8%
>=90%<95%	70	0.2%	12,637,164	0.4%
>=95%<100%	34	0.1%	6,594,365	0.2%
>100%	37	0.1%	6,596,714	0.2%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>
<b>Weighted Average:</b>	<b>54.3%</b>			
* The Non-Indexed Loan to Value ratio is the current loan balance divided by the original valuation				

GEOGRAPHICAL CONCENTRATION				
HPI Region *	Number of accounts	%	£	%
East Anglia	1,367	3.9%	127,416,802	3.6%
East Midlands	3,263	9.3%	273,880,302	7.7%
London	2,889	8.2%	490,761,585	13.8%
North	1,868	5.3%	139,464,939	3.9%
North West	3,109	8.9%	271,429,551	7.6%
Outer Metropolitan	3,848	11.0%	544,491,782	15.3%
Outer South East	3,843	11.0%	443,612,514	12.5%
South West	3,324	9.5%	329,597,574	9.3%
Wales	1,344	3.8%	107,039,148	3.0%
West Midlands	7,330	20.9%	594,733,030	16.7%
Yorkshire and Humberside	2,901	8.3%	232,861,650	6.5%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>
* The HPI Region is defined as the area used in the HPI Regional Series published by Nationwide Building Society				

LOAN BALANCE				
	Number of accounts	%	£	%
< £30,000	6,270	17.9%	71,366,398	2.0%
£30,000 - £40,000	2,130	6.1%	73,120,797	2.1%
£40,000 - £50,000	2,098	6.0%	93,064,088	2.6%
£50,000 - £75,000	5,479	15.6%	338,564,143	9.5%
£75,000 - £100,000	4,850	13.8%	420,676,299	11.8%
£100,000 - £150,000	6,977	19.9%	847,682,061	23.8%
£150,000 - £200,000	3,526	10.0%	603,069,693	17.0%
£200,000 - £300,000	2,555	7.3%	608,141,220	17.1%
£300,000 - £500,000	983	2.8%	362,567,995	10.2%
£500,000 - £750,000	181	0.5%	105,663,432	3.0%
£750,000 - £1,000,000	37	0.1%	31,372,749	0.9%
>= £1,000,000	-	0.0%	-	0.0%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>
<b>Average Balance</b>	<b>101,331</b>			



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SEASONING				
Months since origination	Number of accounts	%	£	%
1-6	4,170	11.9%	516,602,636	14.5%
7-12	6,138	17.5%	787,967,908	22.2%
13-18	1,354	3.9%	153,091,123	4.3%
19-24	2,025	5.8%	229,572,346	6.5%
25-30	1,278	3.6%	115,231,687	3.2%
31-36	2,430	6.9%	215,853,289	6.1%
37-42	3,944	11.2%	353,993,139	10.0%
43-48	3,622	10.3%	321,097,469	9.0%
49-54	2,217	6.3%	200,277,552	5.6%
55-60	2,362	6.7%	205,229,226	5.8%
61-66	2,398	6.8%	204,429,716	5.8%
67-72	2,766	7.9%	224,697,683	6.3%
73-78	382	1.1%	27,245,102	0.8%
>78	-	0.0%	-	0.0%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>
<b>Weighted Average:</b>	30.6			

REMAINING TERM	
	Years
<b>Weighted Average:</b>	16.6

REPAYMENT METHOD				
	Number of accounts	%	£	%
Repayment	23,456	66.9%	2,115,993,689	59.5%
Interest Only	8,501	24.2%	1,088,385,372	30.6%
Part and Part	3,129	8.9%	350,909,815	9.9%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>

ORIGINATOR				
	Number of accounts	%	£	%
Coventry Building Society	35,086	100.0%	3,555,288,876	100.0%
<b>Total</b>	<b>35,086</b>	<b>100.0%</b>	<b>3,555,288,876</b>	<b>100.0%</b>

SVR HISTORY		
	Standard Variable Rate	Privilege Rate *
Current rate	4.74%	4.49%
Previous rate	4.99%	4.79%
Date of last change	01/02/2009	01/02/2009

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



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NOTES OUTSTANDING		
Series	1	2
Tranche	1	1
ISIN	XS0378817240	XS0400750542
Currency	GBP	GBP
Nominal Amount Issued	1,500,000,000	500,000,000
Issue Date	22/07/2008	20/11/2008
Final Maturity	24/07/2013	24/11/2013
Extended Due Date	24/07/2014	24/11/2014
Interest Basis	1m GBP LIBOR	1m GBP LIBOR
Interest Margin	0.50%	0.50%
Interest Payment Frequency	Monthly	Monthly
Next Interest Payment Date	Thu 24/03/2011	Thu 24/03/2011