

Coventry Building Society Covered Bonds

Investor Report

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Reporting Information

Reporting Date	30/11/2011
Reporting Period	01/10/2011 to 31/10/2011

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

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Coventry Building Society Covered Bonds

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Mortgage Assets

All values are in pounds sterling unless otherwise stated

Assets

	Prior Period	Current Period
Number of mortgage accounts in Pool	38,381	37,664
True Balance of mortgage accounts in Pool	£4,113,186,814	£4,036,661,565
Cash and other Substitution Assets	£70,314,432	£82,694,287

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	£59,549,674	£72,058,993

Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.56%	3.55%

Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	37,553	99.7%	4,025,908,266	99.7%	-
>=1 and <2	103	0.3%	9,798,788	0.2%	63,564
>=2 and <3	8	0.0%	954,511	0.0%	14,059
>=3 and <6	-	-	-	-	-
>=6 and <9	-	-	-	-	-
>=9 and <12	-	-	-	-	-
>=12	-	-	-	-	-
Totals	37,664	100.0%	4,036,661,565	100.0%	77,623

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	38,381	4,113,186,814
Loans added to pool	-	-
Loans repurchased from pool	(717)	(18,881,728)
Principal receipts	-	(60,015,701)
Other movements	-	2,372,180
Closing totals	37,664	4,036,661,565

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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	30.5	17.4	107,176	135,741	99,609	55.7%	55.1%	699
Min	3.1	0.0	0	0	0	0.0%	0.0%	0
Max	81.9	34.9	983,355	983,355	858,821	94.9%	93.2%	5,640

Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.49%	1.27%	16.29%
Previous PPR - Total	1.18%	1.39%	18.04%

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	1.17%	0.98%	12.43%
Previous CPPR - Total	0.81%	1.07%	13.62%

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

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Mortgage Portfolio Breakdown

Geographical Distribution

Regions	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
East Anglia	150,881,735	3.7%	1,593	4.2%
East Midlands	321,001,341	8.0%	3,676	9.8%
London	579,478,401	14.4%	3,290	8.7%
North	147,961,395	3.7%	1,930	5.1%
North West	323,306,430	8.0%	3,501	9.3%
Outer Metropolitan	634,276,449	15.7%	4,279	11.4%
Outer South East	499,491,266	12.4%	4,156	11.0%
South West	384,232,495	9.5%	3,660	9.7%
Wales	125,442,039	3.1%	1,458	3.9%
West Midlands	586,368,184	14.5%	6,782	18.0%
Yorkshire and Humberside	284,221,829	7.0%	3,339	8.9%
Totals	4,036,661,565	100.0%	37,664	100.0%

Non-Indexed Loan to Value ratios

Range of LTV ratios at origination	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
<25%	320,027,928	7.9%	8,732	23.2%
>=25% and <50%	1,085,666,469	26.9%	11,282	30.0%
>=50% and <55%	313,053,081	7.8%	2,395	6.4%
>=55% and <60%	343,297,736	8.5%	2,516	6.7%
>=60% and <65%	378,725,258	9.4%	2,583	6.9%
>=65% and <70%	412,457,407	10.2%	2,711	7.2%
>=70% and <75%	678,114,001	16.8%	4,214	11.2%
>=75% and <80%	338,440,523	8.4%	2,080	5.5%
>=80% and <85%	129,580,168	3.2%	895	2.4%
>=85% and <90%	31,609,486	0.8%	225	0.6%
>=90% and <95%	5,689,508	0.1%	31	0.1%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
Totals	4,036,661,565	100.0%	37,664	100.0%

Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
<25%	327,637,370	8.1%	8,707	23.1%
>=25% and <50%	1,099,302,916	27.2%	11,284	30.0%
>=50% and <55%	315,340,401	7.8%	2,437	6.5%
>=55% and <60%	347,684,707	8.6%	2,513	6.7%
>=60% and <65%	369,707,533	9.2%	2,502	6.6%
>=65% and <70%	462,796,267	11.5%	2,971	7.9%
>=70% and <75%	702,634,317	17.4%	4,404	11.7%
>=75% and <80%	384,943,456	9.5%	2,670	7.1%
>=80% and <85%	26,232,546	0.6%	173	0.5%
>=85% and <90%	180,678	0.0%	2	0.0%
>=90% and <95%	201,374	0.0%	1	0.0%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
Totals	4,036,661,565	100.0%	37,664	100.0%

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	260,415,771	6.5%	9,370	24.9%
>=£50,000 and <£100,000	886,394,246	22.0%	11,864	31.5%
>=£100,000 and <£150,000	1,002,139,035	24.8%	8,220	21.8%
>=£150,000 and <£200,000	715,951,535	17.7%	4,169	11.1%
>=£200,000 and <£250,000	417,464,259	10.3%	1,879	5.0%
>=£250,000 and <£300,000	261,589,553	6.5%	961	2.6%
>=£300,000 and <£400,000	252,619,538	6.3%	740	2.0%
>=£400,000 and <£500,000	116,046,970	2.9%	261	0.7%
>=£500,000 and <£750,000	101,175,203	2.5%	173	0.5%
>=£750,000 and <£1,000,000	22,865,454	0.6%	27	0.1%
>=£1,000,000	-	-	-	-
Totals	4,036,661,565	100.0%	37,664	100.0%

Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
>1 and <6	223,298,043	5.5%	1,872	5.0%
>=6 and <12	667,758,613	16.5%	5,489	14.6%
>=12 and <18	694,969,830	17.2%	5,603	14.9%
>=18 and <24	495,809,507	12.3%	4,290	11.4%
>=24 and <30	387,254,054	9.6%	3,535	9.4%
>=30 and <36	204,929,185	5.1%	1,882	5.0%
>=36 and <42	120,667,233	3.0%	1,469	3.9%
>=42 and <48	243,606,768	6.0%	2,573	6.8%
>=48 and <54	269,087,200	6.7%	2,811	7.5%
>=54 and <60	175,819,524	4.4%	1,839	4.9%
>=60 and <66	178,931,234	4.4%	1,868	5.0%
>=66 and <72	158,900,170	3.9%	1,779	4.7%
>=72	215,630,202	5.3%	2,654	7.0%
Totals	4,036,661,565	100.0%	37,664	100.0%

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Mortgage Portfolio Breakdown

Years to maturity of loans

Years to maturity	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
<5	123,964,563	3.1%	2,755	7.3%
>=5 and <10	466,999,045	11.6%	6,485	17.2%
>=10 and <15	788,742,972	19.5%	8,229	21.8%
>=15 and <20	1,241,280,425	30.8%	10,321	27.4%
>=20 and <25	1,123,948,726	27.8%	7,766	20.6%
>=25 and <30	223,643,236	5.5%	1,591	4.2%
>=30 and <35	68,082,599	1.7%	517	1.4%
>=35	-	-	-	-
Totals	4,036,661,565	100.0%	37,664	100.0%

Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total
Fixed rate	2,016,717,508	50.0%	20,312	47.7%
Capped	245,343,333	6.1%	2,142	5.0%
Variable	1,774,600,724	44.0%	20,112	47.2%
Totals	4,036,661,565	100.0%	42,566	100.0%

Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
Repayment	2,792,949,311	69.2%	28,039	74.4%
Interest Only	858,154,465	21.3%	6,322	16.8%
Combination (Interest Only and Repayment)	385,557,789	9.6%	3,303	8.8%
Totals	4,036,661,565	100.0%	37,664	100.0%

Originator

	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
Coventry Building Society	4,036,661,565	100.0%	37,664	100.0%
Totals	4,036,661,565	100.0%	37,664	100.0%

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	1,425,121,404	661,215,356	830,225,005	1,082,839,055	26,306,071	201,374	-	4,025,908,266
>=1 and <3 Months in Arrears	1,818,882	1,809,753	2,278,794	4,738,718	107,153	-	-	10,753,299
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-
Totals	1,426,940,286	663,025,108	832,503,800	1,087,577,773	26,413,224	201,374	-	4,036,661,565

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	53,230,836	26,150,847	32,157,717	39,075,473	266,863	-	-	150,881,735
East Midlands	104,409,161	54,845,747	65,638,794	95,234,119	873,520	-	-	321,001,341
London	205,576,952	85,147,879	120,687,366	160,132,170	7,934,034	-	-	579,478,401
North	49,432,712	23,784,156	31,024,218	42,568,938	1,151,371	-	-	147,961,395
North West	94,548,940	50,838,457	61,382,700	104,997,221	11,539,112	-	-	323,306,430
Outer Metropolitan	235,877,213	105,500,015	140,287,335	151,711,045	900,841	-	-	634,276,449
Outer South East	179,395,730	83,626,864	97,218,126	139,111,321	139,227	-	-	499,491,266
South West	152,739,668	65,675,453	73,602,451	91,572,445	642,478	-	-	384,232,495
Wales	43,700,590	18,783,638	26,186,311	36,604,480	167,021	-	-	125,442,039
West Midlands	215,841,871	100,669,897	125,362,096	143,419,139	873,807	201,374	-	586,368,184
Yorkshire and Humberside	92,186,613	48,002,155	58,956,688	83,151,423	1,924,950	-	-	284,221,829
Totals	1,426,940,286	663,025,108	832,503,800	1,087,577,773	26,413,224	201,374	-	4,036,661,565

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	926,511,142	445,729,728	592,047,932	805,360,092	23,099,043	201,374	-	2,792,949,311
Interest Only	332,625,982	142,141,680	172,924,202	210,111,813	350,788	-	-	858,154,465
Combination (Interest Only and Repayment)	167,803,163	75,153,700	67,531,665	72,105,869	2,963,393	-	-	385,557,789
Total	1,426,940,286	663,025,108	832,503,800	1,087,577,773	26,413,224	201,374	-	4,036,661,565

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	629,966,044	322,112,291	414,434,097	630,390,236	19,814,840	-	-	2,016,717,508
Capped	96,416,684	58,695,374	57,067,305	33,039,236	124,733	-	-	245,343,333
Variable	700,557,558	282,217,443	361,002,397	424,148,301	6,473,651	201,374	-	1,774,600,724
Totals	1,426,940,286	663,025,108	832,503,800	1,087,577,773	26,413,224	201,374	-	4,036,661,565

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	150,665,004	319,503,099	578,771,264	147,688,687	321,634,217	632,850,601	497,320,587	383,918,246	125,183,790	584,554,415	283,818,355	4,025,908,266
>=1 and <3 Months in Arrears	216,731	1,498,242	707,137	272,708	1,672,213	1,425,848	2,170,679	314,249	258,249	1,813,769	403,475	10,753,299
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
Total	150,881,735	321,001,341	579,478,401	147,961,395	323,306,430	634,276,449	499,491,266	384,232,495	125,442,039	586,368,184	284,221,829	4,036,661,565

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	11,779,289	29,505,379	8,772,090	20,981,579	27,962,005	15,556,842	21,855,371	23,334,320	12,827,589	58,221,645	29,619,664	260,415,771
>=£50,000 and <£100,000	41,039,416	101,599,155	38,633,370	47,523,960	95,023,594	70,230,666	83,272,084	84,409,683	39,529,039	192,095,283	93,037,996	886,394,246
>=£100,000 and <£150,000	44,363,840	98,083,422	86,048,798	37,916,861	81,793,435	129,348,225	134,448,404	117,929,210	36,093,844	158,318,408	77,794,588	1,002,139,035
>=£150,000 and <£200,000	25,101,143	47,969,719	119,733,039	21,013,209	50,926,049	137,281,631	103,452,545	71,594,180	18,616,163	81,067,083	39,196,776	715,951,535
>=£200,000 and <£250,000	14,911,245	18,318,606	92,441,395	8,864,489	26,176,854	95,767,014	57,807,655	34,277,664	9,432,911	38,404,360	21,062,065	417,464,259
>=£250,000 and <£300,000	4,900,304	11,461,072	78,636,880	4,821,476	17,329,818	52,088,210	33,411,064	21,101,192	5,123,313	23,517,003	9,199,220	261,589,553
>=£300,000 and <£400,000	5,081,979	9,271,281	76,169,953	4,008,296	11,701,585	67,051,555	29,358,576	17,339,742	2,831,104	21,732,082	8,073,385	252,619,538
>=£400,000 and <£500,000	1,332,705	3,111,066	33,552,336	1,704,978	5,241,319	31,161,368	19,534,711	8,968,837	461,573	9,214,618	1,763,460	116,046,970
>=£500,000 and <£750,000	2,371,814	1,681,641	35,150,282	1,126,548	6,345,466	29,097,123	13,848,816	4,476,787	526,503	2,938,881	3,611,342	101,175,203
>=£750,000 and <£1,000,000	-	-	10,340,259	-	806,307	6,693,815	2,502,040	800,880	-	858,821	863,333	22,865,454
>=£1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total	150,881,735	321,001,341	579,478,401	147,961,395	323,306,430	634,276,449	499,491,266	384,232,495	125,442,039	586,368,184	284,221,829	4,036,661,565

Average Mortgage size	94,715	87,324	176,133	76,664	92,347	148,230	120,186	104,982	86,037	86,459	85,122
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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	108,638,292	235,255,297	379,069,694	105,159,223	230,111,894	418,549,493	340,423,319	244,884,169	84,380,603	434,960,806	211,516,522	2,792,949,311
Interest Only	26,688,571	50,297,013	156,670,685	28,385,690	65,903,599	148,268,362	108,868,227	99,384,855	30,914,458	96,183,631	46,589,374	858,154,465
Combination (Interest Only and Repayment)	15,554,872	35,449,031	43,738,023	14,416,482	27,290,937	67,458,594	50,199,720	39,963,471	10,146,978	55,223,747	26,115,934	385,557,789
Total	150,881,735	321,001,341	579,478,401	147,961,395	323,306,430	634,276,449	499,491,266	384,232,495	125,442,039	586,368,184	284,221,829	4,036,661,565

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	75,109,667	153,713,907	313,750,751	73,151,136	160,595,179	340,120,419	256,225,326	192,434,272	64,415,303	242,921,552	144,279,998	2,016,717,508
Capped	8,833,027	17,528,712	43,969,705	6,817,717	23,464,987	40,803,224	26,963,564	22,426,982	5,261,971	33,005,185	16,268,257	245,343,333
Variable	66,939,041	149,758,722	221,757,945	67,992,542	139,246,264	253,352,806	216,302,376	169,371,241	55,764,765	310,441,447	123,673,574	1,774,600,724
Total	150,881,735	321,001,341	579,478,401	147,961,395	323,306,430	634,276,449	499,491,266	384,232,495	125,442,039	586,368,184	284,221,829	4,036,661,565

Coventry Building Society Covered Bonds

Investor Report

Key Events & Parties

Summary of Tests & Triggers

Event	Summary	Trigger	Base Prospectus	Breached	Consequence if Trigger Breached
Issuer Event of Default	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
Servicer Trigger (1)	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
Servicer Trigger (2)	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
Asset Coverage Test	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
Interest Shortfall Test	Failure of Interest Shortfall Test	Forecast revenue insufficient to fund payments	N/A	No	Consider a cash capital contribution
Swap Counterparty Rating Trigger (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
Coventry Building Society	NR / A3 / A	NR / P-2 / F1	Issuer, Servicer, Cash Manager and Interest Rate (Asset) Swap Provider
Coventry Building Society Covered Bonds LLP	N/A	N/A	LLP
HSBC Bank plc	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
HSBC Corporate Trustee Company (UK) Ltd	N/A	N/A	Bond Trustee and Security Trustee
Ernst & Young LLP	N/A	N/A	Asset Monitor
Structured Finance Management Ltd	N/A	N/A	Corporate Services Provider

Coventry Building Society Covered Bonds

Investor Report

Asset Coverage Test

Asset Coverage Test			
Calculation Date	18/11/2011	19/10/2011	
Aggregate Adjusted Loan Amount	= A+B+C+D-(X+Y+Z)		
Description	Value	Value	
True Balance	4,036,661,565	4,113,186,814	
Adjusted Indexed Valuation	9,255,209,998	9,433,159,469	
Asset Percentage	78.7%	78.7%	
True Balance of loans < 3 months in arrears	4,036,661,565	4,113,186,814	
True Balance of loans > 3 months in arrears =< 75% LTV	-	-	
True Balance of loans > 3 months in arrears > 75% LTV	-	-	
Principal Outstanding on Bonds	2,770,050,000	2,200,000,000	
Average Remaining Maturity of Bonds (Weighted Average Years)	3.3	3.5	
Negative Carry Factor (Weighted Average)	1.57%	1.29%	
A = Lower of (i) and (ii) multiplied by Asset Percentage :			
(i) Adjustment on True Balance			
Adjusted True Balance			
made up by:	M		
Loans < 3 months in arrears	0.75	4,005,486,546	4,086,214,387
Loans in arrears =< 75% LTV	0.4	-	-
Loans in arrears > 75% LTV	0.25	-	-
Adjusted True Balance		4,005,486,546	4,086,214,387
(ii) Arrears Adjustment on True Balance			
Arrears Adjusted True Balance			
made up by:	N		
Loans < 3 months in arrears	1	4,019,074,676	4,101,138,886
Loans in arrears =< 75% LTV	0.4	-	-
Loans in arrears > 75% LTV	0.25	-	-
sub total		4,019,074,676	4,101,138,886
Asset Percentage			
Contractual (maximum)		90.0%	90.0%
Moody's Required		78.7%	78.7%
Fitch Required		82.1%	82.1%
Current Asset Percentage (% used)		78.7%	78.7%
Arrears Adjusted True Balance		3,163,011,770	3,227,596,303

Asset Coverage Test (continued)			
	18/11/2011	19/10/2011	
A: Arrears Adjusted True Balance	3,163,011,770	3,227,596,303	
B: Retained Principal Receipts	40,015,701	8,429,677	
C: Retained Cash Contributions	-	-	
D: Substitution Assets¹	20,000,000	40,000,000	
X: Savings set off balance	(111,439,112)	(111,590,579)	
Y : Flexible draw deduction	-	-	
Z: Negative carry adjustment	(167,961,437)	(124,996,315)	
Adjusted Aggregate Loan Amount	2,943,626,922	3,039,439,086	
Aggregate Principal Amount Outstanding of Covered Bonds	2,770,050,000	2,200,000,000	
Test Result	PASS	PASS	
Surplus Result	173,576,922	839,439,086	
Loan Amount to Covered Bond ratio percentage	94.10%	72.38%	

Credit Enhancement and Liquidity Support			
	30/10/2011	31/09/2011	
Reserve funds	9,269,065	9,119,770	
Retained principal and revenue reserve	73,425,222	61,194,662	
Overcollateralisation	1,266,611,565	1,913,186,814	
- Required by ACT	1,093,034,643	1,073,747,728	
- Surplus over ACT	173,576,922	839,439,086	

¹Substitution Assets comprise short term cash deposits

Coventry Building Society Covered Bonds

Investor Report

Principal & Revenue Receipts and Ledgers

Principal & Revenue Receipts

Revenue Receipts		(£)
Calculation Date :	18/11/2011	
Has an LLP notice to pay been issued ?	NO	
Balance b/f		12,764,985
Interest Received on mortgages	Period 01/10/2011 to 31/10/2011	12,043,292
Interest Received on GIC Account	Period 01/10/2011 to 31/10/2011	4,207
Interest Received on Substitution Assets	Period 01/10/2011 to 31/10/2011	-
Interest Received on Authorised Investments	Period 01/10/2011 to 31/10/2011	32,157
Interest Rate Swap	Period 24/09/2011 to 24/08/2011	(6,699,778)
Interest on Covered Bond Swap	Period 19/09/2011 to 18/10/2011	(1,581,288)
Interest on Term Advance	Period 26/09/2011 to 23/10/2011	(1,316,864)
Excess Funds on Reserve Fund		-
Transfer to Reserve Fund		(149,295)
Any other receipts not covered above	Period 01/09/2011 to 30/09/2011	329,866
Payments made (incl repatriation to CBS)	Period 01/09/2011 to 30/09/2011	(2,017,760)
If LLP notice to pay issued		
Amount of Reserve Fund		-
Less :		
Amounts paid to third parties		-
Available Revenue as at month end		13,409,522

Principal Receipts		(£)
Calculation Date :	18/11/2011	
Principal receipts b/f		48,429,677
Utilisation of Principal Receipts	Period 01/10/2011 to 31/10/2011	(48,429,677)
Scheduled Principal Receipts	Period 01/10/2011 to 31/10/2011	12,647,455
Unscheduled Principal Receipts	Period 01/10/2011 to 31/10/2011	47,368,245
Proceeds from term loans		-
Less Mortgages Purchased		
Unutilised Proceeds		-
Cash Capital Contributions		-
Proceeds from Mortgage Sales		-
Capital receivables under Covered Bond Swap		-
Available Principal Receipts as at month end		60,015,701

Ledgers

	Month End 30/10/2011	Month End 31/09/2011
Principal Ledger	(£)	
Balance b/f on Principal Ledger	48,429,677	47,169,915
Utilisation of Principal Receipts	(48,429,677)	(47,169,915)
Principal repayments under mortgages	60,015,701	48,429,677
Balance c/f on Principal Ledger	60,015,701	48,429,677

	(£)	
Revenue Ledger		
Balance b/f on Revenue Ledger	12,764,985	10,720,216
Interest Receipts on Mortgages	12,043,292	11,119,997
Interest due on bank accounts	4,207	2,935
Other payments/(receipts)	(4,703,184)	(2,730,991)
Payments due under Interest Rate Swap	(6,699,778)	(6,347,172)
Balance c/f on Revenue Ledger	13,409,522	12,764,985

	(£)	
Reserve Ledger		
Balance b/f on Reserve Ledger	9,119,770	8,995,253
Transfers to/from GIC	149,295	124,518
Balance c/f on Reserve Ledger	9,269,065	9,119,770
Reserve Fund Required Amount	9,269,065	9,119,770

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

Total cash holding month end	82,694,287	70,314,432
Bond value	2,770,050,000	2,200,000,000
Percentage Cash Holding	3.0%	3.2%

Summary Balance Sheet and Ledgers		(£)	
Revenue Ledger	13,409,522	12,764,985	
Principal Ledger	40,015,701	8,429,677	
Reserve Ledger	9,269,065	9,119,770	
Transaction Account	-	-	
Substitution Assets ¹	20,000,000	40,000,000	
Authorised Investments	-	-	
Loan Balance	4,036,661,565	4,113,186,814	
Total Assets	4,119,355,852	4,183,501,246	
Intercompany Loan ²	2,770,050,000	2,200,000,000	
Capital Account	1,349,305,852	1,983,501,246	
Total Liabilities	4,119,355,852	4,183,501,246	

¹Substitution Assets comprise short term cash deposits

²Where 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	Issue Date	22/07/2008	20/11/2008	19/04/2011	24/10/2011
	Original rating (Moody's / S&P / Fitch)	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
	Current rating (Moody's / S&P / Fitch)	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
	Currency	GBP	GBP	GBP	EUR
	Issue size	1,500,000,000	500,000,000	750,000,000	650,000,000
	Relevant Swap Rate	1.000	1.000	1.000	0.877
	GBP Equivalent	1,500,000,000	500,000,000	750,000,000	570,050,000
	Current Period Balance	950,000,000	500,000,000	750,000,000	650,000,000
	Previous Period Balance	950,000,000	500,000,000	750,000,000	650,000,000
	Current Period Pool Factor	1	1	1	1
	Previous Period Pool Factor	1	1	1	1
	Expected maturity date	24/07/2013	24/11/2013	19/04/2018	24/10/2014
	Legal final maturity date	24/07/2013	24/11/2013	19/04/2018	24/10/2014
	Extended Due for Payment Date	24/07/2014	24/11/2014	19/04/2019	24/10/2015
	ISIN	XS0378817240	XS0400750542	XS0618833635	XS0696058857
Stock exchange listing	LSE	LSE	LSE	LSE	
Interest Payments ¹ 01/10/2011 - 31/10/2011	Interest Payment Frequency	Monthly	Monthly	Annual	Annual
	Accrual Start Date	26/09/2011	26/09/2011	19/04/2011	24/10/2011
	Accrual End Date	24/10/2011	24/10/2011	19/04/2012	24/10/2012
	Accrual Day Count	28	28	366	366
	Coupon Reference Rate	0.684%	0.684%	N/A	N/A
	Relevant Margin	0.500%	0.500%	4.625%	2.875%
	Current Period Coupon Reference Rate	1m GBP LIBOR	1m GBP LIBOR	Fixed	Fixed
	Current Period Coupon	1.184%	1.184%	4.625%	2.875%
	Current Period Coupon Amount¹	862,773	454,091	-	-
	Current Interest Shortfall	-	-	-	-
	Cumulative Interest Shortfall	-	-	-	-
Next Interest Payment Date	24/11/2011	24/11/2011	19/04/2012	24/10/2012	
Principal Payments ¹ 01/10/2011 - 31/10/2011	Bond Structure	Soft bullet	Soft bullet	Soft bullet	Soft bullet
	Current Period Scheduled Principal Payment	-	-	-	-
	Actual Principal Paid	-	-	-	-
	Principal Shortfall	-	-	-	-
	Cumulative Principal Shortfall	-	-	-	-
Expected Principal Payment Date	24/07/2013	24/11/2013	19/04/2018	24/10/2014	

¹Payments made during the Reporting Period

Coventry Building Society Covered Bonds

Investor Report

Swaps

Swaps¹

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 (£)
	Interest Rate (Asset) Swap										
Series 1-4	19/04/2018	GBP	4,147,031,123	Coventry Building Society	1m LIBOR	0.70%	1.3839%	Basket of rates	N/A	3.49%	(6,699,778)
	Covered Bond (Liability) Swap										
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.6250%	1m LIBOR	1.63%	2.33%	(1,581,288)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.8750%	1m LIBOR	2.27%	N/A	Nil

¹Data 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 (£)
	Short-term	Long-term	Short-term	Long-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

²The 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

Adjusted True Balance	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.
Arrears Adjusted True Balance	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).
Arrears Balance	The Arrears Balance is calculated after allowing a grace period for clearance through payment systems. 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.
Asset Percentage	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.
Constant Default Rates (CDR)	Constant Default Rate is calculated from the balance of loans entering into default in the month.
Constant Prepayment Rates (CPPR)	The Constant Prepayment Rate is calculated from the total Unscheduled Principal Receipts. This is consistent with the ESF definition for Constant Prepayment Rates.
Default	For the purposes of this report a loan is identified as being in default where the Months in Arrears is six or more.
Geographical Distribution	This uses the regions in the HPI Regional Series published by Nationwide Building Society. The definition of those regions is available at http://www.nationwide.co.uk/hpi/regions.htm . This definition differs from the standard NUTS 2 regions used in other reporting.
Income Verification Requested	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.
Indexed	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.
Interest Payments	Payments received in a reporting period are applied first to interest and then to principal.
Months in Arrears	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.
Mortgage Account	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.
Mortgage Collections	The aggregate amount of scheduled and unscheduled principal, and interest collected during the reporting period.
Negative carry adjustment	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).
Principal Payment Rates (PPR)	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.
Principal Receipts	Payments received in a reporting period are applied first to interest and then to principal.
Product Groups	Product groups are reported at an individual loan level (please refer to the definition of 'Mortgage Account' above).
Reserve Fund Required Amount	The value disclosed at the month end is equal to the value calculated at the calculation date immediately proceeding the month end.
Savings Set Off Balance	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
Scheduled Principal Receipts	The element of Principal Receipts that are included in the contractual payment for a Borrower who has a Repayment or Combination mortgage
True Balance	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
Unscheduled Principal Receipts	The element of Principal Receipts that are not Scheduled Principal Receipts
Variable Rates	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

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