

# Coventry Building Society Covered Bonds

## Investor Report

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### Reporting Information

Reporting Date			31/01/2013
Reporting Period	01/12/2012	to	31/12/2012

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### IMPORTANT:

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### 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



# 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	41,680	41,762
Number of loans in Pool	48,609	48,653
True Balance of mortgage accounts in Pool	£4,395,353,848	£4,397,169,969
Cash and other Substitution Assets	£90,891,253	£86,600,202

### 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
% Buy to Let	0.0

### Collections

	Prior Period	Current Period
Mortgage Collections	£74,488,233	£70,129,837

### Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.50%	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	41,546	99.5%	4,376,522,169	99.5%	-
>0 and <1	87	0.2%	8,321,160	0.2%	26,163
>=1 and <2	105	0.3%	10,130,352	0.2%	85,960
>=2 and <3	24	0.1%	2,196,288	0.0%	31,975
>=3 and <6	-	-	-	-	-
>=6 and <12	-	-	-	-	-
>=12	-	-	-	-	-
<b>Totals</b>	<b>41,762</b>	<b>100.0%</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>144,098</b>

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

### Arrears capitalised in the period

	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Capitalised arrears	4	0.01%	466,959	0.01%	907

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

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

### Reconciliation of movements

	Number of loans	Balance (£)
Opening totals	41,680	4,395,353,848
Loans added to pool	745	95,822,231
Loans repurchased from pool	(336)	(36,835,568)
of which are non-performing loans	(19)	(1,707,962)
of which have breached R&Ws	(160)	(15,269,534)
Redemptions	(327)	(38,737,688)
Principal receipts		(18,452,826)
Other movements		19,972
Closing totals	41,762	4,397,169,969

### Analysis of accounts with associated savings balances

	Number of loans	Balance (£)	Savings (£)
Loans with Offset arrangement	4,974	464,441,120	27,525,011
Other loans	43,679	3,932,728,848	14,881,265
Totals	48,653	4,397,169,969	42,406,276

The savings balance shows the maximum of the savings and current loan balance

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Summary Statistics

	Seasoning (months)	Remaining term (months)	Loan Size (£)			Non-indexed LTV (%)	Indexed LTV (%)	Arrears Balance (£)
			Whole Pool	Interest only	Repayment			
Weighted Average	37.9	204.0	105,291	130,908	98,613	54.8%	54.9%	667
Min	3.8	0.0	0	0	0	0.0%	0.0%	0
Max	95.9	420.6	999,356	999,356	934,664	98.0%	89.7%	7,002

### Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.30%	1.73%	22.79%
Previous PPR - Total	1.42%	1.70%	22.47%

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	0.98%	1.37%	17.80%
Previous CPPR - Total	1.05%	1.37%	17.68%

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	174,231,884	4.0%	1,839	4.4%
East Midlands	348,722,137	7.9%	4,062	9.7%
London	626,890,725	14.3%	3,632	8.7%
North	150,674,763	3.4%	2,048	4.9%
North West	338,859,552	7.7%	3,814	9.1%
Outer Metropolitan	700,537,040	15.9%	4,784	11.5%
Outer South East	547,811,766	12.5%	4,706	11.3%
South West	429,702,103	9.8%	4,170	10.0%
Wales	134,373,557	3.1%	1,602	3.8%
West Midlands	637,453,207	14.5%	7,403	17.7%
Yorkshire and Humberside	307,913,235	7.0%	3,702	8.9%
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</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 accounts
<25%	368,104,918	8.4%	9,873	23.6%
>=25% and <50%	1,249,261,252	28.4%	13,118	31.4%
>=50% and <55%	358,204,625	8.1%	2,755	6.6%
>=55% and <60%	376,898,385	8.6%	2,786	6.7%
>=60% and <65%	431,336,932	9.8%	2,902	6.9%
>=65% and <70%	449,152,839	10.2%	3,069	7.3%
>=70% and <75%	553,468,884	12.6%	3,472	8.3%
>=75% and <80%	473,267,609	10.8%	2,876	6.9%
>=80% and <85%	93,323,447	2.1%	646	1.5%
>=85% and <90%	32,799,840	0.7%	201	0.5%
>=90% and <95%	7,982,810	0.2%	45	0.1%
>=95% and <100%	3,368,426	0.1%	19	0.0%
>=100%	-	-	-	-
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</b>	<b>100.0%</b>

### Outstanding True Balances

Range of outstanding balances (£)	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<5,000	1,199,015	0.0%	500	1.2%
>=5,000 and <10,000	4,950,727	0.1%	655	1.6%
>=10,000 and <25,000	54,633,755	1.2%	3,035	7.3%
>=25,000 and <50,000	246,918,362	5.6%	6,553	15.7%
>=50,000 and <75,000	431,981,121	9.8%	6,933	16.6%
>=75,000 and <100,000	566,286,601	12.9%	6,485	15.5%
>=100,000 and <150,000	1,073,229,909	24.4%	8,800	21.1%
>=150,000 and <200,000	773,085,474	17.6%	4,503	10.8%
>=200,000 and <250,000	432,980,143	9.8%	1,951	4.7%
>=250,000 and <300,000	282,808,821	6.4%	1,041	2.5%
>=300,000 and <350,000	161,450,336	3.7%	502	1.2%
>=350,000 and <400,000	116,302,058	2.6%	313	0.7%
>=400,000 and <450,000	70,565,250	1.6%	167	0.4%
>=450,000 and <500,000	66,620,269	1.5%	141	0.3%
>=500,000 and <600,000	51,801,326	1.2%	96	0.2%
>=600,000 and <700,000	31,483,383	0.7%	49	0.1%
>=700,000 and <800,000	14,116,463	0.3%	19	0.0%
>=800,000 and <900,000	9,173,100	0.2%	11	0.0%
>=900,000 and <1,000,000	7,583,857	0.2%	8	0.0%
>=1,000,000	-	-	-	-
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</b>	<b>100.0%</b>

### Employment status

Employment status	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Employed	3,445,353,644	78.4%	33,189	79.5%
Self-employed	814,409,204	18.5%	6,159	14.7%
Unemployed	7,732,871	0.2%	107	0.3%
Retired	111,779,942	2.5%	2,116	5.1%
Guarantor	-	-	-	-
Other	17,894,307	0.4%	191	0.5%
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</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%	362,698,748	8.2%	9,668	23.2%
>=25% and <50%	1,239,727,796	28.2%	12,909	30.9%
>=50% and <55%	350,668,216	8.0%	2,756	6.6%
>=55% and <60%	371,001,418	8.4%	2,734	6.5%
>=60% and <65%	414,654,361	9.4%	2,795	6.7%
>=65% and <70%	471,582,285	10.7%	3,104	7.4%
>=70% and <75%	585,695,322	13.3%	3,849	9.2%
>=75% and <80%	546,763,519	12.4%	3,550	8.5%
>=80% and <85%	53,813,949	1.2%	393	0.9%
>=85% and <90%	564,355	0.0%	4	0.0%
>=90% and <95%	-	-	-	-
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</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
<12	615,659,957	14.0%	4,918	11.8%
>=12 and <24	968,123,734	22.0%	8,360	20.0%
>=24 and <36	909,842,148	20.7%	7,974	19.1%
>=36 and <48	605,924,838	13.8%	5,764	13.8%
>=48 and <60	333,517,527	7.6%	3,958	9.5%
>=60 and <72	362,452,185	8.2%	4,019	9.6%
>=72 and <84	344,225,645	7.8%	3,673	8.8%
>=84 and <96	257,423,935	5.9%	3,096	7.4%
>=96 and <108	-	-	-	-
>=108 and <120	-	-	-	-
>=120 and <150	-	-	-	-
>=150 and <180	-	-	-	-
>=180	-	-	-	-
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Product Rate Type and Reversionary Profiles

Range of outstanding balances (£)	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts	Weighted Average Current Rate	Remaining product incentive period (months)	Weighted Average Current margin	Weighted Average Reversionary margin	Weighted Average Initial rate
Fixed at origination, reverting to Administered	2,351,558,276	53.5%	23,755	48.8%	4.16%	22.3	4.10%	4.21%	4.14%
Fixed at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Fixed at origination, reverting to Tracker	281,872,424	6.4%	3,411	7.0%	1.29%	0.1	0.79%	0.79%	5.31%
Fixed for life	2,734	0.0%	59	0.1%	0.00%	-	0.00%	0.00%	0.00%
Tracker at origination, reverting to Administered	422,240,437	9.6%	3,863	7.9%	3.13%	7.6	2.63%	4.13%	3.03%
Tracker at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Tracker for life	284,260,375	6.5%	3,445	7.1%	1.30%	0.0	0.80%	0.80%	4.62%
Administered, including discount to Administered LIBOR	1,057,235,722	24.0%	14,120	29.0%	3.36%	0.1	2.84%	2.85%	3.95%
	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>48,653</b>	<b>100.0%</b>	<b>3.50%</b>	<b>12.7</b>	<b>3.23%</b>	<b>3.44%</b>	<b>4.09%</b>

### Months to maturity of loans

Months to maturity	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<30	46,088,089	1.0%	1,203	2.9%
>=30 and <60	129,974,233	3.0%	2,598	6.2%
>=60 and <120	530,795,324	12.1%	7,631	18.3%
>=120 and <180	882,422,452	20.1%	9,333	22.3%
>=180 and <240	1,353,391,914	30.8%	11,074	26.5%
>=240 and <300	1,121,868,291	25.5%	7,675	18.4%
>=300 and <360	239,502,229	5.4%	1,581	3.8%
>=360	93,127,436	2.1%	667	1.6%
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</b>	<b>100.0%</b>

### Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Fixed rate	2,110,313,636	48.0%	20,936	43.0%
Capped	214,089,122	4.9%	1,665	3.4%
Tracker	665,202,191	15.1%	7,615	15.7%
Administered	1,407,565,020	32.0%	18,437	37.9%
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>48,653</b>	<b>100.0%</b>

### Occupancy type

Occupancy type	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Owner-occupied	4,397,089,098	100.0%	48,652	100.0%
Buy-to-let*	80,871	0.0%	1	0.0%
Second home	-	-	-	-
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>48,653</b>	<b>100.0%</b>

\* This is due to a product switch and has since been repurchased.

### Originator

Originator	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,397,169,969	100.0%	48,653	100.0%
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>48,653</b>	<b>100.0%</b>

### Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	2,995,425,361	68.1%	34,752	71.4%
Interest Only	895,381,496	20.4%	8,482	17.4%
Combination (Interest Only and Repayment)	41,921,991	1.0%	445	0.9%
Offset	464,441,120	10.6%	4,974	10.2%
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>48,653</b>	<b>100.0%</b>

### Income verification type

Income verification type	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Income verification requested	4,397,169,969	100.0%	41,762	100.0%
Fast-track	-	-	-	-
Self-certified	-	-	-	-
<b>Totals</b>	<b>4,397,169,969</b>	<b>100.0%</b>	<b>41,762</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	1,597,202,654	716,982,887	881,791,778	1,126,864,345	53,680,505	-	-	4,376,522,169
<1 Month in Arrears	2,920,055	1,939,432	1,511,388	1,804,719	145,566	-	-	8,321,160
>=1 and <3 Months in Arrears	2,303,835	2,747,315	2,933,480	3,789,777	552,233	-	-	12,326,640
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>1,602,426,544</b>	<b>721,669,634</b>	<b>886,236,646</b>	<b>1,132,458,841</b>	<b>54,378,304</b>	-	-	<b>4,397,169,969</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	61,677,179	31,911,484	33,073,194	46,442,632	1,127,395	-	-	174,231,884
East Midlands	123,129,960	55,488,496	67,936,997	98,924,241	3,242,444	-	-	348,722,137
London	237,769,510	105,363,525	141,315,935	140,576,965	1,864,790	-	-	626,890,725
North	54,173,105	22,849,175	29,783,183	42,797,840	1,071,460	-	-	150,674,763
North West	104,773,499	54,661,274	65,198,751	103,331,535	10,894,494	-	-	338,859,552
Outer Metropolitan	259,018,911	111,156,913	140,511,242	185,569,212	4,280,762	-	-	700,537,040
Outer South East	213,768,646	89,068,003	118,203,989	125,096,756	1,674,372	-	-	547,811,766
South West	172,521,496	73,852,982	80,929,578	99,892,563	2,505,485	-	-	429,702,103
Wales	45,986,617	21,106,045	22,695,515	38,290,981	6,294,399	-	-	134,373,557
West Midlands	229,503,181	106,960,326	129,518,782	166,834,889	4,636,030	-	-	637,453,207
Yorkshire and Humberside	100,104,441	49,251,412	57,069,481	84,701,227	16,786,674	-	-	307,913,235
<b>Totals</b>	<b>1,602,426,544</b>	<b>721,669,634</b>	<b>886,236,646</b>	<b>1,132,458,841</b>	<b>54,378,304</b>	-	-	<b>4,397,169,969</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	987,704,041	481,118,735	647,147,721	843,849,827	35,605,037	-	-	2,995,425,361
Interest Only	345,325,093	139,603,890	168,867,414	227,056,981	14,528,119	-	-	895,381,496
Combination (Interest Only and Repayment)	21,165,919	5,442,814	8,472,809	6,299,551	540,898	-	-	41,921,991
Offset	248,231,491	95,504,196	61,748,702	55,252,482	3,704,249	-	-	464,441,120
<b>Total</b>	<b>1,602,426,544</b>	<b>721,669,634</b>	<b>886,236,646</b>	<b>1,132,458,841</b>	<b>54,378,304</b>	-	-	<b>4,397,169,969</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	663,328,178	343,400,794	462,113,448	615,818,447	25,652,770	-	-	2,110,313,636
Capped	69,880,963	53,328,375	52,355,580	38,196,089	328,115	-	-	214,089,122
Variable	869,217,403	324,940,466	371,767,618	478,444,305	28,397,418	-	-	2,072,767,210
<b>Totals</b>	<b>1,602,426,544</b>	<b>721,669,634</b>	<b>886,236,646</b>	<b>1,132,458,841</b>	<b>54,378,304</b>	-	-	<b>4,397,169,969</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears

	% of Total Balance split by Region											Total
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	
Current	173,380,950	346,836,934	624,556,280	150,148,268	337,613,824	697,017,499	545,751,109	428,076,741	133,235,861	633,587,778	306,316,926	4,376,522,169
<1 Month in Arrears	588,190	806,445	433,740	353,381	444,819	1,337,680	1,180,456	1,047,210	197,745	1,705,358	226,136	8,321,160
>=1 and <3 Months in Arrears	262,744	1,078,757	1,900,705	173,115	800,909	2,181,861	880,202	578,152	939,951	2,160,071	1,370,173	12,326,640
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>174,231,884</b>	<b>348,722,137</b>	<b>626,890,725</b>	<b>150,674,763</b>	<b>338,859,552</b>	<b>700,537,040</b>	<b>547,811,766</b>	<b>429,702,103</b>	<b>134,373,557</b>	<b>637,453,207</b>	<b>307,913,235</b>	<b>4,397,169,969</b>

### Outstanding True Balance

Range of outstanding balances (£)	% of Total Balance split by Region											Total
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	
<5,000	53,083	135,091	27,969	90,232	113,998	102,497	138,788	141,528	30,289	199,154	166,388	1,199,015
>=5,000 and <10,000	223,576	609,720	150,403	364,433	533,853	273,182	472,422	567,175	192,129	1,086,385	477,450	4,950,727
>=10,000 and <25,000	2,708,614	6,277,824	1,872,434	4,576,665	5,828,696	3,377,195	4,935,335	5,367,374	2,804,889	10,631,427	6,253,301	54,633,755
>=25,000 and <50,000	10,927,696	27,649,373	8,994,520	18,561,704	27,774,104	15,504,300	21,547,614	22,105,817	12,006,008	53,987,636	27,859,591	246,918,362
>=50,000 and <75,000	19,622,944	50,468,737	16,684,557	26,419,886	46,886,567	30,212,906	40,412,415	38,917,480	19,832,868	94,962,536	47,560,224	431,981,121
>=75,000 and <100,000	27,364,875	60,276,439	28,556,137	23,800,983	56,301,550	51,421,729	61,534,826	59,552,348	24,712,603	117,175,718	55,589,392	566,286,601
>=100,000 and <150,000	52,735,980	103,852,961	97,356,079	39,216,478	84,426,283	141,090,983	144,982,925	125,986,937	36,717,745	168,090,469	78,773,069	1,073,229,909
>=150,000 and <200,000	26,017,379	49,784,728	134,924,270	17,583,638	55,652,032	147,955,550	111,853,293	79,351,419	18,284,893	87,754,487	43,923,785	773,085,474
>=200,000 and <250,000	14,296,127	22,166,700	99,527,006	8,928,323	23,881,750	96,247,869	64,757,903	36,489,276	9,036,925	39,490,234	18,158,029	432,980,143
>=250,000 and <300,000	7,053,034	14,206,204	76,102,602	4,640,273	15,706,028	63,261,513	32,651,459	24,723,833	4,853,464	27,683,458	11,926,954	282,808,821
>=300,000 and <350,000	3,565,910	4,717,782	44,477,312	2,232,955	8,339,022	45,117,685	18,996,990	11,154,496	2,973,367	14,737,658	5,137,159	161,450,336
>=350,000 and <400,000	2,666,341	3,395,643	38,028,227	1,857,129	4,495,444	29,788,333	14,272,052	10,070,931	725,621	7,746,900	3,255,435	116,302,058
>=400,000 and <450,000	833,390	1,268,140	19,999,366	846,611	2,526,949	26,943,508	8,873,500	4,626,095	-	2,998,101	1,649,589	70,565,250
>=450,000 and <500,000	2,366,093	2,834,248	17,341,713	450,742	4,209,879	13,760,870	9,959,658	5,251,318	960,508	6,612,618	2,872,622	66,620,269
>=500,000 and <600,000	1,681,380	1,078,547	17,438,130	1,104,711	2,183,397	15,038,354	7,537,743	2,056,574	526,467	1,111,750	2,044,274	51,801,326
>=600,000 and <700,000	1,280,720	-	12,330,502	-	-	11,549,107	2,525,075	2,538,621	-	628,147	631,211	31,483,383
>=700,000 and <800,000	-	-	6,721,793	-	-	3,709,367	1,558,034	-	715,783	711,059	700,426	14,116,463
>=800,000 and <900,000	834,743	-	2,579,307	-	-	3,310,323	801,735	800,880	-	846,113	-	9,173,100
>=900,000 and <1,000,000	-	-	3,778,398	-	-	1,871,768	-	-	-	999,356	934,335	7,583,857
<b>Total</b>	<b>174,231,884</b>	<b>348,722,137</b>	<b>626,890,725</b>	<b>150,674,763</b>	<b>338,859,552</b>	<b>700,537,040</b>	<b>547,811,766</b>	<b>429,702,103</b>	<b>134,373,557</b>	<b>637,453,207</b>	<b>307,913,235</b>	<b>4,397,169,969</b>

<b>Average Mortgage size</b>	94,743	85,850	172,602	73,572	88,846	146,433	116,407	103,046	83,879	86,107	83,175
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### Repayment Type

	% of Total Balance split by Region											Total
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	
Repayment	125,266,166	250,800,889	399,332,700	103,279,924	236,591,109	472,348,456	365,262,086	273,399,989	87,373,526	460,891,394	220,879,122	2,995,425,361
Interest Only	30,727,896	55,452,961	163,523,572	26,654,485	64,289,806	153,785,487	118,090,625	104,241,613	30,760,502	99,078,343	48,776,206	895,381,496
Combination (Interest Only and Repayment)	2,052,227	3,893,811	3,594,270	1,341,293	2,722,416	6,071,038	5,461,161	4,457,627	339,250	8,997,806	2,991,092	41,921,991
Offset	16,185,595	38,574,476	60,440,184	19,399,062	35,256,222	68,332,058	58,997,894	47,602,873	15,900,278	68,485,664	35,266,814	464,441,120
<b>Total</b>	<b>174,231,884</b>	<b>348,722,137</b>	<b>626,890,725</b>	<b>150,674,763</b>	<b>338,859,552</b>	<b>700,537,040</b>	<b>547,811,766</b>	<b>429,702,103</b>	<b>134,373,557</b>	<b>637,453,207</b>	<b>307,913,235</b>	<b>4,397,169,969</b>

### Interest Payment Type

	% of Total Balance split by Region											Total
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	
Fixed	85,391,937	158,501,542	322,951,730	68,562,844	163,106,117	363,096,806	277,760,655	212,640,955	63,158,360	251,816,940	143,325,750	2,110,313,636
Capped	7,083,891	13,631,399	42,313,325	4,960,437	19,024,933	41,184,916	26,115,801	20,953,756	3,835,394	22,714,188	12,271,084	214,089,122
Variable	81,756,056	176,589,196	261,625,670	77,151,482	156,728,502	296,255,318	243,935,311	196,107,392	67,379,803	362,922,079	152,316,401	2,072,767,210
<b>Total</b>	<b>174,231,884</b>	<b>348,722,137</b>	<b>626,890,725</b>	<b>150,674,763</b>	<b>338,859,552</b>	<b>700,537,040</b>	<b>547,811,766</b>	<b>429,702,103</b>	<b>134,373,557</b>	<b>637,453,207</b>	<b>307,913,235</b>	<b>4,397,169,969</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Key Events & Parties

### Summary of Tests & Triggers

Event	Summary	Trigger	Fitch Rating Trigger	Fitch Current Rating	Moody's Rating Trigger	Moody's Current Rating	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	N/A	N/A	N/A	N/A	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: F2	F-2	F1	P-2	P-2	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	BBB	A	Baa1	A3	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	N/A	N/A	N/A	N/A	No	If not remedied within three calculation dates, triggers Issuer Event of Default
<b>Interest Rate Shortfall Test</b>	Failure of Interest Rate Shortfall Test	Forecast revenue insufficient to fund the next month's payments	N/A	N/A	N/A	N/A	No	Consider a cash capital contribution
<b>Interest Coverage Test</b>	Interest received in next 12 months exceeds interest payable	Amount received is less than amount payable	N/A	N/A	N/A	N/A	No	Regulatory action
<b>Overcollateralisation Test</b>	Eligible assets exceed bonds outstanding	Excess is less than 8% of bonds outstanding	N/A	N/A	N/A	N/A	No	Regulatory action
<b>Cash Manager (1)</b>	Cash Manager's ratings fall below required levels	(Initial) Moody's long-term: Baa1, Fitch long-term: BBB	BBB	A	Baa1	A3	No	Enter into Back up Cash Manager Agreement
<b>Cash Manager (2)</b>	Cash Manager's ratings fall below required levels	(Subsequent) Moody's long-term: Baa3, Fitch long-term: BBB-	BBB-	A	Baa3	A3	No	Appoint Back up Cash Manager Agreement
<b>Stand-by Account Bank</b>	Account Bank's ratings fall below required levels	Moody's short-term: P-1 , Fitch short-term: F1	F1	F1+	P-1	P-1	Yes	Appoint Stand-by Account Bank
<b>Swap Counterparty Rating Trigger</b> (see page 15, "Collateral Postings")	Breach of ratings trigger	Counterparty ratings downgrade		(see page 12, "Collateral Postings")			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
<b>Various</b>	N/A / Aa3 / N/A	N/A / P-1 / F1+	Authorised Investments Providers



# Coventry Building Society Covered Bonds

## Investor Report

## Asset Coverage Test

Asset Coverage Test			
Calculation Date		18/01/2013	19/12/2012
<b>Aggregate Adjusted Loan Amount</b>	<b>=A+B+C+D-(X+Y+Z)</b>		
<b>Description</b>		<b>Value</b>	
True Balance		4,397,169,969	4,395,353,848
Adjusted Indexed Valuation		10,135,754,085	10,191,361,940
Asset Percentage		78.4%	78.4%
Loans < 3 months in arrears		4,397,169,969	4,395,353,848
Loans >=3 months in arrears =< 75% LTV		-	-
Loans >=3 months in arrears > 75% LTV		-	-
Principal Outstanding on Bonds		3,220,050,000	3,220,050,000
Average Remaining Maturity of Bonds (Weighted Average Years)		2.3	2.4
Negative Carry Factor (Weighted Average)		1.69%	1.69%
<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	4,364,408,898	4,361,871,742
Loans >=3 months in arrears =< 75% LTV	0.4	0	0
Loans >=3 months in arrears > 75% LTV	0.25	0	0
<b>Adjusted True Balance</b>		<b>4,364,408,898</b>	<b>4,361,871,742</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	4,386,689,128	4,380,027,687
Loans >=3 months in arrears =< 75% LTV	0.4	0	0
Loans >=3 months in arrears > 75% LTV	0.25	0	0
<b>sub total</b>		<b>4,386,689,128</b>	<b>4,380,027,687</b>
<b>Asset Percentage</b>			
Contractual (maximum)		90.0%	90.0%
Moody's Required		78.4%	78.4%
Fitch Required		83.7%	83.7%
<b>Current Asset Percentage (% used)</b>		<b>78.4%</b>	<b>78.4%</b>
<b>Arrears Adjusted True Balance</b>		<b>3,439,164,276</b>	<b>3,433,941,707</b>
Fitch Discontinuity Factor (%)		15.7%	
Moody's Timely Payment Indicator		Probable	
Moody's Collateral Score (%)		5.0%	
Moody's Collateral Score excl. systemic risk (%)		3.7%	

Asset Coverage Test (continued)			
		18/01/2013	19/12/2012
<b>A: Arrears Adjusted True Balance</b>		<b>3,439,164,276</b>	<b>3,433,941,707</b>
<b>B: Principal Receipts Retained in Cash</b>		-	-
<b>C: Retained Cash Contributions</b>		-	-
<b>D: Substitution Assets - Principal Receipts' - Capital Contributions</b>		<b>57,190,514</b>	<b>62,466,814</b>
<b>X: Savings set off balance</b>		<b>(42,406,276)</b>	<b>(41,139,103)</b>
<b>Y : Flexible draw deduction</b>		-	-
<b>Z: Negative carry adjustment</b>		<b>(145,001,524)</b>	<b>(148,558,060)</b>
<b>Adjusted Aggregate Loan Amount</b>		<b>3,308,946,990</b>	<b>3,306,711,358</b>
<b>Aggregate Principal Amount Outstanding</b>		<b>3,220,050,000</b>	<b>3,220,050,000</b>
<b>Test Result</b>		<b>PASS</b>	<b>PASS</b>
<b>Surplus Result</b>		<b>88,896,990</b>	<b>86,661,358</b>
<b>Loan Amount to Covered Bond ratio percentage</b>		<b>73.23%</b>	<b>73.26%</b>
<b>Credit Enhancement and Liquidity Support</b>			
		<b>31/12/2012</b>	<b>30/11/2012</b>
Reserve funds		14,993,971	15,044,972
Retained principal		57,190,514	62,466,814
Overcollateralisation		1,238,004,197	1,174,911,125
Overcollateralisation percentage		38.45%	36.49%
Interest Coverage Test		Pass	n/a

\*Substitution Assets comprise short term cash deposits, and government guaranteed debt with maturities of less than one year.

# Coventry Building Society Covered Bonds

## Investor Report

## Principal & Revenue Receipts and Ledgers

### Principal & Revenue Receipts

				Month End 31/12/2012	Month End 30/11/2012	
				(£)	(£)	
<b>Revenue Receipts</b>						
<b>LLP Payment Date :</b>				24/01/2013	24/12/2012	
Has an LLP notice to pay been issued ?	<b>No</b>					
Interest Received on mortgages	Period	01/12/2012	to	31/12/2012	12,939,323	12,021,418
Fees Received on mortgages due to CBS	Period	01/12/2012	to	31/12/2012	372,753	229,803
Interest Received on GIC Account	Period	01/12/2012	to	31/12/2012	905	804
Interest Received on Substitution Assets	Period	01/12/2012	to	31/12/2012	12,964	28,908
Any other receipts not covered above	Period	01/12/2012	to	31/12/2012	89,771	98,534
<b>Available Revenue Receipts as at month end</b>				<b>13,415,717</b>	<b>12,379,467</b>	
<b>Priority of payments:</b>						
Fees paid to third parties				395,311	237,949	
Interest on Interest Rate Swap - Series 1-5	Period	24/12/2012	to	24/01/2013	6,726,422	5,991,860
Interest on Covered Bond Swap - Series 3	Period	21/01/2013	to	19/02/2013	1,267,906	1,442,789
Interest on Covered Bond Swap - Series 4	Period	24/12/2012	to	24/01/2013	1,338,075	1,209,677
Interest on Covered Bond Swap - Series 5	Period	24/12/2012	to	24/01/2013	1,008,031	911,438
Interest on Term Advance - Series 1&2	Period	24/12/2012	to	24/01/2013	1,181,610	1,069,945
Interest on Term Advance - Series 3				-	-	
Interest on Term Advance - Series 4				-	-	
Interest on Term Advance - Series 5				-	-	
Any other payments not covered above				624	535	
Transfer to/(from) Reserve Ledger				(15,438)	(51,001)	
Payments made (incl repatriation to CBS)				1,513,177	1,566,274	
<b>Revenue priority of payments total</b>				<b>13,415,717</b>	<b>12,379,467</b>	
<b>Principal Receipts</b>						
				(£)	(£)	
Scheduled Principal Receipts	Period	01/12/2012	to	31/12/2012	14,277,738	16,449,253
Unscheduled Principal Receipts	Period	01/12/2012	to	31/12/2012	42,912,776	46,017,561
Cash Capital Contributions				-	-	
<b>Available Principal Receipts as at month end</b>				<b>57,190,514</b>	<b>62,466,814</b>	
<b>Principal priority of payments</b>						
Repayments due to Covered Bond Swap Provider				-	-	
Repayments due on Term Advance				-	-	
Remainder to Members				57,190,514	62,466,814	
<b>Principal priority of payments total</b>				<b>57,190,514</b>	<b>62,466,814</b>	

	Month End 31/12/2012	Month End 30/11/2012
	(£)	(£)
<b>Ledgers</b>		
<b>Principal Ledger</b>	(£)	(£)
Balance b/f on Principal Ledger	62,466,814	106,668,259
Utilisation of Principal Receipts	(62,466,814)	(106,668,259)
Principal repayments under loans	57,190,514	62,466,814
<b>Balance c/f on Principal Ledger</b>	<b>57,190,514</b>	<b>62,466,814</b>
<b>Revenue Ledger</b>	(£)	(£)
Balance b/f on Revenue Ledger	13,379,468	17,448,993
Interest Receipts on Mortgages	12,939,323	12,021,418
Interest due on bank accounts & investments	13,869	29,712
Other receipts and payments	462,524	328,337
Utilisation of Revenue Receipts	(12,379,467)	(16,448,992)
<b>Balance c/f on Revenue Ledger</b>	<b>14,415,717</b>	<b>13,379,468</b>
<b>Reserve Ledger</b>	(£)	(£)
Balance b/f on Reserve Ledger	15,044,972	15,132,395
Transfers to/from GIC	(51,001)	(87,423)
Cash Capital Contribution	-	-
<b>Balance c/f on Reserve Ledger</b>	<b>14,993,971</b>	<b>15,044,972</b>
Reserve Fund Required Amount	14,993,971	15,044,972
<b>Total cash holding month end</b>	<b>86,600,202</b>	<b>90,891,253</b>
<b>Bond value</b>	<b>3,220,050,000</b>	<b>3,220,050,000</b>
<b>Percentage Cash Holding</b>	<b>2.7%</b>	<b>2.8%</b>
<b>Summary Balance Sheet and Ledgers</b>	(£)	(£)
GIC Account	12,566,196	13,857,247
Substitution Assets <sup>1</sup>	74,034,006	77,034,006
<b>Subtotal</b>	<b>86,600,202</b>	<b>90,891,253</b>
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,397,169,969	4,395,353,848
<b>Total Assets</b>	<b>4,483,770,170</b>	<b>4,486,245,101</b>
Intercompany Loan <sup>2</sup>	3,220,050,000	3,220,050,000
Capital Account	1,263,720,170	1,266,195,101
<b>Total Liabilities</b>	<b>4,483,770,170</b>	<b>4,486,245,101</b>

<sup>1</sup>Substitution Assets comprise short term cash deposits, and government guaranteed debt with maturities of less than one year.

<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
	<b>Issue Date</b>	22/07/2008	20/11/2008	19/04/2011	24/10/2011	10/02/2012
	<b>Original rating</b> (Moody's / S&P / Fitch)	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
	<b>Current rating</b> (Moody's / S&P / Fitch)	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
Notes In Issue	<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>Margin payable under extended maturity period (%)</b>	0.50%	0.50%	1.22%	1.30%	1.60%
	<b>ISIN</b>	XS0378817240	XS0400750542	XS0618833635	XS0696058857	XS0744752568
	<b>Stock exchange listing</b>	LSE	LSE	LSE	LSE	LSE
	<b>Interest Payment Frequency</b>	Monthly	Monthly	Annually	Annually	Quarterly
	<b>Accrual Start Date</b>	24/12/2012	24/12/2012	19/04/2012	24/10/2012	12/11/2012
	<b>Accrual End Date</b>	24/01/2013	24/01/2013	19/04/2013	24/10/2013	12/02/2013
	<b>Accrual Day Count</b>	31	31	365	365	92
	<b>Coupon Reference Rate</b>	0.49375%	0.49375%	N/A	N/A	0.52438%
	<b>Relevant Margin</b>	0.50000%	0.50000%	4.62500%	2.87500%	1.60000%
	<b>Current Period Coupon Reference</b>	1m GBP LIBOR	1m GBP LIBOR	Fixed	Fixed	3m GBP LIBOR
	<b>Current Period Coupon</b>	0.99375%	0.99375%	4.62500%	2.87500%	2.12438%
Interest Payments <sup>1</sup>	<b>Current Period Coupon Amount<sup>1</sup></b>	759,606	422,003	-	-	-
01/12/2012 - 31/12/2012	<b>Current Interest Shortfall</b>	-	-	-	-	-
	<b>Cumulative Interest Shortfall</b>	-	-	-	-	-
	<b>Next Interest Payment Date</b>	24/01/2013	24/01/2013	19/04/2013	24/10/2013	12/02/2013
Principal Payments <sup>1</sup>	<b>Bond Structure</b>	Soft bullet	Soft bullet	Soft bullet	Soft bullet	Soft bullet
01/12/2012 - 31/12/2012	<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 (£)
Series 1-5	<b>Interest Rate (Asset) Swap</b>										
	19/04/2018	GBP	4,367,920,595	Coventry Building Society	1m LIBOR	1.19000%	1.68625%	Basket of rates	N/A	3.49693%	(6,726,422)
Series 3 Series 4 Series 5	<b>Covered Bond (Liability) Swap</b>										
	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.62500%	1m LIBOR	1.63%	2.12775%	(1,267,906)
	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	2.76375%	(1,338,075)
	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.12438%	1m LIBOR	1.88%	2.37375%	(1,008,031)

<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 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	1,700,000

<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>Administered rates</b>	The issuer operates a number of variable administered rates including a Standard Variable Rate and the Privilege Rate, which is offered to certain owner-occupying borrowers who have been on the same product for five years or more.
<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.
<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>Employment Status</b>	Employment status of the primary applicant. People employed by a company of which they are also a director are included as Self-Employed.
<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 1 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.
<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.
<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>Overcollateralisation</b>	Overcollateralisation is calculated in accordance with Regulation 17(2) of the Regulated Covered Bonds Regulations 2008 (as amended) which sets a lower level of 8% for this measure. Mortgages are included after making a deduction for assets where the Indexed LTV exceeds 80% to restrict the value of the loan to 80% of the latest valuation. Liquid assets are included up to a value of 8% of bonds with a maturity of one year or more and 100% of bonds with a maturity of less than one year.
<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 preceding the month end.
<b>Savings Balances</b>	Saving balances are reported on the basis used 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>Weighted Average Current margin</b>	The current margin is calculated as the interest rate on the loan less the relevant swap rate for Fixed rate loans; current 3 month LIBOR for Administered loans; or current base rate for Tracker loans.
<b>Weighted Average Initial rate</b>	The initial rate is the initial margin on the product plus the index rate prevailing at the time the loan was taken out.
<b>Weighted Average Reversionary margin</b>	The reversionary margin is calculated as the final interest rate due on the loan's current product less 3 month LIBOR for Administered loans or base rate for Tracker loans.