

Coventry Building Society Covered Bonds

Investor Report

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Reporting Information

Reporting Date	31/03/2012
Reporting Period	01/02/2012 to 29/02/2012

Outstanding Issuances

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

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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	42,922	42,717
Number of loans in Pool	50,821	50,539
True Balance of mortgage accounts in Pool	£4,655,063,239	£4,640,086,204
Cash and other Substitution Assets	£101,295,276	£80,188,238

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	£85,716,752	£61,424,518

Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.53%	3.52%

Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	42,612	99.8%	4,629,211,479	99.8%	-
>=1 and <2	91	0.2%	9,851,312	0.2%	68,274
>=2 and <3	13	0.0%	932,384	0.0%	13,071
>=3 and <6	1	0.0%	91,029	0.0%	1,142
>=6 and <9	-	-	-	-	-
>=9 and <12	-	-	-	-	-
>=12	-	-	-	-	-
Totals	42,717	100.0%	4,640,086,204	100.0%	82,488

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	42,922	4,655,063,239
Loans added to pool	406	51,534,154
Loans repurchased from pool	(611)	(17,576,587)
Principal receipts	-	(48,940,447)
Other movements	-	5,844
Closing totals	42,717	4,640,086,204

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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	33.0	17.2	108,624	136,435	100,557	55.7%	55.5%	786
Min	2.7	0.0	0	0	0	0.0%	0.0%	0
Max	85.8	34.8	983,268	983,268	936,183	97.7%	91.8%	8,413

Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.05%	1.25%	16.12%
Previous PPR - Total	1.56%	1.27%	16.28%

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	0.72%	0.93%	11.74%
Previous CPPR - Total	1.23%	0.96%	12.15%

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.

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Mortgage Portfolio Breakdown

Geographical Distribution

Regions	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
East Anglia	178,076,718	3.8%	1,855	4.3%
East Midlands	364,582,941	7.9%	4,096	9.6%
London	667,646,486	14.4%	3,755	8.8%
North	164,572,895	3.5%	2,119	5.0%
North West	356,900,162	7.7%	3,845	9.0%
Outer Metropolitan	746,160,064	16.1%	4,956	11.6%
Outer South East	568,855,346	12.3%	4,726	11.1%
South West	449,764,286	9.7%	4,250	9.9%
Wales	143,039,842	3.1%	1,640	3.8%
West Midlands	679,375,853	14.6%	7,744	18.1%
Yorkshire and Humberside	321,111,611	6.9%	3,731	8.7%
Totals	4,640,086,204	100.0%	42,717	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%	368,220,073	7.9%	9,789	22.9%
>=25% and <50%	1,251,190,641	27.0%	12,857	30.1%
>=50% and <55%	357,664,203	7.7%	2,720	6.4%
>=55% and <60%	396,146,159	8.5%	2,844	6.7%
>=60% and <65%	447,203,234	9.6%	2,988	7.0%
>=65% and <70%	466,514,574	10.1%	3,076	7.2%
>=70% and <75%	712,928,029	15.4%	4,430	10.4%
>=75% and <80%	448,291,110	9.7%	2,723	6.4%
>=80% and <85%	136,013,295	2.9%	934	2.2%
>=85% and <90%	43,688,062	0.9%	290	0.7%
>=90% and <95%	9,664,613	0.2%	52	0.1%
>=95% and <100%	2,562,212	0.1%	14	0.0%
>=100%	-	-	-	-
Totals	4,640,086,204	100.0%	42,717	100.0%

Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
<25%	372,130,248	8.0%	9,664	22.6%
>=25% and <50%	1,246,241,242	26.9%	12,730	29.8%
>=50% and <55%	358,097,673	7.7%	2,749	6.4%
>=55% and <60%	393,624,575	8.5%	2,803	6.6%
>=60% and <65%	426,204,202	9.2%	2,886	6.8%
>=65% and <70%	520,037,719	11.2%	3,278	7.7%
>=70% and <75%	730,801,824	15.7%	4,609	10.8%
>=75% and <80%	534,195,278	11.5%	3,584	8.4%
>=80% and <85%	57,727,931	1.2%	409	1.0%
>=85% and <90%	740,837	0.0%	4	0.0%
>=90% and <95%	284,675	0.0%	1	0.0%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
Totals	4,640,086,204	100.0%	42,717	100.0%

Coventry Building Society Covered Bonds

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Mortgage Portfolio Breakdown

Outstanding True Balances

Range of outstanding balances	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
<£50,000	295,409,225	6.4%	10,458	24.5%
>=£50,000 and <£100,000	1,001,980,459	21.6%	13,398	31.4%
>=£100,000 and <£150,000	1,138,658,414	24.5%	9,329	21.8%
>=£150,000 and <£200,000	821,683,414	17.7%	4,784	11.2%
>=£200,000 and <£250,000	480,122,504	10.3%	2,162	5.1%
>=£250,000 and <£300,000	306,899,262	6.6%	1,127	2.6%
>=£300,000 and <£400,000	314,203,759	6.8%	921	2.2%
>=£400,000 and <£500,000	140,538,723	3.0%	314	0.7%
>=£500,000 and <£750,000	109,348,921	2.4%	187	0.4%
>=£750,000 and <£1,000,000	31,241,523	0.7%	37	0.1%
>=£1,000,000	-	-	-	-
Totals	4,640,086,204	100.0%	42,717	100.0%

Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
>1 and <6	220,413,712	4.8%	1,843	4.3%
>=6 and <12	554,087,920	11.9%	4,564	10.7%
>=12 and <18	695,553,710	15.0%	5,757	13.5%
>=18 and <24	747,575,186	16.1%	5,894	13.8%
>=24 and <30	343,283,786	7.4%	3,350	7.8%
>=30 and <36	462,819,153	10.0%	3,959	9.3%
>=36 and <42	145,972,434	3.1%	1,406	3.3%
>=42 and <48	175,730,242	3.8%	1,992	4.7%
>=48 and <54	303,463,689	6.5%	3,120	7.3%
>=54 and <60	248,031,339	5.3%	2,637	6.2%
>=60 and <66	183,993,767	4.0%	1,917	4.5%
>=66 and <72	206,284,088	4.4%	2,148	5.0%
>=72	352,877,181	7.6%	4,130	9.7%
Totals	4,640,086,204	100.0%	42,717	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	161,005,418	3.5%	3,423	8.0%
>=5 and <10	546,811,225	11.8%	7,490	17.5%
>=10 and <15	911,771,944	19.6%	9,340	21.9%
>=15 and <20	1,435,973,201	30.9%	11,625	27.2%
>=20 and <25	1,254,657,286	27.0%	8,521	19.9%
>=25 and <30	247,981,271	5.3%	1,707	4.0%
>=30 and <35	81,885,859	1.8%	611	1.4%
>=35	-	-	-	-
Totals	4,640,086,204	100.0%	42,717	100.0%

Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total
Fixed rate	2,293,499,227	49.4%	23,278	46.1%
Capped	297,029,824	6.4%	2,506	5.0%
Variable	2,049,557,154	44.2%	24,755	49.0%
Totals	4,640,086,204	100.0%	50,539	100.0%

Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
Repayment	3,136,487,762	67.6%	31,191	73.0%
Interest Only	1,088,474,822	23.5%	7,978	18.7%
Combination (Interest Only and Repayment)	415,123,620	8.9%	3,548	8.3%
Totals	4,640,086,204	100.0%	42,717	100.0%

Originator

	True Balance (£)	% of total balance	Number of mortgage accounts	% of total
Coventry Building Society	4,640,086,204	100.0%	42,717	100.0%
Totals	4,640,086,204	100.0%	42,717	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	1,615,415,995	749,489,615	943,640,289	1,262,542,079	57,838,826	284,675	-	4,629,211,479
>=1 and <3 Months in Arrears	2,955,495	2,232,633	2,510,603	2,455,022	629,943	-	-	10,783,696
>=3 and <6 Months in Arrears	-	-	91,029	-	-	-	-	91,029
>=6 Months in Arrears	-	-	-	-	-	-	-	-
Totals	1,618,371,490	751,722,248	946,241,921	1,264,997,102	58,468,768	284,675	-	4,640,086,204

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	62,953,315	30,374,958	39,340,895	45,277,270	130,279	-	-	178,076,718
East Midlands	120,646,357	58,681,811	73,721,532	108,752,951	2,780,289	-	-	364,582,941
London	238,431,224	105,357,619	155,477,578	166,995,000	1,385,065	-	-	667,646,486
North	55,257,145	26,289,894	33,415,658	48,269,050	1,341,148	-	-	164,572,895
North West	102,484,229	55,371,822	69,352,917	115,283,082	14,408,112	-	-	356,900,162
Outer Metropolitan	268,215,904	118,615,069	151,219,582	200,108,357	7,716,477	284,675	-	746,160,064
Outer South East	206,041,890	95,836,729	115,631,160	150,834,395	511,171	-	-	568,855,346
South West	174,246,315	75,204,210	78,892,688	111,047,555	10,373,519	-	-	449,764,286
Wales	47,807,428	20,258,439	26,753,368	42,165,252	6,055,355	-	-	143,039,842
West Midlands	241,624,264	114,296,340	139,679,895	180,159,992	3,615,362	-	-	679,375,853
Yorkshire and Humberside	100,663,418	51,435,358	62,756,647	96,104,198	10,151,991	-	-	321,111,611
Totals	1,618,371,490	751,722,248	946,241,921	1,264,997,102	58,468,768	284,675	-	4,640,086,204

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	1,027,557,042	497,973,454	664,085,211	895,897,827	50,689,553	284,675	-	3,136,487,762
Interest Only	414,087,483	173,868,974	211,748,897	284,767,885	4,001,583	-	-	1,088,474,822
Combination (Interest Only and Repayment)	176,726,965	79,879,819	70,407,813	84,331,390	3,777,633	-	-	415,123,620
Total	1,618,371,490	751,722,248	946,241,921	1,264,997,102	58,468,768	284,675	-	4,640,086,204

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	695,611,104	367,701,500	471,430,727	717,493,817	40,977,404	284,675	-	2,293,499,227
Capped	111,695,565	68,504,251	71,027,071	45,502,768	300,168	-	-	297,029,824
Variable	811,064,821	315,516,496	403,784,123	502,000,517	17,191,196	-	-	2,049,557,154
Totals	1,618,371,490	751,722,248	946,241,921	1,264,997,102	58,468,768	284,675	-	4,640,086,204

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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	177,827,456	362,814,359	666,773,512	164,423,948	355,824,755	745,395,994	567,391,066	448,995,945	142,079,652	677,309,028	320,375,763	4,629,211,479
>=1 and <3 Months in Arrears	249,261	1,677,553	872,974	148,948	1,075,407	764,070	1,464,280	768,341	960,190	2,066,826	735,848	10,783,696
>=3 and <6 Months in Arrears	-	91,029	-	-	-	-	-	-	-	-	-	91,029
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
Total	178,076,718	364,582,941	667,646,486	164,572,895	356,900,162	746,160,064	568,855,346	449,764,286	143,039,842	679,375,853	321,111,611	4,640,086,204

Current Mortgage Principal Balance

	% 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	
<£50,000	13,915,408	32,313,592	10,280,653	22,807,144	31,783,907	18,138,429	25,226,728	27,552,356	14,630,711	65,955,913	32,804,385	295,409,225
>=£50,000 and <£100,000	47,855,834	114,109,539	44,665,578	52,352,273	102,465,887	80,855,869	95,713,948	96,289,813	45,158,729	219,672,453	102,840,537	1,001,980,459
>=£100,000 and <£150,000	51,314,409	108,021,507	97,494,661	44,120,015	89,377,014	149,654,265	152,199,871	135,261,169	39,874,017	183,908,136	87,433,351	1,138,658,414
>=£150,000 and <£200,000	30,837,676	53,780,923	135,269,661	21,811,927	57,619,079	160,878,789	115,513,935	84,344,905	20,290,843	95,900,416	45,435,261	821,683,414
>=£200,000 and <£250,000	16,579,897	22,717,400	110,799,300	9,937,630	29,821,526	103,792,540	66,827,145	39,566,075	10,222,059	45,974,993	23,883,939	480,122,504
>=£250,000 and <£300,000	6,355,131	14,845,301	86,332,143	5,638,014	18,420,027	64,134,673	38,651,841	26,773,748	6,733,095	28,030,149	10,985,141	306,899,262
>=£300,000 and <£400,000	5,762,369	10,862,103	92,802,254	4,653,045	13,903,604	85,230,240	36,669,026	24,439,569	3,889,591	26,322,480	9,669,478	314,203,759
>=£400,000 and <£500,000	2,274,289	6,342,006	40,371,010	2,132,502	6,794,631	39,296,026	20,643,023	10,295,297	461,526	9,235,070	2,693,342	140,538,723
>=£500,000 and <£750,000	2,346,952	1,590,570	36,798,532	1,120,344	5,908,514	34,995,857	13,249,384	4,440,533	1,779,272	3,525,355	3,593,608	109,348,921
>=£750,000 and <£1,000,000	834,755	-	12,832,695	-	805,972	9,183,377	4,160,445	800,823	-	850,888	1,772,569	31,241,523
>=£1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total	178,076,718	364,582,941	667,646,486	164,572,895	356,900,162	746,160,064	568,855,346	449,764,286	143,039,842	679,375,853	321,111,611	4,640,086,204

Average Mortgage size	95,998	89,010	177,802	77,665	92,822	150,557	120,367	105,827	87,219	87,729	86,066
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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	124,780,216	262,759,773	412,599,634	116,478,859	247,935,428	484,757,435	377,149,971	278,082,205	94,133,429	502,804,583	235,006,230	3,136,487,762
Interest Only	35,609,615	63,635,567	206,041,271	33,324,795	80,932,077	189,739,783	136,651,606	128,166,445	38,667,547	116,610,483	59,095,633	1,088,474,822
Combination (Interest Only and Repayment)	17,686,887	38,187,601	49,005,580	14,769,242	28,032,657	71,662,845	55,053,769	43,515,636	10,238,867	59,960,787	27,009,748	415,123,620
Total	178,076,718	364,582,941	667,646,486	164,572,895	356,900,162	746,160,064	568,855,346	449,764,286	143,039,842	679,375,853	321,111,611	4,640,086,204

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	88,103,088	171,531,167	362,055,079	78,017,783	176,081,707	402,837,437	292,272,734	220,415,221	70,413,618	275,203,415	156,567,977	2,293,499,227
Capped	10,401,766	20,460,710	53,443,350	8,913,968	27,758,868	48,566,774	33,070,100	28,625,231	6,873,346	38,062,998	20,852,713	297,029,824
Variable	79,571,863	172,591,064	252,148,057	77,641,144	153,059,587	294,755,853	243,512,513	200,723,834	65,752,878	366,109,440	143,690,922	2,049,557,154
Total	178,076,718	364,582,941	667,646,486	164,572,895	356,900,162	746,160,064	568,855,346	449,764,286	143,039,842	679,375,853	321,111,611	4,640,086,204

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, Interest Rate (Asset) Swap Provider and Covered Bond (Liability) 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	19/03/2012	19/02/2012
Aggregate Adjusted Loan Amount	= A+B+C+D-(X+Y+Z)	
Description	Value	Value
True Balance	4,640,086,204	4,655,063,239
Adjusted Indexed Valuation	10,557,660,533	10,617,153,648
Asset Percentage	78.7%	78.7%
Loans < 3 months in arrears	4,639,995,175	4,654,874,657
Loans in arrears =< 75% LTV	91,029	31,406
Loans in arrears > 75% LTV	-	157,176
Principal Outstanding on Bonds	3,270,050,000	3,270,050,000
Average Remaining Maturity of Bonds (Weighted Average Years)	3.0	3.1
Negative Carry Factor (Weighted Average)	1.68%	1.57%
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	4,604,638,540
Loans in arrears =< 75% LTV	0.4	52,084
Loans in arrears > 75% LTV	0.25	-
Adjusted True Balance		4,604,690,625
(ii) Arrears Adjustment on True Balance		
Arrears Adjusted True Balance		
made up by:	N	
Loans < 3 months in arrears	1	4,627,008,022
Loans in arrears =< 75% LTV	0.4	52,084
Loans in arrears > 75% LTV	0.25	-
sub total		4,627,060,107
Asset Percentage		
Contractual (maximum)	90.0%	90.0%
Moody's Required	78.7%	78.7%
Fitch Required	83.7%	83.7%
Current Asset Percentage (% used)	78.7%	78.7%
Arrears Adjusted True Balance	3,641,496,304	3,652,670,156

Asset Coverage Test (continued)		
	19/03/2012	19/02/2012
A: Arrears Adjusted True Balance	3,641,496,304	3,652,670,156
B: Principal Receipts Retained in Cash	-	-
C: Retained Cash Contributions	-	-
D: Substitution Assets - Principal Receipts¹ - Capital Contributions	48,940,447	72,774,672
X: Savings set off balance	(116,640,477)	(113,630,326)
Y : Flexible draw deduction	-	-
Z: Negative carry adjustment	(187,139,066)	(191,502,996)
Adjusted Aggregate Loan Amount	3,386,657,208	3,420,311,506
Aggregate Principal Amount Outstanding	3,270,050,000	3,270,050,000
Test Result	PASS	PASS
Surplus Result	116,607,208	150,261,506
Loan Amount to Covered Bond ratio percentage	70.47%	70.25%

Credit Enhancement and Liquidity Support		
	29/02/2012	31/01/2012
Reserve funds	17,359,125	14,053,608
Retained principal	48,940,447	72,774,672
Overcollateralisation	1,370,036,204	1,385,013,239
- Required by ACT	1,253,428,996	1,234,751,733
- Surplus over ACT	116,607,208	150,261,506

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 :	19/03/2012	
Has an LLP notice to pay been issued ?	No	
Balance b/f		14,466,996
Interest Received on mortgages	Period 01/02/2012 to 29/02/2012	12,484,071
Fees Received on mortgages due to CBS	Period 01/02/2012 to 29/02/2012	182,203
Interest Received on GIC Account	Period 01/02/2012 to 29/02/2012	983
Interest Received on Substitution Assets	Period 01/02/2012 to 29/02/2012	44,719
Interest on Interest Rate Swap - Series 1-4	Period 24/01/2012 to 24/02/2012	(6,132,397)
Interest on Covered Bond Swap - Series 3	Period 19/02/2012 to 19/03/2012	(1,373,630)
Interest on Covered Bond Swap - Series 4	Period 24/01/2012 to 24/02/2012	(1,475,637)
Interest on Term Advance - Series 1&2	Period 24/01/2012 to 24/02/2012	(1,573,718)
Excess Funds on Reserve Fund		194,483
Transfer to Reserve Fund		-
Any other receipts not covered above	Period 01/02/2012 to 29/02/2012	176,691
Payments made (incl repatriation to CBS)	Period 24/01/2012 to 24/02/2012	(3,106,095)
If LLP notice to pay issued		
Amount of Reserve Fund		-
Less :		
Amounts paid to third parties		-
Available Revenue as at month end		13,888,666

Principal Receipts		(£)
Calculation Date :	19/03/2012	
Principal receipts b/f		72,774,672
Utilisation of Principal Receipts	Period 24/01/2012 to 24/02/2012	(72,774,672)
Scheduled Principal Receipts	Period 01/02/2012 to 29/02/2012	15,593,366
Unscheduled Principal Receipts	Period 01/02/2012 to 29/02/2012	33,347,081
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		48,940,447

Ledgers

	Month End 29/02/2012	Month End 31/01/2012
Principal Ledger	(£)	(£)
Balance b/f on Principal Ledger	72,774,672	50,789,721
Utilisation of Principal Receipts	(72,774,672)	(50,789,721)
Principal repayments under mortgages	48,940,447	72,774,672
Balance c/f on Principal Ledger	48,940,447	72,774,672

	(£)	(£)
Revenue Ledger	(£)	(£)
Balance b/f on Revenue Ledger	14,466,996	14,144,542
Interest Receipts on Mortgages	12,484,071	12,942,080
Interest due on bank accounts & investments	45,702	58,505
Other payments/(receipts)	(6,975,705)	(7,174,931)
Payments due under Interest Rate Swap	(6,132,397)	(5,503,201)
Balance c/f on Revenue Ledger	13,888,666	14,466,996

	(£)	(£)
Reserve Ledger	(£)	(£)
Balance b/f on Reserve Ledger	14,053,608	13,872,495
Transfers to/from GIC	(194,483)	181,113
Cash Capital Contribution	3,500,000	-
Balance c/f on Reserve Ledger	17,359,125	14,053,608
Reserve Fund Required Amount	17,359,125	14,053,608

	(£)	(£)
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	80,188,238	101,295,276
Bond value	3,270,050,000	2,770,050,000
Percentage Cash Holding	2.5%	3.7%

	(£)	(£)
Summary Balance Sheet and Ledgers	(£)	(£)
GIC Account	6,188,238	9,295,276
Substitution Assets ¹	74,000,000	92,000,000
Subtotal	80,188,238	101,295,276
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,640,086,204	4,655,063,239
Total Assets	4,720,274,442	4,756,358,514
Intercompany Loan ²	3,270,050,000	2,770,050,000
Capital Account	1,450,224,442	1,986,308,514
Total Liabilities	4,720,274,442	4,756,358,514

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	5
Notes In Issue	Issue Date	22/07/2008	20/11/2008	19/04/2011	24/10/2011	10/02/2012
	Original rating (Moody's / S&P / Fitch)	Aaa / NR / AAA	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	Aaa / NR / AAA
	Currency	GBP	GBP	GBP	EUR	GBP
	Issue size	1,500,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	Relevant Swap Rate	1.000	1.000	1.000	0.877	1.000
	GBP Equivalent	1,500,000,000	500,000,000	750,000,000	570,050,000	500,000,000
	Current Period Balance	950,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	Previous Period Balance	950,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	Current Period Pool Factor	1	1	1	1	1
	Previous Period Pool Factor	1	1	1	1	1
	Expected maturity date	24/07/2013	24/11/2013	19/04/2018	24/10/2014	10/02/2015
	Legal final maturity date	24/07/2013	24/11/2013	19/04/2018	24/10/2014	10/02/2015
	Extended Due for Payment Date	24/07/2014	24/11/2014	19/04/2019	24/10/2015	10/02/2016
ISIN	XS0378817240	XS0400750542	XS0618833635	XS0696058857	XS0744752568	
Stock exchange listing	LSE	LSE	LSE	LSE	LSE	
Interest Payments ¹ 01/02/2012 - 29/02/2012	Interest Payment Frequency	Monthly	Monthly	Annually	Annually	Quarterly
	Accrual Start Date	24/01/2012	24/01/2012	19/04/2011	24/10/2011	10/02/2012
	Accrual End Date	24/02/2012	24/02/2012	19/04/2012	24/10/2012	10/05/2012
	Accrual Day Count	31	31	366	366	90
	Coupon Reference Rate	0.77788%	0.77788%	N/A	N/A	1.07706%
	Relevant Margin	0.50000%	0.50000%	4.62500%	2.87500%	1.60000%
	Current Period Coupon Reference Rate	1m GBP LIBOR	1m GBP LIBOR	Fixed	Fixed	3m GBP LIBOR
	Current Period Coupon	1.27788%	1.27788%	4.62500%	2.87500%	2.67706%
	Current Period Coupon Amount¹	1,031,057	542,661	-	-	-
	Current Interest Shortfall	-	-	-	-	-
Cumulative Interest Shortfall	-	-	-	-	-	
Next Interest Payment Date	26/03/2012	26/03/2012	19/04/2012	24/10/2012	10/05/2012	
Principal Payments ¹ 01/02/2012 - 29/02/2012	Bond Structure	Soft bullet	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	10/02/2015	

¹Payments made during the Reporting Period

Coventry Building Society Covered Bonds

Investor Report

Swaps

Swaps¹

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 (£)
	Interest Rate (Asset) Swap										
Series 1-5	19/04/2018	GBP	4,409,426,249	Coventry Building Society	1m LIBOR	1.12000%	1.8979%	Basket of rates	N/A	3.53537%	(6,132,397)
	Covered Bond (Liability) Swap										
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.62500%	1m LIBOR	1.63%	2.38750%	(1,373,630)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	3.04788%	(1,475,637)
Series 5	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.67706%	1m LIBOR	1.88%	2.69692%	0

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)		Breached (Y/N)	Breach Remedy (if applicable)	Collateral Posting (£)
	Long-term	Short-term	Long-term	Short-term			
Interest Rate (Asset) Swap							
Coventry Building Society	A3 / A	P-2 / F1	A2 / A	P-1 / F1	Y	Post collateral	- ²
Covered Bond (Liability) Swap							
HSBC plc ³	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	4,000,000

²The amount of collateral required in respect of the Interest Rate (Asset) Swap is zero because the mark to market value of the swap currently stands in the LLP's favour

³ HSBC plc were placed on negative watch by Moody's on 15 February 2012

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	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. Note that December indexation is not applied in the Investor Report until January.
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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