

Coventry Building Society Covered Bonds

Investor Report

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Reporting Information

Reporting Date	31/07/2012
Reporting Period	01/06/2012 to 30/06/2012

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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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	42,603	41,337
Number of loans in Pool	50,109	48,508
True Balance of mortgage accounts in Pool	£4,531,246,834	£4,407,337,431
Cash and other Substitution Assets	£92,378,193	£84,023,508

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	£74,273,197	£66,154,178

Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.51%	3.45%

Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	41,212	99.7%	4,393,848,140	99.7%	-
>=1 and <2	104	0.3%	11,188,488	0.3%	76,076
>=2 and <3	20	0.0%	2,203,158	0.0%	31,453
>=3 and <6	1	0.0%	97,645	0.0%	2,298
>=6 and <9	-	-	-	-	-
>=9 and <12	-	-	-	-	-
>=12	-	-	-	-	-
Totals	41,337	100.0%	4,407,337,431	100.0%	109,827

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	42,603	4,531,246,834
Loans added to pool	2,167	256,763,165
Loans repurchased from pool	(3,088)	(326,936,798)
Principal receipts	(345)	(54,198,225)
Other movements	-	462,455
Closing totals	41,337	4,407,337,431

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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	33.9	17.2	106,620	133,272	99,342	55.3%	54.8%	879
Min	2.8	0.0	0	0	0	0.0%	0.0%	0
Max	89.8	35.1	978,205	971,751	978,205	97.7%	93.6%	6,839

Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.23%	1.31%	16.87%
Previous PPR - Total	1.34%	1.24%	16.00%

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	0.90%	0.98%	12.36%
Previous CPPR - Total	1.03%	0.92%	11.68%

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 Mortgage Rate, Current	4.49%	01/02/2009
Privilege Mortgage 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	177,011,611	4.0%	1,839	4.4%
East Midlands	349,758,070	7.9%	4,026	9.7%
London	631,563,653	14.3%	3,604	8.7%
North	154,549,533	3.5%	2,079	5.0%
North West	347,657,526	7.9%	3,798	9.2%
Outer Metropolitan	698,769,629	15.9%	4,717	11.4%
Outer South East	547,882,037	12.4%	4,617	11.2%
South West	428,267,828	9.7%	4,115	10.0%
Wales	135,960,047	3.1%	1,586	3.8%
West Midlands	631,420,467	14.3%	7,327	17.7%
Yorkshire and Humberside	304,497,029	6.9%	3,629	8.8%
Totals	4,407,337,431	100.0%	41,337	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 accounts
<25%	362,217,904	8.2%	9,673	23.4%
>=25% and <50%	1,219,262,516	27.7%	12,697	30.7%
>=50% and <55%	343,141,397	7.8%	2,684	6.5%
>=55% and <60%	379,756,942	8.6%	2,760	6.7%
>=60% and <65%	424,651,548	9.6%	2,875	7.0%
>=65% and <70%	442,794,773	10.0%	2,964	7.2%
>=70% and <75%	623,195,748	14.1%	3,899	9.4%
>=75% and <80%	446,894,231	10.1%	2,685	6.5%
>=80% and <85%	114,192,381	2.6%	784	1.9%
>=85% and <90%	39,557,033	0.9%	252	0.6%
>=90% and <95%	8,555,169	0.2%	47	0.1%
>=95% and <100%	3,117,790	0.1%	17	0.0%
>=100%	-	-	-	-
Totals	4,407,337,431	100.0%	41,337	100.0%

Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	365,726,568	8.3%	9,583	23.2%
>=25% and <50%	1,230,377,784	27.9%	12,639	30.6%
>=50% and <55%	349,867,885	7.9%	2,714	6.6%
>=55% and <60%	379,519,624	8.6%	2,773	6.7%
>=60% and <65%	419,234,377	9.5%	2,826	6.8%
>=65% and <70%	495,284,218	11.2%	3,179	7.7%
>=70% and <75%	646,201,116	14.7%	4,176	10.1%
>=75% and <80%	488,787,816	11.1%	3,203	7.7%
>=80% and <85%	31,495,333	0.7%	236	0.6%
>=85% and <90%	751,254	0.0%	7	0.0%
>=90% and <95%	91,456	0.0%	1	0.0%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
Totals	4,407,337,431	100.0%	41,337	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 accounts
<£50,000	301,647,619	6.8%	10,512	25.4%
>=£50,000 and <£100,000	971,012,017	22.0%	13,038	31.5%
>=£100,000 and <£150,000	1,083,069,771	24.6%	8,883	21.5%
>=£150,000 and <£200,000	780,997,981	17.7%	4,547	11.0%
>=£200,000 and <£250,000	430,227,693	9.8%	1,936	4.7%
>=£250,000 and <£300,000	288,040,588	6.5%	1,059	2.6%
>=£300,000 and <£400,000	293,780,091	6.7%	860	2.1%
>=£400,000 and <£500,000	139,047,661	3.2%	311	0.8%
>=£500,000 and <£750,000	93,896,619	2.1%	161	0.4%
>=£750,000 and <£1,000,000	25,617,390	0.6%	30	0.1%
>=£1,000,000	-	-	-	-
Totals	4,407,337,431	100.0%	41,337	100.0%

Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
>1 and <6	354,361,842	8.0%	2,783	6.7%
>=6 and <12	478,609,344	10.9%	4,080	9.9%
>=12 and <18	551,402,666	12.5%	4,663	11.3%
>=18 and <24	607,860,702	13.8%	5,064	12.3%
>=24 and <30	377,333,978	8.6%	3,206	7.8%
>=30 and <36	362,965,092	8.2%	3,400	8.2%
>=36 and <42	286,503,818	6.5%	2,561	6.2%
>=42 and <48	107,434,759	2.4%	1,329	3.2%
>=48 and <54	241,404,348	5.5%	2,828	6.8%
>=54 and <60	229,071,810	5.2%	2,422	5.9%
>=60 and <66	179,407,666	4.1%	1,943	4.7%
>=66 and <72	189,497,292	4.3%	1,969	4.8%
>=72	441,484,114	10.0%	5,089	12.3%
Totals	4,407,337,431	100.0%	41,337	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 accounts
<5	169,055,755	3.8%	3,599	8.7%
>=5 and <10	514,395,816	11.7%	7,357	17.8%
>=10 and <15	871,313,337	19.8%	9,116	22.1%
>=15 and <20	1,355,351,950	30.8%	11,041	26.7%
>=20 and <25	1,169,626,401	26.5%	7,993	19.3%
>=25 and <30	240,040,872	5.4%	1,593	3.9%
>=30 and <35	87,281,152	2.0%	637	1.5%
>=35	272,148	0.0%	1	0.0%
Totals	4,407,337,431	100.0%	41,337	100.0%

Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total loans
Fixed rate	2,033,827,829	46.1%	20,542	42.3%
Capped	325,701,137	7.4%	2,660	5.5%
Variable	2,047,808,465	46.5%	25,306	52.2%
Totals	4,407,337,431	100.0%	48,508	100.0%

Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	3,072,058,291	69.7%	30,924	74.8%
Interest Only	948,230,089	21.5%	7,115	17.2%
Combination (Interest Only and Repayment)	387,049,051	8.8%	3,298	8.0%
Totals	4,407,337,431	100.0%	41,337	100.0%

Originator

	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,407,337,431	100.0%	41,337	100.0%
Totals	4,407,337,431	100.0%	41,337	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	1,592,972,837	728,009,252	911,119,234	1,130,136,717	31,518,644	91,456	-	4,393,848,140
>=1 and <3 Months in Arrears	3,131,516	1,378,257	3,301,716	4,852,215	727,942	-	-	13,391,646
>=3 and <6 Months in Arrears	-	-	97,645	-	-	-	-	97,645
>=6 Months in Arrears	-	-	-	-	-	-	-	-
Totals	1,596,104,353	729,387,509	914,518,595	1,134,988,932	32,246,586	91,456	-	4,407,337,431

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	61,314,920	33,098,956	36,320,619	45,526,525	750,591	-	-	177,011,611
East Midlands	123,013,308	57,113,742	69,725,852	98,334,245	1,570,923	-	-	349,758,070
London	238,412,858	106,743,381	154,194,132	132,213,282	-	-	-	631,563,653
North	54,036,542	22,852,992	31,213,118	45,642,915	803,965	-	-	154,549,533
North West	105,420,406	53,619,988	69,943,278	109,580,397	9,002,001	91,456	-	347,657,526
Outer Metropolitan	266,031,286	111,122,017	146,492,028	174,028,788	1,095,511	-	-	698,769,629
Outer South East	204,349,351	93,172,006	111,454,119	137,786,852	1,119,709	-	-	547,882,037
South West	169,123,754	75,053,098	79,911,001	102,577,613	1,602,363	-	-	428,267,828
Wales	44,665,191	19,191,860	23,045,974	39,099,335	9,957,687	-	-	135,960,047
West Midlands	230,496,397	106,155,849	131,209,923	162,850,621	707,678	-	-	631,420,467
Yorkshire and Humberside	99,240,340	51,263,619	61,008,552	87,348,359	5,636,160	-	-	304,497,029
Totals	1,596,104,353	729,387,509	914,518,595	1,134,988,932	32,246,586	91,456	-	4,407,337,431

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	1,051,042,004	503,556,730	665,499,275	828,346,495	23,522,332	91,456	-	3,072,058,291
Interest Only	373,916,001	150,757,242	177,262,544	239,825,501	6,468,803	-	-	948,230,089
Combination (Interest Only and Repayment)	171,146,348	75,073,537	71,756,776	66,816,937	2,255,452	-	-	387,049,051
Total	1,596,104,353	729,387,509	914,518,595	1,134,988,932	32,246,586	91,456	-	4,407,337,431

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	637,597,492	325,080,651	439,068,623	614,318,658	17,670,950	91,456	-	2,033,827,829
Capped	124,127,220	73,537,500	78,565,136	49,347,071	124,210	-	-	325,701,137
Variable	834,379,641	330,769,358	396,884,836	471,323,203	14,451,426	-	-	2,047,808,465
Totals	1,596,104,353	729,387,509	914,518,595	1,134,988,932	32,246,586	91,456	-	4,407,337,431

Coventry Building Society Covered Bonds

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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	176,714,796	348,818,268	630,698,783	153,859,210	346,409,344	695,627,904	545,490,856	427,571,579	135,206,077	629,634,133	303,817,189	4,393,848,140
>=1 and <3 Months in Arrears	296,815	939,803	864,870	690,323	1,248,181	3,141,725	2,391,181	696,249	753,970	1,786,334	582,196	13,391,646
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	97,645	97,645
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
Total	177,011,611	349,758,070	631,563,653	154,549,533	347,657,526	698,769,629	547,882,037	428,267,828	135,960,047	631,420,467	304,497,029	4,407,337,431

Current Mortgage Principal Balance

	% of Total Balance split by Region											
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	Total
<£50,000	13,675,629	34,145,954	10,579,083	24,106,093	34,100,424	18,780,816	26,154,388	27,550,016	14,702,089	64,290,903	33,562,224	301,647,619
>=£50,000 and <£100,000	46,658,742	110,210,914	43,713,811	50,285,241	100,454,987	79,053,290	95,549,735	93,913,068	43,222,186	206,489,978	101,460,065	971,012,017
>=£100,000 and <£150,000	52,705,742	103,197,593	94,369,356	39,871,666	86,741,927	142,706,163	146,039,738	130,723,206	37,179,376	169,005,165	80,529,839	1,083,069,771
>=£150,000 and <£200,000	28,839,131	50,825,997	135,120,417	20,074,950	56,106,697	148,806,394	112,408,567	79,562,626	19,906,876	86,126,933	43,219,395	780,997,981
>=£200,000 and <£250,000	15,067,169	21,131,961	98,679,684	9,503,458	26,632,724	92,884,338	64,207,039	34,146,752	9,781,687	41,107,169	17,085,713	430,227,693
>=£250,000 and <£300,000	7,329,129	15,658,378	78,284,413	3,566,934	18,465,037	61,847,454	34,744,015	25,045,290	4,853,772	27,548,588	10,697,580	288,040,588
>=£300,000 and <£400,000	6,167,082	9,111,742	87,551,195	4,318,017	14,138,159	78,361,225	34,501,853	22,386,264	4,088,439	23,686,066	9,470,049	293,780,091
>=£400,000 and <£500,000	3,272,547	4,971,541	38,376,395	1,709,052	7,724,724	39,373,482	20,558,777	9,664,993	461,513	9,293,284	3,641,354	139,047,661
>=£500,000 and <£750,000	2,461,736	503,992	34,437,507	1,114,122	3,292,848	27,658,246	11,273,296	4,474,798	1,764,110	3,019,452	3,896,512	93,896,619
>=£750,000 and <£1,000,000	834,705	-	10,451,792	-	-	9,298,220	2,444,629	800,816	-	852,930	934,298	25,617,390
>=£1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total	177,011,611	349,758,070	631,563,653	154,549,533	347,657,526	698,769,629	547,882,037	428,267,828	135,960,047	631,420,467	304,497,029	4,407,337,431

Average Mortgage size	96,254	86,875	175,240	74,338	91,537	148,139	118,666	104,075	85,725	86,177	83,907
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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	128,017,699	261,825,176	407,297,040	112,756,411	250,726,993	467,551,904	372,276,780	274,096,426	92,605,831	476,318,618	228,585,414	3,072,058,291
Interest Only	31,637,946	55,604,137	177,952,527	29,145,611	72,146,626	162,815,602	120,427,742	111,387,803	33,770,542	101,792,524	51,549,029	948,230,089
Combination (Interest Only and Repayment)	17,355,967	32,328,757	46,314,086	12,647,511	24,783,906	68,402,123	55,177,515	42,783,600	9,583,675	53,309,325	24,362,586	387,049,051
Total	177,011,611	349,758,070	631,563,653	154,549,533	347,657,526	698,769,629	547,882,037	428,267,828	135,960,047	631,420,467	304,497,029	4,407,337,431

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	81,944,750	153,726,547	309,923,973	68,587,795	159,160,682	350,019,444	269,063,991	200,448,725	61,223,586	242,647,451	137,080,885	2,033,827,829
Capped	11,859,030	22,177,785	59,747,169	8,279,004	31,552,237	56,196,013	37,910,051	32,580,251	7,393,709	36,229,231	21,776,660	325,701,137
Variable	83,207,832	173,853,738	261,892,511	77,682,734	156,944,606	292,554,172	240,907,996	195,238,853	67,342,753	352,543,786	145,639,485	2,047,808,465
Total	177,011,611	349,758,070	631,563,653	154,549,533	347,657,526	698,769,629	547,882,037	428,267,828	135,960,047	631,420,467	304,497,029	4,407,337,431

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- / 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
HSBC Corporate Trustee Company (UK) Ltd	N/A	N/A	Bond Trustee and Security Trustee
Deloitte 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			Asset Coverage Test (continued)		
Calculation Date	19/07/2012	19/06/2012		19/07/2012	19/06/2012
Aggregate Adjusted Loan Amount	= A+B+C+D-(X+Y+Z)				
Description	Value	Value	A: Arrears Adjusted True Balance	3,446,343,189	3,541,631,258
True Balance	4,407,337,431	4,531,246,834	B: Principal Receipts Retained in Cash	-	-
Adjusted Indexed Valuation	10,148,217,804	10,270,181,518	C: Retained Cash Contributions	-	-
Asset Percentage	78.4%	78.4%	D: Substitution Assets - Principal Receipts¹ - Capital Contributions	54,198,225	60,922,327
Loans < 3 months in arrears	4,407,239,786	4,531,246,834			
Loans in arrears =< 75% LTV	97,645	-	X: Savings set off balance	(28,667,896)	(26,052,737)
Loans in arrears > 75% LTV	-	-	Y : Flexible draw deduction	-	-
Principal Outstanding on Bonds ²	3,220,050,000	3,220,050,000	Z: Negative carry adjustment	(168,305,803)	(172,783,228)
Average Remaining Maturity of Bonds (Weighted Average Years)	2.7	2.8	Adjusted Aggregate Loan Amount	3,303,567,716	3,403,717,620
Negative Carry Factor (Weighted Average)	1.69%	1.69%	Aggregate Principal Amount Outstanding	3,220,050,000	3,220,050,000
A = Lower of (i) and (ii) multiplied by Asset Percentage :			Test Result	PASS	PASS
(i) Adjustment on True Balance			Surplus Result	83,517,716	183,667,620
Adjusted True Balance			Loan Amount to Covered Bond ratio percentage	73.06%	71.06%
made up by:	M		Credit Enhancement and Liquidity Support		
Loans < 3 months in arrears	0.75	4,377,293,794		30/06/2012	31/05/2012
Loans in arrears =< 75% LTV	0.4	59,713			
Loans in arrears > 75% LTV	0.25	-			
Adjusted True Balance		4,377,353,507			
			Reserve funds	16,348,258	16,519,495
(ii) Arrears Adjustment on True Balance			Retained principal	54,198,225	60,922,327
Arrears Adjusted True Balance			Overcollateralisation	1,187,287,431	1,311,196,834
made up by:	N		- Required by ACT	1,103,769,715	1,127,529,214
Loans < 3 months in arrears	1	4,395,786,191	- Surplus over ACT	83,517,716	183,667,620
Loans in arrears =< 75% LTV	0.4	59,713			
Loans in arrears > 75% LTV	0.25	-			
sub total		4,395,845,904			
Asset Percentage					
Contractual (maximum)		90.0%			
Moody's Required		78.4%			
Fitch Required		83.7%			
Current Asset Percentage (% used)		78.4%			
Arrears Adjusted True Balance		3,446,343,189			

¹Substitution Assets comprise short term cash deposits

Coventry Building Society Covered Bonds

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Principal & Revenue Receipts and Ledgers

Principal & Revenue Receipts

Revenue Receipts		(£)
Calculation Date :	19/07/2012	
Has an LLP notice to pay been issued ?	No	
Balance b/f		14,936,371
Interest Received on mortgages	Period 01/06/2012 to 30/06/2012	11,955,953
Fees Received on mortgages due to CBS	Period 01/06/2012 to 30/06/2012	385,145
Interest Received on GIC Account	Period 01/06/2012 to 30/06/2012	1,340
Interest Received on Substitution Assets	Period 01/06/2012 to 30/06/2012	31,006
Interest on Interest Rate Swap - Series 1-5	Period 24/05/2012 to 25/06/2012	(6,524,796)
Interest on Covered Bond Swap - Series 3	Period 24/05/2012 to 19/07/2012	(1,397,774)
Interest on Covered Bond Swap - Series 4	Period 24/05/2012 to 25/06/2012	(1,470,888)
Interest on Covered Bond Swap - Series 5	Period 24/05/2012 to 25/06/2012	(1,119,180)
Interest on Term Advance- Series 1&2	Period 24/05/2012 to 25/06/2012	(1,439,897)
Interest on Term Advance- Series 5	Period 24/05/2012 to 25/06/2012	-
Excess Funds on Reserve Fund		171,237
Transfer to Reserve Fund		-
Any other receipts not covered above	Period 01/06/2012 to 30/06/2012	103,580
Payments made (incl repatriation to CBS)	Period 24/05/2012 to 25/06/2012	(2,155,073)
If LLP notice to pay issued		
Amount of Reserve Fund		-
Less :		
Amounts paid to third parties		-
Available Revenue as at month end		13,477,025

Principal Receipts		(£)
Calculation Date :	19/07/2012	
Principal receipts b/f		60,922,327
Utilisation of Principal Receipts	Period 24/05/2012 to 25/06/2012	(60,922,327)
Scheduled Principal Receipts	Period 01/06/2012 to 30/06/2012	14,582,063
Unscheduled Principal Receipts	Period 01/06/2012 to 30/06/2012	39,616,162
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		54,198,225

Ledgers

	Month End 30/06/2012	Month End 31/05/2012
Principal Ledger	(£)	(£)
Balance b/f on Principal Ledger	60,922,327	61,248,717
Utilisation of Principal Receipts	(60,922,327)	(61,248,717)
Principal repayments under mortgages	54,198,225	60,922,327
Balance c/f on Principal Ledger	54,198,225	60,922,327

	(£)	(£)
Revenue Ledger	(£)	(£)
Balance b/f on Revenue Ledger	14,936,371	15,546,048
Interest Receipts on Mortgages	11,955,953	13,350,870
Interest due on bank accounts & investments	32,347	112,365
Other payments/(receipts)	(6,922,850)	(7,985,847)
Payments due under Interest Rate Swap	(6,524,796)	(6,087,064)
Balance c/f on Revenue Ledger	13,477,025	14,936,371

	(£)	(£)
Reserve Ledger	(£)	(£)
Balance b/f on Reserve Ledger	16,519,495	16,770,172
Transfers to/from GIC	(171,237)	(250,677)
Cash Capital Contribution	-	-
Balance c/f on Reserve Ledger	16,348,258	16,519,495
Reserve Fund Required Amount	16,348,258	16,519,495

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

Total cash holding month end	84,023,508	92,378,193
Bond value	3,220,050,000	3,220,050,000
Percentage Cash Holding	2.6%	2.9%

	(£)	(£)
Summary Balance Sheet and Ledgers	(£)	(£)
GIC Account	11,023,508	2,378,193
Substitution Assets ¹	73,000,000	90,000,000
Subtotal	84,023,508	92,378,193
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,407,337,431	4,531,246,834
Total Assets	4,491,360,939	4,623,625,027
Intercompany Loan ²	3,220,050,000	3,220,050,000
Capital Account	1,271,310,939	1,403,575,027
Total Liabilities	4,491,360,939	4,623,625,027

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	900,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	Previous Period Balance	900,000,000	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 01/06/2012 - 30/06/2012	Interest Payment Frequency	Monthly	Monthly	Annually	Annually	Quarterly
	Accrual Start Date	24/05/2012	24/05/2012	19/04/2012	24/10/2011	10/05/2012
	Accrual End Date	25/06/2012	25/06/2012	19/04/2013	24/10/2012	10/08/2012
	Accrual Day Count	32	32	365	366	92
	Coupon Reference Rate	0.67313%	0.67313%	N/A	N/A	1.00875%
	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	1.17313%	1.17313%	4.62500%	2.87500%	2.60875%
	Current Period Coupon Amount¹	925,648	514,249	-	-	-
	Current Interest Shortfall	-	-	-	-	-
	Cumulative Interest Shortfall	-	-	-	-	-
Next Interest Payment Date	24/07/2012	24/07/2012	19/04/2013	24/10/2012	10/08/2012	
Principal Payments ¹ 01/06/2012 - 30/06/2012	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	4,514,385,089	Coventry Building Society	1m LIBOR	1.19000%	1.8631%	Basket of rates	N/A	3.51171%	(6,524,796)
	Covered Bond (Liability) Swap										
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.62500%	1m LIBOR	1.63%	2.26750%	(1,397,774)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	2.94313%	(1,470,888)
Series 5	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.60875%	1m LIBOR	1.88%	2.55313%	(1,119,180)

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 Bank 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	3,500,000

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

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://web.archive.org/web/20100815095614/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.