

Coventry Building Society Covered Bonds

Investor Report

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Reporting Information

Reporting Date	30/06/2012
Reporting Period	01/05/2012 to 31/05/2012

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	41,953	42,603
Number of loans in Pool	49,416	50,109
True Balance of mortgage accounts in Pool	£4,541,274,177	£4,531,246,834
Cash and other Substitution Assets	£93,564,936	£92,378,193

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	£75,448,321	£74,273,197

Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.52%	3.51%

Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	42,480	99.7%	4,518,731,061	99.7%	-
>=1 and <2	108	0.3%	11,558,129	0.3%	81,036
>=2 and <3	15	0.0%	957,643	0.0%	18,177
>=3 and <6	-	-	-	-	-
>=6 and <9	-	-	-	-	-
>=9 and <12	-	-	-	-	-
>=12	-	-	-	-	-
Totals	42,603	100.0%	4,531,246,834	100.0%	99,213

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	41,953	4,541,274,177
Loans added to pool	3,313	360,964,929
Loans repurchased from pool	(2,358)	(313,404,709)
Principal receipts	(305)	(60,922,327)
Other movements	-	3,334,764
Closing totals	42,603	4,531,246,834

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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	106,360	132,824	98,821	55.4%	55.9%	807
Min	2.9	0.0	0	30	0	0.0%	0.0%	0
Max	88.9	35.2	971,793	971,793	948,942	97.7%	89.9%	4,185

Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.34%	1.24%	16.00%
Previous PPR - Total	1.35%	1.15%	14.68%

The rates shown in this table are calculated from the total Principal Receipts in the month including contractual repayments, unscheduled prepayments and redemptions.

Constant Prepayment Rates (CPPR)

	Monthly	3 Month Average	Annualised
Current CPPR - Total	1.03%	0.92%	11.68%
Previous CPPR - Total	0.99%	0.82%	10.29%

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 accounts
East Anglia	179,343,586	4.0%	1,888	4.4%
East Midlands	363,678,136	8.0%	4,150	9.7%
London	648,260,203	14.3%	3,711	8.7%
North	160,084,495	3.5%	2,130	5.0%
North West	352,088,949	7.8%	3,885	9.1%
Outer Metropolitan	723,244,037	16.0%	4,903	11.5%
Outer South East	559,315,578	12.3%	4,714	11.1%
South West	440,123,823	9.7%	4,240	10.0%
Wales	142,083,893	3.1%	1,672	3.9%
West Midlands	646,189,081	14.3%	7,521	17.7%
Yorkshire and Humberside	316,835,052	7.0%	3,789	8.9%
Totals	4,531,246,834	100.0%	42,603	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%	369,559,888	8.2%	10,007	23.5%
>=25% and <50%	1,239,400,052	27.4%	12,931	30.4%
>=50% and <55%	355,853,594	7.9%	2,762	6.5%
>=55% and <60%	392,871,505	8.7%	2,853	6.7%
>=60% and <65%	434,836,897	9.6%	2,942	6.9%
>=65% and <70%	449,520,072	9.9%	3,015	7.1%
>=70% and <75%	660,402,524	14.6%	4,155	9.8%
>=75% and <80%	451,259,442	10.0%	2,759	6.5%
>=80% and <85%	123,659,092	2.7%	842	2.0%
>=85% and <90%	41,180,465	0.9%	267	0.6%
>=90% and <95%	9,586,141	0.2%	53	0.1%
>=95% and <100%	3,117,162	0.1%	17	0.0%
>=100%	-	-	-	-
Totals	4,531,246,834	100.0%	42,603	100.0%

Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	361,931,501	8.0%	9,734	22.8%
>=25% and <50%	1,205,007,803	26.6%	12,618	29.6%
>=50% and <55%	355,597,500	7.8%	2,799	6.6%
>=55% and <60%	377,956,123	8.3%	2,765	6.5%
>=60% and <65%	408,750,778	9.0%	2,821	6.6%
>=65% and <70%	455,319,849	10.0%	2,976	7.0%
>=70% and <75%	672,434,551	14.8%	4,293	10.1%
>=75% and <80%	576,593,941	12.7%	3,788	8.9%
>=80% and <85%	116,646,782	2.6%	803	1.9%
>=85% and <90%	1,008,005	0.0%	6	0.0%
>=90% and <95%	-	-	-	-
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
Totals	4,531,246,834	100.0%	42,603	100.0%

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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 accounts
<£50,000	307,229,467	6.8%	10,848	25.5%
>=£50,000 and <£100,000	1,002,802,783	22.1%	13,457	31.6%
>=£100,000 and <£150,000	1,112,670,520	24.6%	9,121	21.4%
>=£150,000 and <£200,000	805,939,103	17.8%	4,690	11.0%
>=£200,000 and <£250,000	448,183,708	9.9%	2,019	4.7%
>=£250,000 and <£300,000	296,108,796	6.5%	1,089	2.6%
>=£300,000 and <£400,000	298,882,530	6.6%	876	2.1%
>=£400,000 and <£500,000	137,130,221	3.0%	307	0.7%
>=£500,000 and <£750,000	95,966,319	2.1%	165	0.4%
>=£750,000 and <£1,000,000	26,333,387	0.6%	31	0.1%
>=£1,000,000	-	-	-	-
Totals	4,531,246,834	100.0%	42,603	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	237,429,606	5.2%	1,974	4.6%
>=6 and <12	515,942,537	11.4%	4,369	10.3%
>=12 and <18	607,536,794	13.4%	5,093	12.0%
>=18 and <24	668,941,468	14.8%	5,487	12.9%
>=24 and <30	408,380,522	9.0%	3,635	8.5%
>=30 and <36	456,674,052	10.1%	4,096	9.6%
>=36 and <42	249,482,834	5.5%	2,314	5.4%
>=42 and <48	114,202,190	2.5%	1,432	3.4%
>=48 and <54	231,772,325	5.1%	2,665	6.3%
>=54 and <60	252,052,589	5.6%	2,772	6.5%
>=60 and <66	173,293,887	3.8%	1,859	4.4%
>=66 and <72	202,928,892	4.5%	2,112	5.0%
>=72	412,609,139	9.1%	4,795	11.3%
Totals	4,531,246,834	100.0%	42,603	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	171,902,537	3.8%	3,737	8.8%
>=5 and <10	529,256,520	11.7%	7,556	17.7%
>=10 and <15	896,135,822	19.8%	9,356	22.0%
>=15 and <20	1,398,765,926	30.9%	11,443	26.9%
>=20 and <25	1,206,901,711	26.6%	8,249	19.4%
>=25 and <30	243,272,042	5.4%	1,633	3.8%
>=30 and <35	84,739,406	1.9%	628	1.5%
>=35	272,872	0.0%	1	0.0%
Totals	4,531,246,834	100.0%	42,603	100.0%

Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total loans
Fixed rate	2,201,132,600	48.6%	22,609	45.1%
Capped	307,301,479	6.8%	2,547	5.1%
Variable	2,022,812,755	44.6%	24,953	49.8%
Totals	4,531,246,834	100.0%	50,109	100.0%

Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	3,127,198,597	69.0%	31,645	74.3%
Interest Only	1,001,492,005	22.1%	7,540	17.7%
Combination (Interest Only and Repayment)	402,556,232	8.9%	3,418	8.0%
Totals	4,531,246,834	100.0%	42,603	100.0%

Originator

	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,531,246,834	100.0%	42,603	100.0%
Totals	4,531,246,834	100.0%	42,603	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	1,564,120,799	732,027,611	860,851,329	1,244,676,181	117,055,141	-	-	4,518,731,061
>=1 and <3 Months in Arrears	2,818,505	1,526,012	3,219,298	4,352,311	599,646	-	-	12,515,773
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-
Totals	1,566,939,304	733,553,623	864,070,627	1,249,028,492	117,654,788	-	-	4,531,246,834

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	62,392,527	31,913,143	33,600,410	47,115,831	4,321,674	-	-	179,343,586
East Midlands	121,338,372	59,618,313	71,258,530	108,237,806	3,225,116	-	-	363,678,136
London	228,911,944	102,447,921	133,649,663	172,282,760	10,967,915	-	-	648,260,203
North	55,029,935	23,634,010	31,383,446	47,703,336	2,333,768	-	-	160,084,495
North West	104,626,007	55,053,905	67,971,199	110,874,509	13,563,328	-	-	352,088,949
Outer Metropolitan	257,283,140	115,294,202	137,644,117	197,437,181	15,585,397	-	-	723,244,037
Outer South East	201,711,827	93,994,501	106,109,926	151,577,382	5,921,942	-	-	559,315,578
South West	166,736,222	76,475,038	73,042,814	110,135,975	13,733,774	-	-	440,123,823
Wales	45,045,604	18,541,072	24,895,552	38,014,188	15,587,477	-	-	142,083,893
West Midlands	224,131,329	105,190,508	126,699,057	176,112,466	14,055,720	-	-	646,189,081
Yorkshire and Humberside	99,732,398	51,391,008	57,815,912	89,537,057	18,358,676	-	-	316,835,052
Totals	1,566,939,304	733,553,623	864,070,627	1,249,028,492	117,654,788	-	-	4,531,246,834

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	1,016,382,258	500,738,720	617,965,164	899,289,688	92,822,766	-	-	3,127,198,597
Interest Only	383,971,438	152,520,834	179,286,437	265,985,552	19,727,746	-	-	1,001,492,005
Combination (Interest Only and Repayment)	166,585,608	80,294,069	66,819,027	83,753,252	5,104,275	-	-	402,556,232
Total	1,566,939,304	733,553,623	864,070,627	1,249,028,492	117,654,788	-	-	4,531,246,834

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	667,727,746	350,980,656	421,600,887	684,051,421	76,771,889	-	-	2,201,132,600
Capped	112,084,847	68,230,939	75,925,044	49,951,472	1,109,177	-	-	307,301,479
Variable	787,126,711	314,342,028	366,544,695	515,025,599	39,773,721	-	-	2,022,812,755
Totals	1,566,939,304	733,553,623	864,070,627	1,249,028,492	117,654,788	-	-	4,531,246,834

Coventry Building Society Covered Bonds

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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	179,071,183	362,793,351	647,523,320	159,407,351	350,922,179	720,880,201	558,252,009	439,052,034	141,279,605	643,420,324	316,129,505	4,518,731,061
>=1 and <3 Months in Arrears	272,403	884,785	736,883	677,144	1,166,771	2,363,837	1,063,569	1,071,789	804,287	2,768,757	705,547	12,515,773
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
Total	179,343,586	363,678,136	648,260,203	160,084,495	352,088,949	723,244,037	559,315,578	440,123,823	142,083,893	646,189,081	316,835,052	4,531,246,834

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	14,350,159	34,515,964	10,597,074	24,123,790	34,067,647	19,183,873	26,321,277	28,243,100	15,605,213	65,184,840	35,036,531	307,229,467
>=£50,000 and <£100,000	48,086,208	113,340,126	45,517,742	52,240,514	104,001,800	82,047,303	96,721,381	96,518,229	45,727,857	212,697,751	105,903,872	1,002,802,783
>=£100,000 and <£150,000	52,569,215	107,286,266	95,105,072	41,141,264	88,659,934	147,585,727	150,646,920	133,211,277	38,548,402	173,574,076	84,342,369	1,112,670,520
>=£150,000 and <£200,000	30,209,857	53,298,475	140,938,298	20,297,986	56,100,743	156,474,272	113,841,693	83,976,473	20,133,587	87,778,852	42,888,868	805,939,103
>=£200,000 and <£250,000	15,087,165	21,804,518	104,852,225	9,470,751	27,071,490	97,738,264	63,538,262	35,607,328	10,434,406	41,537,969	21,041,330	448,183,708
>=£250,000 and <£300,000	6,273,611	14,546,263	82,071,799	4,863,675	18,953,178	61,587,237	37,172,761	25,169,694	5,646,826	29,103,864	10,719,888	296,108,796
>=£300,000 and <£400,000	6,182,115	11,385,198	88,179,814	4,693,738	14,101,318	81,249,298	35,502,055	21,338,273	3,758,073	23,318,878	9,173,771	298,882,530
>=£400,000 and <£500,000	2,784,569	5,885,893	38,988,544	2,137,054	6,385,442	38,315,394	20,041,588	10,176,034	461,537	9,271,342	2,682,825	137,130,221
>=£500,000 and <£750,000	2,965,911	1,615,435	30,780,994	1,115,724	2,747,398	29,819,244	13,088,266	5,082,567	1,767,993	2,871,540	4,111,247	95,966,319
>=£750,000 and <£1,000,000	834,775	-	11,228,641	-	-	9,243,426	2,441,375	800,849	-	849,969	934,351	26,333,387
>=£1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total	179,343,586	363,678,136	648,260,203	160,084,495	352,088,949	723,244,037	559,315,578	440,123,823	142,083,893	646,189,081	316,835,052	4,531,246,834

Average Mortgage size	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	Total
	94,991	87,633	174,686	75,157	90,628	147,511	118,650	103,803	84,978	85,918	83,620	

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	129,213,897	267,498,210	410,319,819	116,557,054	252,590,594	481,030,454	375,704,920	276,546,217	96,070,648	486,255,194	235,411,588	3,127,198,597
Interest Only	32,398,567	59,465,027	189,693,332	30,246,718	73,668,532	172,119,149	127,815,658	120,735,385	36,115,690	104,290,177	54,943,770	1,001,492,005
Combination (Interest Only and Repayment)	17,731,122	36,714,899	48,247,052	13,280,723	25,829,823	70,094,434	55,794,999	42,842,222	9,897,554	55,643,709	26,479,693	402,556,232
Total	179,343,586	363,678,136	648,260,203	160,084,495	352,088,949	723,244,037	559,315,578	440,123,823	142,083,893	646,189,081	316,835,052	4,531,246,834

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	88,004,737	169,144,743	334,833,506	74,194,047	168,585,737	383,806,286	285,157,405	214,063,873	68,459,396	263,499,563	151,383,308	2,201,132,600
Capped	11,215,953	21,208,298	55,715,426	8,621,603	30,312,827	50,820,880	36,390,001	30,633,167	6,979,514	34,903,497	20,500,316	307,301,479
Variable	80,122,896	173,325,096	257,711,272	77,268,846	153,190,386	288,616,872	237,768,172	195,426,784	66,644,982	347,786,022	144,951,428	2,022,812,755
Total	179,343,586	363,678,136	648,260,203	160,084,495	352,088,949	723,244,037	559,315,578	440,123,823	142,083,893	646,189,081	316,835,052	4,531,246,834

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
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			Asset Coverage Test (continued)		
Calculation Date	19/06/2012	18/05/2012		19/06/2012	18/05/2012
Aggregate Adjusted Loan Amount	= A+B+C+D-(X+Y+Z)				
Description	Value	Value	A: Arrears Adjusted True Balance	3,541,631,258	3,547,609,141
True Balance	4,531,246,834	4,541,274,177	B: Principal Receipts Retained in Cash	-	-
Adjusted Indexed Valuation	10,270,181,518	10,329,314,142	C: Retained Cash Contributions	-	-
Asset Percentage	78.4%	78.4%	D: Substitution Assets - Principal Receipts¹ - Capital Contributions	60,922,327	61,248,717
Loans < 3 months in arrears	4,531,246,834	4,541,274,177			
Loans in arrears =< 75% LTV	-	-	X: Savings set off balance	(26,052,737)	(129,021,038)
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	(172,783,228)	(177,409,900)
Average Remaining Maturity of Bonds (Weighted Average Years)	2.8	2.8	Adjusted Aggregate Loan Amount	3,403,717,620	3,302,426,920
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	183,667,620	82,376,920
Adjusted True Balance			Loan Amount to Covered Bond ratio percentage	71.06%	70.91%
made up by:	M		Credit Enhancement and Liquidity Support		
Loans < 3 months in arrears	0.75	4,488,969,985		31/05/2012	30/04/2012
Loans in arrears =< 75% LTV	0.4	-	Reserve funds	16,519,495	16,770,172
Loans in arrears > 75% LTV	0.25	-	Retained principal	60,922,327	61,248,717
Adjusted True Balance		4,488,969,985	Overcollateralisation	1,311,196,834	1,321,224,177
			- Required by ACT	1,127,529,214	1,238,847,257
			- Surplus over ACT	183,667,620	82,376,920
(ii) Arrears Adjustment on True Balance					
Arrears Adjusted True Balance					
made up by:	N				
Loans < 3 months in arrears	1	4,517,386,808			
Loans in arrears =< 75% LTV	0.4	-			
Loans in arrears > 75% LTV	0.25	-			
sub total		4,517,386,808			
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		3,541,631,258			

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 :	19/06/2012	
Has an LLP notice to pay been issued ?	No	
Balance b/f		15,546,048
Interest Received on mortgages	Period 01/05/2012 to 31/05/2012	13,350,870
Fees Received on mortgages due to CBS	Period 01/05/2012 to 31/05/2012	365,322
Interest Received on GIC Account	Period 01/05/2012 to 31/05/2012	1,208
Interest Received on Substitution Assets	Period 01/05/2012 to 31/05/2012	111,157
Interest on Interest Rate Swap - Series 1-5	Period 24/04/2012 to 24/05/2012	(6,087,064)
Interest on Covered Bond Swap - Series 3	Period 10/02/2012 to 19/06/2012	(1,377,401)
Interest on Covered Bond Swap - Series 4	Period 24/04/2012 to 24/05/2012	(1,385,690)
Interest on Covered Bond Swap - Series 5	Period 10/02/2012 to 10/05/2012	2,245,363
Interest on Term Advance- Series 1&2	Period 24/04/2012 to 24/05/2012	(1,366,439)
Interest on Term Advance- Series 5	Period 10/02/2012 to 10/05/2012	(3,300,500)
Excess Funds on Reserve Fund		250,677
Transfer to Reserve Fund		-
Any other receipts not covered above	Period 01/05/2012 to 31/05/2012	107,814
Payments made (incl repatriation to CBS)	Period 24/04/2012 to 24/05/2012	(3,524,994)
If LLP notice to pay issued		
Amount of Reserve Fund		-
Less :		
Amounts paid to third parties		-
Available Revenue as at month end		14,936,371

Principal Receipts		(£)
Calculation Date :	19/06/2012	
Principal receipts b/f		61,248,717
Utilisation of Principal Receipts	Period 24/04/2012 to 24/05/2012	(61,248,717)
Scheduled Principal Receipts	Period 01/05/2012 to 31/05/2012	14,036,796
Unscheduled Principal Receipts	Period 01/05/2012 to 31/05/2012	46,885,531
Proceeds from term loans		-
Less Mortgages Purchased		
Unutilised Proceeds		-
Cash Capital Contributions		-
Proceeds from Mortgage Sales		-
Capital receivables under Covered Bond Swap		-
Available Principal Receipts as at month end		60,922,327

Ledgers

	Month End 31/05/2012	Month End 30/04/2012
Principal Ledger	(£)	(£)
Balance b/f on Principal Ledger	61,248,717	47,656,406
Utilisation of Principal Receipts	(61,248,717)	(47,656,406)
Principal repayments under mortgages	60,922,327	61,248,717
Balance c/f on Principal Ledger	60,922,327	61,248,717

	(£)	(£)
Revenue Ledger	(£)	(£)
Balance b/f on Revenue Ledger	15,546,048	13,942,167
Interest Receipts on Mortgages	13,350,870	14,199,604
Interest due on bank accounts & investments	112,365	34,997
Other payments/(receipts)	(7,985,847)	(6,646,787)
Payments due under Interest Rate Swap	(6,087,064)	(5,983,933)
Balance c/f on Revenue Ledger	14,936,371	15,546,048

	(£)	(£)
Reserve Ledger	(£)	(£)
Balance b/f on Reserve Ledger	16,770,172	17,182,486
Transfers to/from GIC	(250,677)	(412,315)
Cash Capital Contribution	-	-
Balance c/f on Reserve Ledger	16,519,495	16,770,172
Reserve Fund Required Amount	16,519,495	16,770,172

	(£)	(£)
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	92,378,193	93,564,936
Bond value	3,220,050,000	3,220,050,000
Percentage Cash Holding	2.9%	2.9%

Summary Balance Sheet and Ledgers	(£)	(£)
GIC Account	2,378,193	3,564,936
Substitution Assets ¹	90,000,000	90,000,000
Subtotal	92,378,193	93,564,936
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,531,246,834	4,541,274,177
Total Assets	4,623,625,027	4,634,839,113
Intercompany Loan ²	3,220,050,000	3,220,050,000
Capital Account	1,403,575,027	1,414,789,113
Total Liabilities	4,623,625,027	4,634,839,113

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 01/05/2012 - 31/05/2012	Interest Payment Frequency	Monthly	Monthly	Annually	Annually	Quarterly
	Accrual Start Date	24/04/2012	24/04/2012	19/04/2012	24/10/2011	10/02/2012
	Accrual End Date	24/05/2012	24/05/2012	19/04/2013	24/10/2012	10/05/2012
	Accrual Day Count	30	30	365	366	90
	Coupon Reference Rate	0.68750%	0.68750%	N/A	N/A	1.07710%
	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	1.18750%	1.18750%	4.62500%	2.87500%	2.67710%
	Current Period Coupon Amount ¹	878,425	488,014	-	-	3,300,534
	Current Interest Shortfall	-	-	-	-	-
	Cumulative Interest Shortfall	-	-	-	-	-
Next Interest Payment Date	25/06/2012	25/06/2012	19/04/2013	24/10/2012	10/08/2012	
Principal Payments ¹ 01/05/2012 - 31/05/2012	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	4,553,674,799	Coventry Building Society	1m LIBOR	1.19000%	1.8775%	Basket of rates	N/A	3.50386%	(6,087,064)
	Covered Bond (Liability) Swap										
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.62500%	1m LIBOR	1.63%	2.31150%	(1,377,401)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	2.95750%	(1,385,690)
Series 5	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.67710%	1m LIBOR	2.57%	2.56750%	2,245,363

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	4,500,000

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.

Coventry Building Society Covered Bonds

Investor Report

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