

# Coventry Building Society Covered Bonds

## Investor Report

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### Reporting Information

Reporting Date	31/10/2012
Reporting Period	01/09/2012 to 30/09/2012

### 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

### Investor Relations Contacts

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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	41,515	41,503
Number of loans in Pool	48,617	48,515
True Balance of mortgage accounts in Pool	£4,416,805,397	£4,404,943,969
Cash and other Substitution Assets	£92,413,532	£82,243,002

### 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	£75,543,056	£65,561,109

### Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.50%	3.50%

### Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	41,369	99.7%	4,388,985,190	99.6%	-
>=1 and <2	116	0.3%	14,359,927	0.3%	102,889
>=2 and <3	17	0.0%	1,528,445	0.0%	18,628
>=3 and <6	1	0.0%	70,407	0.0%	1,177
>=6 and <9	-	-	-	-	-
>=9 and <12	-	-	-	-	-
>=12	-	-	-	-	-
<b>Totals</b>	<b>41,503</b>	<b>100.0%</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>122,694</b>

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 reposessions made and no stock of reposessions held in the current period.

### Reconciliation of movements

	Number of mortgage accounts	Balance (£)
Opening totals	41,515	4,416,805,397
Loans added to pool	518	64,361,952
Loans repurchased from pool	(221)	(21,762,786)
Principal receipts	(309)	(54,376,141)
Other movements	-	(84,453)
Closing totals	41,503	4,404,943,969

# Coventry Building Society Covered Bonds

## Investor Report

## 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	36.1	17.1	106,136	132,490	99,102	55.0%	54.6%	916
Min	3.8	0.0	0	0	0	0.0%	0.0%	0
Max	92.8	35.2	971,770	971,770	940,794	97.7%	88.4%	8,413

### Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.23%	1.54%	20.14%
Previous PPR - Total	1.43%	1.54%	20.12%

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	0.95%	1.23%	15.79%
Previous CPPR - Total	1.08%	1.21%	15.55%

The rates shown in this table are calculated from the total Unscheduled Principal Receipts in the month from unscheduled prepayments and redemptions only.

### Constant Default Rates (CDR)

	Monthly	3 Month Average	Annualised
Current CDR Rate - Total	0.00%	0.00%	0.00%
Previous CDR Rate - Total	0.00%	0.00%	0.00%

### Standard Variable Rates

	CBS Existing Borrower SVR, %	With Effect From
Standard Variable Rate, Current	4.74%	01/02/2009
Standard Variable Rate, Historical	4.99%	01/01/2008
Privilege Rate, Current	4.49%	01/02/2009
Privilege Rate, Historical	4.79%	01/01/2008

The "Privilege Rate" is a variable rate offered to certain owner-occupying borrowers who have been on the same product for five years or more.

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Geographical Distribution

Regions	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
East Anglia	175,075,845	4.0%	1,838	4.4%
East Midlands	350,222,334	8.0%	4,042	9.7%
London	631,120,784	14.3%	3,633	8.8%
North	152,168,379	3.5%	2,061	5.0%
North West	343,830,146	7.8%	3,807	9.2%
Outer Metropolitan	702,479,933	15.9%	4,761	11.5%
Outer South East	549,968,910	12.5%	4,677	11.3%
South West	425,703,875	9.7%	4,124	9.9%
Wales	135,371,957	3.1%	1,592	3.8%
West Midlands	632,088,072	14.3%	7,297	17.6%
Yorkshire and Humberside	306,913,733	7.0%	3,671	8.8%
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

### Non-Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	366,999,858	8.3%	9,712	23.4%
>=25% and <50%	1,240,420,609	28.2%	12,945	31.2%
>=50% and <55%	356,473,471	8.1%	2,753	6.6%
>=55% and <60%	376,184,878	8.5%	2,775	6.7%
>=60% and <65%	426,273,496	9.7%	2,872	6.9%
>=65% and <70%	448,450,344	10.2%	3,049	7.3%
>=70% and <75%	586,027,425	13.3%	3,668	8.8%
>=75% and <80%	448,666,258	10.2%	2,705	6.5%
>=80% and <85%	108,432,392	2.5%	737	1.8%
>=85% and <90%	35,059,873	0.8%	220	0.5%
>=90% and <95%	8,811,180	0.2%	49	0.1%
>=95% and <100%	3,144,184	0.1%	18	0.0%
>=100%	-	-	-	-
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

### Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	367,979,188	8.4%	9,591	23.1%
>=25% and <50%	1,246,494,123	28.3%	12,853	31.0%
>=50% and <55%	354,281,784	8.0%	2,780	6.7%
>=55% and <60%	382,753,778	8.7%	2,789	6.7%
>=60% and <65%	417,945,422	9.5%	2,827	6.8%
>=65% and <70%	493,944,327	11.2%	3,214	7.7%
>=70% and <75%	616,272,231	14.0%	4,008	9.7%
>=75% and <80%	494,089,259	11.2%	3,224	7.8%
>=80% and <85%	30,657,597	0.7%	212	0.5%
>=85% and <90%	526,258	0.0%	5	0.0%
>=90% and <95%	-	-	-	-
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

# 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	303,926,243	6.9%	10,526	25.4%
>=£50,000 and <£100,000	985,191,801	22.4%	13,243	31.9%
>=£100,000 and <£150,000	1,083,438,086	24.6%	8,890	21.4%
>=£150,000 and <£200,000	778,116,402	17.7%	4,530	10.9%
>=£200,000 and <£250,000	432,454,991	9.8%	1,947	4.7%
>=£250,000 and <£300,000	281,482,086	6.4%	1,036	2.5%
>=£300,000 and <£400,000	282,778,361	6.4%	830	2.0%
>=£400,000 and <£500,000	138,011,064	3.1%	310	0.7%
>=£500,000 and <£750,000	94,097,766	2.1%	161	0.4%
>=£750,000 and <£1,000,000	25,447,169	0.6%	30	0.1%
>=£1,000,000	-	-	-	-
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

### Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
>1 and <6	166,665,679	3.8%	1,407	3.4%
>=6 and <12	497,636,769	11.3%	4,136	10.0%
>=12 and <18	526,237,576	11.9%	4,413	10.6%
>=18 and <24	631,734,017	14.3%	5,337	12.9%
>=24 and <30	448,560,608	10.2%	3,815	9.2%
>=30 and <36	323,770,750	7.4%	3,148	7.6%
>=36 and <42	349,623,531	7.9%	3,081	7.4%
>=42 and <48	155,907,149	3.5%	1,606	3.9%
>=48 and <54	143,554,765	3.3%	1,789	4.3%
>=54 and <60	268,239,642	6.1%	2,914	7.0%
>=60 and <66	192,552,413	4.4%	2,064	5.0%
>=66 and <72	159,281,876	3.6%	1,733	4.2%
>=72	541,179,191	12.3%	6,060	14.6%
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Years to maturity of loans

Years to maturity	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<5	172,476,691	3.9%	3,615	8.7%
>=5 and <10	527,029,463	12.0%	7,529	18.1%
>=10 and <15	879,426,071	20.0%	9,203	22.2%
>=15 and <20	1,356,663,072	30.8%	11,107	26.8%
>=20 and <25	1,141,048,206	25.9%	7,819	18.8%
>=25 and <30	236,892,480	5.4%	1,576	3.8%
>=30 and <35	91,250,451	2.1%	653	1.6%
>=35	157,534	0.0%	1	0.0%
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

### Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total loans
Fixed rate	2,124,928,584	48.2%	21,400	44.1%
Capped	208,486,728	4.7%	1,607	3.3%
Variable	2,071,528,657	47.0%	25,508	52.6%
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>48,515</b>	<b>100.0%</b>

### Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	3,098,933,893	70.4%	31,270	75.3%
Interest Only	921,863,380	20.9%	6,958	16.8%
Combination (Interest Only and Repayment)	384,146,696	8.7%	3,275	7.9%
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

### Originator

	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,404,943,969	100.0%	41,503	100.0%
<b>Totals</b>	<b>4,404,943,969</b>	<b>100.0%</b>	<b>41,503</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
Current	1,609,699,776	733,926,649	908,638,360	1,105,975,442	30,744,964	-	-	4,388,985,190
>=1 and <3 Months in Arrears	4,773,535	3,108,914	3,251,389	4,315,641	438,892	-	-	15,888,371
>=3 and <6 Months in Arrears	-	-	-	70,407	-	-	-	70,407
>=6 Months in Arrears	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>1,614,473,311</b>	<b>737,035,562</b>	<b>911,889,749</b>	<b>1,110,361,490</b>	<b>31,183,856</b>	-	-	<b>4,404,943,969</b>

### Regional Distribution

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
East Anglia	60,387,495	32,447,392	33,378,147	46,355,019	2,507,792	-	-	175,075,845
East Midlands	124,069,990	56,491,562	69,212,381	97,862,412	2,585,989	-	-	350,222,334
London	239,975,247	105,159,991	146,858,349	138,363,849	763,348	-	-	631,120,784
North	55,272,203	24,140,981	33,250,429	39,301,182	203,585	-	-	152,168,379
North West	105,017,586	55,166,085	66,736,425	107,080,994	9,829,056	-	-	343,830,146
Outer Metropolitan	262,246,244	114,167,333	142,919,165	179,874,799	3,272,391	-	-	702,479,933
Outer South East	216,803,428	97,750,394	117,793,123	117,077,973	543,991	-	-	549,968,910
South West	171,659,270	74,187,979	82,903,513	96,140,347	812,766	-	-	425,703,875
Wales	45,925,974	20,743,010	23,133,699	38,512,880	7,056,395	-	-	135,371,957
West Midlands	230,521,286	106,285,312	130,378,171	163,748,534	1,154,769	-	-	632,088,072
Yorkshire and Humberside	102,594,588	50,495,523	65,326,348	86,043,500	2,453,774	-	-	306,913,733
<b>Totals</b>	<b>1,614,473,311</b>	<b>737,035,562</b>	<b>911,889,749</b>	<b>1,110,361,490</b>	<b>31,183,856</b>	-	-	<b>4,404,943,969</b>

### Repayment Type

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
Repayment	1,077,499,472	511,345,012	672,765,781	815,842,437	21,481,190	-	-	3,098,933,893
Interest Only	365,590,467	151,056,286	168,769,131	228,786,623	7,660,873	-	-	921,863,380
Combination (Interest Only and Repayment)	171,383,372	74,634,265	70,354,837	65,732,430	2,041,792	-	-	384,146,696
<b>Total</b>	<b>1,614,473,311</b>	<b>737,035,562</b>	<b>911,889,749</b>	<b>1,110,361,490</b>	<b>31,183,856</b>	-	-	<b>4,404,943,969</b>

### Interest Payment Type

	% of Total Balance split by Current Indexed LTV							Total
	>=0% and <50%	>=50% and <60%	>=60% and <70%	>=70% and <80%	>=80% and <90%	>=90% and <100%	>= 100%	
Fixed	678,705,093	352,460,275	462,269,081	615,858,366	15,635,769	-	-	2,124,928,584
Capped	69,465,753	52,199,109	50,197,355	36,624,510	-	-	-	208,486,728
Variable	866,302,465	332,376,178	399,423,313	457,878,614	15,548,087	-	-	2,071,528,657
<b>Totals</b>	<b>1,614,473,311</b>	<b>737,035,562</b>	<b>911,889,749</b>	<b>1,110,361,490</b>	<b>31,183,856</b>	-	-	<b>4,404,943,969</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears

	% of Total Balance split by Region											
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	Total
Current	174,739,349	349,021,688	628,942,157	151,048,980	342,543,643	700,395,055	547,374,711	424,498,106	134,219,438	630,344,088	305,857,975	<b>4,388,985,190</b>
>=1 and <3 Months in Arrears	336,496	1,200,646	2,178,627	1,119,399	1,216,096	2,084,878	2,594,199	1,205,769	1,152,519	1,743,984	1,055,758	<b>15,888,371</b>
>=3 and <6 Months in Arrears	-	-	-	-	70,407	-	-	-	-	-	-	<b>70,407</b>
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>175,075,845</b>	<b>350,222,334</b>	<b>631,120,784</b>	<b>152,168,379</b>	<b>343,830,146</b>	<b>702,479,933</b>	<b>549,968,910</b>	<b>425,703,875</b>	<b>135,371,957</b>	<b>632,088,072</b>	<b>306,913,733</b>	<b>4,404,943,969</b>

### 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	14,004,872	34,884,301	10,870,963	23,905,856	34,018,063	19,397,977	26,467,628	27,857,590	14,817,301	63,705,961	33,995,731	<b>303,926,243</b>
>=£50,000 and <£100,000	47,478,178	109,893,786	43,975,557	49,725,468	103,032,677	79,531,117	98,955,039	95,988,760	43,936,800	210,375,224	102,299,196	<b>985,191,801</b>
>=£100,000 and <£150,000	51,502,279	104,024,802	97,866,753	39,920,867	84,957,875	144,217,569	146,955,707	128,126,681	36,860,198	168,682,756	80,322,600	<b>1,083,438,086</b>
>=£150,000 and <£200,000	28,207,545	49,306,440	134,891,502	18,643,827	56,676,534	149,321,770	112,737,961	79,971,745	19,274,396	85,224,102	43,860,579	<b>778,116,402</b>
>=£200,000 and <£250,000	14,126,507	21,965,051	99,663,268	9,245,325	24,900,653	95,244,668	63,533,286	35,087,075	9,317,634	41,636,726	17,734,798	<b>432,454,991</b>
>=£250,000 and <£300,000	7,311,765	14,565,716	77,077,208	3,883,494	17,369,427	63,671,947	32,601,735	21,943,648	4,880,290	27,398,661	10,778,193	<b>281,482,086</b>
>=£300,000 and <£400,000	5,504,869	9,977,932	84,144,565	3,632,738	12,928,393	74,445,758	34,336,026	22,098,428	4,071,103	22,551,930	9,086,619	<b>282,778,361</b>
>=£400,000 and <£500,000	3,658,282	4,523,815	37,664,824	2,101,363	7,204,224	39,661,717	20,156,508	9,824,845	461,525	8,734,599	4,019,362	<b>138,011,064</b>
>=£500,000 and <£750,000	2,446,824	1,080,492	34,647,762	1,109,440	2,742,300	27,702,072	11,798,496	4,004,255	1,752,711	2,931,074	3,882,339	<b>94,097,766</b>
>=£750,000 and <£1,000,000	834,724	-	10,318,381	-	-	9,285,338	2,426,523	800,848	-	847,038	934,317	<b>25,447,169</b>
>=£1,000,000	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>175,075,845</b>	<b>350,222,334</b>	<b>631,120,784</b>	<b>152,168,379</b>	<b>343,830,146</b>	<b>702,479,933</b>	<b>549,968,910</b>	<b>425,703,875</b>	<b>135,371,957</b>	<b>632,088,072</b>	<b>306,913,733</b>	<b>4,404,943,969</b>

<b>Average Mortgage size</b>	95,253	86,646	173,719	73,832	90,315	147,549	117,590	103,226	85,033	86,623	83,605	
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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	127,647,560	263,983,461	410,770,266	111,831,177	250,650,114	476,844,869	377,258,436	272,574,847	93,701,470	481,554,558	232,117,134	<b>3,098,933,893</b>
Interest Only	30,527,288	53,408,648	172,015,640	28,498,988	68,809,772	159,097,268	118,942,386	109,358,535	32,563,538	98,630,827	50,010,490	<b>921,863,380</b>
Combination (Interest Only and Repayment)	16,900,997	32,830,226	48,334,878	11,838,214	24,370,261	66,537,795	53,768,087	43,770,493	9,106,949	51,902,687	24,786,109	<b>384,146,696</b>
<b>Total</b>	<b>175,075,845</b>	<b>350,222,334</b>	<b>631,120,784</b>	<b>152,168,379</b>	<b>343,830,146</b>	<b>702,479,933</b>	<b>549,968,910</b>	<b>425,703,875</b>	<b>135,371,957</b>	<b>632,088,072</b>	<b>306,913,733</b>	<b>4,404,943,969</b>

### 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	85,635,812	160,019,802	324,103,746	70,202,331	164,990,305	367,962,680	281,675,891	211,230,115	63,333,619	252,290,855	143,483,427	<b>2,124,928,584</b>
Capped	7,168,828	13,795,753	41,980,244	4,734,178	19,126,565	39,010,440	25,079,140	19,692,748	3,652,175	21,510,048	12,736,609	<b>208,486,728</b>
Variable	82,271,206	176,406,779	265,036,794	77,231,871	159,713,276	295,506,813	243,213,879	194,781,012	68,386,163	358,287,169	150,693,697	<b>2,071,528,657</b>
<b>Total</b>	<b>175,075,845</b>	<b>350,222,334</b>	<b>631,120,784</b>	<b>152,168,379</b>	<b>343,830,146</b>	<b>702,479,933</b>	<b>549,968,910</b>	<b>425,703,875</b>	<b>135,371,957</b>	<b>632,088,072</b>	<b>306,913,733</b>	<b>4,404,943,969</b>



# Coventry Building Society Covered Bonds

## Investor Report

## Key Events & Parties

### Summary of Tests & Triggers

Event	Summary	Trigger	Base Prospectus	Breached	Consequence if Trigger Breached
<b>Issuer Event of Default</b>	Issuer failure to pay on Covered Bonds or issuer insolvency	Issuer failure to pay on Covered Bonds or issuer insolvency	141-142	No	Activates the Covered Bond Guarantee
<b>Servicer Trigger (1)</b>	Servicer's ratings fall below required levels	(Initial) Moody's short-term: P-2 , Fitch short-term: F-2	151-152	No	At initial trigger, direct funds to account held with Stand-by Account Bank
<b>Servicer Trigger (2)</b>	Servicer's ratings fall below required levels	(Subsequent) Moody's long-term: Baa1, Fitch long-term: BBB	151-152	No	Replace servicer within 60 days at subsequent breach
<b>Asset Coverage Test</b>	Failure of Asset Coverage Test	Adjusted Aggregate Loan Amount less than Aggregate Principal Amount Outstanding	159-163	No	If not remedied within three calculation dates, triggers Issuer Event of Default
<b>Interest Shortfall Test</b>	Failure of Interest Shortfall Test	Forecast revenue insufficient to fund payments	N/A	No	Consider a cash capital contribution
<b>Swap Counterparty Rating Trigger</b> (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
<b>Coventry Building Society</b>	NR / A3 / A	NR / P-2 / F1	Issuer, Servicer, Cash Manager, Interest Rate (Asset) Swap Provider and Covered Bond (Liability) Swap Provider
<b>Coventry Building Society Covered Bonds LLP</b>	N/A	N/A	LLP
<b>HSBC Bank plc</b>	AA- / Aa3 / AA-	A-1+ / P-1 / F1+	Covered Bond (Liability) Swap Provider, Bank Account/GIC Provider, Registrar, Principal Paying Agent, Exchange Agent, Transfer Agent and Calculation Agent
<b>HSBC Corporate Trustee Company (UK) Ltd</b>	N/A	N/A	Bond Trustee and Security Trustee
<b>Deloitte LLP</b>	N/A	N/A	Asset Monitor
<b>Structured Finance Management Ltd</b>	N/A	N/A	Corporate Services Provider

# Coventry Building Society Covered Bonds

## Investor Report

## Asset Coverage Test

Asset Coverage Test			Asset Coverage Test (continued)		
Calculation Date	19/10/2012	19/09/2012		19/10/2012	19/09/2012
<b>Aggregate Adjusted Loan Amount</b>			<b>= A+B+C+D-(X+Y+Z)</b>		
<b>Description</b>	<b>Value</b>	<b>Value</b>	<b>A: Arrears Adjusted True Balance</b>	<b>3,437,000,031</b>	<b>3,452,272,898</b>
True Balance	4,404,943,969	4,416,805,397	<b>B: Principal Receipts Retained in Cash</b>	-	-
Adjusted Indexed Valuation	10,185,510,514	10,192,893,033	<b>C: Retained Cash Contributions</b>	-	-
Asset Percentage	78.4%	78.4%	<b>D: Substitution Assets - Principal Receipts<sup>1</sup></b>	<b>54,376,141</b>	<b>62,999,652</b>
Loans < 3 months in arrears	4,404,873,562	4,416,727,254	<b>- Capital Contributions</b>	-	-
Loans in arrears =< 75% LTV	70,407	78,143	<b>X: Savings set off balance</b>	<b>(36,716,416)</b>	<b>(29,303,242)</b>
Loans in arrears > 75% LTV	-	-	<b>Y : Flexible draw deduction</b>	-	-
Principal Outstanding on Bonds <sup>2</sup>	3,220,050,000	3,220,050,000	<b>Z: Negative carry adjustment</b>	<b>(156,172,842)</b>	<b>(159,984,513)</b>
Average Remaining Maturity of Bonds (Weighted Average Years)	2.5	2.5	<b>Adjusted Aggregate Loan Amount</b>	<b>3,298,486,914</b>	<b>3,325,984,795</b>
Negative Carry Factor (Weighted Average)	1.69%	1.69%	<b>Aggregate Principal Amount Outstanding</b>	<b>3,220,050,000</b>	<b>3,220,050,000</b>
<b>A = Lower of (i) and (ii) multiplied by Asset Percentage :</b>			<b>Test Result</b>	<b>PASS</b>	<b>PASS</b>
<b>(i) Adjustment on True Balance</b>			<b>Surplus Result</b>	<b>78,436,914</b>	<b>105,934,795</b>
Adjusted True Balance			<b>Loan Amount to Covered Bond ratio percentage</b>	<b>73.10%</b>	<b>72.90%</b>
made up by:	<b>M</b>		<b>Credit Enhancement and Liquidity Support</b>		
Loans < 3 months in arrears	0.75	4,365,566,469		<b>30/09/2012</b>	<b>31/08/2012</b>
Loans in arrears =< 75% LTV	0.4	39,065	Reserve funds	15,290,579	15,529,186
Loans in arrears > 75% LTV	0.25	-	Retained principal	54,376,141	62,999,652
<b>Adjusted True Balance</b>		<b>4,365,605,533</b>	Overcollateralisation	1,184,893,969	1,196,755,397
			- Required by ACT	1,106,457,054	1,090,820,601
			- Surplus over ACT	78,436,914	105,934,795
<b>(ii) Arrears Adjustment on True Balance</b>					
Arrears Adjusted True Balance					
made up by:	<b>N</b>				
Loans < 3 months in arrears	1	4,383,889,547			
Loans in arrears =< 75% LTV	0.4	39,065			
Loans in arrears > 75% LTV	0.25	-			
<b>sub total</b>		<b>4,383,928,611</b>			
<b>Asset Percentage</b>					
Contractual (maximum)		90.0%			
Moody's Required		78.4%			
Fitch Required		83.7%			
<b>Current Asset Percentage (% used)</b>		<b>78.4%</b>			
<b>Arrears Adjusted True Balance</b>	<b>3,437,000,031</b>	<b>3,452,272,898</b>			

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

# Coventry Building Society Covered Bonds

## Investor Report

## Principal & Revenue Receipts and Ledgers

### Principal & Revenue Receipts

Revenue Receipts		(£)
<b>Calculation Date :</b>	<b>19/10/2012</b>	
Has an LLP notice to pay been issued ?	<b>No</b>	
Balance b/f		<b>13,884,695</b>
Interest Received on mortgages	Period 01/09/2012 to 30/09/2012	<b>11,184,968</b>
Fees Received on mortgages due to CBS	Period 01/09/2012 to 30/09/2012	<b>259,277</b>
Interest Received on GIC Account	Period 01/09/2012 to 30/09/2012	<b>1,631</b>
Interest Received on Substitution Assets	Period 01/09/2012 to 30/09/2012	<b>54,556</b>
Interest on Interest Rate Swap - Series 1-5	Period 24/08/2012 to 24/09/2012	<b>(6,576,317)</b>
Interest on Covered Bond Swap - Series 3	Period 24/08/2012 to 19/10/2012	<b>(1,326,655)</b>
Interest on Covered Bond Swap - Series 4	Period 24/08/2012 to 24/09/2012	<b>(1,358,957)</b>
Interest on Covered Bond Swap - Series 5	Period 24/08/2012 to 24/09/2012	<b>(1,026,346)</b>
Interest on Term Advance- Series 1&2	Period 24/08/2012 to 24/09/2012	<b>(1,232,893)</b>
Interest on Term Advance- Series 5	Period 24/08/2012 to 24/09/2012	<b>-</b>
Excess Funds on Reserve Fund		<b>238,607</b>
Transfer to Reserve Fund		<b>-</b>
Any other receipts not covered above	Period 01/09/2012 to 30/09/2012	<b>75,851</b>
Payments made (incl repatriation to CBS)	Period 24/08/2012 to 24/09/2012	<b>(1,602,134)</b>
<b>If LLP notice to pay issued</b>		
Amount of Reserve Fund		<b>-</b>
<b>Less :</b>		
Amounts paid to third parties		<b>-</b>
<b>Available Revenue as at month end</b>		<b>12,576,282</b>

Principal Receipts		(£)
<b>Calculation Date :</b>	<b>19/10/2012</b>	
Principal receipts b/f		<b>62,999,652</b>
Utilisation of Principal Receipts	Period 24/08/2012 to 24/09/2012	<b>(62,999,652)</b>
Scheduled Principal Receipts	Period 01/09/2012 to 30/09/2012	<b>12,535,413</b>
Unscheduled Principal Receipts	Period 01/09/2012 to 30/09/2012	<b>41,840,728</b>
Proceeds from term loans		<b>-</b>
<b>Less Mortgages Purchased</b>		
Unutilised Proceeds		<b>-</b>
Cash Capital Contributions		<b>-</b>
Proceeds from Mortgage Sales		<b>-</b>
Capital receivables under Covered Bond Swap		<b>-</b>
<b>Available Principal Receipts as at month end</b>		<b>54,376,141</b>

### Ledgers

	Month End 30/09/2012	Month End 31/08/2012
<b>Principal Ledger</b>	(£)	(£)
Balance b/f on Principal Ledger	62,999,652	86,380,432
Utilisation of Principal Receipts	(62,999,652)	(86,380,432)
Principal repayments under mortgages	54,376,141	62,999,652
<b>Balance c/f on Principal Ledger</b>	<b>54,376,141</b>	<b>62,999,652</b>

<b>Revenue Ledger</b>	(£)	(£)
Balance b/f on Revenue Ledger	13,884,695	16,171,960
Interest Receipts on Mortgages	11,184,968	12,543,405
Interest due on bank accounts & investments	56,186	22,062
Other payments/(receipts)	(5,973,250)	(8,512,837)
Payments due under Interest Rate Swap	(6,576,317)	(6,339,895)
<b>Balance c/f on Revenue Ledger</b>	<b>12,576,282</b>	<b>13,884,695</b>

<b>Reserve Ledger</b>	(£)	(£)
Balance b/f on Reserve Ledger	15,529,186	15,920,083
Transfers to/from GIC	(238,607)	(390,897)
Cash Capital Contribution	-	-
<b>Balance c/f on Reserve Ledger</b>	<b>15,290,579</b>	<b>15,529,186</b>
Reserve Fund Required Amount	15,290,579	15,529,186

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

<b>Total cash holding month end</b>	<b>82,243,002</b>	<b>92,413,533</b>
<b>Bond value</b>	<b>3,220,050,000</b>	<b>3,220,050,000</b>
<b>Percentage Cash Holding</b>	<b>2.6%</b>	<b>2.9%</b>

<b>Summary Balance Sheet and Ledgers</b>	(£)	(£)
GIC Account	6,208,996	5,379,526
Substitution Assets <sup>1</sup>	76,034,006	87,034,006
<b>Subtotal</b>	<b>82,243,002</b>	<b>92,413,532</b>
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,404,943,969	4,416,805,397
<b>Total Assets</b>	<b>4,487,186,970</b>	<b>4,509,218,929</b>
Intercompany Loan <sup>2</sup>	3,220,050,000	3,220,050,000
Capital Account	1,267,136,970	1,289,168,929
<b>Total Liabilities</b>	<b>4,487,186,970</b>	<b>4,509,218,929</b>

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

<sup>2</sup>Where non-sterling, translated at the exchange rate in the corresponding Covered Bond Swap

# Coventry Building Society Covered Bonds

## Investor Report

## Notes in Issue

	Series	1	2	3	4	5
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
Interest Payments <sup>1</sup> 01/09/2012 - 30/09/2012	ISIN	XS0378817240	XS0400750542	XS0618833635	XS0696058857	XS0744752568
	Stock exchange listing	LSE	LSE	LSE	LSE	LSE
	Interest Payment Frequency	Monthly	Monthly	Annually	Annually	Quarterly
	Accrual Start Date	24/08/2012	24/08/2012	19/04/2012	24/10/2011	10/05/2012
	Accrual End Date	24/09/2012	24/09/2012	19/04/2013	24/10/2012	10/08/2012
	Accrual Day Count	31	31	365	366	92
	Coupon Reference Rate	0.53688%	0.53688%	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	1.03688%	1.03688%	4.62500%	2.87500%	2.60875%
	Current Period Coupon Amount <sup>1</sup>	792,574	440,319	-	-	-
	Current Interest Shortfall	-	-	-	-	-
	Cumulative Interest Shortfall	-	-	-	-	-
	Next Interest Payment Date	24/10/2012	24/10/2012	19/04/2013	24/10/2012	12/11/2012
Principal Payments <sup>1</sup> 01/09/2012 - 30/09/2012	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

<sup>1</sup>Payments made during the Reporting Period

# Coventry Building Society Covered Bonds

## Investor Report

## Swaps

### Swaps<sup>1</sup>

Related Covered Bonds	Maturity	Notional currency	Notional	Counterparty	Receive reference rate	Receive margin	Receive rate	Pay reference rate	Pay margin	Pay rate	Payments (made)/received (£)
Series 1-5	<b>Interest Rate (Asset) Swap</b>			Coventry Building Society	1m LIBOR	1.19000%	1.7269%	Basket of rates	N/A	3.49800%	(6,576,317)
	19/04/2018	GBP	4,371,868,814								
Series 3 Series 4 Series 5	<b>Covered Bond (Liability) Swap</b>			HSBC plc HSBC plc Coventry Building Society	Fixed Fixed 3m LIBOR	N/A N/A 1.60000%	4.62500% 2.87500% 2.60875%	1m LIBOR 1m LIBOR 1m LIBOR	1.63% 2.27% 1.88%	2.15213% 2.80688% 2.41688%	(1,326,655) (1,358,957) (1,026,346)
	19/04/2018	GBP	750,000,000								
	24/10/2014	EUR	650,000,000								
	10/02/2015	GBP	500,000,000								

<sup>1</sup>Data in this table is presented in relation to payments made in the Reporting Period

### Collateral Received

Counterparty	Counterparty Rating (Moody's / Fitch)		Required Rating (Initial Rating Event: Moody's / Fitch)		Breached (Y/N)	Breach Remedy (if applicable)	Collateral Posting (£)
	Long-term	Short-term	Long-term	Short-term			
<b>Interest Rate (Asset) Swap</b> Coventry Building Society	A3 / A	P-2 / F1	A2 / A	P-1 / F1	Y	Post collateral	- <sup>2</sup>
<b>Covered Bond (Liability) Swap</b> HSBC 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	2,000,000

<sup>2</sup>The amount of collateral required in respect of the Interest Rate (Asset) Swap is zero because the LLP is out of the money.

# Coventry Building Society Covered Bonds

## Investor Report

## Glossary

<b>Adjusted True Balance</b>	In the ACT calculation, this is the sum of the "Adjusted True Balance" of each Loan in the Portfolio, which shall be the lower of (1) the actual True Balance of the relevant Loan in the Portfolio and (2) the Indexed Valuation relating to that Loan multiplied by M (where for all Loans that are less than three months in arrears or not in arrears, $M = 0.75$ , for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of less than or equal to 75 percent, $M = 0.40$ and for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of more than 75 percent, $M = 0.25$ ); Minus the aggregate sum of any assets to be removed as defined by the Transaction Documents.
<b>Arrears Adjusted True Balance</b>	In the ACT calculation, this is the aggregate "Arrears Adjusted True Balance" of the Loans in the Portfolio which in relation to each Loan shall be the lower of (1) the actual True Balance of the relevant Loan and (2) the Indexed Valuation relating to that Loan multiplied by N (where for all Loans that are less than three months in arrears or not in arrears, $N = 1$ , for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of less than or equal to 75 percent, $N = 0.40$ and for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of more than 75 percent, $N = 0.25$ ); Minus the aggregate sum of any assets to be removed as defined by the Transaction Documents; Multiplied by the Asset Percentage (as defined below).
<b>Arrears Balance</b>	Arrears includes any fees and insurance premiums that are past due and interest on arrears. Capitalised arrears are excluded from the Arrears Balance. Accounts that are less than one Months in Arrears are excluded from the calculation of the weighted average Arrears Balance.
<b>Asset Percentage</b>	The Asset Percentage is defined in the Transaction Documents as the lowest of (i) 90 percent, (ii) the percentage required to ensure that the Covered Bonds maintain the then current ratings assigned to them by Fitch and (iii) the percentage required to ensure that the Covered Bonds achieve an Aaa rating by Moody's using Moody's expected loss methodology.
<b>Constant Default Rates (CDR)</b>	Constant Default Rate is calculated from the balance of loans entering into default in the month.
<b>Constant Prepayment Rates (CPPR)</b>	The Constant Prepayment Rate is calculated from the total Unscheduled Principal Receipts. This is consistent with the ESF definition for Constant Prepayment Rates.
<b>Default</b>	For the purposes of this report a loan is identified as being in default where the Months in Arrears is six or more.
<b>Geographical Distribution</b>	This uses the regions in the HPI Regional Series published by Nationwide Building Society. The definition of those regions is available at <a href="http://web.archive.org/web/20100815095614/http://www.nationwide.co.uk/hpi/regions.htm">http://web.archive.org/web/20100815095614/http://www.nationwide.co.uk/hpi/regions.htm</a> . This definition differs from the standard NUTS 2 regions used in other reporting.
<b>Income Verification Requested</b>	Income verification has been requested on all mortgages in the pool at application. With certain low-risk low-LTV loans, proof of income is only required for a random selection of loans. The performance of the loans and decline/withdrawal rates on the random selection is closely monitored.
<b>Indexed</b>	Indexation is applied to house price valuations on a regional basis using non-seasonally adjusted data. The indexation is applied to the data as at the end of March, June, September and December. Note that December indexation is not applied in the Investor Report until January.
<b>Interest Payments</b>	Payments received in a reporting period are applied first to interest and then to principal.
<b>Months in Arrears</b>	Months in Arrears is calculated as the Arrears balance divided by the normal contractual payment due, ignoring any temporary arrangement or payment holiday. If the Months in Arrears is less than one, the loan is reported as current.
<b>Mortgage Account</b>	A mortgage account consists of one or more underlying loans all secured with equal priority by a first charge on the same property and thereby forming a single mortgage account.
<b>Mortgage Collections</b>	The aggregate amount of scheduled and unscheduled principal, and interest collected during the reporting period.
<b>Negative carry adjustment</b>	In the ACT calculation, this is the weighted average remaining maturity of all Covered Bonds outstanding multiplied by the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor. The "Negative Carry Factor" is (i) 0.5 percent if the weighted average margin of the interest rate payable on the Covered Bonds is less or equal to 0.1 percent per annum or (ii) 0.5 percent plus that margin minus 0.1 percent, if that margin is greater than 0.1 percent per annum (provided that if the weighted average remaining maturity is less than one, the weighted average shall be deemed, for the purposes of this calculation, to be one).
<b>Principal Payment Rates (PPR)</b>	Principal Payment Rates are calculated from the total Principal Receipts in the month including redemptions, contractual repayments and unscheduled prepayments. The ESF uses the term "Principal Payment Rates" for this value.
<b>Principal Receipts</b>	Payments received in a reporting period are applied first to interest and then to principal.
<b>Product Groups</b>	Product groups are reported at an individual loan level (please refer to the definition of 'Mortgage Account' above).
<b>Reserve Fund Required Amount</b>	The value disclosed at the month end is equal to the value calculated at the calculation date immediately proceeding the month end.
<b>Savings Set Off Balance</b>	In the ACT calculation, this is the amount equal to the lower of (i) 100 percent of the aggregate deposit balances (including saving balances and offset balances) of each savings account held at the Seller by Borrowers whose Loans are included in the Portfolio and (ii) the aggregate True Balances of those Borrower's Loans
<b>Scheduled Principal Receipts</b>	The element of Principal Receipts that are included in the contractual payment for a Borrower who has a Repayment or Combination mortgage
<b>True Balance</b>	As at the given date, the aggregate (but avoiding double counting) of (i) the original principal amount advanced to the relevant Borrower and any further amount advanced, (ii) any interest, fees or charges which has been properly capitalised and (iii) any other amount (including Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid and has not been capitalised
<b>Unscheduled Principal Receipts</b>	The element of Principal Receipts that are not Scheduled Principal Receipts
<b>Variable Rates</b>	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.