

# Coventry Building Society Covered Bonds

## Investor Report

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### Reporting Information

Reporting Date	28/02/2014
Reporting Period	01/01/2014 to 31/01/2014

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### Outstanding Issuances

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



# Coventry Building Society Covered Bonds

## Investor Report

Mortgage Assets

All values are in pounds sterling unless otherwise stated

### Assets

	Prior Period	Current Period
Number of mortgage accounts in Pool	40,511	40,127
Number of loans in Pool	47,317	46,907
True Balance of mortgage accounts in Pool	£4,383,594,294	£4,338,070,252
Cash and other Substitution Assets	£91,652,698	£123,464,889

### Asset types

Commercial mortgages	Not permitted
ABS	Not permitted
Non-first lien	Not permitted
Non-UK mortgages	Not permitted
% UK residential mortgages	100.0
% First lien	100.0
% Buy to Let	0.0

### Collections

	Prior Period	Current Period
Mortgage Collections	£77,521,897	£109,455,494

### Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.40%	3.38%

### Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	39,954	99.6%	4,317,501,357	99.5%	-
>0 and <1	108	0.3%	12,192,570	0.3%	24,820
>=1 and <2	65	0.2%	8,376,325	0.2%	59,851
>=2 and <3	-	-	-	-	-
>=3 and <6	-	-	-	-	-
>=6 and <12	-	-	-	-	-
>=12	-	-	-	-	-
<b>Totals</b>	<b>40,127</b>	<b>100.0%</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>84,671</b>

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

### Arrears capitalised in the period

	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Capitalised arrears	-	0.00%	-	0.00%	-

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	40,511	4,383,594,294
Loans added to pool	941	131,012,686
Loans repurchased from pool	(632)	(81,695,583)
<i>of which are non-performing loans</i>	<i>(58)</i>	<i>(5,506,460)</i>
<i>of which have breached R&amp;Ws</i>	<i>(4)</i>	<i>(516,923)</i>
Redemptions	(693)	(67,719,816)
Principal receipts		(27,057,909)
Other movements		(63,421)
<b>Closing totals</b>	<b>40,127</b>	<b>4,338,070,252</b>

### Analysis of accounts with associated savings balances

	Number of loans	Balance (£)	Savings (£)
Loans with Offset arrangement	4,792	535,351,132	40,091,719
Other loans	42,115	3,802,719,120	22,335,356
<b>Totals</b>	<b>46,907</b>	<b>4,338,070,252</b>	<b>62,427,075</b>

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

# Coventry Building Society Covered Bonds

## Investor Report

Mortgage Portfolio Breakdown

### Summary Statistics

	Seasoning (months)	Remaining term (months)	Loan Size (£)			Non-Indexed LTV (%)	Indexed LTV (%)	Arrears Balance (£)
			Whole Pool	Interest only	Repayment			
Weighted Average	41.5	205.1	108,109	130,744	103,714	54.4%	50.9%	489
Min	3.0	0.0	0	0	0	0.0%	0.0%	0
Max	108.9	419.6	999,245	999,245	991,988	96.6%	89.6%	7,233

### Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	2.16%	1.70%	18.58%
Previous PPR - Total	1.42%	1.52%	16.77%

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	1.75%	1.32%	14.70%
Previous CPPR - Total	1.07%	1.15%	12.98%

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	179,139,999	4.1%	1,839	4.6%
East Midlands	347,188,924	8.0%	3,905	9.7%
London	649,010,002	15.0%	3,606	9.0%
North	143,071,172	3.3%	1,867	4.7%
North West	331,332,260	7.6%	3,682	9.2%
Northern Ireland	-	-	-	-
Outer Metropolitan	694,816,577	16.0%	4,657	11.6%
Outer South East	537,756,679	12.4%	4,569	11.4%
Scotland	-	-	-	-
South West	433,435,875	10.0%	4,116	10.3%
Wales	132,566,015	3.1%	1,541	3.8%
West Midlands	589,480,385	13.6%	6,855	17.1%
Yorkshire and Humberside	300,272,362	6.9%	3,490	8.7%
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</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%	370,896,495	8.5%	9,773	24.4%
>=25% and <50%	1,233,669,051	28.4%	12,611	31.4%
>=50% and <55%	347,068,454	8.0%	2,664	6.6%
>=55% and <60%	417,920,166	9.6%	2,910	7.3%
>=60% and <65%	449,356,817	10.4%	2,956	7.4%
>=65% and <70%	423,642,860	9.8%	2,779	6.9%
>=70% and <75%	533,238,845	12.3%	3,191	8.0%
>=75% and <80%	484,096,289	11.2%	2,768	6.9%
>=80% and <85%	52,327,773	1.2%	332	0.8%
>=85% and <90%	20,904,832	0.5%	117	0.3%
>=90% and <95%	4,697,499	0.1%	25	0.1%
>=95% and <100%	251,170	0.0%	1	0.0%
>=100%	-	-	-	-
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</b>	<b>100.0%</b>

### Outstanding True Balances

Range of outstanding balances (£)	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<5,000	1,406,381	0.0%	531	1.3%
>=5,000 and <10,000	5,159,365	0.1%	676	1.7%
>=10,000 and <25,000	53,447,682	1.2%	2,991	7.5%
>=25,000 and <50,000	233,111,179	5.4%	6,182	15.4%
>=50,000 and <75,000	402,737,995	9.3%	6,468	16.1%
>=75,000 and <100,000	536,089,515	12.4%	6,151	15.3%
>=100,000 and <150,000	988,969,636	22.8%	8,096	20.2%
>=150,000 and <200,000	753,599,352	17.4%	4,381	10.9%
>=200,000 and <250,000	456,201,535	10.5%	2,052	5.1%
>=250,000 and <300,000	303,115,886	7.0%	1,116	2.8%
>=300,000 and <350,000	184,815,731	4.3%	572	1.4%
>=350,000 and <400,000	130,008,305	3.0%	350	0.9%
>=400,000 and <450,000	79,459,225	1.8%	188	0.5%
>=450,000 and <500,000	68,875,353	1.6%	146	0.4%
>=500,000 and <600,000	70,285,562	1.6%	130	0.3%
>=600,000 and <700,000	30,126,975	0.7%	47	0.1%
>=700,000 and <800,000	19,082,801	0.4%	26	0.1%
>=800,000 and <900,000	9,221,051	0.2%	11	0.0%
>=900,000 and <1,000,000	12,356,723	0.3%	13	0.0%
>=1,000,000	-	-	-	-
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</b>	<b>100.0%</b>

### Employment status

Employment status	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Employed	3,317,440,188	76.5%	31,431	78.3%
Self-employed	881,914,030	20.3%	6,383	15.9%
Unemployed	7,687,077	0.2%	102	0.3%
Retired	93,366,686	2.2%	1,858	4.6%
Guarantor	-	-	-	-
Other	37,662,271	0.9%	353	0.9%
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</b>	<b>100.0%</b>

### Originator

Originator	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,338,070,252	100.0%	46,907	100.0%
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>46,907</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%	430,996,947	9.9%	10,438	26.0%
>=25% and <50%	1,419,778,636	32.7%	13,488	33.6%
>=50% and <55%	405,607,023	9.3%	2,895	7.2%
>=55% and <60%	468,949,535	10.8%	3,082	7.7%
>=60% and <65%	459,352,106	10.6%	2,955	7.4%
>=65% and <70%	577,965,910	13.3%	3,631	9.0%
>=70% and <75%	527,215,245	12.2%	3,309	8.2%
>=75% and <80%	40,054,230	0.9%	282	0.7%
>=80% and <85%	6,154,743	0.1%	35	0.1%
>=85% and <90%	1,995,876	0.0%	12	0.0%
>=90% and <95%	-	-	-	-
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</b>	<b>100.0%</b>

### Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<12	497,157,276	11.5%	3,312	8.3%
>=12 and <24	1,073,793,652	24.8%	8,404	20.9%
>=24 and <36	624,730,318	14.4%	5,708	14.2%
>=36 and <48	648,293,997	14.9%	6,175	15.4%
>=48 and <60	486,451,942	11.2%	4,777	11.9%
>=60 and <72	247,857,768	5.7%	2,683	6.7%
>=72 and <84	291,042,855	6.7%	3,368	8.4%
>=84 and <96	247,925,067	5.7%	2,865	7.1%
>=96 and <108	212,886,733	4.9%	2,705	6.7%
>=108 and <120	7,930,644	0.2%	130	0.3%
>=120 and <150	-	-	-	-
>=150 and <180	-	-	-	-
>=180	-	-	-	-
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</b>	<b>100.0%</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Mortgage Portfolio Breakdown

### Product Rate Type and Reversionary Profiles

Range of outstanding balances (£)	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts	Weighted Average Current Rate	Remaining product incentive period (months)	Weighted Average Current margin	Weighted Average Reversionary margin	Weighted Average Initial rate
Fixed at origination, reverting to Administered	2,329,874,090	53.7%	22,728	48.5%	3.81%	21.6	2.96%	4.21%	3.75%
Fixed at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Fixed at origination, reverting to Tracker	243,858,372	5.6%	3,033	6.5%	1.29%	0.1	0.79%	0.79%	5.33%
Fixed for life	2,380	0.0%	2	0.0%	0.00%	-	0.29%	0.29%	0.00%
Tracker at origination, reverting to Administered	379,379,079	8.7%	3,165	6.7%	3.51%	5.5	3.01%	4.14%	3.27%
Tracker at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Tracker for life	241,839,020	5.6%	3,131	6.7%	1.30%	0.0	0.80%	0.80%	4.50%
Administered, including discount to Administered LIBOR	1,143,117,311	26.4%	14,848	31.7%	3.25%	0.0	2.73%	2.73%	3.67%
	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>46,907</b>	<b>100.0%</b>	<b>3.36%</b>	<b>12.1</b>	<b>2.66%</b>	<b>3.43%</b>	<b>3.82%</b>

### Months to maturity of loans

Months to maturity	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<30	55,694,480	1.3%	1,408	3.5%
>=30 and <60	122,504,835	2.8%	2,434	6.1%
>=60 and <120	495,924,278	11.4%	7,282	18.1%
>=120 and <180	886,508,683	20.4%	9,131	22.8%
>=180 and <240	1,246,326,606	28.7%	9,962	24.8%
>=240 and <300	1,138,252,598	26.2%	7,503	18.7%
>=300 and <360	278,316,077	6.4%	1,674	4.2%
>=360	114,542,695	2.6%	733	1.8%
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</b>	<b>100.0%</b>

### Months to maturity of loans split by Repayment terms

Months to maturity	Repayment	Interest Only	Combination (Interest Only and Repayment)	Total
<30	7,203,248	41,695,455	6,795,777	55,694,480
>=30 and <60	39,240,461	65,022,016	18,242,358	122,504,835
>=60 and <120	270,784,956	161,479,625	63,659,697	495,924,278
>=120 and <180	628,880,252	173,929,461	83,698,970	886,508,683
>=180 and <240	973,471,217	195,183,102	77,672,288	1,246,326,606
>=240 and <300	1,009,839,513	93,915,641	34,497,444	1,138,252,598
>=300 and <360	266,245,982	8,698,023	3,372,072	278,316,077
>=360	109,910,694	1,658,290	2,973,710	114,542,695
<b>Totals</b>	<b>3,305,576,323</b>	<b>741,581,613</b>	<b>290,912,317</b>	<b>4,338,070,252</b>

### Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Fixed rate	2,075,700,115	47.8%	19,525	41.6%
Capped	69,474,988	1.6%	520	1.1%
Tracker	686,539,742	15.8%	7,444	15.9%
Administered	1,506,355,407	34.7%	19,418	41.4%
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>46,907</b>	<b>100.0%</b>

### Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	3,053,130,513	70.4%	34,833	74.3%
Interest Only	713,230,388	16.4%	6,883	14.7%
Combination (Interest Only and Repayment)	36,358,218	0.8%	399	0.9%
Offset	535,351,132	12.3%	4,792	10.2%
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>46,907</b>	<b>100.0%</b>

### Occupancy type

Occupancy type	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Owner-occupied	4,337,045,571	100.0%	46,897	100.0%
Buy-to-let*	1,024,681	0.0%	10	0.0%
Second home	-	-	-	-
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>46,907</b>	<b>100.0%</b>

### Income verification type

Income verification type	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Income verification requested	4,338,070,252	100.0%	40,127	100.0%
Fast-track	-	-	-	-
Self-certified	-	-	-	-
<b>Totals</b>	<b>4,338,070,252</b>	<b>100.0%</b>	<b>40,127</b>	<b>100.0%</b>

\* BTL loans are due to product switches and have since been repurchased.

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears

	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	1,844,844,545	870,624,318	1,031,696,583	562,585,959	7,749,953	-	-	4,317,501,357
<1 Month in Arrears	3,712,317	2,344,041	2,886,051	2,911,675	338,486	-	-	12,192,570
>=1 and <3 Months in Arrears	2,218,721	1,588,200	2,735,382	1,771,842	62,181	-	-	8,376,325
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>1,850,775,583</b>	<b>874,556,558</b>	<b>1,037,318,015</b>	<b>567,269,476</b>	<b>8,150,620</b>	-	-	<b>4,338,070,252</b>

### Regional Distribution

	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	74,525,846	36,080,827	39,155,626	28,405,507	972,193	-	-	179,139,999
East Midlands	136,054,183	64,227,805	89,160,400	56,647,708	1,098,827	-	-	347,188,924
London	307,658,139	151,748,622	168,145,102	21,458,139	-	-	-	649,010,002
North	52,639,281	24,347,642	34,014,458	31,466,400	603,391	-	-	143,071,172
North West	121,166,294	64,052,186	71,433,236	73,062,739	1,617,805	-	-	331,332,260
Outer Metropolitan	305,095,963	138,308,131	171,591,366	79,084,781	736,336	-	-	694,816,577
Outer South East	243,176,229	114,179,109	118,491,277	61,679,400	230,664	-	-	537,756,679
South West	195,756,931	80,809,362	90,346,505	66,338,891	184,186	-	-	433,435,875
Wales	50,998,851	26,018,137	31,068,308	24,197,669	283,051	-	-	132,566,015
West Midlands	250,458,998	116,141,927	148,452,828	72,520,083	1,906,550	-	-	589,480,385
Yorkshire and Humberside	113,244,867	58,642,809	75,458,911	52,408,157	517,617	-	-	300,272,362
<b>Totals</b>	<b>1,850,775,583</b>	<b>874,556,558</b>	<b>1,037,318,015</b>	<b>567,269,476</b>	<b>8,150,620</b>	-	-	<b>4,338,070,252</b>

### Repayment Type

	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	1,226,428,616	638,443,134	752,997,691	427,401,598	7,859,474	-	-	3,053,130,513
Interest Only	340,555,933	131,675,790	158,596,787	82,197,299	204,579	-	-	713,230,388
Combination (Interest Only and Repayment)	20,920,878	6,021,334	7,411,116	2,004,889	-	-	-	36,358,218
Offset	262,870,155	98,416,299	118,312,421	55,665,689	86,567	-	-	535,351,132
<b>Total</b>	<b>1,850,775,583</b>	<b>874,556,558</b>	<b>1,037,318,015</b>	<b>567,269,476</b>	<b>8,150,620</b>	-	-	<b>4,338,070,252</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	815,460,766	465,500,957	483,365,090	306,775,925	4,597,376	-	-	2,075,700,115
Capped	28,565,040	18,373,796	21,202,782	1,333,371	-	-	-	69,474,988
Variable	1,006,749,777	390,681,805	532,750,143	259,160,180	3,553,243	-	-	2,192,895,149
<b>Totals</b>	<b>1,850,775,583</b>	<b>874,556,558</b>	<b>1,037,318,015</b>	<b>567,269,476</b>	<b>8,150,620</b>	-	-	<b>4,338,070,252</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Two Dimensional Mortgage Portfolio Breakdown

### No. Months in Arrears

	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	178,174,990	345,770,753	645,332,200	142,361,280	329,110,547	692,937,201	534,813,792	432,344,259	131,987,005	585,580,176	299,089,153	4,317,501,357
<1 Month in Arrears	684,423	610,789	1,787,181	323,100	1,330,718	1,108,993	1,329,608	809,267	411,023	2,964,686	832,782	12,192,570
>=1 and <3 Months in Arrears	280,587	807,382	1,890,621	386,793	890,995	770,383	1,613,279	282,349	167,987	935,524	350,426	8,376,325
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>179,139,999</b>	<b>347,188,924</b>	<b>649,010,002</b>	<b>143,071,172</b>	<b>331,332,260</b>	<b>694,816,577</b>	<b>537,756,679</b>	<b>433,435,875</b>	<b>132,566,015</b>	<b>589,480,385</b>	<b>300,272,362</b>	<b>4,338,070,252</b>

### Outstanding True Balance

Range of outstanding balances (£)	Total Balance split by Region											Total
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	
<5,000	63,212	139,041	79,090	113,924	136,689	83,285	134,308	163,391	46,308	303,300	143,835	1,406,381
>=5,000 and <10,000	178,112	759,799	165,167	343,304	461,167	371,239	463,622	552,072	256,504	1,039,356	569,022	5,159,365
>=10,000 and <25,000	2,854,158	5,963,575	1,930,683	3,746,886	5,676,666	3,636,418	5,112,060	5,287,170	2,311,957	10,989,385	5,938,724	53,447,682
>=25,000 and <50,000	10,952,822	26,047,779	8,260,248	16,511,684	26,792,868	15,097,868	22,154,737	21,167,817	10,837,473	49,550,449	25,737,435	233,111,179
>=50,000 and <75,000	19,309,549	44,764,504	16,531,757	21,417,578	44,378,345	30,001,907	38,258,059	40,087,212	19,358,363	86,410,527	42,220,195	402,737,995
>=75,000 and <100,000	27,837,888	61,188,365	29,318,911	23,176,941	51,099,273	47,822,096	56,921,790	57,446,620	25,691,865	103,848,961	51,736,804	536,089,516
>=100,000 and <150,000	49,800,915	96,701,508	85,183,534	37,775,921	81,991,562	126,767,722	133,934,705	116,649,158	35,524,199	149,236,022	75,404,388	988,969,636
>=150,000 and <200,000	29,169,454	50,343,306	130,362,218	17,388,487	55,202,283	146,981,608	107,197,381	78,569,756	17,014,517	78,254,573	43,115,769	753,599,352
>=200,000 and <250,000	16,707,436	24,049,739	98,741,458	10,065,134	24,726,043	100,310,476	65,573,377	40,794,454	10,911,544	41,918,811	22,403,063	456,201,535
>=250,000 and <300,000	7,407,515	15,762,642	81,414,331	4,433,801	17,603,568	64,204,791	35,629,685	32,246,240	4,344,573	26,432,037	13,636,701	303,115,886
>=300,000 and <350,000	4,170,748	7,309,777	53,015,570	4,195,997	10,257,965	51,321,629	17,762,245	10,951,425	3,311,324	15,151,915	7,367,137	184,815,731
>=350,000 and <400,000	3,022,325	5,590,865	37,875,645	1,099,041	5,912,810	33,812,498	17,171,049	11,623,681	366,154	10,656,005	2,878,233	130,008,305
>=400,000 and <450,000	1,714,765	1,288,980	28,241,109	1,268,876	1,259,119	22,682,395	9,384,462	6,797,954	439,596	4,215,091	2,166,878	79,459,225
>=450,000 and <500,000	2,351,145	2,843,506	20,136,298	946,115	3,718,818	16,167,167	11,354,377	2,820,399	940,870	5,672,719	1,923,937	68,875,353
>=500,000 and <600,000	2,151,325	3,788,896	25,964,916	587,484	2,115,084	17,058,551	9,528,971	3,722,092	526,452	2,734,165	2,107,625	70,285,562
>=600,000 and <700,000	613,994	646,642	12,848,211	-	-	7,080,711	1,871,072	3,755,510	684,315	639,085	1,987,434	30,126,975
>=700,000 and <800,000	-	-	8,796,255	-	-	5,205,914	3,651,893	-	-	1,428,739	-	19,082,801
>=800,000 and <900,000	834,636	-	2,535,394	-	-	3,397,212	1,652,885	800,923	-	-	-	9,221,051
>=900,000 and <1,000,000	-	-	7,609,207	-	-	2,813,090	-	-	-	999,245	935,181	12,356,723
<b>Total</b>	<b>179,139,999</b>	<b>347,188,924</b>	<b>649,010,002</b>	<b>143,071,172</b>	<b>331,332,260</b>	<b>694,816,577</b>	<b>537,756,679</b>	<b>433,435,875</b>	<b>132,566,015</b>	<b>589,480,385</b>	<b>300,272,362</b>	<b>4,338,070,252</b>

### Average Mortgage size

	97,412	88,909	179,981	76,632	89,987	149,198	117,697	105,305	86,026	85,993	86,038
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### Repayment Type

	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	131,593,939	253,025,683	441,508,907	99,367,282	235,850,794	478,906,660	374,652,106	286,831,746	91,566,059	437,695,393	222,131,944	3,053,130,513
Interest Only	25,880,447	44,444,274	121,279,739	23,384,616	49,872,132	121,507,474	94,305,332	91,816,434	23,694,968	80,456,965	36,588,007	713,230,388
Combination (Interest Only and Repayment)	2,539,301	3,393,632	2,770,640	1,266,041	2,224,532	5,612,323	4,671,112	3,606,625	590,006	7,405,931	2,278,076	36,358,218
Offset	19,126,312	46,325,335	83,450,716	19,053,234	43,384,802	88,790,119	64,128,129	51,181,070	16,714,982	63,922,097	39,274,335	535,351,132
<b>Total</b>	<b>179,139,999</b>	<b>347,188,924</b>	<b>649,010,002</b>	<b>143,071,172</b>	<b>331,332,260</b>	<b>694,816,577</b>	<b>537,756,679</b>	<b>433,435,875</b>	<b>132,566,015</b>	<b>589,480,385</b>	<b>300,272,362</b>	<b>4,338,070,252</b>

### Interest Payment Type

	Total Balance split by Region											Total
	East Anglia	East Midlands	London	North	North West	Outer Metropolitan	Outer South East	South West	Wales	West Midlands	Yorkshire and Humberside	
Fixed	85,883,092	154,312,793	347,634,498	61,325,190	151,825,007	368,061,118	269,695,203	217,573,273	59,591,433	223,638,548	136,159,960	2,075,700,115
Capped	2,828,431	3,407,832	12,657,605	1,723,302	4,882,971	13,807,484	10,403,140	8,523,045	1,112,667	7,056,986	3,071,525	69,474,988
Variable	90,428,476	189,468,298	288,717,899	80,022,680	174,624,282	312,947,976	257,658,336	207,339,557	71,861,916	358,784,852	161,040,878	2,192,895,149
<b>Total</b>	<b>179,139,999</b>	<b>347,188,924</b>	<b>649,010,002</b>	<b>143,071,172</b>	<b>331,332,260</b>	<b>694,816,577</b>	<b>537,756,679</b>	<b>433,435,875</b>	<b>132,566,015</b>	<b>589,480,385</b>	<b>300,272,362</b>	<b>4,338,070,252</b>

# Coventry Building Society Covered Bonds

## Investor Report

## Key Events & Parties

### Summary of Tests & Triggers

Event	Summary	Trigger	Fitch Rating Trigger	Fitch Current Rating	Moody's Rating Trigger	Moody's Current Rating	Breached	Consequence if Trigger Breached
<b>Issuer Event of Default</b>	Issuer failure to pay on Covered Bonds or issuer insolvency	Issuer failure to pay on Covered Bonds or issuer insolvency	N/A	N/A	N/A	N/A	No	Activates the Covered Bond Guarantee
<b>Servicer Trigger (1)</b>	Servicer's ratings fall below required levels	(Initial) Moody's short-term: P-2 , Fitch short-term: F2	F2	F1	P-2	P-2	No	At initial trigger, direct funds to account held with Stand-by Account Bank
<b>Servicer Trigger (2)</b>	Servicer's ratings fall below required levels	(Subsequent) Moody's long-term: Baa1, Fitch long-term: BBB	BBB	A	Baa1	A3	No	Replace servicer within 60 days at subsequent breach
<b>Asset Coverage Test</b>	Failure of Asset Coverage Test	Adjusted Aggregate Loan Amount less than Aggregate Principal Amount Outstanding	N/A	N/A	N/A	N/A	No	If not remedied within three calculation dates, triggers Issuer Event of Default
<b>Interest Rate Shortfall Test</b>	Failure of Interest Rate Shortfall Test	Forecast revenue insufficient to fund the next month's payments	N/A	N/A	N/A	N/A	No	Consider a cash capital contribution
<b>Interest Coverage Test</b>	Interest received in next 12 months exceeds interest payable	Amount received is less than amount payable	N/A	N/A	N/A	N/A	No	Regulatory action
<b>Overcollateralisation Test</b>	Eligible assets exceed bonds outstanding	Excess is less than 8% of bonds outstanding	N/A	N/A	N/A	N/A	No	Regulatory action
<b>Cash Manager (1)</b>	Cash Manager's ratings fall below required levels	(Initial) Moody's long-term: Baa1, Fitch long-term: BBB	BBB	A	Baa1	A3	No	Enter into Back up Cash Manager Agreement
<b>Cash Manager (2)</b>	Cash Manager's ratings fall below required levels	(Subsequent) Moody's long-term: Baa3, Fitch long-term: BBB-	BBB-	A	Baa3	A3	No	Appoint Back up Cash Manager
<b>Stand-by Account Bank</b>	Account Bank's ratings fall below required levels	Moody's short-term: P-1 , Fitch short-term: F1	F1	F1+	P-1	P-1	Yes	Appoint Stand-by Account Bank
<b>Swap Counterparty Rating Trigger</b> (see page 12, "Collateral Postings")	Breach of ratings trigger	Counterparty ratings downgrade		(see page 12, "Collateral Postings")			Yes	Collateral posting

Key Parties	Current Long Term Rating (S&P / Moody's / Fitch)	Current Short Term Rating (S&P / Moody's / Fitch)	Role
<b>Coventry Building Society</b>	NR / A3 / A	NR / P-2 / F1	Issuer, Servicer, Cash Manager, Interest Rate (Asset) Swap Provider and Covered Bond (Liability) Swap Provider
<b>Coventry Building Society Covered Bonds LLP</b>	N/A	N/A	LLP
<b>HSBC Bank plc</b>	AA- / Aa3 / AA-	A-1+ / P-1 / F1+	Covered Bond (Liability) Swap Provider, Bank Account, GIC Provider, Registrar, Principal Paying Agent, Exchange Agent, Transfer Agent and Calculation Agent
<b>HSBC Corporate Trustee Company (UK) Ltd</b>	N/A	N/A	Bond Trustee and Security Trustee
<b>Deloitte LLP</b>	N/A	N/A	Asset Pool Monitor
<b>Structured Finance Management Ltd</b>	N/A	N/A	Corporate Services Provider
<b>Various</b>	N/A / Aa3 / N/A	N/A / P-1 / F1+	Authorised Investments Providers



# Coventry Building Society Covered Bonds

## Investor Report

## Asset Coverage Test

Asset Coverage Test				
Calculation Date		19/02/2014	17/01/2014	
<b>Aggregate Adjusted Loan Amount</b>	<b>=A+B+C+D-(X+Y+Z)</b>			
<b>Description</b>		<b>Value</b>	<b>Value</b>	
True Balance		4,338,070,252	4,383,594,294	
Adjusted Indexed Valuation		10,768,687,548	10,815,073,774	
Asset Percentage		78.4%	78.4%	
Loans < 3 months in arrears		4,338,070,252	4,383,594,294	
Loans >=3 months in arrears =< 75% LTV		-	-	
Loans >=3 months in arrears > 75% LTV		-	-	
Principal Outstanding on Bonds		3,220,050,000	3,220,050,000	
Average Remaining Maturity of Bonds (Weighted Average Years)		2.2	2.3	
Negative Carry Factor (Weighted Average)		1.69%	1.69%	
<b>A = Lower of (i) and (ii) multiplied by Asset Percentage :</b>				
<b>(i) Adjustment on True Balance</b>				
Adjusted True Balance				
made up by:	<b>M</b>			
Loans < 3 months in arrears	0.75	4,334,388,970	4,381,271,871	
Loans >=3 months in arrears =< 75% LTV	0.4	0	0	
Loans >=3 months in arrears > 75% LTV	0.25	0	0	
<b>Adjusted True Balance</b>		<b>4,334,388,970</b>	<b>4,381,271,871</b>	
<b>(ii) Arrears Adjustment on True Balance</b>				
Arrears Adjusted True Balance				
made up by:	<b>N</b>			
Loans < 3 months in arrears	1	4,336,191,216	4,383,065,506	
Loans >=3 months in arrears =< 75% LTV	0.4	0	0	
Loans >=3 months in arrears > 75% LTV	0.25	0	0	
<b>sub total</b>		<b>4,336,191,216</b>	<b>4,383,065,506</b>	
<b>Asset Percentage</b>				
Contractual (maximum)		90.0%	90.0%	
Moody's Required		78.4%	78.4%	
Fitch Required		85.8%	85.8%	
<b>Current Asset Percentage (% used)</b>		<b>78.4%</b>	<b>78.4%</b>	
<b>Arrears Adjusted True Balance</b>		<b>3,399,573,913</b>	<b>3,436,323,357</b>	
Fitch Discontinuity Factor (%)		15.7%		
Moody's Timely Payment Indicator		Probable		
Moody's Collateral Score (%)		5.0%		
Moody's Collateral Score excl. systemic risk (%)		3.6%		

Asset Coverage Test (continued)				
		19/02/2014	17/01/2014	
<b>A: Arrears Adjusted True Balance</b>		<b>3,399,573,913</b>	<b>3,436,323,357</b>	
<b>B: Principal Receipts Retained in Cash</b>		<b>4,808,096</b>	<b>-</b>	
<b>C: Retained Cash Contributions</b>		<b>-</b>	<b>-</b>	
<b>D: Substitution Assets - Principal Receipts<sup>1</sup></b>		<b>89,969,629</b>	<b>62,206,806</b>	
<b>- Capital Contributions</b>		<b>-</b>	<b>-</b>	
<b>X: Savings set off balance</b>		<b>(62,427,075)</b>	<b>(63,810,597)</b>	
<b>Y : Flexible draw deduction</b>		<b>-</b>	<b>-</b>	
<b>Z: Negative carry adjustment</b>		<b>(119,542,257)</b>	<b>(124,168,929)</b>	
<b>Adjusted Aggregate Loan Amount</b>		<b>3,312,382,306</b>	<b>3,310,550,637</b>	
<b>Aggregate Principal Amount Outstanding</b>		<b>3,220,050,000</b>	<b>3,220,050,000</b>	
<b>Test Result</b>		<b>PASS</b>	<b>PASS</b>	
<b>Surplus Result</b>		<b>92,332,306</b>	<b>90,500,637</b>	
<b>Loan Amount to Covered Bond ratio percentage</b>		<b>74.23%</b>	<b>73.46%</b>	
<b>Credit Enhancement and Liquidity Support</b>				
		<b>31/01/2014</b>	<b>31/12/2013</b>	
Reserve funds		14,929,291	14,935,035	
Retained principal		94,777,725	62,206,806	
Overcollateralisation		1,241,168,622	1,254,907,363	
Overcollateralisation percentage		38.55%	38.97%	
Interest Coverage Test		Pass	Pass	

<sup>1</sup>Substitution Assets are comprised of short term cash deposits and UK Treasury Bills.

# Coventry Building Society Covered Bonds

## Investor Report

## Principal & Revenue Receipts and Ledgers

Interest Payment Date 24/02/2014  
 Collection Period for Mortgages 01/01/2014 to 31/01/2014  
 Calculation Period for Notes 24/01/2014 to 24/02/2014

Has an LLP notice to pay been issued ?

No

	Month End 31/01/2014	Month End 31/12/2013
<b>AVAILABLE REVENUE RECEIPTS</b>	(£)	(£)
(a) Revenue Receipts - Interest received from Borrowers	12,259,450	12,922,863
(a) Revenue Receipts - Fees charged to Borrowers	419,994	477,557
(b) Interest received	16,824	45,498
(c) Excess Reserve Fund	45,151	5,744
(d) Other Revenue Receipts	61,605	64,939
(e) Excess Required Coupon Amount	-	-
(f) Reserve Ledger credit amounts following Notice to Pay	-	-
LESS		
(g) Amounts Belonging to Third Parties	(419,994)	(477,557)
(h) Required Coupon Amount	-	-
(i) Interest Accumulation Ledger	-	-
<b>Total Available Revenue Receipts</b>	<b>12,383,030</b>	<b>13,039,044</b>

	(£)	(£)
<b>PRE-ACCELERATION REVENUE PRIORITY OF PAYMENTS</b>		
(a) Fees due to Bond Trustee and Security Trustee	-	-
(b) Fees due to Agent	-	-
(c) Amounts due to Servicer, Cash Manager, Standby Account Bank, Corporate Services Provider and Asset Monitor	4,000	16,469
(d) Amounts due to the Interest Rate Swap Provider	6,278,689	6,355,567
(e) (i) Amounts due to the Covered Bond Swap Providers	906,143	3,647,341
(ii) Amounts due on the Term Advance	3,815,400	1,176,280
(f) Transfer to Coupon Payment Ledger following Cash Manager Event	-	-
(g) Transfer to Standby GIC Account following Servicer Event of Default	-	-
(h) Transfer to Reserve Ledger	-	-
(i) Excluded Swap Termination Amounts	-	-
(j) Indemnity amounts due to the Members	-	-
(k) Repayment of Cash Capital Contributions	-	-
(l) Deferred Consideration	1,378,798	1,843,387
(m) Fees due to the Liquidation Member	-	-
(n) Members profit amount	-	-
<b>Revenue priority of payments total</b>	<b>12,383,030</b>	<b>13,039,044</b>

	(£)	(£)
<b>AVAILABLE PRINCIPAL RECEIPTS</b>		
(a) Scheduled amounts received from Borrowers	18,106,415	15,395,896
Unscheduled amounts received from Borrowers	79,089,629	49,203,139
Less Further Advances made	(2,418,319)	(2,392,228)
(b) (i) Term Advance	-	-
(ii) Cash Capital Contributions	-	-
(iii) Sale of Selected Loans	-	-
<b>Total Available Principal Receipts</b>	<b>94,777,725</b>	<b>62,206,806</b>

	(£)	(£)
<b>PRE-ACCELERATION PRINCIPAL PRIORITY OF PAYMENTS</b>		
(a) Purchase of New Loans or Substitution Assets	-	-
(b) Transfer to Principal Ledger	-	-
(c) (i) Amounts due to the Covered Bond Swap Providers	-	-
(ii) Amounts due on the Term Advance	-	-
(d) Capital Distribution to Members	94,777,725	62,206,806
<b>Principal priority of payments total</b>	<b>94,777,725</b>	<b>62,206,806</b>

<b>LEDGERS</b>	Month End 31/01/2014	Month End 31/12/2013
<b>Reserve Ledger</b>	(£)	(£)
Balance b/f on Reserve Ledger	14,935,035	14,930,563
Transfers to/from GIC	(5,744)	4,472
Cash Capital Contribution	-	-
<b>Balance c/f on Reserve Ledger</b>	<b>14,929,291</b>	<b>14,935,035</b>
Reserve Fund Required Amount	14,929,291	14,935,035

<b>Total cash holding month end</b>	<b>123,464,889</b>	<b>91,652,698</b>
<b>Bond value</b>	<b>3,220,050,000</b>	<b>3,220,050,000</b>
<b>Percentage Cash Holding</b>	<b>3.8%</b>	<b>2.8%</b>

<b>Summary Balance Sheet and Ledgers</b>	(£)	(£)
GIC Account	33,495,260	26,680,753
Substitution Assets <sup>1</sup>	89,969,629	64,971,945
<b>Subtotal</b>	<b>123,464,889</b>	<b>91,652,698</b>
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,338,070,252	4,383,594,294
<b>Total Assets</b>	<b>4,461,535,142</b>	<b>4,475,246,993</b>
Intercompany Loan <sup>2</sup>	3,220,050,000	3,220,050,000
Capital Account	1,241,485,142	1,255,196,993
<b>Total Liabilities</b>	<b>4,461,535,142</b>	<b>4,475,246,993</b>

<sup>1</sup>Substitution Assets comprise short term cash deposits and UK Treasury Bills.

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

# Coventry Building Society Covered Bonds

## Investor Report

Notes in Issue

	Series	1	2	3	4	5
	<b>Issue Date</b>	22/07/2008	20/11/2008	19/04/2011	24/10/2011	10/02/2012
	<b>Original rating</b> (Moody's / S&P / Fitch)	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
	<b>Current rating</b> (Moody's / S&P / Fitch)	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
	<b>Currency</b>	GBP	GBP	GBP	EUR	GBP
	<b>Issue size</b>	1,500,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	<b>Relevant Swap Rate</b>	1.000	1.000	1.000	0.877	1.000
	<b>GBP Equivalent</b>	1,500,000,000	500,000,000	750,000,000	570,050,000	500,000,000
	<b>Current Period Balance</b>	900,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	<b>Previous Period Balance</b>	900,000,000	500,000,000	750,000,000	650,000,000	500,000,000
	<b>Current Period Pool Factor</b>	1	1	1	1	1
	<b>Previous Period Pool Factor</b>	1	1	1	1	1
	<b>Expected maturity date</b>	25/07/2016	24/11/2016	19/04/2018	24/10/2014	10/02/2015
	<b>Legal Final maturity date</b>	25/07/2016	24/11/2016	19/04/2018	24/10/2014	10/02/2015
	<b>Extended Due for Payment Date</b>	24/07/2017	24/11/2017	19/04/2019	24/10/2015	10/02/2016
	<b>Margin payable under extended maturity period (%)</b>	0.50%	0.50%	1.22%	1.30%	1.60%
	<b>ISIN</b>	XS0378817240	XS0400750542	XS0618833635	XS0696058857	XS0744752568
	<b>Stock exchange listing</b>	LSE	LSE	LSE	LSE	LSE
	<b>Interest Payment Frequency</b>	Monthly	Monthly	Annually	Annually	Quarterly
	<b>Accrual Start Date</b>	24/01/2014	24/01/2014	19/04/2013	24/10/2013	11/11/2013
	<b>Accrual End Date</b>	24/02/2014	24/02/2014	22/04/2014	24/10/2014	10/02/2014
	<b>Accrual Day Count</b>	31	31	368	365	91
	<b>Coupon Reference Rate</b>	0.48188%	0.48188%	N/A	N/A	0.52406%
	<b>Relevant Margin</b>	0.50000%	0.50000%	4.62500%	2.87500%	1.60000%
	<b>Current Period Coupon Reference</b>	1m GBP LIBOR	1m GBP LIBOR	Fixed	Fixed	3m GBP LIBOR
	<b>Current Period Coupon</b>	0.98188%	0.98188%	4.62500%	2.87500%	2.12406%
	<b>Current Period Coupon Amount</b>	750,600	417,000	-	-	2,647,800
	<b>Current Interest Shortfall</b>	-	-	-	-	-
	<b>Cumulative Interest Shortfall</b>	-	-	-	-	-
	<b>Next Interest Payment Date</b>	24/02/2014	24/02/2014	22/04/2014	24/10/2014	10/02/2014
	<b>Bond Structure</b>	Soft bullet	Soft bullet	Soft bullet	Soft bullet	Soft bullet
	<b>Current Period Scheduled Principal Payment</b>	-	-	-	-	-
	<b>Actual Principal Paid</b>	-	-	-	-	-
	<b>Principal Shortfall</b>	-	-	-	-	-
	<b>Cumulative Principal Shortfall</b>	-	-	-	-	-
	<b>Expected Principal Payment Date</b>	25/07/2016	24/11/2016	19/04/2018	24/10/2014	10/02/2015

# 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 (£)
<b>Interest Rate (Asset) Swap</b>											
Series 1-5	19/04/2018	GBP	4,337,515,724	Coventry Building Society	1m LIBOR	1.19000%	1.67938%	Basket of rates	N/A	3.37623%	(6,278,689)
<b>Covered Bond (Liability) Swap</b>											
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.62500%	1m LIBOR	1.63%	2.11650%	(1,217,712)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	2.75188%	(1,332,328)
Series 5	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.12406%	1m LIBOR	1.88%	2.36188%	(1,002,990)

### 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>1</sup>
<b>Covered Bond (Liability) Swap</b> HSBC plc	Aa3 / AA-	P-1 / F1+	A2 / A	P-1 / F1	N	Post additional collateral	33,953,036 <sup>2</sup>
Coventry Building Society	A3 / A	P-2 / F1	A2 / A	P-1 / F1	Y	Post collateral	2,700,000

<sup>1</sup>The amount of collateral required in respect of the Interest Rate (Asset) Swap is zero because the LLP is out of the money.

<sup>2</sup>The Swap Agreement has been revised to specify that collateral is posted by HSBC to the extent that the market value of the swap is greater than £30m. On downgrade, this threshold would reduce to zero and additional collateral would be posted.

# Coventry Building Society Covered Bonds

## Investor Report

## Glossary

<b>Adjusted True Balance</b>	In the ACT calculation, this is the sum of the "Adjusted True Balance" of each Loan in the Portfolio, which shall be the lower of (1) the actual True Balance of the relevant Loan in the Portfolio and (2) the Indexed Valuation relating to that Loan multiplied by M (where for all Loans that are less than three months in arrears or not in arrears, M = 0.75, for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of less than or equal to 75 percent, M = 0.40 and for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of more than 75 percent, M = 0.25); Minus the aggregate sum of any assets to be removed as defined by the Transaction Documents.
<b>Administered rates</b>	The issuer operates a number of variable administered rates including a Standard Variable Rate and the Privilege Rate, which is offered to certain owner-occupying borrowers who have been on the same product for five years or more.
<b>Arrears Adjusted True Balance</b>	In the ACT calculation, this is the aggregate "Arrears Adjusted True Balance" of the Loans in the Portfolio which in relation to each Loan shall be the lower of (1) the actual True Balance of the relevant Loan and (2) the Indexed Valuation relating to that Loan multiplied by N (where for all Loans that are less than three months in arrears or not in arrears, N = 1, for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of less than or equal to 75 percent, N = 0.40 and for all Loans that are three months or more in arrears and have a True Balance to Indexed Valuation ratio of more than 75 percent, N = 0.25); Minus the aggregate sum of any assets to be removed as defined by the Transaction Documents; Multiplied by the Asset Percentage (as defined below).
<b>Arrears Balance</b>	Arrears includes any fees and insurance premiums that are past due and interest on arrears. Capitalised arrears are excluded from the Arrears Balance.
<b>Asset Percentage</b>	The Asset Percentage is defined in the Transaction Documents as the lowest of (i) 90 percent, (ii) the percentage required to ensure that the Covered Bonds maintain the then current ratings assigned to them by Fitch and (iii) the percentage required to ensure that the Covered Bonds achieve an Aaa rating by Moody's using Moody's expected loss methodology.
<b>Constant Default Rates (CDR)</b>	Constant Default Rate is calculated from the balance of loans entering into default in the month and it is shown as a percentage of the opening True Balance.
<b>Constant Prepayment Rates (CPPR)</b>	The Constant Prepayment Rate is calculated from the total Unscheduled Principal Receipts and is shown as a percentage of the opening True Balance. This is consistent with the ESF definition for Constant Prepayment Rates.
<b>Default</b>	For the purposes of this report a loan is identified as being in default where the Months in Arrears is six or more.
<b>Employment Status</b>	Employment status of the primary applicant. People employed by a company of which they are also a director are included as Self-Employed.
<b>Geographical Distribution</b>	This uses the regions in the HPI Regional Series published by Nationwide Building Society. The definition of those regions is available at <a href="http://web.archive.org/web/20100815095614/http://www.nationwide.co.uk/hpi/regions.htm">http://web.archive.org/web/20100815095614/http://www.nationwide.co.uk/hpi/regions.htm</a> . This definition differs from the standard NUTS 1 regions used in other reporting.
<b>Income Verification Requested</b>	Income verification has been requested on all mortgages in the pool at application. With certain low-risk low-LTV loans, proof of income is only required for a random selection of loans. The performance of the loans and decline/withdrawal rates on the random selection is closely monitored.
<b>Indexed</b>	Indexation is applied to house price valuations on a regional basis using non-seasonally adjusted data. The indexation is applied to the data as at the end of March, June, September and December.
<b>Interest Payments</b>	Payments received in a reporting period are applied first to interest and then to principal.
<b>Months in Arrears</b>	Months in Arrears is calculated as the Arrears balance divided by the normal contractual payment due, ignoring any temporary arrangement or payment holiday.
<b>Mortgage Account</b>	A mortgage account consists of one or more underlying loans all secured with equal priority by a first charge on the same property and thereby forming a single mortgage account. All items are disclosed at mortgage account level with the exception of Product groups, Repayment terms and the Originator which are reported at an individual loan level.
<b>Mortgage Collections</b>	The aggregate amount of scheduled and unscheduled principal, and interest collected during the reporting period.
<b>Negative carry adjustment</b>	In the ACT calculation, this is the weighted average remaining maturity of all Covered Bonds outstanding multiplied by the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor. The "Negative Carry Factor" is (i) 0.5 percent if the weighted average margin of the interest rate payable on the Covered Bonds is less or equal to 0.1 percent per annum or (ii) 0.5 percent plus that margin minus 0.1 percent, if that margin is greater than 0.1 percent per annum (provided that if the weighted average remaining maturity is less than one, the weighted average shall be deemed, for the purposes of this calculation, to be one).
<b>Overcollateralisation</b>	Overcollateralisation is calculated in accordance with Regulation 17(2) of the Regulated Covered Bonds Regulations 2008 (as amended) which sets a lower level of 8% for this measure. Mortgages are included after making a deduction for assets where the Indexed LTV exceeds 80% to restrict the value of the loan to 80% of the latest valuation. Liquid assets are included up to a value of 8% of bonds with a maturity of one year or more and 100% of bonds with a maturity of less than one year.
<b>Principal Payment Rates (PPR)</b>	Principal Payment Rates are calculated from the total Principal Receipts in the month including redemptions, contractual repayments and unscheduled prepayments and are shown as a percentage of the opening True Balance. 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>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 Balances</b>	Saving balances are reported on the basis used in the ACT calculation, this is the amount equal to the lower of (i) 100 percent of the aggregate deposit balances (including saving balances and offset balances) of each savings account held at the Seller by Borrowers whose Loans are included in the Portfolio and (ii) the aggregate True Balances of those Borrower's Loans.
<b>Scheduled Principal Receipts</b>	The element of Principal Receipts that are included in the contractual payment for a Borrower who has a Repayment or Combination mortgage.
<b>True Balance</b>	As at the given date, the aggregate (but avoiding double counting) of (i) the original principal amount advanced to the relevant Borrower and any further amount advanced, (ii) any interest, fees or charges which has been properly capitalised and (iii) any other amount (including Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid and has not been capitalised.
<b>Unscheduled Principal Receipts</b>	The element of Principal Receipts that are not Scheduled Principal Receipts.
<b>Weighted Average Current margin</b>	The current margin is calculated as the interest rate on the loan less the relevant swap rate for Fixed rate loans; current 3 month LIBOR for Administered loans; or current base rate for Tracker loans.
<b>Weighted Average Initial rate</b>	The initial rate is the initial margin on the product plus the index rate prevailing at the time the loan was taken out.
<b>Weighted Average Reversionary margin</b>	The reversionary margin is calculated as the final interest rate due on the loan's current product less 3 month LIBOR for Administered loans or base rate for Tracker loans.