

Coventry Building Society Covered Bonds

Investor Report

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Reporting Information

Reporting Date	31/08/2014		
Reporting Period	01/07/2014	to	31/07/2014

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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



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Mortgage Assets

All values are in pounds sterling unless otherwise stated

Assets

	Prior Period	Current Period
Number of mortgage accounts in Pool	42,536	42,126
Number of loans in Pool	49,293	48,818
True Balance of mortgage accounts in Pool	£4,623,060,853	£4,558,926,495
Cash and other Substitution Assets	£93,480,357	£140,859,901

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	£80,254,504	£127,448,312

Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.20%	3.17%

Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	41,938	99.6%	4,539,701,030	99.6%	-
>0 and <1	139	0.3%	13,517,796	0.3%	41,764
>=1 and <2	49	0.1%	5,707,668	0.1%	37,773
>=2 and <3	-	-	-	-	-
>=3 and <6	-	-	-	-	-
>=6 and <12	-	-	-	-	-
>=12	-	-	-	-	-
Totals	42,126	100.0%	4,558,926,495	100.0%	79,538

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	42,536	4,623,060,853
Loans added to pool	868	131,311,533
Loans repurchased from pool	(443)	(83,501,364)
of which are non-performing loans	(57)	(5,627,295)
of which have breached R&Ws	(2)	(181,830)
Redemptions	(835)	(85,755,781)
Principal receipts		(26,656,218)
Other movements		467,472
Closing totals	42,126	4,558,926,495

Analysis of accounts with associated savings balances

	Number of loans	Balance (£)	Savings (£)
Loans with Offset arrangement	5,410	586,693,883	55,418,158
Other loans	43,408	3,972,232,611	25,821,712
Totals	48,818	4,558,926,495	81,239,870

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

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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	39.0	207.1	108,221	125,727	105,637	53.4%	47.4%	423
Min	3.2	0.0	0	96	0	0.0%	0.0%	0
Max	114.9	418.9	981,084	972,828	981,084	91.9%	91.9%	3,046

Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	2.43%	1.76%	19.21%
Previous PPR - Total	1.40%	1.62%	17.77%

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	2.03%	1.37%	15.22%
Previous CPPR - Total	0.99%	1.22%	13.67%

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	195,307,111	4.3%	1,973	4.7%
East Midlands	374,453,972	8.2%	4,191	9.9%
London	677,997,699	14.9%	3,736	8.9%
North	148,421,919	3.3%	1,951	4.6%
North West	366,394,049	8.0%	3,970	9.4%
Northern Ireland	-	-	-	-
Outer Metropolitan	713,862,912	15.7%	4,755	11.3%
Outer South East	534,454,647	11.7%	4,590	10.9%
Scotland	-	-	-	-
South West	471,293,300	10.3%	4,428	10.5%
Wales	141,127,388	3.1%	1,636	3.9%
West Midlands	616,774,318	13.5%	7,145	17.0%
Yorkshire and Humberside	318,839,180	7.0%	3,751	8.9%
Totals	4,558,926,495	100.0%	42,126	100.0%

Non-Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	407,882,134	8.9%	10,810	25.7%
>=25% and <50%	1,345,923,429	29.5%	13,586	32.3%
>=50% and <55%	374,749,827	8.2%	2,827	6.7%
>=55% and <60%	472,002,315	10.4%	3,224	7.7%
>=60% and <65%	505,464,872	11.1%	3,212	7.6%
>=65% and <70%	417,908,384	9.2%	2,628	6.2%
>=70% and <75%	587,487,484	12.9%	3,377	8.0%
>=75% and <80%	410,190,474	9.0%	2,263	5.4%
>=80% and <85%	32,252,390	0.7%	170	0.4%
>=85% and <90%	4,742,134	0.1%	27	0.1%
>=90% and <95%	323,051	0.0%	2	0.0%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
Totals	4,558,926,495	100.0%	42,126	100.0%

Outstanding True Balances

Range of outstanding balances (£)	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<5,000	1,610,376	0.0%	633	1.5%
>=5,000 and <10,000	6,104,737	0.1%	802	1.9%
>=10,000 and <25,000	58,487,884	1.3%	3,286	7.8%
>=25,000 and <50,000	248,733,990	5.5%	6,588	15.6%
>=50,000 and <75,000	414,894,888	9.1%	6,666	15.8%
>=75,000 and <100,000	538,698,943	11.8%	6,174	14.7%
>=100,000 and <150,000	1,032,602,590	22.7%	8,419	20.0%
>=150,000 and <200,000	779,653,777	17.1%	4,537	10.8%
>=200,000 and <250,000	488,387,330	10.7%	2,192	5.2%
>=250,000 and <300,000	329,120,615	7.2%	1,209	2.9%
>=300,000 and <350,000	196,099,828	4.3%	609	1.4%
>=350,000 and <400,000	143,908,371	3.2%	386	0.9%
>=400,000 and <450,000	84,406,349	1.9%	199	0.5%
>=450,000 and <500,000	80,158,877	1.8%	170	0.4%
>=500,000 and <600,000	81,889,677	1.8%	152	0.4%
>=600,000 and <700,000	39,874,611	0.9%	62	0.1%
>=700,000 and <800,000	16,383,472	0.4%	22	0.1%
>=800,000 and <900,000	7,584,124	0.2%	9	0.0%
>=900,000 and <1,000,000	10,326,056	0.2%	11	0.0%
>=1,000,000	-	-	-	-
Totals	4,558,926,495	100.0%	42,126	100.0%

Employment status

Employment status	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Employed	3,487,422,777	76.5%	33,073	78.5%
Self-employed	948,845,098	20.8%	6,810	16.2%
Unemployed	9,631,259	0.2%	123	0.3%
Retired	91,411,230	2.0%	1,911	4.5%
Guarantor	-	-	-	-
Other	21,616,130	0.5%	209	0.5%
Totals	4,558,926,495	100.0%	42,126	100.0%

Originator

Originator	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,558,926,495	100.0%	48,818	100.0%
Totals	4,558,926,495	100.0%	48,818	100.0%

Indexed Loan to Value ratios

Range of LTV ratios	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<25%	533,695,273	11.7%	12,244	29.1%
>=25% and <50%	1,749,250,539	38.4%	15,489	36.8%
>=50% and <55%	523,016,129	11.5%	3,398	8.1%
>=55% and <60%	514,656,986	11.3%	3,291	7.8%
>=60% and <65%	550,077,820	12.1%	3,361	8.0%
>=65% and <70%	494,311,777	10.8%	3,131	7.4%
>=70% and <75%	179,426,370	3.9%	1,129	2.7%
>=75% and <80%	8,647,197	0.2%	50	0.1%
>=80% and <85%	3,881,716	0.1%	22	0.1%
>=85% and <90%	1,820,183	0.0%	10	0.0%
>=90% and <95%	142,505	0.0%	1	0.0%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
Totals	4,558,926,495	100.0%	42,126	100.0%

Seasoning of Loans

Age of loans in months	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<12	694,132,915	15.2%	4,837	11.5%
>=12 and <24	1,031,423,584	22.6%	7,561	17.9%
>=24 and <36	834,112,019	18.3%	7,369	17.5%
>=36 and <48	584,122,738	12.8%	5,770	13.7%
>=48 and <60	435,763,931	9.6%	4,491	10.7%
>=60 and <72	208,545,040	4.6%	2,380	5.6%
>=72 and <84	302,752,152	6.6%	3,606	8.6%
>=84 and <96	214,670,639	4.7%	2,645	6.3%
>=96 and <108	177,860,722	3.9%	2,339	5.6%
>=108 and <120	75,542,754	1.7%	1,128	2.7%
>=120 and <150	-	-	-	-
>=150 and <180	-	-	-	-
>=180	-	-	-	-
Totals	4,558,926,495	100.0%	42,126	100.0%

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	2,556,746,456	56.1%	24,242	49.7%	3.43%	22.5	2.73%	4.18%	3.37%
Fixed at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Fixed at origination, reverting to Tracker	218,910,891	4.8%	2,817	5.8%	1.30%	0.1	0.80%	0.80%	5.38%
Fixed for life	2,026	0.0%	8	0.0%	0.00%	-	0.29%	0.29%	0.00%
Tracker at origination, reverting to Administered	234,118,702	5.1%	2,205	4.5%	3.65%	3.8	3.12%	4.06%	3.25%
Tracker at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Tracker for life	194,743,631	4.3%	2,753	5.6%	1.25%	0.0	0.75%	0.75%	4.29%
Administered, including discount to Administered LIBOR	1,354,404,788	29.7%	16,793	34.4%	3.12%	0.0	2.57%	2.57%	3.40%
	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Totals	4,558,926,495	100.0%	48,818	100.0%	3.15%	12.8	2.53%	3.39%	3.51%

Months to maturity of loans

Months to maturity	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<30	55,708,805	1.2%	1,581	3.8%
>=30 and <60	126,907,524	2.8%	2,655	6.3%
>=60 and <120	519,039,581	11.4%	7,786	18.5%
>=120 and <180	945,926,928	20.7%	9,801	23.3%
>=180 and <240	1,252,245,290	27.5%	9,939	23.6%
>=240 and <300	1,226,173,875	26.9%	7,815	18.6%
>=300 and <360	304,701,095	6.7%	1,789	4.2%
>=360	128,223,398	2.8%	760	1.8%
Totals	4,558,926,495	100.0%	42,126	100.0%

Months to maturity of loans split by Repayment terms

Months to maturity	Repayment	Interest Only	Combination (Interest Only and Repayment)	Total
<30	8,693,740	40,784,730	6,230,335	55,708,805
>=30 and <60	44,016,478	63,359,463	19,531,583	126,907,524
>=60 and <120	314,390,394	146,389,444	58,259,743	519,039,581
>=120 and <180	722,459,185	149,542,216	73,925,526	945,926,928
>=180 and <240	1,029,474,640	156,153,807	66,616,843	1,252,245,290
>=240 and <300	1,134,067,044	66,840,436	25,266,395	1,226,173,875
>=300 and <360	294,159,052	7,011,141	3,530,902	304,701,095
>=360	125,086,826	1,445,600	1,690,972	128,223,398
Totals	3,672,347,358	631,526,837	255,052,300	4,558,926,495

Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Fixed rate	2,370,080,460	52.0%	21,678	44.4%
Capped	55,638,951	1.2%	430	0.9%
Tracker	488,196,325	10.7%	6,096	12.5%
Administered	1,645,010,758	36.1%	20,614	42.2%
Totals	4,558,926,495	100.0%	48,818	100.0%

Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	3,338,722,559	73.2%	37,009	75.8%
Interest Only	597,997,012	13.1%	6,004	12.3%
Combination (Interest Only and Repayment)	35,513,041	0.8%	395	0.8%
Offset	586,693,883	12.9%	5,410	11.1%
Totals	4,558,926,495	100.0%	48,818	100.0%

Occupancy type

Occupancy type	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Owner-occupied	4,557,961,831	100.0%	48,810	100.0%
Buy-to-let*	964,664	0.0%	8	0.0%
Second home	-	-	-	-
Totals	4,558,926,495	100.0%	48,818	100.0%

Income verification type

Income verification type	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Income verification requested	4,558,926,495	100.0%	42,126	100.0%
Fast-track	-	-	-	-
Self-certified	-	-	-	-
Totals	4,558,926,495	100.0%	42,126	100.0%

* 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	2,274,838,307	1,032,837,932	1,038,915,068	187,401,635	5,565,583	142,505	-	4,539,701,030
<1 Month in Arrears	6,040,390	2,991,715	3,970,809	378,568	136,316	-	-	13,517,796
>=1 and <3 Months in Arrears	2,067,115	1,843,469	1,503,719	293,365	-	-	-	5,707,668
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-
Totals	2,282,945,812	1,037,673,115	1,044,389,596	188,073,568	5,701,898	142,505	-	4,558,926,495

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	96,259,661	43,019,767	49,276,867	6,338,157	412,659	-	-	195,307,111
East Midlands	166,250,094	85,182,974	107,380,801	15,182,369	315,229	142,505	-	374,453,972
London	427,477,664	167,896,911	78,920,799	3,492,203	210,122	-	-	677,997,699
North	64,390,851	35,773,710	41,045,474	6,582,788	629,096	-	-	148,421,919
North West	147,783,548	74,073,761	99,467,678	44,133,555	935,506	-	-	366,394,049
Outer Metropolitan	377,357,497	173,487,448	155,371,507	6,981,633	664,827	-	-	713,862,912
Outer South East	290,570,240	116,427,220	117,826,207	9,008,295	622,685	-	-	534,454,647
South West	233,387,719	99,897,014	119,636,007	18,008,189	364,371	-	-	471,293,300
Wales	61,524,571	29,501,393	39,745,497	10,017,984	337,943	-	-	141,127,388
West Midlands	290,623,475	145,382,851	151,956,026	27,845,602	966,364	-	-	616,774,318
Yorkshire and Humberside	127,320,492	67,030,065	83,762,734	40,482,792	243,097	-	-	318,839,180
Totals	2,282,945,812	1,037,673,115	1,044,389,596	188,073,568	5,701,898	142,505	-	4,558,926,495

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	1,591,192,494	786,690,057	810,292,651	144,973,070	5,431,783	142,505	-	3,338,722,559
Interest Only	336,776,856	127,856,210	109,111,096	24,192,857	59,994	-	-	597,997,012
Combination (Interest Only and Repayment)	26,110,036	5,614,750	3,298,780	489,476	-	-	-	35,513,041
Offset	328,866,427	117,512,099	121,687,070	18,418,165	210,122	-	-	586,693,883
Total	2,282,945,812	1,037,673,115	1,044,389,596	188,073,568	5,701,898	142,505	-	4,558,926,495

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	1,064,426,502	588,967,527	608,392,495	104,054,506	4,096,926	142,505	-	2,370,080,460
Capped	31,966,965	16,082,417	7,589,569	-	-	-	-	55,638,951
Variable	1,186,552,345	432,623,171	428,407,533	84,019,062	1,604,972	-	-	2,133,207,083
Totals	2,282,945,812	1,037,673,115	1,044,389,596	188,073,568	5,701,898	142,505	-	4,558,926,495

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
Issuer Event of Default	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
Servicer Trigger (1)	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
Servicer Trigger (2)	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
Asset Coverage Test	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
Interest Rate Shortfall Test	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
Interest Coverage Test	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
Overcollateralisation Test	Eligible assets exceed bonds outstanding	Excess is less than 8% of bonds outstanding	N/A	N/A	N/A	N/A	No	Regulatory action
Cash Manager (1)	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
Cash Manager (2)	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
Stand-by Account Bank	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
Swap Counterparty Rating Trigger (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
Coventry Building Society	NR / A3 / A	NR / P-2 / F1	Issuer, Servicer, Cash Manager, Interest Rate (Asset) Swap Provider and Covered Bond (Liability) Swap Provider
Coventry Building Society Covered Bonds LLP	N/A	N/A	LLP
HSBC Bank plc	AA- / Aa3 / AA-	A-1+ / P-1 / F1+	Covered Bond (Liability) Swap Provider, Bank Account, GIC Provider, Registrar, Principal Paying Agent, Exchange Agent, Transfer Agent and Calculation Agent
HSBC Corporate Trustee Company (UK) Ltd	N/A	N/A	Bond Trustee and Security Trustee
Deloitte LLP	N/A	N/A	Asset Pool Monitor
Structured Finance Management Ltd	N/A	N/A	Corporate Services Provider
Various	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	19/08/2014	18/07/2014	
Aggregate Adjusted Loan Amount	=A+B+C+D-(X+Y+Z)		
Description	Value	Value	
True Balance	4,558,926,495	4,623,060,853	
Adjusted Indexed Valuation	12,164,820,414	12,293,160,067	
Asset Percentage	87.0%	87.0%	
Loans < 3 months in arrears	4,558,926,495	4,623,060,853	
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)	1.7	1.8	
Negative Carry Factor (Weighted Average)	1.69%	1.69%	
A = Lower of (i) and (ii) multiplied by Asset Percentage :			
(i) Adjustment on True Balance			
Adjusted True Balance			
made up by:	M		
Loans < 3 months in arrears	0.75	4,557,044,221	4,622,121,136
Loans >=3 months in arrears =< 75% LTV	0.4	0	0
Loans >=3 months in arrears > 75% LTV	0.25	0	0
Adjusted True Balance		4,557,044,221	4,622,121,136
(ii) Arrears Adjustment on True Balance			
Arrears Adjusted True Balance			
made up by:	N		
Loans < 3 months in arrears	1	4,557,961,831	4,622,936,985
Loans >=3 months in arrears =< 75% LTV	0.4	0	0
Loans >=3 months in arrears > 75% LTV	0.25	0	0
sub total		4,557,961,831	4,622,936,985
Asset Percentage			
Contractual (maximum)		90.0%	90.0%
Moody's Required		87.7%	87.7%
Fitch Required		87.0%	87.0%
Current Asset Percentage (% used)		87.0%	87.0%
Arrears Adjusted True Balance		3,965,426,793	4,021,955,177
Fitch Discontinuity Factor (%)		15.7%	
Moody's Timely Payment Indicator		Probable	
Moody's Collateral Score (%)		5.0%	
Moody's Collateral Score excl. systemic risk (%)		3.0%	

Asset Coverage Test (continued)			
	19/08/2014	18/07/2014	
A: Arrears Adjusted True Balance	3,965,426,793	4,021,955,177	
B: Principal Receipts Retained in Cash	7,525,174	9,935,655	
C: Retained Cash Contributions	-	-	
D: Substitution Assets - Principal Receipts¹ - Capital Contributions	104,886,825	54,903,455	
X: Savings set off balance	(81,239,870)	(78,605,463)	
Y : Flexible draw deduction	-	-	
Z: Negative carry adjustment	(92,528,461)	(97,155,133)	
Adjusted Aggregate Loan Amount	3,904,070,461	3,911,033,691	
Aggregate Principal Amount Outstanding	3,220,050,000	3,220,050,000	
Test Result	PASS	PASS	
Surplus Result	684,020,461	690,983,691	
Loan Amount to Covered Bond ratio percentage	70.63%	69.65%	
Credit Enhancement and Liquidity Support			
	31/07/2014	30/06/2014	
Reserve funds	14,985,261	14,939,357	
Retained principal	112,411,999	64,839,110	
Overcollateralisation	1,479,485,414	1,496,286,929	
Overcollateralisation percentage	45.95%	46.47%	
Interest Coverage Test	Pass	Pass	

¹Substitution 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 26/08/2014
 Collection Period for Mortgages 01/07/2014 to 31/07/2014
 Calculation Period for Notes 24/07/2014 to 26/08/2014

Has an LLP notice to pay been issued ?

No

	Month End 31/07/2014	Month End 30/06/2014
AVAILABLE REVENUE RECEIPTS	(£)	(£)
(a) Revenue Receipts - Interest received from Borrowers	12,068,086	12,286,931
(a) Revenue Receipts - Fees charged to Borrowers	331,313	340,690
(b) Interest received	37,584	37,297
(c) Excess Reserve Fund	-	-
(d) Other Revenue Receipts	48,466	36,972
(e) Excess Required Coupon Amount	-	-
(f) Reserve Ledger credit amounts following Notice to Pay	-	-
LESS	-	-
(g) Amounts Belonging to Third Parties	(331,313)	(340,690)
(h) Required Coupon Amount	-	-
(i) Interest Accumulation Ledger	-	-
Total Available Revenue Receipts	12,154,136	12,361,200

	(£)	(£)
PRE-ACCELERATION REVENUE PRIORITY OF PAYMENTS	(£)	(£)
(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	7,500	1,685
(d) Amounts due to the Interest Rate Swap Provider	5,354,402	5,717,015
(e) (i) Amounts due to the Covered Bond Swap Providers	1,208,975	3,542,168
(ii) Amounts due on the Term Advance	3,911,580	1,142,680
(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	18,250	45,903
(i) Excluded Swap Termination Amounts	-	-
(j) Indemnity amounts due to the Members	-	-
(k) Repayment of Cash Capital Contributions	-	-
(l) Deferred Consideration	1,653,429	1,911,748
(m) Fees due to the Liquidation Member	-	-
(n) Members profit amount	-	-
Revenue priority of payments total	12,154,136	12,361,200

	(£)	(£)
AVAILABLE PRINCIPAL RECEIPTS	(£)	(£)
(a) Scheduled amounts received from Borrowers	18,589,671	19,141,855
Unscheduled amounts received from Borrowers	96,790,555	48,825,719
Less Further Advances made	(2,968,227)	(3,128,463)
(b) (i) Term Advance	-	-
(ii) Cash Capital Contributions	-	-
(iii) Sale of Selected Loans	-	-
Total Available Principal Receipts	112,411,999	64,839,110

	(£)	(£)
PRE-ACCELERATION PRINCIPAL PRIORITY OF PAYMENTS	(£)	(£)
(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	112,411,999	64,839,110
Principal priority of payments total	112,411,999	64,839,110

	Month End 31/07/2014	Month End 30/06/2014
LEDGERS	(£)	(£)
Reserve Ledger	(£)	(£)
Balance b/f on Reserve Ledger	14,939,357	14,923,810
Transfers to/from GIC	45,903	15,547
Cash Capital Contribution	-	-
Balance c/f on Reserve Ledger	14,985,261	14,939,357
Reserve Fund Required Amount	14,985,261	14,939,357
Total cash holding month end	140,882,709	93,480,357
Bond value	3,220,050,000	3,220,050,000
Percentage Cash Holding	4.4%	2.9%

	(£)	(£)
Summary Balance Sheet and Ledgers	(£)	(£)
GIC Account	35,973,076	38,576,902
Substitution Assets ¹	104,886,825	54,903,455
Subtotal	140,859,901	93,480,357
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,558,926,495	4,623,060,853
Total Assets	4,699,786,396	4,716,541,210
Intercompany Loan ²	3,220,050,000	3,220,050,000
Capital Account	1,479,736,396	1,496,491,210
Total Liabilities	4,699,786,396	4,716,541,210

¹Substitution Assets comprise short term cash deposits and UK Treasury Bills.

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

Coventry Building Society Covered Bonds

Investor Report

Notes in Issue

	1	2	3	4	5
Series					
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	25/07/2016	24/11/2016	19/04/2018	24/10/2014	10/02/2015
Legal Final maturity date	25/07/2016	24/11/2016	19/04/2018	24/10/2014	10/02/2015
Extended Due for Payment Date	24/07/2017	24/11/2017	19/04/2019	24/10/2015	10/02/2016
Margin payable under extended maturity period (%)	0.50%	0.50%	1.22%	1.30%	1.60%
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	24/07/2014	24/07/2014	22/04/2014	24/10/2013	12/05/2014
Accrual End Date	26/08/2014	26/08/2014	20/04/2015	24/10/2014	11/08/2014
Accrual Day Count	33	33	363	365	91
Coupon Reference Rate	0.49563%	0.49563%	N/A	N/A	0.52688%
Relevant Margin	0.50000%	0.50000%	4.62500%	2.87500%	1.60000%
Current Period Coupon Reference	1m GBP LIBOR	1m GBP LIBOR	Fixed	Fixed	3m GBP LIBOR
Current Period Coupon	0.99563%	0.99563%	4.62500%	2.87500%	2.12688%
Current Period Coupon Amount	810,180	450,100	-	-	2,651,300
Current Interest Shortfall	-	-	-	-	-
Cumulative Interest Shortfall	-	-	-	-	-
Next Interest Payment Date	26/08/2014	26/08/2014	20/04/2015	24/10/2014	11/08/2014
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	25/07/2016	24/11/2016	19/04/2018	24/10/2014	10/02/2015

Notes In Issue

Interest Payments
01/08/2014 - 31/08/2014

Principal Payments
01/08/2014 - 31/08/2014

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	4,568,555,483	Coventry Building Society	1m LIBOR	1.19000%	1.68313%	Basket of rates	N/A	3.17433%	(5,354,402)
	Covered Bond (Liability) Swap										
Series 3	19/04/2018	GBP	750,000,000	HSBC plc	Fixed	N/A	4.62500%	1m LIBOR	1.63%	2.13488%	(1,359,889)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	2.76563%	(1,425,372)
Series 5	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.12688%	1m LIBOR	1.88%	2.37563%	(1,073,915)

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	- ¹
Covered Bond (Liability) Swap HSBC plc	Aa3 / AA-	P-1 / F1+	A2 / A	P-1 / F1	N	Post additional collateral	12,323,090 ²
Coventry Building Society	A3 / A	P-2 / F1	A2 / A	P-1 / F1	Y	Post collateral	3,100,000

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

²The 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

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.
Administered rates	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.
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.
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 and it is shown as a percentage of the opening True Balance.
Constant Prepayment Rates (CPPR)	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.
Default	For the purposes of this report a loan is identified as being in default where the Months in Arrears is six or more.
Employment Status	Employment status of the primary applicant. People employed by a company of which they are also a director are included as Self-Employed.
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 1 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.
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.
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. 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.
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).
Overcollateralisation	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.
Principal Payment Rates (PPR)	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.
Principal Receipts	Payments received in a reporting period are applied first to interest and then to principal.
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 Balances	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.
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.
Weighted Average Current margin	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.
Weighted Average Initial rate	The initial rate is the initial margin on the product plus the index rate prevailing at the time the loan was taken out.
Weighted Average Reversionary margin	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.