

# Coventry Building Society Covered Bonds

## Investor Report

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### Reporting Information

Reporting Date	31/07/2014
Reporting Period	01/06/2014 to 30/06/2014

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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	42,545	42,536
Number of loans in Pool	49,298	49,293
True Balance of mortgage accounts in Pool	£4,625,698,196	£4,623,060,853
Cash and other Substitution Assets	£90,862,082	£93,480,357

### 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	£77,617,690	£80,254,504

### Yield Analysis

	Prior Period	Current Period
Weighted Average Pre-Swap Mortgage Yield	3.31%	3.20%

### Arrears Analysis (excluding Properties in Possession)

Months in Arrears	Number of Mortgage Accounts	% of total	True Balance (£)	% of total balance	Arrears Balance (£)
Current	42,330	99.5%	4,602,508,129	99.6%	-
>0 and <1	149	0.4%	15,050,863	0.3%	40,929
>=1 and <2	57	0.1%	5,501,861	0.1%	48,560
>=2 and <3	-	-	-	-	-
>=3 and <6	-	-	-	-	-
>=6 and <12	-	-	-	-	-
>=12	-	-	-	-	-
<b>Totals</b>	<b>42,536</b>	<b>100.0%</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>89,489</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	42,545	4,625,698,196
Loans added to pool	566	83,452,526
Loans repurchased from pool	(168)	(20,802,272)
<i>of which are non-performing loans</i>	<i>(59)</i>	<i>(5,637,431)</i>
<i>of which have breached R&amp;Ws</i>	<i>(7)</i>	<i>(1,737,440)</i>
Redemptions	(407)	(40,230,586)
Principal receipts		(24,608,524)
Other movements		(448,486)
<b>Closing totals</b>	<b>42,536</b>	<b>4,623,060,853</b>

### Analysis of accounts with associated savings balances

	Number of loans	Balance (£)	Savings (£)
Loans with Offset arrangement	5,474	594,541,952	53,370,207
Other loans	43,819	4,028,518,901	25,235,256
<b>Totals</b>	<b>49,293</b>	<b>4,623,060,853</b>	<b>78,605,463</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	38.5	207.7	108,686	125,877	106,110	53.6%	47.4%	434
Min	3.0	0.0	0	0	0	0.0%	0.0%	0
Max	113.8	420.0	982,854	972,776	982,854	92.1%	92.1%	7,233

### Principal Payment Rates (PPR)

	Monthly	3 Month Average	Annualised
Current PPR - Total	1.40%	1.62%	17.77%
Previous PPR - Total	1.45%	1.62%	17.80%

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	0.99%	1.22%	13.67%
Previous CPPR - Total	1.08%	1.24%	13.91%

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	196,067,686	4.2%	1,985	4.7%
East Midlands	375,599,544	8.1%	4,204	9.9%
London	695,932,925	15.1%	3,813	9.0%
North	149,391,026	3.2%	1,959	4.6%
North West	369,702,527	8.0%	4,017	9.4%
Northern Ireland	-	-	-	-
Outer Metropolitan	729,239,723	15.8%	4,827	11.3%
Outer South East	549,087,213	11.9%	4,680	11.0%
Scotland	-	-	-	-
South West	476,289,146	10.3%	4,462	10.5%
Wales	141,533,194	3.1%	1,648	3.9%
West Midlands	618,840,901	13.4%	7,173	16.9%
Yorkshire and Humberside	321,376,966	7.0%	3,768	8.9%
<b>Totals</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>42,536</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%	407,026,660	8.8%	10,791	25.4%
>=25% and <50%	1,354,568,534	29.3%	13,723	32.3%
>=50% and <55%	376,360,047	8.1%	2,830	6.7%
>=55% and <60%	473,286,230	10.2%	3,243	7.6%
>=60% and <65%	517,457,675	11.2%	3,286	7.7%
>=65% and <70%	416,072,347	9.0%	2,623	6.2%
>=70% and <75%	596,943,388	12.9%	3,428	8.1%
>=75% and <80%	447,167,610	9.7%	2,430	5.7%
>=80% and <85%	28,973,399	0.6%	153	0.4%
>=85% and <90%	4,881,650	0.1%	27	0.1%
>=90% and <95%	323,312	0.0%	2	0.0%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
<b>Totals</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>42,536</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	1,547,198	0.0%	616	1.4%
>=5,000 and <10,000	5,954,093	0.1%	786	1.8%
>=10,000 and <25,000	58,580,753	1.3%	3,292	7.7%
>=25,000 and <50,000	251,253,189	5.4%	6,649	15.6%
>=50,000 and <75,000	418,466,094	9.1%	6,721	15.8%
>=75,000 and <100,000	544,610,455	11.8%	6,244	14.7%
>=100,000 and <150,000	1,042,971,157	22.6%	8,505	20.0%
>=150,000 and <200,000	792,316,721	17.1%	4,606	10.8%
>=200,000 and <250,000	493,251,669	10.7%	2,214	5.2%
>=250,000 and <300,000	335,903,500	7.3%	1,235	2.9%
>=300,000 and <350,000	204,585,542	4.4%	635	1.5%
>=350,000 and <400,000	144,928,366	3.1%	389	0.9%
>=400,000 and <450,000	92,015,225	2.0%	217	0.5%
>=450,000 and <500,000	80,753,973	1.7%	171	0.4%
>=500,000 and <600,000	81,326,752	1.8%	151	0.4%
>=600,000 and <700,000	39,174,892	0.8%	61	0.1%
>=700,000 and <800,000	19,227,083	0.4%	26	0.1%
>=800,000 and <900,000	6,762,708	0.1%	8	0.0%
>=900,000 and <1,000,000	9,431,481	0.2%	10	0.0%
>=1,000,000	-	-	-	-
<b>Totals</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>42,536</b>	<b>100.0%</b>

### Employment status

Employment status	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Employed	3,541,372,618	76.6%	33,409	78.5%
Self-employed	956,784,667	20.7%	6,850	16.1%
Unemployed	9,142,902	0.2%	125	0.3%
Retired	93,799,771	2.0%	1,944	4.6%
Guarantor	-	-	-	-
Other	21,960,895	0.5%	208	0.5%
<b>Totals</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>42,536</b>	<b>100.0%</b>

### Originator

Originator	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Coventry Building Society	4,623,060,853	100.0%	49,293	100.0%
<b>Totals</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>49,293</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%	536,965,533	11.6%	12,256	28.8%
>=25% and <50%	1,769,482,747	38.3%	15,675	36.9%
>=50% and <55%	527,374,544	11.4%	3,420	8.0%
>=55% and <60%	539,987,586	11.7%	3,397	8.0%
>=60% and <65%	574,548,128	12.4%	3,487	8.2%
>=65% and <70%	506,306,853	11.0%	3,216	7.6%
>=70% and <75%	155,107,752	3.4%	1,008	2.4%
>=75% and <80%	8,159,605	0.2%	48	0.1%
>=80% and <85%	3,429,285	0.1%	19	0.0%
>=85% and <90%	1,556,041	0.0%	9	0.0%
>=90% and <95%	142,779	0.0%	1	0.0%
>=95% and <100%	-	-	-	-
>=100%	-	-	-	-
<b>Totals</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>42,536</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	750,613,759	16.2%	5,218	12.3%
>=12 and <24	1,043,335,467	22.6%	7,610	17.9%
>=24 and <36	836,871,957	18.1%	7,451	17.5%
>=36 and <48	593,980,859	12.8%	5,825	13.7%
>=48 and <60	443,441,037	9.6%	4,584	10.8%
>=60 and <72	185,470,461	4.0%	2,196	5.2%
>=72 and <84	316,702,561	6.9%	3,766	8.9%
>=84 and <96	217,210,059	4.7%	2,624	6.2%
>=96 and <108	171,079,796	3.7%	2,308	5.4%
>=108 and <120	64,354,898	1.4%	954	2.2%
>=120 and <150	-	-	-	-
>=150 and <180	-	-	-	-
>=180	-	-	-	-
<b>Totals</b>	<b>4,623,060,853</b>	<b>100.0%</b>	<b>42,536</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	2,664,423,172	57.6%	25,329	51.4%	3.49%	21.3	2.77%	4.19%	3.44%
Fixed at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Fixed at origination, reverting to Tracker	222,733,609	4.8%	2,857	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	297,911,443	6.4%	2,683	5.4%	3.55%	3.4	3.03%	4.09%	3.28%
Tracker at origination, reverting to LIBOR	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Tracker for life	197,654,353	4.3%	2,790	5.7%	1.25%	0.0	0.75%	0.75%	4.29%
Administered, including discount to Administered LIBOR	1,240,336,249	26.8%	15,626	31.7%	3.09%	0.0	2.54%	2.54%	3.40%
Totals	4,623,060,853	100.0%	49,293	100.0%	3.18%	12.5	2.55%	3.43%	3.55%

### Months to maturity of loans

Months to maturity	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
<30	56,118,923	1.2%	1,581	3.7%
>=30 and <60	126,489,143	2.7%	2,627	6.2%
>=60 and <120	520,612,058	11.3%	7,803	18.3%
>=120 and <180	955,119,282	20.7%	9,886	23.2%
>=180 and <240	1,266,726,975	27.4%	10,067	23.7%
>=240 and <300	1,253,986,465	27.1%	7,968	18.7%
>=300 and <360	312,052,047	6.7%	1,828	4.3%
>=360	131,955,959	2.9%	776	1.8%
Totals	4,623,060,853	100.0%	42,536	100.0%

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

Months to maturity	Repayment	Interest Only	Combination (Interest Only and Repayment)	Total
<30	8,690,800	40,834,412	6,593,712	56,118,923
>=30 and <60	43,693,917	63,397,268	19,397,958	126,489,143
>=60 and <120	311,245,984	149,578,678	59,787,397	520,612,058
>=120 and <180	726,461,440	150,929,366	77,728,475	955,119,282
>=180 and <240	1,039,422,755	158,693,140	68,611,079	1,266,726,975
>=240 and <300	1,155,130,908	71,336,187	27,519,370	1,253,986,465
>=300 and <360	301,249,762	7,266,960	3,535,325	312,052,047
>=360	128,817,622	1,445,535	1,692,803	131,955,959
Totals	3,714,713,187	643,481,546	264,866,119	4,623,060,853

### Product groups

Type of rate	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Fixed rate	2,481,503,682	53.7%	22,782	46.2%
Capped	59,627,551	1.3%	451	0.9%
Tracker	561,851,594	12.2%	6,627	13.4%
Administered	1,520,078,026	32.9%	19,433	39.4%
Totals	4,623,060,853	100.0%	49,293	100.0%

### Repayment terms

Repayment Terms	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Repayment	3,379,446,796	73.1%	37,266	75.6%
Interest Only	612,476,242	13.2%	6,153	12.5%
Combination (Interest Only and Repayment)	36,595,863	0.8%	400	0.8%
Offset	594,541,952	12.9%	5,474	11.1%
Totals	4,623,060,853	100.0%	49,293	100.0%

### Occupancy type

Occupancy type	True Balance (£)	% of total balance	Number of Loans	% of total accounts
Owner-occupied	4,622,934,556	100.0%	49,291	100.0%
Buy-to-let*	126,297	0.0%	2	0.0%
Second home	-	-	-	-
Totals	4,623,060,853	100.0%	49,293	100.0%

### Income verification type

Income verification type	True Balance (£)	% of total balance	Number of mortgage accounts	% of total accounts
Income verification requested	4,623,060,853	100.0%	42,536	100.0%
Fast-track	-	-	-	-
Self-certified	-	-	-	-
Totals	4,623,060,853	100.0%	42,536	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	2,297,613,587	1,062,113,081	1,076,534,216	161,604,513	4,642,733	-	-	4,602,508,129
<1 Month in Arrears	6,349,591	3,513,770	3,957,195	744,936	342,593	142,779	-	15,050,863
>=1 and <3 Months in Arrears	2,485,101	1,735,279	363,571	917,909	-	-	-	5,501,861
>=3 and <6 Months in Arrears	-	-	-	-	-	-	-	-
>=6 Months in Arrears	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>2,306,448,280</b>	<b>1,067,362,130</b>	<b>1,080,854,981</b>	<b>163,267,358</b>	<b>4,985,326</b>	<b>142,779</b>	-	<b>4,623,060,853</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	97,504,708	43,551,202	50,987,041	3,610,962	413,772	-	-	196,067,686
East Midlands	166,383,533	86,121,902	109,030,595	13,605,100	315,635	142,779	-	375,599,544
London	435,342,314	186,115,551	73,450,046	1,025,014	-	-	-	695,932,925
North	65,532,663	35,679,405	42,026,809	5,769,675	382,475	-	-	149,391,026
North West	150,480,222	75,449,223	99,543,744	43,431,100	798,238	-	-	369,702,527
Outer Metropolitan	377,806,613	175,978,776	173,434,884	1,352,368	667,083	-	-	729,239,723
Outer South East	290,060,876	120,128,966	132,326,226	5,946,634	624,511	-	-	549,087,213
South West	237,131,005	103,651,717	121,795,933	13,345,266	365,226	-	-	476,289,146
Wales	62,131,594	29,838,802	41,094,611	8,277,682	190,505	-	-	141,533,194
West Midlands	295,574,675	143,980,824	153,660,166	24,793,185	832,051	-	-	618,840,901
Yorkshire and Humberside	128,500,077	66,865,760	83,504,927	42,110,372	395,830	-	-	321,376,966
<b>Totals</b>	<b>2,306,448,280</b>	<b>1,067,362,130</b>	<b>1,080,854,981</b>	<b>163,267,358</b>	<b>4,985,326</b>	<b>142,779</b>	-	<b>4,623,060,853</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	1,602,938,583	809,236,894	838,745,752	123,609,652	4,773,136	142,779	-	3,379,446,796
Interest Only	346,951,331	129,624,108	110,602,475	25,238,338	59,990	-	-	612,476,242
Combination (Interest Only and Repayment)	26,515,825	6,284,127	3,306,457	489,454	-	-	-	36,595,863
Offset	330,042,541	122,217,001	128,200,297	13,929,914	152,199	-	-	594,541,952
<b>Total</b>	<b>2,306,448,280</b>	<b>1,067,362,130</b>	<b>1,080,854,981</b>	<b>163,267,358</b>	<b>4,985,326</b>	<b>142,779</b>	-	<b>4,623,060,853</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	1,119,681,449	619,420,140	640,068,011	98,510,198	3,681,105	142,779	-	2,481,503,682
Capped	34,047,069	16,948,568	8,631,914	-	-	-	-	59,627,551
Variable	1,152,719,762	430,993,422	432,155,056	64,757,159	1,304,221	-	-	2,081,929,620
<b>Totals</b>	<b>2,306,448,280</b>	<b>1,067,362,130</b>	<b>1,080,854,981</b>	<b>163,267,358</b>	<b>4,985,326</b>	<b>142,779</b>	-	<b>4,623,060,853</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	18/07/2014	19/06/2014	
<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	4,623,060,853	4,625,698,196	
Adjusted Indexed Valuation	12,293,160,067	11,709,172,579	
Asset Percentage	87.0%	78.4%	
Loans < 3 months in arrears	4,623,060,853	4,625,698,196	
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)	1.8	1.9	
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	4,622,121,136	4,622,639,649
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>4,622,121,136</b>	<b>4,622,639,649</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	4,622,936,985	4,623,961,066
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>4,622,936,985</b>	<b>4,623,961,066</b>
<b>Asset Percentage</b>			
Contractual (maximum)	90.0%	90.0%	
Moody's Required	87.7%	78.4%	
Fitch Required	87.0%	85.8%	
<b>Current Asset Percentage (% used)</b>	<b>87.0%</b>	<b>78.4%</b>	
<b>Arrears Adjusted True Balance</b>	<b>4,021,955,177</b>	<b>3,625,185,476</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 (%)	3.0%		

Asset Coverage Test (continued)		
	18/07/2014	19/06/2014
<b>A: Arrears Adjusted True Balance</b>	<b>4,021,955,177</b>	<b>3,625,185,476</b>
<b>B: Principal Receipts Retained in Cash</b>	<b>9,935,655</b>	<b>-</b>
<b>C: Retained Cash Contributions</b>	<b>-</b>	<b>-</b>
<b>D: Substitution Assets - Principal Receipts<sup>1</sup> - Capital Contributions</b>	<b>54,903,455</b>	<b>63,114,896</b>
<b>X: Savings set off balance</b>	<b>(78,605,463)</b>	<b>(75,783,177)</b>
<b>Y : Flexible draw deduction</b>	<b>-</b>	<b>-</b>
<b>Z: Negative carry adjustment</b>	<b>(97,155,133)</b>	<b>(101,632,558)</b>
<b>Adjusted Aggregate Loan Amount</b>	<b>3,911,033,691</b>	<b>3,510,884,637</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>690,983,691</b>	<b>290,834,637</b>
<b>Loan Amount to Covered Bond ratio percentage</b>	<b>69.65%</b>	<b>69.61%</b>
<b>Credit Enhancement and Liquidity Support</b>		
	<b>30/06/2014</b>	<b>31/05/2014</b>
Reserve funds	14,939,357	14,923,810
Retained principal	64,839,110	63,114,896
Overcollateralisation	1,496,286,929	1,496,187,125
Overcollateralisation percentage	46.47%	46.46%
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 24/07/2014  
 Collection Period for Mortgages 01/06/2014 to 30/06/2014  
 Calculation Period for Notes 24/06/2014 to 24/07/2014

Has an LLP notice to pay been issued ?

No

	Month End 30/06/2014	Month End 31/05/2014
<b>AVAILABLE REVENUE RECEIPTS</b>	(£)	(£)
(a) Revenue Receipts - Interest received from Borrowers	12,286,931	11,524,657
(a) Revenue Receipts - Fees charged to Borrowers	340,690	234,638
(b) Interest received	37,297	17,797
(c) Excess Reserve Fund	-	-
(d) Other Revenue Receipts	36,972	46,284
(e) Excess Required Coupon Amount	-	-
(f) Reserve Ledger credit amounts following Notice to Pay	-	-
LESS		
(g) Amounts Belonging to Third Parties	(340,690)	(234,638)
(h) Required Coupon Amount	-	-
(i) Interest Accumulation Ledger	-	-
<b>Total Available Revenue Receipts</b>	<b>12,361,200</b>	<b>11,588,738</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	1,685	74,308
(d) Amounts due to the Interest Rate Swap Provider	5,717,015	6,579,352
(e) (i) Amounts due to the Covered Bond Swap Providers	3,542,168	3,513,808
(ii) Amounts due on the Term Advance	1,142,680	1,060,640
(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	45,903	15,547
(i) Excluded Swap Termination Amounts	-	-
(j) Indemnity amounts due to the Members	-	-
(k) Repayment of Cash Capital Contributions	-	-
(l) Deferred Consideration	1,911,748	345,083
(m) Fees due to the Liquidation Member	-	-
(n) Members profit amount	-	-
<b>Revenue priority of payments total</b>	<b>12,361,200</b>	<b>11,588,738</b>

	(£)	(£)
<b>AVAILABLE PRINCIPAL RECEIPTS</b>		
(a) Scheduled amounts received from Borrowers	19,141,855	16,048,506
Unscheduled amounts received from Borrowers	48,825,719	50,044,527
Less Further Advances made	(3,128,463)	(2,978,137)
(b) (i) Term Advance	-	-
(ii) Cash Capital Contributions	-	-
(iii) Sale of Selected Loans	-	-
<b>Total Available Principal Receipts</b>	<b>64,839,110</b>	<b>63,114,896</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	64,839,110	63,114,896
<b>Principal priority of payments total</b>	<b>64,839,110</b>	<b>63,114,896</b>

<b>LEDGERS</b>	Month End 30/06/2014	Month End 31/05/2014
<b>Reserve Ledger</b>	(£)	(£)
Balance b/f on Reserve Ledger	14,923,810	14,898,891
Transfers to/from GIC	15,547	24,919
Cash Capital Contribution	-	-
<b>Balance c/f on Reserve Ledger</b>	<b>14,939,357</b>	<b>14,923,810</b>
Reserve Fund Required Amount	14,939,357	14,923,810

<b>Total cash holding month end</b>	<b>93,480,357</b>	<b>90,862,082</b>
<b>Bond value</b>	<b>3,220,050,000</b>	<b>3,220,050,000</b>
<b>Percentage Cash Holding</b>	<b>2.9%</b>	<b>2.8%</b>

<b>Summary Balance Sheet and Ledgers</b>	(£)	(£)
GIC Account	38,576,902	20,943,961
Substitution Assets <sup>1</sup>	54,903,455	69,918,120
<b>Subtotal</b>	<b>93,480,357</b>	<b>90,862,082</b>
Transaction Account	-	-
Authorised Investments	-	-
Loan Balance	4,623,060,853	4,625,698,196
<b>Total Assets</b>	<b>4,716,541,210</b>	<b>4,716,560,277</b>
Intercompany Loan <sup>2</sup>	3,220,050,000	3,220,050,000
Capital Account	1,496,491,210	1,496,510,277
<b>Total Liabilities</b>	<b>4,716,541,210</b>	<b>4,716,560,277</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>	24/06/2014	24/06/2014	22/04/2014	24/10/2013	12/05/2014
	<b>Accrual End Date</b>	24/07/2014	24/07/2014	20/04/2015	24/10/2014	11/08/2014
	<b>Accrual Day Count</b>	30	30	363	365	91
	<b>Coupon Reference Rate</b>	0.49313%	0.49313%	N/A	N/A	0.52688%
	<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>	0.99313%	0.99313%	4.62500%	2.87500%	2.12688%
	<b>Current Period Coupon Amount</b>	734,580	408,100	-	-	-
	<b>Current Interest Shortfall</b>	-	-	-	-	-
	<b>Cumulative Interest Shortfall</b>	-	-	-	-	-
	<b>Next Interest Payment Date</b>	24/07/2014	24/07/2014	20/04/2015	24/10/2014	11/08/2014
	<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	4,594,651,297	Coventry Building Society	1m LIBOR	1.19000%	1.67750%	Basket of rates	N/A	3.19700%	(5,717,015)
	<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%	2.13338%	(1,271,261)
Series 4	24/10/2014	EUR	650,000,000	HSBC plc	Fixed	N/A	2.87500%	1m LIBOR	2.27%	2.76313%	(1,294,621)
Series 5	10/02/2015	GBP	500,000,000	Coventry Building Society	3m LIBOR	1.60000%	2.12688%	1m LIBOR	1.88%	2.37313%	(975,259)

### 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	8,433,256 <sup>2</sup>
Coventry Building Society	A3 / A	P-2 / F1	A2 / A	P-1 / F1	Y	Post collateral	3,000,000

<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 preceding 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.