

Mercia No. 1 PLC

Investor Report

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Reporting Information

| | |
|------------------|--------------------------|
| Reporting Date | 30/06/2015 |
| Reporting Period | 01/05/2015 to 31/05/2015 |

Outstanding Issuances

| | |
|------------------|-------------|
| | Issue Date |
| Mercia No. 1 Plc | 12 Dec 2012 |

Investor Relations Contacts

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|---|---------------------|----------------------------------|--|
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Retention of 5% net economic interest – CRD IV Article 405 (previously Article 122a of CRD II)

Godiva Mortgages Limited has undertaken in the Deed of Charge to the Issuer and the Note Trustee, on behalf of the Noteholders, that it has retained as originator at the date of issuance a material net economic interest of at least 5% of the nominal value of the securitised exposures. As at the Closing Date such interest comprised an interest in the first loss tranche, in this case the Class Z VFN. Godiva Mortgages Limited can confirm that as at the Reporting Date, it has not sold or hedged this interest.

IMPORTANT:

Your attention is drawn to the Terms and Conditions which were brought to your attention when you entered the website containing this document.



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As at: 31/05/2015

Assets

| | Prior Period | Current Period |
|---|----------------|----------------|
| Number of mortgage accounts in the Pool | 14,324 | 14,300 |
| Number of loans in the Pool | 15,153 | 15,149 |
| True Balance of mortgage accounts in the Pool | £1,564,411,819 | £1,557,818,409 |
| Cash and Authorised Investments | £102,934,185 | £114,653,998 |
| Mortgage Collections | £27,188,629 | £33,499,495 |
| General Reserve Fund | £39,700,000 | £39,700,000 |
| General Reserve Required Amount | £39,700,000 | £39,700,000 |
| Class A Principal Deficiency Ledger Balance | £0 | £0 |
| Class Z Principal Deficiency Ledger Balance | £0 | £0 |
| Retained Principal Ledger | £0 | £0 |
| Weighted Average Pre-Swap Mortgage Yield | 4.01% | 4.01% |
| Excess Spread | n/a | 1.72% |

Reconciliation of movements

| | Number of loans | Balance (£) |
|------------------------------------|-----------------|---------------|
| Opening totals | 14,324 | 1,564,411,819 |
| Further advances added to the Pool | | 1,610,097 |
| Loans repurchased from the Pool | (3) | (263,252) |
| Substitute Loans | 3 | 257,410 |
| Principal receipts | (209) | (28,518,326) |
| Additional Loans | 185 | 19,890,051 |
| Other movements | - | 430,610 |
| Closing totals | 14,300 | 1,557,818,409 |

Asset types

| | |
|---------------------------------|---------------|
| Commercial mortgages | Not permitted |
| ABS | Not permitted |
| Non-first lien | Not permitted |
| Non-UK mortgages | Not permitted |
| % UK residential mortgages | 100.0 |
| % First lien | 100.0 |
| % Income verification requested | 100.0 |
| % Buy-to-let mortgages | 100.0 |

Principal Payment Rates (PPR)

| | Monthly | 3 Month Average | Annualised |
|----------------------|---------|-----------------|------------|
| Current PPR - Total | 1.82% | 1.57% | 17.25% |
| Previous PPR - Total | 1.41% | 1.49% | 16.53% |

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 | 1.70% | 1.44% | 16.02% |
| Previous CPPR - Total | 1.29% | 1.37% | 15.25% |

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

Arrears Analysis (excluding Properties in Possession)

| Months in Arrears | Number of Mortgage Accounts | % of total | True Balance (£) | % of total balance | Arrears Balance (£) |
|-------------------|-----------------------------|---------------|----------------------|--------------------|---------------------|
| Current | 14,208 | 99.4% | 1,545,331,138 | 99.2% | - |
| >0 and <1 | 41 | 0.3% | 5,831,744 | 0.4% | 8,128 |
| >=1 and <2 | 37 | 0.3% | 4,715,637 | 0.3% | 24,380 |
| >=2 and <3 | 4 | 0.0% | 361,503 | 0.0% | 4,026 |
| >=3 and <6 | 8 | 0.1% | 1,335,841 | 0.1% | 18,633 |
| >=6 and <12 | 2 | 0.0% | 242,545 | 0.0% | 8,602 |
| >=12 | - | - | - | - | - |
| Totals | 14,300 | 100.0% | 1,557,818,409 | 100.0% | 63,769 |

Capitalised arrears are not included in the above balances.

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Product Variations

| | Number of Mortgage Accounts | % of total | True Balance (£) | % of total balance | Arrears Balance (£) |
|---|-----------------------------|------------|------------------|--------------------|---------------------|
| Arrangements (to date) | 1 | 0.01% | 217,044 | 0.01% | 2,786 |
| Capitalised arrears (to date) | 4 | 0.03% | 654,088 | 0.04% | 58 |
| Receiver of rent (to date) | - | 0.00% | - | 0.00% | - |
| Payment holidays taken (current month) | 6 | 0.04% | 654,469 | 0.04% | - |
| Switches to interest only (current month) | 6 | 0.04% | 608,450 | 0.04% | - |
| Maturity extensions (current month) | - | 0.00% | - | 0.00% | - |
| Other product switches (current month) | 268 | 1.87% | 29,087,041 | 1.87% | 247 |

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% |

Properties in Possession

| | Number of Mortgage Accounts | True Balance (£) | Arrears Balance (£) | Loss Incurred (£) |
|---|-----------------------------|------------------|---------------------|-------------------|
| Possessed (current month) | - | - | - | - |
| Possessed (to date) | - | - | - | - |
| Sold (current month) | - | - | - | - |
| Sold (to date) | - | - | - | - |
| Property Returned to Borrower (current month) | - | - | - | - |
| Property Returned to Borrower (to date) | - | - | - | - |
| Properties in Possession | - | - | - | - |

Net Losses

| Losses | Number of Mortgage Accounts | True Balance (£) | Loss (£) |
|--|-----------------------------|------------------|----------|
| Current month | - | - | - |
| To date | - | - | - |
| Totals | - | - | - |
| Average time from possession to sale in days (to date) | | | - |

Summary Pool Statistics

| | Seasoning (months) | Remaining term (months) | Loan Size (£) | Original LTV (%) | Non-Indexed LTV (%) | Indexed LTV (%) | Arrears Balance (£) |
|------------------|--------------------|-------------------------|---------------|------------------|---------------------|-----------------|---------------------|
| Weighted Average | 53.9 | 166.8 | 108,938 | 54.0% | 51.9% | 42.9% | 693* |
| Min | 7.1 | 0.0 | 101 | 6.1% | 0.1% | 0.0% | 0 |
| Max | 97.4 | 383.7 | 984,604 | 75.0% | 75.9% | 77.5% | 4,313 |

*Weighted Average Arrears Balance is based on accounts in arrears only

Standard Variable Rates

| | CBS Existing Borrower SVR, % | With Effect From |
|------------------------------------|------------------------------|------------------|
| Standard Variable Rate, Current | 4.74% | 1 Feb 2009 |
| Standard Variable Rate, Historical | 4.99% | 1 Jan 2008 |

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Original Loan to Value ratios

| Range of LTV ratios | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|---------------------|----------------------|--------------------|-----------------------------|---------------------|
| <25% | 22,367,216 | 1.4% | 398 | 2.8% |
| >=25% and <50% | 375,180,580 | 24.1% | 4,109 | 28.7% |
| >=50% and <55% | 308,913,604 | 19.8% | 2,805 | 19.6% |
| >=55% and <60% | 313,892,495 | 20.1% | 2,568 | 18.0% |
| >=60% and <65% | 319,586,146 | 20.5% | 2,579 | 18.0% |
| >=65% and <70% | 172,347,577 | 11.1% | 1,383 | 9.7% |
| >=70% and <75% | 35,273,909 | 2.3% | 327 | 2.3% |
| >=75% and <80% | 10,256,882 | 0.7% | 131 | 0.9% |
| >=80% and <85% | - | - | - | - |
| >=85% and <90% | - | - | - | - |
| >=90% and <95% | - | - | - | - |
| >=95% and <100% | - | - | - | - |
| >=100% | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 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% | 50,991,804 | 3.3% | 1,250 | 8.7% |
| >=25% and <50% | 502,626,811 | 32.3% | 5,473 | 38.3% |
| >=50% and <55% | 283,347,216 | 18.2% | 2,308 | 16.1% |
| >=55% and <60% | 279,584,024 | 17.9% | 2,063 | 14.4% |
| >=60% and <65% | 264,682,703 | 17.0% | 1,879 | 13.1% |
| >=65% and <70% | 131,992,694 | 8.5% | 953 | 6.7% |
| >=70% and <75% | 44,063,825 | 2.8% | 369 | 2.6% |
| >=75% and <80% | 529,333 | 0.0% | 5 | 0.0% |
| >=80% and <85% | - | - | - | - |
| >=85% and <90% | - | - | - | - |
| >=90% and <95% | - | - | - | - |
| >=95% and <100% | - | - | - | - |
| >=100% | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Indexed Loan to Value ratios

| Range of LTV ratios | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|---------------------|----------------------|--------------------|-----------------------------|---------------------|
| <25% | 107,262,448 | 6.9% | 1,862 | 13.0% |
| >=25% and <50% | 1,046,862,681 | 67.2% | 8,896 | 62.2% |
| >=50% and <55% | 196,369,385 | 12.6% | 1,633 | 11.4% |
| >=55% and <60% | 112,398,687 | 7.2% | 1,013 | 7.1% |
| >=60% and <65% | 64,749,666 | 4.2% | 601 | 4.2% |
| >=65% and <70% | 22,864,335 | 1.5% | 227 | 1.6% |
| >=70% and <75% | 6,501,237 | 0.4% | 61 | 0.4% |
| >=75% and <80% | 809,970 | 0.1% | 7 | 0.0% |
| >=80% and <85% | - | - | - | - |
| >=85% and <90% | - | - | - | - |
| >=90% and <95% | - | - | - | - |
| >=95% and <100% | - | - | - | - |
| >=100% | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

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Geographical Distribution

| Regions | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|--------------------------|----------------------|--------------------|-----------------------------|---------------------|
| East Anglia | 57,513,890 | 3.7% | 664 | 4.6% |
| East Midlands | 66,275,079 | 4.3% | 951 | 6.7% |
| London | 618,594,101 | 39.7% | 3,597 | 25.2% |
| North | 31,269,486 | 2.0% | 476 | 3.3% |
| North West | 70,499,169 | 4.5% | 993 | 6.9% |
| Northern Ireland | - | - | - | - |
| Outer Metropolitan | 206,746,445 | 13.3% | 1,718 | 12.0% |
| Outer South East | 169,929,047 | 10.9% | 1,719 | 12.0% |
| Scotland | - | - | - | - |
| South West | 155,547,486 | 10.0% | 1,661 | 11.6% |
| Wales | 33,985,818 | 2.2% | 454 | 3.2% |
| West Midlands | 78,590,189 | 5.0% | 1,086 | 7.6% |
| Yorkshire and Humberside | 68,867,699 | 4.4% | 981 | 6.9% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Outstanding True Balances

| Range of outstanding balances (£) | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|-----------------------------------|----------------------|--------------------|-----------------------------|---------------------|
| <5,000 | 181,662 | 0.0% | 81 | 0.6% |
| >=5,000 and <10,000 | 481,828 | 0.0% | 64 | 0.4% |
| >=10,000 and <25,000 | 7,668,977 | 0.5% | 400 | 2.8% |
| >=25,000 and <50,000 | 81,187,625 | 5.2% | 2,087 | 14.6% |
| >=50,000 and <75,000 | 195,511,442 | 12.6% | 3,144 | 22.0% |
| >=75,000 and <100,000 | 226,909,284 | 14.6% | 2,608 | 18.2% |
| >=100,000 and <150,000 | 366,204,340 | 23.5% | 3,027 | 21.2% |
| >=150,000 and <200,000 | 241,569,648 | 15.5% | 1,421 | 9.9% |
| >=200,000 and <250,000 | 127,999,667 | 8.2% | 580 | 4.1% |
| >=250,000 and <300,000 | 97,846,773 | 6.3% | 363 | 2.5% |
| >=300,000 and <350,000 | 66,631,361 | 4.3% | 209 | 1.5% |
| >=350,000 and <400,000 | 41,466,592 | 2.7% | 112 | 0.8% |
| >=400,000 and <450,000 | 25,595,725 | 1.6% | 61 | 0.4% |
| >=450,000 and <500,000 | 32,065,605 | 2.1% | 68 | 0.5% |
| >=500,000 and <600,000 | 20,376,126 | 1.3% | 39 | 0.3% |
| >=600,000 and <700,000 | 11,507,157 | 0.7% | 18 | 0.1% |
| >=700,000 and <800,000 | 6,509,140 | 0.4% | 9 | 0.1% |
| >=800,000 and <900,000 | 4,292,070 | 0.3% | 5 | 0.0% |
| >=900,000 and <1,000,000 | 3,813,387 | 0.2% | 4 | 0.0% |
| >=1,000,000 | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

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Seasoning of Loans

| Age of loans in months | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|------------------------|----------------------|--------------------|-----------------------------|---------------------|
| <12 | 10,982,914 | 0.7% | 96 | 0.7% |
| >=12 and <24 | 166,967,852 | 10.7% | 1,287 | 9.0% |
| >=24 and <36 | 184,139,976 | 11.8% | 1,696 | 11.9% |
| >=36 and <48 | 293,362,373 | 18.8% | 2,907 | 20.3% |
| >=48 and <60 | 262,712,439 | 16.9% | 2,538 | 17.7% |
| >=60 and <72 | 243,752,255 | 15.6% | 2,231 | 15.6% |
| >=72 and <84 | 252,273,218 | 16.2% | 2,152 | 15.0% |
| >=84 and <96 | 139,521,567 | 9.0% | 1,353 | 9.5% |
| >=96 and <108 | 4,105,815 | 0.3% | 40 | 0.3% |
| >=108 and <120 | - | - | - | - |
| >=120 and <150 | - | - | - | - |
| >=150 and <180 | - | - | - | - |
| >=180 | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Months to maturity of loans

| Months to maturity | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|--------------------|----------------------|--------------------|-----------------------------|---------------------|
| <30 | 28,642,164 | 1.8% | 348 | 2.4% |
| >=30 and <60 | 102,202,844 | 6.6% | 1,032 | 7.2% |
| >=60 and <120 | 287,077,399 | 18.4% | 2,943 | 20.6% |
| >=120 and <180 | 435,410,677 | 28.0% | 4,090 | 28.6% |
| >=180 and <240 | 462,248,358 | 29.7% | 3,936 | 27.5% |
| >=240 and <300 | 227,336,216 | 14.6% | 1,832 | 12.8% |
| >=300 and <360 | 12,758,156 | 0.8% | 103 | 0.7% |
| >=360 | 2,142,595 | 0.1% | 16 | 0.1% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Interest Rate Type

| Type of rate | True Balance (£) | % of total balance | Number of Loans | % of total accounts |
|---------------|----------------------|--------------------|-----------------|---------------------|
| Fixed rate | 574,557,552 | 36.9% | 5,290 | 34.9% |
| Capped | 2,508,347 | 0.2% | 28 | 0.2% |
| Tracker | 80,058,646 | 5.1% | 625 | 4.1% |
| Administered | 900,693,864 | 57.8% | 9,206 | 60.8% |
| Totals | 1,557,818,409 | 100.0% | 15,149 | 100.0% |

Repayment terms

| Repayment Terms | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|---|----------------------|--------------------|-----------------------------|---------------------|
| Repayment | 315,117,510 | 20.2% | 4,274 | 29.9% |
| Interest Only | 1,223,001,056 | 78.5% | 9,853 | 68.9% |
| Combination (Interest Only and Repayment) | 19,699,842 | 1.3% | 173 | 1.2% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Employment status

| Employment status | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|-------------------|----------------------|--------------------|-----------------------------|---------------------|
| Employed | 813,639,197 | 52.2% | 7,910 | 55.3% |
| Self-employed | 648,972,787 | 41.7% | 5,487 | 38.4% |
| Unemployed | 6,178,288 | 0.4% | 57 | 0.4% |
| Retired | 77,782,972 | 5.0% | 742 | 5.2% |
| Guarantor | - | - | - | - |
| Other | 11,245,165 | 0.7% | 104 | 0.7% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Months to maturity of loans split by Repayment terms

| Months to maturity | Repayment | Interest Only | Combination (Interest Only and Repayment) |
|--------------------|--------------------|----------------------|---|
| <30 | 1,059,937 | 27,364,744 | 217,483 |
| >=30 and <60 | 5,879,692 | 95,988,762 | 334,391 |
| >=60 and <120 | 42,631,032 | 241,815,044 | 2,631,324 |
| >=120 and <180 | 92,338,528 | 335,064,213 | 8,007,935 |
| >=180 and <240 | 103,015,433 | 353,444,610 | 5,788,315 |
| >=240 and <300 | 63,900,917 | 160,938,650 | 2,496,649 |
| >=300 and <360 | 5,712,848 | 6,821,562 | 223,746 |
| >=360 | 579,123 | 1,563,472 | - |
| Totals | 315,117,510 | 1,223,001,056 | 19,699,842 |

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Income verification type

| Income verification type | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|-------------------------------|----------------------|--------------------|-----------------------------|---------------------|
| Income verification requested | 1,557,818,409 | 100.0% | 14,300 | 100.0% |
| Fast-track | - | - | - | - |
| Self-certified | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Loan Purpose

| Loan Purpose | True Balance (£) | % of total balance | Number of loans | % of total accounts |
|----------------|----------------------|--------------------|-----------------|---------------------|
| House Purchase | 472,766,416 | 30.3% | 5,193 | 34.3% |
| Remortgage | 1,085,051,993 | 69.7% | 9,956 | 65.7% |
| Other | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 15,149 | 100.0% |

Occupancy type

| Occupancy type | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|----------------|----------------------|--------------------|-----------------------------|---------------------|
| Owner-occupied | - | - | - | - |
| Buy-to-let | 1,557,818,409 | 100.0% | 14,300 | 100.0% |
| Second home | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Property type

| Property type | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|--|----------------------|--------------------|-----------------------------|---------------------|
| Detached (includes houses and bungalows) | 264,336,719 | 17.0% | 1,805 | 12.6% |
| Semi-detached | 301,730,299 | 19.4% | 3,081 | 21.5% |
| Terraced Houses | 508,337,523 | 32.6% | 5,340 | 37.3% |
| Flat/Maisonette | 467,202,562 | 30.0% | 3,925 | 27.4% |
| Other | 16,211,307 | 1.0% | 149 | 1.0% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Number of properties per borrower

| Number of properties per borrower | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|-----------------------------------|----------------------|--------------------|-----------------------------|---------------------|
| 1 | 1,386,203,309 | 89.0% | 12,543 | 87.7% |
| 2 | 143,983,849 | 9.2% | 1,473 | 10.3% |
| 3 | 27,631,250 | 1.8% | 284 | 2.0% |
| >3 | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Debt Service Coverage Ratio

| Debt Service Coverage Ratio | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|-----------------------------|----------------------|--------------------|-----------------------------|---------------------|
| <100% | 59,026,508 | 3.8% | 670 | 4.7% |
| >=100 and <125% | 113,063,670 | 7.3% | 1,189 | 8.3% |
| >=125 and <150% | 222,958,482 | 14.3% | 1,962 | 13.7% |
| >=150 and <175% | 220,487,037 | 14.2% | 1,814 | 12.7% |
| >=175 and <200% | 214,180,965 | 13.7% | 1,755 | 12.3% |
| >=200% | 728,101,746 | 46.7% | 6,910 | 48.3% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

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Interest Rate Split

| Interest Rate | True Balance (£) | % of total balance | Number of loans | % of total accounts |
|------------------|----------------------|--------------------|-----------------|---------------------|
| <=1.5% | - | - | - | - |
| >1.5% and <=2.0% | 23,775,856 | 1.5% | 126 | 0.8% |
| >2.0% and <=2.5% | 56,941,755 | 3.7% | 508 | 3.4% |
| >2.5% and <=3.0% | 122,446,128 | 7.9% | 789 | 5.2% |
| >3.0% and <=3.5% | 289,941,899 | 18.6% | 2,450 | 16.2% |
| >3.5% and <=4.0% | 223,079,839 | 14.3% | 2,066 | 13.6% |
| >4.0% and <=4.5% | 172,255,118 | 11.1% | 2,021 | 13.3% |
| >4.5% and <=5.0% | 648,789,732 | 41.6% | 6,896 | 45.5% |
| >5.0% and <=5.5% | 12,240,949 | 0.8% | 162 | 1.1% |
| >5.5% and <=6.0% | 8,347,134 | 0.5% | 131 | 0.9% |
| >6.0% | - | - | - | - |
| Totals | 1,557,818,409 | 100.0% | 15,149 | 100.0% |

Fixed Rate Roll Off

| End of Fixed Period | True Balance (£) | % of total balance | Number of loans | % of total accounts |
|---------------------|--------------------|--------------------|-----------------|---------------------|
| >0 and <=1 year | 234,309,922 | 40.8% | 1,959 | 37.0% |
| >1 and <=2 years | 209,188,770 | 36.4% | 2,097 | 39.6% |
| >2 and <=3 years | 36,589,446 | 6.4% | 380 | 7.2% |
| >3 and <=4 years | 58,777,190 | 10.2% | 498 | 9.4% |
| >4 and <=5 years | 35,325,459 | 6.1% | 353 | 6.7% |
| >5 and <=6 years | 366,765 | 0.1% | 3 | 0.1% |
| >6 and <=7 years | - | - | - | - |
| >7 and <=8 years | - | - | - | - |
| >8 and <=9 years | - | - | - | - |
| >9 and <=10 years | - | - | - | - |
| >10 years | - | - | - | - |
| Totals | 574,557,552 | 100.0% | 5,290 | 100.0% |

Originator

| | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|---------------------------|----------------------|--------------------|-----------------------------|---------------------|
| Coventry Building Society | - | - | - | - |
| Godiva Mortgages Limited | 1,557,818,409 | 100.0% | 14,300 | 100.0% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Payment frequency

| | True Balance (£) | % of total balance | Number of mortgage accounts | % of total accounts |
|---------------|----------------------|--------------------|-----------------------------|---------------------|
| Monthly | 1,557,818,409 | 100.0% | 14,300 | 100.0% |
| Totals | 1,557,818,409 | 100.0% | 14,300 | 100.0% |

Credit Enhancement

| Class | Principal Value (£) | % of total | Current Note Subordination | General Reserve Fund as % of Notes | Principal Deficiency Ledgers (£) |
|---------------|----------------------|------------|----------------------------|------------------------------------|----------------------------------|
| A | 1,436,400,000 | 88.3% | 11.7% | 2.8% | - |
| Z | 191,200,000 | 11.7% | 0.0% | 0.0% | - |
| Totals | 1,627,600,000 | | | | |

Mercia No. 1 PLC

Investor Report

As at: 31/05/2015

| Key Parties | Current Long Term Rating (S&P / Moody's / Fitch) | Current Short Term Rating (S&P / Moody's / Fitch) | Role(s) |
|-----------------------------------|---|--|--|
| Coventry Building Society | NR* / A2 / A | NR* / P-1 / F1 | Servicer, Cash Manager, Mortgage Sale Agreement Guarantor, Interest Rate Swap Guarantor, Class Z VFN Registrar |
| Godiva Mortgages Limited | NR* | NR* | Seller, Class Z VFN Holder, Interest Rate Swap Provider |
| Mercia No. 1 PLC | NR* | NR* | Issuer |
| Mercia No. 1 Holdings Limited | NR* | NR* | Holdings |
| Lloyds Bank plc | A / A1 / A | A-1 / P-1 / F1 | Account Bank |
| Citicorp Trustee Company Ltd | NR* | NR* | Security Trustee, Note Trustee, Principal Paying Agent and Agent Bank |
| Structured Finance Management Ltd | NR* | NR* | Back-Up Servicer Facilitator and Corporate Services Provider |
| SFM Corporate Services Ltd | NR* | NR* | Share Trustee |

*NR = Not Rated

| | Class A1 Notes | Class A2 Notes | Class Z VFN |
|--------------------------------------|-------------------|-------------------|-------------|
| Notes In Issue | 12 Dec 2012 | 12 Dec 2012 | 12 Dec 2012 |
| Issue Date | 12 Dec 2012 | 12 Dec 2012 | 12 Dec 2012 |
| Original rating (Fitch/Moody's) | AAA sf / Aaa (sf) | AAA sf / Aaa (sf) | Not Rated |
| Current rating (Fitch/Moody's) | AAA sf / Aaa (sf) | AAA sf / Aaa (sf) | Not Rated |
| Currency | GBP | GBP | GBP |
| Issue size | 718,200,000 | 718,200,000 | 191,200,000 |
| Current Period Balance | 718,200,000 | 718,200,000 | 191,200,000 |
| Cancellations | 0 | 0 | 0 |
| Previous Period Balance | 718,200,000 | 718,200,000 | 191,200,000 |
| Current Period Pool Factor | 1.000000 | 1.000000 | 1.000000 |
| Previous Period Pool Factor | 1.000000 | 1.000000 | 1.000000 |
| Further Sale Period end | 7 Dec 2016 | 7 Dec 2016 | n/a |
| Step-up and Call Date | 7 Mar 2022 | 7 Mar 2022 | n/a |
| Legal final maturity date | 7 Dec 2050 | 7 Dec 2050 | 7 Dec 2050 |
| ISIN | XS0864239529 | XS0864240295 | n/a |
| Stock exchange listing | LSE | LSE | Unlisted |
| Interest Payment Frequency | Quarterly | Quarterly | Quarterly |
| Accrual Start Date | 9 Mar 2015 | 9 Mar 2015 | 9 Mar 2015 |
| Accrual End Date | 8 Jun 2015 | 8 Jun 2015 | 8 Jun 2015 |
| Accrual Day Count | 91 | 91 | 91 |
| Coupon Reference Rate | 3m LIBOR | 3m LIBOR | 3m LIBOR |
| Relevant Margin | 0.90000% | 1.10000% | 0.00000% |
| Current Period Coupon Reference Rate | 0.56275% | 0.56275% | 0.56275% |
| Current Period Coupon | 1.46275% | 1.66275% | 0.56275% |
| Current Period Coupon Amount | 2,619,172 | 2,977,288 | 268,258 |
| Current Interest Shortfall | n/a | n/a | n/a |
| Cumulative Interest Shortfall | n/a | n/a | n/a |
| Principal Payments | 8 Jun 2015 | 8 Jun 2015 | 8 Jun 2015 |
| Next Interest Payment Date | 8 Jun 2015 | 8 Jun 2015 | 8 Jun 2015 |
| Bond Structure | Revolving | Revolving | VFN |

Mercia No. 1 PLC

Investor Report

As at: 08/06/2015

| | | | |
|---------------------------------|------------|----|-------------|
| Interest Payment Date | | | 8 Jun 2015 |
| Collection Period for Mortgages | 1 Feb 2015 | to | 30 Apr 2015 |
| Calculation Period for Notes | 9 Mar 2015 | to | 8 Jun 2015 |

| AVAILABLE REVENUE RECEIPTS | (£) |
|---|-------------------|
| (a) Revenue Receipts - Interest received from Borrowers | 15,564,915 |
| (a) Revenue Receipts - Fees charged to Borrowers | 451,758 |
| (b) Interest received | 104,439 |
| (c) Amounts received under the Interest Rate Swap Agreement | - |
| (d) General Reserve Fund | 39,700,000 |
| (e) Other net income receipts | - |
| (f) Surplus Principal Receipts | - |
| (g) Retained revenue during a Determination Period | - |
| (h) Reconciliation Amounts during a Determination Period | - |
| LESS | |
| (i) Amounts Belonging to Third Parties | (451,758) |
| PLUS | |
| (j) Principal used to fund a Revenue Deficiency | - |
| Total Available Revenue Receipts | 55,369,354 |

| PRE-ACCELERATION REVENUE PRIORITY OF PAYMENTS | (£) |
|--|-------------------|
| (a) Fees due to Note Trustee and Security Trustee | - |
| (b) Fees due to Agent Bank, Corporate Services Provider, Back up Servicer Facilitator and Account Bank | 6,591 |
| (c) Fees due to Class Z VFN Registrar | - |
| (d) Other Third Party expenses | - |
| (e) i) Fees due to the Servicer | 111,572 |
| ii) Fees due to Cash Manager | 37,191 |
| (f) Amounts payable under the Interest Rate Swap Agreement | 3,754,890 |
| (g) Interest due on the Class A Notes | 5,596,460 |
| (h) Credited to General Reserve Ledger | 39,700,000 |
| (i) Credit to cure Class A Principal Deficiency Ledger | - |
| (j) Credit to cure Class Z VFN Principal Deficiency Ledger | - |
| (k) Interest due on the Class Z VFN | 268,258 |
| (l) Issuer Profit Amount | 300 |
| (m) Interest Rate Swap Excluded Termination Amounts | - |
| (n) Retained Revenue during a Determination Period | - |
| (o) If all Class A Notes have been repaid, Principal Amounts due for Class Z VFN | - |
| (p) Deferred Consideration | 5,894,093 |
| | 55,369,354 |

| REVENUE LEDGER | (£) |
|--|--------------|
| Opening Revenue Ledger Balance | - |
| Available Revenue Receipts | 55,369,354 |
| Distribution of Available Revenue Receipts | (55,369,354) |
| Closing Revenue Ledger Balance | - |

| GENERAL RESERVE LEDGER | (£) |
|---|-------------------|
| Proceeds of Class Z VFN | 39,700,000 |
| Transferred to Revenue Ledger | (39,700,000) |
| Received from Revenue Ledger | 39,700,000 |
| Further Class Z VFN Funding | - |
| Closing General Reserve Ledger Balance | 39,700,000 |

| AVAILABLE PRINCIPAL RECEIPTS | (£) |
|--|-------------------|
| (a) Amounts received from Borrowers | 69,647,653 |
| Cash paid by Seller to repurchase loans | 45,038 |
| Less Further Advances made | (3,911,687) |
| (b) Excess funds from proceeds of the Notes | - |
| (c)(i) Reduction in Class A Principal Deficiency Ledger | - |
| (c)(ii) Reduction in Class Z Principal Deficiency Ledger | - |
| (d) Reconciliation Amounts during a Determination Period | - |
| (e) Release of Ported Loan Repurchase Ledger balances | - |
| (f) Retained Principal Ledger balance | 22,578,027 |
| LESS | |
| (g) Amounts utilised to Pay Revenue Deficiency | - |
| (h) Amounts already used to purchase Additional Loans | (65,400,390) |
| Total Available Principal Receipts | 22,958,640 |

| PRE-ACCELERATION PRINCIPAL PRIORITY OF PAYMENTS | (£) |
|--|-------------------|
| (a)(i) To pay for the purchase of further Additional Loans | £0 |
| (a)(ii) To credit the Retained Principal Ledger for up to six months | £22,958,640 |
| (b) Principal amounts due on the Class A1 Notes | £0 |
| (c) Principal amounts due on the Class A2 Notes | £0 |
| (d) Principal amounts due on the Class Z VFN | £0 |
| (e) Any further amounts to be applied as Available Revenue Receipts | £0 |
| | 22,958,640 |

| RETAINED PRINCIPAL LEDGER | (£) |
|--|-------------------|
| Opening Balance | 22,578,027 |
| Transferred to Available Principal Receipts | (22,578,027) |
| Retained from the Principal Priority of Payments | 22,958,640 |
| Closing Balance | 22,958,640 |

| PRINCIPAL LEDGER | (£) |
|---|--------------|
| Opening Principal Ledger Balance | - |
| Available Principal Receipts received by the Issuer | 22,958,640 |
| Utilisation of Available Principal Receipts | (22,958,640) |
| Closing Principal Ledger Balance | - |

| PRINCIPAL DEFICIENCY LEDGERS | CLASS A (£) | CLASS Z (£) |
|---|-------------|-------------|
| Opening Principal Deficiency Ledger Balance | - | - |
| Losses on the Portfolio | - | - |
| Principal Receipts used to pay a Revenue Deficiency | - | - |
| Revenue Priority of Payment (h) and (i) | - | - |
| Closing Principal Deficiency Ledger Balance | - | - |

Mercia No. 1 PLC

Investor Report

As at: 31/05/2015

Swaps¹

| | Maturity | Currency | Notional | Counterparty | Receive reference rate | Receive margin | Receive rate | Pay rate | Payments (made)/received (£) |
|----------------------------|------------|----------|---------------|--------------------------|------------------------|----------------|--------------|-----------------|------------------------------|
| Interest Rate (Asset) Swap | 7 Dec 2050 | GBP | 1,562,051,495 | Godiva Mortgages Limited | 3m LIBOR | 2.50000% | 3.06275% | Basket of rates | 3,754,890 |

Collateral Received

| | Counterparty Rating (Moody's / Fitch) | | Required Rating (Initial Rating Event: Moody's / Fitch) | | Breached (Y/N) | Breach Remedy (if applicable) | Collateral Posting (£) | Valuation* |
|---|---------------------------------------|------------|---|------------|----------------|-------------------------------|------------------------|--------------|
| | Long-term | Short-term | Long-term | Short-term | | | | |
| Interest Rate (Asset) Swap Guarantor Coventry Building Society | A2 / A | P-1 / F1 | A2 / A | P-1 / F1 | Y | Post collateral | - | (29,810,964) |

*The mark to market value of this swap is out of the money for Mercia No. 1 PLC

Mercia No. 1 PLC

Investor Report

As at: 31/05/2015

Summary of Tests & Triggers

| Event | Trigger | Prospectus | Breached | Consequence if Trigger Breached | |
|---|--|--|----------|---------------------------------|--|
| Cash Manager Trigger | Cash Manager's ratings fall below required levels | Moody's long-term: Baa3 | 73 | No | Appoint Back-up Cash Manager within 60 days |
| Seller Trigger (a) | CBS ratings fall below required levels | Moody's short-term: P-2 , Fitch short-term: F-2 | 73 | No | Provide Solvency Certificate to the Issuer and the Security Trustee when additional mortgages are sold |
| Seller Trigger (b) | CBS ratings fall below required levels | Moody's long-term: Baa3, Fitch long-term: BBB- | 74 | No | Provide Security Trustee details of Borrowers and draft notice of assignment on a monthly basis |
| Servicer Trigger | Servicer's ratings fall below required levels | Moody's long-term: Baa3, Fitch long-term: BBB- | 74 | No | Appoint Back-up Servicer within 60 days |
| Interest Rate Swap Guarantor Trigger | Guarantor's ratings fall below required levels | Moody's short-term: P-1 and long-term: A2 (or A1 if long-term only), Fitch short-term: F1 and long-term: A | 74 | Yes | Post collateral or obtain guarantee |
| Account Bank Trigger | Account Bank's ratings fall below required levels | Moody's short-term: P-1 and long-term: A2 (or A1 if long-term only), Fitch short-term: F1 and long-term: A | 75 | No | Replace Account Bank within 30 days |
| Perfection Events | The Seller enters into insolvency | Insolvency | 77 | No | Perfection of title on the loans |
| Asset Conditions | Quality of the pool of loans declines beyond given percentages | Arrears > 3%; Further Advances > 3%; WA OLTV > 60%; Interest Only > 85% | 94 - 95 | No | Must repurchase any loans subject to Further Advances or Product Switches and cannot sell further Substitute Loans or Additional Loans |
| Principal Shortfall | Principal receipts are insufficient to fund Further Advances in the period | Shortfall | 158 | No | The loans subject to the Further Advances must be repurchased or a drawing made under the Class Z VFN |
| Utilisation of General Reserve | General Reserve Fund is below General Reserve Required Amount | Shortfall | 158 | No | Class Z VFN Holder required to further fund the Class Z VFN up to the Maximum Class Z VFN Amount of £500,000,000 |
| Further Sale Period end | Event of Default or Quality of Pool declines beyond given levels | Class Z PDL > 50% Class Z Principal Outstanding; Aggregate Losses > 5% initial Current Balance; Arrears > 5% | 44 | No | Further Sale Period ends |

Mercia No. 1 PLC

Investor Report

As at: 31/05/2015

Glossary

| | |
|---|--|
| Additional Loans | Additional Loans may be sold to the Issuer during the Further Sale Period to the extent that there are sufficient Principal Receipts to fund such sale and subject to the Additional Loan Conditions, the Loan Warranties and the Estimated Revenue Deficiency condition. |
| Administered Rates | The Seller operates a number of variable administered rates including a Standard Variable Rate. |
| 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. |
| Authorised Investments | Authorised Investments comprise short term cash deposits maturing before the next Interest Payment Date. The deposits are only made with counterparties that meet the strict ratings criteria set out in the Transaction Documents. Investments must either (a) mature within 90 days and be rated at least F1+ by Fitch and P-1 by Moody's and, if the investments have a long-term rating, AA- by Fitch and Aa3 by Moody's or (b) mature within 30 days and be rated at least F1 by Fitch and P-1 by Moody's and, if the investments have a long-term rating, A by Fitch and A2 by Moody's |
| Class Z Variable Funding Notes (VFNs) | Class Z Variable Funding Notes are unrated notes which are not publicly issued, listed or traded and are held by Godiva Mortgages Limited. The Class Z notes are subordinated to the General Reserve Fund and have been established to provide credit and, given their subordination, yield enhancement to the programme. The Prospectus provides that the General Reserve Fund shall not be available to meet any deficit of interest on Class Z notes or meet a deficit caused by a debit balance on the Class Z Principal Deficiency Ledger. |
| Constant Default Rates (CDR) | Constant Default Rate is calculated from the current mortgage balance of loans entering into default in the month and is shown as a percentage of the opening True Balance. |
| Constant Prepayment Rates (CPR) | 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. |
| Debt Service Coverage Ratio | The ratio is calculated as follows: Monthly Gross Rental Income divided by the Mortgage Payment. |
| 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. |
| Excess Spread | This is defined as the revenue amounts stated in the most recent waterfall junior to the General Reserve Fund applied to the outstanding 'A' notes. |
| Further Sale Period | During this period the Seller may sell Additional Loans to the Issuer to the extent that there are sufficient Principal Receipts to fund such sale and subject to the Additional Loan Conditions, the Loan Warranties and the Estimated Revenue Deficiency condition. The Further Sale Period will end early if certain performance triggers occur, if there is an Event of Default or at the option of the Seller. |
| General Reserve Required Amount | The value disclosed at the month end is equal to the value calculated on the calculation date immediately preceding the month end. |
| 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 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 Interest Rate Type, Loan Purpose and Interest Rate Split 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. |
| Principal Deficiency Ledger | Losses are allocated to the Class Z PDL first and then to the Class A PDL. A debit balance on the Principal Deficiency Ledger will be eliminated to the extent there are excess revenue receipts available during the period. Any uncured debit balance on the notes appears on page 2 |
| 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. |
| Properties in Possession - Possessed | Balances and arrears for this entry are taken as of the possession date. |
| Properties in Possession - Property Returned to Borrower | Balances and arrears for this entry are taken as of the date the property is returned. |
| Receiver of Rent | In these cases the Servicer receives rent directly from the tenant as part of the mortgage payment under the Law of Property Act (LPA). |
| Retained Principal Ledger | Principal Receipts may be retained in this ledger during the Further Sale Period for up to six months to fund Additional 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. |
| Substitute Loans | Under the terms of the programme, the Seller may sell additional assets into the pool in exchange for assets that have been repurchased under the terms of the Asset Conditions. |
| Step Up and Call Date | The Step Up Date occurs on the first Interest Payment Date after the fifth anniversary of the end of the Further Sale Period. The issuer may call the Class A notes at any time on or after the Step Up Date. |
| 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 have 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. |
| Waterfall | Available Revenue Receipts and Available Principal Receipts are allocated in accordance with the "Cashflows" section of the Base Prospectus to enable the payments on the Notes to be made on the relevant dates, subject to there being sufficient available revenue and principal receipts. Note payment dates fall quarterly on 7 March, June, September and December or the next business day. Waterfalls reported in the Investor Report refer to the latest quarter that has been calculated. |