

Response on CP16 from Coventry Building Society

Coventry Building Society currently makes use of the exemption for large exposures of less than one year and would very much resist the removal of any such exemption.

In the current climate, it is imperative that the Society's investments are placed with creditworthy institutions. Increasingly, these investments tend to be concentrated with a smaller group of institutions, for example, the UK Clearing Banks and larger European banks. The removal of the exemption would potentially force institutions, like ourselves, into investing with potentially reduced creditworthy banks or alternatively into lower yielding government securities, such as UK gilts or treasury bills.

Lorne Williams
Treasurer

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