

## National Transparency Template November 2013



## Administration

Name of issuer	Coventry Building Society
Name of RCB programme	Coventry Building Society Covered Bonds
Name, job title and contact details of person validating this form	Andrew Turvey (Head of Liquidity Planning) Telephone: +44 (0)24 7643 5107 E-mail: Andrew.Turvey@thecoventry.co.uk Mailing Address: Oak Tree Court, Binley Business Park, Harry Weston Road, Coventry, CV3 2UN
Date of form submission	31/12/13
Start Date of reporting period	01/11/13
End Date of reporting period	30/11/13
Web links - prospectus, transaction documents, loan-level data	<a href="https://live.rooms.net/CoventryBuildingSociety/">https://live.rooms.net/CoventryBuildingSociety/</a>

## Counterparties, Ratings

	Counterparty/ies	Fitch		Moody's		S&P		DBRS	
		Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating
Covered bonds	0	N/A	AAA	N/A	Aaa	N/A	N/A	N/A	N/A
Issuer	Coventry Building Society	N/A	A	N/A	A3	N/A	N/A	N/A	N/A
Seller(s)	Coventry Building Society	N/A	A	N/A	A3	N/A	N/A	N/A	N/A
Cash manager	Coventry Building Society	BBB	A	Baa1	A3	N/A	N/A	N/A	N/A
Account bank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stand-by account bank	HSBC Bank plc	F1	F1+	P-1	P-1	N/A	N/A	N/A	N/A
Servicer(s)	Coventry Building Society	BBB	A	Baa1	A3	N/A	N/A	N/A	N/A
Stand-by servicer(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Swap provider(s) on cover pool	Coventry Building Society	A	A	A2	A3	N/A	N/A	N/A	N/A
Stand-by swap provider(s) on cover pool	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Swap notional amount(s) (GBP)	4,346,481,228								
Swap notional maturity/ies	19/04/2018								
LLP receive rate/margin	1.67750%								
LLP pay rate/margin	3.40147%								
Collateral posting amount(s) (GBP)	2,400,000								

## Accounts, Ledgers

	Value as of End Date of reporting period	Value as of Start Date of reporting period	Targeted Value
Revenue receipts (please disclose all parts of waterfall)	<b>AVAILABLE REVENUE RECEIPTS</b> (a) Revenue Receipts - Interest received from Borrowers: £11,462,004 (a) Revenue Receipts - Fees charged to Borrowers: £323,772 (b) Interest received: £20,738 (c) Excess Reserve Fund: £0 (d) Other Revenue Receipts: £46,032 (e) Excess Required Coupon Amount: £0 (f) Reserve Ledger credit amounts following Notice to Pay: £0 (g) Amounts Belonging to Third Parties: -£323,772 (h) Required Coupon Amount: £0 (i) Interest Accumulation Ledger: £0 Total Available Revenue Receipts: £11,528,774  <b>PRE-ACCELERATION REVENUE PRIORITY OF PAYMENTS</b> (a) Fees due to Bond Trustee and Security Trustee: £0 (b) Fees due to Agent: £0 (c) Amounts due to Servicer, Cash Manager, Standby Account Bank, Corporate Services Provider and Asset Monitor: £0 (d) Amounts due to the Interest Rate Swap Provider: £6,356,382 (e) (i) Amounts due to the Covered Bond Swap Providers: £3,586,798 (ii) Amounts due on the Term Advance: £1,099,000 (f) Transfer to Coupon Payment Ledger following Cash Manager Event: £0 (g) Transfer to Standby GIC Account following Servicer Event of Default: £0 (h) Transfer to Reserve Ledger: £4,472 (i) Excluded Swap Termination Amounts: £0 (j) Indemnity amounts due to the Members: £0 (k) Repayment of Cash Capital Contributions: £0 (l) Deferred Consideration: £482,122 (m) Fees due to the Liquidation Member: £0 (n) Members profit amount: £0	<b>AVAILABLE REVENUE RECEIPTS</b> (a) Revenue Receipts - Interest received from Borrowers: £12,457,122 (a) Revenue Receipts - Fees charged to Borrowers: £318,140 (b) Interest received: £149,092 (c) Excess Reserve Fund: £16,190 (d) Other Revenue Receipts: £50,029 (e) Excess Required Coupon Amount: £0 (f) Reserve Ledger credit amounts following Notice to Pay: £0 (g) Amounts Belonging to Third Parties: -£318,140 (h) Required Coupon Amount: £0 (i) Interest Accumulation Ledger: £0 Total Available Revenue Receipts: £12,672,432  <b>PRE-ACCELERATION REVENUE PRIORITY OF PAYMENTS</b> (a) Fees due to Bond Trustee and Security Trustee: £0 (b) Fees due to Agent: £0 (c) Amounts due to Servicer, Cash Manager, Standby Account Bank, Corporate Services Provider and Asset Monitor: £0 (d) Amounts due to the Interest Rate Swap Provider: £6,225,917 (e) (i) Amounts due to the Covered Bond Swap Providers: £1,091,920 (ii) Amounts due on the Term Advance: £3,845,520 (f) Transfer to Coupon Payment Ledger following Cash Manager Event: £0 (g) Transfer to Standby GIC Account following Servicer Event of Default: £0 (h) Transfer to Reserve Ledger: £0 (i) Excluded Swap Termination Amounts: £0 (j) Indemnity amounts due to the Members: £0 (k) Repayment of Cash Capital Contributions: £0 (l) Deferred Consideration: £1,509,075 (m) Fees due to the Liquidation Member: £0 (n) Members profit amount: £0	
Principal receipts (please disclose all parts of waterfall)	<b>AVAILABLE PRINCIPAL RECEIPTS</b> (a) Scheduled amounts received from Borrowers: £15,993,542 (a) Unscheduled amounts received from Borrowers: £58,619,840 Less Further Advances made: -£3,367,783 (b) (i) Term Advance: £0 (ii) Cash Capital Contributions: £0 (ii) Sale of Selected Loans: £0 Total Available Principal Receipts: £71,245,599  <b>PRE-ACCELERATION PRINCIPAL PRIORITY OF PAYMENTS</b> (a) Purchase of New Loans or Substitution Assets: £0 (b) Transfer to Principal Ledger: £0 (c) (i) Amounts due to the Covered Bond Swap Providers: £0 (ii) Amounts due on the Term Advance: £0 (d) Capital Distribution to Members: £71,245,599	<b>AVAILABLE PRINCIPAL RECEIPTS</b> (a) Scheduled amounts received from Borrowers: £16,762,284 (a) Unscheduled amounts received from Borrowers: £51,924,459 Less Further Advances made: -£2,429,210 (b) (i) Term Advance: £0 (ii) Cash Capital Contributions: £0 (ii) Sale of Selected Loans: £0 Total Available Principal Receipts: £66,257,533  <b>PRE-ACCELERATION PRINCIPAL PRIORITY OF PAYMENTS</b> (a) Purchase of New Loans or Substitution Assets: £0 (b) Transfer to Principal Ledger: £0 (c) (i) Amounts due to the Covered Bond Swap Providers: £0 (ii) Amounts due on the Term Advance: £0 (d) Capital Distribution to Members: £66,257,533	
Reserve ledger	£ 14,930,563	£ 14,946,753	£ 14,930,563
Revenue ledger	£ 12,852,546	£ 13,974,382	£ -
Principal ledger	£ 66,257,533	£ 71,245,599	£ -
Pre-maturity liquidity ledger	N/A	N/A	N/A

## CBS Covered Bonds

**Asset Coverage Test**

	Value	Description (please edit if different)
A	£ 3,433,063,865	A: Arrears Adjusted True Balance
B	£ -	B: Principal Receipts Retained in Cash
C	£ -	C: Retained Cash Contributions
D	£ 66,257,533	D: Substitution Assets - Principal Receipts' & D: Substitution Assets - Capital Contributions
E	£ -	0
V	£ -	0
W	£ -	0
X	£ 63,636,390	X: Savings set off balance
Y	£ -	Y: Flexible draw deduction
Z	£ 128,795,601	Z: Negative carry adjustment
Total	£ 3,306,889,406	
Method used for calculating component 'A'	A: Arrears Adjusted True Balance	
Asset percentage (%)	78.4%	
Maximum asset percentage from Fitch (%)	85.8%	
Maximum asset percentage from Moody's (%)	78.4%	
Maximum asset percentage from S&P (%)	N/A	
Maximum asset percentage from DBRS (%)	N/A	
Credit support as derived from ACT (GBP)	£ 86,839,406	
Credit support as derived from ACT (%)	2.7%	

**Programme-Level Characteristics**

Programme currency	EUR
Programme size	7bn
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	£ 3,220,050,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	£ 3,189,682,000
Cover pool balance (GBP)	£ 4,380,355,324
GlC account balance (GBP)	£ 94,040,642
Any additional collateral (please specify)	£ -
Any additional collateral (GBP)	£ -
Aggregate balance of off-set mortgages (GBP)	£ 564,790,970
Aggregate deposits attaching to the cover pool (GBP)	£ 63,636,390
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	£ 41,415,927
Nominal level of overcollateralisation (GBP)	1,253,957,662
Nominal level of overcollateralisation (%)	38.9%
Number of loans in cover pool	40,641
Average loan balance (GBP)	£ 107,782
Weighted average non-indexed LTV (%)	55.0%
Weighted average indexed LTV (%)	52.3%
Weighted average seasoning (months)	41.3
Weighted average remaining term (months)	205.7
Weighted average interest rate (%)	3.4%
Standard Variable Rate(s) (%)	4.7%
Constant Pre-Payment Rate (% ,current month)	1.1%
Constant Pre-Payment Rate (% ,quarterly average)	1.2%
Principal Payment Rate (% ,current month)	1.5%
Principal Payment Rate (% ,quarterly average)	1.5%
Constant Default Rate (% ,current month)	0.0%
Constant Default Rate (% ,quarterly average)	0.0%
Fitch Discontinuity Factor (%)	15.7%
Moody's Timely Payment Indicator	Probable
Moody's Collateral Score (% ,including/excluding systemic risk)	5.0% / 3.6%

**Mortgage collections**

Mortgage collections (scheduled - interest)	£ 11,462,004
Mortgage collections (scheduled - principal)	£ 16,762,284
Mortgage collections (unscheduled - interest)	£ -
Mortgage collections (unscheduled - principal)	£ 49,495,249

**Loan Redemptions & Replenishments Since Previous Reporting Date**

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	461	1.1%	44,390,500	1.0%
Loans bought back by seller(s)	562	1.4%	62,705,212	1.4%
of which are non-performing loans	88	0.2%	5,819,788	0.1%
of which have breached R&Ws	3	0.0%	289,078	0.0%
Loans sold into the cover pool	966	2.4%	130,994,062	3.0%

**Product Rate Type and Reversionary Profiles**

	Number	% of total number	Amount (GBP)	% of total amount	Weighted average				
					Current rate	Remaining teaser period (months)	Current margin	Reversionary margin	Initial rate
Fixed at origination, reverting to SVR	23,296	49.1%	2,374,941,439	54.2%	3.87%	21.4	2.97%	4.21%	3.83%
Fixed at origination, reverting to Libor	0	0.0%	0	0.0%	0.00%	0	0.00%	0.00%	0.00%
Fixed at origination, reverting to tracker	3,108	6.5%	250,450,584	5.7%	1.29%	0.1	0.79%	0.79%	5.33%
Fixed for life	11	0.0%	2,734	0.0%	0.00%	0	0.29%	0.29%	0.00%
Tracker at origination, reverting to SVR	3,449	7.3%	424,166,345	9.7%	3.43%	6.3	2.92%	4.15%	3.25%
Tracker at origination, reverting to Libor	0	0.0%	0	0.0%	0.00%	0	0.00%	0.00%	0.00%
Tracker for life	3,184	6.7%	249,338,886	5.7%	1.30%	0.0	0.80%	0.80%	4.52%
SVR, including discount to SVR	14,428	30.4%	1,081,455,337	24.7%	3.33%	0.0	2.81%	2.81%	3.80%
Libor	0	0.0%	0	0.0%	0.00%	0	0.00%	0.00%	0.00%
Total	47,476	100.0%	£ 4,380,355,324	100.0%	3.40%		2.68%		3.89%

## CBS Covered Bonds

**Stratifications**

<b>Arrears breakdown</b>	Number	% of total number	Amount (GBP)	% of total amount
Current	40,492	99.6%	£ 4,384,333,200	99.6%
0-1 month in arrears	107	0.3%	£ 12,367,600	0.3%
1-2 months in arrears	42	0.1%	£ 3,654,524	0.1%
2-3 months in arrears	0	0.0%	£ -	0.0%
3-6 months in arrears	0	0.0%	£ -	0.0%
6-12 months in arrears	0	0.0%	£ -	0.0%
12+ months in arrears	0	0.0%	£ -	0.0%
<b>Total</b>	<b>40,641</b>	<b>100.0%</b>	<b>£ 4,380,355,324</b>	<b>100.0%</b>

<b>Current non-indexed LTV</b>	Number	% of total number	Amount (GBP)	% of total amount
0-50%	22,247	54.7%	£ 1,582,289,753	36.1%
50-55%	2,692	6.6%	£ 348,983,388	8.0%
55-60%	2,879	7.1%	£ 406,947,783	9.3%
60-65%	2,939	7.2%	£ 441,174,396	10.1%
65-70%	2,878	7.1%	£ 428,837,380	9.8%
70-75%	3,260	8.0%	£ 536,491,785	12.2%
75-80%	3,104	7.6%	£ 534,467,047	12.2%
80-85%	433	1.1%	£ 64,943,899	1.5%
85-90%	151	0.4%	£ 25,332,362	0.6%
90-95%	38	0.1%	£ 6,613,379	0.2%
95-100%	20	0.0%	£ 3,674,152	0.1%
100-105%	0	0.0%	£ -	0.0%
105-110%	0	0.0%	£ -	0.0%
110-125%	0	0.0%	£ -	0.0%
125%+	0	0.0%	£ -	0.0%
<b>Total</b>	<b>40,641</b>	<b>100.00%</b>	<b>£ 4,380,355,324</b>	<b>100.00%</b>

<b>Current Indexed LTV</b>	Number	% of total number	Amount (GBP)	% of total amount
0-50%	23,282	57.3%	£ 1,755,123,095	40.1%
50-55%	2,819	6.9%	£ 380,221,099	8.7%
55-60%	3,050	7.5%	£ 451,664,539	10.3%
60-65%	2,926	7.2%	£ 444,979,857	10.2%
65-70%	3,503	8.6%	£ 537,173,908	12.3%
70-75%	4,278	10.5%	£ 693,216,218	15.8%
75-80%	722	1.8%	£ 108,305,923	2.5%
80-85%	45	0.1%	£ 6,898,982	0.2%
85-90%	16	0.0%	£ 2,783,704	0.1%
90-95%	0	0.0%	£ -	0.0%
95-100%	0	0.0%	£ -	0.0%
100-105%	0	0.0%	£ -	0.0%
105-110%	0	0.0%	£ -	0.0%
110-125%	0	0.0%	£ -	0.0%
125%+	0	0.0%	£ -	0.0%
<b>Total</b>	<b>40,641</b>	<b>100.00%</b>	<b>£ 4,380,355,324</b>	<b>100.00%</b>

<b>Current outstanding balance of loan</b>	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	542	1.3%	£ 1,396,096	0.0%
5,000-10,000	665	1.6%	£ 5,077,145	0.1%
10,000-25,000	2,972	7.3%	£ 52,976,802	1.2%
25,000-50,000	6,186	15.2%	£ 233,213,770	5.3%
50,000-75,000	6,619	16.3%	£ 412,990,112	9.4%
75,000-100,000	6,240	15.4%	£ 544,202,261	12.4%
100,000-150,000	8,380	20.6%	£ 1,081,845,415	23.3%
150,000-200,000	4,441	10.9%	£ 763,931,383	17.4%
200,000-250,000	2,083	5.1%	£ 462,304,639	10.6%
250,000-300,000	1,096	2.7%	£ 298,252,309	6.8%
300,000-350,000	555	1.4%	£ 179,344,217	4.1%
350,000-400,000	331	0.8%	£ 123,253,672	2.8%
400,000-450,000	193	0.5%	£ 81,633,182	1.9%
450,000-500,000	146	0.4%	£ 68,931,008	1.6%
500,000-600,000	121	0.3%	£ 65,638,775	1.5%
600,000-700,000	47	0.1%	£ 30,203,308	0.7%
700,000-800,000	25	0.1%	£ 18,316,606	0.4%
800,000-900,000	9	0.0%	£ 7,574,797	0.2%
900,000-1,000,000	10	0.0%	£ 9,469,809	0.2%
1,000,000 +	0	0.0%	£ 0	0.0%
<b>Total</b>	<b>40,641</b>	<b>100.0%</b>	<b>£ 4,380,355,324</b>	<b>100.0%</b>

<b>Regional distribution</b>	Number	% of total number	Amount (GBP)	% of total amount
East Anglia	1,855	4.6%	£ 179,950,588	4.1%
East Midlands	3,958	9.7%	£ 351,633,659	8.0%
London	3,662	9.0%	£ 651,871,294	14.9%
North	1,906	4.7%	£ 144,708,956	3.3%
North West	3,723	9.2%	£ 334,744,256	7.6%
Northern Ireland	0	0.0%	£ 0	0.0%
Outer Metro	4,753	11.7%	£ 708,749,154	16.2%
South East	4,597	11.3%	£ 539,741,217	12.3%
South West	4,168	10.3%	£ 437,603,297	10.0%
Scotland	0	0.0%	£ 0	0.0%
Wales	1,555	3.8%	£ 132,648,569	3.0%
West Midlands	6,962	17.1%	£ 598,071,708	13.7%
Yorkshire	3,502	8.6%	£ 300,632,628	6.9%
Other	0	0.0%	£ 0	0.0%
<b>Total</b>	<b>40,641</b>	<b>100.00%</b>	<b>£ 4,380,355,324</b>	<b>100.00%</b>

<b>Repayment type</b>	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	34,948	73.6%	£ 3,039,193,206	69.4%
Part-and-part	417	0.9%	£ 37,212,911	0.8%
Interest-only	7,116	15.0%	£ 739,158,237	16.9%
Offset	4,995	10.5%	£ 564,790,970	12.9%
<b>Total</b>	<b>47,476</b>	<b>100.0%</b>	<b>£ 4,380,355,324</b>	<b>100.0%</b>

## CBS Covered Bonds

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	2,970	7.3%	£ 433,265,120	9.9%
12-24 months	8,921	22.0%	£ 1,137,244,958	26.0%
24-36 months	6,380	15.7%	£ 697,468,475	15.9%
36-48 months	5,720	14.1%	£ 587,905,138	13.4%
48-60 months	4,667	11.5%	£ 487,683,535	11.1%
60-72 months	2,949	7.3%	£ 269,619,403	6.2%
72-84 months	3,308	8.1%	£ 287,403,995	6.6%
84-96 months	3,265	8.0%	£ 288,479,291	6.6%
96-108 months	2,461	6.1%	£ 191,265,410	4.4%
108-120 months	0	0.0%	£ -	0.0%
120-150 months	0	0.0%	£ -	0.0%
150-180 months	0	0.0%	£ -	0.0%
180+ months	0	0.0%	£ -	0.0%
Total	40,641	100.0%	£ 4,380,355,324	100.0%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	20,175	42.5%	2,130,696,187	48.6%
SVR	18,890	39.8%	1,429,558,699	32.6%
Tracker	7,853	16.5%	744,520,225	17.0%
Other (please specify): Capped	558	1.2%	75,380,212	1.7%
Total	47,476	100.00%	£ 4,380,355,324	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	47,467	100.0%	4,379,071,515	100.0%
Buy-to-let	9	0.0%	1,283,809	0.0%
Second home	0	0.0%	0	0.0%
Total	47,476	100.0%	£ 4,380,355,324	100.0%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	40,641	100.0%	4,380,355,324	100.0%
Fast-track	0	0.0%	0	0.0%
Self-certified	0	0.0%	0	0.0%
Total	40,641	100.0%	4,380,355,324	100.0%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,362	3.4%	£ 53,097,887	1.2%
30-60 months	2,471	6.1%	£ 124,823,633	2.8%
60-120 months	7,319	18.0%	£ 503,442,782	11.5%
120-180 months	9,108	22.4%	£ 879,428,478	20.1%
180-240 months	10,226	25.2%	£ 1,270,512,794	29.0%
240-300 months	7,673	18.9%	£ 1,151,748,676	26.3%
300-360 months	1,726	4.2%	£ 282,995,789	6.5%
360+ months	756	1.9%	£ 114,305,284	2.6%
Total	40,641	100.0%	£ 4,380,355,324	100.0%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	32,000	78.7%	£ 3,374,914,627	77.0%
Self-employed	6,312	15.5%	£ 865,032,558	19.7%
Unemployed	105	0.3%	£ 7,767,286	0.2%
Retired	1,870	4.6%	£ 96,043,426	2.2%
Guarantor	0	0.0%	£ -	0.0%
Other	354	0.9%	£ 36,597,427	0.8%
Total	40,641	100.0%	£ 4,380,355,324	100.0%

## Covered Bonds Outstanding, Associated Derivatives (please disclose for all bonds outstanding)

Series	1	2	3	4	5
Issue date	22/07/08	20/11/08	19/04/11	24/10/11	10/02/12
Original rating (Moody's/S&P/Fitch/DBRS)	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
Current rating (Moody's/S&P/Fitch/DBRS)	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA	Aaa / NR / AAA
Denomination	GBP	GBP	GBP	EUR	GBP
Amount at issuance	1,500,000,000	500,000,000	750,000,000	650,000,000	500,000,000
Amount outstanding	900,000,000	500,000,000	750,000,000	650,000,000	500,000,000
FX swap rate (rate:£1)	1.000	1.000	1.000	0.877	1.000
Maturity type (hard/soft-bullet/pass-through)	Soft bullet	Soft bullet	Soft bullet	Soft bullet	Soft bullet
Scheduled final maturity date	25/07/16	24/11/16	19/04/18	24/10/14	10/02/15
Legal final maturity date	25/07/16	24/11/16	19/04/18	24/10/14	10/02/15
ISIN	XS0378817240	XS0400750542	XS0618833635	XS0696058857	XS0744752568
Stock exchange listing	LSE	LSE	LSE	LSE	LSE
Coupon payment frequency	Monthly	Monthly	Annually	Annually	Quarterly
Coupon payment date	24/12/13	24/12/13	22/04/14	24/10/14	10/02/14
Coupon (rate if fixed, margin and reference rate if floating)	0.988%	0.988%	4.625%	2.875%	2.124%
Margin payable under extended maturity period (%)	0.500%	0.500%	1.220%	1.300%	1.600%
Swap counterparty/ies	N/A	N/A	HSBC plc	HSBC plc	Coventry Building Society
Swap notional denomination	N/A	N/A	GBP	EUR	GBP
Swap notional amount	N/A	N/A	750,000,000	650,000,000	500,000,000
Swap notional maturity	N/A	N/A	19/04/18	24/10/14	10/02/15
LLP receive rate/margin	N/A	N/A	4.625%	2.875%	2.113%
LLP pay rate/margin	N/A	N/A	2.123%	2.758%	2.368%
Collateral posting amount	£ -	£ -	£ -	£ -	£ 2,400,000

# CBS Covered Bonds

Programme triggers				
Event (please list all triggers)	Summary of Event	Trigger (S&P, Moody's, Fitch, DBRS; short-term, long-term)	Trigger breached (yes/no)	Consequence of a trigger breach
Issuer Event of Default	Issuer failure to pay on Covered Bonds or issuer insolvency	N/A	No	Activates the Covered Bond Guarantee
Servicer Trigger (1)	Servicer's ratings fall below required levels	NR / N/A / N/A NR / P-2 / F2	No	At initial trigger, direct funds to account held with Stand-by Account Bank
Servicer Trigger (2)	Servicer's ratings fall below required levels	NR / N/A / N/A NR / Baa1 / BBB	No	Replace servicer within 60 days at subsequent breach
Asset Coverage Test	Adjusted Aggregate Loan Amount less than Aggregate Principal Amount Outstanding	N/A	No	If not remedied within three calculation dates, triggers Issuer Event of Default
Interest Rate Shortfall Test	Forecast revenue insufficient to fund the next month's payments	N/A	No	Consider a cash capital contribution
Swap Counterparty Rating Trigger - Interest Rate (Asset) Swap	Breach of ratings trigger	NR / A2 / A NR / P-1 / F1	Yes	Collateral posting
Swap Counterparty Rating Trigger - Covered Bond (Liability) Swap	Breach of ratings trigger	NR / A2 / A NR / P-1 / F1	Yes	Collateral posting
Cash Manager (1)	Cash Manager's ratings fall below required levels	NR / N/A / N/A NR / Baa1 / BBB	No	Enter into Back up Cash Manager Agreement
Cash Manager (2)	Cash Manager's ratings fall below required levels	NR / N/A / N/A NR / Baa3 / BBB-	No	Appoint Back up Cash Manager Agreement
Stand-by Account Bank	Account Bank's ratings fall below required levels	NR / N/A / N/A NR / P-1 / F1	Yes	Appoint Stand-by Account Bank