

30 July 2019

## Coventry delivers strong mortgage and savings growth

Coventry Building Society has maintained its track record of savings and mortgage growth in the first half of 2019 and delivered excellent service to its members.

Highlights of its financial results for the six months ended 30 June 2019 include:

- **Strong mortgage growth:** Gross lending of £4.1 billion and net lending of £1.3 billion for the first half of 2019 (30 June 2018: gross lending of £4.6 billion, net lending of £1.5 billion). The Society's mortgage balances are expected to have grown by more than two and a half times the rate of the market for the 12 months to 30 June 2019<sup>1</sup>.
- **Savings growth outperforms market:** Savings balances increased by £1.9 billion in the first half of 2019 (30 June 2018: £0.4 billion) taking total deposits to over £35 billion. In the 12 months to 30 June 2019, the Society's savings are expected to have grown by three times the rate of the market<sup>1</sup>.
- **Giving value to members:** The average weighted savings rate paid to members was 1.52%, 0.69% higher than the average paid in the market (31 December 2018: 1.50%, 0.72% higher than the market)<sup>2</sup>.
- **Delivering the right member outcomes:** The Society's overall Net Promoter Score has been maintained at a very strong +75<sup>3</sup> (31 December 2018: +75), supported by one of the lowest complaint overturn rates at the Financial Ombudsman Service<sup>4</sup>.
- **Leading cost efficiency:** At 0.48%<sup>5</sup> (30 June 2018: 0.46%) the Society continues to report the lowest cost to mean asset ratio of any UK building society<sup>6</sup>, whilst continuing to invest significantly in its technology infrastructure and branch network.
- **Low risk:** Loans where arrears were greater than 2.5% of the balance fell further to 0.09% compared to the market average of 0.72%<sup>7</sup> (31 December 2018: 0.10% compared to the market average of 0.74%).
- **Continued capital and liquidity strength:** Common Equity Tier 1 (CET 1) ratio remained strong at 34.2% (31 December 2018: 35.5%), one of the highest reported by any top 20 UK lender<sup>8</sup> whilst the Society's leverage ratio on a UK modified basis has been broadly maintained at 4.5% (31 December 2018: 4.6%). The Liquidity Coverage Ratio (LCR) of 232%<sup>9</sup> (31 December 2018: 202%) remains considerably above the regulatory minimum requirement.
- **Leading employee engagement:** The Society was rated 'Outstanding' for employee engagement and as one of the 100 Best Companies to Work For in the UK<sup>10</sup>. *Continues*

<sup>1</sup> Source: Bank of England - latest published data as at 31 May 2019.

<sup>2</sup> Based on the Society's average month end savings rate compared to the Bank of England average rate for household interest-bearing deposits for the first five months of the year on the Society's mix of products.

<sup>3</sup> A measure of customer advocacy that ranges between -100 and +100 which represents how likely a customer is to recommend our products and services. The overall Net Promoter Score of +75 is a calculated average from 6 surveys, branch survey of 16,500 customers, savings contact centre survey of 18,803 callers, mortgage contact centre survey of 2,050 callers, online survey of 4,051 users, opening a savings account survey of 5,872 customers and a survey of 1,824 brokers.

<sup>4</sup> Source: Financial Ombudsman Service - latest published information: 1 July 2018 to 31 December 2018.

<sup>5</sup> Administrative expenses, depreciation and amortisation/Average total assets.

<sup>6</sup> As at 29 July 2019.

<sup>7</sup> Source: Prudential Regulation Authority - latest available information as at 31 March 2019.

<sup>8</sup> Source: UK Finance, 2018 top 20 mortgage lender (balance outstanding) latest published CET 1 data as at 29 July 2019.

<sup>9</sup> In 2019 the Society rebased certain stress assumption in the LCR calculations which has the effect of reducing reported LCR. Had these assumptions been in place at 31 December 2018, the reported ratio would have been c. 175%.

<sup>10</sup> Source: Best Companies Limited as at 31 December 2018.

For more information or additional comment please contact the press office on **0800 121 6868** or email **media@thecoventry.co.uk**

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- **Supporting communities:** 75% of colleagues (31 December 2018: 79%) have been actively involved in the Society's community programmes over the last 12 months.

Commenting on these results, Mark Parsons, Chief Executive, Coventry Building Society, said:  
"In what is a very competitive environment, we continue to grow our savings and mortgages faster than the market by doing the right things for our members."

*Ends*

For more information visit:

<https://coventrybuildingsociety.co.uk/consumer/our-performance/financial-results.html>

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