

News release

7 March 2025

Coventry Building Society posts strong results as it takes ownership of The Co-operative Bank

Commenting on these results, Steve Hughes, Chief Executive Coventry Building Society, said:

“The Society has delivered another balanced and disciplined set of results, growing mortgages and savings ahead of the market, delivering the outstanding service and value our members expect, and continuing the strong financial performance that has underpinned the transformational acquisition of The Co-operative Bank on 1 January 2025.

We remain absolutely focused on delivering the right outcomes for our members and customers as we continue our journey of building a brilliant, purpose-led organisation that will stand out in UK financial services.”

Growing mortgages and savings in a disciplined way

- **Mortgage balances grew by £1.5bn (3.0%) to £51.8bn.** We grew balances in a low growth market by taking a focused and responsible approach to lending that reflects current market conditions and the needs of our members. Our residential balances increased by 4.8% outperforming the market with our buy to let book remaining stable despite a small contraction in the market. Gross advances of £6.7bn were slightly lower than prior year supported by higher retention levels.
- **Savings balances grew by £1.8bn (3.7%) to £49.3bn.** We have grown savings by offering competitive rates to members and incentivising savings, for key groups including those saving for a first home. We continued to pay higher rates than the market average, with the premium we pay members increasing from £342m to a record £401m.

Strong financial performance once again

- **Statutory profit before tax of £323m** (2023: £474m). This was in line with expectations following an exceptional operating environment in 2023. Net interest margin (NIM) reduced to 1.07% (2023: 1.26%), due to the impact of mortgage and savings customers repricing onto lower margin products and base rate reductions in the year.
- Excluding acquisition and integration related costs of £25.8m, our **underlying profit before tax would be £349m.**
- **Management expenses**, excluding deal related costs and the new Bank of England levy, increased by £12m or 4%, showing continued, effective management of our cost base.
- **Low arrears balances of 0.33%** of mortgages more than three months in arrears (2023: 0.26%). The credit quality of our book remains resilient and **a third of industry average**¹.
- **The leverage ratio increased to 5.7%** (2023: 5.4%). Strong profitability further enhanced our capital position and resilience ahead of The Co-operative Bank acquisition which completed on 1 January

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

Calls to 0800 numbers are free when made from the UK. You may be charged for calls to all other numbers, please contact your service provider for further details.

Coventry Building Society. Principal Office: Coventry House, Binley Business Park, Harry Weston Road, Coventry, CV3 2TQ. **www.thecoventry.co.uk**

General

2025. The Common Equity Tier 1 (CET 1) ratio at 28.0% (2023: 29.1%) remains well above statutory requirements.

Delivering on our service promise whilst driving a transformational investment for the future

- **Exceptional customer service** with Net Promoter Score improving further to +79 (2023: +76) and continued investment helping to reduce call answering time from 105 to 58 seconds.
- **Invested £91m** in technology infrastructure, digital capability with the launch of our new app and development of our mortgage origination platform and improvement in operational and financial resilience, benefitting members with the largest volume of change delivery in our history.
- **Completion of The Co-operative Bank acquisition** on 1 January 2025, resulting in a **gain of £603m**, due to the fair value of the net assets acquired exceeding the consideration paid. The acquisition will increase both the Group's mortgage and savings presence and extend our propositions into the personal current account and business banking markets.

Engaging our colleagues and supporting the communities we serve

- **Improved our Great Place to Work survey 'Trust Index score' from 81% to 83%**, putting us amongst the best workplaces in the 'super large company' category as well as being recognised as one of the Fortune 100 Best Companies to work for in Europe.
- Continued to **support our communities with £4.5m of investment** in 2024 (2023: £3.1m), helping local partners and building on our relationship with Centrepoin with an additional £1m donation in 2024 to support youth independent living in Manchester.

--Ends--

For further information:

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Notes for Editors

1. Based on UK Finance Q4 2024 published data.

Coventry Building Society

Coventry Building Society is one of the UK's largest building societies and a top ten UK savings and mortgage provider.

Coventry Building Society is committed to making financial services simple and open for its members. Its website allows savers to compare the Coventry's savings accounts with similar products across the whole of the market.

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