COVENTRY
Building Society

Pillar 3 Disclosures

For the quarter ended 30 September 2025

Contents

1. Introduction

In this document Coventry Building Society (‘the Society’) has set out its Pillar 3 disclosures for the quarter ending 30 September 2025 in accordance with the Disclosure Part of the Prudential Regulation Authority (PRA) Rulebook.

This report includes specific templates that are required to be disclosed on a quarterly basis for large and listed institutions.

On 1 January 2025, the Society completed the acquisition of the Co-operative Bank Holdings p.l.c. ('Bank Holdings'), which is the ultimate holding company of the Co-operative Bank p.l.c. (‘Bank') thus making Bank Holdings and its operating entities fully owned subsidiaries of the Coventry Building Society. Although the Pillar 3 disclosures are prepared on a UK Consolidation Group basis, an application for a modification to the PRA Rulebook (A00009760P available on The Financial Services Register) has been approved by the Regulator for the Society to exclude the Bank Holdings group including the Bank from its disclosures until the 31st December 2025, when the first UK Consolidation Group disclosures (including Bank Holdings group) will be produced, and published in early 2026. This modification does not however extend to the interim financial statements which were prepared on a UK Consolidation Group basis, including Bank Holdings and its operating entities.

The Society has not omitted any disclosures on the basis of materiality, proprietary or confidentiality (See Article 432 of the UK Capital Requirements Regulation (CRR)).

Rows in which there is no data to report or zero values, have been excluded from the templates disclosed.

The information presented in this Pillar 3 report is not required to be, and has not been, subject to an external audit.

2. Key metrics and overview of risk weighted exposure amounts

The following table details the Society's key capital and liquidity metrics as at 30 September 2025 and those metrics previously disclosed as at 30 June 2025, 31 March 2025, 31 December 2024, and 30 September 2024. Profits for the period 1 July 2025 to 30 September 2025 have been excluded from all key metrics as these have not been verified.

		30 September 2025	30 June 2025	31 March 2025	31 December 2024	30 September 2024
		£m	£m	£m	£m	£m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET 1) capital[1]	2,231	2,229	2,155	2,615	2,530
2	Tier 1 capital	2,896	2,894	2,820	3,280	3,195
3	Total capital	2,937	2,935	2,860	3,320	3,235
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount[2]	10,771	10,498	10,134	9,341	8,917
	Capital ratios					
5	Common Equity Tier 1 ratio (%)	20.7 %	21.2 %	21.3 %	28.0 %	28.4 %
6	Tier 1 ratio (%)	26.9 %	27.6 %	27.8 %	35.1 %	35.8 %
7	Total capital ratio (%)	27.3 %	28.0 %	28.2 %	35.5 %	36.3 %
	Additional own funds requirements - SREP					
UK 7a	Additional CET 1 SREP requirements (%)	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
UK 7b	Additional AT 1 SREP requirements (%)	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %
UK 7c	Additional T2 SREP requirements (%)	0.7 %	0.7 %	0.7 %	0.7 %	0.7 %
UK 7d	Total SREP own funds requirements (%)	10.6 %	10.6 %	10.6 %	10.6 %	10.6 %
	Combined buffer requirement					
8	Capital conservation buffer (%)	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
9	Institution specific countercyclical capital buffer (%)	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
11	Combined buffer requirements (%)	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %
UK 11a	Overall capital requirements (%)	15.1 %	15.1 %	15.1 %	15.1 %	15.1 %
12	CET 1 available after meeting the total SREP own funds requirements (%)	10.1 %	10.6 %	10.6 %	17.4 %	17.7 %
	Leverage ratio					
13	Leverage ratio total exposure measure[3]	55,415	54,609	53,673	53,662	53,223
14	Leverage ratio (%)	5.2 %	5.3 %	5.3 %	5.7 %	6.0 %
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value - average)	9,849	9,797	9,924	9,946	9,865
UK 16a	Cash outflows - Total weighted value	4,260	4,321	4,314	4,240	4,126
UK 16b	Cash inflows - Total weighted value	347	380	380	354	371
16	Total net cash outflows (adjusted value)	3,912	3,941	3,934	3,885	3,755
17	Liquidity coverage ratio (%)[4]	254.1 %	250.7 %	254.0 %	258.2 %	264.7 %
	Net stable funding ratio					
18	Total available stable funding	57,891	57,205	57,105	56,926	56,802
19	Total required stable funding	38,437	38,099	37,768	37,615	37,787
20	NSFR ratio (%)[5]	150.6 %	150.2 %	151.2 %	151.3 %	150.3 %

Table 1 Template UK KM1 – Key metrics template

[1] Available own funds as at 30 September 2025, 31 March 2025 and 30 September 2024, do not include unverified profits. Profits were verified as at 30 June 2025 and 31 December 2024 and are therefore included in these periods.
[2] This amount includes the impacts of the Post Model Adjustments (PMAs).
[3] The UK leverage ratio includes a restriction on the amount of Additional Tier 1 capital and excludes claims on the central bank with a maturity of no longer than three months from the calculation of leverage exposures, in line with the UK Leverage Regime.
[4] The liquidity coverage ratio is calculated as a 12 month average.
[5] The net stable funding ratio is calculated as an average of the current and preceding three quarters.

The Society's capital position since the beginning of the year reflects the acquisition of the Co-operative Bank Holdings p.l.c. at the start of the year. In accordance with capital regulations, part of the Society's investment is treated as a capital deduction, reducing all levels of capital, with the remainder being risk weighted at 250%, increasing RWAs. The Society's capital position remains robust, with a Common Equity Tier 1 (CET 1) ratio of 20.7% (30 June 2025: 21.2% and 31 March 2025: 21.3%). The CET1 ratio was adversely affected by the exclusion from CET1 capital of unverified profits for the quarter, in accordance with regulations and the Society is subject to a total capital requirement of 15.1% (30 June 2025: 15.1% and 31 March 2025: 15.1%).

The Society's available own funds remains stable as at 30 September 2025, with a CET 1 capital value of £2,231m (30 June 2025: £2,229m and 31 March 2025: £2,155m). CET 1 remained broadly flat in the period despite the non inclusion of profits for the quarter.

The risk weighted exposure amount (RWEA) has increased to £10,771m as at 30 September 2025 (30 June 2025: £10,498m and 31 March 2025: £10,134m). Most of the increase related to a rise in retail RWAs, due to a combination of mortgage book growth and an increase in the average risk weight of the mortgage book through business-as-usual changes to composition and performance, together with exposures arising from intra-Group holdings.

The Society is not currently bound by regulatory leverage ratios. The Society's leverage ratio remains stable at 5.2% (30 June 2025: 5.3% and 31 March 2025: 5.3%) despite exclusion of unverified profits for the quarter. The leverage ratio and corresponding leverage ratio total exposure measure excludes qualifying central bank claims in line with the UK leverage regime.

The Society's liquidity position remains strong as at 30 September 2025 with a 12 month average Liquidity Coverage Ratio (LCR) of 254.1% (30 June 2025: 250.7%, 31 March 2025: 254.0%). The average LCR increase reflects higher holdings of high-quality liquid assets, while net cash outflows remained stable.

The average Net Stable Funding Ratio (NSFR) also remains strong at 150.6% (30 June 2025: 150.2%, 31 March 2025: 151.2%) and is well above the regulatory minimum requirement of 100%. The marginal increase in the average NSFR is primarily driven by balanced growth in both the available and required stable funding.

The table below details RWEAs and the respective own funds requirements as at 30 September 2025, and the RWEAs previously disclosed as at 30 June 2025. Own funds requirements are calculated as 8% of the RWEAs.

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		30 September 2025	30 June 2025	30 September 2025
		£m	£m	£m
1	Credit risk (excluding CCR)	9,570	9,302	765
2	Of which the standardised approach	949	819	76
3	Of which the foundation IRB (FIRB) approach	85	96	7
5	Of which the advanced IRB (AIRB) approach	8,536	8,387	682
6	Counterparty credit risk - CCR	155	150	12
7	Of which the standardised approach	69	68	6
UK 8a	Of which exposure to a CCP	3	2	–
UK 8b	Of which credit valuation adjustment - CVA	64	69	5
9	Of which other CCR	19	10	1
23	Operational risk	1,046	1,046	84
UK 23b	Of which standardised approach	1,046	1,046	84
24	*Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)*[6]	11	11	–
29	**Total**	**10,771**	**10,498**	**861**

Table 2 Template UK OV1 - Overview of risk weighted exposure amounts

[6] Row 24 is for information only and the value is excluded from the total in row 29.

3. RWEA flow statements of credit risk exposures under the IRB approach

The table below summarises the movements of RWEAs for credit risk exposures under the IRB approach. Following guidance from the PRA this flow statement includes the post model adjustment applied to both our loss given default and probability of default models.

		Risk weighted exposure amount
		£m
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**8,387**
2	Asset size (+ / -)	78
3	Asset quality (+ / -)	86
8	Other (+ / -)	(15)
9	**Risk weighted exposure amount as at the end of the reporting period**	**8,536**

Table 3 Template UK CR8 - RWEA flow statements of credit risk exposures under the IRB approach

Movements in asset size and asset quality are calculated using the Society's current IRB models. The impact of net new business in the quarter is shown in the asset size row.

4. Quantitative information of liquidity coverage ratio

The Liquidity Coverage Ratio (LCR) is designed to ensure that institutions hold a sufficient reserve of high-quality liquid assets (HQLA) to allow them to survive a period of significant liquidity stress lasting 30 calendar days. The LCR disclosed below is calculated as a 12 month average.

		Total unweighted value (average) £m				Total weighted value (average) £m			
UK 1a	Quarter ending on (DD Month YYY)	**September 2025**	**June 2025**	**March 2025**	**December 2024**	**September 2025**	**June 2025**	**March 2025**	**December 2024**
UK 1b	Number of data points	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					9,849	9,797	9,924	9,946
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:[7]	50,560	49,874	49,366	48,902	2,784	2,748	2,675	2,512
3	*Stable deposits*	18,604	17,585	17,570	17,777	930	879	878	889
4	*Less stable deposits*	13,291	13,281	12,523	11,280	1,854	1,869	1,797	1,623
5	Unsecured wholesale funding	57	32	66	84	49	22	51	68
7	*Non-operational deposits (all counterparties)*	18	26	59	77	10	15	44	61
8	*Unsecured debt*	39	7	7	7	39	7	7	7
9	Secured wholesale funding					9	10	9	20
10	Additional requirements	883	1,014	1,082	1,120	882	1,013	1,082	1,120
11	*Outflows from derivative exposures and other collateral requirements*	810	935	997	1,043	810	935	997	1,043
12	*Outflows from loss of funding on debt products*	72	78	85	77	72	78	85	77
14	Other contractual funding obligations	50	47	26	25	23	21	—	1
15	Other contingent funding obligations	2,469	2,429	2,388	2,495	512	507	497	519
16	TOTAL CASH OUTFLOWS					4,260	4,321	4,314	4,240
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	3	2	24	50	1	—	—	—
18	Inflows from fully performing exposures	389	375	401	372	342	321	341	314
19	Other cash inflows	5	58	39	40	5	59	39	40
20	TOTAL CASH INFLOWS	397	435	464	462	347	380	380	354
UK-20C	*Inflows subject to 75% cap*	397	435	464	462	347	380	380	354
TOTAL ADJUSTED VALUE									
UK-21	LIQUIDITY BUFFER					9,849	9,797	9,924	9,946
22	TOTAL NET CASH OUTFLOWS					3,913	3,941	3,934	3,885
23	LIQUIDITY COVERAGE RATIO					254.1 %	250.7 %	254.0 %	258.2 %

Table 4 Template UK LIQ1 - Quantitative information of liquidity coverage ratio

[7] Note that row 2 does not equal the sum of rows 3 and 4 as deposits exempted from the calculation of outflows and deposits where the payout has been agreed within the following 30 days do not form part of the breakdown in the pillar 3 LIQ1 reporting template above.

4.1 Table UK LIQB on qualitative information on LCR, which complements template UK LIQ1

4.1.1 The main drivers of LCR

Retail deposits continue to be the main driver of the LCR requirement, representing 65% of the total average weighted cash outflows at 30 September 2025. Periodic changes in the retail savings requirement result from the maturity of term deposits falling into the LCR stress window or relative changes in Society savings rates compared with the broader market.

4.1.2 Changes in the LCR over time

The Society reported a point-in-time LCR of 272% as at 30 September 2025 (30 June 2025: 273%), remaining well above the regulatory requirement of 100%. The average LCR stated in Template UK LIQ1 shows a relative decrease over the year due to a decrease in high quality liquid assets.

4.1.3 The concentration of funding sources

The Society's retail deposit base was £51 billion as of 30 September 2025 (30 June 2025: £51 billion), which represents 82% (30 June 2025: 85%) of the Society's liabilities (excluding capital). The Society held £10 billion (30 June 2025: £9 billion) of wholesale funding; 83% (30 June 2025: 86%) of this funding was from longer-term sources such as covered bonds, medium-term notes, residential mortgage-backed securities and the Bank of England's TFSME. The relatively large size of long-term wholesale funding deals and their typical structure as bullet maturities creates re-financing risk. As such wholesale maturities are monitored and spread to avoid concentrations.

4.1.4 The composition of the Society's liquidity buffer

The Society's liquidity buffer is typically composed of the Bank of England Reserve Account with the remainder being a mix of high-quality debt security assets including UK Gilts, covered bonds, residential mortgage-backed securities and debt issuance from supranationals.

4.1.5 Derivative exposures and potential collateral calls

The Society only undertakes derivative trades with external counterparties where a Credit Support Annex (CSA) is in place. Under the terms of a CSA, the Society typically posts and receives collateral with counterparty banks (including its central clearing brokers) that offset the net mark-to-market position of derivatives with the counterparty. These arrangements are effective in mitigating the credit risk incurred in derivatives but create a potential liquidity requirement via initial margin and variation margin calls.

4.1.6 Currency mismatch in the LCR

The Society does not report in any material currencies other than Sterling.

4.1.7 Other items not captured in the LCR calculation

The Society does not have any other items excluded from the LCR calculation. Nonetheless, it continues to assess other liquidity risks not captured within the metric to ensure a detailed view of its liquidity profile.

5 Attestation

The Chief Finance Officer (CFO) attests that the Society has made the disclosures required under Part 8 of the UK CRR in accordance with the Pillar 3 Disclosures Policy and internal processes, systems and controls.

6 Key elements of the Pillar 3 disclosures policy

The Society's Pillar 3 disclosures policy includes the following key elements:

1. an approval process for disclosures involving Senior Management; and
2. an approval process for omitted disclosures involving Senior Management.

Appendix 1. Glossary

Abbreviation	Full Name	Description
AIRB	Advanced Internal Ratings Based	An approach to determining the capital requirement for a given exposure that allows institutions that have received supervisory approval to rely on their own internal estimates of risk components.
AT1	Additional Tier 1 Capital	Additional Tier 1 (AT1) capital consists of paid-up capital instruments and their associated share premium account.
CCP	Central Counterparty Clearing House	Institutions that take on counterparty credit risk between parties to a transaction and provide clearing and settlement services for trades in foreign exchange, securities, options, and derivative contracts.
CCR	Counterparty Credit Risk	The risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.
CET1	Common Equity Tier 1	Common Equity Tier 1 capital (CET1) is the highest quality of regulatory capital, as it absorbs losses immediately when they occur.
CRR	Capital Requirements Regulation	The Capital Requirements Regulations 2013 (Statutory Instrument 2013/3115).
CVA	Credit Valuation Adjustment	Credit Valuation Adjustment reflects the adjustment of default risk-free prices of derivatives and securities financing transactions (SFTs) due to a potential default of the counterparty.
ERBA	External Ratings Based Approach	An approach to calculate capital requirements for securitisation exposures that are externally rated or for which an inferred rating is available.
FIRB	Foundation Internal Ratings Based	An approach to determining the capital requirement for a given exposure that allows institutions that have received supervisory approval to rely on their own internal estimates of risk of default of the obligor but estimates of additional risk factors are derived through the application of standardised supervisory rules.
HQLA	High Quality Liquid Assets	Assets are considered to be HQLA if they can be easily converted into cash at little or no loss of value within a reasonably short space of time.
IAA	Internal Assessment Approach	An approach to calculate capital requirements for securitisation exposures in which an institution may use its internal assessments of the credit quality of its securitisation exposures.
IRB	Internal Ratings Based	An approach to determining the capital requirement for a given exposure that allows institutions that have received supervisory approval to rely on their own internal estimates of risk of default of the obligor but estimates of additional risk factors are derived through the application of standardised supervisory rules.
PIBS	Permanent Interest Bearing Shares	A type of hybrid security that exhibits features of both debt and equity. They are usually issued by building societies which cannot raise risk capital by issuing ordinary shares and offer investors a fixed or floating interest rate.
PMA	Post Model Adjustment	Adjustments applied when the Society considers that a modelled output is not sufficiently accurate or complete due to there being potential for additional risks that have not been identified or that cannot be adequately modelled.
PRA	Prudential Regulation Authority	The Bank of England prudentially regulates and supervises financial services firms through the Prudential Regulation Authority (PRA).
RWEA	Risk Weighted Exposure Amount	The amount of the exposure value multiplied by the risk weight associated with the exposure.
SEC-ERBA	Securitisation: External-ratings-based approach	Under the SEC-ERBA, the risk-weighted exposure amount for a securitisation position shall be calculated by multiplying the exposure value of the position as calculated in accordance with Article 248 of the CRR.
SFT	Securities financing transaction	Securities financing transactions allow institutions to use assets, such as the shares or bonds they own, to secure funding for their activities.
SREP	Supervisory Review and Evaluation Process	The supervisory review and evaluation process that the FCA conducts on the risks faced by firms and if firms are well equipped to manage them properly.

T2	Tier 2 capital	Tier 2 is designated as the second or supplementary layer of an institution's capital and is composed of items such as revaluation reserves, hybrid instruments, and subordinated term debt.
UK	United Kingdom	In the UK, banks and building societies are regulated by the PRA and FCA. The PRA is part of the Bank of England.

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