

SUPPLEMENTARY OFFERING CIRCULAR DATED 18 JUNE 2024

Coventry Building Society

(incorporated in England and Wales under the Building Societies Act 1986, as amended)

€7 billion

Global Covered Bond Programme

unconditionally and irrevocably guaranteed as to payments by

Coventry Building Society Covered Bonds LLP

(a limited liability partnership incorporated in England and Wales)

This Supplement (the **Supplement**) to the offering circular dated 27 March 2024 (the **Offering Circular**), comprise an offering circular for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**), constitutes a supplementary offering circular for the purposes of Article 23 of the UK Prospectus Regulation and is prepared in connection with the €7 billion Global Covered Bond Programme (the **Programme**) established by Coventry Building Society (the **Issuer**) and unconditionally and irrevocably guaranteed as to payments of interest and principal by Coventry Building Society Covered Bonds LLP (the **LLP**). Terms defined in the Offering Circular have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and the documents incorporated by reference therein and any other supplements to the Offering Circular issued by the Issuer.

This Supplement has been approved by the Financial Conduct Authority (the **FCA**) which is the competent authority for the purposes of the Prospectus Regulation and relevant implementing measures in United Kingdom the for the purposes of giving information with regard to the issue of instruments under the Programme.

The Issuer and the LLP each accept responsibility for the information contained in this Supplement. To the best of their knowledge each of the Issuer and the LLP the information contained in this Supplement is in accordance with the facts and the Supplement does not omit anything likely to affect its import. Any information sourced from third parties contained in this Supplement has been accurately reproduced (and is clearly sourced where it appears in the document) and, as far as each of the Issuer and the LLP are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Purpose of this Supplement

The purpose of this Supplement is to:

- (i) incorporate by reference the Acquisition Announcement (as defined below);
- (ii) delete the risk factor headed “*Potential merger and acquisition activity by the Society*” and replace it in its entirety as set out below and add the risk factor headed “*Limited inclusion of illustrative or Co-op Bank historical financial information in this Offering Circular*”; and
- (iii) make an update to “The Issuer” section.

Documents incorporated by reference

By virtue of this Supplement the joint statement regarding the cash acquisition of The Co-operative Bank Holdings p.l.c. by the Society published by the Society through the Regulatory News Service of the London

Stock Exchange on 24 May 2024 (available at <https://www.londonstockexchange.com/news-article/BG64/joint-statement-regarding-cash-acquisition/16486385>) (the **Acquisition Announcement**), shall be deemed to be incorporated in, and form part of, the Offering Circular and supplement the section entitled “*Documents Incorporated by Reference*” of the Offering Circular.

Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement which this Supplement relates to.

Risk Factors

The risk factor headed “Potential merger and acquisition activity by the Society” on page 30 of the Offering Circular is deleted in its entirety and replaced as set out below:

Proposed acquisition of the issued share capital of The Co-operative Bank Holdings p.l.c. On 24 May 2024, the Society announced its proposed offer to acquire the whole of the issued share capital of The Co-operative Bank Holdings p.l.c. (**Co-op Bank**) by the Society (the **Acquisition**). The Society presently expects the Acquisition will, subject to satisfaction or (where applicable) waiver of certain conditions, become effective in 2025. For further information on the proposed Acquisition, see the Acquisition Announcement, as incorporated by reference herein.

There can be no assurance that the Acquisition will complete. The Acquisition is subject to a number of conditions, including (without limitation) approvals being obtained from the Prudential Regulation Authority and the FCA. A number of the conditions to completion of the Acquisition are outside the control of the Society. There can be no assurance that these conditions will be satisfied or (where capable of waiver) waived on a timely basis, or at all. Accordingly, the Acquisition remains subject to a number of uncertainties and there can be no assurance that it will be completed within the timeframe and/or on the terms currently contemplated, or at all, and the Society may face increases in its costs to seek to secure completion of the Acquisition.

Whether or not the Acquisition completes, the Society has incurred, and will continue to incur, irrecoverable costs (such as advisor fees) associated with the proposed Acquisition. In certain circumstances the Society would also incur irrecoverable break fees associated with the Acquisition. Furthermore, the Acquisition requires the Society's senior management team to devote considerable time and resources to planning for the Acquisition and subsequent integration, which may divert attention from normal business operations and evaluating other potential opportunities available to the Society.

If the Acquisition completes, there can be no assurance that the combined group consisting of the Group and Co-op Bank and its subsidiary undertakings (the **Co-op Bank Group**) (the **Combined Group**) will identify or achieve all or any of the anticipated strategic benefits or cost synergies in the manner or within the timeframe currently estimated, or at all. In addition, the costs of the Acquisition and subsequent integration may materially exceed the Society's expectations. The anticipated benefits are based on a number of assumptions that, notwithstanding the Society's direct focus on managing the Acquisition to avoid any such risks coming to pass, are inherently uncertain and subject to risks that could cause the actual results to differ materially from those envisaged by the Society. These include, but are not limited to, the following factors:

- the completion of the Acquisition may be delayed, or the Acquisition may not be completed at all;
- regulatory or competition authorities may impose conditions or constraints on the Acquisition, or on the operations of the Combined Group, which could affect its operational and capital synergies;
- unforeseen challenges in the integration of its IT and other systems, processes and operations could prevent or delay full integration, give rise to complications or errors, and/or increase the costs of integration;
- integration of the Combined Group's IT systems could increase the risk of cyber threat, data loss, service outage or other major IT incidents;

- integration and alignment of governance and reporting structures, organisation cultures, employee benefits or engagement terms may give rise to personnel risks and costs, including key personnel retention risks and pension costs;
- the risk of negative pressure on the Society's, Co-op Bank's and/or the Combined Group's financial performance and operations due to integration costs associated with the Acquisition, potential customer attrition and associated loss of revenue, loss of deposits and/or higher cost of funding compared to the respective current positions;
- the risk of downgrades issued by relevant rating agencies;
- management time required to be devoted to the integration may distract from the efficiency, accuracy, continuity and consistency of the Combined Group's control, administrative and support functions, such as financing operations, cash management, hedging, insurance, financial control and reporting, information technology, communications and compliance functions; and
- the combination will require significant amounts of management time and effort which may impair the ability of management of both the Society and Co-op Bank to effectively run their respective businesses during the proposed Acquisition and subsequent integration processes.

If any of these risks materialises, the Combined Group may fail to achieve the anticipated strategic benefits or cost synergies, and any of the above factors could have a material adverse effect on the business, financial condition, results of operation or prospects of the Society and (if the Acquisition is completed) the Combined Group.”

The following risk factor will be added to the Offering Circular immediately following the risk factor headed “Proposed acquisition of the issued share capital of The Co-operative Bank Holdings p.l.c”:

Limited inclusion of illustrative or Co-op Bank historical financial information in this Offering Circular

The Acquisition, if completed, would result in a significant increase in the size of the Society's consolidated balance sheet, including in particular the Society's loan book and deposit portfolio. The Society does not have, and to date has not had, any control (financially, legally or operationally) over Co-op Bank, and the Society has not had any oversight over the preparation of the audited financial statements of Co-op Bank. Accordingly, this Offering Circular does not contain or incorporate by reference the audited financial statements of Co-op Bank or any other historical financial statements of Co-op Bank.

Furthermore, this Offering Circular does not, except as described in the paragraph below, contain or incorporate by reference any historical financial information illustrating the combined financial position and results of operation of the Group and the Co-op Bank Group, given that: (i) at the date of this Offering Circular, the Society does not control Co-op Bank, and therefore does not have direct access to, and under applicable competition law and regulation, faces some restrictions in its access to, the books and records of Co-op Bank; and (ii) while both the Society and Co-op Bank apply IFRS as adopted by the UK, their respective accounting policies and classification of primary financial statement items may differ and, in some cases, it may not be possible properly and accurately to assess such difference and/or to make adjustments appropriately to align the various financial statement items. Accordingly, the Society generally considers that any illustrative historical financial information for the Combined Group, if prepared at this time, would be inherently subject to the risk that it would be inaccurate.

The Society has prepared limited unaudited illustrative historical financial information for the purpose of showing certain financial information for the Combined Group, assuming for that purpose that the Acquisition had been completed at that time. Such illustrative historical financial information, which appears in the Acquisition Announcement, has been prepared for illustrative purposes only, is not audited or reviewed and is based in part on historical financial information previously published by Co-op Bank.

Prospective investors in the Covered Bonds should consider that, at the date of this Offering Circular, there is necessarily uncertainty as to the actual effect that the Acquisition will have on the Society's consolidated financial position and results of operations and there is a risk that the financial condition and results of operations of the Combined Group following the Covered Bonds, if it completes, will be materially different from that which may be implied by a simple arithmetic combination of the separate historical audited financial statements of the Society and Co-op Bank, respectively.

The Issuer – Coventry Building Society

The final paragraph under the section titled “The Society” on page 136 of the Offering Circular is deleted in its entirety and replaced in as set out below:

“Following the Society's announcement on 21 December 2023 that it had entered into an exclusivity agreement in relation to a possible offer for the Co-operative Bank Holdings Limited and its announcement on 18 April 2024 that non-binding heads of terms have been agreed for this acquisition, the Society made the Acquisition Announcement (which is incorporated by reference in this Offering Circular) on 24 May 2024, which specified that the parties have signed a share purchase agreement pursuant to which the Society will acquire the entire issued share capital of Co-operative Bank Holdings p.l.c. Upon completion of the Acquisition, an integration period will begin during which each of the Society and the Co-op Bank will remain separate entities while the work to finalise integrated services is completed (the **Integration Period**). Each of the Society and the Co-op Bank will maintain its own banking licence during the Integration Period. There can be no assurance that the Acquisition will complete. The Acquisition will be subject to the satisfaction of certain conditions, including the receipt of appropriate regulatory clearances. See also the risk factor headed “*Proposed acquisition of the issued share capital of The Co-operative Bank Holdings p.l.c.*”.”

General

If the documents which are incorporated by reference in the Offering Circular by virtue of this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Offering Circular for the purposes of the Prospectus Regulation except where such information or other documents are specifically incorporated by reference in, or attached to, the Offering Circular by virtue of this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements referred to in (a) above will prevail.

Save as disclosed in this Supplement and any other supplements to the Offering Circular previously issued by the Issuer, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.

This Supplement will be published on the website of the London Stock Exchange. The Issuer and the LLP will provide, without charge, to each person to whom a copy of this Supplement has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated in whole or in part by reference herein or in the Offering Circular. Written requests for such documents should be directed either to the Issuer at Coventry House, Harry Weston Road, Binley, Coventry, West Midlands CV3 2TQ, and marked for the attention of the Secretary and Solicitor or (as applicable) the LLP, at its office set out at the end of Offering Circular. Copies of all documents incorporated by reference in this Supplement can also be viewed on the website of the Issuer at <https://www.coventrybuildingsociety.co.uk/member/investor-relations/funding-programmes/covered-bonds-terms/reports.html> or of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html.