



Pillar 3 Disclosures

For the quarter ended
31 March 2026



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Coventry Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (www.fca.org.uk) and the Prudential Regulation Authority (firm reference number 150892). Principal Office: Coventry House, Harry Weston Road, Binley, Coventry, CV3 2TQ.

1. Introduction

In this document Coventry Building Society ('the Group') has set out its Pillar 3 disclosures for the quarter ending 31 March 2026 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.

The Group 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.

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) was approved by the Regulator for the Society to exclude the Bank Holdings group including the Bank from its disclosures until 31 December 2025.

Therefore 31 March 2026 disclosures and 31 December 2025 comparatives are reported on a UK Consolidation Group basis including the Bank. However where comparatives are required to be disclosed for periods before 31 December 2025 these are reported on a UK Consolidation Group basis excluding the Bank.

The following terms are used in this report:

The Group	Coventry Building Society and all of its subsidiaries, including the Bank Group from 1 January 2025.
Coventry Building Society the Society	Coventry Building Society, parent entity of the Group.
The Co-operative Bank p.l.c. group the Bank Group	The group headed by The Co-operative Bank p.l.c. including all of its subsidiaries.
The Co-operative Bank p.l.c. the Company the Bank	The main trading entity with a banking licence in the Holdings Group and Bank Group.

2. Key metrics and overview of risk weighted exposure amounts

The following table details the Group's key capital and liquidity metrics as at 31 March 2026, and those metrics previously disclosed at 31 December 2025, 30 September 2025, 30 June 2025, and 31 March 2025. Profits for the period 1 January 2026 to 31 March 2026 have been excluded from all key metrics as these have not been verified.

		31 March 2026	31 December 2025	30 September 2025	30 June 2025	31 March 2025
		£m	£m	£m	£m	£m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET 1) capital ¹	2,911	2,907	2,231	2,229	2,155
2	Tier 1 capital	3,576	3,572	2,896	2,894	2,820
3	Total capital	3,854	3,847	2,937	2,935	2,860
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount ²	14,873	14,760	10,771	10,498	10,134
	Capital ratios					
5	Common Equity Tier 1 ratio (%)	19.6 %	19.7 %	20.7 %	21.2 %	21.3 %
6	Tier 1 ratio (%)	24.0 %	24.2 %	26.9 %	27.6 %	27.8 %
7	Total capital ratio (%)	25.9 %	26.1 %	27.3 %	28.0 %	28.2 %
	Additional own funds requirements - SREP					
UK 7a	Additional CET 1 SREP requirements (%)	2.0 %	2.0 %	1.5 %	1.5 %	1.5 %
UK 7b	Additional AT 1 SREP requirements (%)	0.7 %	0.7 %	0.5 %	0.5 %	0.5 %
UK 7c	Additional T2 SREP requirements (%)	0.9 %	0.9 %	0.7 %	0.7 %	0.7 %
UK 7d	Total SREP own funds requirements (%)	11.5 %	11.5 %	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 (%)	16.0 %	16.0 %	15.1 %	15.1 %	15.1 %
12	CET 1 available after meeting the total SREP own funds requirements (%)	13.1 %	13.3 %	14.7 %	15.3 %	15.3 %
	Leverage ratio					
13	Leverage ratio total exposure measure ³	75,880	76,407	55,415	54,609	53,673
14	Leverage ratio (%)	4.7 %	4.6 %	5.2 %	5.3 %	5.3 %
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value - average)	12,854	13,316	9,775	9,797	9,924
UK 16a	Cash outflows - Total weighted value	6,177	6,360	4,245	4,321	4,314
UK 16b	Cash inflows - Total weighted value	600	553	360	380	380
16	Total net cash outflows (adjusted value)	5,577	5,807	3,885	3,941	3,934
17	Liquidity coverage ratio (%) ⁴	232.6 %	230.3 %	254.1 %	250.7 %	254.0 %
	Net stable funding ratio					
18	Total available stable funding	68,462	63,351	57,891	57,205	57,105
19	Total required stable funding	46,562	42,676	38,437	38,099	37,768
20	NSFR ratio (%) ⁵	147.4 %	148.9 %	150.6 %	150.2 %	151.2 %

Table 1 Template UK KM1 - Key metrics template

¹ Available own funds as at 31 March 2026, 30 September 2025, and 31 March 2025, do not include unverified profits. Profits were verified as at 31 December 2025 and 30 June 2025 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 Group's capital position remains robust, with a Common Equity Tier 1 (CET 1) ratio of 19.6% (31 December 2025: 19.7%), given the exclusion from CET1 capital of unverified profits for the quarter, in accordance with regulations. The Group is subject to a total capital requirement of 16.0% (31 December 2025: 16.0%).

The Group's CET 1 capital remained broadly stable at £2,911m (31 December 2025: £2,907m). CET 1 remained broadly flat in the period despite the non inclusion of profits for the quarter.

The capital ratios include additional RWAs held for regulatory changes that are currently not reflected in the secured IRB models.

The Society and Bank had both submitted updated secured IRB hybrid models to the PRA in 2023. Our strategy following the acquisition is to move to a single Group IRB model. On 15 December 2025 we received feedback from the PRA on the models which had been submitted and we intend to incorporate this feedback into the build of our new Group model. We currently expect to submit our new Group secured IRB model at the end of 2027. When approval is granted, the final Group secured IRB model output RWAs may vary from those calculated currently, thereby impacting capital ratios.

Basel 3.1 RWA floors are currently expected to be phased in from the introduction of the new regulations in 2027, and in time are expected to reduce the Group's reported CET1 ratio, through increasing RWAs. Applying the Basel 3.1 RWA floor to the 31 March 2026 figures on a full transition pro-forma basis would result in a CET1 ratio of approximately 18.3%. However, on expected Basel 3.1 implementation in January 2027, the Group estimates a 20.5% pro-forma CET1 ratio at 31 March 2026 due to the removal of the IRB scalar of 1.06. The Group currently expects the Basel 3.1 capital floor to bind from 2028.

All known future capital requirement changes (including Basel 3.1 impacts) have been factored into the Group's financial plans, ensuring we remain appropriately capitalised.

The risk weighted exposure amount (RWEA) has increased to £14,873m as at 31 March 2026 (31 December 2025: £14,760m). The increase is predominantly due to an increase in retail RWAs driven by business-as-usual changes to composition and performance of the mortgage book, partially offset by a decrease to the fair value of the interest rate swaps on fixed rate mortgages.

The Group's leverage ratio remains stable at 4.7% (31 December 2025: 4.6%) 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 Group 12-month average pillar 1 liquidity coverage ratio as at 31 March 2026 remained strong at 232.6% (31 December 2025: 230.3%). Whilst HQLA has decreased, net outflows dropped at a proportionally similar level which largely maintained the 12-month average LCR. This is well above the 100% regulatory requirement.

The average Net stable funding ratio (NSFR) of 147.4% (31 December 2025: 148.9%) is also well above regulatory requirements. The NSFR is a longer-term liquidity risk management measure that is designed to ensure a stable funding structure within the Group where the available stable funding should exceed the required stable funding.

The table below details risk weighted exposure amounts (RWEAs) and the respective own funds requirements as at 31 March 2026, and the RWEAs previously disclosed as at 31 December 2025. Own funds requirements are calculated as 8% of the RWEAs.

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31 March 2026	31 December 2025	31 March 2026
		£m	£m	£m
1	Credit risk (excluding CCR)	12,834	12,712	1,027
2	Of which the standardised approach	604	540	48
3	Of which the foundation IRB (FIRB) approach	387	369	31
4	Of which slotting approach	378	403	30
5	Of which the advanced IRB (AIRB) approach	11,465	11,400	917
6	Counterparty credit risk - CCR	152	159	12
7	Of which the standardised approach	81	84	7
UK 8a	Of which exposure to a CCP	2	2	—
UK 8b	Of which credit valuation adjustment - CVA	55	59	4
9	Of which other CCR	14	14	1
23	Operational risk	1,833	1,833	147
UK 23b	Of which standardised approach	1,833	1,833	147
24	<i>Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)⁶</i>	122	132	9
29	Total	14,873	14,760	1,190

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	12,004
2	Asset size (+ / -)	100
3	Asset quality (+ / -)	(180)
4	Model updates (+/-)	124
8	Other (+ / -)	6
9	Risk weighted exposure amount as at the end of the reporting period	12,054

Table 3 Template UK CR8 - RWEA flow statements of credit risk exposures under the IRB approach⁷

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

⁷ UK CR8 excludes non-credit obligation assets which are included in UK OV1

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 YYYY)	March 2026	December 2025	September 2025	June 2025	March 2026	December 2025	September 2025	June 2025
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)					12,854	13,316	13,500	13,503
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which: ⁸	70,067	69,923	69,815	69,541	3,654	3,847	3,899	3,900
3	<i>Stable deposits</i>	35,502	32,989	31,752	30,691	1,775	1,649	1,588	1,535
4	<i>Less stable deposits</i>	14,398	16,748	17,640	18,244	1,879	2,198	2,312	2,366
5	Unsecured wholesale funding	1,512	1,468	1,461	1,414	719	687	687	638
7	<i>Non-operational deposits (all counterparties)</i>	1,452	1,430	1,413	1,407	659	649	639	631
8	<i>Unsecured debt</i>	60	38	48	7	60	38	48	7
9	Secured wholesale funding					93	30	12	18
10	Additional requirements	1,130	1,230	1,244	1,272	919	1,030	1,051	1,084
11	<i>Outflows from derivative exposures and other collateral requirements</i>	845	952	970	991	845	952	970	991
12	<i>Outflows from loss of funding on debt products</i>	50	54	59	71	50	54	59	71
14	Other contractual funding obligations	59	60	62	64	1	1	1	–
15	Other contingent funding obligations	4,639	4,421	4,277	4,017	791	765	755	700
16	TOTAL CASH OUTFLOWS					6,177	6,360	6,407	6,341
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	93	118	157	235	1	1	1	1
18	Inflows from fully performing exposures	620	573	583	592	507	459	466	472
19	Other cash inflows	122	126	147	186	92	93	112	151
20	TOTAL CASH INFLOWS	835	817	887	1,013	600	553	578	624
UK-20C	<i>Inflows subject to 75% cap</i>	835	817	887	1,013	600	553	578	624
TOTAL ADJUSTED VALUE									
UK-21	LIQUIDITY BUFFER					12,854	13,316	13,500	13,503
22	TOTAL NET CASH OUTFLOWS					5,577	5,807	5,828	5,717
23	LIQUIDITY COVERAGE RATIO					232.6 %	230.3 %	233.0 %	237.3 %

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

⁸ 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 (including SME) are the main driver of the LCR requirement, representing 59% of the Group total average weighted cash outflows at 31 March 2026. Periodic changes in the retail deposits requirement result from the maturity of term deposits falling into the LCR stress window and/or relative changes in Group savings rates versus the market.

4.1.2 Changes in the LCR over time

The Group 12-month average LCR at 31 March 2026 stated in Template UK LIQ1, and the reduction in average LCR through 2025 reflects lower liquid asset levels including the impact of TFSME repayments (£4.3bn repaid across 2025; £2.2bn for Society and £2.1bn for Bank), net of wholesale funding (including Covered Bond issuance), and deposit and lending profile requirements.

4.1.3 The concentration of funding sources

The Group's retail deposit base was £70 billion at 31 March 2026 (31 December 2025: £69 billion), which represents 84% (31 December 2025: 81%) of the Group's liabilities (excluding capital). The Group held £11 billion (31 December 2025: £11 billion) of wholesale funding, the bulk of which is from longer-term sources such as covered bonds, medium-term notes, and residential mortgage-backed securities. 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 appropriately to avoid excessive concentration.

4.1.4 The composition of the Society's liquidity buffer

The Group's liquidity buffer is predominantly composed of the Bank of England Reserve Account with the remainder being a mix of high-quality debt security assets including UK Gilts and T-Bills, covered bonds, residential mortgage-backed securities and debt issuance from supranational institutions.

4.1.5 Derivative exposures and potential collateral calls

The Group (material entities) uses derivatives to manage and mitigate market risk exposures, not for trading or speculative purposes. The Group predominantly undertakes derivative trades with external counterparties where a Credit Support Annex (CSA) is in place. Under the terms of a CSA, the Group 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. The Bank has a small portfolio of legacy, unmarginated derivatives facing Corporate customers which do not incur movements in collateral.

4.1.6 Currency mismatch in the LCR

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

5 Attestation

The Chief Finance Officer (CFO) attests that the Group 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 Group'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.

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