

News release

29 February 2024

Savings and mortgage growth, underpinned by exceptional customer service, drives strong Coventry Building Society results

Our strong profit growth has increased capital strength and allowed for further investment in key capabilities including digital and the resilience of our technology and services.

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

“The impact of persistent inflation resulting in further base rate increases, created volatility in markets and a fast-moving situation for savers and borrowers alike. In this context we delivered a strong financial performance and growth ahead of market. We concentrated on great value products, outstanding service, and putting the right foundations in place to support our future success by strengthening capital and investing in our digital capability. We proactively supported borrowers and improved our savings rates relative to the market whilst investing in our communities. These are important proof points of our mutual model – value, service, resilience and making a difference in our communities – all delivered by our brilliant and highly engaged colleagues. I’m proud of what’s been achieved as we continue to strengthen the Society for the benefit of current and future members.”

Outperforming in mortgages and savings, underpinned by exceptional service

- **Mortgage balances grew by £2.3bn (4.7%) to £50.3bn.** Our mortgage growth has been driven by the delivery of great products and service for our mortgage customers and brokers in a challenging market, which included maintaining our two day broker pledge.
- **Savings balances grew by £5.3bn (12.5%) to £47.6bn.** We have grown savings by offering exceptional and competitive products, with a focus of rewarding loyalty. We have paid higher savings rates than the market average, increasing the premium we pay members by 49% from £230m to £342m (paying 0.81% above the market average).

Strong financial performance

- **Profit before tax increased to £474m** (2022: £371m). The rising interest rate environment supported an improved profit performance with a net interest margin of 1.26% (2022: 1.16%) even after paying better rates to savers, protecting variable rate mortgage customers from the full rises in interest rates and also supporting with cost of living challenges in local communities.
- **The leverage ratio increased to 5.4%** (2022: 5.2%). Strong profitability has strengthened our capital position and resilience as we continue to face into an uncertain economic outlook. The Common Equity Tier 1 (CET 1) ratio increased to 29.1% (2022: 27.4%) and remains well above statutory requirements.

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

- **Low arrears balances of 0.26% of mortgages more than three months in arrears (2022: 0.17%).** The credit quality of our book remains resilient and compares favourably to the industry average¹.

Delivering on our service promise whilst continuing to invest for the future

- **Excellent customer service** with Experience Net Promoter Score of +76 (2022: +75) and investment in operational capacity during a period of exceptional demand from members, customers and brokers.
- **Invested £92m (2022: £94m) in improving our mortgage proposition,** digital capability, operational and financial resilience.

Supporting colleagues and the communities we serve

- We launched our new **corporate partnership with Centrepoin**t to support its national and local programmes to end youth homelessness.
- **First building society to achieve B Corp status,** a global standard for sustainability.
- **Improved our Great Place to Work survey 'Trust Index score' from +77 to +81,** putting us amongst the best workplaces in the 'super large company' category as well as being recognised as one of the best places to work for women.

With regards to The Co-operative Bank exclusivity agreement announced in December 2023, the Society is continuing to conduct thorough and detailed due diligence and will only pursue this transaction if we believe it is in the best interest of current and future members.

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For further information:
Will Howell
Coventry Building Society
will.howell@thecoventry.co.uk
07483358581

Notes for Editors

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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