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NS Regulatory Approval

ANNOUNCEMENT OF REGULATORY APPROVAL

COVENTRY BUILDING SOCIETY

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

28 November 2024

JOINT STATEMENT REGARDING THE CASH ACQUISITION

of

THE CO-OPERATIVE BANK HOLDINGS P.L.C.

by

COVENTRY BUILDING SOCIETY

Announcement of Regulatory Approval and Timetable Update

Further to the announcement on 24 May 2024, the boards of Coventry Building Society ("CBS" or "Society") and The Co-operative Bank Holdings p.l.c (the ultimate holding company of The Co-operative Bank p.l.c. ("the Bank")) ("Bank Holdings") are pleased to confirm that the FCA and the PRA have given their consent to the acquisition of the entire issued share capital of The Co-operative Bank Holdings (the "Acquisition").

The Acquisition is expected to complete on 1 January 2025. The cash consideration necessary to satisfy the Acquisition in full will be funded from the Society's existing cash resources.

The Acquisition will not require any immediate changes to the capital structure of the Bank or the combined group as a whole. The Bank of England has confirmed that it intends to exercise its discretion to treat the outstanding externally held eligible liabilities and Tier 2 instruments issued by the Bank as eligible to meet the consolidated MREL requirements applicable to the combined group until 31 May 2027. Post completion, the Society and the Bank intend to simplify and align their capital structures over time.

At completion, the Bank will become a subsidiary of the Society and each entity will retain their respective banking licences, and so customers and members of each organisation will continue to have the same Financial Services Compensation Scheme protection.

As announced on 24 May 2024, the combined group will be led by David Thorburn as Chairman, Stephen Hughes as Chief Executive Officer and Lee Raybould as Chief Financial Officer.

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Addleshaw Goddard LLP is acting as legal adviser to the Society in connection with the Acquisition.

Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Bank Holdings in connection with the Acquisition and Paul Hastings (Europe) LLP is acting as legal adviser to the Sellers in connection with the Acquisition.

Information on Coventry Building Society

Coventry Building Society is an award-winning savings and mortgage provider, currently the 8th largest UK lender with mortgage balances at £50.3bn at the end of 2023. As a mutual, it is owned by and run for the benefit of its members (customers with an eligible savings account or mortgage). It has around 2 million members across the country.

The Society employs more than 3,000 colleagues and has been consistently recognised for being a great workplace. In 2024 it was named as 11th on the list of best super-large companies to work for in the UK by Great Places to Work. It has also been recognised as a Great Place to Work for women, for wellbeing, and as one of the best workplaces in financial services and insurance.

In 2023 the Society became BCorp Certified. B Corp is a globally recognised certification for companies that meet high standards of social and environmental performance, accountability, and transparency, and are run for the benefit of all people, communities, and the planet.

Following the acquisition, CBS will remain a building society.

Information on The Co-operative Bank Holdings p.l.c.

The Co-operative Bank p.l.c. provides a range of banking products and services to about 2.5m retail customers and c.94k small and medium sized enterprises ('SME'). The Bank is committed to values and ethics in line with the principles of the co-operative movement. The Co-operative Bank is the only high street bank with a customer-led Ethical Policy, which gives customers a say in how their money is used. Launched in 1992, the policy has been updated on six occasions, with new commitments added in June 2022 to cover what we do for our planet, people and the community.

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Co-operative Bank p.l.c. eligible customers are protected by the Financial Services Compensation Scheme in the UK, in accordance with its terms.

Inside information

This announcement contains inside information as stipulated under the UK Market Abuse Regulation (assimilated Regulation (EU) no 596/2014 it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain.

Cautionary note regarding forward-looking statements

This announcement (including information incorporated by reference into this announcement), statements made regarding the Acquisition, and other information published by CBS and/or Bank Holdings, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the management of CBS and/or Bank Holdings about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Announcement include statements with respect to the financial condition, results of operations and business of Bank Holdings and certain plans and objectives of CBS with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled" "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by the relevant parties in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although CBS and Bank Holdings believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement.

Neither CBS nor Bank Holdings assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by

applicable law.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in the forward-looking statements including, but not limited to: the enactment of legislation or regulation in the countries in which the parties operate that may impose costs or restrict activities; the renegotiation of contracts or licences; the ability to obtain requisite regulatory approvals and the satisfaction of other conditions on the proposed terms; changes in government policy and taxation; industrial disputes; war and terrorism. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results and developments may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither CBS nor Bank Holdings, nor any members of their respective groups, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither CBS nor Bank Holdings is under any obligation, and each of CBS and Bank Holdings expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Disclaimers

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Fenchurch Advisory Partners LLP ("Fenchurch"), which is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom, is acting as financial adviser to the Bank and for no one else in connection with the transaction and will not be responsible to anyone other than the Bank for providing the protections afforded to clients of Fenchurch Advisory Partners LLP nor for providing advice in relation to the transaction or any other matter referred to in this document.

PJT Partners (UK) Limited ("PJT Partners") which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Bank and no one else in connection with the matters described herein and will not be responsible to anyone other than the Bank for providing the protections afforded to clients of PJT Partners or for providing advice in connection with the matters described herein. Neither PJT Partners nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PJT Partners in connection with this announcement, any statement contained herein or otherwise.

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