

The Co-operative Bank

Pillar 3 Disclosures

June 2026

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1. Introduction

In this document the Co-operative Bank p.l.c. ('the Bank') has set out its Pillar 3 disclosures as at the quarter ending 30 June 2026 in accordance with the Disclosure Part of the Prudential Regulation Authority (PRA) Rulebook.

On 1 January 2025, the Society completed the acquisition of the Co-operative Bank Holdings p.l.c. ('the Bank'), which is the ultimate holding company of the Co-operative Bank p.l.c. thus making the Bank 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 from its disclosures until 31 December 2025. The Bank is also required to disclose specific templates on an individual entity basis in accordance with Pillar 3 requirements.

The Bank has a balance sheet size of less than €30bn at 30 June 2026, and is therefore only required to disclose the key metrics table in accordance with Article 433c(1)(b) of the UK Capital Requirements Regulation (CRR).

The Bank has not omitted any disclosures on the basis of materiality, proprietary or confidentiality (See Article 432 of the 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.

The following terms are used in this report:

The Group	Coventry Building Society and all of its subsidiaries.
Coventry Building Society the Society	Coventry Building Society, parent entity of the Group.
The Co-operative Bank Holdings p.l.c. the Bank the Bank sub-group	The entity acquired on 1 January 2025 by Coventry Building Society, including all of its subsidiaries.
The Co-operative Bank	The trading entity which conducts the banking operations within the Bank sub-group.

2. Key metrics and overview of risk weighted exposure amounts

The following table details the Bank's key capital and liquidity metrics as at 30 June 2026, 31 March 2026, 31 December 2025 and 30 June 2025, however there are no September 2025 metrics since the disclosures were previously made bi-annually.

		30 June 2026	31 March 2026	31 December 2025	30 June 2025
		£m	£m	£m	£m
	Available own funds (amounts)				
1	Common Equity Tier 1 (CET 1) capital ¹	968	966	968	907
2	Tier 1 capital	968	966	968	907
3	Total capital	1,168	1,173	1,169	1,108
	Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount ²	5,011	5,093	5,112	5,007
	Capital ratios				
5	Common Equity Tier 1 ratio (%)	19.3 %	19.0 %	18.9 %	18.1 %
6	Tier 1 ratio (%)	19.3 %	19.0 %	18.9 %	18.1 %
7	Total capital ratio (%)	23.3 %	23.0 %	22.9 %	22.1 %
	Additional own funds requirements - SREP				
UK 7a	Additional CET 1 SREP requirements (%)	2.3 %	2.3 %	2.3 %	2.3 %
UK 7b	Additional AT 1 SREP requirements (%)	0.7 %	0.7 %	0.7 %	0.7 %
UK 7c	Additional T2 SREP requirements (%)	1.0 %	1.0 %	1.0 %	1.0 %
UK 7d	Total SREP own funds requirements (%)	12.0 %	12.0 %	12.0 %	12.0 %
	Combined buffer requirement				
8	Capital conservation buffer (%)	2.5 %	2.5 %	2.5 %	2.5 %
9	Institution specific countercyclical capital buffer (%)	2.0 %	2.0 %	2.0 %	2.0 %
11	Combined buffer requirements (%)	4.5 %	4.5 %	4.5 %	4.5 %
UK 11a	Overall capital requirements (%)	16.5 %	16.5 %	16.5 %	16.5 %
12	CET 1 available after meeting the total SREP own funds requirements (%)	10.3 %	10.0 %	9.9 %	9.1 %
	Leverage ratio				
13	Leverage ratio total exposure measure ³	21,243	21,876	22,035	21,849
14	Leverage ratio (%)	4.6 %	4.4 %	4.4 %	4.2 %
	Liquidity coverage ratio				
15	Total high-quality liquid assets (HQLA) (weighted value - average)	3,786	3,811	3,816	3,936
UK 16a	Cash outflows - Total weighted value	2,333	2,351	2,292	2,207
UK 16b	Cash inflows - Total weighted value	146	153	154	157
16	Total net cash outflows (adjusted value)	2,187	2,198	2,138	2,050
17	Liquidity coverage ratio (%) ⁴	173.7 %	174.0 %	179.8 %	192.6 %
	Net stable funding ratio				
18	Total available stable funding	21,277	21,688	21,719	21,857
19	Total required stable funding	15,318	15,846	16,129	16,283
20	NSFR ratio (%) ⁵	139.1 %	136.9 %	134.7 %	134.2 %

Table 1 Template UK KM1 - Key metrics template

¹ Available own funds as at 30 June 2026, 31 March 2026, and 30 June 2025, do not include unverified profits. Profits were verified as at 31 December 2025 and are therefore included in this period.

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 Bank's Common Equity Tier 1 (CET 1) ratio has increased to 19.3% (31 March 2026: 19.0%) despite the exclusion of unverified profits for the quarter from CET 1 capital in accordance with regulations. This growth was driven by a decrease in Risk Weighted Exposure Amounts (RWEAs) to £5,011m (31 March 2026: £5,093m) due to business-as-usual changes to mortgage asset composition and performance. The Bank remains well above its overall capital requirement of 16.5% (31 March 2026: 16.5%), maintaining a healthy Total Capital ratio of 23.3% (31 March 2026: 23.0%).

The capital ratios include additional RWAs held for regulatory changes that are currently not reflected in the secured IRB models, as previously disclosed within the 2025 Annual Report and Accounts.

The Society and Bank had both submitted updated secured IRB models to the PRA in 2023. Our strategy following the acquisition is to move to a single Group IRB model. We have received feedback from the PRA in 2025 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 RWEAs may vary from those calculated currently, thereby impacting capital ratios.

The Bank's leverage ratio increased to 4.6% (31 March 2026: 4.4%), driven by a decrease in leverage assets within the Retail Secured business. The leverage ratio and corresponding leverage ratio total exposure measure excludes qualifying central bank claims in line with the UK leverage regime.

The Bank's liquidity position is also strong as at 30 June 2026 with a 12-month average liquidity coverage ratio of 173.7% (31 March 2026: 174.0%). The average LCR decreased slightly over the quarter, as a small reduction in High-Quality Liquid Assets (HQLA) outpaced a corresponding decrease in average Total Net Cash Outflows.

The average Net stable funding ratio (NSFR) of 139.1% (31 March 2026: 136.9%) remains well above the regulatory requirement. Although there was a steady decline in Available Stable Funding, this was offset by a steeper decline in Required Stable Funding amounts during the period. The NSFR is a longer-term liquidity risk management measure that is designed to ensure a stable funding structure within the Bank where the available stable funding should exceed the required stable funding.

3. Attestation

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

4. Key elements of the Pillar 3 disclosure policy

The Bank'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
AT 1	Additional Tier 1 Capital	Additional Tier 1 (AT1) capital consists of paid-up capital instruments and their associated share premium account.
CET 1	Common Equity Tier 1	Common Equity Tier 1 capital (CET 1) 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)
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.
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.
LCR	Liquidity Coverage Ratio	The LCR is a measure that is designed to ensure that financial institutions hold a sufficient amount of high-quality liquid assets (HQLA) to allow them to survive a period of significant liquidity stress lasting up to 30 calendar days.
NSFR	Net Stable Funding Ratio	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.
RWEA	Risk Weighted Exposure Amount	The amount of the exposure value multiplied by the risk weight associated with the exposure.
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).
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.