

2 March 2010

Coventry Building Society's record-breaking results show that building societies can thrive

Today, Coventry Building Society, the UK's third largest building society, announces excellent full year results for year ending 31 December 2009. Highlights include:

Record profit

- Record operating profit before impairments and exceptional items of £75.0 million (2008 - £71.7 million).
- Profit before tax of £56.2 million (2008 - £26.4 million).

Number 1 building society for net mortgage lending

- Gross advances exceeded £2.7 billion – 15% of all building society lending.
- Mortgage growth of £919 million, representing 8% of net lending in the UK market and the highest of any building society.
- At 0.8%, Coventry Building Society has the lowest level of arrears of any lender to have reported 2009 results so far (FSA figures: 2.5% or more balances in arrears). This equates to around one-third of the industry average.
- Loan loss provisions amongst the lowest of any large UK lender.

Exceptional funding strength

- Retail savings balances grew by £833 million in 2009 and have increased by £5 billion in the last three years.
- Completed oversubscribed £350 million 10 year unsecured loan note issuance to wholesale investors – one of two building societies to access long term wholesale markets since the onset of the credit crunch.
- 100% of mortgages funded by retail savings, capital and reserves.

Strong, stable and efficient

- Core tier 1 ratio of 27.9%, the highest reported by any large building society.
- Maintained "A" credit ratings throughout "credit crunch" – Fitch (A) and Moody's (A3).
- Cost to mean assets ratio reduced to 0.38% (2008 - 0.40%), the lowest level reported by a UK building society.

Intermediary support

- Maintained intermediary pledges, including no dual pricing and two day notice of product withdrawal.
- Award-winning for "Excellence in Treating Customers Fairly - large lenders".

David Stewart, Chief Executive of Coventry Building Society, said: "Coventry has performed extremely strongly in what has undoubtedly been a very difficult environment. Our performance is based on the consistent application of a simple business strategy. We have been successful in attracting and retaining savings balances and have maintained our track record of growth with responsible lending. These results show that the traditional building society model is alive and flourishing."

For more information or additional comment please contact:

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“The strength of our relationship with intermediaries has played an important part in our success and we remain committed to the pledges we made before the credit crunch, including no dual pricing and 48 hours notice before product withdrawal.”

“Our results confirm Coventry Building Society as one of the most successful lenders in the UK.”

Ends

Full coverage of Coventry Building Society's results for year ended 31 December 2009 can be downloaded from Coventry Building Society website at www.thecoventry.co.uk/2009results

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