SUMMARY FINANCIAL STATEMENT 2010

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The directors have pleasure in presenting the Summary Financial Statement of Coventry Building Society for the year ended 31 December 2010.

SUMMARY DIRECTORS' REPORT

The Society has once again prospered in what to all financial organisations has been an extremely difficult environment, adding an exceptional year's results to previous strong performances.

HIGHLIGHTS OF OUR PERFORMANCE IN 2010 INCLUDE:

Record profits

- Operating profit before impairments and exceptional items of £85.0 million (2009: £75.0 million).
- Underlying profit before tax increased by 27% to £75.3 million[1].
- Profit before tax was £100.6 million (2009: £56.2 million).

Highest ever market share

- Gross mortgage lending of £3.5 billion (2009: £2.7 billion).
- 17.1% of all mortgage advances by building societies and mutual lenders (source: BSA).
- Net mortgage lending of £1.6 billion (excluding balances acquired as a result of the Stroud & Swindon merger) (2009: £0.9 billion), representing 19.0% of all net mortgage lending in the UK (source: CML).
- 385,000 savings accounts opened in 2010.
- Retail savings balances grew by £2.2 billion (excluding balances acquired as a result of Stroud & Swindon merger) (2009: £0.8 billion).
- By contrast total savings balances held by NS&I and other banks and building societies fell by £1.4 billion (source: BSA).
- Completed oversubscribed £400 million 12 year unsecured loan note issuance to wholesale investors in September 2010.
- Mortgage assets increased by a further £1.9 billion and savings balances by £2.2 billion following completion of the merger with Stroud & Swindon on 1 September 2010.

Financially strong, class-leading efficiency

- Core Tier 1 ratio of 22.0%, the highest reported by any building society.
- Lowest cost to mean asset ratio ever reported by a UK building society at only 0.37% (2009: 0.38%).
- Retail savings and capital resources equivalent to 106% of mortgage balances.
- Average indexed loan to value ratio of mortgage book is just 50% (2009: 51%).
- Including former Stroud & Swindon mortgages, only 0.82% of mortgage balances were 2.5% or more in arrears (2009: 0.93% including Stroud & Swindon).
- Integration of Stroud & Swindon operations proceeding ahead of schedule.

[1] Underlying profit is defined as operating profit after impairments and before exceptional items.

PRESCRIBED STATEMENT

The Summary Financial Statement is a summary of information in the audited Annual Accounts, Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on demand at every office of Coventry Building Society from 14 April 2011. The auditors' report in relation to the full financial statements was not qualified in any respect.

Approved by the board of directors on 28 February 2011.

David Harding Chairman   David Stewart Chief Executive   John Lowe Finance Director

BUSINESS REVIEW

The operating environment has remained difficult for mortgage lenders. Although the UK economy emerged from recession at the start of 2010, the recovery remained fragile. In particular, the effect of Government actions taken to reduce the budget deficit is unclear.

Against this background, the housing market was subdued throughout 2010, restricted by the reduction in lending capacity of many financial organisations. House prices were static over the year, with price falls towards the end of 2010 offsetting early gains.

Despite these challenging conditions, Coventry once again recorded a very strong performance, a track record that has been largely unaffected by the onset of the financial crisis in 2007.

Underlying profit before tax increased by 27% to a record £75.3 million, in a year in which the Society's net mortgage lending was equivalent to 19.0% of the total mortgage market.

From the start of the credit crunch, it was the board's belief that the Society had the business model to protect the interests of its members in difficult conditions. Subsequent events have shown this to be the case, and the record performance in 2010 confirms Coventry Building Society to be one of the most resilient lenders, and strongest savings institutions, in the UK.

MEMBER FOCUSED

The Society's ability to prosper in a difficult environment is based on an unambiguous responsibility to act in the interests of our members. This tempers risk-taking and encourages a long-term view. It supports fairness and sustainable levels of profitability. It also underlines the need for budget restraint and efficiency whilst striving to meet the service expectations of the membership.

Our strength is the ability to execute this simple building society model without recourse to new or increased levels of risk.

As a result, we have avoided the pitfalls that have affected many of our competitors and maintained a consistent presence in the mortgage market, lending at modest loan to value ratios to low risk borrowers, funded by continuing growth in retail savings balances.

RECORD SHARE OF MORTGAGE MARKET

In 2010 we achieved a record share of the mortgage market for the third consecutive year.

Gross advances totalled £3.5 billion, equivalent to 17.1% of all new lending undertaken by building societies and mutual banks and 2.6% of all new mortgage lending in the UK. Mortgage balances grew by £1.6 billion, equivalent to 19.0% of all net lending undertaken in the UK. These figures exclude £1.9 billion of mortgage balances added on 1 September following the merger with Stroud & Swindon.

At a time when the financial services industry is being much criticised for its unwillingness or inability to lend, this performance stands out.

In 2009, Coventry was the eighth largest lender in the UK and one of two building societies to feature in the UK's top ten lenders (gross advances). We expect to have consolidated these positions in 2010.

PRUDENT AND RESPONSIBLE LENDING

Coventry is a prudent lender. We have avoided those high risk lending sectors that have resulted in significant losses elsewhere in the industry. We did not undertake commercial or second charge lending and our exposure to unsecured and credit impaired lending is insignificant.

We continued this approach throughout 2010, focusing our lending in high quality, low loan to value (LTV) sectors, whilst also supporting first time buyers in our heartland, with the provision of market leading products for existing members and their families.

The benefits of this consistently conservative strategy can be seen in our arrears performance that remains much better than that reported by most large mortgage lenders, and the significant equity retained by many of our borrowers. The average LTV ratio, as indexed for movement in house prices, is 50%.

Just 0.73% of Coventry's mortgage balances were 2.5% or more in arrears on 31 December 2010, down from 0.80% in 2009. At the time of the latest available published data (30 September 2010), Coventry's arrears were 39% of the average of all lenders.

Arrears levels at Stroud & Swindon were somewhat higher and combined 2.5% arrears levels totalled 0.82% (2009: 0.93%). At the time of the latest available published data (30 September 2010) combined arrears were only 44% of the industry average. The performance of Stroud & Swindon mortgage assets is in line with the assumptions made at the time of the merger.

These low arrears are naturally reflected in impairment charges that remain much smaller than for the industry as a whole. In 2010, impairment charges were just £11.8 million from a loan book totalling in excess of £17.5 billion. Once again, these are certain to be amongst the lowest reported by any large UK lender.

EXCEPTIONAL GROWTH IN SAVINGS

The strength of the Society's funding position, both retail and wholesale, has been critical in enabling us to continue lending.

Despite a fiercely competitive market, we have continued to grow retail deposits cost effectively, offering long-term value to members across a comprehensive portfolio. The Society's fair approach has helped retain existing balances, whilst our growth shows that we have the competitive strength to reward new and existing members. It is still the case that over 95% of variable savings rates have improved relative to Bank of England base rate since it began its drop to 0.5% in October 2008.

We opened 385,000 savings accounts in 2010 and savings balances grew by over £4.4 billion, of which £2.2 billion was acquired through the merger with Stroud & Swindon. This brings the total organic growth since 30 June 2007, the reporting date immediately before the onset of the credit crunch, to £7.0 billion or 82%. If Stroud & Swindon balances are included, this total increases to £9.2 billion.

The strength of the Society's performance in 2010 is particularly highlighted by the fact that total savings balances held by NS&I and other banks and building societies fell by £1.4 billion in that period.

It is worth noting that our award-winning approach to Treating Customers Fairly saw improving interest rates paid to more than 185,000 former Stroud & Swindon savings members as accounts were aligned with better paying Coventry accounts from 1 September 2010.

It is also pleasing to report that the Society continues to be an attractive home for institutional investors. On 28 September 2010, we were able to complete a £400 million 12 year unsecured loan note issuance, building on the £350 million 10 year note issued in 2009. We remain one of only two building societies to have secured finance in this way since markets first closed in 2007.

SECTOR LEADING COST EFFICIENCY

We continue to control costs closely and in 2010 we reduced our management expenses ratio for the fifteenth consecutive year. At 0.37% of average assets, this ratio confirms that Coventry remains the UK's most cost efficient building society.

STRONG AND SUSTAINABLE PROFITS

The result is a very strong financial performance. Notwithstanding the fact that, in the interest of members, we continue to operate on a net interest margin of 0.72%, underlying profit before tax increased by 27% to a record £75.3 million. After accounting for the impact of the merger with Stroud & Swindon, the Society reported profit before tax of £100.6 million (2009: £56.2 million).

With the primary source of capital for building societies being retained earnings, these results confirm our ability to generate the capital necessary to support growth and protect the interests of members. Coventry's core tier 1 ratio of 22.0% remains the highest reported by any building society.

The ability to maintain sustainable profitability whilst protecting members' interest underlines the strength of the Society and the relevance of the traditional mutual model to a modern financial sector.

QUALITY OF SERVICE

At a time when the financial services industry remains under the spotlight, it is important to work hard to earn and retain the trust of members.

We continue to invest in the services we provide and in addition to nearing the end of an extensive upgrade programme for all Coventry branches, we will have completed the refurbishment of the former Stroud & Swindon branches in the first half of 2011. Similar initiatives are being taken to expand the customer service centre to ensure service is maintained as the Society grows.

The Society was recognised by a number of independent service awards, including the consumer based Moneywise Customer Service Awards. Coventry, awarded more than any other building society or high street bank, was named eleven times including in the three categories of Most Trusted Mortgage Provider, Most Trusted Savings Provider and Most Trusted Current Account Provider. We were also the highest placed building society in the Which? Money customer satisfaction survey.

The quality of service is reflected by consistently low levels of complaints. We are pleased to confirm that Coventry has not featured in any of the six monthly table of complaints published by the Financial Ombudsman Service (FOS) because our volume of complaints are too low to be reported. We believe we are the largest mortgage lender to be able to make this claim.

SUPPORTING THE COMMUNITY

Four years of economic turmoil continues to create difficulties for many people in the communities in which we work.

It is right that the Society tries to support these communities, and in 2010 this help was extended to more groups than in any previous year. Over 150 organisations were supported through fund-raising, by direct volunteering or by using the skills and resources present at the Society. The merger with Stroud & Swindon has extended this same community commitment across a wider geographical area.

We have worked to build sustained partnerships on many levels. Of particular note must be our ongoing relationship with The Royal British Legion, first launched in October 2008. In 2010, we donated a further £1.7 million to bring the total amount raised by 31 December 2010 to well over £4.5 million.

Our three year partnership with Age UK, formed from the merger of Age Concern and Help the Aged, goes from strength to strength. As we enter our third year we have raised, with the support of our members, over £85,000 for the charity, but equally importantly have helped raise awareness of the issues facing the UK's elderly.

OUTLOOK

It is still impossible to predict what will happen to the UK economy in 2011. Not only are there serious issues to face at home as attempts to reduce the budget deficit are implemented, but the international situation remains uncertain.

The future path of interest rates is hard to predict. Most likely they will remain low by historic standards, despite inflationary pressure, and restrictions in the financial markets will continue with attendant downward pressure on margins. The housing market is likely to remain depressed in terms of volumes and prices.

This is not a new situation. Rather it is one which we have experienced over the past four years, during which time the Society has continued to lend, has significantly increased savings balances and remained strongly profitable.

Our aim is to make sufficient but not excessive profits and we continue to set our mortgage and savings rates accordingly, operating on a modest net interest margin in the interests of members.

We remain confident that Coventry has the right business model to maintain its consistent record of achievement and remains well placed to report further progress in 2011 and beyond for the benefit of current and future members.

David Harding Chairman **David Stewart** Chief Executive

SUMMARY

FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

RESULTS FOR THE YEAR	Group 2010 £m	Society 2010 £m	Group 2009 £m	Society 2009 £m
Net interest income	146.0	120.7	125.0	112.8
Other income and charges	15.0	14.2	17.0	16.5
Net (losses)/gains from derivative financial instruments	(0.7)	(0.7)	1.3	1.3
Total income	160.3	134.2	143.3	130.6
Administrative expenses	(75.3)	(72.9)	(68.3)	(66.5)
Operating profit before impairments and exceptional items	85.0	61.3	75.0	64.1
Impairment losses on loans and advances to customers	(11.8)	(8.9)	(19.9)	(14.3)
Release of provision for impairment of debt securities	2.1	2.1	1.5	1.5
Release of provisions	-	-	2.9	2.9
Operating profit after impairment and before exceptional items	75.3	54.5	59.5	54.2
Provision for FSCS levies	(5.6)	(5.6)	(2.0)	(2.0)
Stroud & Swindon integration and merger related costs	(11.2)	(11.2)	-	-
Operating profit after impairments and exceptional items	58.5	37.7	57.5	52.2
Gain on business combination	43.8	70.7	-	-
Charitable donation to Poppy Appeal	(1.7)	(1.7)	(1.3)	(1.3)
Profit before tax	100.6	106.7	56.2	50.9
Taxation	(15.7)	(10.0)	(12.7)	(11.7)
Profit for the financial year	84.9	96.7	43.5	39.2

FINANCIAL POSITION AT THE END OF THE YEAR	Group 2010 £m	Society 2010 £m	Group 2009 £m	Society 2009 £m
Assets				
Liquid assets	4,531.9	4,531.5	4,165.4	4,163.2
Derivative financial instruments	73.4	73.4	29.3	29.3
Loans and advances to customers	17,573.7	13,523.7	14,074.7	11,397.2
Hedge accounting adjustment	40.6	40.6	76.1	76.1
Fixed and other assets	82.7	7,283.2	56.5	5,371.6
Total assets	22,302.3	25,452.4	18,402.0	21,037.4
Liabilities				
Shares	17,637.6	17,637.6	13,218.8	13,218.8
Borrowings	3,546.0	3,546.0	4,214.3	4,214.3
Derivative financial instruments	139.4	139.4	108.9	108.9
Other liabilities	63.4	3,208.2	43.9	2,685.8
Subordinated liabilities	68.2	68.2	70.7	70.7
Subscribed capital	161.3	161.3	161.2	161.2
Total liabilities	21,615.9	24,760.7	17,817.8	20,459.7
Equity				
Reserves	686.4	691.7	584.2	577.7
Total liabilities and equity	22,302.3	25,452.4	18,402.0	21,037.4

STATEMENTS OF OTHER COMPREHENSIVE INCOME	Group 2010 £m	Society 2010 £m	Group 2009 £m	Society 2009 £m
Profit for the financial year	**84.9**	**96.7**	43.5	39.2
Other comprehensive income				
Actuarial gain/(loss) on defined benefit pension plans	**5.0**	**5.0**	(3.3)	(3.3)
Tax on actuarial gain/loss on defined benefit pension plans	**(1.4)**	**(1.4)**	0.9	0.9
Fair value movements on Available-for-sale assets taken to reserves	**19.0**	**19.0**	(11.1)	(11.1)
Tax on fair value movements taken to reserves	**(5.3)**	**(5.3)**	3.1	3.1
Other comprehensive income for the year, net of tax	**17.3**	**17.3**	(10.4)	(10.4)
Total comprehensive income for the year, net of tax	**102.2**	**114.0**	33.1	28.8

SUMMARY OF KEY FINANCIAL RATIOS	Group 2010 %	Group 2009 %
Core tier 1 capital ratio	**22.0**	27.9
Gross capital as a percentage of shares and borrowings	**4.32**	4.68
Liquid assets as a percentage of shares and borrowings	**21.4**	23.9
Profit for the year as a percentage of average assets	**0.42**	0.24
Management expenses as a percentage of average assets	**0.37**	0.38

The percentages have been calculated from the Group Income Statement and Balance Sheet. Gross capital represents total reserves, subordinated liabilities and subscribed capital. Shares and borrowings represent the total of shares, amounts owed to credit institutions, amounts owed to other customers and debt securities in issue. Average assets are the average of the 2010 and 2009 assets.

Core tier 1 capital ratio

The core tier 1 capital ratio measures the Group's core tier 1 capital, which comprises the general reserves adjusted for the defined benefit pension scheme surplus, intangible assets and 50% of the excess of expected losses on loans and advances to customers, calculated on an Internal Ratings Based (IRB) approach, over accounting provisions, as a percentage of its risk-weighted assets. The Group calculates its capital requirement under Basel II using the IRB approach for prime residential and Buy-To-Let mortgage exposures (excluding mortgages transferred from the Stroud & Swindon merger), and the standardised approach in calculating the capital requirements for other risk areas.

Gross capital as a percentage of shares and borrowings

The gross capital ratio measures the Group's capital as a percentage of liabilities to investors. The Group's capital consists of profits accumulated since its establishment in the form of reserves together with subordinated liabilities and subscribed capital which cannot be repaid in priority to ordinary investors. Capital provides a financial cushion against unforeseen eventualities that might arise in the Group's business and ensures that investors are properly protected.

Liquid assets as a percentage of shares and borrowings

The liquid assets ratio measures the Group's assets held in the form of cash, short-term deposits and debt securities as a percentage of the Group's liabilities to investors. Most of the Group's assets are long-term mortgages, while many of its liabilities to investors are repayable on demand. Liquid assets are required to ensure that the Group can effectively manage this situation. They are generally readily realisable, enabling the Group to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

Profit for the year as a percentage of average assets
The profit/average assets ratio measures the Group's profit after taxation for the year as a percentage of the average of the Group's total assets during the year. The Group needs to make an appropriate level of profit each year in order to maintain its capital ratios at an appropriate level to protect investors and to satisfy regulatory requirements.

Management expenses as a percentage of average assets
The management expenses ratio measures the Group's administrative expenses, amortisation and depreciation as a percentage of the average of the Group's total assets during the year. Administrative expenses consist mainly of the costs of employing staff, running systems and other office expenses. They need to be controlled so that the Group operates as efficiently as possible, whilst providing the service that members require.

SUMMARY DIRECTORS' REMUNERATION REPORT

A full copy of the report is contained in the Annual Report & Accounts. This report describes the Society's policy for the remuneration of directors.

POLICY FOR EXECUTIVE DIRECTORS

Executive directors are employed by the Society and are required to devote substantially the whole of their time to its affairs.

The remuneration of executive directors is set by the Remuneration Committee. The Committee comprises the non-executive directors and is chaired by the Society's Deputy Chairman, Bridget Blow.

The Remuneration Committee is responsible for setting each of the elements that comprise the remuneration package for executive directors. These include a base salary, performance related bonuses and other benefits. In fulfilling this responsibility the Committee has considered recommendations made by the Financial Services Authority (FSA), independent advisors, as well as the remuneration policies of the Society's peer group. The Members' Council, a voluntary group of Society members, has also reviewed and supported the Society's approach to executive remuneration.

In doing so, the Remuneration Committee is aware of concern expressed about the role that bonuses have played in encouraging inappropriate behaviours at some financial institutions. The Committee understands these concerns fully and has designed the Society's remuneration policy for all staff accordingly.

The Remuneration Committee has taken full account of best practice in corporate governance. The UK Corporate Governance Code states 'a significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance'. It continues that performance related elements should be 'stretching and designed to promote the long-term success of the company'.

The Remuneration Committee strongly believes that performance related bonuses enable a flexible approach which means payments are aligned to results, as well as providing clarity of objective. It also ensures that the Society's costs reduce if for any reason financial performance deteriorates. The Remuneration Committee has considered alternatives but continues to believe that carefully controlled performance related bonuses are in the best interests of the Society and its members.

The principal elements of the executive directors' remuneration packages are as follows:

a) Base salary
Base salary levels are reviewed annually, taking into account comparative data from other building societies, and the performance of the individual and the Society as a whole. The latest review of competitor remuneration found that base salaries for the executive directors remain below median levels relative to other societies of a comparable size.

b) Annual performance related bonus
All eligible Coventry Building Society staff participate in an annual performance related bonus scheme. Eligibility is dependent upon satisfactory individual performance. The executive directors participate in this scheme on the same terms as other members of staff.

In 2010, as has been the case throughout the economic downturn, Coventry Building Society achieved an outstanding performance. The Society has reported sustainable profits, building additional capital reserves to strengthen its financial position and enable future growth. It has attracted £2.2 billion of additional retail balances and achieved a record share of the mortgage market by maintaining the capability to lend responsibly. The Society has been recognised for its performance in Treating Customers Fairly and is the largest mortgage lender not to appear in complaint league tables issued by the Financial Ombudsman Service.

The overall performance of the Society during 2010 gave rise to a calculated bonus for all 1,501 eligible members of staff equivalent to 11% of base salary. The bonus percentage payable to each of the executive directors is identical to that of all other eligible staff.

c) Long Term Incentive Plan
The primary objective of the Long Term Incentive Plan (LTIP) is to align remuneration with the longer term goals of the Society. The LTIP also helps the Society to recruit and retain executives of the calibre required to promote the interests of members. Under the LTIP, the executive directors are eligible to receive a performance related payment based on the financial performance of the Society over rolling three year periods.

The plan is designed to make payments in the early part of the year following the end of the three year period providing that strong performance is achieved against the current three year plan. An on-plan performance over each of the three year periods would provide a 20% of salary cash payment, with a current maximum of 40% (which is below the 50% of salary maximum permitted under the Society's Rules) for consistent over-performance over the three year period.

To protect the interests of members, the Committee may amend any payment if it considers it appropriate in light of either the Society's overall performance or economic conditions. In assessing this, the Committee will take account of a range of factors such as customer and member satisfaction, the impact of 'one-off' exceptional items, the performance of competitors, the Society's health and safety record, and the individual performance of participants.

All payments under the LTIP are subject to approval by the Remuneration Committee and are not pensionable.

During the period 2008-2010 the Society increased its total assets by £7.4 billion. Mortgage balances rose by £5.8 billion (49%) at a time of significant market contraction with many lenders unwilling or unable to maintain their lending. This mortgage growth was fully funded by a £7.3 billion (71%) increase in retail savings balances. The Society maintained its 'A' rating from both Moody's and Fitch credit rating agencies and the core tier 1 capital ratio was the highest of any building society. The Society achieved the lowest cost to mean asset ratio of any building society, a reduction from 0.48% to 0.37% in the period.

In addition, the Society won numerous awards for its products, service and is the largest UK mortgage lender not to be included in any league table of complaints issued by the Financial Ombudsman Service. The Society was also independently recognised in 2009 and 2010 for 'Treating Customers Fairly'.

Taking into account the overall performance detailed above and the performance against the LTIP profit targets, the Remuneration Committee approved a payment for each participant equivalent to 15% of base salary at 1 January 2008. The Committee is satisfied that this reflects management performance over the period.

As for base salaries, bonus and LTIP payments are also benchmarked on a regular basis. Total bonuses earned by executive directors remain significantly below median levels relative to the comparison group of large building societies.

d) Pension arrangements

In December 2001 Coventry Building Society closed its final salary pension scheme to new entrants, replacing it with a defined contribution pension scheme.

No special arrangements have been put in place for executive directors joining since this change was implemented and consequently the Chief Operating Officer and Finance Director are instead active members of the Society's funded defined contribution pension scheme.

The Sales and Marketing Director, whose service at the Society pre-dates 2001 by a number of years, continues to be a member of the final salary pension scheme.

David Stewart, although a member of the final salary pension scheme on joining the Society, voluntarily left this scheme on being appointed Chief Executive in 2006.

The Remuneration Committee has reviewed the pension arrangements offered by a comparator group of large building societies and found that in the majority of cases, executive directors continue to benefit from participation in final salary pension schemes.

e) Other benefits

Each executive director is provided with a fully expensed car or a cash alternative, and membership of a private medical insurance scheme.

POLICY FOR NON-EXECUTIVE DIRECTORS

Non-executive directors are independent of the Society's management and are not required to devote the whole of their time to its affairs.

After considering recommendations from the executive directors, the board (chaired for this purpose by an executive director) determines the remuneration of all non-executive directors. No director takes part in the discussion of his or her own remuneration. Fees of non-executive directors are reviewed annually in light of their responsibilities and comparative information from other building societies.

Non-executive directors do not participate in any performance related pay or bonus scheme, pension arrangements or other benefits; nor do they have service contracts.

DIRECTORS' EMOLUMENTS

The following information concerning directors' emoluments has been extracted from the Annual Report and Accounts.

DIRECTORS' EMOLUMENTS	2010 £000	2009 £000
For services as directors	**305**	285
For executive services	**1,283**	890
Increase in accrued pension	**13**	-
Total	**1,601**	1,175

The emoluments of the Society's directors are listed below:

NON-EXECUTIVE DIRECTORS	2010 £000	2009 £000
David Harding (Chairman)	**77**	75
Bridget Blow (Deputy Chairman, Senior Independent Director and Chair of the Remuneration Committee)	**50**	48
Roger Burnell	**39**	38
Ian Geden	**39**	38
Ian Pickering (Chair of the Audit Committee)	**50**	48
Fiona Smith	**39**	38
Glyn Smith (appointed 22.09.2010)	**11**	-
Total	**305**	285

No pension contributions were made for non-executive directors.

Full details of executive directors' pension benefits can be found in note 11 to the Accounts.

EXECUTIVE DIRECTORS	Salary £000	Annual Bonus £000	Long Term Incentive Plan £000	Pension contributions £000	Increase in accrued pension £000	Taxable benefits £000	2010 Total £000	2009 Total £000
David Stewart	314	35[1]	44[2]	78	1	15	**487**	409
Colin Franklin (appointed 07.07.2009)	136	15[1]	18[2]	31	12	16	**228**	99
Rob Green (resigned 14.10.2010)	204	-	-	19	-	19	**242**	256
John Lowe (appointed 14.10.2010)	39	20[1]	-	2	-	3	**64**	-
Phil Vaughan (appointed 07.07.2009)	193	21[1]	28[2]	19	-	14	**275**	126
Total	**886**	**91**	**90**	**149**	**13**	**67**	**1,296**	890

[1] All eligible Coventry Building Society staff participate in an annual performance related bonus scheme. Eligibility is dependent upon satisfactory individual performance. The annual performance bonus for John Lowe represents the amount payable for the full year.

[2] Payments made under the Long Term Incentive Plan are in relation to the performance of the three financial years 2008, 2009 and 2010. The Remuneration Committee approved a payment of 15% of base salary at 1 January 2008 to participants in the scheme at that date, reflecting the Society's performance over this period.

DIRECTORS' SERVICE CONTRACTS

In 2006 the Society entered into a service contract with David Stewart. The contract expires at the age of 60, but is terminable by David Stewart on six months' notice and by the Society on one year's notice.

In 2009 the Society appointed Colin Franklin (Sales and Marketing Director) and Phil Vaughan (Chief Operating Officer) to the board. Service contracts were entered into which are terminable by the individual on six months' notice and by the Society on one year's notice.

In 2010 the Society appointed John Lowe (Finance Director) to the board. A service contract was entered into, which is terminable by John Lowe on six months' notice and by the Society on one year's notice.

On behalf of the board
Bridget Blow
Chairman of the Remuneration Committee

STATEMENT OF THE AUDITORS TO THE MEMBERS AND DEPOSITORS OF COVENTRY BUILDING SOCIETY

Pursuant to Section 76 of the Building Societies Act 1986, we have examined the Summary Financial Statement of Coventry Building Society comprising pages 2 to 10 and the directors' emoluments disclosures on pages 13 to 14.

This report is made solely to the members and depositors of Coventry Building Society, both as a body, in accordance with Section 76 of the Building Societies Act 1986. Our examination has been undertaken so that we might state to the Society's members and depositors those matters we are required to state in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept responsibility to anyone other than the Society and the Society's members and depositors, both as a body, for our examination, for this statement, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Summary Financial Statement in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement with the full Annual Accounts, Annual Business Statement and Directors' Report and its conformity with the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

We also read the other information contained in the summary financial statement 2010 and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the Summary Financial Statements' issued by the Auditing Practices Board for use in the United Kingdom. Our report on the Group's full Annual Accounts describes the basis of our audit opinion on those Annual Accounts.

OPINION

In our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and the Directors' Report of Coventry Building Society for the year ended 31 December 2010 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

Ernst & Young LLP
Registered Auditors
London

28 February 2011

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For further details, call into your local branch or visit us at

www.thecoventry.co.uk

Coventry Building Society is the country's third largest building society. The Society has assets of £22.3 billion and capital and reserves of £916 million. Coventry Building Society is authorised and regulated by the Financial Services Authority (FSA reference number 150892).

Coventry Building Society is a full member of the Financial Services Compensation Scheme (FSCS). Your savings are covered by the Scheme up to the current maximum of £85,000 per individual. Further details are available on request from the Society or the FSCS.

Information correct at time of going to print (March 2011).

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