

**The Co-operative Bank p.l.c.**

**21 May 2010**

**Leek Finance Number 15 PLC - Optional Redemption**

The Co-operative Bank p.l.c. (the **Co-op**) through one of its subsidiaries, Platform Funding Limited, has elected to re-purchase the portfolio of loans held by Leek Finance Number Fifteen PLC (**Leek 15**) which will enable Leek 15 to redeem the notes issued by it on 27 April 2005 on the interest payment date falling on 21 June 2010.

The Co-op has claimed regulatory capital relief in relation to Leek 15, Leek Finance Number Sixteen PLC (issued on 25 October 2005) (**Leek 16**) and Leek Finance Number Seventeen PLC (issued on 28 April 2006) (**Leek 17**) and for the subordinated loans made to those entities by the Co-op in connection with their respective notes issuance referenced in the credit default swap entered into between Dovedale Finance No. 1 P.L.C. (**Dovedale**) and the Co-op.

Under the terms of the Prudential Sourcebook for Banks, Building Societies and Investment Firms (**BIPRU**), the re-purchase of the portfolio of loans held by Leek 15 in the circumstances discussed above is regarded as providing non contractual support by Co-op to Leek 15, Leek 16, Leek 17 and Dovedale.

As a result of the Co-op providing non contractual support, these issuances will no longer receive regulatory capital relief. Had this revised capital treatment been applied to Leek 15, Leek 16, Leek 17 and Dovedale as at 31 December 2009, the Total Capital Ratio would have reduced from 13.52% to 13.06%

This announcement is being given as required by section 9.6.2 of BIPRU

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