

21 November 2014

THE CO-OPERATIVE BANK PLC

ATM Contract

Following the sale of The Co-operative Group's ("the Group") cash-in-transit business Sunwin Service Group to Cardtronics Inc. ("Cardtronics"), announced on 3rd November 2014, The Co-operative Bank ("the Bank") confirms that it has now reached agreement with the Group to end early the contract under which the Bank provides ATMs based in the Group's food stores.

The Bank currently operates approximately 2000 ATMs at the Group's food stores. Under the terms of the agreement, the Bank will receive a payment of £8.2m from the Group for the remainder of the contract, which was due to run until 31 December 2015. In addition, Cardtronics has agreed to pay the Bank £6.4m to acquire the ATM hardware. These arrangements compensate the Bank for the value of the ATM assets and the lost revenue due to the agreement to end the ATM contract early with the overall impact being broadly neutral.

During a transition period of approximately six months, the operation of all ATMs at the Group's food stores will transfer to Cardtronics. Cash machines at these locations will remain part of the LINK network and free to use. Customers will also continue to be able to make withdrawals from machines in the wider LINK network.

This announcement is made due to the Group's related party relationship with the Bank.

For further information contact:

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About The Co-operative Bank

The Co-operative Bank plc provides a full range of banking products and services to almost 5 million retail and SME (Small and Medium Sized Enterprises) customers. With around 250 branches, the Bank is committed to values and ethics in line with the principles of the co-operative movement. The Co-operative Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Co-operative Bank plc customers are protected by the Financial Services Compensation Scheme (FSCS) in the UK.