

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM AUSTRALIA, NEW ZEALAND, SOUTH AFRICA, HONG KONG, JAPAN, CANADA, SWITZERLAND OR THE UNITED STATES OR ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

4 June 2014

The Co-operative Bank p.l.c. (the “Bank”, the “Company”)

Results of Bonus Issue

On 9 May 2014, the Board of Directors of the Bank announced details of an equity capital raising of approximately £400 million through the issue of 200 million new ordinary shares in the capital of the Company (the “New Ordinary Shares”) by way of the Placing and Open Offer (together with the Bonus Issue, the “Capital Raising”).

On 28 May 2014, the Bank announced the results of the Placing and Open Offer and, in order to allow Smaller Shareholders (or their nominees) more time, the extension of the deadline for the submission of Bonus Issue Forms by one week to 11.00 a.m. on Wednesday 4 June 2014.

The period for return of Bonus Issue Forms closed today. 1,456,510 new ordinary shares in the capital of the Company will be issued as a result of the Bonus Issue and therefore the enlarged number of ordinary shares outstanding of the Bank will be 451,456,510 upon settlement of the Bonus Issue. The Co-operative Group remains the Bank’s largest single shareholder at 20.16%.

Capitalised terms used in this announcement shall have the same meaning given to them in the Bank’s announcement of 9 May 2014.

Enquiries

Media

Lansons:

Tony Langham – 07979 692287

David Masters – 07825 427514

The Co-operative Bank:

Alice Hunt – 07834 620704

Investor enquiries

The Co-operative Bank Investor Relations:

Adam Key – 07730 193815

Disclaimer

Neither this announcement, the publication in which it is contained nor any copy of it may be taken, transmitted or distributed, directly or indirectly, into Australia, New Zealand, South Africa, Hong Kong, Japan, Canada, Switzerland or the United States or any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Any failure to comply with this restriction may constitute a violation of securities law in those jurisdictions. The distribution of this document in other jurisdictions may also be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor. The availability of the transactions described herein and the distribution of this announcement in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, this announcement does not constitute an offer for sale of, or a solicitation to purchase or subscribe for, any securities in the United States. No securities of the Bank have been, or will be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), and securities of the Bank may not be offered or sold in the United States absent an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

This announcement and any related materials may contain or incorporate by reference certain "forward-looking statements" regarding the belief or current expectations of the Bank about the Bank's financial condition, results of operations and business described in this announcement. Generally, but not always, words such as "aim", "target", "will", "would", "expect", "propose", "intend", "plan" or their negative variations or similar expressions identify forward-looking statements. Examples of forward-looking statements include, among others, statements regarding the Bank's future financial position, income growth, assets impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment or dividends, projected levels of growth in the banking and financial markets, projected costs, original and revised commitments and targets in connection with the turn-around plan, deleveraging actions, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, achievements or developments of the Bank or the industry in which it operates to differ materially from any future results, performance, achievements or developments expressed or implied from the forward-looking statements. The ability of the Bank to implement its strategic plan and to achieve the results set out in the plan entails particular challenges including (but are not limited to): ability to achieve the targeted cost savings; ability to retain customers and deposits; the timing and quantum of impacts to capital from its asset reduction exercise; meeting its planned improvements in net interest margin; a possible further deterioration in the quality of the Bank's asset portfolio; unplanned costs from (for example) conduct risk matters; ability to maintain the Bank's access at an appropriate cost

to liquidity and funding and the ability of the Bank to raise further capital assumed in its forecasts. Many of the risks and uncertainties also relate to factors that are beyond the Bank's ability to control or estimate precisely which include (without limitation) factors such as: UK domestic and global economic and business conditions; the Bank's ability to implement successfully its four to five year business plan to improve its financial, operational performance and capital position; market related risks, including but not limited to, changes in interest rates and exchange rates; changes to law, regulation, accounting standards or taxation, including changes to regulatory capital or liquidity requirements and the Bank's ability to meet those requirements; the ability to access sufficient funding to meet the Bank's liquidity needs including through retail deposits; instability in the global financial markets, including Eurozone instability and the impact of any sovereign credit rating downgrade or sovereign financial issues; changes to the Bank's credit rating; the effect of competition and the actions of competitors; the impact of potential disruption to the Bank's IT and communications systems; the ability to attract and retain skilled personnel; uncertainties regarding the extent of the Bank's exposure to pensions related liabilities; exposure to increased and ongoing regulatory scrutiny, legal proceedings, regulatory investigations or complaints, including with respect to conduct issues and other factors.

A number of material factors could cause actual results to differ materially from those contemplated by the forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. Except as required by law, the Bank undertakes no obligation to revise the forward-looking statements to reflect any change in the Bank's expectations with regard thereto or any subsequent events or circumstances. Recipients of this announcement should not place any reliance on the forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecast periods.

Neither the Bank nor any of its respective affiliates or representatives undertakes any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Recipients of this announcement should not place any reliance on the forward looking statements and are advised to make their own independent analysis and determination with respect to the forecast periods.

UBS Limited has been appointed by the Bank as financial adviser and placing agent for the purposes of the Placing and Open Offer. UBS Limited is authorised and regulated by the PRA and the FCA and is acting exclusively for the Bank in connection with the Capital Raising and will not regard any other person (whether or not a recipient of this announcement or a holder of the Bank's securities) as a client in relation to the capital raising and will not be responsible to anyone other than the Bank for providing the protections afforded to its clients or for providing advice in relation to the Capital Raising or any other matter referred to in this announcement.

This announcement has been issued by and is the sole responsibility of the Bank. UBS Limited does not accept any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this announcement or for any other statement made or purported to be made by it, or on its behalf, in connection with the Bank or the Capital Raising and nothing in this announcement may be relied upon as a promise or representation in this respect, whether or not in the past or future. Subject to applicable law, UBS Limited accordingly disclaims all and any

responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this announcement or any such statement.