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## **The Co-operative Bank plc**

23 June 2015

## **Update on Enforcement Proceedings**

The Co-operative Bank (the "Bank") is today, in the course of its proposed Tier 2 Notes offering, providing an update to potential investors on the progress of enforcement proceedings regarding previously announced regulatory investigations into the Bank.

The Bank has previously disclosed that it is subject to or involved in several on-going regulatory investigations and enquiries, including (but not limited to) the following:

- The PRA is undertaking an enforcement investigation in relation to the Bank and as part of that investigation will consider the role of former senior managers;
- The FCA is undertaking enforcement investigations covering decisions, events and processes at the Bank over the period from consideration of the merger with Britannia Building Society in mid-2008 to the end of 2013.

These enforcement investigations carried out by the FCA and PRA began in January 2014 and have now been ongoing for 18 months.

The update is as follows:

FCA and PRA have recently indicated that their preliminary view is that they are minded to make findings against the Bank covering certain decisions, events and processes over the period from mid-2008 to end 2013. Based on their current view, the FCA and PRA have indicated they intend to commence formal settlement discussions in July 2015. The outcome of any settlement discussions is currently uncertain both in the details of any findings and any potential financial penalty. No indication of the potential quantum of any financial penalty contemplated by FCA and PRA has yet been given to the Bank.

Niall Booker, Chief Executive Officer said: "The Bank has been co-operating fully with the regulatory authorities. The risks of any adverse findings and penalties relating to these past events have been highlighted on multiple occasions previously. We will provide a further update as and when appropriate."

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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. 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.

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