

The Co-operative Bank p.l.c
4th Floor, Miller Street
Manchester
M60 0AL

27 July 2017


Dear Sirs

Project Rio – Circular consent letter

We refer to the Shareholders' and Members' Scheme Circular relating to the Co-operative Bank p.l.c (the "**Bank**") dated 18 July 2017 (the "**Circular**"), a copy of which (in substantially final form) is attached to this letter and which we have signed for the purposes of identification, issued in connection with the proposed restructuring and recapitalisation of the Bank.

We hereby consent to the inclusion in the Circular of our name in the form and context in which it is included.

Yours faithfully


AADHAV PATEL
DIRECTOR
THOMAS BROWN
ASSOCIATE DIRECTOR

for and on behalf of

UBS Limited

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, it is recommended that you seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised financial adviser if you are in any territory outside the United Kingdom. The contents of this Circular are not to be construed as legal, business or tax advice.

This document comprises: (i) a shareholders' circular; and (ii) a members' scheme of arrangement document, including an explanatory statement pursuant to section 897 of the Companies Act 2006, in each case in relation to a proposed restructuring and recapitalisation. Subject to the restrictions below, if you have sold or transferred all of your registered holding of Ordinary Shares, you should forward this Circular at once (together with the Forms of Proxy, the Application Form and any other accompanying documents) to the purchaser or transferee or to the stockbroker, bank or other agent through or to whom the sale or transfer was effected for transmission to the purchaser or transferee.

However, neither this Circular, the Forms of Proxy, the Application Form and any other accompanying documents nor any copy hereof or thereof may be taken, transmitted or distributed, directly or indirectly, subject to certain exceptions, into an Excluded Territory or any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this Circular and the Application Form and any other accompanying documents must not be distributed or forwarded to or into the United States. The distribution of this Circular and/or Forms of Proxy and/or the Application Form and/or any other accompanying documents and/or the issue of the Subscription Shares into jurisdictions other than the United Kingdom may also be restricted by law and, therefore, persons into whose possession this Circular, the Application Form and any accompanying documents come should inform themselves about and observe such restrictions.

You should read this Circular, and the information referred to herein, in its entirety. In particular, you should read the risk factors set out on pages 74 to 162 of this Circular for a discussion of certain risks and other factors that should be considered when deciding what action to take in relation to: (i) the terms of the Members' Scheme; (ii) the terms of the Members' Equity Subscription; (iii) deciding whether or not to make an application for or investment in the Subscription Shares pursuant to the Members' Equity Subscription; and (iv) the Resolutions.

The **co-operative** bank

THE CO-OPERATIVE BANK P.L.C.

(incorporated with limited liability in England with registered number 00990937)

Proposals for the Restructuring and Recapitalisation of the Bank, including the introduction of a new holding company of the Bank by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

Right to subscribe for up to 305,049,164 Subscription Shares in aggregate at a subscription price of 4.0977 pence per Subscription Share

Approval of Related Party Transactions and

Notices of Members' Scheme Court Meeting and General Meeting

Shareholders' attention is drawn to the letter from Dennis Holt, the Chairman of The Co-operative Bank p.lc (the "Bank"), set out in Section A of Part 1 of this Circular. In particular your attention is drawn to the statement from the Unrelated Directors (as defined in Part 19 of this Circular), recommending that you vote in favour of the Members' Scheme at the Members' Scheme Court Meeting and in favour of the Resolutions to be proposed at the General Meeting.

Each of Merrill Lynch International and UBS Limited, which are authorised by the Prudential Regulation Authority (the "PRA") and are regulated in the United Kingdom by the PRA and the Financial Conduct Authority (the "FCA"), have been appointed by the Bank and are acting exclusively for the Bank and for no one else in connection with the Restructuring and Recapitalisation. Merrill Lynch International and UBS Limited will not regard any other person (whether or not a recipient of this Circular) as their respective clients in relation to the Restructuring and Recapitalisation or any other matter referred to in this Circular. Neither Merrill Lynch International nor UBS Limited will be responsible to anyone other than the Bank for providing the protections afforded to clients of Merrill Lynch International or UBS Limited, as the case may be, nor for providing advice in relation to the Restructuring and Recapitalisation or any other matter referred to in this Circular. Neither Merrill Lynch International nor UBS Limited has independently verified the contents of this Circular. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility is accepted by Merrill Lynch International or UBS Limited as to the accuracy, completeness or verification of the information contained in, or incorporated by reference into, this Circular, and nothing contained in, or incorporated by reference into, this Circular is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Merrill Lynch International and UBS Limited disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Circular. Merrill Lynch International and UBS Limited are not able to and do not express any opinion on the merits of the Restructuring and Recapitalisation or any other matter referred to in this Circular, and do not make any recommendation or offer any advice regarding: (i) whether or not a Qualifying Shareholder should participate in the Members' Equity Subscription and/or how Shareholders should vote in relation to the Members' Scheme or the Resolutions; (ii) whether or not a Qualifying Scheme Creditor should participate in the Scheme Creditors' Equity Subscription and/or how Scheme Creditors should vote in relation to the Creditors' Scheme; nor (iii) how Subordinated Noteholders should vote in relation to the 2023 Noteholder Extraordinary Resolutions.

Recipients of this Circular, including Shareholders, are authorised solely to use it for the purpose of considering the terms of the Members' Scheme (including the Share Transfer and the Members' Equity Subscription) and the Resolutions and may not use any information herein for any purpose other than considering the terms of the Members' Scheme (including the Share Transfer and the Members' Equity Subscription) and the Resolutions. For the avoidance of doubt: (i) Subordinated Noteholders should not use or rely on this Circular for the purposes of considering the Consent Solicitation, instead Subordinated Noteholders should refer to the Consent Solicitation Memorandum; and (ii) Scheme Creditors should not use or rely on this Circular for the purposes of considering the Creditors' Scheme (including the Notes Exchange and the Scheme Creditors' Equity Subscription), instead Scheme Creditors should refer to the Creditors' Scheme Circular.


The latest time and date for application and payment in full for the Subscription Shares under the Members' Equity Subscription is expected to be 3.00 p.m. on 22 August 2017. The procedures for application and payment are set out in Part 12 of this Circular and, for Qualifying Non-CREST Shareholders only, also in the Application Form.

Neither the Creditors' Scheme nor the Scheme Creditors' Equity Subscription Entitlement are extended to anyone other than Scheme Creditors and consequently Shareholders who are not also Scheme Creditors will suffer dilution of their interest in the Bank if the Restructuring and Recapitalisation is implemented.

Notice of the Members' Scheme Court Meeting of the Bank to be held at 10 Upper Bank Street, Canary Wharf, London E14 5JJ at 9.15 a.m. on 21 August 2017 is set out at Part 17 of this Circular. A blue Form of Proxy for use at the Members' Scheme Court Meeting is enclosed. Notice of the General Meeting of the Bank to be held at 10 Upper Bank Street, Canary Wharf, London E14 5JJ at 9.30 a.m. on 21 August 2017 is set out at Part 18 of this Circular. A pink Form of Proxy for use at the General Meeting is enclosed.

To be valid, Forms of Proxy for each of the Members' Scheme Court Meeting and the General Meeting should be completed, signed and returned in accordance with the instructions printed on them so as to be received by the Registrar at the return address as soon as possible and in any event by no later than 9.15 a.m. on 17 August 2017 for the Members' Scheme Court Meeting and 9.30 a.m. on 17 August 2017 for the General Meeting. Completion and return of the relevant Form of Proxy will not prevent you from attending and voting at the Members' Scheme Court Meeting and the General Meeting, as the case may be, should you so wish.

Date: 28 July 2017


AADAM R PATEL
DIRECTOR

H. ABDELAAL
Hamoud Abdelal
Director