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The Co-operative Bank begins planned marketing of MREL-qualifying debt

Following the recent Q3 trading update issued by The Co-operative Bank p.l.c. (the "Bank"), confirming its intention to actively pursue an MREL-qualifying transaction in the fourth quarter of 2020, The Co-operative Bank Finance p.l.c. will today begin marketing a potential GBP-denominated MREL-eligible debt issuance and has mandated Credit Suisse and Goldman Sachs International as Joint Lead Managers to arrange a series of fixed income investor meetings starting on 17 November 2020. A RegS GBP-denominated MREL-qualifying senior debt transaction with an expected instrument rating of Caa1 by Moody's is expected to follow, subject to market conditions.

Disclosure

From time to time, the Bank and/or its ultimate shareholders attract approaches regarding the possibility of acquiring the Bank. Where appropriate, the Bank and its advisors provide access to relevant information to help assess the prospects of such approaches. Where such approaches take place, there can be no certainty that any discussions will progress.

The Bank has recently attracted an approach from a financial sponsor with knowledge and experience of investing in European financial services businesses regarding the possibility of a sale of the Bank and/or the Holding Company. The Bank has instructed its professional advisers to assist with the provision to this financial sponsor of relevant information to help assess the prospects of this approach. The Bank is in consultation with its ultimate shareholders on an ongoing basis, including in relation to a letter received by the Bank from this financial sponsor containing a non-binding offer. The Bank continues to be in discussions with this financial sponsor, although such discussions remain at a preliminary stage. There can be no certainty that discussions with this financial sponsor will progress further, or that any binding offer will be forthcoming nor whether the Bank's ultimate shareholders will find the terms of a binding offer (if any) acceptable. Even if an acceptable binding offer were to be received, there can be no certainty that such a sale would proceed. The Bank remains committed to delivering its agreed strategy, returning to sustainable profitability, and to issuing MREL-qualifying debt in the fourth quarter of 2020.

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The person responsible for arranging the release of this announcement on behalf of the Bank is Catherine Green, Company Secretary.

Forward-looking statements

This announcement, including information included or incorporated by reference in this announcement, may contain certain "forward looking statements" regarding the financial or capital position, business strategy or plans for future operations of the Bank. All statements other than statements of historical fact included in any document may be forward looking statements. Forward looking statements also often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. By their nature, forward looking statements involve risk and uncertainty that could cause actual results to differ materially from those suggested by them. Much of the risk and uncertainty relates to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements, which speak only as at the date of this announcement. Neither the Bank nor any member of the group assume any obligation to, and do not intend to, revise or update these forward looking statements, except as required pursuant to applicable law.