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The Co-operative Bank p.l.c.

28 July 2017

Lock-Up Agreement Accession Update

The Co-operative Bank p.l.c. (the "Bank") announced on 28 June 2017 its support for the equity capital raise and recapitalisation proposal (the "Restructuring") from an ad hoc committee consisting of certain existing Tier 2 noteholders and shareholders. On 14 July 2017, the Bank announced the launch of the creditors' scheme of arrangement and the members' scheme of arrangement through the publication of the Practice Statement Letter. The Bank confirmed today that the High Court of Justice had granted the Bank permission to convene meetings of the Bank's Tier 2 noteholders and shareholders, in order to allow them to consider the creditors' and members' schemes of arrangement relating to and implementing the Restructuring.

As announced on 28 June 2017, the Bank has entered into an agreement (the "Lock-Up Agreement") with certain investors and the parties to that agreement have committed, subject to certain conditions, to take certain steps to implement the Restructuring. As of 5pm today, investors which hold 91% of the Notes (80% of the 2023 Notes and 99% of the 2025 Notes) have entered into the Lock-Up Agreement. Investors which hold 80% of the Bank's ordinary shares have also agreed to support the Restructuring, including 20% indirectly held by Co-operative Group Limited, subject to certain conditions.

Existing shareholders are no longer able to become Early Bird Consenting Members eligible for the Early Bird Members' Premium.

Implementation of the Restructuring remains subject to conditions including the approval of the requisite majorities of Tier 2 noteholders and shareholders, the sanction of the Creditors' Scheme and the Members' Scheme by the Court and obtaining regulatory approvals, as further set out in the Documents.

This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of the Bank is John Worth, Chief Financial Officer.

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About The Co-operative Bank p.l.c.

The Co-operative Bank p.l.c. provides a full range of banking products and services to almost 4 million retail and 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 p.l.c. is authorised by the Prudential Regulation

Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Co-operative Bank p.l.c.'s eligible customers are protected by the Financial Services Compensation Scheme in the UK, in accordance with its terms.

No offer of securities

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