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The Co-operative Bank p.l.c.

24 August 2017

Confirmation of Sanction of the Members' Scheme and Creditors' Scheme

The Co-operative Bank p.l.c. (the "Bank") is pleased to confirm that the Members' Scheme and Creditors' Scheme were sanctioned by the High Court of Justice of England and Wales at the sanction hearing, which took place before the Honourable Mr Justice Snowden at 10.30 a.m. (London time) on 24 August 2017. A copy of the Court Orders sanctioning the Members' Scheme and the Creditors' Scheme will today be delivered to the Registrar of Companies in England and Wales for registration.

The Bank anticipates that settlement of the Restructuring and Recapitalisation will be on or around 1 September 2017, subject to the Bank satisfying certain conditions precedent in the documents implementing the Restructuring and Recapitalisation, including receipt of the required monies and regulatory approvals. Upon settlement, holders will cease to hold their ordinary shares, £206,000,000 11 per cent. Subordinated Notes due 2023 (ISIN: GB00BFXW0853) and £250,000,000 Fixed Rate Reset Callable Notes due 2025 (ISIN: XS1249403541) (as applicable) and will be eligible to receive their new A Shares and B Shares (as applicable) in a new holding company of the Bank, or the relevant cash amounts if they have been determined to be Retail Noteholders.

Holders of the 2023 Notes who consider that they may be Retail Noteholders must follow the procedure set out in the Consent Solicitation Memorandum to be validly confirmed as such and be entitled to receive the Retail Cash Consideration before their 2023 Notes are cancelled. The deadline for holders of the 2023 Notes to take action to confirm their status as a Retail Noteholder is 10.00 a.m. London time on 30 August 2017. Further information for Retail Noteholders is available at <http://www.co-operativebank.co.uk/retailnoteholders>.

Background to the Restructuring and Recapitalisation

The Bank announced on 28 June 2017 its support for the equity capital raise and recapitalisation proposal 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. On 28 July 2017, the Bank obtained permission from the High Court of Justice of England and Wales to convene meetings of the Bank's Tier 2 noteholders and shareholders (the "Creditors' Scheme Court Meeting" and the "Members' Scheme Court Meeting" respectively), to allow them to consider the creditors' and members' schemes of arrangement implementing the Restructuring and Recapitalisation. Accordingly, notices convening the Members' Scheme Court Meeting and the Creditors' Scheme Court Meeting were published on 28 July 2017 alongside notices convening a general meeting of the Bank's members and a meeting of the holders of the 2023 notes to implement the Restructuring and Recapitalisation. At the Members' Scheme Court Meeting, General Meeting, Creditors' Scheme Court Meeting and 2023 Noteholder Meeting held on 21 August 2017, the resolutions proposed at these meetings were approved by the requisite majorities.

Any capitalised terms not defined in this announcement shall have the meanings given to them in the circular containing the notices convening the Members' Scheme Court Meeting and the General Meeting, published by the Bank on 28 July 2017.

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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

This announcement is not, nor should be construed as, an offer of, or solicitation of an offer to purchase or subscribe for, any securities to any person in any 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.