

## **The Co-operative Bank p.l.c.**

1 December 2020

### **Confirmation of reduction in Individual Capital Requirement (ICR)**

The Co-operative Bank p.l.c. (the Bank) is pleased to announce that the Prudential Regulation Authority (PRA) has confirmed a reduction in the Bank's Individual Capital Requirement (ICR) following its standard Supervisory Review and Evaluation Process (SREP).

From 16 December 2020, the Bank's ICR will be reduced by £48m (c.15%) to £266m, equivalent to a reduction of 0.99% of RWAs as at December 2019. The revised ICR is equivalent to 5.55% of RWAs at December 2019.

This new ICR also incorporates the impact of Bank of England Policy Statement 15/20 which adjusts bank capital requirements to reflect the structural increase in macroprudential buffers (Countercyclical buffer) in a standard rate environment which was announced by the FPC in December 2019. This adjustment contributes £24m of the £48m reduction, and is partially offset in the Bank's PRA buffer requirements.

This reduction demonstrates the Bank's continued strong progress in improving its risk profile and delivering key elements of its transformation plan as it focuses on achieving sustainable profitability in the future. It follows the Bank's issuance of £200m of MREL-qualifying notes, which was successfully completed on Friday 27 November 2020.

Nick Slape, Chief Executive Officer, said,

"We are delighted to receive confirmation of a reduction in our Individual Capital Requirement, which shows the strong progress the Bank has made in recent years, and will help us continue to improve our future financial performance. This is another positive development for the Bank, along with our issuance of £200m MREL-qualifying notes, which we successfully completed last week.

"We are navigating the current economic uncertainty with resilience as we focus on supporting our customers and delivering our strategy to rebuild a successful Co-operative Bank."

### **Investor enquiries:**

Gary McDermott, Treasurer and Head of Investor Relations  
Tel: +44 (0)161 201 7805

### **Media enquiries:**

Lesley McPherson, Director of Communications: +44 (0) 7725 903 270  
Ed Hooper, Lansons: +44 (0) 7783 387713