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The Co-operative Bank p.l.c.

1 September 2017

Successful Completion of the Restructuring and Recapitalisation

The Co-operative Bank p.l.c. (the "Bank") is pleased to announce that the Restructuring and Recapitalisation has successfully completed today and confirms that the Settlement Date (as contemplated in the Restructuring Deed) has occurred today.

As part of the Restructuring and Recapitalisation, the Bank's new holding company, The Co-operative Bank Holdings Limited (formerly known as Balloon Street Holdings Limited) has today allotted and issued 8,577,673,200 A Shares and has also allotted and issued 65 B Shares in The Co-operative Bank Holdings Limited to qualifying A Shareholders. The Bank's existing ordinary shares have been transferred to the ownership of The Co-operative Bank Holdings Limited and The Co-operative Bank Holdings Limited has subscribed for further ordinary shares in the Bank. Furthermore, the Bank's preference shares, 2025 Notes and 2023 Notes have been cancelled. The Bank has made arrangements for the payment of the Retail Cash Consideration (confirmed as £4.50 per £10 in principal amount of the 2023 Notes held) and Retail Accrued Interest (confirmed as £0.1226 per £10 in principal amount of the 2023 Notes held) to eligible Retail Noteholders.

For uncertificated Shareholders, CREST accounts are expected to be credited with A Shares today and, for certificated Shareholders, definitive share certificates for A Shares and B Shares are expected to be despatched by 8 September 2017.

Following Completion, the total issued ordinary share capital of the Bank is 511,456,510 ordinary shares of 5 pence each and the total issued share capital of the Bank's new holding company comprises 9,029,130,200 A Shares and 65 B Shares.

Maureen Laurie and Alistair Asher have today stepped down from the Board of the Bank. Maureen joined the Board in June 2014 and is Chair of the Remuneration Committee. Alistair was nominated by Co-operative Group and joined the Board in September 2016.

Following confirmation from B shareholders, The Co-operative Bank Holdings Limited has designated Tom Wood and Charles Bralver as B Directors with effect from today. Tom Wood joined the Bank as the Chief Restructuring Officer in July 2017 and his appointment as a Director of the Bank takes effect today. Charles Bralver is already a Director of the Bank and has served as a Non-Independent Non-Executive Director since April 2015.

Dennis Holt, Chairman said:

"We are pleased to confirm that the Restructuring and Recapitalisation announced on 28 June 2017 has been successfully completed, enabling The Co-operative Bank to continue as a standalone entity, with values and ethics remaining firmly at the heart of our business. We are grateful to our customers for their loyalty and to our investors for their continued support.

"I would also like to thank both Maureen Laurie and Alistair Asher for their valued and significant contributions to the Board during a key period for the Bank.

"Our focus as we move forward will be to return the Bank to a position of sustained profitability and to realise our potential as the UK's leading ethical bank. In a market where there is little to distinguish many banking brands, our ethical franchise continues to provide a different choice for our customers."

Defined terms

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.