

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

26 January 2017

### **Update on Previous Guidance**

The Co-operative Bank p.l.c. (the "Bank") is today providing an update with regards to its previous guidance on capital.

The Bank currently expects to report a Common Equity Tier 1 ("CET1") ratio above 10% and a total capital ratio of approximately 17% as at 31 December 2016. These are unaudited figures which will be updated as part of the Bank's 2016 full year results.

Considerable progress continues to be made in implementing the turnaround plan. As part of its current annual planning process, the Bank continues to evaluate the impact of various factors on its medium term outlook including, amongst others, the impact of the interest rate environment, the management of its transformation portfolio, the timing of new IRB model approvals, conduct charges and deleveraging.

As a result, the Bank is updating its previous guidance and now expects that its CET1 ratio will fall and remain below 10% over the medium term and that it is unlikely to meet its Individual Capital Guidance over the planning period to 2020. The Bank continues to expect to meet its Pillar 1 capital requirements and to maintain sufficient liquidity to meet its obligations.

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**

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. customers are protected by the Financial Services Compensation Scheme in the UK.

### **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 and its group. 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 its group assume any obligation to, and do not intend to, revise or update these forward looking statements, except as required pursuant to applicable law.