

The Co-operative Bank p.l.c.

2 November 2015

Proposed acquisition of Visa Europe Limited by Visa Inc.

On 2 November 2015 Visa Inc. ("VI") announced the proposed acquisition of Visa Europe Limited ("VE") to create a single global payments business under the VISA brand. The Co-operative Bank p.l.c. (the "Bank") is a member and shareholder of VE.

The Bank's share of the sale proceeds will comprise a mix of cash (approximately €56 million), Series B Preferred Stock in VI convertible into Class A Common Stock in VI (approximately €35 million) (the "Preferred Stock"), and contingent earn-out consideration (the amount of which it is not possible to estimate with certainty at this point) (the "Earn Out").

The Preferred Stock will be convertible into Class A Common Stock of VI or its equivalent upon occurrence of certain events. In addition, the value of the Preferred Stock will be reduced (by making a downward adjustment to the conversion rate) in an amount equal to any covered losses arising from certain litigation, relating primarily to the setting of interchange rates in VE's territory.

The Earn Out will be based on achievement of certain incremental net revenue targets of VE during the 16 financial quarters following completion of the acquisition and the Bank's share will be based on the Bank's relative participation in the VE system during the same period.

The figures specified for the consideration are approximate and based on current estimates, and the actual amounts received by the Bank may differ, in accordance with the terms of the transaction documentation.

No amounts will be payable to the Bank until completion takes place. Completion is subject to regulatory approvals and currently not expected to occur before 1 April 2016. There are currently not expected to be any numerical impacts on the Bank's 2015 accounts.

In addition, the Bank and certain other members of VE have entered into new arrangements in the form of a Loss Sharing Agreement ("LSA"), pursuant to which the Bank and other signatories have agreed, on a several and not joint basis, to indemnify VI for certain losses which may be incurred as a result of existing and potential litigation relating to the setting and implementation of domestic multilateral interchange fee rates in the UK. This indemnification is up to a maximum amount of the up-front cash consideration to be received by such UK LSA member (in the case of the Bank, approximately €56 million). For any such losses, the new arrangements replace the potential uncapped indemnity (for which there are no associated cash, securities or other mechanism intended to cover any liability), under the existing terms of the VE operating regulations, which will otherwise continue for certain claims outside of the UK. The indemnity under the LSA is conditional upon, among other things, a certain level of losses having first been covered by way of downward adjustment to the conversion rate of the Preferred Stock.

For further detail on the Preferred Stock and the LSA, please refer to VI's SEC filings made in connection with the proposed transaction.

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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 5 million retail and SME (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 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 (FSCS) in the UK.