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JUNE 2010

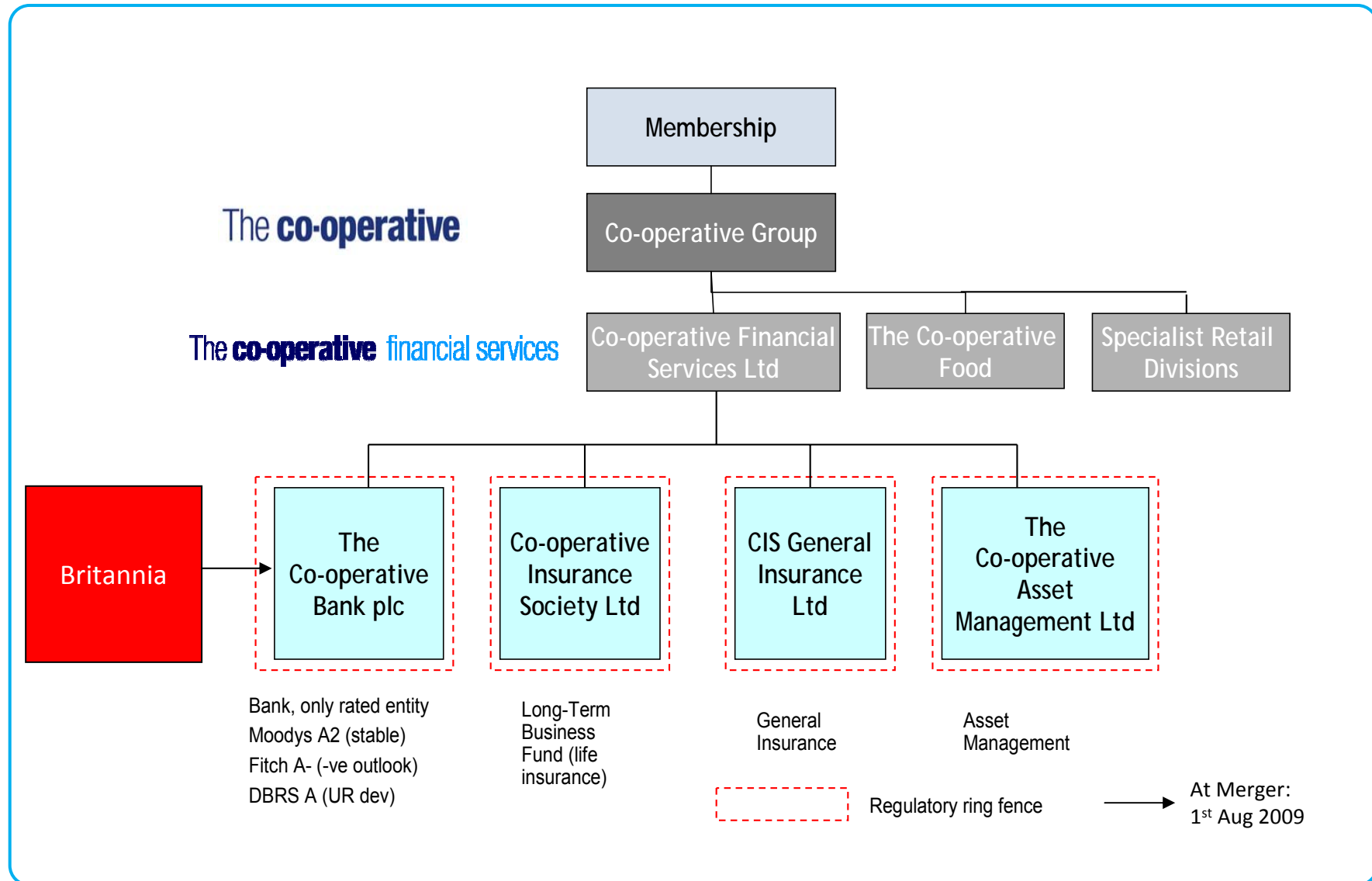
The Co-operative Bank
RMBS Investor Presentation

This presentation may include "forward-looking statements". Such statements contain the words "anticipate", "believe", "intend", "estimate", "expect", "will", "may", "project", "plan" and words of similar meaning. All statements included in this presentation other than statements of historical facts, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the relevant future business environment. These forward-looking statements speak only as of the date of this presentation and The Co-operative Bank expressly disclaims to the fullest extent permitted by law any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in the foregoing is intended to or shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

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Group Structure

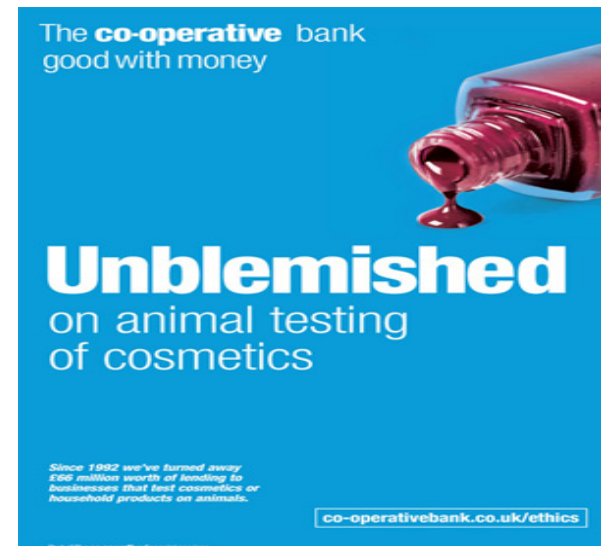


Strong Business: Key Headlines

- Britannia/ Co-op Bank: Merger of two strong organisations
 - Clear vision
 - Clear opportunities

- Financial Strength
 - Statutory operating profits: £177m, up 21%
 - Total capital ratio: 13.9% (incl. 2009 profits)
 - Customer-funding ratio: 104%

- Merger Rationale
 - CFS: Bank/ Current Accounts
Internet (Smile)
General Insurance
Life & Savings
 - Britannia: Branch Network
Mortgages
Savings



Strong Business: Overview

- The most broadly based Financial Services Mutual

The **co-operative**
insurance

Britannia

The **co-operative**
bank



platform 

The **co-operative**
asset management

The **co-operative**
financial services

Good Together

Britannia

2009 Profits: Co-operative Bank pro forma results

£m	2009	2008	Change
Net income	910	938	(28)
Costs	(556)	(568)	13
Impairment	(242)	(263)	21
Operating result	112	107	5 + 5%
Significant items	(38)	(47)	9
Merger costs	(27)		(27)
Other	(2)	(30)	28
Profit before tax and dividends	45	30	15 + 49%

- Excludes any benefit from Fair Value Adjustments (“FVA”)
- Strong income performance in challenging times
- Costs controlled, down 2%, and impairments down 8%

2009 Balance Sheet: Co-operative Bank pro forma

- Reduced reliance on wholesale funding leading to reduction in total assets
- Customer funding ratio 104% (2008: 104% on like for like basis)
- Pro forma results include 12 mths of both heritage businesses for both 2008 and 2009 and exclude any benefits from FVA

£m	2009	2008
Loans and advances to customers	34,113	34,046
Wholesale assets	10,432	14,176
Other assets	1,574	2,536
Total assets	46,119	50,758
Customer accounts	32,475	31,645
Wholesale liabilities	6,082	8,835
Debt securities in issue	3,334	5,835
Other borrowed funds	947	1,093
Other liabilities	1,404	1,591
Minority interest	34	33
Equity	1,843	1,726
Total liabilities and equity	46,119	50,758

Strong Capital: robust year end position

- Strong capital ratios
- Minimal impact from FVA at merger:
 - £28m impact on total capital
 - No impact from Credit Risk FVA (equal to BASEL II expected loss figures)

Bank capital ratios	Dec-09	
	Excl 09 profits	Incl 09 profits
Total Capital Ratio	13.5%	13.9%
Tier 1 Ratio (incl PSBs)	10.4%	10.8%
Tier 1 Ratio (excl PSBs)	9.0%	9.4%
Core Tier 1 Ratio	8.7%	9.1%

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Silk Road Finance No 1 Highlights

First Prime RMBS Transaction from the Co-op Bank

- First public RMBS issuance from the Co-op Bank, via Silk Road Finance Number One PLC
- £2.5bn Class A1 GBP notes subscribed for with pass-through principal cash flows and an expected maturity date of 21st Mar 2015
- Class A1 notes listed with UKLA and issued under Reg S format
- Class A1 notes rated AAA/Aaa by Fitch/ Moody's with a coupon of 140bps over sterling 3 month Libor
- If the Class A1 notes are not redeemed in full by the Issuer on the expected maturity date, noteholders will benefit from an investor redemption option to have their notes redeemed by the Issuer on the transfer date at a price of par plus accrued interest less Class A PDL² should the Issuer fail to exercise the call on the step-down date
 - The Class A1 notes margin will step down to 55 bps after 21st Mar 2015
 - The Co-op Bank will be required to fund the redemption of such notes via a variable funding note
- The transaction has a tap issuance feature where the Issuer has the option, by 25th Aug 2010 of to issue further Class A notes up to a maximum of £500m and purchase new assets using the issuance proceeds

Prime Collateral

- First lien, owner-occupied residential prime mortgage loans originated under the Britannia brand and serviced by the Co-op Bank
- Weighted average original LTV of 62.19%, weighted average indexed LTV of 63.95%, weighted average seasoning 29.05 months and repayment mortgages represent 68.21% of the pool¹
- At closing, no loans were over 30 days in arrears

Transaction Parties

- Arranger: J.P. Morgan Securities Ltd.
- Servicer: Co-op Bank
- Interest Rate Swap Providers: Co-op Bank and J.P. Morgan Securities Ltd

Structural Support

- Excess Spread. Fully funded (4% of mortgage balances- £116m) General Reserve Fund. Yield reserve fund to supplement available revenue if required. Liquidity reserve fund to divert principal receipts to revenue waterfall. Note subordination
- Set-off risk sized through over-collateralisation. Fixed interest rate risk hedged through rating agency compliant swap with JP Morgan Securities Ltd. SVR/ Bank Base rate basis risk hedged with the Co-op Bank- no rating agency credit received.

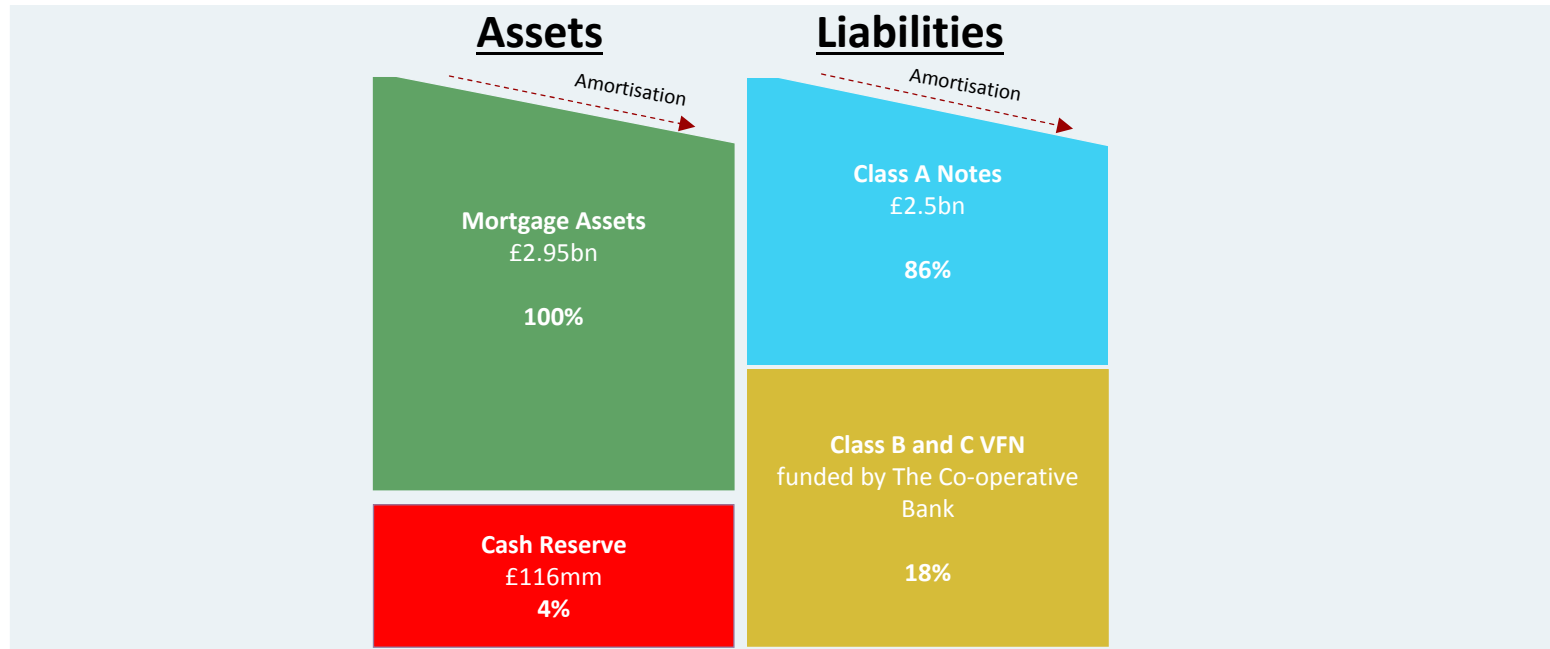
¹ - Source: Silk Road Finance Number One PLC preliminary prospectus

² - Commitment to redeem is subject to (i) no event of default on the Class A notes and (ii) redemption price being funded by the Co-op Bank through a variable funding note

INVESTORS ARE DIRECTED TO THE SECTION ENTITLED "RISK FACTORS" IN THE BASE PROSPECTUS

Silk Road Finance No 1

Structure Overview



- Standalone, static pool, pass-through RMBS structure. Principal receipts retained by the Issuer during the first 6 months of the transaction to fund further advances and flexible drawings. Expected mortgage yield (post swaps) at closing of 3ML+1.62%
- Tap Issuance of up to £500mm permitted within 6 months from the closing date of the transaction- 25th Aug 2010
- In the event of a tap issue, further advances, flexible drawings or product switches, a yield reserve will be funded to supplement Available Revenue Receipts such that, over first five years of the transaction, the mortgage yield less servicing cost and AAA liability cost is at least 30bps. At closing, the yield reserve balance is zero
- Class A1 notes will benefit from a noteholder redemption option whereby the noteholder has the option to have their notes redeemed by the issuer at a price of par plus accrued interest less Class A PDL¹ should the Issuer fail to exercise the call on the step-down date

¹ - Commitment to redeem is subject to (i) no event of default on the Class A notes and (ii) redemption price being funded by the Co-op Bank through a variable funding note

Silk Road Finance No 1: Tap Issuance Potential

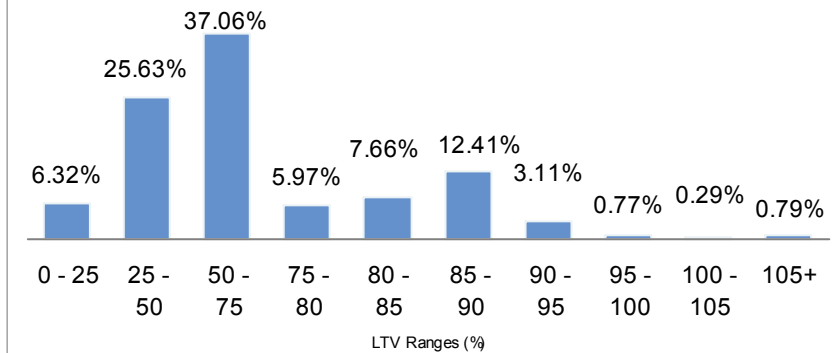
- Issuer option, by 25th August 2010 (6 months from transaction closing), to issue further Class A notes (GBP, \$, €) without prior consent of the Class A noteholders
- The Further/ New Notes will rank *pari passu* with the existing Class A notes with issue subject to:
 - Total value of the Further/ New Notes issued must be at least GBP 100m per tap, and cumulatively no more than GBP 500m
 - No ratings downgrade event as a consequence of Further/ New Notes issuance. No Further/ New Notes rating is lower than that of any Notes on their date of issue
 - In percentage terms, credit enhancement levels will be no less than at closing
 - Aggregate principal amount Further/ New Notes issued will be used by the Issuer to purchase new loans from the Seller, subject to certain eligibility criteria

Residential Mortgage Pool Collateral Summary

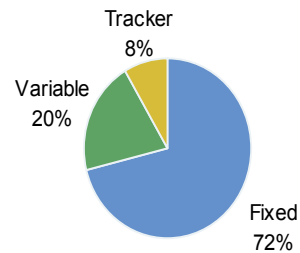
Summary

Pool size	£3,636,035,526
Cut-off date	30 November 2009
Average loan size	£108,348
WA non-indexed CLTV	61.15%
WA indexed CLTV	63.95%
WA seasoning (months)	29.05
Repayment Mortgages	68.21%

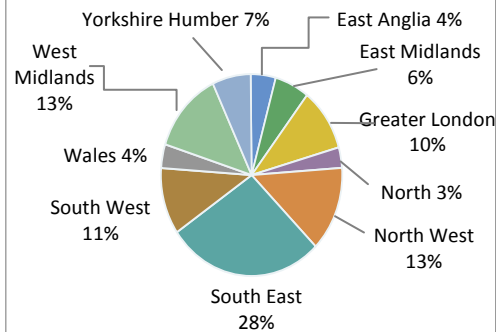
Current Non-Indexed LTV



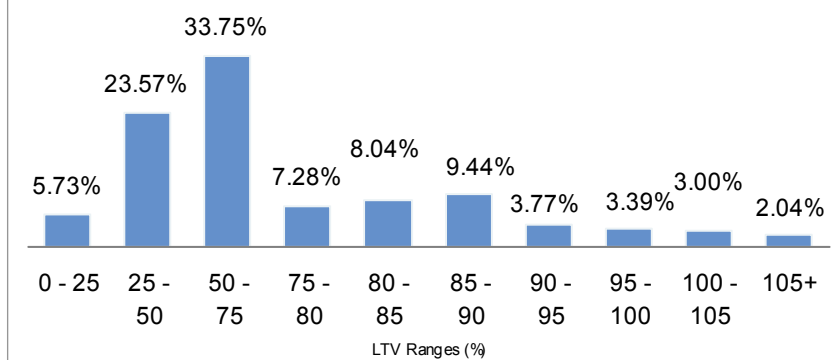
Product Group



Geographic Distribution



Current Indexed LTV



1 - Source: Silk Road Finance Number One PLC preliminary prospectus

Silk Road Pool Statistics: Comparison

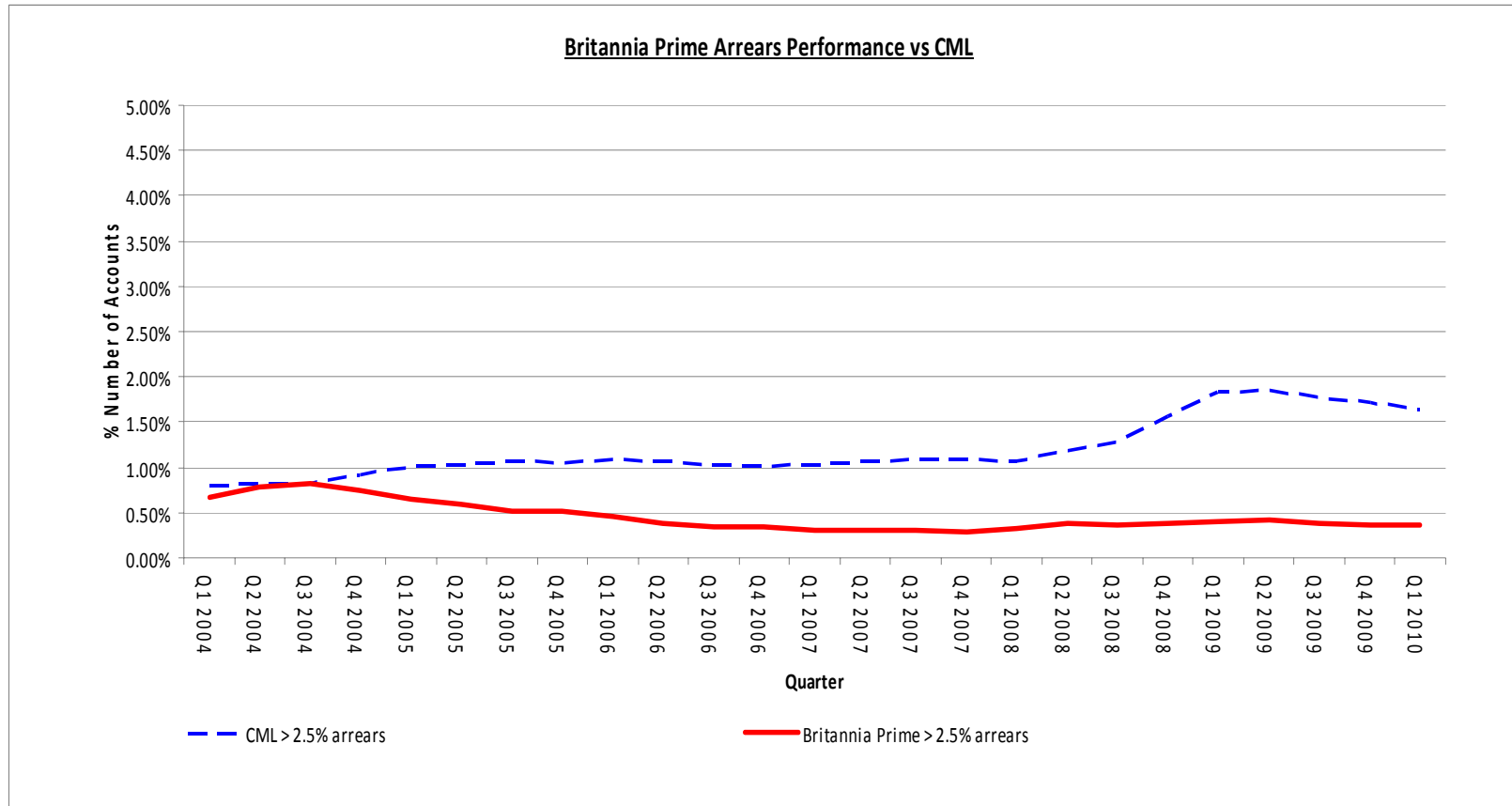
Summary

Transaction	Silk Road Finance 1	Silverstone Master Trust	Fosse Master Trust	Permanent Master Trust	Arkle Master Trust
Structure	Standalone SPV	Master Trust	Master Trust	Master Trust	Master Trust
Maturity Repurchase/Investor Redemption	Yes	Yes for Series 09-1	No	Yes for Series 09-1, 10-1	No
Balance of Mortgages	£3,636,035,526	£29,040,427,354	11,384,356,964.55	40,340,202,443	£31,271,644,962
Number of Mortgages Accounts	33,559	307,241	131,232	484,205	315,535
Average Loan Balance	£108,348	£94,520	£86,750	£83,312	£99,107
WA Current LTV (Indexed)	63.9% ¹	66.5% ¹	58.7% ¹	65.3% ¹	64.0% ¹
WA Current LTV (Unindexed)	60.7% ¹	63.0% ¹	60.2% ¹	62.3% ¹	68.9% ¹
WA Seasoning (months)	29.1	42.7	50.7	51.7	55.1
First ranking mortgage	100%	100%	100%	100%	100%
WA Remaining Term (months)	235	231	219	212	194
Non-Repayment Loans	31.8%	25.3%	38.6%	42.5%	47.4%
London & South East	37.8%	42.5%	33.0%	41% ¹	42.3%
East and West Midlands	19.8%	14.8%	13.4%	13% ¹	16.7%
North, North West, Yorkshire & Humber	23.6%	17.0%	19.3%	22% ¹	17.1%
Other Regions	18.8%	25.7%	34.3%	24% ¹	23.9%

Source: Silk Road Finance Number One PLC Preliminary Prospectus, Silverstone 2009-1 final terms, Fosse 2010-2 final terms, Permanent 2010-1 final terms, Arkle 2010-1 final terms

¹ - Moody's

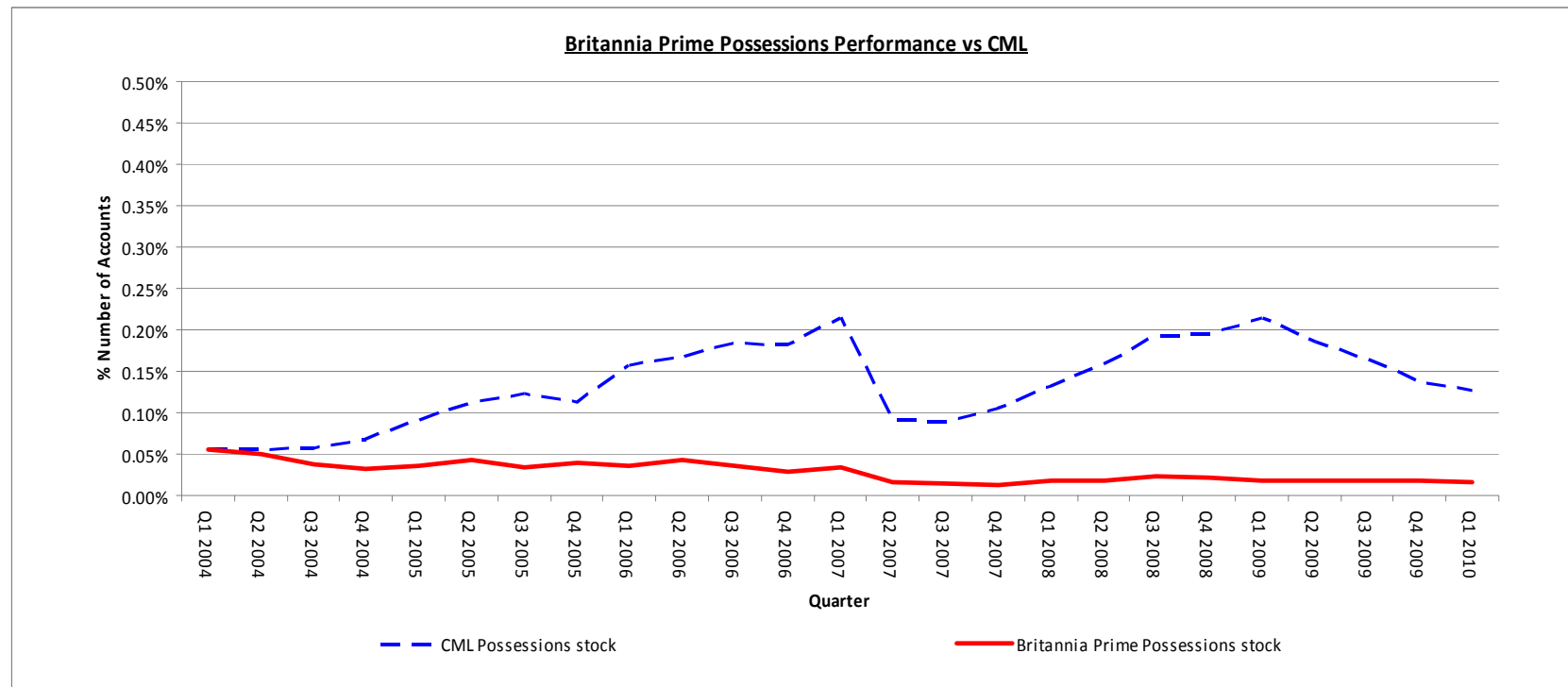
Britannia Prime Mortgage Performance



Sources: CML, Co-op Bank, CFS

- Britannia Prime loans > 2.5% in arrears (by number of accounts) continue to outperform the industry (CML)
- Less than 0.4% of loans have significant arrears ($\geq 2.5\%$ of loan balance), 77% below industry average

Britannia Prime Mortgage Performance



KEY DATA	2008 year-end	2009 year-end
Book Size- Number of Loans	141,379	138,053
Book Size- Balances	£10.76bn	£10.66bn
Properties in Possession (Stock)	24	24
Properties taken into Possession in Year	59	58
Possession Sales in Year	34	55
Possession Sale Losses	6	31
Total Losses in Year	£0.2m	£1.1m

Britannia Prime Underwriting Criteria

■ Key mortgage lending guidelines:

Borrower

- All residential products are granted on the basis of a combination of affordability and income
- Borrower ≥ 18 years of age, in receipt of suitable income and with a permanent right to reside in the UK
- Customer < 75 years of age at the maturity of the mortgage and be able to evidence affordability into retirement
- Ongoing financial commitments annualised and deducted from income before application of affordability calculations
- Credit searches are conducted for all known addresses

Collateral

- Located in England, Wales, Scotland and Northern Ireland
- Secured by first legal charge and fully insured to the valuers recommended level
- At least one mandatory valuation by approved valuation method

Loan

- Original term of 5—40 years
- Maximum LTV of 90% (including fees)
- Repayment, Interest Only or a combination of both
- All loans over £250k assessed by manual underwriting only

Group Arrears, Possession & Sale Timeline

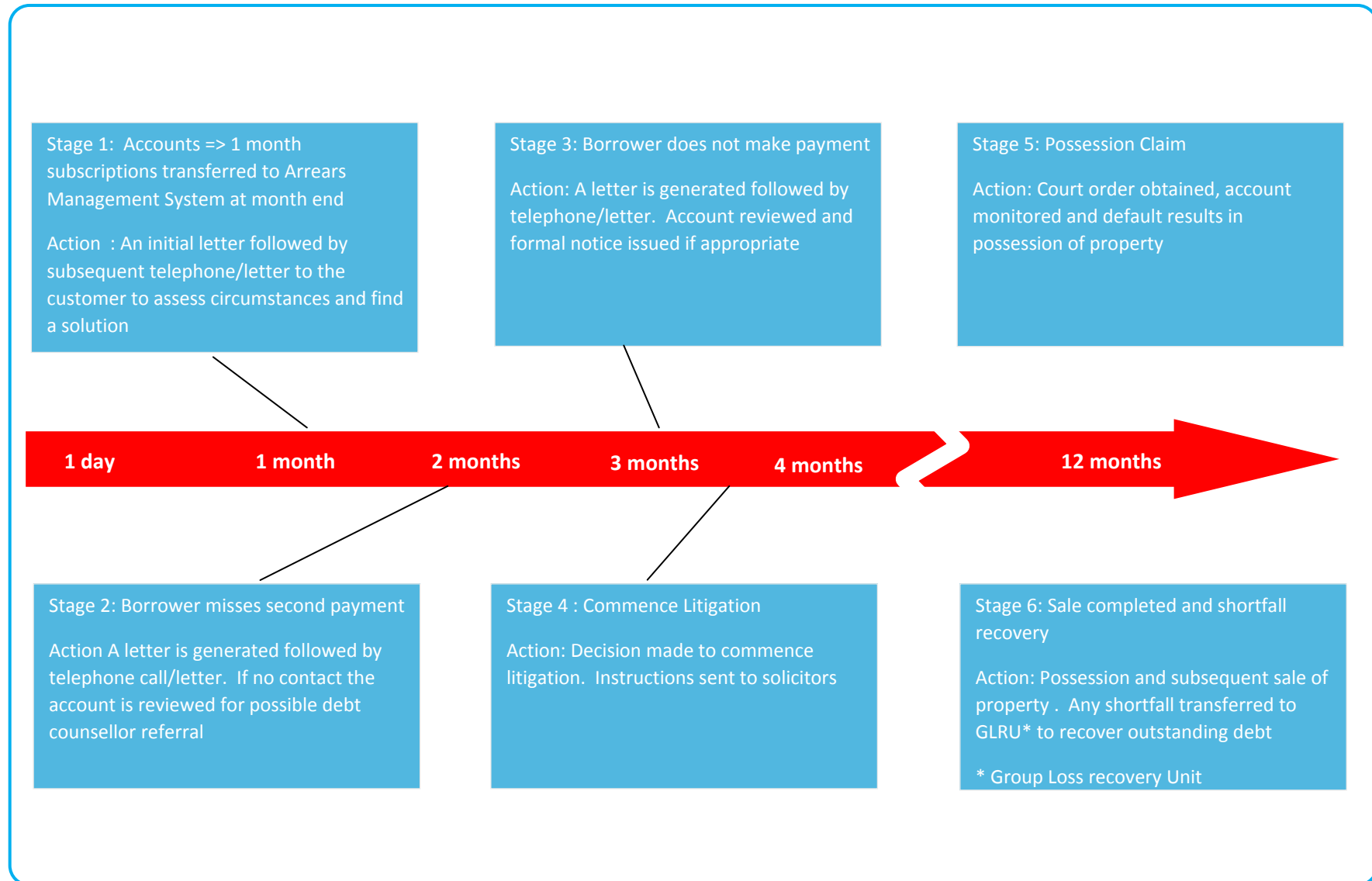


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Leek Programme: Summary

Sponsors

- Origination
 - Platform, the Co-op Bank's wholly owned subsidiary, has considerable experience in the non-conforming mortgage market, and has better credit performance relative to its peer group, as demonstrated by the Fitch UK Non-Conforming delinquency indices
- Servicing
 - The Co-op Bank's wholly owned subsidiary, WMS, to which servicing is delegated, has considerable experience with over £11 billion of assets under management
 - The Co-op Bank guarantees the servicing and cash administration obligations for all Leek deals in line with the relevant administration and mortgage sale agreements
- Following Britannia/ Co-operative Bank PLC merger (Aug '09), Platform's and WMS's responsibilities to the Leek transactions remain as before, with those entities now subsidiaries of the Co-operative Bank plc. The guarantees and reps and warranties previously provided by Britannia have been transferred to obligations of the Co-operative Bank plc¹

Collateral & Structure

- The Leek programme is structured as follows:
 - No pre-funding
 - Redemption is sequential
 - No Interest Only Strips, no MERCs and no available funds cap
 - Provisioning mechanism- conservatively capturing excess spread prior to losses generating enhanced over- collateralisation
 - Credit enhancement provided through subordination, reserve fund and excess spread
 - No reserve fund amortisation
 - All notes rated by S&P, Moody's and Fitch

Source: ¹ Britannia and Section 97(6) of the Building Society Act 1986

Repeat issuance in the RMBS market

- Britannia sponsored programmes have issued regularly in the RMBS market
- Quarterly reporting is available on Bloomberg and the website @ www.britannia.co.uk/bts
- PHL 1 and PHL 2 were securitisations undertaken by Platform prior to its acquisition by Britannia in 2001
- Leek 20, 21 and 22 notes fully retained by Britannia/ the Co-op Bank

Programme	Name	Date Issued	Registration	Currencies of Notes issued	Amount Issued (£ equivalent)	Amount Outstanding (£ equivalent) ²
PHL	PHL1	Dec-1999	Reg S	£	297	repaid
	PHL2	Sep-2000	Reg S	£	210	repaid
LEEK FINANCE	Leek Finance 1 ¹	Dec-1996	Reg S	£	795	repaid
	Leek Finance 2 ¹	May-1999	Reg S	£	173	repaid
	Leek Finance 3 ¹	Jul-2001	Reg S	£	312	repaid
	Leek Finance 7 ¹	Apr-2002	Reg S	£	389	repaid
	Leek Finance 10 ¹	May-2003	Reg S	£/ US\$	375	repaid
	Leek Finance 11 ¹	Oct-2003	Reg S/ 144A	£/ US\$/ Euros	375	repaid
	Leek Finance 12 ¹	Mar-2004	Reg S/ 144A	£/ US\$/ Euros	704	repaid
	Leek Finance 14 ¹	Oct-2004	Reg S/ 144A	£/ US\$/ Euros	1,046	repaid
	Leek Finance 15	Apr-2005	Reg S/ 144A	£/ US\$/ Euros	1,080	263
	Leek Finance 16	Oct-2005	Reg S/ 144A	£/ US\$/ Euros	961	327
	Leek Finance 17	Apr-2006	Reg S/ 144A	£/ US\$/ Euros	1,168	523
	Leek Finance 18	Oct-2006	Reg S/ 144A	£/ US\$/ Euros	1,048	618
	Leek Finance 19	Apr-2007	Reg S/ 144A	£/ US\$/ Euros	833	601
	Leek Finance 20 ³	Jul-2008	Reg S	£	1,489	1,299
	Leek Finance 21 ³	Oct-2008	Reg S	£	1,315	1,144
	Leek Finance 22 ³	Jan-2009	Reg S	£	501	476
	Silk Road 1	Feb-2010	Reg S	£	2,500	2,500
TOTAL					15,064	7,750
DOVEDALE	Dovedale Finance 1		Reg S	£/ Euros	102	48

Leek Public Notes
Outstanding
£2.3bn

¹ Transactions called

² Outstanding balance as per Investor Reports: 21 March, 2010

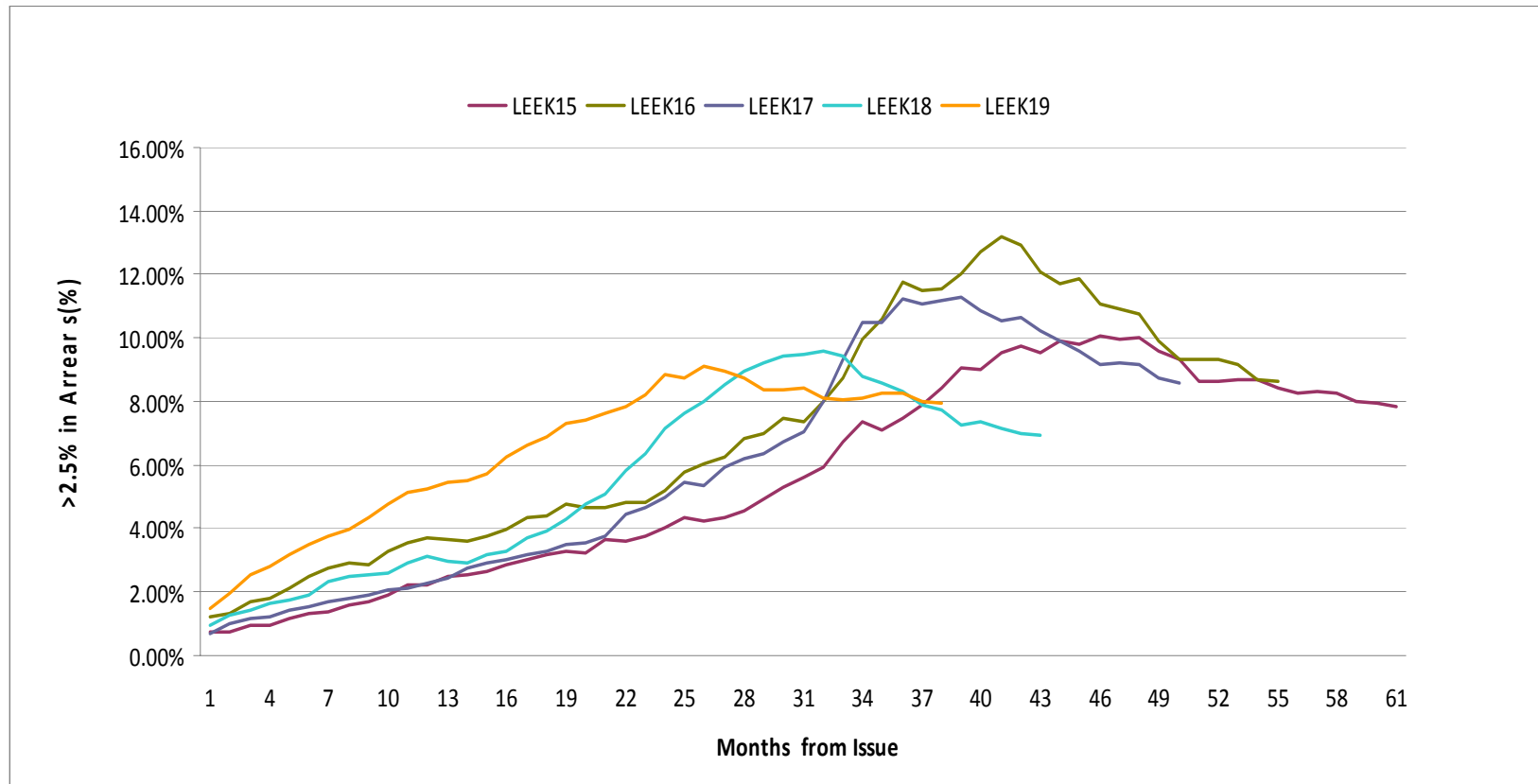
³ Retained Deals

- **£15bn equivalent issued through four securitisation programmes**

Leek Programme: Arrears Performance

- Leek deals comprise a mix of self-certified loans, BTL loans and non-conforming loans (the majority of which are near-prime from the “top slice” of the non-conforming market) – this collateral mix is reflected in the strong performance of Britannia sponsored RMBS

Loans with arrears balance > 2.5% of loan balance as a proportion of outstanding pool balance



Source: www.britannia.co.uk/bts

Leek Programme: Servicing

- Western Mortgage Services Limited (WMS) is the primary servicer for all Leek transactions

WMS background

- WMS was established in 1996, and has been involved with the non-conforming market since that date.
- Prior to the establishment of WMS, most of the WMS management team worked together for over 15 years at Western Trust and Savings
- WMS is a wholly owned subsidiary of the Co-op Bank
- In December 2001 Platform's servicing operations were transferred to WMS.
- WMS has over £11 billion of mortgage assets under management
- Based in Plymouth with 390 dedicated staff, WMS provides servicing operations for Platform, as well as several smaller non-affiliated mortgage providers

Administrations duties carried out by WMS

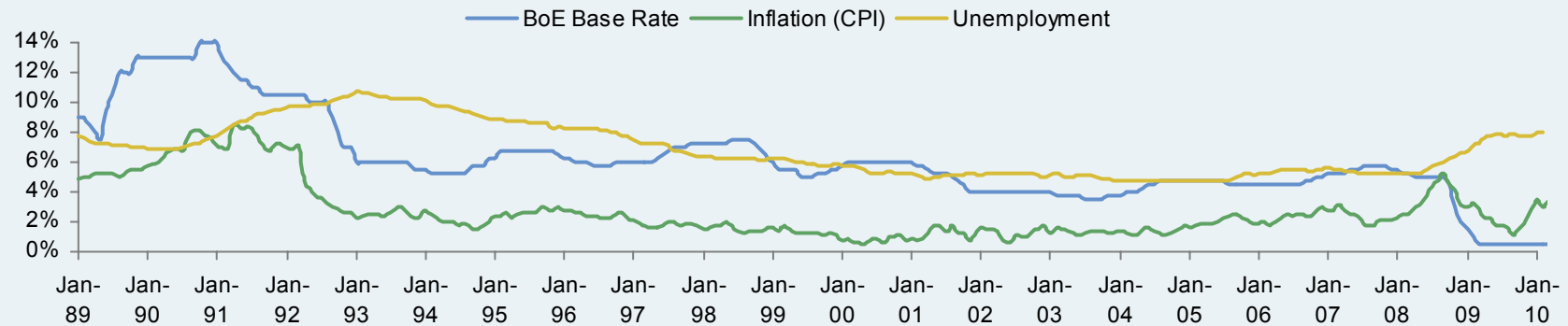
- WMS will carry out all aspects of a loan's administration, including:
 - Undertaking of the welcome duties
 - Collection of monthly payments from borrowers
 - Arranging annual renewal of building insurance
 - Dealing with enquiries from borrowers
 - Administering the payment of arrears amounts
 - Handling of the litigation, repossession and sale process

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UK Economy – 1990s vs 2010

Economic Data



Source: Bank of England, Office of National Statistics

	Early 1990s	2010
Interest Rate	<ul style="list-style-type: none"> Bank Base Rate rose to a peak of 14.0% at the end of 1989 from 5.0% in 1977 	<ul style="list-style-type: none"> Bank Base Rate of 0.50%, a historic low
Inflation	<ul style="list-style-type: none"> Rapid economic growth induced inflation levels of up to 8.5% CPI/ 9.5% RPI 	<ul style="list-style-type: none"> Low inflationary pressure with 3.7% CPI / 5.3% RPI
Housing Supply	<ul style="list-style-type: none"> New housing construction remained high 	<ul style="list-style-type: none"> Low levels of new house builds, contributing to the shortage of housing supply
Unemployment	<ul style="list-style-type: none"> Rising unemployment levels to approx. 3 million until mid-1990's 	<ul style="list-style-type: none"> UK unemployment is currently at 2.51 million, proportionally skewed towards youth population, who are not typical homeowners

Source: Bank of England, Office of National Statistics, Council of Mortgage Lenders

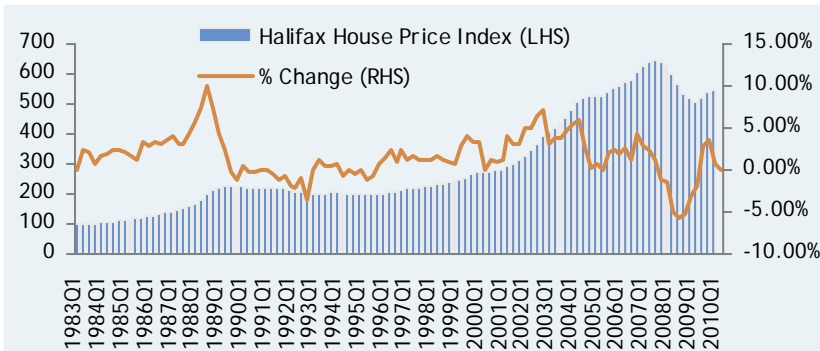
General Overview of UK Housing and Mortgage Markets

Housing market

- Regulation of UK mortgages by the FSA was introduced at the start of November 2004
- Gross mortgage advances totalled £254.0 billion in 2008 and £143.5 billion in 2009
- There were 1.0 million property transactions in the UK during 2008 and 0.9 million property transactions during 2009 (please note that from 2008, HMRC only counts property transactions with value £40,000 or above)
- House prices increased 0.6% in the quarter of 2010 Q1 and increased 3.5% in the quarter of 2009 Q4, according to the Halifax House Price Index (Seasonally adjusted quarterly data)

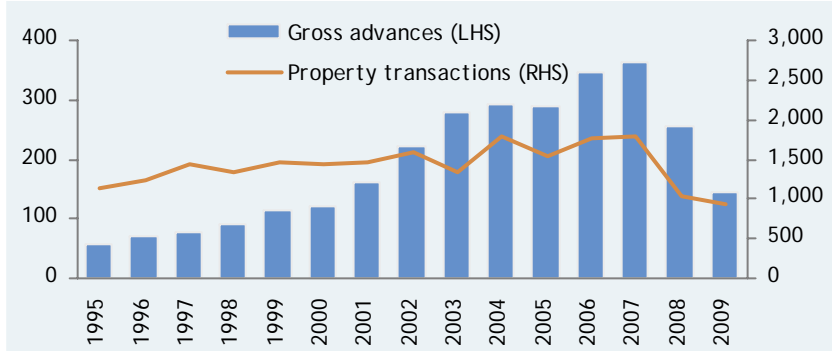
Source: CML, Department of Communities and Local Government, Halifax House Price Index

UK House Prices



Source: Halifax House Price Index

Gross advances Property transactions in the UK housing market



Source: CML, Department of Communities and Local Government

*From 2008, HMRC only counts property transactions with value £40,000 or above

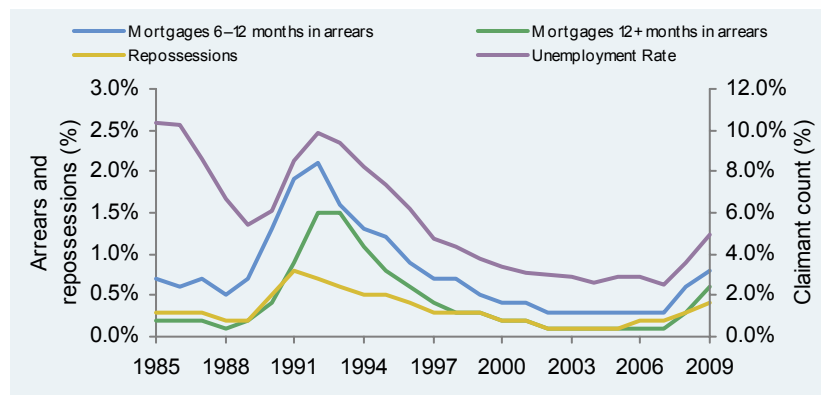
UK Mortgage Market – Arrears and Loss Levels

Arrears and possessions have been better than expected

- Arrears and possessions levels have benefited from the low interest rate environment and lender forbearance
- The CML revised down its 2009 year-end forecast for 'arrears $\geq 2.5\%$ -of-balance' from 425k at the start of the year to 360k in June'09 and down to 195k (1.77% of all mortgages) in November'09
- The CML also revised down its forecast for repossessions in 2009, forecasting 75k at the start of the year, reducing this to 65k by June'09 and down to 48k (0.43% of all mortgages) by November'09 (2008 actual: 40k)

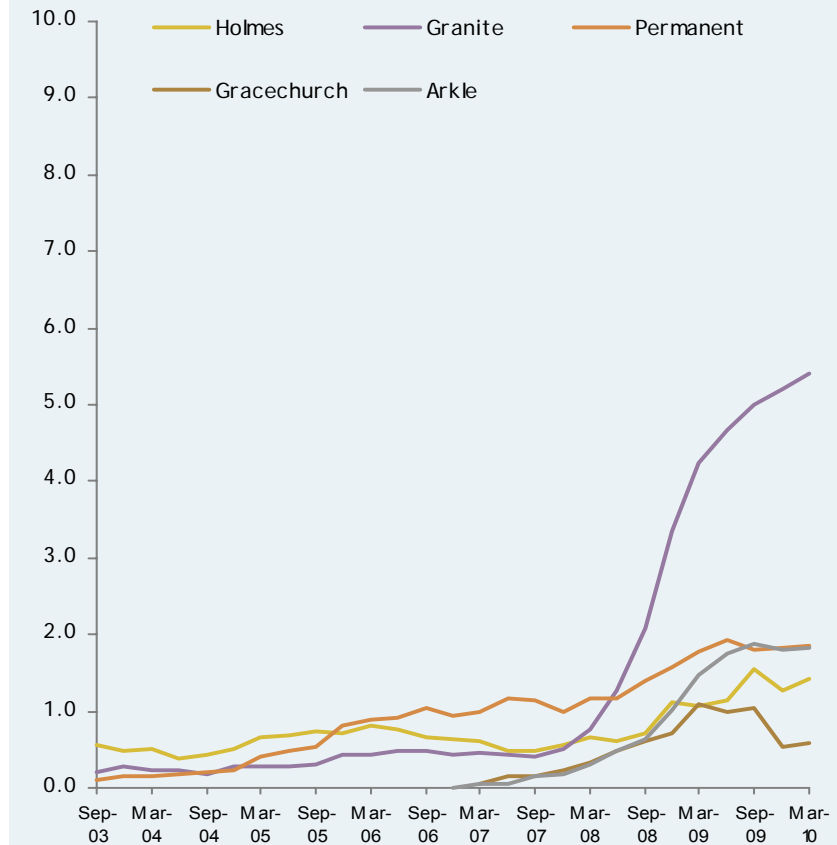
Source: Council of Mortgage Lenders

UK Arrears and repossessions



Source: Council of Mortgage Lenders, Office of National Statistics

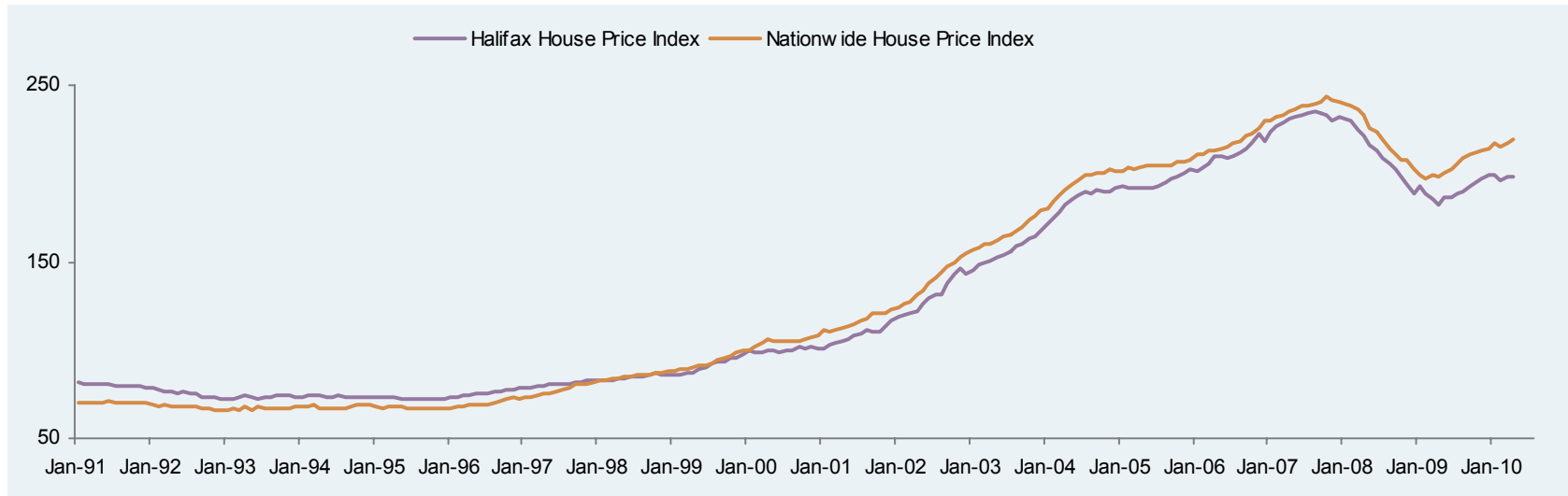
Prime Master Trust Arrears Levels (3 months+)



Source: Standard and Poor's, Fitch

UK Housing Price Changes

House prices Indices



- The UK average house price increased for the seventh consecutive month up until January 2010, followed by a 1.6% decrease in February and then an increase of 1.0% in March. House prices up 8.7% on an annual basis according to the Halifax House Price Index
- The Nationwide House Price Index shows nine consecutive months of increase up until January 2010, followed by a 1.0% monthly decrease in February before increasing again. House prices up 10.5% on an annual basis according to the Nationwide House Price Index

Source: Halifax House Price Index (Seasonally adjusted) monthly data, Nationwide House Price Index (Seasonally adjusted) monthly data. Rebased to 100 as at January 2000

Leek Statistics: Summary

	Leek 15	Leek 16	Leek 17	Leek 18	Leek 19	Total
AAA Initial Balance (£,000) ¹	944,064	840,286	1,010,338	901,343	671,487	4,367,518
AA Initial Balance (£,000) ¹	63,779	31,213	73,593	71,073	69,220	308,878
A Initial Balance (£,000) ¹	43,146	45,943	49,528	44,095	46,665	229,377
BBB Initial Balance (£,000) ¹	29,272	44,019	33,451	40,290	28,362	175,394
BB Initial Balance (£,000) ¹	-	-	-	-	17,554	17,554
TOTAL (£,000)	1,080,261	961,461	1,166,910	1,056,801	833,288	5,098,721
Reserve Fund ("RF") at closing (£,000)	18,688	14,807	23,367	23,270	17,195	97,327
RF as % of Initial Balance (%)	1.73%	1.54%	2.00%	2.22%	2.15%	
AAA Outstanding Balance (£,000) ¹	126,693	206,277	366,726	467,611	439,459	1,606,766
AA Outstanding Balance (£,000) ¹	63,779	31,213	73,593	71,073	69,220	308,878
A Outstanding Balance (£,000) ¹	43,146	45,943	49,528	44,095	46,665	229,377
BBB Outstanding Balance (£,000) ¹	29,272	44,019	33,451	40,290	28,362	175,394
BB Outstanding Balance (£,000) ¹	-	-	-	-	17,554	17,554
TOTAL (£,000)	262,890	327,452	523,298	623,069	601,260	2,337,969
RF Outstanding (£,000) ¹	24,846	20,768	27,690	26,939	17,916	118,159
RF as % of Outstanding Balance (%)	9.45%	6.34%	5.29%	4.32%	2.98%	
Provisions ("P") (£,000) ¹	4,603	5,302	7,972	6,371	2,310	26,557
P as a % of Outstanding Balance (%)	1.75%	1.62%	1.52%	1.02%	0.38%	
Pool Factor ¹	13.42%	31.37%	46.43%	66.96%	85.62%	
Class A Credit Enhancement Incl Provisions ("CE")	63.0%	45.0%	36.7%	30.3%	30.3%	
Class M CE	38.7%	35.4%	22.7%	18.9%	18.8%	
Class B CE	22.3%	21.4%	13.2%	11.8%	11.0%	
Class C CE	11.2%	8.0%	6.8%	5.3%	6.3%	
Class D CE	-	-	-	-	3.4%	

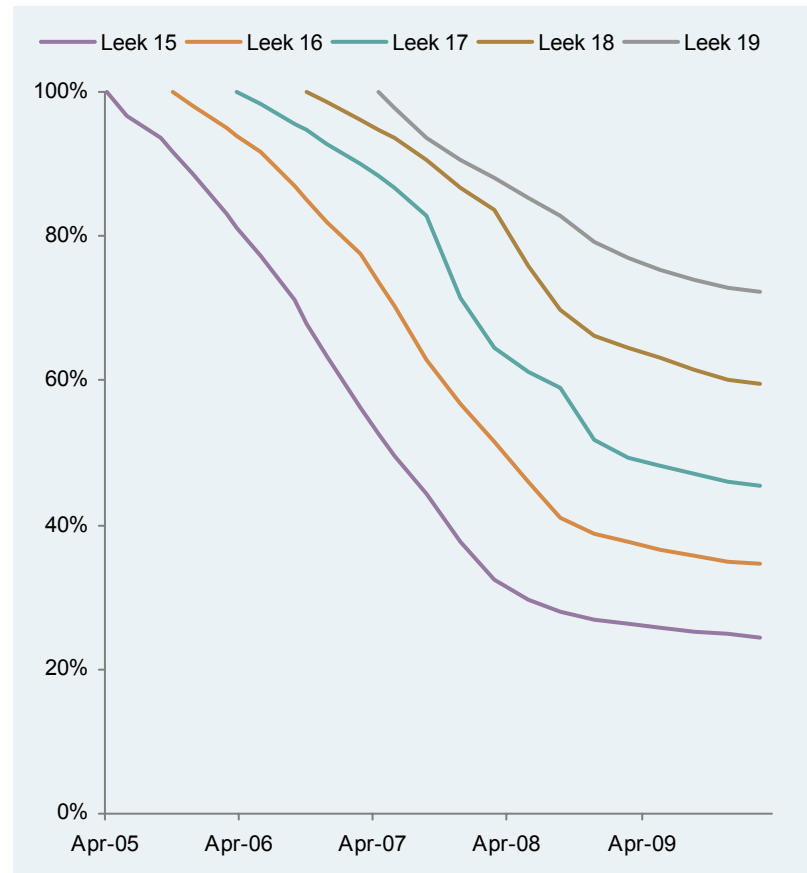
¹ Investor reports, March 2010: www.britannia.co.uk/bts

Leek Statistics: Amortisation Rates

Average Annual Amortisation Rates



Principal Balance of Mortgages Outstanding (% versus Closing)



Source: Leek investor reports

For interest payment dates during the first year, amortisation rates are annualised from the first IPD

Principal Balance of Mortgages Outstanding (% versus Closing) based on original Principal Balances of Mortgages sold to SPV