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28 May 2014

The Co-operative Bank p.l.c. (the “Bank”, the “Company”)

Results of Capital Raising

On 9 May 2014, the Board of Directors of the Bank announced details of an equity capital raising of approximately £400 million through the issue of 200 million new ordinary shares in the capital of the Company (the “New Ordinary Shares”) by way of a conditional placing and open offer (together with the Bonus Issue, the “Capital Raising”).

Today, the open offer to existing Shareholders of the Company, other than those located in certain excluded jurisdictions (“Qualifying Shareholders”), to subscribe for New Ordinary Shares (the “Open Offer”) closed in accordance with the terms and conditions contained in the circular published by the Company on 10 May 2014.

Valid applications under the Open Offer have been received from Qualifying Shareholders (including participants in the Group Placing) in respect of 185,432,312 New Ordinary Shares in aggregate. This represents 92.72 per cent. of the New Ordinary Shares offered pursuant to the Placing and Open Offer.

Accordingly, the remaining 14,567,688 New Ordinary Shares have been allocated to the investors with whom they had been conditionally placed pursuant to the Placing and Open Offer.

The Bonus Issue requires Smaller Shareholders to validly complete and return a Bonus Issue Form in order to receive Bonus Shares. In order that Smaller Shareholders do not miss the opportunity to participate in the Bonus Issue, the Bank is extending the deadline for the submission of Bonus Issue Forms by one week to 11.00 a.m. on Wednesday 4 June 2014. Smaller Shareholders should assume that Bonus Issue Forms received after that time will not be accepted and no further extension to the deadline for applications is envisaged. Following the receipt of any additional Bonus Issue Forms, the Bank will issue a further announcement to confirm the final number of Bonus Shares to be issued.

Chief Executive Niall Booker said: “The closing of the Placing and Open Offer today is very positive news for the Bank and its customers. The speed at which this additional capital has been raised and the demand for the Placing and Group Placing, both of which were multiple times oversubscribed, is a great endorsement by Shareholders of the business plan, the overall strength of the brand and the co-operative values and ethics that remain at the heart of the Bank. The completion of this capital raising will assist the new management team to implement the business plan designed to return us to our roots as a bank focused on our retail and SME customers. I'd like to thank our customers for their continuing support and loyalty.”

Capitalised terms used in this announcement shall have the same meaning given to them in the Bank's announcement of 9 May 2014.

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This announcement and any related materials may contain or incorporate by reference certain "forward-looking statements" regarding the belief or current expectations of the Bank about the

Bank's financial condition, results of operations and business described in this announcement. Generally, but not always, words such as "aim", "target", "will", "would", "expect", "propose", "intend", "plan" or their negative variations or similar expressions identify forward-looking statements. Examples of forward-looking statements include, among others, statements regarding the Bank's future financial position, income growth, assets impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment or dividends, projected levels of growth in the banking and financial markets, projected costs, original and revised commitments and targets in connection with the turn-around plan, deleveraging actions, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, achievements or developments of the Bank or the industry in which it operates to differ materially from any future results, performance, achievements or developments expressed or implied from the forward-looking statements. The ability of the Bank to implement its strategic plan and to achieve the results set out in the plan entails particular challenges including (but are not limited to): ability to achieve the targeted cost savings; ability to retain customers and deposits; the timing and quantum of impacts to capital from its asset reduction exercise; meeting its planned improvements in net interest margin; a possible further deterioration in the quality of the Bank's asset portfolio; unplanned costs from (for example) conduct risk matters; ability to maintain the Bank's access at an appropriate cost to liquidity and funding and the ability of the Bank to raise further capital assumed in its forecasts. Many of the risks and uncertainties also relate to factors that are beyond the Bank's ability to control or estimate precisely which include (without limitation) factors such as: UK domestic and global economic and business conditions; the Bank's ability to implement successfully its four to five year business plan to improve its financial, operational performance and capital position; market related risks, including but not limited to, changes in interest rates and exchange rates; changes to law, regulation, accounting standards or taxation, including changes to regulatory capital or liquidity requirements and the Bank's ability to meet those requirements; the ability to access sufficient funding to meet the Bank's liquidity needs including through retail deposits; instability in the global financial markets, including Eurozone instability and the impact of any sovereign credit rating downgrade or sovereign financial issues; changes to the Bank's credit rating; the effect of competition and the actions of competitors; the impact of potential disruption to the Bank's IT and communications systems; the ability to attract and retain skilled personnel; uncertainties regarding the extent of the Bank's exposure to pensions related liabilities; exposure to increased and ongoing regulatory scrutiny, legal proceedings, regulatory investigations or complaints, including with respect to conduct issues and other factors.

A number of material factors could cause actual results to differ materially from those contemplated by the forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. Except as required by law, the Bank undertakes no obligation to revise the forward-looking statements to reflect any change in the Bank's expectations with regard thereto or any subsequent events or circumstances. Recipients of this announcement should not place any reliance on the forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecast periods.

Neither the Bank nor any of its respective affiliates or representatives undertakes any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Recipients of this announcement should not place any reliance on the forward looking statements and are advised to make their own independent analysis and determination with respect to the forecast periods.

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