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

19 June 2017

**Update on Sale and Capital Raise**

The Co-operative Bank p.l.c. (the "Bank") announced on 13 February 2017 that it was commencing a Formal Sale Process under the Takeover Code alongside considering other options to build capital, to meet the longer term capital requirements applicable to all UK banks.

The Bank notes recent media speculation and confirms that it is in advanced discussions with a group of existing investors with a view to a prospective equity capital raise and liability management exercise.

The Bank and other relevant parties continue active discussions regarding separation of the Co-operative Pension Scheme (Pace).

The Formal Sale Process continues. The Bank continues to fully discuss both the sale process and the capital raise options with the Prudential Regulation Authority (PRA), which has welcomed the sale and capital raise process.

A further update will be made when appropriate.

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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**Takeover Code Implications**

A copy of this announcement (subject to any restrictions relating to persons resident in restricted jurisdictions) will be available at [www.co-operativebank.co.uk/investorrelations/](http://www.co-operativebank.co.uk/investorrelations/) promptly and in any event by no later than 12 Noon on 20 June 2017. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

**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.

**No offer of securities**

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**Important notice**

There is no guarantee that the current advanced discussions will successfully conclude such that an offer for, or investment into the Bank or a capital raise and/or liability management exercise is implemented either at all or in a form that will be supported by the Bank, its existing security holders and/or its regulators.