

06 MAR 2025

Fitch Affirms The Co-operative Bank at 'BBB+' / Negative; Withdraws Ratings

Fitch Ratings - London - 06 Mar 2025: Fitch Ratings has affirmed The Co-operative Bank p.l.c.'s ratings, including its Long-Term Issuer Default Rating (IDR) at 'BBB+' with a Negative Outlook and its Viability Rating (VR) at 'bbb-', and simultaneously withdrawn them.

Fitch has chosen to withdraw the ratings of The Co-operative Bank for commercial reasons. Fitch will no longer provide ratings or analytical coverage of the issuer. A full list of rating actions is below

Key Rating Drivers

Prior to their withdrawal, The Co-operative Bank's IDRs were driven by its Shareholder Support Rating (SSR), reflecting Fitch's view of a high likelihood of support from Coventry Building Society (A- / Negative). The Negative Outlook on The Co-operative Bank Long-Term IDR mirrored that on the parent.

Our support assessment took into consideration that The Co-operative Bank was strategically important, but not core, to Coventry, given a planned gradual integration, as well as its high operational and management independence. The SSR also reflected The Co-operative Bank's large size relative to Coventry and the potential implications of its ability to provide support. We viewed the combined group's resolution plan would make support for the subsidiary likely, as the group will ultimately operate under a single-point-of-entry model, with Coventry acting as the resolution entity.

Prior to withdrawal, the bank's VR of 'bbb-' reflected its improved record of structural profitability and increased cost efficiency, due largely to its transformation programme and extensive restructuring in recent years. It also reflected the stability of the business model, underpinned by a focus on low-risk mortgage lending, but also a modest franchise and fairly undiversified revenue base.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Not applicable as the ratings have been withdrawn.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Not applicable as the ratings have been withdrawn.

VR ADJUSTMENTS

Prior to the withdrawal, the following adjustments were made to the VR:

The asset quality score of 'bbb+' was below the 'aa' category implied score, due to the following adjustment reason: concentrations (negative).

The capitalisation and leverage score of 'bbb-' was below the 'aa' category implied score, due to the following adjustment reason: leverage and risk-weight calculation (negative).

The funding and liquidity score of 'bbb-' was below the 'a' category implied score, due to the following adjustment reason: deposit structure (negative).

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

Public Ratings with Credit Linkage to other ratings

Prior to withdrawal, The Co-operative Bank's IDRs were linked to the ratings of Coventry.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. Following the rating withdrawal, Fitch will no longer provide ESG scores for the bank. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY		PRIOR
The Co-operative Bank p.l.c.	LT IDR	BBB+ 	Affirmed		BBB+ 
	LT IDR	WD	Withdrawn		
	ST IDR	F1	Affirmed		F1
	ST IDR	WD	Withdrawn		
	Viability	bbb-	Affirmed		bbb-
	Viability	WD	Withdrawn		
	Shareholder Support	bbb+	Affirmed		bbb+
	Shareholder Support	WD	Withdrawn		
• long-term deposits	LT	A-	Affirmed		A-

ENTITY/DEBT	RATING		RECOVERY	PRIOR
• long-term deposits	LT	WD	Withdrawn	
• short-term deposits	ST	F1	Affirmed	F1
• short-term deposits	ST	WD	Withdrawn	

RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◊
NEGATIVE	⊖	◊
EVOLVING	⊙	◆
STABLE	⦿	

Applicable Criteria

[Bank Rating Criteria \(pub.15 Mar 2024\) \(including rating assumption sensitivity\)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

The Co-operative Bank p.l.c. UK Issued, EU Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

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