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The Co-operative Bank Holdings Limited

14 November 2023

THE CO-OPERATIVE BANK HOLDINGS LIMITED ANNOUNCES MAXIMUM ACCEPTANCE AMOUNT IN RESPECT OF ITS TENDER OFFER AND PRICING OF THE NEW NOTES

Further to the announcement dated 13 November 2023, The Co-operative Bank Holdings Limited (the **Offeror**) announces today (i) the Maximum Acceptance Amount in respect of its invitation to holders of its outstanding £200,000,000 9.500 per cent. Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2029 (ISIN: XS1986325972, such Notes originally issued by The Co-operative Bank Finance p.l.c.) (the **Notes**) to tender their Notes for purchase by the Offeror for cash up to the Maximum Acceptance Amount (subject to the satisfaction (or waiver) of the New Issue Condition (such invitation, the **Offer**)); and (ii) the pricing of the New Notes (as defined below).

Maximum Acceptance Amount

The Maximum Acceptance Amount, which is the maximum aggregate nominal amount of Notes the Offeror proposes to accept for purchase pursuant to the Offer, has been set at £200,000,000 (although the Offeror reserves the right, in its sole and absolute discretion, to accept significantly less than (or none of) such amount for purchase pursuant to the Offer, as further described in the tender offer memorandum dated 13 November 2023 (the **Tender Offer Memorandum**) prepared by the Offeror in connection with the Offer). The Offeror’s purchase of any Notes validly tendered in the Offer is also subject, without limitation, to the successful completion (in the sole determination of the Offeror) of the issue of the New Notes.

The Offer is being made on the terms and subject to the conditions contained in the Tender Offer Memorandum, and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum. Capitalised terms used but not otherwise defined in this announcement shall have the meanings given to them in the Tender Offer Memorandum.

Pricing of the New Notes

The Offeror also announces that it has priced £200,000,000 in aggregate nominal amount of sterling denominated Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2034 (the **New Notes**). The New Notes will pay an initial coupon of 11.75 per cent. per annum up to 22 May 2029 (being the Reset Date) and thereafter at the Reset Rate of Interest (as further described in the prospectus to be prepared by the Offeror in connection with the issue and listing of the New Notes (including any amendment or supplement thereto, the **Prospectus**)). Settlement of the New Notes is expected to take place on or about 22 November 2023 and an application will be made to the Financial Conduct Authority (the **FCA**) for the New Notes to be admitted to the official list of the FCA and to the London Stock Exchange for the New Notes to be admitted to trading on the London Stock Exchange’s main market.

*Neither this announcement nor the Tender Offer Memorandum constitutes an offer of the New Notes and may not be used for the purposes of any such offer. Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the Prospectus, and no reliance is to be placed on any representations other than those contained in the Prospectus. Subject to compliance with applicable securities laws and regulations, a preliminary prospectus (the **Preliminary Prospectus**) dated 13 November 2023 is available from the Joint Dealer Managers on request.*

For the avoidance of doubt, the ability to purchase New Notes is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Noteholder and the selling restrictions set out in the Prospectus). It is the sole responsibility of each Noteholder to satisfy itself that it is eligible to purchase the New Notes.

*The New Notes are not being, and will not be, offered or sold in the United States. Nothing in this announcement or the Tender Offer Memorandum constitutes an offer to sell or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the United States Securities Act of 1933, as amended (the **Securities Act**). The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons.*

Compliance information for the New Notes: MiFID II and UK MiFIR professionals/ECSPs-only/No UK PRIIPS KID or EU PRIIPS KID – eligible counterparties and professional clients only (all distribution channels). No sales to UK retail investors or EEA retail investors; no key information document in respect of the UK or the EEA has been or will be prepared.

No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for participating in, the Offer.

For detailed terms of the Offer please refer to the Tender Offer Memorandum which (subject to distribution restrictions) can be obtained from the Tender Agent referred to below.

Deutsche Bank AG, London Branch (Telephone: +44 20 7545 8011; Attention: Liability Management), **Morgan Stanley & Co. International plc** (Telephone: +44 20 7677 5040; Attention: Liability Management Team, Global Capital Markets; Email: liabilitymanagementeuropa@morganstanley.com) and **NatWest Markets Plc** (Telephone: +44 20 7678 5222; Attention: Liability Management; Email: NWMLiabilityManagement@natwestmarkets.com) are acting as Joint Dealer Managers for the Offer.

Kroll Issuer Services Limited (Telephone: +44 20 7704 0880; Attention: Owen Morris; Email: co-op@is.kroll.com; Offer Website: <https://deals.is.kroll.com/co-op>) is acting as Tender Agent for the Offer.

This announcement is released by the Offeror and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the EUWA (UK MAR), encompassing information relating to the Offer described above. For the purposes of UK MAR and the Implementing Technical Standards, this announcement is made by Angela Catlin, Head of Investor Relations of the Offeror.

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DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the contents of this announcement, the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including as to any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offer. None of the Offeror, the Joint Dealer Managers or the Tender Agent nor any of their respective directors, employees or affiliates makes any recommendation as to whether

Noteholders should tender Notes pursuant to the Offer. None of the Offeror, the Joint Dealer Managers or the Tender Agent nor any of their respective directors, employees or affiliates is providing Noteholders with any legal, financial investment, business, regulatory, tax or other advice in this announcement. Noteholders should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes for cash.

OFFER AND DISTRIBUTION RESTRICTIONS

Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or a solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and any Joint Dealer Manager or any of the Joint Dealer Managers' respective affiliates is such a licensed broker or dealer in such jurisdiction, the Offer shall be deemed to be made by the Joint Dealer Managers or such affiliate, as the case may be, on behalf of the Offeror in such jurisdiction.

No action has been or will be taken in any jurisdiction in relation to the New Notes that would permit a public offering of securities and the minimum denomination of the New Notes will be £100,000.

United States

The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. person (as defined in Regulation S of the Securities Act (each a **U.S. Person**)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States, to any person located or resident in the United States or to any U.S. Person, and the Notes cannot be tendered in the Offer by any such use, means, instrumentality or facility or from within the United States or by any person located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by any person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or by or on behalf of any U.S. Person or by use of such mails or any such means, instrumentality or facility will be invalid and will not be accepted.

Neither this announcement nor the Tender Offer Memorandum is an offer of securities for sale in the United States or to U.S. Persons. Notes may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons.

Each Noteholder participating in the Offer will represent that it is not a U.S. Person and is not located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and who is not a U.S. Person. For the purposes of this and the above two paragraphs, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

Italy

None of the Offer, this announcement, the Tender Offer Memorandum or any other document or materials relating to the Offer have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian laws and regulations. The Offer is being carried out in the Republic of Italy (**Italy**) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **Issuer's Regulation**). The Offer is also being carried out

in compliance with article 35-bis, paragraph 7 of the Issuer's Regulation. Accordingly, Noteholders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase pursuant to the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes and/or the Offer.

United Kingdom

The communication by the Offeror of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved by, an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Financial Promotion Order**)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

This announcement, the Tender Offer Memorandum and any other document or material relating to the Offer have only been and shall only be distributed in France to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129. Neither this announcement nor the Tender Offer Memorandum has been or will be submitted for clearance to or approved by the *Autorité des Marchés Financiers*.

General

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offer*" on pages 22 to 26 of the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Offeror, the Joint Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Offeror determines (for any reason) that such representation is not correct, such tender may be rejected.