

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

29 September 2016

### **Capita Mortgage Outsourcing Programme**

The Co-operative Bank p.l.c. (the "Bank") has noted the comments made today as part of Capita plc's ("Capita") trading update investor call regarding the mortgage outsourcing contract signed in August 2015. The risk of delay to delivery of the transformation elements of this project were disclosed in the Bank's 2016 Interim Results. The Bank strongly refutes Capita's suggestion that they have delivered an element of the transformation programme which the Bank has not paid for. In addition, there are amounts which the Bank regards as owing to it by Capita. The Bank continues to work through the issues surrounding this transformation programme with Capita. The existing outsourcing of mortgage processing to Capita both for new and existing Bank customers continues to operate in a satisfactory manner and the Bank is committed to ensuring that this remains the case going forward. The PRA and FCA have been kept fully advised by the Bank of these issues from the outset.

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### **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 SME (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 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 (FSCS) in the UK.