

The Co-operative Bank p.l.c.

13 February 2017

Capita Mortgage Outsourcing Programme

Further to previous announcements, Capita plc and the Co-operative Bank p.l.c. (the "Bank") confirm that they have resolved all aspects of their existing contractual dispute and have agreed revised terms relating to provision of mortgage administration services. Existing systems will continue to be utilised with transformation activity not being progressed. The terms of the revised contract do not impact the Bank's current capital guidance.

This announcement contains inside information. The person responsible for arranging the release of this announcement is John Worth, Chief Financial Officer.

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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 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.