

## BASIS OF PRESENTATION

The Co-operative Bank Holdings Limited is the immediate parent company of The Co-operative Bank Finance p.l.c. and the ultimate parent company of The Co-operative Bank p.l.c. In the following pages the term 'Group' refers to The Co-operative Bank Holdings Limited and its subsidiaries. The term 'Finance Group' refers to The Co-operative Bank Finance p.l.c. and its subsidiaries. The term 'Bank' refers to The Co-operative Bank p.l.c. and its subsidiaries which are consolidated within the Finance Group and then ultimately the Group. Unless otherwise stated, information presented for the Group equally applies to the Bank and the Finance Group.

## First Quarter Trading Update 2024

2 May 2024

### Key highlights

- **Financial performance in line with expectations;** no change to full year guidance (excludes advisory costs relating to strategic options)
- **Multi-year transformation programme materially complete;** significant milestones achieved, with only 7% of total customers left to migrate
- **Investment grade credit rating achieved;** long-term deposit rating upgraded to Baa3 (Moody's) in March
- **Non-binding heads of terms agreed with Coventry Building Society;** discussions regarding the potential acquisition of the Bank are well advanced following completion of substantive due diligence

Nick Slape, Chief Executive Officer, said:

"I am very pleased with the Bank's performance in the first quarter of the year. Our low risk balance sheet remains resilient, with all key financial metrics and credit quality in line with expectations. We are focused on delivering value to our shareholders through the strength of our business model and the hard work of our colleagues.

I am also delighted to share that we have now achieved an investment grade credit rating, following an upgrade from Moody's to Baa3. This recognition highlights the strength of our financial position and the confidence in our long-term strategy. The improved credit rating unlocks opportunities to diversify our customer base by growing our corporate banking book, as well as enhanced funding capabilities, with preparation underway for our Covered Bond programme. Furthermore, the Bank has now been placed on 'watch positive' with Fitch and a 'review for upgrade' with Moody's.

Significant progress has been made in our IT Simplification programme, which is now nearing completion, with only 6% of savings customers and 14% of mortgage customers left to migrate. This creates operational efficiencies, reduces cyber risk and streamlines processes to better serve our customers and colleagues.

We have recently announced a series of organisational changes across the Bank, which are expected to result in a net reduction of approximately 400 roles, and whilst the decision was not taken lightly, it is essential if we are to become a more agile and efficient organisation. Colleague wellbeing and customer service remain central throughout this process.

On 18 April, the Bank and Coventry Building Society announced that non-binding heads of terms had been agreed in relation to the potential acquisition of the Bank, and are now working together on the next stages. In the meantime, we remain focused on delivering our strategic plan and great service for all our customers."

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The person responsible for arranging the release of this announcement on behalf of The Co-operative Bank Holdings Limited and The Co-operative Bank p.l.c. is Catherine Green, Company Secretary.

**About The Co-operative Bank**

The Co-operative Bank p.l.c. provides a range of banking products and services to about 2.4m retail customers and c.94k small and medium sized enterprises ('SME'). The Bank is committed to values and ethics in line with the principles of the co-operative movement. The Co-operative Bank is the only high street bank with a customer-led ethical policy, which gives customers a say in how their money is used. Launched in 1992, the policy has been updated on six occasions, with new commitments added in June 2022 to cover what we do for our planet, people and the community.

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. eligible customers are protected by the Financial Services Compensation Scheme in the UK, in accordance with its terms.

**Note:** All figures contained in this announcement are unaudited. This announcement contains inside information.

The Co-operative Bank p.l.c. LEI: 213800TLZ6PCLYPSR448

The Co-operative Bank Finance p.l.c. LEI: 213800KNE8ER4N9BLF11

The Co-operative Bank Holdings Limited LEI: 213800MY2BSP459O8A22

**FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking statements with respect to the business, strategy and plans of the Group and its current targets, goals and expectations relating to its future financial condition and performance, developments and/or prospects. Forward-looking statements sometimes can be identified by the use of words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve', 'predict', 'should' or in each case, by their negative or other variations or comparable terminology, or by discussion of strategy, plans, objectives, goals, future events or intentions.

Examples of such forward-looking statements include, without limitation, statements regarding the future financial position of the Group and its commitment to its plan and other statements that are not historical facts, including statements about the Group or its Directors' and/or management's beliefs and expectations. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements, which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur, will be realised, or are complete or accurate. Past performance is not necessarily indicative of future results. Differences between past performance and actual results may be material and adverse.

For these reasons, recipients should not place reliance on, and are cautioned about relying on, forward-looking statements as actual achievements, financial condition, results or performance measures could differ materially from those contained in the forward-looking statement. By their nature, forward-looking statements involve known and unknown risks, uncertainties and contingencies because they are based on current plans, estimates, targets, projections, views and assumptions and are subject to inherent risks, uncertainties and other factors both external and internal relating to the Group's plan, strategy or operations, many of which are beyond the control of the Group, which may result in it not being able to achieve the current targets, predictions, expectations and other anticipated outcomes expressed or implied by these forward-looking statements. In addition, certain of these disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations, including assumptions and estimates made by management. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein. Accordingly, undue reliance should not be placed on forward-looking statements.

Any forward-looking statements made in this document speak only as of the date of this document and it should not be assumed that these statements have been or will be revised or updated in the light of new information or future events and circumstances arising after today. The Group expressly disclaims any obligation or undertaking to provide or release publicly any updates or revisions to any forward-looking statements contained in this document as a result of new information or to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except as required under applicable law or regulation.

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