The Co-operative Bank p.l.c.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	B
Short-Term IDR	B
Viability Rating	b
Support Rating	5
Support Rating Floor	NF

Sovereign Risk

Long-Term Foreign-Currency IDR	AA
Long-Term Local-Currency IDR	AA

Watches

Long-Term Foreign-Currency IDR	Negative
Long-Term Sovereign Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

Financial Data

The Co-operative Bank p.l.c.

	30 Jun	31 Dec
Total assets (USDm)	29,694	29,330
Total assets (GBPm)	23,404	23,103
Total equity (GBPm)	1,740	1,750
Published net income (GBPm)	-36.0	-68.7
Operating profit/RWA (%)	-1.5	-2.0
Common equity Tier 1 ratio (%)	21.9	22.3
FCC/FCC-adjusted RWAs (%)	34.1	32.4
Impaired loans/gross loans (%)	n.a.	0.8
Net interest margin (%)	1.7	1.8
Loans/customer deposits (%)	94.9	94.9

Source: Fitch Ratings, Fitch Solutions

Related Research

The Co-operative Bank p.l.c. - Ratings Navigator (February 2019)

Fitch Places Long-Term IDRs of 19 UK Banking Groups on RWN (March 2019)

Fitch Maintains The Co-Operative Bank's 'B' IDR on RWN; Affirms VR (July 2019)

Analysts

Krista Davies
+44 20 3530 1579
krista.davies@fitchratings.com

Christopher Ogunleye
+44 20 3530 1192
christopher.ogunleye@fitchratings.com

Key Rating Drivers

Capitalisation Vulnerable to Losses: The Co-operative Bank p.l.c.'s ratings primarily reflect the vulnerability of the bank's capital to continued losses. It also incorporates heightened execution risk as the bank continues to restructure in the context of economic uncertainties and competitive pressures in the market. The ratings also reflect improvements the bank has been making on its risk controls and its resilient franchise.

Still Structurally Unprofitable: The bank remains loss-making as tight margins and costs from digital and IT investments weigh on profitability. Performance is improving although Fitch expects that the bank will remain loss-making for the next two to three years. Fitch Ratings considers profitability as a higher-importance factor for the Viability Rating (VR).

Headroom for Moderate Losses: The bank's sound end-1H19 common equity Tier 1 (CET1) ratio of 21.9% benefits from recent capital raises and several years of legacy asset deleveraging, and provides headroom to absorb moderate losses. We view capitalisation as a factor of higher importance for the bank's VR for our analysis.

Declining Execution Risk: Execution risk has declined as the bank has delivered on short-term targets, including pension scheme sectionalisation and strengthened risk controls. This has driven a decline in the Pillar 2a requirement to 8.69% at end-2018. The deposit base has also stabilised, which should allow limited deposit lead loan growth.

Modest but Resilient Franchise: The bank's franchise is resilient and benefits from a loyal customer base, which has helped to support the stability of the deposit base in recent years. However, the bank's small size makes it a modest player and a price-taker in the UK retail market. The wholesale funding franchise is limited relative to peers' and focuses on secured issuances although the bank successfully issued GBP200 million Tier 2 debt in April 2019.

Improving Asset Quality: Asset quality continues to improve as legacy assets formed a low 8% of the loan book at end-1H19. Deleveraging and supportive economic conditions have driven a continued decline in impaired loans (Stage 3 and POCI loans formed 2.8% of end-2018 loans) to be closer in line with UK mortgage lending peers. We expect asset quality to benefit from a strengthened risk appetite and improving risk controls in the medium term.

Rating Sensitivities

RWN Reflects Brexit Sensitivity: The Rating Watch Negative (RWN) on the Long-Term Issuer Default Rating (IDR) reflects that the Long-Term IDR is primarily sensitive to the manner in which the UK leaves the EU. This is due to the heightened probability that Fitch will assign a Negative Outlook in the event of a disruptive no-deal Brexit. We believe that in an adverse Brexit scenario, the bank would face severe pressure affecting its ability to execute its strategy, restructuring and return to profitability in the medium term.

Ratings Sensitive to Profitability: Downward ratings pressure could result from a failure to improve structural profitability or to stem losses in the next two to three years, eroding capital. A ratings upgrade would require evidence of a sustained improvement of structural profitability.

Ratings Sensitive to Execution: The IDR and the VR could be downgraded if the bank is unable to successfully implement the outstanding areas of restructuring. The ratings would also be susceptible to an acceleration of business growth without the adequate risk control infrastructure in place to monitor and service this increased growth.

Operating Environment

Brexit Driven Uncertainty Weighs on the Economic Outlook

Our assessment of The Co-operative Bank's operating environment considers the UK's strong economic environment and sovereign credit profile, high income levels and limited structural weaknesses. GDP per capita, one of the two core metrics used by Fitch to assess the operating environment, indicates high levels of corporate earnings and household income. the UK's high Ease of Doing Business ranking shows a transparent and stable corporate sector. Fitch's assessment also considers the high private-sector indebtedness, worsening household finances, affordability pressures, and weaker consumer confidence; these factors are partially mitigated by rising wage growth.

Factors that are positive for Fitch's assessment include the strong, transparent and proactive regulatory framework and the structure of the banking sector, which is highly concentrated with high barriers to entry, particularly for current accounts. Fitch expects the regulatory environment to remain strong after the UK's exit from the EU. This is because prudential regulation is among the most advanced globally, where macro-prudential tools are used and sophisticated stress tests are a key tool used by the regulator to maintain the banking sector's capitalisation and liquidity at prudent levels.

Fitch placed the UK's 'AA' Long-Term IDRs on RWN in February 2019 to reflect the heightened uncertainty over the outcome of the Brexit process and the increased risk of a no-deal Brexit. In Fitch's view, a no-deal Brexit would lead to substantial disruption to UK economic and trade prospects. We believe that the increased risk of such economic disruption gives rise to downside risks for banks and building societies. This is mostly because it would put pressure on their ability to execute their strategies and on their earnings, asset quality and funding profiles in a more difficult operating environment.

Low mortgage rates and easy access to refinancing options, alongside a stable labour market and positive real GDP growth should continue to support home prices in the event that a no-deal Brexit is avoided. However, we expect house prices in London, South East and the East of England to remain static or decline in real terms, with affordability in these regions approaching its limit. We also forecast price growth in all other regions to continue at its current pace, although these forecasts are highly sensitive to Brexit outcomes with price drops likely under a no-deal scenario.

The Co-operative Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. The regulatory environment has an effective bail-in regime enacted in domestic legislation, which will continue to apply despite the UK's exit from the EU.

Company Profile

Our assessment of the bank's company profile considers the bank's business model, which remains loss-making and franchise, which remains moderate, in our view. This is despite the franchise being weakened by losses and the recapitalisation and debt restructuring measures in recent years. We also take into account the bank's progress in moving towards profitability, and evidence of brand loyalty among existing customers underpinned by the bank's ethical values.

The Co-operative Bank's business centres on the UK retail mortgage-lending and SME activities operating under a number of brands. These include The Co-operative Bank, Britannia, 'Smile' and Platform through which it offers mortgages. There has been some volatility in the business model as the bank has worked to reduce the size of legacy activities but progress has been made in re-aligning its business to focus on core retail activities and streamlining its branch network.

SME banking activities mainly relate to smaller SMEs and are focused on charities and the co-operative sector and provide some diversification, as does a small consumer finance book. The product offering is narrower than that of UK peers but the bank plans to roll out a greater

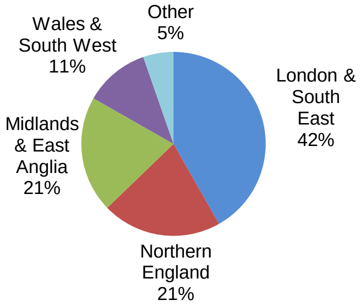
UK - Economic Forecasts (September 2019)

(%)	2018	2019f	2020f	2021f
UK: real GDP growth	1.4	1.1	1.2	1.7
Unemployment rate	4.1	4.0	4.3	4.4

Source: Fitch Ratings, September 2019 GEO

Geographical Split

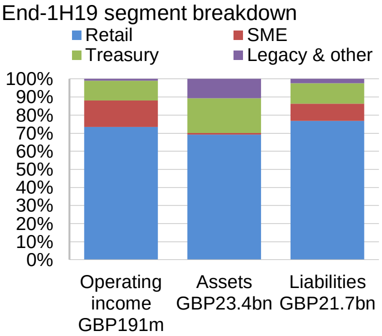
Mortgage book



Source: Fitch Ratings, The Co-operative Bank

Retail Concentration

End-1H19 segment breakdown



Source: Fitch Ratings, The Co-operative Bank

Related Criteria

Bank Rating Criteria (October 2018)

Short-Term Ratings Criteria (May 2019)

product range as it enhances its systems capability, including the recent launch of Help to Buy mortgages and lending in the higher loan/value (LTV) category.

Moderate Franchise

The Co-operative Bank's modest mortgage market share of 1.1% means that the bank has limited pricing power in the competitive and price-sensitive UK retail sector. The bank's franchise benefits from its focus on ethical policies, and other competitive advantages include its presence in high-street clearing, which banks of similar size do not offer.

Management and Strategy

The Co-operative Bank's management team has stabilised after heightened staff turnover between 2013 and 2016, and after a new chief executive officer and chief financial officer joined in 2018. The new team gradually installed since 2016 should provide it with the required depth and experience to build the business it is targeting. Corporate governance has improved and we believe it is adequate to protect the interests of creditors.

Strategy and Execution

Strategic objectives are clearly defined, and are based on loan growth and cost control, as well as investment in strengthened IT and digital capabilities. The bank is also working to expand its SME banking business and should benefit from the GBP15 million funding received from the RBS Alternative Remedies Package in May 2019. Cost-cutting is being implemented via reductions in staff numbers, and significant progress has been made on the IT separation project from The Co-operative Group, which the bank expects to complete by end-2019.

The current strategy appears feasible and execution has been good so far compared with short-term guidance, including strong progress in resolving legacy issues. This also includes successful measures to reduce pension risk and the securitisation of a large portion of the Optimum portfolio of higher-risk legacy mortgages, which has reduced execution risk. However, there is still a limited execution record particularly around the bank's ability to grow loans in line with targets, which will be important to achieve the scale to become profitable and is sensitive to changes in the economic outlook. Restructuring, systems improvement and franchise investment costs necessary to make the bank sustainable in the longer term will also likely remain material with further investment spending over the next two to three years, reducing financial flexibility.

Risk Appetite

The Co-operative Bank has tightened its underwriting standards since receiving its first capital injection in 2013 and we consider underwriting standards now to be largely in line with global industry practice. These improvements are slowly resulting in a longer record of better performing assets, sound liquidity management and a relatively stable funding profile. New business is focused on lower LTV prime owner-occupied and buy-to-let (BTL) residential mortgages. The bank intends to increase its shared ownership, BTL and lending into retirement mortgages, although new business in high-risk areas is subject to risk limits and will, according to management, form a small part of the loan book.

Risk Controls

Following several years of underinvestment, The Co-operative Bank has made progress in addressing risk control weaknesses, with further enhancements planned. This includes increased automation and further risk management system upgrades. We believe that risk controls are now in line with those of peers, although they are still untested against higher planned business volumes and through the economic cycle. We believe that operational risk, including conduct risk, has declined owing to strengthened governance and risk controls. Conduct costs relate almost entirely to payment protection insurance (PPI), for which new claims were subject to an August 2019 deadline.

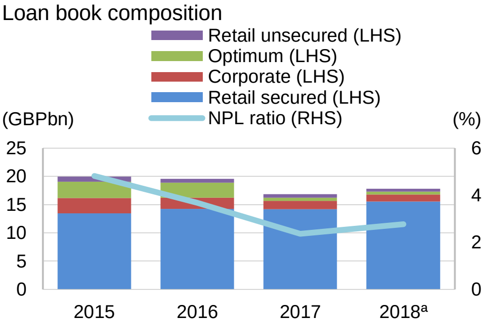
The bank has made good progress in deleveraging non-core assets. Growth in the core book has picked up from 2018 but has been in our view limited, which we believe reflects the bank's modest franchise, capital constraints and management's focus on strengthening internal systems. The bank's strengthened capital and reduced regulatory capital requirements should allow for limited risk-weighted asset (RWA) growth. However, we expect core growth to remain moderate in the near term due to competitive pressures and pressure on capital from forecast additional net losses.

Market risk predominantly comes from interest-rate risk and is managed with the use of interest-rate swaps. The average change in the balance sheet's net present value for a one bp parallel shift of the interest-rate curve was a manageable GBP26,000 in 2018. Foreign-exchange risk is negligible. Pension risk has also fallen due to the ring fencing of the pension scheme, completed in August 2018, which allowed the bank to reliably estimate its share of assets and liabilities for the pension scheme.

Financial Profile

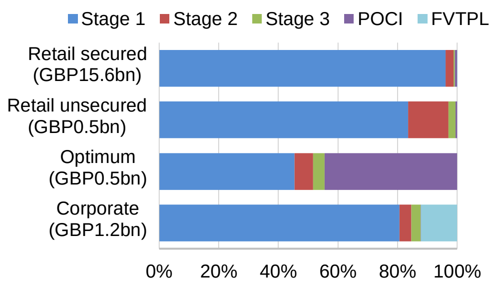
Asset Quality

Strengthened Asset Quality
Loan book composition



ª NPL ratio includes Stage 3 + POCI loans
Source: Fitch Ratings, The Co-operative Bank

Net loans by IFRS 9 Stage
End-2018



Source: Fitch Ratings, The Co-operative Bank

The Co-operative Bank has made substantial progress in improving its asset quality in recent years, with the Stage 3/gross loan ratio at 1% at end-2018 (Stage 3 and POCI loans: 2.8% of gross loans), comparing adequately with that of peers. The legacy portfolio formed a manageable 8% of the loan book at end-1H19 and mainly comprises corporate loans and the optimum portfolio (58% and 35% of legacy assets respectively). POCI loans are largely loans acquired with the Optimum Portfolio that were fair valued on acquisition.

Fitch adjusts down the implied factor score for asset-quality metric for loan classification policies to reflect the absence of old legacy POCI loans from the bank's Stage 3 loans, understating, in our view, problem loans. Stage 2 loans were a further 3% of the loan book at end-2018.

Loans formed three quarters of end-2018 total assets and mainly comprised retail secured lending (GBP15 billion). This mostly relates to prime residential owner-occupied (92% of retail secured loans), as well as BTL mortgages (7%), with the residual being self-certified, almost prime and non-conforming. Mortgage loan performance is good, supported by conservative underwriting and the benign UK operating environment.

A large portion of the total mortgage book (42% at end-2018) is to counterparties in London and the south east, reflecting previous strong demand and higher property prices in this region. Mortgage LTVs are low compared with those of peers, although the average indexed LTV of the core mortgage book rose to 56% at end-2018 (end-2017: 53%), reflecting new higher LTV lending via the bank's Platform channel.

The retail unsecured book (end-2018: GBP0.5 billion) contained credit card balances and personal loans; personal loans were subsequently reclassified and now form part of the legacy portfolio. Unsecured lending is falling as the bank ceased new consumer lending in 2018, and credit cards are now offered only to existing customers.

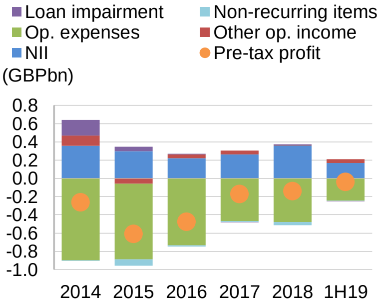
The Optimum portfolio (end-2018: GBP0.5 billion) is a legacy mortgage portfolio that has been reduced substantially in recent years, primarily by securitisations in 2015 and 2017. The book is mainly (end-2018: 88%) interest-only mortgages and focused on higher-risk specialised mortgages. This includes self-certified, near-prime and non-conforming products, which combined formed 69% of the end-2018 Optimum book. In line with the higher-risk nature of the portfolio, loan quality is weak with less than half of end-2018 Optimum loans classified as Stage 1. This is mitigated by adequate LTVs (end-2018: 53%) and the more manageable post-securitisation portfolio volume; the bank has stated that further deleveraging of this book via securitisation is possible.

Corporate activities are focused on SME deposits with limited and reducing corporate loans. New SME lending is part of the bank's medium-term strategy. Corporate loans (end-2018: GBP1.2 billion) mainly relate to private finance initiatives (GBP577 million) and exposures to housing associations (GBP367 million). These loans are low-risk but low-margin and the GBP146 million in corporate loans recognised at FVTPL give rise to some earnings volatility. Commercial real estate loans decreased to a manageable GBP164 million at end-2018.

The bank's securities book is held for liquidity purposes and totalled GBP1.8 billion at end-1H19. It comprised government securities (GBP0.9 billion), mortgage-backed securities (GBP0.4 billion), other public-sector securities (GBP0.3 billion) and fixed and floating notes (GBP0.2 billion).

Earnings and Profitability

Strengthened Earnings but Still Loss-Making



Source: Fitch Ratings, The Co-operative Bank

The bank is structurally unprofitable with restructuring, investments in digitalisation and strategic projects weighing on the cost base, resulting in our core profitability metric being negative. Operating losses have been declining in recent years but we expect the bank to be loss-making in the next two to three years due to further investment needs - the bank guides for GBP90 million-GBP110 million in investment expenditure for 2020, with further investments possible in subsequent years. The bank expects to return to profitability in the medium term supported by reduced investment costs, as well as higher business volumes and the benefits of the previous year's investments.

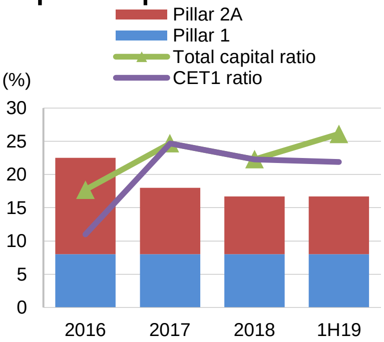
Performance has been supported by benign operating conditions in the UK, as well as the bank's reduced risk appetite, which combined have allowed loan impairment charges to remain extremely low (1H19: GBP0.1 million). Impairments are likely to increase through the cycle. There is limited capital headroom to absorb substantial impairment losses, but we expect through-the-cycle impairments to remain manageable given conservative underwriting standards and progress in deleveraging lower-quality legacy loans.

The Co-operative Bank is heavily reliant on net interest income (80% of 1H19 operating income). We expect net interest income to increase owing to planned volume growth as well as management efforts to optimise the net interest margin (NIM) via moderate growth in higher-margin assets and efforts to reduce deposit costs. The Fitch-calculated NIM fell to 165bp for 1H19, driven by asset-yield compression resulting from competition in the market for mortgages and the run-off of the higher-yielding back book. NIM pressure is expected to continue from increased funding costs due to the need to issue further MREL debt and to refinance its low-cost Term Funding Scheme (TFS) funding.

Fee income has declined with the bank's restructuring and now mainly relates to credit card and SME-related activity from loans and accounts. Fee growth is likely as the bank grows its SME business but fees will remain a small contributor to revenue.

Costs remain high, with the end-1H19 Fitch-calculated cost/income ratio at 117% (end-2018: 130%), given ongoing regulatory and strategic investment and restructuring costs, the benefits of which are still filtering through. The bank estimates that a further PPI charge of GBP55-75 million will be recognised in 3Q19, after an unexpected increase in claims before the August 2019 deadline. This additional charge will bring total PPI provisions to date to GBP595-615 million by end-3Q19.

Capital Requirments



Source: Fitch Ratings, The Co-operative Bank

Capital Ratios

End-1H19	(% RWAs)	(GBPm)
Pillar 1 requirement	8.00	390
Of which from CET1	4.50	219
Pillar 2 A requirement	**8.69**	**423**
Of which from CET1	**4.87**	**237**
Total capital requirement	16.69	813
Total CET1 requirement	9.37	456
Actual total capital	**26.10**	**1,271**
Of which CET1	**21.90**	**1,066**
Total capital excess/(shortfall) before buffers	9.41	458
CET1 excess/ (shortfall)	12.53	610
Combined buffer requirement	3.50	170
Total capital excess/(shortfall) after buffers	5.91	288
RWAs		**4,870**

Source: Fitch Ratings, The Co-operative Bank

Capitalisation and Leverage

Strong Ratios Vulnerable to Material Losses

The bank's Fitch Core Capital ratio (end-1H19: 34.1%) and CET1 ratios are sound supported by the recapitalisation in 2017, although the CET1 ratio fell slightly to 21.9% at end-1H19 (end-2018: 22.3%) as the bank continued to make losses. The difference between CET1 and our primary capitalisation metric (Fitch Core Capital ratio) is due to an adjustment where the pension asset surplus is deducted from regulatory CET1. We adjust the implied score for this ratio as the bank is loss-making and capitalisation is expected to continue to fall into 2H19, partly because of the additional PPI provisions. The bank guides an end-2019 CET1 ratio of 19.5-20%.

Capital buffers continue to reduce but should be sufficient to absorb expected continued moderate losses, they may have room for a small amount of additional deleveraging. However, there remains a limited margin to absorb large unexpected increases above planned losses. The bank does not currently meet its capital requirements as set by the Prudential Regulation Authority but expects to meet this by 2023. The Co-operative Bank's ability to access capital markets, which we view as weak relative to other UK lenders, means the bank has less flexibility in case it needs to strengthen capital. Capital requirements have benefited from a reduction in the bank's P2A requirement to 8.69% of RWAs at end-2018 due to strengthened IRB models and reduced pension risks following the August 2018 sectionalisation. We believe there is scope for the P2A requirement to continue to decline further as it continues its execution of the long-term plan.

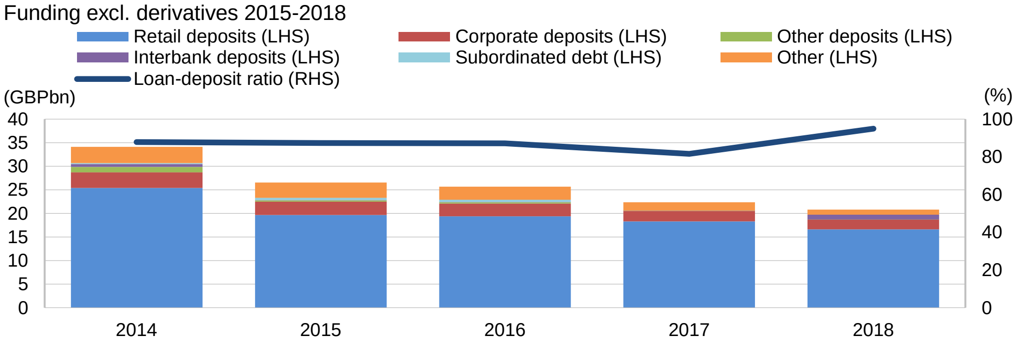
The bank issued GBP200 million of Tier 2 debt to meet MREL and support total capital requirements in 2019 and plans further issuance in 2020 and 2021.

Funding and Liquidity

Deposits Stabilised; Limited Wholesale Market Access

Retail Deposit Base Supports Funding

Funding excl. derivatives 2015-2018



Source: Fitch Ratings, The Co-operative Bank

The Co-operative Bank's funding profile has been resilient since 2014, despite the damage incurred by its brand and franchise. As a result, its loans/deposits ratio has remained healthy (end-1H19: 95%). This is despite a significant shrinking of the corporate deposit base since end-2014 and a more limited reduction in deposits, partly driven by targeted pricing actions. Retail deposits formed 90% of non-equity funding at end-1H19 and around one-fifth of this is formed of term deposits. The bank is working to shift away from these in favour of lower-cost instant access deposits, supported by investments in the digital platform for customers. Wholesale funding is limited with a covered bond and the additional GBP200 million of Tier 2 debt successfully issued in April 2019.

We adjust down the implied factor score for our core metric for non-deposit funding to reflect our view that the bank does not have reliable access to non-deposit funding.

Liquidity is supported by access to contingent liquidity via the BoE. The bank had GBP960 million from the BoE TFS outstanding at end-1H19, equivalent to 5% of end-1H19 funding, which the bank intends to pay back ahead of contractual maturities by February 2022.

The liquidity coverage rose slightly to 157% at end-1H19 (end-2018: 154%, end-2017: 213%) but, although liquidity remains strong, it has fallen in line with the bank's strategy to reduce excess liquidity. The primary liquid asset buffer was GBP2.8 billion at end-1H19 mainly in the form of central bank placements and equivalent to 12% of total assets. The secondary liquidity buffer totalled GBP3.8 billion.

Support

The Co-operative Bank's Support Rating of '5' and Support Rating Floor of 'No Floor' reflect Fitch's view that senior creditors cannot rely on extraordinary support from the UK authorities if the group becomes non-viable. This is due to its low systemic importance and because, in our opinion, the legislation and regulation implemented in the UK is likely to require senior creditors to participate in losses for resolving the group.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3. ESG issues are credit neutral or have only a minimal credit impact on The Co-operative Bank, either due to their nature or the way in which they are being managed by The Co-operative Bank. For more information on our ESG Relevance Scores, visit www.fitchratings.com/esg.

Peer Analysis

(%)	The Co-operative Bank		Principality Building Society		Leeds Building Society		Paragon Banking Group		Tesco Personal Finance Group PLC		CYBG	
	1H19	2018	1H19	2018	1H19	2018	1H19	FY18	FY19	FY18	1H19	FY18
Total assets (GBPm)	**23,404**	**23,103**	**10,092**	**9,687**	**20,720**	**19,390**	**14,654**	**14,515**	**15,641**	**14,606**	**90,155**	**43,456**
Total equity (GBPm)	**1,740**	**1,750**	**568**	**551**	**1,064**	**1,027**	**1,087**	**1,096**	**1,687**	**1,776**	**4,239**	**2,736**
Fitch Core Capital (GBPm)	**1,660**	**1,636**	**555**	**544**	**1,055**	**1,018**	**910**	**927**	**1,376**	**1,415**	**3,500**	**2,225**
Asset quality												
Impaired loans/gross loans	**n.a.**	**0.8**	**n.a.**	**0.5**	**1.1**	**1.1**	**3.1**	**n.a.**	**2.1**	**1.8**	**1.1**	**0.4**
Growth of gross loans	0.8	5.7	3.7	8.0	4.6	5.4	3.2	8.8	9.8	15.8	121.5	4.6
Loan loss allowances/impaired loans	n.a.	38.7	n.a.	67.2	19.4	18.9	13.2	n.a.	179.1	111.7	44.4	158.5
LICs/average gross loans	0.0	-0.0	-0.1	0.0	0.0	-0.0	0.1	0.1	1.3	1.3	0.7	0.1
Earnings & profitability												
Operating profit/RWAs	**-1.5**	**-2.0**	**n.a.**	**2.0**	**2.9**	**3.7**	**2.2**	**2.4**	**2.3**	**2.4**	**0.6**	**0.9**
Net interest income/avg. earning assets	1.7	1.8	1.3	1.4	1.1	1.3	2.1	2.1	4.1	4.2	2.9	2.4
Non-int. expense/gross revenue	117.1	129.5	68.9	66.4	49.0	47.6	45.2	41.5	56.5	59.2	73.5	77.3
Pre-impairment operating ROAE	-4.2	-6.7	6.4	7.7	9.9	11.7	14.1	15.4	22.8	20.8	14.1	8.1
LICs/pre-impairment operating profit	-0.3	5.1	-11.9	1.5	4.1	-1.0	6.4	4.6	41.7	38.3	70.6	17.9
Operating ROAE	-4.2	-6.4	7.1	7.6	9.5	11.8	13.2	14.7	13.3	12.9	4.1	6.6
Capitalisation & leverage												
FCC/RWAs	**34.1**	**32.4**	**n.a.**	**27.0**	**31.0**	**32.0**	**13.6**	**14.4**	**14.0**	**15.3**	**14.7**	**11.1**
CET1 ratio	21.9	22.3	25.5	27.1	30.3	31.3	13.7	13.8	16.4	16.1	14.5	10.5
Total capital ratio	26.1	22.3	n.a.	29.5	37.0	38.5	16.0	16.2	18.5	19.4	21.9	15.9
Net impaired loans/FCC	n.a.	5.1	n.a.	2.7	13.6	14.4	37.2	n.a.	-15.6	-1.8	12.5	-3.2
Funding & liquidity												
Loans/customer deposits	**94.9**	**94.9**	**121.2**	**119.6**	**113.4**	**113.8**	**214.3**	**230.7**	**123.4**	**127.2**	**117.9**	**114.0**
Customer deposits/total funding	89.9	90.1	77.4	78.6	77.1	78.5	44.0	39.9	77.2	74.8	74.8	77.2
Liquidity coverage ratio	156.6	153.8	132.5	155.8	226.0	214.0	134.0	144.0	138.3	129.9	158.0	137.0

Paragon Banking Group's results for 1H19 results are for the six months to end-March 2019, those for FY18 are for the year-end at September 2018; CYBG's results for 1H19 are for the six months to end-March 2019 and are post-merger with Virgin Money. CYBG's FY18 numbers are at end-September 2018. Tesco's FY results are those of Tesco Personal Finance Group PLC at its year-end, 28 February
Source: Fitch Ratings, Banks and Building Societies' financial statements

The Co-operative Bank p.l.c.
Income Statement

		30 Jun 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
	6 Months - Interim	6 Months - Interim	Year End	Year End	Year End
	USDm	GBPm	GBPm	GBPm	GBPm
	Reviewed - Unqualified	Reviewed - Unqualified	Audited - Unqualified	Audited - Unqualified	Audited - Unqualified(Emphasis of Matter)
1. Interest Income on Loans	280.0	220.7	452.7	520.8	664.1
2. Other Interest Income	37.4	29.5	53.3	34.1	73.7
3. Dividend Income	n.a.	n.a.	n.a.	n.a.	n.a.
4. Gross Interest and Dividend Income	**317.4**	**250.2**	**506.0**	**554.9**	**737.8**
5. Interest Expense on Customer Deposits	70.2	55.3	108.7	128.4	204.8
6. Other Interest Expense	34.3	27.0	37.9	162.8	312.7
7. Total Interest Expense	**104.4**	**82.3**	**146.6**	**291.2**	**517.5**
8. Net Interest Income	**213.0**	**167.9**	**359.4**	**263.7**	**220.3**
9. Net Fees and Commissions	14.1	11.1	20.2	26.8	40.9
10. Net Gains (Losses) on Trading and Derivatives	3.2	2.5	1.0	16.7	(55.6)
11. Net Gains (Losses) on Assets and Liabilities at FV	24.1	19.0	(27.1)	2.4	30.6
12. Net Gains (Losses) on Other Securities	4.9	3.9	3.1	6.5	18.6
13. Net Insurance Income	n.a.	n.a.	n.a.	n.a.	n.a.
14. Other Operating Income	7.1	5.6	12.1	(11.2)	9.1
15. Total Non-Interest Operating Income	**53.4**	**42.1**	**9.3**	**41.2**	**43.6**
16. Total Operating Income	**266.4**	**210.0**	**368.7**	**304.9**	**263.9**
17. Personnel Expenses	103.4	81.5	189.1	148.1	299.3
18. Other Operating Expenses	208.6	164.4	288.4	321.5	434.0
19. Total Non-Interest Expenses	**312.0**	**245.9**	**477.5**	**469.6**	**733.3**
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	0.0	0.4	0.3
21. Pre-Impairment Operating Profit	**(45.5)**	**(35.9)**	**(108.8)**	**(164.3)**	**(469.1)**
22. Loan Impairment Charge	0.1	0.1	(5.5)	1.9	(6.2)
23. Securities and Other Credit Impairment Charges	n.a.	n.a.	n.a.	n.a.	n.a.
24. Operating Profit	**(45.7)**	**(36.0)**	**(103.3)**	**(166.2)**	**(462.9)**
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	n.a.	n.a.	n.a.
26. Goodwill Impairment	n.a.	n.a.	n.a.	n.a.	n.a.
27. Non-recurring Income	n.a.	n.a.	2.1	30.3	62.9
28. Non-recurring Expense	3.2	2.5	39.5	38.5	77.1
29. Change in Fair Value of Own Debt	n.a.	n.a.	n.a.	n.a.	n.a.
30. Other Non-operating Income and Expenses	n.a.	n.a.	n.a.	n.a.	n.a.
31. Pre-tax Profit	**(48.8)**	**(38.5)**	**(140.7)**	**(174.4)**	**(477.1)**
32. Tax expense	(3.2)	(2.5)	(72.0)	(16.7)	(58.4)
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	n.a.	n.a.	n.a.
34. Net Income	**(45.7)**	**(36.0)**	**(68.7)**	**(157.7)**	**(418.7)**
35. Change in Value of AFS Investments	(3.9)	(3.1)	(4.5)	(13.1)	(17.4)
36. Revaluation of Fixed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
37. Currency Translation Differences	n.a.	n.a.	n.a.	n.a.	n.a.
38. Remaining OCI Gains/(losses)	36.8	29.0	334.8	34.8	31.3
39. Fitch Comprehensive Income	**(12.8)**	**(10.1)**	**261.6**	**(136.0)**	**(404.8)**
40. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	0.0	0.0	0.0
41. Memo: Net Income after Allocation to Non-controlling Interests	(45.7)	(36.0)	(68.7)	(157.7)	(418.7)
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	n.a.	n.a.	0.0
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	n.a.	n.a.	n.a.
Exchange rate		USD1 = GBP0.78817	USD1 = GBP0.78768	USD1 = GBP0.74011	USD1 = GBP0.8129

The Co-operative Bank p.l.c.
Balance Sheet

	30 Jun 2019			31 Dec 2018		31 Dec 2017		31 Dec 2016	
	6 Months - Interim USDm	6 Months - Interim GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	20,120.5	15,858.5	67.76	16,093.9	69.66	14,753.5	60.24	16,833.4	61.02
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	414.8	326.9	1.40	489.1	2.12	592.3	2.42	710.0	2.57
4. Corporate & Commercial Loans	2,214.9	1,745.7	7.46	1,203.6	5.21	1,478.7	6.04	2,031.6	7.36
5. Other Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Less: Loan Loss Allowances	49.6	39.1	0.17	52.7	0.23	80.0	0.33	122.3	0.44
7. Net Loans	**22,700.5**	**17,892.0**	**76.45**	**17,733.9**	**76.76**	**16,744.5**	**68.37**	**19,452.7**	**70.51**
8. Gross Loans	**22,750.1**	**17,931.1**	**76.62**	**17,786.6**	**76.99**	**16,824.5**	**68.70**	**19,575.0**	**70.95**
9. Memo: Impaired Loans included above	n.a.	n.a.	-	136.3	0.59	396.9	1.62	719.2	2.61
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	613.7	483.7	2.07	485.8	2.10	574.8	2.35	836.9	3.03
2. Reverse Repos and Securities Borrowing	239.7	188.9	0.81	329.4	1.43	n.a.	-	833.6	3.02
3. Derivatives	421.6	332.3	1.42	245.6	1.06	302.7	1.24	557.1	2.02
4. Trading Securities and at FV through Income	48.7	38.4	0.16	29.9	0.13	0.0	0.00	0.0	0.00
5. Securities at FV through OCI / Available for Sale	1,979.6	1,560.3	6.67	1,513.0	6.55	2,287.7	9.34	2,704.5	9.80
6. Securities at Amortised Cost / Held to Maturity	107.1	84.4	0.36	89.1	0.39	n.a.	-	n.a.	-
7. Other Securities	n.a.	n.a.	-	n.a.	-	126.6	0.52	60.6	0.22
8. Total Securities	**2,135.4**	**1,683.1**	**7.19**	**1,632.0**	**7.06**	**2,414.3**	**9.86**	**2,765.1**	**10.02**
9. Memo: Government Securities included Above	1,573.8	1,240.4	5.30	1,235.7	5.35	1,113.0	4.54	1,661.5	6.02
10. Memo: Total Securities Pledged	221.7	174.7	0.75	165.1	0.71	1,595.4	6.51	1,260.1	4.57
11. Equity Investments in Associates	n.a.	n.a.	-	0.0	0.00	6.3	0.03	6.0	0.02
12. Investments in Property	2.4	1.9	0.01	2.3	0.01	2.3	0.01	2.2	0.01
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	4.9	3.9	0.02	3.9	0.02	0.0	0.00	0.0	0.00
15. Total Earning Assets	**26,118.2**	**20,585.8**	**87.96**	**20,432.9**	**88.44**	**20,044.9**	**81.85**	**24,453.6**	**88.64**
C. Non-Earning Assets									
1. Cash and Due From Banks	2,344.9	1,848.2	7.90	1,843.8	7.98	4,032.1	16.46	2,848.2	10.32
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	54.2	0.23	37.6	0.15	41.0	0.15
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	147.3	116.1	0.50	40.8	0.18	44.4	0.18	35.4	0.13
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	97.9	77.2	0.33	72.4	0.31	81.5	0.33	100.1	0.36
7. Current Tax Assets	n.a.	n.a.	-	0.0	0.00	2.5	0.01	n.a.	-
8. Deferred Tax Assets	3.3	2.6	0.01	2.9	0.01	4.2	0.02	0.0	0.00
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	2.8	0.01	5.3	0.02
10. Other Assets	982.1	774.1	3.31	710.0	3.07	277.7	1.13	145.7	0.53
11. Total Assets	**29,693.8**	**23,404.0**	**100.00**	**23,102.8**	**100.00**	**24,490.1**	**100.00**	**27,588.3**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	23,970.9	18,893.3	80.73	18,735.9	81.10	20,635.0	84.26	22,436.9	81.33
2. Deposits from Banks	1,628.2	1,283.3	5.48	964.7	4.18	2.2	0.01	29.3	0.11
3. Repos and Securities Lending	n.a.	n.a.	-	468.8	2.03	1,120.5	4.58	1,169.3	4.24
4. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Customer Deposits and Short-term Funding	**25,599.1**	**20,176.6**	**86.21**	**20,169.4**	**87.30**	**21,757.7**	**88.84**	**23,635.5**	**85.67**
6. Senior Unsecured Debt	805.8	635.1	2.71	0.0	0.00	0.0	0.00	0.0	0.00
7. Subordinated Borrowing	259.5	204.5	0.87	0.0	0.00	0.0	0.00	458.4	1.66
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	n.a.	-	617.6	2.67	627.4	2.56	1,625.4	5.89
10. Total LT Funding	**1,065.2**	**839.6**	**3.59**	**617.6**	**2.67**	**627.4**	**2.56**	**2,083.8**	**7.55**
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Funding	**26,664.3**	**21,016.2**	**89.80**	**20,787.0**	**89.98**	**22,385.1**	**91.40**	**25,719.3**	**93.23**
14. Derivatives	409.7	322.9	1.38	260.6	1.13	315.0	1.29	458.7	1.66
15. Total Funding and Derivatives	**27,074.0**	**21,339.1**	**91.18**	**21,047.6**	**91.10**	**22,700.1**	**92.69**	**26,178.0**	**94.89**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	98.7	77.8	0.33	111.2	0.48	169.5	0.69	276.4	1.00
4. Current Tax Liabilities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
5. Deferred Tax Liabilities	58.0	45.7	0.20	38.9	0.17	0.2	0.00	14.2	0.05
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	255.5	201.4	0.86	155.0	0.67	114.7	0.47	161.2	0.58
10. Total Liabilities	**27,486.2**	**21,664.0**	**92.57**	**21,352.7**	**92.42**	**22,984.5**	**93.85**	**26,629.8**	**96.53**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	1,604.6	1,264.7	5.40	1,300.7	5.63	1,379.8	5.63	854.4	3.10
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	13.7	10.8	0.05	13.9	0.06	25.1	0.10	38.2	0.14
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	589.3	464.5	1.98	435.5	1.89	100.7	0.41	65.9	0.24
6. Total Equity	**2,207.6**	**1,740.0**	**7.43**	**1,750.1**	**7.58**	**1,505.6**	**6.15**	**958.5**	**3.47**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as Equ	2,207.6	1,740.0	7.43	1,750.1	7.58	1,505.6	6.15	958.5	3.47
8. Total Liabilities and Equity	**29,693.8**	**23,404.0**	**100.00**	**23,102.8**	**100.00**	**24,490.1**	**100.00**	**27,588.3**	**100.00**
9. Memo: Fitch Core Capital	2,106.4	1,660.2	7.09	1,635.5	7.08	1,419.9	5.80	858.4	3.11
Exchange rate		USD1 = GBP0.788177		USD1 = GBP0.78768		USD1 = GBP0.74011		USD1 = GBP0.8129	

The Co-operative Bank p.l.c.
Summary Analytics

	30 Jun 2019 6 Months - Interim	31 Dec 2018 Year End	31 Dec 2017 Year End	31 Dec 2016 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	2.46	2.50	2.47	2.92
2. Interest Income on Loans/ Average Gross Loans	2.49	2.62	2.82	3.36
3. Interest Expense on Customer Deposits/ Average Customer Deposits	0.59	0.55	0.60	0.91
4. Interest Expense/ Average Interest-bearing Liabilities	0.78	0.67	1.20	1.96
5. Net Interest Income/ Average Earning Assets	1.65	1.78	1.17	0.87
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.65	1.80	1.16	0.90
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.65	1.78	1.17	0.87
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	(1.49)	(2.04)	(3.27)	(6.93)
2. Non-Interest Expense/ Gross Revenues	117.10	129.51	154.02	277.87
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	(0.28)	5.06	(1.16)	1.32
4. Operating Profit/ Average Total Assets	(0.31)	(0.43)	(0.65)	(1.64)
5. Non-Interest Income/ Gross Revenues	20.05	2.52	13.51	16.52
6. Non-Interest Expense/ Average Total Assets	2.13	2.01	1.83	2.59
7. Pre-impairment Op. Profit/ Average Equity	(4.15)	(6.68)	(15.17)	(38.89)
8. Pre-impairment Op. Profit/ Average Total Assets	(0.31)	(0.46)	(0.64)	(1.66)
9. Operating Profit/ Average Equity	(4.16)	(6.35)	(15.34)	(38.38)
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	(4.16)	(4.22)	(14.56)	(34.71)
2. Net Income/ Average Total Assets	(0.31)	(0.29)	(0.61)	(1.48)
3. Fitch Comprehensive Income/ Average Total Equity	(1.17)	16.07	(12.55)	(33.56)
4. Fitch Comprehensive Income/ Average Total Assets	(0.09)	1.10	(0.53)	(1.43)
5. Taxes/ Pre-tax Profit	6.49	51.17	9.58	12.24
6. Net Income/ Risk Weighted Assets	(1.49)	(1.36)	(3.10)	(6.27)
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	34.09	32.36	27.92	12.86
2. Tangible Common Equity/ Tangible Assets	7.12	7.11	5.82	3.12
3. Equity/ Total Assets	7.43	7.58	6.15	3.47
4. Basel Leverage Ratio	n.a.	n.a.	n.a.	2.60
5. Common Equity Tier 1 Capital Ratio	21.90	22.30	24.70	11.00
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	21.90	22.30	24.70	11.00
8. Total Capital Ratio	26.10	22.30	24.70	17.70
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	n.a.	5.11	22.32	69.54
10. Impaired Loans less Loan Loss Allowances/ Equity	n.a.	4.78	21.05	62.27
11. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	0.00
12. Risk Weighted Assets/ Total Assets	20.81	21.87	20.77	24.20
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
E. Loan Quality				
1. Impaired Loans/ Gross Loans	n.a.	0.77	2.36	3.67
2. Growth of Gross Loans	0.81	5.72	(14.05)	(1.81)
3. Loan Loss Allowances/ Impaired Loans	n.a.	38.66	20.16	17.01
4. Loan Impairment Charges/ Average Gross Loans	0.00	(0.03)	0.01	(0.03)
5. Growth of Total Assets	1.30	(5.66)	(11.23)	(4.96)
6. Loan Loss Allowances/ Gross Loans	0.22	0.30	0.48	0.62
7. Net Charge-offs/ Average Gross Loans	0.17	0.14	0.24	0.70
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	0.77	2.36	3.67
F. Funding and Liquidity				
1. Loans/ Customer Deposits	94.91	94.93	81.53	87.24
2. Liquidity Coverage Ratio	156.60	153.80	213.00	213.50
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	89.90	90.13	92.18	87.24
4. Interbank Assets/ Interbank Liabilities	37.69	50.36	26,127.27	2,856.31
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	0.84	(9.20)	(8.03)	(1.63)

The Co-operative Bank p.l.c.
Reference Data

	30 Jun 2019			31 Dec 2018		31 Dec 2017		31 Dec 2016	
	6 Months - Interim USDm	6 Months - Interim GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	n.a.	-	n.a.	-	12.1	0.04
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	1,328.4	1,047.0	4.47	1,097.1	4.75	1,211.2	4.95	2,277.4	8.25
6. Other Contingent Liabilities	15.5	12.2	0.05	12.4	0.05	15.4	0.06	n.a.	-
7. Other Off-Balance Sheet items	1,082.2	853.0	3.64	1,115.8	4.83	1,158.7	4.73	119.5	0.43
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
1. Average Loans	22,658.5	17,858.9	76.31	17,305.6	74.91	18,476.1	75.44	19,768.5	71.66
2. Average Earning Assets	26,021.3	20,509.4	87.63	20,238.9	87.60	22,478.1	91.78	25,256.4	91.55
3. Average Total Assets	29,502.8	23,253.4	99.36	23,796.5	103.00	25,690.9	104.90	28,270.8	102.47
4. Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	26,889.1	21,193.4	90.55	21,873.9	94.68	24,234.2	98.96	26,468.1	95.94
6. Average Common equity	1,627.4	1,282.7	5.48	1,340.3	5.80	983.0	4.01	1,089.5	3.95
7. Average Equity	2,214.1	1,745.1	7.46	1,627.9	7.05	1,083.4	4.42	1,206.2	4.37
8. Average Customer Deposits	23,871.0	18,814.6	80.39	19,685.5	85.21	21,324.7	87.07	22,443.9	81.35
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	**259.5**	**204.5**	**0.87**	**0.0**	**0.00**	**0.0**	**0.00**	**458.4**	**1.66**
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	6,178.2	4,869.5	20.81	5,053.5	21.87	5,085.6	20.77	6,676.1	24.20
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	**6,178.2**	**4,869.5**	**20.81**	**5,053.5**	**21.87**	**5,085.6**	**20.77**	**6,676.1**	**24.20**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**6,178.2**	**4,869.5**	**20.81**	**5,053.5**	**21.87**	**5,085.6**	**20.77**	**6,676.1**	**24.20**
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	2,207.6	1,740.0	7.43	1,750.1	7.58	1,505.6	6.15	958.5	3.47
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	97.9	77.2	0.33	72.4	0.31	81.5	0.33	100.1	0.36
6. Deferred tax assets deduction	3.3	2.6	0.01	42.2	0.18	4.2	0.02	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible into equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**2,106.4**	**1,660.2**	**7.09**	**1,635.5**	**7.08**	**1,419.9**	**5.80**	**858.4**	**3.11**

Exchange Rate	USD1 = GBP0.788177	USD1 = GBP0.78768	USD1 = GBP0.74011	USD1 = GBP0.8129

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.