

5 October 2015

NOTICE OF A CHANGE IN OWNERSHIP

given by

CIS GENERAL INSURANCE LIMITED

(Incorporated as a registered society in England and Wales with registered no. 29999R)

(the “**Issuer**”)

to the holders of those of the

**£70,000,000 Callable Dated Deferrable Tier Two Notes due 2025
(ISIN: XS1229301731)**

of the Issuer presently outstanding
(the “**Noteholders**” and the “**Notes**” respectively).

NOTICE IS HEREBY GIVEN that Co-operative Banking Group Limited (the immediate parent of the Issuer), has entered into an agreement to sell 100% of the Issuer’s share capital to the Co-operative Group Limited (267,999,998 ordinary shares of £1.00 each) and Co-operative Group Holdings (2011) Limited (1 ordinary share of £1.00 each).

The Co-operative Group Limited has reviewed the corporate ownership of the Issuer in the context of its long term strategic aim to place its core customer facing businesses under the direct control of the Co-operative Group Limited and in anticipation of the impending change in regulatory regime to Solvency II and it has decided to transfer the direct ownership of the Issuer to the Co-operative Group Limited.

The ultimate owner of the Issuer remains unchanged.

This notice is given to Noteholders for information purposes only and no action is required to be taken

PRINCIPAL PAYING AGENT

**The Bank of New York Mellon,
London Branch
One Canada Square
London E14 5AL
United Kingdom**

TRUSTEE

**BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom**

This Notice is given by:

CIS General Insurance Limited
CIS Building

Miller Street
Manchester
M60 0AL

Dated 5 October 2015.

For further information, please contact:

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Notes

The Co-operative Insurance is a major UK general insurer which offers home, motor, pet and commercial insurance products to its customers. With approximately 1.3 million policies in force, at H1 2015 it had 615,000 motor policies (456,000 direct/aggregator; 159,000 broker channel) and 661,000 home policies (520,000 direct/aggregator; 141,000 broker channel).

As a core business of The Co-operative Group, The Co-operative Insurance is committed to supporting The Group purpose of "Championing a better way of doing business for you and your communities". The Co-operative Insurance pioneered the way in lowering the insurance premiums of Young Drivers as the first major insurer to launch a pay how you drive telematics insurance product for young drivers in 2011.

CISGIL underwrites the majority of business written supplemented with some small lines of business where CISGIL acts as a distributor or has a 100% reinsurance arrangement in place. It also offers commercial insurance arranged and administered by Aviva Insurance Limited and pet insurance provided, underwritten and administered by Allianz Insurance plc.

The Co-operative Group, one of the world's largest consumer co-operatives, with interests across food, funerals, insurance, electrical and legal services, has a clear purpose of championing a better way of doing business for you and your communities. Owned by millions of UK consumers, The Co-operative Group operates a total of 3,750 outlets, with more than 70,000 employees and an annual turnover of approximately £10 billion.