

THE CO-OPERATIVE BANK OFFERS FIRST RISK FREE FTSE4GOOD BOND

The Co-operative Bank, noted for its ethical approach to business, today (28 January) launched the first deposit Bond to offer the opportunity of investing in the most socially responsible of the UK's leading companies, without the risk of capital losses normally associated with the stock market.

Holders of the Co-operative Bank Guaranteed Stockmarket Bond will be able to invest between £3,000 and £500,000 with the Bank for five years, with the prospect of potentially significant growth, safe in the knowledge that they will not lose a penny.

When the Bond matures in March 2007, the return to investors will reflect the total percentage growth of the FTSE4Good UK 50 Index, up to a limit of 66 per cent. In order to protect investors against fluctuations around the time of maturity, the return will be based on the average of the index over the final year. Should the value of the index fall over the 5 years, investors will have their original capital returned in full, with no costs being deducted.

The Bond is operated by the Guernsey branch of The Co-operative Bank, and on maturity interest will be paid to investors without deduction of income tax.

The FTSE4Good UK 50 Index was established on 31 July 2001 as a tradable index, containing leading companies from the FTSE All-Share Index, selected on the basis of their good record on corporate social responsibility. The selection criteria, based on objective standards and independently reviewed, cover environmental sustainability, universal human rights and positive relationships with stakeholders.

Deputy Chief Executive Mick Firth said: "At The Co-operative Bank, we believe that profits and principles can go hand in hand. It is our view that a well managed business, which recognises its broader responsibilities to society at large, can improve its own performance, and often be more successful than one which takes a narrower view. Investors in this new Bond will enjoy the potential rewards of the stock market, with no risk of losing any of their money."

The bond is a limited issue, and is only available until 1 March 2002, or earlier if fully subscribed. Anyone interested in the FTSE4Good Bond should ring The Co-operative Bank on 01481 710 527.

Ends.

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