

SMILE INCREASES CURRENT ACCOUNT INTEREST RATES

smile, the Internet bank, intensified the current account battle raging amongst Britain's banks today (31 January) when it announced it was increasing the interest paid on its on-line cheque book account.

From 4 February, 2002 the interest rates paid on the **smile** current account will increase from 2.78 per cent gross AER to 3.04 per cent gross AER. Borrowing rates for **smile** credit cards, personal loans and overdrafts remain unchanged.

The **smile** current account, which has been one of the best on the market, since **smile** was launched in October 1999, provides an automatic, no-fee, £500 overdraft with a competitive authorised overdraft rate of just 9.9 per cent.

smile current account holders taking out a **smile** credit card will continue to enjoy an annual rate of just 9.9 per cent APR. Cardholders also enjoy up to 46 days' free credit. **smile** personal loans start from a very competitive APR of just 8.9 per cent.

smile Chief Executive Bob Head said: "When we launched **smile**, we said that we would keep our rates as competitive as possible. This latest interest rate rise does just that. The average **smile** current account customer, if they have been with us since launch, has made more than £160 in gross interest. We want to be thought of as the bank with its heart on the left and wallet on the right.

"However, **smile** is not just about good deals across all our products. Our customer satisfaction ratings are awesome with 94 per cent of account holders prepared to recommend **smile** to their friends. We were even singled out for a mention on the front cover of a leading consumer magazine which said our customer satisfaction was better than for any other bank - an incredible 77 per cent said they were very satisfied.

“We are very proud of what we have been able to do. It may sound funny - being proud of a bank? But that is exactly how we feel because we are aiming to give customers a great experience, a great financial deal and cut out all the hot air.”

Customers can conduct all their routine banking from anywhere in the world via the Internet.

smile customers can pay in and cash cheques at 18,500 Post Offices throughout the UK and use more than 30,000 LINK cash machines to withdraw money.

smile, the Internet bank, is fast, user-friendly and totally secure. When new customers apply they will normally get an on-line decision in minutes and receive their cheque book, plastic cards and other stationery within days.

smile customers can also use the dedicated **smile** telephone service centre 24-hour a day, seven days a week free of charge except for the cost of an ordinary national rate telephone call. The **smile** service centre is staffed by the bank's own fully-trained staff.

Earlier this month **smile** launched a new advertising campaign which highlighted the bank's scruples which are based on value, transparency, ethics, accountability, commerce and service.

Mr Head said: “Banks aren't generally known for having scruples. We hope that by unveiling and abiding by our own six scruples, we're showing our 400,000 plus account holders that banks and scruples can work hand in hand.”

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