



BANK OF ENGLAND
**PRUDENTIAL REGULATION
AUTHORITY**

John Glen MP
Economic Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dr Norval Bryson
Senior Responsible Officer
Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

11 June 2018

Dear Mr Glen,

Direction to the Prudential Regulation Authority to investigate the prudential regulation of the Co-operative Bank plc during the period 2008 – 2013.

I am pleased to provide you with a brief update on progress following the above Direction that you made on 6 March 2018.

Following David Thorburn's resignation from the PRC in March, I am now the Senior Responsible Officer for the above investigation on behalf of the PRA.

You will recall that Mark Zelmer has been appointed to conduct the independent review. Appropriate governance arrangements are now in place for the investigation and Mr Zelmer has secured independent professional support to conduct his review, which includes the appointment of Grant Thornton UK LLP.

The PRA will ensure that Mr Zelmer has access to any additional external support and the resources that he requires in order to conduct the independent review. Mr Zelmer is being paid at a rate of £1500 per day spent on the review, plus expenses.

We have now agreed a Protocol for the Conduct of the Inquiry with Mr Zelmer, the FCA and HMT and I am grateful for the input of your officials to its preparation. Arrangements are being made to publish the Protocol, and this correspondence, on the Bank of England's website.

While acknowledging the independent nature of Mr Zelmer's review, the PRA remains accountable for delivery of the investigation and will continue to use its best endeavours to ensure that it is completed within the timescale set out in the Direction.

I have today written in similar terms to the Chair of the Treasury Committee given their interest in the independent review.

Please do not hesitate to contact me if you require any additional information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Norval Bryson'. The signature is fluid and cursive, with the first name 'Norval' and the last name 'Bryson' clearly distinguishable.

Dr Norval Bryson
Senior Responsible Officer &
Prudential Regulation Committee External Member