CREATING THE FIRST TRUE NATIONAL COMPETITOR TO THE STATUS QUO

Clydesdale and Yorkshire Banks

Virgin Money

1. Retail customers expected to move to Virgin Money in phased approach over 36 month period
2. On an underlying earnings per share basis. Disaggregation note onVirgin Money’s site in our financial results
3. Expected to transition over 36 month period

A recommended all-share offer

c. £1.7 billion
Virgin Money valuation

19% premium to Virgin Money’s closing price on 4 May 2018

c. 62% / 38% CYBG / Virgin Money shareholder ownership post-combination

The scale to complete

c. £69.5 billion
Total customer assets

c. 6 million
Customers

c. 1,500
Employees

c. 250
Branches

One team, the best service

Iconic national brand
Virgin Money brand to be used combining customer-focused cultures and award-winning service

Proven technology
Supporting all products and services across mobile, digital, branch and phone

Supporting our local communities

HQ Glasgow to be Combined Group’s headquarters and to continue to operate from Virgin Money’s Gosforth office for at least 3 years

£1 million annual donation of at least £1m to continue for at least 3 years

A low-complexity integration plan

Strong capital

CETL min >12% - expected day 1 pre-forma capital position

Material EPS accretion

for all shareholders expected over the medium term

Reinforces delivery of financial targets

Shareholders

c. £120 million
pre-tax cost synergies, expected in FY 30 Sept 2021

Customers

Brand
An iconic national brand with best-in-class Net Promoter Score

Proven technology
Fit for future digital and Open Banking landscape

Customer service
Ambition to be a leading consumer champion

National
Across England, Scotland, Northern Ireland & Wales

Colleagues

Culture
Strong alignment between teams

Talent
Leveraging the best talent across both businesses

Diverse & inclusive
Supporting equality, inclusivity and diversity at all levels, including ongoing support for Women in Finance Charter

UK economy

Growth
Driver of local economic growth

£6 billion
Maintaining SME lending commitment to 2019

For further information, please see www.cybg.com
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