

CREATING THE FIRST TRUE NATIONAL COMPETITOR TO THE STATUS QUO

<p>BANKING IS CHANGING</p> <ul style="list-style-type: none"> Customers expect better service Customer behaviour is changing New entrants are looking to disrupt 	<p>2 CHALLENGERS CREATING A NATIONAL COMPETITOR</p> <ul style="list-style-type: none"> National iconic brand Scale and product range Proven technology 	<p>A TRUE ALTERNATIVE TO THE STATUS QUO IN BANKING</p> <ul style="list-style-type: none"> Scale, technology and brand Customer-focused cultures and award-winning service Potential to transform UK banking
--	--	---

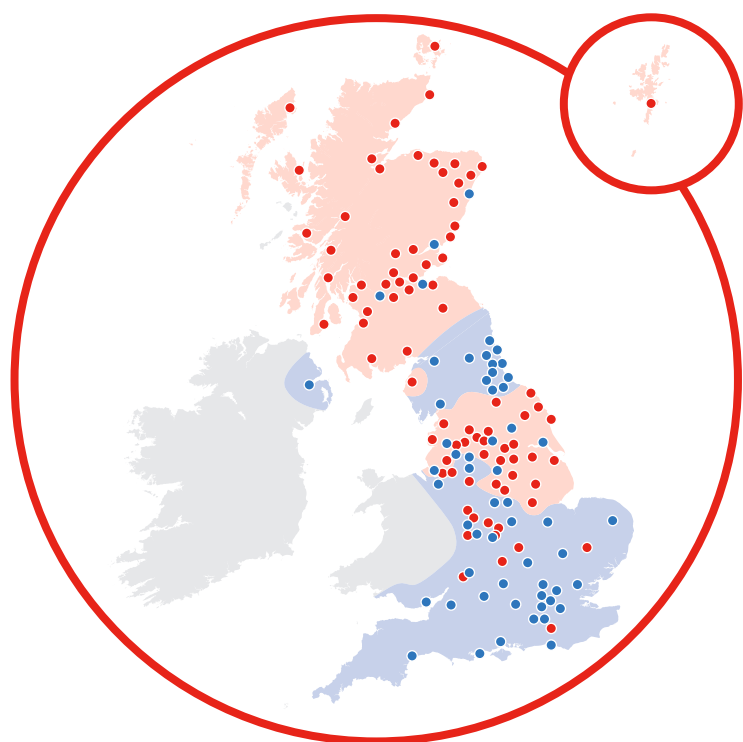
KEY FACTS

<p>A recommended all-share offer</p> <p>c. £1.7 billion Virgin Money valuation</p> <p>19% premium to Virgin Money's closing price on 4 May 2018</p> <p>c. 62% / 38% CYBG / Virgin Money shareholder ownership post combination</p>	<p>The scale to complete</p> <p>c. £69.5 billion Total customer assets</p> <p>c. 6 million Customers</p> <p>c. 9,500 Employees</p> <p>c. 250 Branches</p>	<p>One team, the best service</p> <p>Iconic national brand Virgin Money brand to be used combining customer-focused cultures and award-winning service¹</p> <p>Proven technology Supporting all products and services across mobile, digital, branch and phone</p>	<p>Supporting our local communities</p> <p>HQ Glasgow to be Combined Group's headquarters and to continue to operate from Virgin Money's Gosforth office for at least 3 years</p> <p>£1 million annual donation of at least £1m to continue for at least 3 years</p>
--	--	--	---

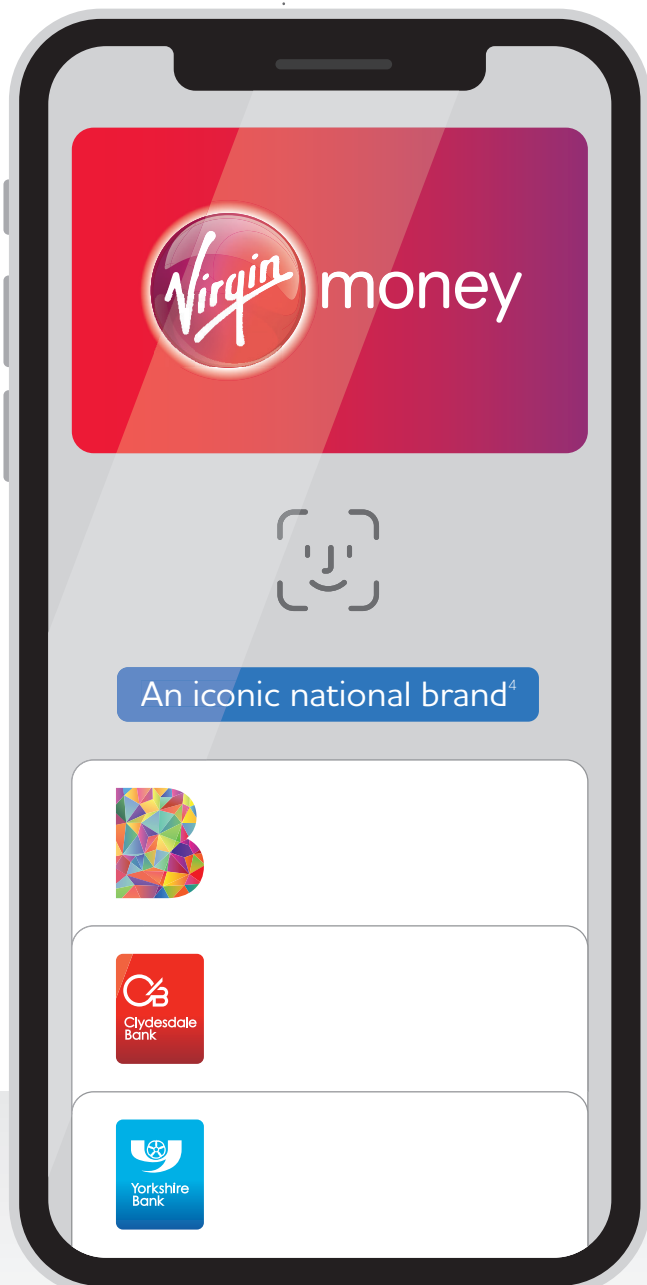
A low-complexity integration plan

A COMPELLING COMBINATION

<p>Shareholders</p> <p>c. £120 million pre-tax cost synergies expected in FY 30 Sept 2021</p> <p>Strong capital CET1 ratio >12% - expected day 1 pro forma capital position²</p> <p>Material EPS accretion for all shareholders expected over the medium term</p> <p>Reinforces delivery of financial targets</p>	<p>Customers</p> <p>Brand An iconic national brand with net promoter score +40</p> <p>Proven technology fit for future digital and Open Banking landscape</p> <p>Customer service Ambition to be a leading consumer champion</p> <p>National Across England, Scotland, Northern Ireland & Wales</p>	<p>Colleagues</p> <p>Culture Strong alignment between teams</p> <p>Talent Leveraging the best talent across both businesses</p> <p>Diverse & inclusive Supporting equality, inclusion and diversity at all levels, including ongoing support for Women in Finance Charter</p>	<p>UK economy</p> <p>Growth Driver of local economic growth</p> <p>£6 billion Maintaining SME lending commitment to 2019³</p>
--	--	---	---



Key
• Clydesdale and Yorkshire Banks
• Virgin Money



For further information, please see www.cybg.com

1. Retail customers expected to move to Virgin Money in phased approach over 36 month period
 2. On an underlying earnings per share basis (including run rate cost synergies) in the first full financial year
 3. Existing CYBG commitment to lend £6bn to SMEs between 2017-2019, as referred to across CYBG financial results
 4. Expected to transition over 36 month period

DISCLAIMER

THIS DOCUMENT AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

This document has been prepared by CYBG PLC (the "Company") and is the responsibility of the Company. It has been prepared solely for your information and for use in connection with, the offer by the Company for Virgin Money Holdings (UK) plc ("Virgin Money") (the "Offer"). This document is a marketing communication and should not be regarded as a research recommendation.

The information in this document may include forward looking statements, which are statements regarding, among other things, the Company's assumptions, expectations, valuations, targets, estimates, forecasts and projections about future events. These can be identified by the use of words such as 'expects', 'aims', 'targets', 'seeks', 'anticipates', 'plans', 'intends', 'prospects', 'outlooks', 'projects', 'believes', 'estimates', 'potential', 'possible', 'forecasts', and similar words or phrases. These forward looking statements are subject to risks, uncertainties and assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future including, among other things, the development of its business and strategy, trends in its operating industry, changes to customer behaviours and covenant, macroeconomic and/or geopolitical factors, changes to its board and/ or employee composition, exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities, changes to law and/or the policies and practices of the Bank of England, the FCA and/or other regulatory bodies, inflation, deflation, interest rates, exchange rates, changes in the liquidity, capital, funding and/or asset position and/or credit ratings of the Company, the repercussions of the UK's referendum vote to leave the European Union and future capital expenditures and acquisitions.

In light of these risks, uncertainties and assumptions, the events in the forward looking statements may not occur. Forward looking statements involve inherent risks and uncertainties. Other events not taken into account may occur and may significantly affect the analysis of the forward looking statements. No member of the Company or its respective directors, officers, employees, agents, advisers or affiliates gives any assurance that any such projections or estimates will be realised or that actual returns or other results will not be materially lower than those set out in this document. All forward looking statements should be viewed as hypothetical. No representation or warranty is made that any forward looking statement will come to pass. No member of the Company or its respective directors, officers, employees, agents, advisers or affiliates undertakes any obligation to update or revise any such forward looking statement following the publication of this document nor accepts any responsibility, liability or duty of care whatsoever for (whether in contract, tort or otherwise) or makes any representation or warranty, express or implied, as to the truth, fullness, fairness, merchantability, accuracy, sufficiency or completeness of the information in this document.

The information, statements and opinions contained in this document do not constitute or form part of, and should not be construed as, any public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. This document does not purport to contain all of the information that may be required to evaluate any investment in the Company or Virgin Money or any of their securities. Any investment decision should be made solely on the basis of formal offer-related documentation to be released in relation to the Offer. Any person considering an investment in the Company or Virgin Money is advised to obtain independent advice as to the legal, tax, accounting, financial, credit and other related advice prior to making an investment.

To the extent available, the industry, market and competitive position data contained in this document has come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this document come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this document.

Certain figures contained in this document, including financial information, may have been subject to rounding adjustments and foreign exchange conversions. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.
