

CYBG PLC (CYBG)

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12 February 2019

Joint Venture with Salary Finance

CYBG PLC (“**CYBG**”) is pleased to announce that Clydesdale Bank PLC (“**Clydesdale**”), a wholly owned subsidiary of CYBG, has entered into a joint venture (“**JV**”) with Salary Finance Limited (“**Salary Finance**”) to add an innovative channel to CYBG’s personal lending business.

Salary Finance is an innovative FinTech platform that connects to the payroll of participating employers to provide financial wellbeing benefits to employees, including salary-deducted savings, and loans, as well as financial education. Salary Finance will provide the JV with all of the services required for its business, including loan origination and management, marketing, cash management and other corporate services.

The JV is complementary to CYBG’s existing product plans and will provide an incremental opportunity to develop CYBG’s unsecured loan business within risk appetite.

David Duffy, Chief Executive of CYBG, said: “We’re delighted to be expanding our lending proposition into new areas through this new Joint Venture with Salary Finance.”

“We have been hugely impressed by the Salary Finance team and the clear social purpose underpinning everything they do and we are delighted to be able to support the growth of this innovative platform.”

“The Joint Venture adds to CYBG’s growing range of partnerships – with over 40% of UK consumers regularly using FinTech services, there is clear value in partnering with innovative new providers like Salary Finance.”

Details of the Transaction

Clydesdale and Salary Finance will each acquire a 50% stake in the JV, in return for an initial cash consideration of £0.5m each. Clydesdale will provide a 6-month rolling credit facility to the JV, subject to ongoing fulfilment of the JV’s business plan.

The debt funding provided by Clydesdale under the credit facility will be for an initial total commitment of approximately £100m, and may increase, subject to approval of the JV’s total funding requirement by both Clydesdale and Salary Finance.

Enquiries

Investors and Analysts

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Important Notices

Forward-looking statements

This announcement, oral statements made regarding the Transaction, and other information published by CYBG contain statements which are, or may be deemed to be, "forward-looking statements". All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on assumptions, expectations, valuations, targets, estimates, forecasts and projections of CYBG about future events, and are therefore subject to risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "budget", "targets", "aims", "scheduled", "estimates", "forecast", "intends", "anticipates", "seeks", "prospects", "potential", "possible", "assume" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although CYBG believes that the expectations reflected in such forward-looking statements are reasonable, CYBG can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risks (known and unknown) and uncertainties (and other factors that are in many cases beyond the control of CYBG) because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could affect the future operations of the CYBG Group and that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other unknown or unpredictable factors could affect future operations and/or cause actual results to differ materially from those in the forward-looking statements. Such forward looking statements should therefore be construed in the light of such factors. Each forward-looking statement speaks only as of the date of this announcement. None of the CYBG Group (being CYBG and its subsidiary undertakings from time to time and where the context permits, each of them) nor any of its associates or directors, officers or advisers, provides any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Forward looking statements involve inherent risks and uncertainties. All forward-looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Takeover Code, the Listing Rules and the Disclosure Guidance and Transparency Rules), the CYBG Group is not under nor undertakes any obligation, and expressly disclaims any intention or obligation, to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

No profit forecast or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share, for CYBG, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for CYBG.

Publication on website

A copy of this announcement will be made available on CYBG's website at <https://www.cybg.com/>. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Registration

CYBG is registered in England and Wales (company number: 09595911) and as a foreign company in Australia (ARBN 609 948 281) and has its registered office at 20 Merrion Way, Leeds, West Yorkshire LS2 8NZ.