

THE FOLLOWING ANNOUNCEMENT IS BEING MADE PURSUANT TO THE REQUIREMENTS OF RULES 19.6(B) AND 19.6(C) OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE"), WHICH, INTER ALIA, REQUIRE A PARTY TO AN OFFER, SAVE WITH THE CONSENT OF THE PANEL ON TAKEOVERS AND MERGERS, TO PROMPTLY MAKE AN ANNOUNCEMENT SHOULD IT DECIDE TO TAKE A COURSE OF ACTION DIFFERENT FROM ITS STATED INTENTIONS DURING THE PERIOD OF 12 MONTHS OR SUCH LONGER STATED PERIOD FROM THE END OF THE OFFER PERIOD EXPLAINING ITS REASONS FOR DOING SO, AND TO MAKE AN ANNOUNCEMENT AT THE END OF THE RELEVANT PERIOD FROM THE DATE ON WHICH THE OFFER PERIOD ENDED CONFIRMING WHETHER IT HAS TAKEN, OR NOT TAKEN, THE COURSE OF ACTION SET OUT IN ITS STATED INTENTIONS, RESPECTIVELY.

24 September 2019

CYBG PLC
("CYBG")
LEI: 213800ZK9VGCYYR6O495

Rule 19.6(b) update on modifications to stated post-offer intentions with regard to Virgin Money Holdings (UK) plc

CYBG announces that further to the completion of its recommended all-share offer for the entire issued and to be issued share capital of Virgin Money Holdings (UK) plc ("Virgin Money"), which was effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006 on 15 October 2018 (the "Combination"), its board of directors has taken a course of action which differs from the statements of intent made pursuant to Rules 2.7(c)(iv) and 24.2 of the Takeover Code (the "Stated Intentions"), as set out in its announcement of 18 June 2018 and the scheme document published on 31 July 2018 (together, the "Offer Documentation").

Reasons for the modification to the Stated Intentions and action taken

As set out in the Offer Documentation, CYBG expected the rationalisation of a limited number of operational function offices to occur in two to three years' time following the Combination, but that until the integration planning work had been completed, the precise impact of the Combination on the places of business of the enlarged group comprising the CYBG group and Virgin Money group (the "Combined Group") would not be known.

CYBG has determined that the modification to the original Stated Intentions is required in relation to Virgin Money's property portfolio. CYBG has identified an opportunity to accelerate the consolidation of operational function offices across the Combined Group through the earlier than expected closure of a small Virgin Money corporate office at 28 St Andrew Square, Edinburgh. Accordingly, the Combined Group intends to exit this property in December 2019 ahead of the stated timeline as outlined in the Offer Documentation.

CYBG's integration of the Virgin Money business into the wider CYBG group continues to progress well and the Combined Group remains on track to realise the strategic and financial benefits of the transaction and create a true disruptor to the status quo.

This modification will have no impact on the existing business or CYBG's fundamental rationale for the Combination.

CYBG PLC 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

Rule 19.6(c) confirmation with respect to the Stated Intentions

Other than as set out above in relation to places of business, CYBG announces that it has duly confirmed in writing to The Panel on Takeovers and Mergers in accordance with the requirements of Rule 19.6(c) of the Code that CYBG has complied with the Stated Intentions.

For further information, please contact:

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