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Monday, 18 January 2016

## **ASX Announcement**

# **NAB demerger and IPO of CYBG – IPO marketing and proposed price range**

National Australia Bank Limited (NAB) has today announced the commencement of marketing and the price range of the proposed Initial Public Offering (IPO) to institutional investors of CYBG PLC (CYBG). CYBG senior management will commence a global marketing roadshow in London on 18 January 2016.

NAB is pursuing a demerger of 75% of CYBG to NAB shareholders and a divestment of the remaining 25% by IPO to institutional investors. In aggregate, up to 219,828,814 CYBG shares (representing 25% of CYBG<sup>1</sup>) may be sold by NAB in the IPO (inclusive of 28,673,323 CYBG shares being made available by NAB pursuant to the over-allotment option). NAB may elect not to proceed with the IPO or to only proceed with a partial IPO, in which case NAB will retain a shareholding in CYBG. The demerger is not conditional on the IPO proceeding, but the IPO is conditional on the demerger proceeding.

The proposed IPO price range has been set at between 175 pence and 235 pence per CYBG share. The range equates to a CYBG market capitalisation of approximately £1.54 billion to £2.07 billion<sup>1</sup> (or A\$3.19 billion to A\$4.29 billion<sup>2</sup>) and implies a multiple of book value of CYBG FY2015 net tangible assets of 0.56 to 0.76 times<sup>3</sup>. Subject to NAB finally determining to proceed with the IPO (in whole or part), the final IPO price will be determined by the IPO book-build process and is expected to be announced on 2 February 2016.

It is proposed that CYBG shares will be listed on the London Stock Exchange's main market for listed securities (LSE: CYBG) and commence trading on 2 February 2016 on a conditional basis, and CYBG CHESS Depositary Interests (CDIs) will be listed on the Australian Securities Exchange (ASX: CYB) and commence trading on 3 February 2016 on a deferred settlement basis. Eligible NAB shareholders can elect to receive either CYBG shares or CDIs under the demerger.

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<sup>1</sup> Based on a total of 879,315,256 CYBG shares on issue.

<sup>2</sup> Based on AUD:GBP exchange rate of 0.4822 as at 15 January 2016.

<sup>3</sup> Calculated in GBP and based on book value of CYBG FY2015 net tangible assets of £2,728 million (as at 30 September 2015) comprising net assets of £3,443 million, less the carrying value of AT1 Notes (£450 million) and intangible assets (£265 million) (being equivalent to A\$5,902 million (as at 30 September 2015) comprising net assets of A\$7,448 million, less the carrying value of AT1 notes (A\$973 million) and intangible assets (A\$573 million)).

The Scheme Meeting and the General Meeting to approve the demerger will be held, commencing at 10:00am AEDT, on Wednesday 27 January 2016 at the Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Victoria.

For further information NAB Shareholders can refer to the scheme booklet, visit [www.clydesdaledemerger.com.au](http://www.clydesdaledemerger.com.au) or contact the NAB Shareholder Information Line on 1300 367 647 (within Australia) or +61 3 9415 4299 (outside Australia) between 8:00am and 7:30pm during business days in Melbourne, London or Glasgow.

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