



4 February 2016

To: Australian Securities Exchange

CYBG PLC Announcement re Moody's Rating Update

Today Moody's Investors Service (Moody's) issued a Press Release concluding the review of the Clydesdale Bank PLC (the Bank) Ratings initiated on June 5, 2015.

Moody's have upgraded the Bank's standalone Baseline Credit Assessment (BCA) to baa3 from ba1, whilst downgrading the Bank's Long Term Deposit Rating to Baa2 from Baa1 with a Stable outlook. The Short Term Deposit Rating was affirmed at Prime-2 (P-2) while the Commercial Paper Rating was downgraded to Prime-3 (P-3) from Prime-2. Concurrently, Moody's affirmed the bank's long-term and short-term Counterparty Risk Assessment (CR Assessment) at A3(cr)/P-2(cr).

CYBG PLC (CYBG) welcomes the upgrade of its standalone BCA reflecting the improved credit fundamentals following the finalisation of the demerger.

As announced on 2 February 2016 CYBG does not consider the downgrade of the Long Term Deposit and Commercial Paper Rating to have any material impact on its or the Bank's ability to raise funding, the overall cost of funding, or the financial outlook for CYBG or the Bank.

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