

CYBG PLC
(Company)

LEI: 213800ZK9VGCYYR6O495

13 December 2018

Publication of Final Terms

The following Final Terms are available for viewing:

Final Terms dated 12 December 2018 relating to Series 3 £250,000,000 7.875 per cent. Fixed Rate Reset Callable Tier 2 Capital Notes due 2028 under the £10,000,000,000 Global Medium Term Note Programme of CYBG PLC

Please read the disclaimer below "*Disclaimer — Intended Addressees*" before attempting to access this service, as your right to do so is conditional upon complying with the requirements set out below.

The full document is attached.

A copy of the above document has been submitted to the National Storage Mechanism and will shortly be available for inspection at: <http://www.morningstar.co.uk/uk/NSM>.

Tier 2

The transaction will be treated as Tier 2 regulatory capital under the Regulatory Capital Requirements of the Basel III capital adequacy framework as implemented in the United Kingdom by the Prudential Regulation Authority.

Enquiries

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DISCLAIMER - INTENDED ADDRESSEES

IMPORTANT: You must read the following before continuing: The following applies to the Final Terms available by clicking on the link above, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Final Terms. In accessing the Final Terms, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

THE FINAL TERMS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE FINAL TERMS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITHIN THE UNITED STATES TO QIBs (AS DEFINED BELOW) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE FINAL TERMS IN WHOLE OR IN PART IS PROHIBITED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC PUBLICATION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY NOTES ISSUED OR TO BE ISSUED PURSUANT TO THE FINAL TERMS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ANY NOTES ISSUED OR TO BE ISSUED PURSUANT TO THE FINAL TERMS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS (EACH A “**QIB**”) WITHIN THE MEANING OF RULE 144A OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

The Final Terms must be read in conjunction with the base prospectus relating to the CYBG PLC £10,000,000,000 Global Medium Term Note Programme dated 7 September 2018 and as supplemented on 30 November 2018 and 11 September 2018 (the “**Base Prospectus**”), which comprises a prospectus given in compliance with the United Kingdom Listing Authority's listing rules under Part VI of the Financial Services and Markets Act 2000 (as amended).

Please note that the information contained in the Final Terms and the Base Prospectus may be addressed to and/or targeted at persons who are residents of particular countries (specified in the Final Terms and/or Base Prospectus) only and is not intended for use and should not be relied upon by any person outside these countries and/or to whom the offer contained in the Final Terms or the Base Prospectus is not addressed. Prior to relying on the information contained in the Final Terms or the Base Prospectus you must ascertain from the Final Terms or the Base Prospectus (as applicable) whether or not you are part of the intended addressees of the information contained therein.

Confirmation of your Representation: In order to be eligible to view the Final Terms or make an investment decision with respect to any Notes issued or to be issued pursuant to the Final Terms, you must be (A) a person other than a U.S. person (within the meaning of Regulation S under the Securities Act); or (B) a QIB that is acquiring the securities for its own account or for the account of another QIB. By accessing the Final Terms, you shall be deemed to have represented that you and any customers you represent are not a U.S. person (as defined in Regulation S to the Securities Act) or that you are a QIB, and that you consent to delivery of the Final Terms via electronic publication.

You are reminded that the Final Terms have been made available to you on the basis that you are a person into whose possession the Final Terms may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Final Terms to any other person.

The Final Terms and the Base Prospectus do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a

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

jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of CYBG PLC in such jurisdiction. Under no circumstances shall the Final Terms and the Base Prospectus constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of any Notes issued or to be issued pursuant to the Final Terms or the Base Prospectus, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Final Terms have been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of CYBG PLC, its advisers or any person who controls CYBG PLC or any director, officer, employee or agent of CYBG PLC or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Final Terms made available to you in electronic format and the hard copy version available to you on request from CYBG PLC.

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS:

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED ("MIFID II"); OR
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:

SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES (ECPS) AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND
- (B) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

Final Terms dated 12 December 2018

CYBG PLC

Legal Entity Identifier (LEI): 213800ZK9VGCYYR6O495

Issue of £250,000,000 7.875 per cent. Fixed Rate Reset Callable Tier 2 Capital Notes due 2028

under the £10,000,000,000 Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the base prospectus dated 7 September 2018 and the supplemental base prospectuses dated 11 September 2018 and 30 November 2018, which together constitute a base prospectus (the “**Base Prospectus**”) for the purposes of Directive 2003/71/EC, as amended, including by Directive 2010/73/EU and as implemented by any relevant implementing measure in the relevant Member State (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms have been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1. Issuer: CYBG PLC
2. (i) Series Number: 3
- (ii) Tranche Number: 1
- (iii) Date on which the Notes become fungible: Not Applicable
3. Specified Currency or Currencies: Pounds sterling (“£”)
4. Aggregate Principal Amount: £250,000,000
5. Issue Price: 99.493 per cent. of the Aggregate Principal Amount
6. (i) Specified Denominations: £100,000 and integral multiples of £1,000 in excess thereof up to (and including) £199,000. No Notes in definitive form will be issued with a denomination above £199,000.
- (ii) Calculation Amount: £1,000
7. (i) Issue Date: 14 December 2018
- (ii) Interest Commencement Issue Date

Date:

8. Maturity Date: 14 December 2028
9. Interest Basis: Reset Notes
(see paragraph 15 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount.
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Issuer Call
(see paragraph 18 below)
13. (i) Status of the Notes: Tier 2 Capital Notes
- (ii) Senior Notes Waiver of Condition 3(C): Not Applicable
Set-off:
- (iii) Senior Notes Events of Condition 13(B): Not Applicable
Default:
- (iv) Date Board approval for 25 January 2017 and 28 November 2018
issuance of Notes
obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions Not Applicable
15. Reset Note Provisions Applicable
- (i) Initial Rate of Interest: 7.875 per cent. per annum payable semi-annually in arrear on each Interest Payment Date from (and including) the Issue Date to (but excluding) the First Reset Date
- (ii) Reset Rate: A fixed rate equal to the 5 year Benchmark Gilt Rate (as calculated by the Calculation Agent)
- (iii) First Margin: +7.128 per cent. per annum
- (iv) Subsequent Margin: Not Applicable
- (v) Interest Payment Date(s): 14 June and 14 December in each year up to (and including) the Maturity Date, commencing on 14 June 2019
- (vi) Fixed Coupon Amount up to (but excluding) the First £39.375 per Calculation Amount

Reset Date:

- | | | |
|--------|--|--|
| (vii) | Broken Amount(s): | Not Applicable |
| (viii) | First Reset Date: | 14 December 2023 |
| (ix) | Subsequent Reset Date: | Not Applicable |
| (x) | Reference Banks: | The provisions of the Conditions apply |
| (xi) | Day Count Fraction: | Actual/Actual (ICMA) |
| (xii) | Reset Determination Date(s): | 14 December 2023. The provisions of the Conditions apply |
| (xiii) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): | Not Applicable |

16. **Floating Rate Note Provisions** Not Applicable

17. **Zero Coupon Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

18. **Call Option** Applicable

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|-------|--|--|
| (i) | Optional Redemption Date(s) (Call): | 14 December 2023 |
| (ii) | Optional Redemption Amount (Call): | £1,000 per Calculation Amount |
| (iii) | Series redeemable in part: | No |
| (iv) | If redeemable in part: | |
| | (a) Minimum Redemption Amount: | Not Applicable |
| | (b) Maximum Redemption Amount: | Not Applicable |
| (v) | Notice period: | Minimum period: as per the Conditions
Maximum period: as per the Conditions |
| (vi) | Optional Amount Redemption (Regulatory Event): | £1,000 per Calculation Amount |

(vii) Loss Absorption Not Applicable
Disqualification Call:

(viii) Early Redemption Amount £1,000 per Calculation Amount
(Tax):

19. **Put Option** Not Applicable

20. Final Redemption Amount: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at £1,000 per Calculation Amount

21. Early Termination Amount: £1,000 per Calculation Amount

22. Redemption Amount for Zero Not Applicable
Coupon Notes:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:

Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note

24. New Global Note: No

25. New Safekeeping Structure: Not Applicable

26. Additional Financial Centre(s) or Not Applicable
other special provisions relating to
payment dates:

27. Talons for future Coupons to be No
attached to Definitive Notes:

SIGNED on behalf of
CYBG PLC:

By: CM Purden
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from 14 December 2018.
- (ii) Estimate of total expenses related to admission to trading: £4,500

2. RATINGS

Ratings:

The Notes to be issued have been rated:

Standard & Poor's Credit Market Services Europe Limited
("Standard & Poor's"): BB

Fitch Ratings Limited ("Fitch"): BBB

Each of Standard & Poor's and Fitch is established in the European Economic Area (the "EEA") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such, each of Standard & Poor's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Sole Bookrunner, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Sole Bookrunner and its affiliates has engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. USE OF PROCEEDS

It is the Issuer's intention to use the proceeds of the issue of the Notes issued by it for general corporate purposes of the Group including down-streaming of funds to Clydesdale Bank PLC in the form of subordinated debt intended to qualify as Tier 2 capital of Clydesdale Bank PLC.

5. YIELD

Indication of yield:

For the period from (and including) the Issue Date to (but excluding) 14 December 2028, 8.00 per cent.

The indicative yield is calculated on a semi-annual basis at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

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|--------|---|--|
| (i) | CUSIP Number: | Not Applicable |
| (ii) | ISIN: | XS1921970668 |
| (iii) | Common Code: | 192197066 |
| (iv) | CFI: | DTFXFB |
| (v) | FISN: | CYBG PLC / EMTN 20260924 |
| (vi) | Any clearing system(s) other than Euroclear, Clearstream Luxembourg or DTC and the relevant identification number(s): | Not Applicable |
| (vii) | Delivery: | Delivery against payment |
| (viii) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (ix) | Intended to be held in a manner which would allow Eurosystem eligibility: | No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

7. DISTRIBUTION

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|-------|---|--|
| (i) | U.S. Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D – Not Rule 144A Eligible |
| (ii) | Prohibition of Sales to EEA Retail Investors: | Applicable |
| (iii) | Method of distribution: | Non-syndicated |
| (iv) | If syndicated | Not Applicable |

(v)	If non-syndicated, name and address of Sole Bookrunner:	Morgan Stanley & Co. International plc 25 Cabot Square Canary Wharf London E14 4QA United Kingdom
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8.	BENCHMARK REGULATION	Not Applicable
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