



# Update on our combination with Virgin Money



## Creating a genuine alternative for consumers and businesses

Following their respective Shareholder Meetings on 10th September 2018, we are pleased to confirm that the shareholders of CYBG plc (the parent company of Clydesdale Bank / Yorkshire Bank) and Virgin Money Holdings (UK) plc have approved the terms of the proposed transaction, with the required majority voting in favour of the offer. This is an important milestone in the transaction and a positive reflection on our proposal to bring together the complementary strengths of CYBG and Virgin Money to create a genuine alternative for British consumers and businesses.

The combination will bring together two customer-focussed cultures to create a national competitor with the capabilities and scale to make a real difference. As we move forward together our shared commitment to supporting local communities and local businesses will not change. In fact, we will be better placed than ever to challenge the status quo in UK banking, improving competition and providing an enhanced product range for the benefit of customers and communities all over the UK.

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## What happens next?

The combination is subject to a number of conditions and regulatory approvals. In the meantime, it's business as usual and our priority remains to provide all of our customers with consistent, high-quality service and support.

There won't be any immediate changes for Clydesdale Bank, Yorkshire Bank or B customers so you won't need to take any action or do anything differently. All your passwords, login details and account numbers will stay the same so you can still access your accounts and visit your branches as normal.

When things do change, we'll contact you in plenty of time to let you know what's happening.

## Stay safe and secure

It's important to keep an eye out for fraud and scams, especially during times of change. To keep yourself safe:

- ✓ Don't assume a text, phone call or email from someone claiming to be your bank is genuine. If you're not sure contact the customer service team
- ✓ Never disclose security details (such as your PIN or password) - a genuine bank will never ask for this
- ✓ Don't give out your account details or make payments unless you're sure who you're dealing with
- ✓ Don't panic, and don't let yourself be pressured into action.

## FAQ's

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### **What does the announcement mean for customers?**

There is no immediate change for customers and our commitment to supporting local people and local businesses will not change.

As we move into the next chapter in our journey, we will bring together two customer-focused cultures to create a true national competitor, with the capabilities and scale to make a real difference.

As we noted in the Prospectus and Circular, it is our intention that the combined group will give our customers access to a broader product offering, underpinned by innovative technology and access to a national branch network once the integration activity is complete.

As always, should there be any changes in the future that affect customer's contractual terms and conditions, we would notify them of those changes.

In the meantime, it's business as usual and our priority continues to be providing all of our customers with consistent, high-quality service and support.

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### **I hold products with both Clydesdale Bank/Yorkshire Bank and Virgin Money. Will they all continue to be protected by the Financial Services Compensation Scheme?**

Yes. At the moment, there are no changes for customers, so they remain protected under the conditions of the scheme.

As always, should there be any changes in the future that affect a customer's contractual terms and conditions, we would notify them of those changes.

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### **Will there be any changes to the Branch network?**

There are no immediate changes for customers as a result of the announcement and our commitment to supporting local customers and communities will not change.

However, we have confirmed that we intend to optimise the Combined Group's branch network and are currently developing a detailed integration plan for the Combined Group. It is expected that the integration activity will be phased over a 36 month period.

For our customers, this will mean a broader product offering, underpinned by innovative technology and access to a national branch network once the integration activity is complete. However customers choose to interact with us, they can be sure we will continue to invest in our bank, working hard to deliver the best service, be it in-branch, by phone or online.

As always, we are committed to keeping customers up to date with any developments as and when it is appropriate to do so. In the meantime, it's business as usual and our priority continues to be providing all of our customers with consistent, high-quality service and support.

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### **Will Clydesdale Bank/Yorkshire Bank customers be able to use Virgin Money branches and vice versa?**

Once the detailed integration work is completed, it is our intention that customers will have access to a national branch network and broader product offering, underpinned by innovative technology.

We are developing a detailed integration plan for the Combined Group and expect that the Integration activity will be phased over a 36 month period from the date the transaction completes.

Until the integration work is complete, there are no changes to the current way in which customers can access our products and services.

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### **Will customers be issued with re-branded cards and documentation?**

There are no immediate plans for this type of activity.

The retail brand for the Combined Group will transition to Virgin Money using a phased approach over 36 months from completion of the transaction.

We recognise that the Clydesdale and Yorkshire Bank brands are held in great affection by many of our customers and we appreciate that there may be concerns about the future.

Any decision regarding the rebrand of our estate will be done with careful consideration, taking into account the needs of our customers and the communities in which they live and work.

As always, we are committed to keeping customers up to date with any developments as and when it is appropriate to do so. In the meantime, it's business as usual and our priority continues to be providing all of our customers with consistent, high-quality service and support.

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### **What does the announcement mean for business customers?**

The announcement does not change our commitment to supporting businesses all across the UK and we look forward to continuing to help businesses flourish and grow.

It's very much business as usual and our priority continues to be providing all of our customers with consistent, high-quality service and support.

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### **Is there any change to your £6bn lending pledge for the SME sector?**

No. We remain fully committed to fulfilling the Bank's promise to help fuel SME growth by lending small firms £6 billion in the three years to 2019.