

INTERIM FINANCIAL RESULTS – FY18

In the first half of 2018, we have continued to make good progress in delivering our strategic priorities and developing CYBG as the leading alternative to the UK's big banks. In a competitive market, we have significantly increased underlying profit, up 28% to £158m, whilst achieving over 5% annualised lending growth across both mortgages and SMEs.

While the economic outlook remains uncertain, CYBG is well positioned to continue executing our existing strategy and to capture future growth opportunities across both our retail and SME businesses in the year ahead.

David Duffy, CEO

Strong funding, asset quality and capital position

64%

Underlying cost to income ratio

115%

LDR

13 bps

Cost of risk for H1 18

<£640_m

Underlying costs target for FY18

11.3%

CET1 ratio

In the first half of 2018, we have continued to make good progress in delivering our strategic priorities:

28%

increase in underlying profit before tax**

27 bps

underlying capital generation in H1 18

4%

increase in net interest income**

7%

reduction in underlying costs – improving efficiency**

218 bps

net interest margin

10.6%

underlying RoTE – improving returns

Delivering sustainable customer growth

2.8m
customers

>170k
B customers

6%

Annualised mortgage growth*

5%

Annualised core SME lending growth*

5%

Annualised deposit growth*

*Annualised Sep17 - Mar 18 **H1 2018 vs H1 2017

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