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ASX Announcement

CYBG demerger now effective and IPO update

National Australia Bank Limited (NAB) is pleased to confirm that the demerger of CYBG PLC (CYBG) became effective today.

The Initial Public Offering (IPO) is expected to proceed, with the IPO multiple times covered at 180 pence per CYBG share from international and Australian investors including NAB institutional shareholders.

CYBG has received a recent specific request from one of the rating agencies for certain financial information relating to its assessment of Clydesdale Bank's short- and/or long-term deposit rating.

The deposit rating is utilised by certain secured funding programmes, which represent 13% of CYBG's total funding.

The outcome of this assessment could be a near term downgrade of the short- and/or long-term deposit rating or the placing of such rating on credit watch with negative implications. CYBG is expected to have a senior standalone investment grade credit rating.

CYBG does not anticipate any such downgrade to have any material impact on its ability to raise funding, the overall cost of funding, or the financial outlook for CYBG. A downgrade of the short- and/or long-term deposit rating would require Clydesdale Bank to take mitigating actions in relation to its existing secured funding programmes.

This ratings development may not occur, and should it occur, is not considered material to the financial position and outlook of CYBG. However, given the proximity of this request to the IPO, NAB and CYBG have decided to delay finalisation of the IPO for 24 hours. This means that there will be some limited changes to the timetable, as set out in the table below.

Investors should note that the demerger is proceeding as planned. NAB will trade ex CYBG Securities on Australian Securities Exchange (ASX) on 3 February 2016 and CYBG is expected to trade on London Stock Exchange (LSE) on 3 February 2016 and on ASX on 4 February 2016.

NAB expects to announce the final pricing for the IPO on 3 February 2016.

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Revised indicative timetable

Event	Indicative date
NAB shares commence trading on ASX on an ex CYBG Securities basis	3 February 2016
Latest time and date by which CDI Election Forms, Share Election Forms and Sale Facility Forms must be received by the NAB Share Registry if you wish to make a Security Election or participate in the Sale Facility	3 February 2016, 5:00pm (AEDT)
Expected commencement of conditional trading of CYBG Shares on the LSE under the ticker symbol "CYBG"	3 February 2016, 8:00am (GMT)
Expected commencement of deferred settlement trading of CYBG CDIs on ASX under the ticker symbol "CYB"	4 February 2016, 11:00am (AEDT)
Demerger implementation date	8 February 2016
UK admission of CYBG Shares: CYBG Shares commence trading on an unconditional basis	8 February 2016, 8:00am (GMT)
Expected commencement of trading of CYBG CDIs on ASX on a normal settlement basis	17 February 2016
Anticipated latest date for dispatch of Sale Facility Proceeds to Selling Shareholders (or ShareGift, if a Small Shareholder who is a Selling Shareholder so elects)	4 April 2016

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