

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt regarding the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the UK or an appropriately authorised independent financial adviser if you are outside the UK.

If you have sold or otherwise transferred all your shares in Virgin Money UK PLC, subject to the restrictions on distribution described below and in the enclosed announcement, please send this letter and its enclosures as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

7 March 2024

*To Virgin Money UK PLC shareholders (including holders of ordinary shares and CHES Depositary Interests) and, for information only, persons with information rights, and participants in Virgin Money UK PLC share plans.*

Dear Sir / Madam

We are writing to you to inform you of recent developments relating to Virgin Money UK PLC ("**VMUK**" or the "**Company**") as required under Rule 2.11 of the UK City Code on Takeovers and Mergers (the "**Code**").

On 7 March 2024, the board of directors of VMUK and Nationwide Building Society ("**Nationwide**") announced that they have reached preliminary agreement on the key terms of a potential cash acquisition of VMUK by Nationwide ("**Potential Acquisition**") ("**Announcement**").

The text of the Announcement is set out in the Appendix to this letter. This letter is not a summary of the information in the Announcement and should not be regarded as a substitute for reading the Announcement in full.

Although the Announcement has put the Company into what is known as an "offer period" under the Code, there can be no certainty that the Potential Acquisition will lead to a firm offer being made for the Company under the Code. We will keep you informed of any further developments and in the meantime you are not recommended to take any action.

If you have any administrative questions, contact VMUK's Registrar Computershare Investor Services UK PLC ("**Computershare UK**") (in the case of holders of ordinary

shares) or Computershare Investor Services Pty Limited (“**Computershare Australia**”) (in the case of holders of CDIs):

**Computershare UK**

Computershare Investor Services UK PLC  
The Pavilions  
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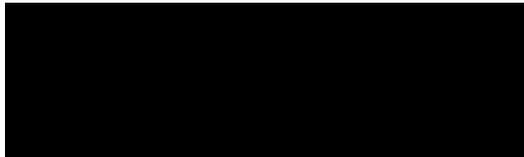
or on 0370 707 1172 (or +44 370 707 1172 if calling from outside of the UK). Lines are open between 08:30 a.m. and 5:30 p.m. Monday to Friday, excluding public holidays in England and Wales.

**Computershare Australia**

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford  
VIC 3067  
Australia

or on 1800 764308 (or +61 3 9415 4142 if calling from outside of Australia). Lines are open between 08:30 a.m. and 7:00 p.m. (AEST). Monday to Friday, excluding public holidays in Australia.

Yours faithfully



Lorna F McMillan  
**Group Company Secretary**

***Provision of addresses, electronic addresses and other details***

*Please be aware that addresses, electronic addresses and certain other information provided by you for the receipt of communications from VMUK may be provided to Nationwide (or its affiliates) during the offer period as required by the Code to allow Nationwide (or its affiliates) to contact you directly in connection with the Potential Acquisition.*

***Publication on a website***

*This letter and the Announcement will be available on VMUK’s website at [www.virginmoneyukplc.com/investor-relations/announcements/](http://www.virginmoneyukplc.com/investor-relations/announcements/) by no later than 12 noon (London time) on 8 March 2024.*

## **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

# Joint Statement Re Potential Cash Acquisition

Released : 07 Mar 2024 07:00

RNS Number : 9685F  
Virgin Money UK PLC  
07 March 2024

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**THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "TAKEOVER CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE TAKEOVER CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE EVEN IF THE PRE-CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE SATISFIED OR WAIVED.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

**7 March 2024**

**JOINT STATEMENT REGARDING A POTENTIAL CASH ACQUISITION  
OF  
VIRGIN MONEY UK PLC  
BY  
NATIONWIDE BUILDING SOCIETY**

## **Introduction**

The boards of directors (each a "Board") of Nationwide Building Society ("Nationwide") and Virgin Money UK PLC ("Virgin Money") are pleased to announce that they have reached preliminary agreement on the key terms of a potential cash acquisition of Virgin Money by Nationwide (the "Potential Acquisition"), under which Virgin Money ordinary shareholders and CHES Depository Interests ("CDI") holders (together, the "Virgin Money Shareholders") would be entitled to receive a total value of 220 pence in cash for each Virgin Money ordinary share (including those represented by CDIs) (a "Virgin Money Share") comprising:

- 218 pence per Virgin Money Share in cash consideration (the "Consideration"); and
- a proposed dividend of 2 pence per Virgin Money Share (the "FY2024 Dividend"), to be paid (subject to the approval of the Virgin Money Board) as part of Virgin Money's ordinary course FY2024 dividend calendar or, if earlier, shortly prior to completion of the Potential Acquisition.

In addition to the total value of 220 pence per Virgin Money Share, eligible Virgin Money Shareholders would continue to be entitled to receive and retain the final dividend of 2 pence per Virgin Money Share in respect of FY2023, which will be paid on 20 March 2024 (the "Final Dividend").

The total value of 220 pence per Virgin Money Share (excluding the Final Dividend) represents a premium of 38% to Virgin Money's undisturbed share price as of 6 March 2024, and a 40% premium to the volume-weighted average price for the 3 month period ending 6 March 2024. The total value of 220 pence per Virgin Money Share values the entire issued share capital of Virgin Money at approximately £2.9 billion.

The announcement of any firm offer under Rule 2.7 of the Takeover Code in respect of the Potential Acquisition by Nationwide is subject to the satisfaction or waiver of a number of customary pre-conditions, including, amongst other things, the satisfactory completion of customary due diligence in respect of the Virgin Money group.

### Strategic rationale

The Boards of Nationwide and Virgin Money believe that, if it proceeds, the Potential Acquisition would combine two complementary businesses. The Potential Acquisition would create a combined group with total assets of approximately £366.3 billion and total lending and advances of approximately £283.5 billion, representing the second largest provider of mortgages and savings in the UK.

Nationwide has grown over time through a series of historical acquisitions to become the UK's largest building society. Nationwide remains wholly committed to being a building society and a modern mutual that meets its customers' and members' banking needs to a high standard.

The Nationwide Board believes that the Potential Acquisition would enable Nationwide to accelerate its strategy and broaden and deepen its products and services faster than could be achieved organically, whilst providing a return that would further support Nationwide's financial strength and deliver greater value to its customers and members. In particular:

- **Customers, Lending and Deposits:** Virgin Money is the UK's sixth largest retail bank by total assets with a customer base of approximately 6.6 million and total lending of £72.8 billion, comprising a high-quality mortgage portfolio of approximately £57.1 billion and deposit portfolio of approximately £67.3 billion. The Potential Acquisition would enable Nationwide to increase its scale in its core lending and deposit markets and strengthen Nationwide's position as one of the UK's leading providers of mortgages, savings and current accounts.
- **Credit Cards:** Virgin Money has a strong unsecured lending business, with £6.7 billion of balances, including an estimated 8.6% market share of UK credit cards, which the Nationwide Board believes would complement Nationwide's existing product offering and unsecured lending.
- **Business Banking:** The Nationwide Board believes that Virgin Money's £9.0 billion of existing business lending balances and 'Business Current Account' would enable Nationwide to build on its existing business savings proposition, with a broader business banking offering to support Nationwide's growth and diversify its sources of funding.

The Nationwide Board believes that the Potential Acquisition would create a combined group with enhanced financial strength, including through access to greater diversity of funding, notably from business deposits, and the opportunity to generate improved returns. Nationwide expects to be able to capitalise on this financial strength to support the continued provision of its 'Fairer Share Payment' to eligible Nationwide members and member financial benefits via mortgage and savings rates that are, on average, better than the market average, along with other incentives.

In order to realise the exciting opportunity presented by the Potential Acquisition, Nationwide has developed key objectives for the combined group across the areas of integration, colleagues and customers:

- **Integration:** Nationwide would seek to integrate Virgin Money gradually over multiple years into the Nationwide group, prioritising good customer outcomes following the completion of comprehensive planning and engagement with relevant stakeholders. In the medium term, Virgin Money would continue to operate as a separate legal entity within the Nationwide group, with a separate board of directors and a separate banking licence. Nationwide intends that the combined group would retain the "Virgin Money" brand in the medium term, but has agreed with Virgin Enterprises Limited ("Virgin Enterprises") that it would cease doing so over a six-year period from completion of the Potential Acquisition, by which point Nationwide would intend to have re-branded the Virgin Money business.

Nationwide has the largest single-brand branch network in the UK and is committed to maintaining its breadth of coverage. Nationwide would keep its 'Branch Promise' and, from completion, it intends to retain a branch everywhere where the combined group is present, until at least the start of 2026. This would be subject to any relevant plans and proposals for branch closures that have already been approved by Virgin Money, and which are ongoing as at completion. In addition, Nationwide values Virgin Money's ongoing presence in Glasgow and Newcastle.

- **Colleagues:** The Nationwide Board believes that Virgin Money's purpose and principles are well aligned with those of Nationwide. Nationwide values the skills and experience of Virgin Money's approximately 7,300 full time equivalent workforce and believes the Potential Acquisition would be an opportunity to harness the talent of this group. Nationwide would be committed to helping Virgin Money's people be at their best and thrive, leveraging the existing colleague proposition - one that seeks to promote a high-performing, purpose-driven culture, which helps colleagues feel supported and develop rewarding careers.

Nationwide does not intend to make any material changes to the size of the Virgin Money employee base in the near term, and would safeguard the existing contractual and statutory rights of Virgin Money employees, including pension arrangements and redundancy policies.

- **Customers:** Nationwide is committed to maintaining its breadth of coverage and over time, the combined group's customers would benefit from the enlarged range of products and propositions on offer. Virgin Money customers would not automatically become members of Nationwide.

Nationwide offers a comprehensive range of wider retail financial services and products, including credit cards, personal loans and insurance. These offerings diversify its income, and help it give value back to its customers, through better product pricing than the market average and better service than its peers.

### **Virgin Money Board's views of the Potential Acquisition**

The Virgin Money Board has carefully evaluated the Potential Acquisition together with its financial advisers and has concluded that, should a firm offer be made on the same financial terms as the Potential Acquisition, it would be minded to recommend it to Virgin Money Shareholders. Sara Weller, the Virgin Money director who is appointed to the Virgin Money Board as a representative of Virgin Enterprises, has not been involved in Virgin Money Board discussions relating to aspects of the Potential Acquisition specifically concerning the brand licence agreement with Virgin Enterprises, the Virgin brand and the Virgin Red loyalty programme.

The Virgin Money Board has assessed the Potential Acquisition against its standalone plan to deliver its digital strategy and develop an efficient platform which will support robust sustainable returns. Continued growth in target segments of business, unsecured lending and relationship deposits will support stronger income, which combined with ongoing cost savings, is expected to deliver further reductions in the cost:income ratio and improved returns over time.

Virgin Money has made a positive start to the year and carries good momentum into FY2024 as it continues to execute its strategy. As set out in its trading update on 6 February 2024, in Q1 FY2024 Virgin Money delivered continued growth in relationship deposits and target lending segments, whilst maintaining a stable margin and with ongoing cost efficiencies absorbing inflation. Virgin Money continued to maintain a robust funding and capital position in the quarter, with credit quality trends consistent with FY2023 and increased coverage levels.

Against this backdrop, if the Potential Acquisition is implemented, the Virgin Money Board notes the potential for Virgin Money to benefit from Nationwide's scale and pace of investment, and for Nationwide to leverage Virgin Money's capabilities and strengths. For Virgin Money Shareholders, Virgin Money's Board notes the Potential Acquisition would deliver an attractive premium and strong value crystallisation in cash. The Virgin Money Board also notes that the terms of the Potential Acquisition have been arrived at following a series of proposals from Nationwide.

### **Arrangements with Virgin Enterprises and Virgin Group**

Virgin Money licenses certain rights to use the "Virgin Money" brand from Virgin Enterprises pursuant to a trade mark licence agreement (the "TMLA"). Nationwide recognises the significant role that the "Virgin Money" brand has played in the development of the Virgin Money group over time. However, as part of its longer-term integration strategy, Nationwide intends for the Virgin Money business to re-brand over time.

Prior to this announcement, Nationwide has entered into a legally binding agreement with Virgin Enterprises pursuant to which the parties have agreed that the TMLA would be terminated on the fourth anniversary of completion of the Potential Acquisition, following which the Virgin Money group would have a two-year period during which it would be required to complete its re-branding. In addition, Nationwide and Virgin Enterprises are currently exploring options for a potential partnership relating to the expansion of the Virgin Red loyalty programme to customers of the combined group.

Virgin Group Holdings Limited ("Virgin Group") has also confirmed to Nationwide that, should a firm offer be made on the same financial terms as the Potential Acquisition, it would be minded to support such a firm offer by voting in favour of the related scheme of arrangement or accepting the offer (as applicable). Virgin Group holds 188,083,550 Virgin Money Shares (representing approximately 14.5% of the total number of Virgin Money Shares in issue).

Virgin Group believes that Virgin Money will continue to 'change business for good' as part of the combined group and welcomes the opportunity to further explore options for a potential partnership to extend the Virgin Red loyalty programme to customers across the combined group.

This announcement has been made with the consent of each of Virgin Enterprises and Virgin Group.

**Chairman of Nationwide Building Society, Kevin Parry commented:**

*"A combination with Virgin Money would accelerate Nationwide's strategy and create a stronger, and more diverse, modern mutual.*

*The combination would increase Nationwide's scale and financial strength, put us in a stronger position to continue to provide Fairer Share Payments to eligible Nationwide members, and offer rates for mortgages and savings that are, on average, better than the market average."*

**Chief Executive Officer of Nationwide Building Society, Debbie Crosbie commented:**

*"Importantly, Nationwide will remain a building society, and a combined group would bring the benefits of fairer banking and mutual ownership to more people in the UK, including our continuing commitment to retain existing branches, as part of our 'Branch Promise' and leading levels of customer service.*

*We believe the combination would create a stronger and more diverse business that will be better placed to deliver value to our members and customers, both now and in the future."*

**Chairman of Virgin Money UK PLC, David Bennett commented:**

*"The Board of Virgin Money is pleased that Nationwide recognises the considerable strengths and opportunities that exist across our business, with the potential acquisition delivering attractive value for our shareholders. We are confident that a combination would support an exciting new chapter for Virgin Money to benefit from Nationwide's scale and ambition."*

**Chief Executive Officer of Virgin Money UK PLC, David Duffy commented:**

*"This potential transaction with Nationwide represents an exciting opportunity to build on the significant progress we have made in becoming the only new Tier 1 bank in recent history. The combined scale and strength would expand our customer offering and complete our journey in the banking sector as a national competitor."*

**Other aspects**

The cash consideration necessary to satisfy the Potential Acquisition in full would be funded from Nationwide's existing cash resources. It is not anticipated that the Potential Acquisition, should it proceed, would require any immediate changes to the capital structure of the Virgin Money group or the combined group as a whole.

If, on or after the date of this announcement and before completion of the Potential Acquisition, other than the FY2024 Dividend, the Final Dividend and any repurchases of Virgin Money Shares (including CDIs) by Virgin Money pursuant to the Buyback Programme (as defined below), any dividend, distribution or other return of capital or value is announced, declared, made or paid by Virgin Money or becomes payable by Virgin Money in respect of the Virgin Money Shares (including CDIs), Nationwide reserves the right to reduce the Consideration that would be payable for the Virgin Money Shares pursuant to the Potential Acquisition by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Virgin Money Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value to which they are entitled.

The Potential Acquisition would be subject to customary conditions and terms to be set out in the firm offer announcement under Rule 2.7 of the Takeover Code. The Potential Acquisition would not be subject to any condition relating to the passing of a resolution by Nationwide's members.

In light of the Potential Acquisition, the Board of Virgin Money has determined to suspend the £150 million share buyback programme announced on 23 November 2023 (the "Buyback Programme") on the London Stock Exchange and the Australian Securities Exchange until further notice.

**Important Takeover Code notes**

There can be no certainty that any firm offer will be made, even if the pre-conditions referred to above are satisfied or waived.

In accordance with Rule 2.6(a) of the Takeover Code, Nationwide must, by no later than 5.00 p.m. on 4 April 2024, either announce a firm intention to make an offer for Virgin Money in accordance with Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer for Virgin Money, in which case the announcement will be treated as a statement to which Rule 2.8 of the Takeover Code applies. This deadline will be extended only with the consent of Virgin Money and the Panel in accordance with Rule 2.6(c) of the Takeover Code.

Prior to this announcement it has not been practicable for Nationwide to make enquiries of all persons acting in concert with it to determine whether any dealings in Virgin Money securities by such persons give rise to a requirement under Rule 6 or Rule 11 of the Takeover Code for Nationwide, if it were to make an offer, to offer any minimum level, or particular form, of consideration. In accordance with note 4 on Rule 2.4 of the Takeover Code, any such details shall be announced as soon as practicable and in any event by no later than 21 March 2024.

In accordance with Rule 2.5 of the Takeover Code, Nationwide reserves the right to amend the terms of any offer (including to make an offer on less favourable terms than those set out in this announcement and introduce other forms of consideration) if: (i) the Virgin Money Board agrees; (ii) if Virgin Money announces, declares or pays a dividend or any other distribution or return of value to Virgin Money Shareholders (other than the FY2024 Dividend, the Final Dividend and any repurchases of Virgin Money Shares (including CDIs) by Virgin Money pursuant to the Buyback Programme) after the date of this announcement, in which case Nationwide reserves the right to make an equivalent reduction to any offer; (iii) a third party announces a possible offer or a firm intention to make an offer for Virgin Money; or (iv) Virgin Money announces a Rule 9 waiver pursuant to the Takeover Code.

A further statement will be made as appropriate.

The person responsible for arranging the release of this announcement on behalf of Virgin Money is Lorna McMillan, Group Company Secretary.

Virgin Money's LEI Number is 213800ZK9VGCYYR6O495.

**Enquiries:**

***Nationwide Building Society***

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Slaughter and May is acting as legal adviser to Nationwide in connection with the Potential Acquisition.

Clifford Chance LLP is acting as legal adviser to Virgin Money in connection with the Potential Acquisition.

**Information on Virgin Money**

*Virgin Money is a Tier 1 bank with c.6.6 million retail and business customers across the UK, bringing the best of the Virgin brand to make banking better and enable customers to achieve their financial goals. Led by its purpose of 'making you happier about money', Virgin Money offers a range of straightforward, award-winning products including current accounts, credit cards, savings, investments, mortgages, pensions, loans and more.*

*Rewarding, digital-first customer experiences are central to its ambition of becoming the UK's best digital bank, supported by a network of stores, contact centres and relationship managers. Through the Virgin Money Foundation and key partnerships, the bank also delivers positive change in society as part of its progressive sustainability and ESG agenda.*

*An inclusive and ambitious culture for approximately 7,300 full time equivalent colleagues is fostered through 'A Life More Virgin' policy, encouraging colleagues to work in a healthy, flexible, digitally-led environment. Headquartered in Glasgow with major offices in Newcastle upon Tyne and London, Virgin Money is a FTSE 250 company, dual-listed on the London Stock Exchange (VMUK) and the Australian Securities Exchange (VUK).*

**Information on Nationwide**

*Nationwide is the world's largest building society, with over 17 million customers, 16 million of whom have a current account, mortgage or savings product, and are therefore members of the Society. Nationwide is owned by its members and focuses on providing banking products and services to its customers. Nationwide has over 18,000 employees, including those based in its headquarters in Swindon, and those working in its network of over 600 branches across the UK. The combination of its mutual ownership model and scale puts Nationwide in a unique position within the UK financial services ecosystem.*

*Following the Potential Acquisition, Nationwide would remain a building society.*

*Nationwide is the UK's third largest mortgage provider and holds almost £1 in every £10 saved in the UK, as well as one in ten of the UK's current accounts. It also supports landlords and those who rely on the private rented sector for their long-term housing needs through its buy to let business, The Mortgage Works.*

*Nationwide's purpose is 'Banking - but fairer, more rewarding, and for the good of society'. The Nationwide Board believes that its mutual ownership model enables it to balance its need to retain sufficient profit to remain financially strong, with its commitment to share its success with its customers and members.*

**Inside Information**

*This announcement contains inside information as stipulated under the Market Abuse Regulation no 596/2014 (incorporated into UK law by virtue of the European Union (Withdrawal) Act 2018 as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019). Upon the publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain.*

**Disclaimers**

*This announcement does not constitute or form part of, and should not be construed as, any public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.*

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matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Potential Acquisition, the contents of this announcement or any other matter referred to herein.

Goldman Sachs International ("GSI"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting for Virgin Money and no one else in connection with the distribution of this document and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of GSI, or for giving advice in connection with the Potential Acquisition or any matter referred to herein.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA. J.P. Morgan Cazenove is acting as joint financial adviser exclusively for Virgin Money and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.

### **Overseas jurisdictions**

This announcement has been prepared in accordance with, and for the purposes of complying with, English law, the Takeover Code, the Market Abuse Regulation and the Listing Rules, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom or Australia may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Australia should inform themselves about, and observe any applicable requirements.

### **Cautionary Note Regarding Forward-Looking Statements**

This announcement (including information incorporated by reference into this announcement), statements made regarding the Potential Acquisition, and other information to be published by Nationwide and/or Virgin Money, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the management of Nationwide and/or Virgin Money about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of Virgin Money and certain plans and objectives of Nationwide with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled" "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Virgin Money and/or Nationwide in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although Nationwide and/or Virgin Money believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Nationwide nor Virgin Money assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to proceed with or complete the Potential Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future inflation, deflation, exchange and interest rates; changes in tax and national insurance rates; future business combinations, capital expenditures, acquisitions or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the Potential Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Nationwide and Virgin

Money operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Nationwide and Virgin Money operate; the repercussions of the outbreak of epidemics (including but not limited to the COVID-19 outbreak); changes to the Boards of Nationwide and/or Virgin Money and/ or the composition of their respective workforces; exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities; risks relating to environmental matters such as climate change including Nationwide and/or Virgin Money's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; changes to law and/or the policies and practices of the Bank of England, the Financial Conduct Authority and/or other regulatory and governmental bodies; changes in the liquidity, capital, funding and/ or asset position and/or credit ratings of Nationwide and/or Virgin Money; the repercussions of the UK's exit from the EU (including any change to the UK's currency and the terms of any trade agreements (or lack thereof) between the UK and the EU), Eurozone instability, Russia's invasion of Ukraine, conflicts in the Middle East any referendum on Scottish independence, and any UK or global cost of living crisis or recession. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Nationwide nor Virgin Money, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.

Other than in accordance with their legal or regulatory obligations, neither Nationwide nor Virgin Money is under any obligation, and Nationwide and Virgin Money expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Dealing and Opening Position Disclosure Requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on

+44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Rule 2.9 Disclosure**

*In accordance with Rule 2.9 of the Takeover Code, Virgin Money confirms that, as at close of business on 5 March 2024, it had 1,296,387,242 Virgin Money Shares of 10 pence each in issue (including Virgin Money Shares underlying CDIs, each CDI representing one Virgin Money Share). The Virgin Money Shares are admitted to trading on the Main Market of the London Stock Exchange with the International Securities Identification Number (ISIN) GB00BD6GN030. Virgin Money's CDIs are admitted to trading on the Australian Securities Exchange with the ISIN AU0000064966. Virgin Money holds no shares in treasury.*

### **Publication on website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code, will be made available free of charge, subject to certain restrictions relating to persons resident in restricted jurisdictions, on Nationwide' website at [www.nationwide.co.uk/investor-relations/](http://www.nationwide.co.uk/investor-relations/) and Virgin Money's website at [www.virginmoneyukplc.com/investor-relations/announcements/](http://www.virginmoneyukplc.com/investor-relations/announcements/) by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks are incorporated into or forms part of this announcement.*

### **No profit forecasts, profit estimates or quantified benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Virgin Money for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Virgin Money.*

### **Sources of information**

*The closing price of Virgin Money Shares of 159.05 pence on 6 March 2024 has been taken from the Daily Official List.*

*The volume-weighted average price of Virgin Money Shares of 157.5 pence for the three-month period ended 6 March 2024 has been derived from Bloomberg and has been rounded to the nearest single decimal place.*

*The valuation of the entire issued share capital of Virgin Money represented by the Potential Acquisition of approximately £2.9 billion has been calculated by multiplying 220 pence by 1,296,387,242, being the number of Virgin Money Shares in issue as at 5 March 2024, such date being the last practicable date prior to the release of this announcement.*

*Figures relating to the total assets and total lending and advances of the combined group have been calculated by adding the total assets and total loans and advances to customers of Nationwide as set out in its interim results in respect of the six-month period ended 30 September 2023 to the total assets and total loans and advances to customers of Virgin Money as set out in its annual report in respect of its financial year ended 30 September 2023.*

*Certain figures included in this announcement have been subject to rounding adjustments.*

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