CREATING THE FIRST TRUE NATIONAL COMPETITOR TO THE STATUS QUO

RECOMMENDED ALL-SHARE OFFER FOR VIRGIN MONEY

18 June 2018
AGENDA

<table>
<thead>
<tr>
<th>Topic</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction terms and vision for the future</td>
<td>David Duffy</td>
</tr>
<tr>
<td>Financial rationale</td>
<td>Ian Smith</td>
</tr>
<tr>
<td>Technology platform and integration</td>
<td>Debbie Crosbie</td>
</tr>
<tr>
<td>Summary</td>
<td>David Duffy</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td></td>
</tr>
</tbody>
</table>
TRANSACTION TERMS & VISION FOR THE FUTURE

DAVID DUFFY, CEO
**TRANSACTION TERMS**

**Key terms**

- **Recommended all-share offer**
  1.2125 new CYBG shares per Virgin Money share

- **Ownership split**
  c.62% to existing CYBG shareholders and c.38% to Virgin Money shareholders

- **Significant upfront premium**
  to Virgin Money shareholders
  19% premium to 4th May closing price
  35% vs 3mth VWAP to 4th May

**Synergies**

- c.£120m of annual run-rate cost synergies expected by end of FY2021
  Plus incremental benefit from avoidance of VMDB future running costs

- **Further upside** potential from revenue and funding synergies
  Revenue benefit derived through leveraging the Virgin Money brand

- **Material EPS accretion and acceleration of progressive dividend ambition**

**Governance**

- **Board and management team continuity**
  Jim Pettigrew to remain Chairman
  David Duffy to remain CEO
  Ian Smith to remain CFO

- **2 Board seats** for Virgin Money board members

- **Virgin Enterprises** board seat as part of brand licence agreement

**Key dates**

- **Q3 2018**
  Shareholder documentation published and respective meetings to be held

- **Q4 2018**
  Expected completion subject to shareholder and regulatory approval

**Recommendation of both boards and an irrevocable undertaking from Virgin Group**
WE ARE REACHING AN INFLECTION POINT IN THE BANKING INDUSTRY

Customer behaviour change

- 309
- 1,530
- 3,211

2012 2018 2023

Mobile banking transactions (m)²

New entrants

- Atom
- Monzo
- Starling Bank
- Xinja

FinTech & NeoBanks

Tech change

- API
- AI
- RPA

- Blockchain

Regulatory change

- PSD2

New business models

2012 2018 2023

Winners:
Lead on technology to deliver superior customer outcomes, flexible, adaptive and forward thinking

Losers:
Behind the curve on technology development and/or fail to adapt

(1) Source: CACI research May 2018

CUMULATIVE EFFECT OVER TIME

INFLECTION POINT
THIS TRANSACTION COMBINES COMPLEMENTARY BUSINESSES AND DELIVERS SCALE

Full-service, digitally enabled capability

- Full product range
- Mass retail and bespoke professional mortgage proposition
- Strong SME franchise
- Digital capability and Open Banking
- Deep customer loyalty

Iconic brand with national distribution

- National brand recognition
- Mass retail mortgage proposition
- Strong credit card capability
- Retail investment proposition
- A leading UK NPS of +37

Combined assets of £83.5bn
TWO UK CHALLENGERS BECOME A TRUE NATIONAL COMPETITOR

Strong customer proposition with an iconic brand

A wide range of retail and SME products

All banking products integrated digitally on the iB platform

National coverage and scale

Virgin money

+37

A leading UK NPS

Complementary product expertise:
- SME
- BCA
- PCA
- Mortgages
- Savings Accounts
- Credit Cards
- Investment Products

Platform:
- SME
- BCA
- PCA
- Mortgages
- Savings Accounts
- Credit Cards
DELIVERING AN ENHANCED RETAIL CUSTOMER PROPOSITION...

Delivers full product set
- Full banking product offering for customers post transaction
- Complementary blend of product expertise driving product innovation for customers

Strengthens omni-channel customer proposition
- All channels on single platform customer service proposition
- National coverage increases customer convenience and access

Leverages digital capabilities
- Wider and deeper customer base benefitting from iB platform capabilities and customer experience
- Greater scale will allow increased investment in platform, improving user experience

New partnerships opportunities
- Potential to build partnerships with other Virgin Group companies to offer customers innovative products
- Opportunities to expand offerings to an enlarged customer base
…WITH A STRONG REGIONAL SME FRANCHISE AND AMBITION TO COMPETE NATIONALLY

**Strong SME capabilities**
- 175 years' history and heritage
- Full product suite & substantive BCA capability
- Relationship manager led service model
- Deep sector specialism and proven risk management capability

**Scale & strength in core regions**
- £9bn of deposits and £7bn of lending
- c.15% BCA market share in Scotland & Yorkshire
- c.200k customers – 50% with CYBG >10 yrs
- 300 experienced Relationship Managers

**Will invest in new generation SME experience**
- Developing our SME digital proposition using our market-leading iB platform
- Platform capability facilitates 3rd party software integration

**Well positioned to become a national competitor**
- Switching RBS customers – 120,000 BCAs (c.3% market share) must switch:
  - CYBG offers an attractive home with full BCA and wider product and service proposition
  - Dedicated switching & on-boarding capability in place
- Compelling case for Pool A funding given substantive SME offering
BRINGING TOGETHER TWO HIGHLY COMPATIBLE CULTURES

- Brand / cultural alignment between businesses
- Balanced approach planned to integration strategy
- Re-branding for staff immersion and customer experience
- Building a ‘best of both’ model: opportunity to leverage talent of both CYBG and Virgin Money colleagues

Clear alignment in cultures provides opportunity to leverage the strengths of both businesses
WE WILL CREATE THE FIRST TRUE NATIONAL COMPETITOR TO THE STATUS QUO

Iconic national brand + Retail & SME proposition with scale + Leading digital capability

Virgin money

Customer-centric
Scale to compete
National coverage
Digital innovator
Full-service product range
FINANCIAL RATIONALE

IAN SMITH, CFO
**FINANCIAL HIGHLIGHTS OF THE TRANSACTION**

| Significant cost synergies expected | - Annual run-rate cost synergies of c.£120m delivered by end of FY 2021  
| - Additional benefit from avoidance of VMDB future running costs  
| - Expect additional value creation from revenue and funding synergies over time |
| Diversified, customer-led funding model | - Diversified funding base with >75% customer deposit funding and strong relationship PCA/BCA base  
| - Pro forma LDR of 117%  
| - Clear and manageable path to refinance TFS |
| Broad-based, low-risk asset portfolio | - Combined balance sheet weighted towards high quality, low risk mortgages (83% of lending)  
| - Prime credit card portfolio acquired – fills a gap in unsecured offering  
| - Complemented by high quality SME portfolio |
| Strong pro forma capital position | - Pro forma Day-1 CET1 ratio of >12%  
| - Significant buffer to regulatory minimum capital requirements  
| - Further upside potential to come from near-term capital optimisation initiatives |
| Reinforces delivery of financial targets | - Material EPS accretion for all shareholders once full cost synergies are delivered  
| - Expect to perform strongly against existing financial targets  
| - Strong capital generation supports acceleration of progressive dividend ambitions |
### Significant Cost Synergies Expected

**Total pre-tax cost synergies** c.£120m
- Annual run-rate cost synergies of c.£120m expected by end of FY 2021
- c.30% of run rate synergies delivered by end FY 2019 and c.70% FY 2020
- Additional benefit from avoidance of VMDB future running costs

<table>
<thead>
<tr>
<th>Network efficiency</th>
<th>c.10%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Optimisation of branch network and associated costs</td>
</tr>
<tr>
<td></td>
<td>- Limited overlap in customer-facing roles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisational design</th>
<th>c.30%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Remove duplication of senior management roles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational efficiency</th>
<th>c.30%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Remove duplicated central function roles</td>
</tr>
<tr>
<td></td>
<td>- Integration of customer service operating models and increased digitisation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Central cost management</th>
<th>c.30%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Reduce central function locations</td>
</tr>
<tr>
<td></td>
<td>- Deliver scale efficiencies in IT and optimise 3rd party spend</td>
</tr>
<tr>
<td></td>
<td>- Net of incremental trademark licence fees related to Virgin Money brand</td>
</tr>
</tbody>
</table>

Synergy quantum and delivery approach aligned to CYBG’s successful Sustain cost efficiency programme
## Conservative Costs to Achieve

<table>
<thead>
<tr>
<th>Estimated pre-tax costs to achieve</th>
<th>c.£240m</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
<td>c.1/3rd</td>
</tr>
<tr>
<td>FY 2020</td>
<td>c.1/3rd</td>
</tr>
<tr>
<td>FY 2021</td>
<td>c.1/3rd</td>
</tr>
</tbody>
</table>

- Estimated pre-tax costs to achieve of £240m primarily severance, property and resources to support operational and IT integration
- Conservatively estimated given commitment to uphold redundancy policies and allowance for phased integration
- Organisational design employee restructuring costs primarily in year 1
- Operational efficiency employee restructuring costs largely recognised in years 2-3
- Optimisation of branches and office locations to take 2-3 years
- IT integration plan de-risked by product and platform strategy, with phased implementation in years 2-3
**Upside Potential from Revenue Synergies**

**Brand economics**

- Exclusive use of Virgin Money brand for Financial Services in the UK
- Perpetual agreement
- Licence fee of £12m in year 1 with scaled increases thereafter
- Strong partnership with Virgin Enterprises Limited (owner of the Virgin brand)

- Rebranding cost of approximately £60m pre-tax, largely incurred during first 2 years
- Majority of costs relate to products, IT and property
- Rebranding cost replaces that which would otherwise have been required to scale the B brand more widely

**Revenue synergies**

- Iconic Virgin brand reach enables national growth
- Customer loyalty provides opportunity for higher sales conversion and improved customer retention
- Broader product set available to Virgin Money customers driving an increase in products per customer
- Wider Virgin Group offers enhanced partnership opportunities
DIVERSIFIED, CUSTOMER-LED FUNDING MODEL

Diversified funding base remains (b)

- Sticky funding base with 77% customer deposit funding, with c.30% of total deposits relating to core PCA and BCA relationships
- Current fixed term savings products renewal rate of 80%
- Virgin Money brand combined with CYBG current account offering offers significant current account and linked savings growth opportunity
- Planned TFS refinancing in advance of contractual maturity, supported by:
  - Personal and business current account growth
  - SME liability growth through RBS alternative remedies package incentivised switching scheme
  - Savings growth across Retail and SME
  - Ongoing wholesale issuance plan including MREL

Clear funding strategy

- Based on CYBG balances as of 31 March 2018 and Virgin Money balances as of 31 December 2017
- Based on TFS drawings of £6.4bn reported by Virgin Money as at February 2018

£76.6bn (a)

LDR: 117%
COMPLEMENTARY MODELS CREATES A LOW RISK COMBINED PORTFOLIO

**Combined lending book weighted to low risk mortgages**

- Residential Mortgages: 63%
- BTL Mortgages: 20%
- SME & Corporate: 11%
- Credit Cards: 5%
- Other Unsecured: 1%

**Total:** £69.5bn\(^{(a)}\)

**High quality mortgage book**

- **WA LTV\(^{(a)}\):**
  - CYBG: 59.1%
  - Virgin Money: 55.8%
  - Combined: 57.2%

- **NPL Ratio\(^{(a),(b)}\):**
  - CYBG: 0.7%
  - Virgin Money: 0.5%
  - Combined: 0.6%

- **Net Cost of Risk\(^{(c)}\):**
  - CYBG: 2 bps
  - Virgin Money: 1 bps
  - Combined: 1 bps

---

\(^{(a)}\) Based on CYBG balances as of 31 March 2018 and Virgin Money balances as of 31 December 2017

\(^{(b)}\) NPL ratio defined as (impaired mortgages + mortgages 90+ days in arrears)/ gross mortgages

\(^{(c)}\) Based on latest FY results for both CYBG and Virgin Money
PRIME CREDIT CARD PORTFOLIO UNDERPINS UNSECURED LENDING GROWTH OPPORTUNITIES

VM cards are concentrated in lower risk segments... (a)

- 92% Virgin Money
- 81% Industry

...impairment ratio has been reducing... (b)

- Virgin Money: 200 bps (FY2015), 170 bps (FY2016), 151 bps (FY2017)
- Industry:

...future growth from a broader product set...

- +8% retail spend per VM card in 2017
- Opportunity for growth in under-penetrated CYBG customer base
- Virgin Atlantic Airways partnership expected to drive an increase in retail spend
  - Prime, affluent customer base
  - Launched in 1H18

...and charge off rates lower than industry average (c)

- VM Cards - Cost of Risk (as disclosed)
- FY2015: 200 bps
- FY2016: 170 bps
- FY2017: 151 bps

- Industry:

(a) Stock of book concentrated in low or medium risk segments, with lower than 2.5% expected loss rate
(b) Based on December financial year end
(c) Source: Virgin Money 2017 FY results - on 12 month lagged basis, annualised asset charge off rate
CREDIT CARD EIR ACCOUNTING TO BE REVIEWED ON COMPLETION

Credit card EIR accounting

- The Effective Interest Rate (EIR) accounting methodology will be reviewed as part of the acquisition fair valuation exercise

- Combined Group to take a prudent approach to credit card income recognition

- Further detail to be provided post completion

Virgin Money key credit card business metrics

- Credit cards as % of total customer loans: 5.0% (a) of pro forma combined group
- Effective interest rate: 6.8% (b)
- Assumed average customer life: 7 Years (b)

[a] Based on CYBG gross balances as of 31 March 2018 and Virgin Money gross balances as of 31 December 2017
[b] As disclosed in Virgin Money’s 1H 2017 presentation
COMBINED GROUP TO BE STRONGLY CAPITALISED

Significant CET1 capital buffer maintained on Day 1...

- Day 1 pro forma CET1 ratio of >12.0%, maintaining a significant surplus to minimum regulatory capital requirements
- Combined group assets remain materially below systemic bank threshold – no domestic systemic risk buffer
- CYBG mortgage IRB accreditation remains on track
  - Continued progress on IRB, with increasing confidence of achieving accreditation for the mortgage book by 1st October 2018, as previously guided
  - Continue to expect an RWA reduction of c.£5bn
- Potential for further upside from reduction in VM mortgage risk weightings

...material upside potential from capital optimisation

- Day 1 pro forma CET1 ratio of >12.0%, maintaining a significant surplus to minimum regulatory capital requirements
- Combined group assets remain materially below systemic bank threshold – no domestic systemic risk buffer
- CYBG mortgage IRB accreditation remains on track
  - Continued progress on IRB, with increasing confidence of achieving accreditation for the mortgage book by 1st October 2018, as previously guided
  - Continue to expect an RWA reduction of c.£5bn
- Potential for further upside from reduction in VM mortgage risk weightings

(c) Based on CYBG balance as of 31 March 2018 and Virgin Money balance as of 31 December 2017

(a) Based on capital position of CYBG as at 31 March 2018 and Virgin Money as at 31 December 2017. The Capital position of the Enlarged Group is subject to confirmation of the Regulatory Treatment, in respect of the Enlarged Group, of the existing Capital Instruments issued by CYBG and Virgin, dependent on the final legal structure.
(b) Based on Pillar 2A requirements for CYBG as of 31 March 2018 and Virgin Money based on 2.2% go-forward CET1 requirement as disclosed by VM (at FY17 results), 3.2% CET1 Pillar 2A requirement was previously driven by Basel I floor being binding constraint (no longer applicable at 1st Jan 2018)
(c) Based on CYBG balance as of 31 March 2018 and Virgin Money balance as of 31 December 2017
Well placed to accelerate both CYBG and Virgin Money’s progressive dividend ambitions
<table>
<thead>
<tr>
<th>Metric</th>
<th>Existing guidance</th>
<th>Expected transaction impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan growth</td>
<td>Mid single digit % CAGR to FY 2019</td>
<td>✓ Sustainable growth ambition continues</td>
</tr>
<tr>
<td>LDR</td>
<td>&lt; 120%</td>
<td>✓ Diversified funding model continues</td>
</tr>
<tr>
<td>CIR</td>
<td>55% – 58% by FY 2019</td>
<td>✓ CIR at lower end of target range, significant cost synergies over time</td>
</tr>
<tr>
<td>RoTE</td>
<td>Double digit by FY 2019</td>
<td>✓ Double digit returns target maintained</td>
</tr>
<tr>
<td>Dividend</td>
<td>50% pay out ratio over time</td>
<td>✓ Accelerates progressive dividend ambition</td>
</tr>
</tbody>
</table>

Material EPS accretion for all shareholders once full cost synergies are delivered
EXPECTED TRANSACTION TIMELINE

**Q3 2018**

**Shareholder documentation published**
- Offer/scheme documents posted
- CYBG prospectus and circular

**CYBG and Virgin Money shareholder meetings**
- CYBG shareholders vote to:
  - Approve transaction
  - Approve issuance of consideration shares
- Virgin Money shareholders vote to:
  - Approve trademark licence agreement
  - Approve scheme

**Q4 2018**

**Completion**
- Subject to shareholder and regulatory approvals
TECHNOLOGY PLATFORM AND INTEGRATION

DEBBIE CROSBIE, COO
ESTABLISHED TECHNOLOGY PLATFORM AND INTEGRATION CAPABILITIES

An integrated, flexible and scalable platform

- Real-time, omni-channel capability

- ALL RETAIL AND SME CUSTOMERS ON A SINGLE PLATFORM

- microservices/APIs
- Interaction management
- Real time trusted data & insight

Core Banking Platform

- Successful build, integration and scaling of iB platform to date:
  - c.2m Clydesdale/Yorkshire retail customers migrated onto iB platform
  - Business banking being migrated to iB in 2018
  - Complex NAB separation programme largely complete with Treasury to be finalised in coming months
  - Agile capability delivery
  - First to offer mobile cheque clearing
  - First to offer account aggregation to customers using secure Open API technology

Track record of integration and capability delivery

Full Clearing + Payments Capabilities
### Low-Complexity Integration Plan

#### Phased, low-volume, low-complexity integration...

| Personal Current Accounts | c.100k VM current accounts  
|                          | Transfer via Current Account Switching Service (CASS) |
| Personal & Business Savings | Bulk redirection service: industry process for accounts not covered by CASS |
| Mortgages and Fixed Term Savings | Renewal on target platform |
| Personal Credit Cards | CYBG accounts migrate to the TSYS platform |

#### ...with a clear, measured plan for delivery

| Delivered by experts from both entities | Both organisations experienced in executing large-scale transformation and integration |
| No time pressure for delivery | Integration plan formulated with complete discretion over timing |
| Leveraging CYBG’s flexible and scalable technology | Minimal new technology beyond scaling; all products will be integrated on iB platform |
| Integrated approach for brand, people, IT and products | Significant focus on re-brand of Clydesdale, Yorkshire and B brands |

No ‘big bang’ migration events
SUMMARY

DAVID DUFFY, CEO
CREATING THE FIRST TRUE NATIONAL COMPETITOR TO THE STATUS QUO

<table>
<thead>
<tr>
<th>Strategic rationale</th>
<th>Financial outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Iconic brand</strong></td>
<td>Iconic brand combined with <strong>customer focused culture</strong> to drive future growth</td>
</tr>
<tr>
<td><strong>National scale</strong></td>
<td>A new alternative in banking – 2 challengers transformed into a true national competitor with a <strong>full service Retail &amp; SME offering</strong></td>
</tr>
<tr>
<td><strong>Leading digital capability</strong></td>
<td>Innovative digital technology that's <strong>Open Banking enabled</strong> today</td>
</tr>
<tr>
<td></td>
<td>c.£120m of annual run rate cost synergies driven by operational efficiencies</td>
</tr>
<tr>
<td></td>
<td>Low risk asset portfolio with diversified funding model</td>
</tr>
<tr>
<td></td>
<td>Robust pro-forma capital position for combined group with enhanced capital generation</td>
</tr>
<tr>
<td></td>
<td>Reinforces delivery of existing financial targets</td>
</tr>
<tr>
<td></td>
<td>Materially earnings accretive with opportunity for further shareholder value creation</td>
</tr>
</tbody>
</table>
Contact details

Andrew Downey
Head of Investor Relations
CYBG PLC
t: +44 20 3216 2694
m: +44 7823 443 150
e: andrew.downey@cybg.com

Owen Price
Senior Manager, Investor Relations
CYBG PLC
t: +44 20 3216 2785
m: +44 7484 908 949
e: owen.price@cybg.com

www.cybg.com/investor-centre
**VIRGIN MONEY OVERVIEW**

### Financial performance and key metrics

<table>
<thead>
<tr>
<th>Financial performance (£m unless stated)</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>519</td>
<td>595</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>68</td>
<td>71</td>
</tr>
<tr>
<td>Total operating and administrative expenses</td>
<td>(336)</td>
<td>(349)</td>
</tr>
<tr>
<td>Impairment losses on credit exposures</td>
<td>(38)</td>
<td>(44)</td>
</tr>
<tr>
<td><strong>Underlying profit on ordinary activities before tax</strong></td>
<td><strong>213</strong></td>
<td><strong>273</strong></td>
</tr>
<tr>
<td>Tangible Net Asset Value</td>
<td>1,206</td>
<td>1,312</td>
</tr>
<tr>
<td>Risk Weighted Assets</td>
<td>7,695</td>
<td>9,179</td>
</tr>
<tr>
<td>Net interest margin (NIM)</td>
<td>160bps</td>
<td>157bps</td>
</tr>
<tr>
<td>Cost of risk (bps)</td>
<td>13bps</td>
<td>13bps</td>
</tr>
<tr>
<td>Underlying cost income ratio (%)</td>
<td>57%</td>
<td>52%</td>
</tr>
<tr>
<td>Underlying return on tangible equity (RoTE) (%)</td>
<td>12.4%</td>
<td>14.0%</td>
</tr>
<tr>
<td>CET1 ratio (%)</td>
<td>15.2%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

### Key highlights

- Serve over 3.4m customers
- An average 3.0k FTE during 2017
- Network of 74 Stores and 8 Virgin Lounges
- Gross market share of 3.3% in Mortgages and 4.1% in Credit Cards
- Note: Virgin Money UK is entirely separate from Virgin Money Australia

### 2017 Assets and Liabilities

**Net lending £bn**

- Credit cards, 8%
- BTL mortgages, 17%
- Residential mortgages, 75%

- **£36.7bn**

**Funding £bn**

- Wholesale, 10%
- PCAs, 1%
- Term Funding Scheme, 11%
- Savings deposits, 78%

- **£38.9bn**

Note: based on £4.2bn TFS drawing as of Dec 2017. £6.4bn TFS drawn as of Feb 2018
DISCLAIMER

THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

Nothing in this presentation is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per CYBG Share or Virgin Money Share for the current or future financial years, will necessarily match or exceed the historical published earnings per CYBG Share or Virgin Money Share.

This presentation has been prepared by CYBG PLC (the "Company") and is the responsibility of the Company. It has been prepared solely for your information and for the purpose of, and comprises the written materials used in and/or discussed at, the presentation(s) given to stakeholders in connection with the offer by the Company for Virgin Money Holdings (UK) plc ("Virgin Money") (the "Offer"). This presentation is a marketing communication and should not be regarded as a research recommendation.

The information in this presentation may include forward looking statements, which are statements regarding, among other things, the Company's assumptions, expectations, valuations, targets, estimates, forecasts and projections about future events. These can be identified by the use of words such as 'expects', 'aims', 'targets', 'seeks', 'anticipates', 'plans', 'intends', 'prospects', 'outlooks', 'projects', 'believes', 'estimates', 'potential', 'possible', 'forecasts', and similar words or phrases. These forward looking statements, as well as those included in any other material discussed at the presentation, are subject to risks, uncertainties and assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future including, among other things, the development of its business and strategy, trends in its operating industry, changes to customer behaviours and covenant, macroeconomic and/or geopolitical factors, changes to its board and/ or employee composition, exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities, changes to law and/or the policies and practices of the Bank of England, the FCA and/or other regulatory bodies, inflation, deflation, interest rates, exchange rates, changes in the liquidity, capital, funding and/or asset position and/or credit ratings of the Company, the repercussions of the UK’s referendum vote to leave the European Union and future capital expenditures and acquisitions.

In light of these risks, uncertainties and assumptions, the events in the forward looking statements may not occur. Forward looking statements involve inherent risks and uncertainties. Other events not taken into account may occur and may significantly affect the analysis of the forward looking statements. No member of the Company or its respective directors, officers, employees, agents, advisers or affiliates gives any assurance that any such projections or estimates will be realised or that actual returns or other results will not be materially lower than those set out in this presentation and/or discussed at any presentation. All forward looking statements should be viewed as hypothetical. No representation or warranty is made that any forward looking statement will come to pass. No member of the Company or its respective directors, officers, employees, agents, advisers or affiliates undertakes any obligation to update or revise any such forward looking statement following the publication of this presentation nor accepts any responsibility, liability or duty of care whatsoever for (whether in contract, tort or otherwise) or makes any representation or warranty, express or implied, as to the truth, fullness, fairness, merchantability, accuracy, sufficiency or completeness of the information in this presentation or the materials used in and/or discussed at the presentation.

The information, statements and opinions contained in this presentation and the materials used in and/or discussed at, the presentation, do 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. This presentation does not purport to contain all of the information that may be required to evaluate any investment in the Company or Virgin Money or any of their securities. Any investment decision should be made solely on the basis of formal offer-related documentation to be released in relation to the Offer. Any person considering an investment in the Company or Virgin Money is advised to obtain independent advice as to the legal, tax, accounting, financial credit and other related advice prior to making an investment.

To the extent available, the industry, market and competitive position data contained in this presentation has come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation.

Certain figures contained in this presentation, including financial information, may have been subject to rounding adjustments and foreign exchange conversions. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this presentation may not conform exactly to the total figure given.