

VIRGIN MONEY HOLDINGS (UK) PLC
(the **Issuer**)

NOTICE
to the holders of the

£160,000,000 Fixed Rate Resetable Additional Tier 1 Securities (the Securities)
(ISIN: XS1090191864 / Common Code: 109019186)

NOTICE OF ADJUSTMENT TO THE CONVERSION PRICE

Adjustment of Conversion Price

On 18 November 2014 (the **Effective Date**), the ordinary shares of £0.001 each in the capital of the Issuer were sub-divided into 10 ordinary shares of £0.0001 each in the capital of the Issuer (the **Sub-division**).

Pursuant to Condition 8.3(a) of the Conditions of the Securities, an adjustment is required to be made to the Conversion Price upon the occurrence of the Sub-division.

The Conversion Price in effect immediately prior to the Sub-division was £35.00.

NOTICE IS HEREBY GIVEN by the Issuer to the Security holders that, from and including the Effective Date, the Conversion Price is adjusted to £3.50.

All other Conditions of the Securities remain unchanged.

Registrar and Principal Paying Agent

Citibank, N.A., London Branch.

Defined Terms

Unless otherwise defined in this Notice, terms used in this Notice have the meanings given to them in the Conditions.

This Notice is given by:

Virgin Money Holdings (UK) plc
Jubilee House
Gosforth
Newcastle-Upon-Tyne
NE3 4PL

and will also be published by announcement on the website of the Luxembourg Stock Exchange at the following address: *www.bourse.lu*.

Further information is available from:

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Dated: 18 November 2014