

4 JULY 2017

VIRGIN MONEY HOLDINGS (UK) PLC (the *Company* or *Virgin Money*)
ISIN: GB00BQ8P0644

Virgin Money notes the Prudential Regulation Authority's (PRA) statement on consumer credit

Virgin Money notes today's PRA statement on consumer credit. The PRA review examined asset quality and underwriting practices for credit cards, unsecured personal loans and motor finance following a period of growth in consumer credit, a lowering of pricing and extensions of interest-free offers.

Virgin Money has a high quality credit card book and does not lend in the unsecured personal loan or motor finance markets.

Virgin Money has robust governance and tightly controlled risk appetite for its prime credit card lending, resulting in more demanding affordability requirements than for the market as a whole. Ours is a prime credit card book with higher than industry credit quality, driving lower than industry credit losses. Our models and assumptions are regularly reviewed and externally validated as part of our ongoing governance and control framework.

Jayne-Anne Gadhia, Chief Executive at Virgin Money said: "We welcome today's statement from the PRA on consumer credit. As a responsible lender our focus has always been on providing a first-rate credit card proposition for high quality customers.

"Our excellent asset quality and the strength of our underwriting, with very strict credit score cut offs to maintain that quality, means that we demand higher affordability than does the industry as a whole. We have always focused on the prime segment of the card market and have a stringent policy of no down-selling.

"We will continue to prioritise asset quality over balance growth in our credit card business and we look forward to updating the market when we publish our interim results on 25th July."

Enquiries:

Virgin Money Press Office
Scott Mowbray / Simon Hall
0191 279 4676 or press.office@virginmoney.com

FTI Consulting
John Waples / Mitch Barltrop
07717 814520 / 07807 296032
john.waples@fticonsulting.com / mitch.barltrop@fticonsulting.com

Virgin Money Investor Relations

Adam Key

020 7111 1311 or adam.key@virginmoney.com

NOTES TO EDITORS

About Virgin Money

- Virgin Money offers savings, mortgages, credit cards, current accounts, currency services, pensions, investments and protection products to customers across the UK
- Virgin Money's business ambition is to make "everyone better off" - this philosophy underpins our approach to business by offering good value to customers, treating employees well, making a positive contribution to society and delivering a profit to shareholders
- More than 12,500 charities have registered with Virgin Money Giving and, by the end of Q1 2017, over £530 million had been raised for charity through the service since its launch in 2009, resulting in an estimated £16 million more raised for charity because of its not-for-profit model.

Forward looking statements

This document contains certain forward looking statements with respect to the business, strategy and plans of Virgin Money Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Virgin Money Group's or its directors' and/or management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, plans and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements made by the Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; inflation, deflation, interest rates and policies of the Bank of England, the European Central Bank and other G8 central banks; fluctuations in exchange rates, stock markets and currencies; the ability to access sufficient sources of capital, liquidity and funding when required; changes to Virgin Money's credit ratings; the ability to derive cost savings; changing demographic developments, including mortality, and changing customer behaviour, including consumer spending, saving and borrowing habits; changes in customer preferences; changes to borrower or counterparty credit quality; instability in the global financial markets, including Eurozone instability, the exit by the UK from the European Union (EU) and the potential for one or more other countries to exit the Eurozone or EU, and the impact of any sovereign credit rating downgrade or other sovereign financial issues; technological changes and risks to cyber security; natural and other disasters, adverse weather and similar contingencies outside Virgin Money's control; inadequate or failed internal or external processes, people and systems; terrorist acts and other acts of war or hostility and responses to those acts; geopolitical, pandemic or other such events; changes in laws, regulations, taxation, accounting standards or practices, including as a result of the exit by the UK from the EU, regulatory capital or liquidity requirements and similar contingencies outside Virgin Money's control; the policies and actions of governmental or regulatory authorities in the UK, the EU, the US or elsewhere including the implementation and interpretation of key legislation and regulation; the ability to attract and retain senior management and other employees; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; market relating trends and developments; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints; changes in competition and pricing environments; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services and lending companies; and the success of Virgin Money in managing the risks of the foregoing.

Any forward-looking statements made in this document speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information of future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc or applicable law, Virgin Money expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in Virgin Money's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Virgin Money Holdings (UK) plc - Registered in England and Wales (Company No. 03087587). Registered Office: Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL.