

**FIRST SUPPLEMENT DATED 12 MARCH 2024
TO THE BASE PROSPECTUS DATED 13 DECEMBER 2023**



VIRGIN MONEY UK PLC
(incorporated with limited liability in England and Wales)

CLYDESDALE BANK PLC
(trading as Virgin Money)
(incorporated with limited liability in Scotland)

**£10,000,000,000
Global Medium Term Note Programme**

Virgin Money UK PLC (the "**Company**") and Clydesdale Bank PLC (trading as Virgin Money) (the "**Bank**") and, together with the Company, the "**Issuers**" and each an "**Issuer**"), have prepared this supplement dated 12 March 2024 (the "**Supplement**") to the base prospectus dated 13 December 2023 (the "**Base Prospectus**") with respect to the £10,000,000,000 Global Medium Term Note Programme of the Issuers (the "**Programme**"). This Supplement constitutes a supplementary prospectus in respect of the Base Prospectus for the Issuers for the purposes of Article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**").

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), as competent authority under the UK Prospectus Regulation, as a base prospectus supplement issued in compliance with the UK Prospectus Regulation. The FCA only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Supplement. With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be supplemented in the manner described below.

Terms defined in the Base Prospectus shall have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. A copy of this Supplement will be made available for inspection at the offices of each Issuer for so long as the Programme remains in existence. This Supplement will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. This Supplement will also be available for viewing on the UK National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Each of the Issuers accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuers, the information contained in this Supplement is in accordance with the facts and makes no omission likely to affect its import.

Save as disclosed in this Supplement, no significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

(1) Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference the following sections of the Company's First Quarter 2024 Trading Update in respect of the three months ended 31 December 2023 (available at <https://www.virginmoneyukplc.com/investor-relations/results-and-reporting/financial-results/#section-2024>) in the Base Prospectus:
 - (i) the table headed "*Summary financials*" on page 1;
 - (ii) the section headed "*Pioneering Growth*" on page 2 excluding:
 - (A) the last sentence of the second paragraph of text;
 - (B) the last sentence of the third paragraph of text; and
 - (C) the last sentence of the fifth paragraph of text;
 - (iii) the section headed "*Delighted Customers and Colleagues*" on page 3;
 - (iv) the first paragraph of the section headed "*Super Straightforward Efficiency*" on page 3 excluding the last sentence;
 - (v) the section headed "*Discipline and Sustainability*" on page 4 excluding:
 - (A) the last sentence of the third paragraph of the text; and
 - (B) the sixth and seventh sentences of the fourth paragraph of the text,(together, the "**Company's First Quarter 2024 Trading Update**");
- (b) incorporate by reference the joint announcement of Nationwide Building Society and the Company entitled "Joint Statement Re Potential Cash Acquisition" published via RNS on 7 March 2024 (available at https://otp.tools.investis.com/clients/uk/virgin_money_uk/rns/regulatory-story.aspx?cid=1178&newsid=1796846) in the Base Prospectus (the "**RNS Announcement**");
- (c) amend the section entitled "*Risk Factors – Risks relating to the Group – Other risks*" on page 40 of the Base Prospectus by adding the following risk factor (with all subsequent risk factors deemed to be renumbered numerically thereafter):

7.1 The Group may face risks relating to the Potential Acquisition

As detailed in the joint announcement of Nationwide Building Society ("**Nationwide**") and the Company on 7 March 2024, which is incorporated by reference into this Base Prospectus (the "**Announcement**"), the board of directors of Nationwide and the Board announced that they have reached preliminary agreement on the key terms of a potential cash acquisition of the Company by Nationwide (the "**Potential Acquisition**"). The Announcement 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.

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 the Company in accordance with Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer for the Company and this deadline will be extended only with the consent of the Company and the Takeover Panel (as further detailed in the Announcement).

The announcement of any firm offer under Rule 2.7 of the Takeover Code in respect of the

Potential Acquisition is subject to the satisfaction or waiver of a number of customary pre-conditions, including, amongst other things, the completion of customary due diligence by Nationwide in respect of the Group.

Additionally, 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 the Announcement and introduce other forms of consideration) in certain circumstances, as detailed in the Announcement.

It is unclear whether the Potential Acquisition would be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 or a takeover offer under Part 28 of the Companies Act 2006. If the Potential Acquisition is implemented by way of a scheme, it would require approval by a majority in number of shareholders voting in person or by proxy at the shareholders' scheme meeting, representing at least 75 per cent. of the vote cast. If the Potential Acquisition is implemented by way of a takeover offer, it would be subject to an acceptance condition to be set by Nationwide. There is no certainty that the scheme will be approved by the shareholders or that the acceptance condition to the takeover offer will be satisfied.

The Potential Acquisition would also be subject to other customary conditions and terms to be set out in any firm offer announcement (if made) under Rule 2.7 of the Takeover Code. Given the nature of the Company's business, it is expected that the Potential Acquisition would require approvals from the FCA and the PRA, which may or may not be granted. The Potential Acquisition could also be subject to other approvals required by law or regulations, which may or may not be obtained.

Prior to the completion of the Potential Acquisition, it is possible that one or more third parties may also seek to make an offer to acquire the Company, which could be on terms that are superior to the financial terms of the Potential Acquisition. There can be no certainty as to whether such an offer would be made or, if made, whether the Board would eventually recommend such an offer. In such circumstances it is uncertain whether the Board would eventually recommend the Potential Acquisition (if it proceeds to a firm offer), and whether Nationwide would continue to pursue or withdraw from the Potential Acquisition (if permitted under the Takeover Code). The emergence of any competing offeror for the Company will result in uncertainties on the timing, process and likelihood of success for the Potential Acquisition.

As such, there can be no certainty that any firm offer will be made by Nationwide nor as to the terms of any such firm offer, even if the pre-conditions set out in the Announcement are satisfied or waived. In addition, following any such firm offer by Nationwide, there is no certainty on the time required to complete the Potential Acquisition, and the offer process may be longer than what would be ordinarily expected for this type of transaction, and the Potential Acquisition may not complete. Market reaction to and/or speculation regarding the offer process, the likely views of shareholders and regulators, or the likelihood of potential competing offerors could increase the volatility of the price of the Notes in the secondary market.

Nationwide would seek to integrate the Company 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, the Company would continue to operate as a separate legal entity within the Nationwide group, with a separate board of directors and a separate banking licence. As of the date of the Announcement, there is no information on what the capital structure of the Group would be if the Potential Acquisition proceeds and though it is not anticipated that the Potential Acquisition, should it proceed, would require any immediate changes to the capital structure of the Group or the combined group as a whole, there can be no assurance that there will not in the future be any changes to the capital structure of the Group.";

- (d) amend the section entitled "*Directors of the Issuers*" on page 165 of the Base Prospectus by replacing the table therein with the following table:

Name	Position	Principal directorships / outside activities
David Bennett	Board Chair	Allfunds Group plc Paypal (Europe) S.à.r.l et Cie S.C.A. PayPal UK Ltd Non-executive board member of The Department for Work & Pensions
David Duffy	Executive Director and Chief Executive Officer	UK Finance Limited Board member of The Northern Powerhouse Partnership
Clifford Abrahams	Executive Director and Chief Financial Officer	None
Tim Wade	Senior Independent Non-Executive Director	RBC Europe Limited Chubb Underwriting Agencies Limited ClearBank Group Holdings Limited The Rank Group plc Board member and Remuneration Committee Chair, Business in the Community
Lucinda Charles-Jones	Independent Non-Executive Director	The Rank Group plc Board member and Remuneration Committee Chair, Business in the Community
Geeta Gopalan	Independent Non-Executive Director	Intrum AB (publ) Funding Circle Holdings Plc Dechra Pharmaceuticals PLC Trustee of The Old Vic Theatre Trust 2000
Elena Novokreshchenova	Independent Non-Executive Director	None
Darren Pope	Independent Non-Executive Director	Hargreaves Lansdown plc Network International Holdings plc HSBC Innovation Bank Limited
Sara Weller*	Non-Executive Director	BT Group plc Remuneration Committee Chair, New College, University of Oxford Chair of the Money and Pensions Service board

*Representative Director of Virgin Enterprises appointed pursuant to the Brand Licence Agreement.";

- (e) amend the section entitled "*Directors of the Issuers*" on page 165 of the Base Prospectus by adding the following paragraph after the table of Directors:

"It was announced on 6 February 2024 that Geeta Gopalan, a Non-Executive Director of the Issuers and Chair of the Risk Committee, will step down from the Board of Directors of each of the Company and the Bank (the "**Boards**") on 30 June 2024 when she reaches her nine-year tenure on the Boards. The search process to select and appoint a Chair Risk Committee successor is

well advanced. It was also announced that, with the approval of the PRA and FCA, David Bennett will continue as Board Chair for a further period of up to two years to October 2026."; and

- (f) update the no significant change statement of the Issuers on page 188 of the Base Prospectus as set out in paragraph (3) below.

(2) Document Incorporated by Reference

By virtue of this Supplement, the Company's First Quarter 2024 Trading Update and the RNS Announcement shall be deemed to be incorporated in, and form part of, the Base Prospectus.

Any information contained in either document specified above which is not incorporated by reference in the Base Prospectus is either not relevant for prospective investors for the purposes of Article 6(1) of the UK Prospectus Regulation or is covered elsewhere in the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements referred to in (a) above will prevail.

If any document which is incorporated by reference into this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Base Prospectus for the purposes of the UK Prospectus Regulation, except where such information or other documents are specifically incorporated by reference into this Supplement.

(3) No Significant Change Statement

With effect from the date of this Supplement, the statement in paragraph 4 in the section entitled "*Significant/Material Change*" on page 188 of the Base Prospectus shall be deleted and replaced with the following:

"There has been no significant change in the financial position or financial performance of either of the Issuers or the Group since 31 December 2023, being the date of the Company's last published financial information."