

Updated presentation of results

As outlined alongside FY23 results, Virgin Money will no longer present results on an Underlying basis, moving instead to a statutory presentation of its income statement, whilst still providing details of notable items of income and expenditure. These presentation changes are summarised below detailing both the new and original presentation format to aid comparison and will take effect from the Group's Interim Financial Results publication for the six months ended 31 March 2024.

Key publication dates:

- 14th May 2024 – VMUK Trading Update
- 13th June 2024 – VMUK Interim Financial Results

Please note, dates remain subject to change. Please see [Financial Calendar](#) for further information

Summary income statement (re-presented)

Summary P&L	Year to	6 months to	6 months to	Year to
	30 Sep 2022	31 Mar 2023	30 Sep 2023	30 Sep 2023
	£m	£m	£m	£m
Net interest income (excl. notable items)	1,592	855	861	1,716
Non-interest income (excl. notable items)	150	78	79	157
Total operating income (excluding notable items)	1,742	933	940	1,873
<i>Notable items in income</i>	<i>(26)</i>	<i>(19)</i>	<i>(27)</i>	<i>(46)</i>
Statutory Income	1,716	914	913	1,827
Operating and administrative expenses (excl. notable items)	(914)	(477)	(494)	(971)
<i>Notable items in expenses</i>	<i>(155)</i>	<i>(57)</i>	<i>(145)</i>	<i>(202)</i>
Statutory Expenses	(1,069)	(534)	(639)	(1,173)
Statutory operating profit before impairment losses	647	380	274	654
Impairment losses on credit exposures	(52)	(144)	(165)	(309)
Statutory profit on ordinary activities before tax	595	236	109	345
Tax expense	(58)	(56)	(43)	(99)
Statutory profit after tax	537	180	66	246

Notable items in statutory basis:	Year to	6 months to	6 months to	Year to
	30 Sep 2022	31 Mar 2023	30 Sep 2023	30 Sep 2023
	£m	£m	£m	£m
- Income				
Acquisition accounting unwinds (net interest income)	(16)	(3)	(26)	(29)
Acquisition accounting unwinds (non interest income)	(16)	-	-	-
Hedge ineffectiveness (non-interest income)	13	(16)	-	(16)
Other (non-interest income)	(7)	-	(1)	(1)
Total notable items in Statutory Income	(26)	(19)	(27)	(46)
- Operating expenses				
Restructuring charges	(82)	(53)	(78)	(131)
Acquisition accounting unwinds	(3)	-	-	-
Financial Crime Prevention Programme	-	-	-	-
Legacy conduct	(8)	(4)	(8)	(12)
Transaction costs	-	-	-	-
Other	(62)	-	(59)	(59)
Total notable items statutory expenses	(155)	(57)	(145)	(202)
Operating profit before impairment losses (excl. notable items)	828	456	446	902

Performance metrics (re-presented)

Profitability:	Year to	6 months to	6 months to	Year to
	30 Sep 2022	31 Mar 2023	30 Sep 2023	30 Sep 2023
Net interest margin (NIM)	1.85%	1.91%	1.91%	1.91%
Return on tangible equity (RoTE)	10.3%	6.1%	-	3.9%
Statutory cost: income ratio	62.3%	58.5%	70.0%	64.2%
Earnings per share (EPS)	32.4p	11.0p	3.0p	14.0p
Adjusted cost: income ratio ⁽¹⁾	52.5%	51.1%	52.6%	51.9%

(1) Adjusted to exclude all notable items, and the new Bank of England levy in FY24

Summary income statement (original presentation)

	Year to 30 Sep 2022	6 months to 31 Mar 2023	6 months to 30 Sep 2023	Year to 30 Sep 2023
	£m	£m	£m	£m
Underlying net interest income	1,592	855	861	1,716
Underlying non-interest income	150	78	79	157
Total underlying operating income	1,742	933	940	1,873
Underlying operating and administrative expenses	(914)	(477)	(494)	(971)
Underlying operating profit before impairment losses	828	456	446	902
Impairment losses on credit exposures	(52)	(144)	(165)	(309)
Underlying profit on ordinary activities before tax	776	312	281	593
- Restructuring charges	(82)	(53)	(78)	(131)
- Acquisition accounting unwinds	(35)	(3)	(26)	(29)
- Legacy conduct costs	(8)	(4)	(8)	(12)
- Hedge ineffectiveness	13	(16)	-	(16)
- Other items	(69)	-	(60)	(60)
Statutory profit on ordinary activities before tax	595	236	109	345
Tax expense	(58)	(56)	(43)	(99)
Statutory profit after tax	537	180	66	246

Performance metrics (original presentation)

	Year to 30 Sep 2022	6 months to 31 Mar 2023	6 months to 30 Sep 2023	Year to 30 Sep 2023
Profitability:				
Net interest margin (NIM)	1.85%	1.91%	1.91%	1.91%
Return on tangible equity (RoTE)	10.3%	6.1%	-	3.9%
Statutory cost: income ratio	62.3%	58.5%	70.0%	64.2%
Earnings per share (EPS)	32.4p	11.0p	3.0p	14.0p
Underlying cost: income ratio	52.5%	51.1%	52.6%	51.9%

Source documents:

[VMUK 2023 Annual Report and Accounts](#)

[VMUK 2023 Interim Financial Report](#)

The information relates to Virgin Money UK PLC (the “Company”) and its subsidiaries, which together comprise the “Group”.

This document has been prepared by and is the responsibility of the Company for information purposes only. It contains information previously published by the Company relating to its full year and interim results in the financial years ending 30 September 2022 and 30 September 2023.

The information, statements and opinions contained in this document and the materials used in and/ or discussed at, any presentation are subject to change. It should not be regarded as an investment or research recommendation, or any form of investment or business advice. You should not place reliance on the information when taking any business, legal or other types of decisions/ actions. No member of the Group or their respective directors, officers, employees, agents, advisers or affiliates takes any responsibility for the information or to update or revise it. All lending decisions are subject to status.

The information in this document 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. The distribution of this document in certain jurisdictions may be restricted by law. Recipients are required by the Group to inform themselves about and to observe any such restrictions. No liability to any person is accepted in relation to the distribution or possession of this document in any jurisdiction.

Certain figures contained in this document, 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 document may not conform exactly to the total figure given.

Virgin Money UK PLC is registered in England and Wales (company number: 09595911) and as a foreign company in Australia (ARBN 609 948 281) and has its registered office at Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL.