ADMISSION PARTICULARS DATED 13 OCTOBER 2025

HAMPSHIRE TRUST BANK PLC

(incorporated under the laws of England and Wales with company number 01311315)

£55,000,000 8.125 per cent. Fixed Rate Reset Callable Subordinated Notes due January 2036

Issue Price: 100 per cent.

The £55,000,000 8.125 per cent. Fixed Rate Reset Callable Subordinated Notes due January 2036 (the "**Notes**") will be issued by Hampshire Trust Bank Plc (the "**Issuer**") on 15 October 2025 (the "**Issue Date**").

The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 15 January 2031 (the "**Reset Date**"), at a rate of 8.125 per cent. per annum and thereafter at the Reset Rate of Interest as provided in Condition 5. Interest will be payable on the Notes semi-annually in arrear on each Interest Payment Date, commencing on 15 January 2026. The first payment of interest, to be made on 15 January 2026, will be in respect of the period from (and including) the Issue Date to (but excluding) 15 January 2026, representing a short first interest period.

The Notes will be issued on the Terms and Conditions set out under "*Terms and Conditions of the Notes*" (the "**Conditions**", and references to a numbered "**Condition**" should be read accordingly). Capitalised terms used herein and not otherwise defined have the meaning given to them in the Conditions, unless the context otherwise requires.

Unless previously redeemed or purchased and cancelled or substituted in accordance with the Conditions, the Notes will mature on 15 January 2036. Noteholders will have no right to require the Issuer to redeem or purchase the Notes at any time. The Issuer may, in its discretion but subject to the conditions described in Condition 6*(b)*, elect to (a) redeem all (but not some only) of the Notes at their principal amount, together with unpaid interest accrued to (but excluding) the redemption date: (i) at any time from (and including) 15 October 2030 to (and including) the Reset Date, (ii) at any time if a Tax Event or a Capital Disqualification Event (each as defined in Condition 19) has occurred and is continuing, or (iii) at any time where 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and for these purposes, any further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, or (b) repurchase the Notes at any time. If a Tax Event or a Capital Disqualification Event has occurred and is continuing then the Issuer may, subject to the conditions described in Condition 6*(b)*, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so they remain or, as appropriate, become, Qualifying Tier 2 Securities.

The Notes will be direct and unsecured obligations of the Issuer, ranking *pari passu* and without preference amongst themselves and will, in the event of a Winding-Up (as defined in Condition 19), be subordinated to the claims of all Senior Creditors (as defined in Condition 19) of the Issuer but shall rank (i) at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital of the Issuer and (ii) in priority to (x) the claims of holders of all undated or perpetual subordinated obligations of the Issuer and any other obligations of the Issuer which rank or are expressed to rank junior to the Notes (including all subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital of the Issuer) and (y) the claims of holders of all classes of share capital of the Issuer.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients in the European Economic Area ("EEA") or in the United Kingdom (the "UK"). Prospective investors are referred to the sections headed "*Subscription and Sale – Prohibition of Sales to EEA Retail Investors*" and "*Subscription and Sale – Prohibition of Sales to UK Retail Investors*" for further information. An investment in the Notes involves certain risks. Potential investors should read the whole of this document, in particular the section entitled "*Risk Factors*".

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes to be admitted to the London Stock Exchange's International Securities Market ("**ISM**"). References in these Admission Particulars to the Notes being "admitted to trading" (and all related references) shall mean that such Notes have been admitted to trading on the ISM. The ISM is not a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"). These Admission Particulars do not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**") and, in accordance with the UK Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes.

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of these Admission Particulars.

The Notes will be issued in registered form and will be available and transferable in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. The Notes will initially be represented by a global certificate in registered form (the "**Global Certificate**") which will be registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and, together with Euroclear, the "**Clearing Systems**").

The Notes will not be rated on issue.

Sole Manager

NatWest

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in these Admission Particulars and, having taken all reasonable care to ensure that such is the case, the information contained in these Admission Particulars is, to the best knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect the import of such information.

These Admission Particulars are to be read in conjunction with all the documents which are incorporated herein by reference (see "*Information Incorporated by Reference*"). These Admission Particulars shall be read and construed on the basis that such documents are so incorporated and form part of these Admission Particulars.

To the fullest extent permitted by law, none of NatWest Markets Plc (the "**Sole Manager**"), Citibank, N.A., London Branch as Principal Paying Agent, Transfer Agent, Registrar and Agent Bank (together the "**Agents**" and each an "**Agent**") and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") or any of their respective affiliates accepts any responsibility whatsoever for the contents of these Admission Particulars or for any other statement made or purported to be made by the Sole Manager, the Trustee or an Agent or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Sole Manager, the Trustee and each Agent (and each of their respective affiliates) accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of these Admission Particulars or any such statement.

None of the Sole Manager, the Trustee, the Agents or any of their respective affiliates has authorised the whole or any part of these Admission Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Admission Particulars or any responsibility for any acts or omissions of the Issuer or any other person (other than itself) in connection with issue of the Notes.

These Admission Particulars do not constitute an offer of, or an invitation by or on behalf of the Issuer or the Sole Manager (or any of their respective affiliates) to subscribe or purchase, any of the Notes. The distribution of these Admission Particulars and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Admission Particulars come are required by the Issuer and the Sole Manager to inform themselves about and to observe any such restrictions.

No person is authorised to give any information or to make any representation not contained in these Admission Particulars and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Sole Manager, the Trustee or the Agents. Neither the delivery of these Admission Particulars nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which these Admission Particulars have been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which these Admission Particulars have been most recently amended or supplemented or that the information contained in them or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither these Admission Particulars nor any financial statements nor any further information supplied pursuant to the terms of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, or constituting an invitation or offer, by or on behalf of any of the Issuer, the Sole Manager, the Trustee and the Agents, that any recipient of these Admission Particulars or any financial statements or any further information supplied pursuant to the terms of the Notes should subscribe for or purchase any of the Notes. Each investor contemplating purchasing Notes

should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

An investment in the Notes is not equivalent to an investment in a bank deposit. Although an investment in the Notes may give rise to higher yields than a bank deposit placed with the Issuer, an investment in the Notes carries risks which are very different from the risk profile of such deposit. Unlike a bank deposit, the Notes are transferrable. However, the Notes will have no established trading market when issued, and one may never develop.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR PRODUCT GOVERNANCE / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Notes may not be suitable for all investors

Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Admission Particulars;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments on the Notes (being sterling) is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes, and is familiar with the behaviour of any relevant indices and financial markets and with the resolution regime applicable to the Issuer and the Group, including the possibility that the Notes may become subject to write-down or conversion if the resolution powers are exercised;

(v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

(vi) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Notes are legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes have not been, and will not be, registered under the United States Securities Act 1933, as amended (the "**Securities Act**"). The Notes are being offered outside the United States (within the meaning of Regulation S under the Securities Act ("**Regulation S**")) in accordance with Regulation S, and may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act.

In connection with the issue of the Notes, NatWest Markets Plc (the "**Stabilisation Manager**") (or any person acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or any person acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

GENERAL

Unless otherwise specified or the context requires, references to "**sterling**", "**GBP**" and "**£**" are to pounds sterling. Unless otherwise indicated, all monetary amounts in these Admission Particulars are expressed in sterling which is the functional currency of the Issuer and all of its subsidiaries.

Unless otherwise specified or the context requires, references to "**Group**" shall mean the Issuer and its consolidated subsidiaries.

NON-IAS UK FINANCIAL MEASURES

The Issuer presents certain key performance measures that are not defined under UK adopted International Accounting Standards ("**IAS UK**") but that it finds useful in analysing its results and that it believes are widely used by investors to monitor the results of banks generally. These measures include the capital ratios set out in the tables under "*Hampshire Trust Bank Plc – Capital*". Some of these measures are defined by, and calculated in compliance with, applicable banking regulations, but these regulations often provide the Issuer with certain discretion in making its calculations.

Because of the discretion that the Issuer and other banks or building societies have in defining these measures and calculating the reported amounts, care should be taken in comparing these various measures with similar measures used by other banking groups. These measures should not be used as a substitute for evaluating the performance of the Issuer based on its audited balance sheet and results of operations.

ROUNDING

Certain numerical data, financial information and market data in these Admission Particulars have been rounded. In some instances, such rounded figures and percentages may not add up to 100 per cent. or to the totals or subtotals contained in these Admission Particulars. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures contained in these Admission Particulars due to rounding in accordance with commercial rounding.

MARKET AND INDUSTRY DATA

Unless the source is otherwise stated, the market and industry data in these Admission Particulars constitute the Issuer's estimates, using underlying data from independent third parties. Such data includes market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications and surveys.

The Issuer confirms that all third-party data contained in these Admission Particulars has been accurately reproduced and, so far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third-party information has been used in these Admission Particulars, the source of such information has been identified. While industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, the accuracy and completeness of such information is not guaranteed. The Issuer has not independently verified any of the data obtained from third-party sources (whether identified in these Admission Particulars by source or used as a basis for the Issuer's beliefs and estimates), or any of the assumptions underlying such data.

NO INCORPORATION OF WEBSITE INFORMATION

The information contained on the Issuer's website, any website mentioned in these Admission Particulars, or any website directly or indirectly linked to any such websites has not been verified and, save as specifically provided under "*Information Incorporated by Reference*", does not form part of these Admission Particulars, and investors should not rely on such information.

FORWARD-LOOKING STATEMENTS

These Admission Particulars include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "targets", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these Admission Particulars and include, but are not limited to, statements regarding the intentions of the Issuer and beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuer.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in these Admission Particulars. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in these Admission Particulars, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See "*Risk Factors*" below.

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INFORMATION INCORPORATED BY REFERENCE

These Admission Particulars should be read and construed in conjunction with the following documents:

(i) the following sections of the Issuer's Group Annual Report and Accounts 2024 (the "**2024 Annual Report**"):

(a) the section entitled "*Key Highlights – Group Key performance measures*" on page 2 of the 2024 Annual Report;

(b) the section entitled "*Financial and Business Review*" on pages 7 to 9 (inclusive) of the 2024 Annual Report;

(c) the section entitled "*Review of Financial Performance*" on pages 10 and 11 of the 2024 Annual Report; and

(d) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2024, together with the independent auditor's report thereon, as set out on pages 57 to 148 (inclusive) and 50 to 56 (inclusive), respectively, of the 2024 Annual Report; and

(ii) the following sections of the Issuer's Group Annual Report and Accounts 2023 (the "**2023 Annual Report**"):

(a) the section entitled "*Key Highlights*" on page 2 of the 2023 Annual Report; and

(b) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2023, together with the independent auditor's report thereon, as set out on pages 52 to 140 (inclusive) and 44 to 51 (inclusive), respectively, of the 2023 Annual Report,

(together, the "**Information Incorporated by Reference**").

The Information Incorporated by Reference has been previously published or is published simultaneously with these Admission Particulars. Such information in those documents shall be incorporated in, and form part of, these Admission Particulars, save that any statement contained in any information which is incorporated by reference herein shall be modified or superseded for the purpose of these Admission Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Admission Particulars.

Those parts of the documents incorporated by reference in these Admission Particulars which are not specifically incorporated by reference in these Admission Particulars are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in these Admission Particulars. Any documents themselves incorporated by reference in the information incorporated by reference in these Admission Particulars shall not form part of these Admission Particulars.

Other than the Information Incorporated by Reference, none of the contents of the Issuer's website, any websites referred to in these Admission Particulars, nor any website directly or indirectly linked to these websites form part of these Admission Particulars.

The contents of the Issuer's website, any website mentioned in these Admission Particulars, or any website directly or indirectly linked to these websites have not been verified and do not form part of these Admission Particulars, and investors should not rely on such information.

Copies of the Information Incorporated by Reference may be obtained (without charge) from the Issuer's website at *https://www.htb.co.uk/investor-relations/*.

OVERVIEW OF THE PRINCIPAL FEATURES OF THE NOTES

The following overview provides an overview of certain of the principal features of the Notes and is qualified by the more detailed information contained elsewhere in these Admission Particulars. Capitalised terms which are defined in the Conditions have the same respective meanings when used in this overview.

Issuer	Hampshire Trust Bank Plc
Issuer Legal Entity Identifier	21380013V6JI2T3MOG16
Trustee	The Law Debenture Trust Corporation p.l.c.
Principal Paying Agent, Registrar, Transfer Agent and Agent Bank	Citibank, N.A., London Branch
Notes	£55,000,000 8.125 per cent. Fixed Rate Reset Callable Subordinated Notes due January 2036.
Risk factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Trust Deed. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under "*Risk Factors*".
Status of the Notes	The Notes will constitute direct and unsecured obligations of the Issuer, ranking *pari passu* and without any preference among themselves.
Rights on a Winding-Up	The rights and claims of Noteholders in the event of a Winding-Up are described in Conditions 4 and 8.
Interest	The Notes will bear interest on their principal amount: (a) from (and including) the Issue Date to (but excluding) the Reset Date, at the rate of 8.125 per cent. per annum; and (b) thereafter, at the Reset Rate of Interest (as described in Condition 5*(d)*), in each case payable, semi-annually in arrear on 15 January and 15 July in each year (each, an "**Interest Payment Date**"), commencing 15 January 2026. The first payment of interest, to be made on 15 January 2026, will be in respect of the period from (and including) the Issue Date to (but excluding) 15 January 2026, representing a short first interest period.
Maturity	Unless previously redeemed or purchased and cancelled or substituted, the Notes will mature on 15 January 2036. The Notes may only be redeemed or repurchased by the Issuer

	in the circumstances described below (as more fully described in Condition 6).
Optional redemption	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to redemption, substitution, variation and purchase*" below, redeem all (but not some only) of the Notes from (and including) 15 October 2030 to (and including) 15 January 2031 (the "**Reset Date**") at their principal amount together with any unpaid interest accrued up to (but excluding) the date fixed for redemption.
Redemption following a Capital Disqualification Event or a Tax Event	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to redemption, substitution, variation and purchase*" below, redeem all (but not some only) of the Notes at any time following the occurrence of a Capital Disqualification Event that is continuing or a Tax Event, in each case at their principal amount together with unpaid interest accrued to (but excluding) the relevant redemption date.
Clean-up redemption option	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to redemption, substitution, variation and purchase*" below, redeem all (but not some only) of the Notes at their principal amount together with unpaid interest accrued to (but excluding) the relevant redemption date if, at any time after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and for these purposes, any further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled.
Substitution or Variation following a Capital Disqualification Event or a Tax Event	The Issuer may, subject to the conditions set out under "*Conditions to redemption, substitution, variation and purchase*" below and upon notice to Noteholders, at any time elect to substitute all (and not some only) of the Notes for, or vary the terms of the Notes so that they remain or become (as applicable), Qualifying Tier 2 Securities if, prior to the giving of the relevant notice to Noteholders, a Tax Event or Capital Disqualification Event has occurred.
Conditions to redemption, substitution, variation and purchase	Any redemption or purchase of the Notes prior to their maturity or any substitution or variation of the Notes will be subject to (in each case if and to the extent required by the Regulatory Capital Requirements at the relevant time): (i) the Issuer obtaining prior Supervisory Permission therefor; (ii) in the case of any redemption or purchase of the Notes (other than any purchase or redemption prior to the fifth anniversary of the Reference Date

pursuant to Condition 6*(g)* or Condition 6(*c*)*(ii)* respectively) prior to the Maturity Date, if and to the extent then required under the prevailing Regulatory Capital Requirements, either: (A) the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds and, as applicable, eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any applicable buffer requirements) by a margin (calculated in accordance with prevailing Regulatory Capital Requirements) that the Competent Authority considers necessary at such time;

(iii) in the case of any redemption prior to the fifth anniversary of the Reference Date, if and to the extent then required under the prevailing Regulatory Capital Requirements (A) in the case of redemption upon a Tax Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable by the Issuer as at the Reference Date, or (B) in the case of redemption upon the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable by the Issuer as at the Reference Date and the Competent Authority considering such change to be sufficiently certain; and

(iv) in the case of a purchase or redemption of the Notes prior to the fifth anniversary of the Reference Date pursuant to Condition 6*(g)* or Condition 6*(c)(ii)* respectively, either (i) the Issuer having, before or at the same time as such purchase, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (ii) in the case of a purchase pursuant to Condition 6*(g)* the relevant Notes being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements.

	Any refusal by the Competent Authority to give its Supervisory Permission as contemplated above shall not constitute a default for any purpose. Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Regulatory Capital Requirements permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6*(b)*, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).
Purchase of the Notes	The Issuer and any of its Subsidiaries may, subject to the conditions set out under "*Conditions to redemption, substitution, variation and purchase*" above, purchase, hold or otherwise acquire, or procure others to purchase, hold or otherwise acquire beneficially for its account, Notes in any manner and at any price. All Notes held or purchased by or on behalf of the Issuer or any of its Subsidiaries may, at the option of the Issuer or such Subsidiary and subject to obtaining any Supervisory Permission therefor, be held, reissued, resold or surrendered for cancellation to the Registrar.
Withholding tax and Additional Amounts	All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject to certain customary exceptions, as described in Condition 9) pay such Additional Amounts as will result in receipt by the Holders of such amounts as would have been receivable by them in respect of payments of interest had no such withholding or deduction been required. In no event will the Issuer be required to pay any Additional Amounts in respect of the Notes for, or on account of, any FATCA Withholding (as defined in Condition 9).
Enforcement	If the Issuer shall not make payment in respect of the Notes (in the case of payment of principal) for a period of seven days or more or (in the case of any interest payment or any other amount in respect of the Notes) for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in Default under the Trust Deed and the Notes and the Trustee in its discretion may, or, if so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-

	quarter in principal amount of the Notes then outstanding, shall institute proceedings for the winding-up of the Issuer. The Trustee may, or if so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Notes then outstanding shall, prove and/or claim in such Winding-Up, such claim being contemplated in Condition 4*(a)*. The Trustee may, at its discretion and without notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been due and payable by it pursuant to the Conditions and the Trust Deed. No Noteholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer or prove or claim in any Winding-Up unless the Trustee, having become bound so to do, fails or is unable to do so within a period of 120 days and such failure or inability shall be continuing. See Condition 8 for further information.
Modification	The Trust Deed will contain provisions for convening meetings of Noteholders (including by way of audio or video conference) to consider any matter affecting their interests, pursuant to which defined majorities of the Noteholders may consent to the modification or abrogation of any of the Conditions or any of the provisions of the Trust Deed, and any such modification or abrogation shall be binding on all Noteholders.
Substitution of the Issuer	The Trust Deed contains provisions permitting the Trustee, subject to the Issuer having obtained any requisite Supervisory Permission therefor from the Competent Authority, to agree, without the consent of the Holders, subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced thereby to the substitution on a subordinated basis equivalent to that referred to in Conditions 3 and 4 of certain other entities (any such entity, a "**Substitute Obligor**") in place of the Issuer (or any previous Substitute Obligor) as a new principal debtor under the Trust Deed and the Notes.
Form	The Notes will be issued in registered form. The Notes will initially be represented by a Global Certificate and will be

	registered in the name of a nominee of a common depositary for the Clearing Systems.
Denomination	£100,000 and integral multiples of £1,000 in excess thereof.
Clearing systems	Euroclear and Clearstream, Luxembourg.
Rating	The Notes will not be rated.
Listing	Application has been made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market with effect from the Issue Date.
Governing law	The Notes and the Trust Deed, and any non-contractual obligations arising out of or in connection with the Notes or the Trust Deed, will be governed by, and construed in accordance with, English law.
ISIN	XS3189676797
Common Code	318967679

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur. The Issuer believes that the factors described below or otherwise incorporated by reference herein represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below. Any of these factors, individually or in the aggregate, could have an adverse effect on the Issuer's business, results of operations, financial condition and/or prospects. In addition, many of these factors are correlated and may require changes to the Issuer's capital requirements, and events described therein could therefore have a compounding adverse effect on the Issuer.

Prospective investors should also read the detailed information set out elsewhere in these Admission Particulars and reach their own views prior to making any investment decision.

Words and expressions defined in the Conditions shall have the same meanings in this section.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risks related to the Group's business

The Group's business is subject to inherent liquidity risks, particularly if the availability of sources of funding on which the Group has historically relied, such as retail deposits and wholesale funding, becomes limited and/or significantly more expensive.

Liquidity risk – the risk that the Group will not be able to meet its financial obligations as they fall due or cannot do so without incurring unacceptable cost – is an inherent part of the business of financial institutions such as the Group. Customer deposits (£4.53 billion as at 31 December 2024) form the core of the Group's funding base, but it is also funded through other means, including the securitisation of mortgages originated by the Group, use of the Bank of England's Term Funding Scheme (with drawn balances of £295 million as at 31 December 2024) and the issuance of debt securities.

The Group's ability to continue to access a sufficient level of deposit funding on reasonable terms or at all may be negatively affected by, among other things:

- the availability and extent of deposit guarantees – if the UK Government were to withdraw the Financial Services Compensation Scheme ("**FSCS**"), or materially lower the amount of deposits which are guaranteed (currently £85,000 per person per institution), this could reduce the confidence of retail savers in the UK banking system and, in particular, in banks such as the Issuer which have specialist lending capabilities, and may result in a reduced demand for the Group's retail savings products;

- any increase in regulatory constraints imposed on the Group and other businesses in the financial services industry or changes to the credit markets in general which could make wholesale funding less attractive, thereby increasing competition in the market for retail deposits;

- the maintenance of the Group's relationship with savings platform providers (as to which, please see further "*The Group leverages relationships with third-party savings*

platform providers to diversify its flow of deposit funding, and the termination of such relationships could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects from time to time" below); and

- any material detrimental change to the UK's cash ISA rules. For example, the UK Government is reportedly considering reducing the maximum amount that can be invested in a cash ISA from the current threshold of £20,000 per annum to £4,000 per annum. This or similar changes may reduce the amount of liquidity the Group can raise via ISA deposits.

The Group's funding needs may increase and/or its existing or planned funding structure may not continue to be efficient. The Group intends to continue to access wholesale funding in the future, but the availability of wholesale funding depends on a variety of factors, including market conditions, the general availability of credit (in particular, to the financial services industry), the volume of trading activities, competition and the wholesale funding markets' assessment of the Group's asset quality and credit strength. These and other factors may, from time to time, limit the Group's ability to raise funding in wholesale markets on reasonable terms, which could result in an increase in the Group's cost of funding and have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's business model relies on continuing to price deposits competitively. Any market-wide increase in the cost of retail deposits may have a material impact on the Group's cost of funds. If the Group is unable to pass on any such increase in its cost of funds to its lending customers through increased pricing on loans, this could have a material adverse effect on the Group's profitability. A sustained period of being unable to access sufficient liquidity either from retail deposits or wholesale funding may have a material adverse effect on the Group's ability to: (i) meet its financial obligations as they fall due; (ii) satisfy its regulatory minimum liquidity requirements; and (iii) fulfil its existing commitments to lend and its ability to originate new loans. In extreme circumstances, the Group may not be able to continue to operate without additional funding support, and any inability to access such support could have a material adverse effect on the Group's solvency.

The Group leverages relationships with third-party savings platform providers to diversify its flow of deposit funding, and the termination of such relationships could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects from time to time.

While the Group offers its savings products to end customers through several distribution channels, a material minority of the Group's deposit funding is, and is expected to continue to be, sourced through relationships with certain third-party savings platform providers. Under these arrangements, the Group's savings products are offered to customers of the Group's key savings partners via such partners' own savings platforms.

There is a risk that the Group will be unable to maintain its relationships with the Group's savings partners and that, consequently, the Group will cease to be able to offer its savings products through their respective savings platforms. If the Group's relationship with one or more key savings partners is terminated, this could result in existing depositors of the Group, who hold Group savings products arranged via such key savings partners, switching to alternative savings providers, resulting in a reduction of the Group's deposit funding base via this source.

The termination of the Group's savings partner arrangements could, depending on market conditions at the relevant time, also inhibit the Group's efforts to generate new deposits on reasonable terms and may require the Group to offer higher interest rates on its savings products (thus increasing the Group's cost of funding) to encourage customers to maintain their existing savings products, or to switch to savings products, offered by the Group.

The Group is subject to credit impairment risk, which has been and is expected to continue to be impacted by adverse developments in the UK and globally.

The Group's customers may be unable or unwilling to repay, and may default on, loans advanced by the Group, which may result in the Group being unable to recover amounts due to it in respect of outstanding principal, interest and/or fees.

Various factors outside the control of the Group may influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments, government policies, impact of the macro-economy on tenants' ability to pay rent, and impacts from wider geopolitical risks on the UK economy.

In addition, other factors in borrowers' individual, personal or financial circumstances may affect the ability of borrowers to repay loans advanced by the Group. Unemployment, loss of earnings, illness, increases in the cost of living as a result of, among other things, energy costs, inflation, increases in taxes and/or national insurance contributions, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies (and analogous arrangements) of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay loans advanced by the Group.

Adverse inflationary and interest rate conditions can put pressure on the cost of risk across the Group's loan portfolio and can increase the Group's credit impairment risk due to the increased likelihood that individuals and entities to which the Group has advanced loans will be unable to service their debts to the Group. If the Group fails to adjust its lending criteria to take account of changes in the macroeconomic environment, including to take account of changes in the affordability of its loan products as a result of adverse inflationary and interest rate conditions, the Group may originate new loans which the relevant borrower is unable to service, which increases the Group's impairment risk.

As at 31 December 2024, the Group had total gross exposures amounting to £4.2 billion and made allowances for impairment against such exposures of approximately £28 million. Such allowances represent management's best estimates and certain underlying models and economic assumptions and therefore the risk of customer default may be higher than expected. The default of a significant proportion of these loans could have a material adverse effect on the Group's business and/or its profitability. The Group is also exposed to certain sectors, such as the property development sector, which is particularly sensitive to increased labour and raw material costs and higher levels of debt servicing.

Increases in credit impairment could lead to a material reduction in the profitability and retained earnings of the Group, which in turn may impact the Group's capital ratios, its ability to meet its strategic objectives in the short- and medium- term and its financial condition and/or prospects.

The Group faces various concentration risks

As at the date of these Admission Particulars, the Group's operations are based entirely in the UK and its revenue is derived almost entirely from customers operating in the UK. In the event of disruptions to the UK credit markets or general economic conditions in the UK or macroeconomic conditions generally (including increased interest rates and/or unemployment in regions where the Group has a significant presence), this concentration risk could cause the Group to experience reduced business activity and, as a result, could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. Please see further "*Risks related to the macroeconomic environment in which the Group operates*".

The Group also faces an element of concentration risk due to a significant proportion of its lending being secured against UK property. A significant decline in property prices in the UK would lead to a reduction in the recovery value of the Group's assets in the event of a customer default and could lead to higher impairment charges and lower profitability. Higher impairment provisions could reduce the Group's capital and its ability to engage in lending and other income-generating activities. The Group may also face increased capital requirements as a result of a reduction in property prices.

As a result, a significant decline in property prices could have a material adverse effect on the Group's business and potentially on its ability to implement its strategy. An increase in property prices in the UK could see a negative impact to affordability, reducing demand for mortgages and customer ability to sell or move properties. Further, sustained volatility in property prices could also discourage potential purchasers from committing to a purchase, thereby limiting the Group's ability to grow its mortgage portfolio.

Volatility in property prices (including a significant decline) driven by macro-economic conditions, government policies or other variables could have an adverse impact on the Group's business, financial condition and results of operations.

In addition, the Group's lending criteria permit lending up to £35,000,000 to a particular borrower or loan exposure group (each loan exposure group being a borrower with more than one loan advanced by the Group), meaning that the maximum amount loaned to any particular borrower or loan exposure group will be less than 10 per cent. of the Group's Tier 1 capital as of 31 December 2024. This maximum amount would only be deployed for clients that meet enhanced credit quality characteristics and evidence diversity in the underlying collateral. The concentration of borrowers or loan exposure groups with borrowings up to £35,000,000 may increase over time which may in turn increase the Group's concentration risk to certain customers. Any default by borrowers with the largest loan balances can be expected to have a greater adverse effect on the Group's business, financial condition, results of operations and/or prospects than default by borrowers with smaller loan balances.

The Group is subject to risks concerning collateral and security

The Group undertakes lending which is secured against underlying assets. Adverse economic and market conditions could negatively affect the value of the underlying assets provided as collateral for loans granted by the Group. This means the Group may not be able to recover the estimated value of the security taken upon possession. Any such reduction may result in increased loan impairment provisions and capital requirements for the Group which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

The Group is also exposed to the risk of losses arising from errors in valuation and recoverability of the security taken. This risk may arise due to the Group's inability to take legal ownership of an asset under the terms of the relevant agreement, and/or assets being of a different description or condition than that expected. The materialisation of any or all of these risks could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Through its treasury operations, the Group holds liquid assets portfolios potentially exposing the Group to interest rate risk, basis risk and credit spread risk. To the extent that volatile market conditions occur, the fair value of the Group's liquid assets portfolios could fall and cause the Group to record mark-to market losses. In a distressed economic or market environment, the fair value of certain of the Group's exposures may be volatile and more difficult to estimate because of market illiquidity. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant negative changes in the fair value of the Group's exposures, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to risks relating to relationships with its business partners through whom it distributes its products and any adverse changes in these relationships could materially adversely affect the Group's business, results of operations, financial condition and/or prospects.

The distribution model for the Group's various business lines relies on a number of business partners (for example, brokers and other intermediaries). Any failure or poor compliance, operationally or otherwise, by one or more of the Group's business partners has the potential to, among other things: (i) reduce the number of new loans originated by the Group; (ii) lead to a deterioration in customer service; (iii) have a negative effect on the Group's reputation; and (iv) lead to fines or other penalties for the Group.

Although the Group requires its business partners to comply with certain service standards, the Group does not have complete oversight or control of the interactions of its business partners with prospective customers and, consequently, the Group faces risks that the conduct of its business partners could fall below required standards. In addition, if business partners are found to have acted inappropriately or breached applicable conduct regulations or regulatory standards in the sale of the Group's loan products, the Group's brand and/or reputation could be harmed as a result.

There is also a risk that the Group could lose the services of its business partners, for example, as a result of market conditions or regulatory developments causing their closure, by having their businesses acquired by the Group's competitors or by choosing not to continue to work with the Group as a commercial matter. Such events could result in a reduction in new originations via the Group's business partners and consequently a reduction in the rate of growth of interest income generated by the Group. Any reduction in new loan originations and/or the rate of growth of interest income could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

See also "*The Group is subject to risks relating to the conduct and operations of its third-party service providers, which may adversely impact credit quality and impairment of loans*".

The competitive environment in which the Group operates may negatively affect the Group's ability to continue to expand in its current markets.

The Issuer is a specialist property and business bank focused on providing excellence to its customers through its specialist knowledge. If, however, other competitors target the same or similar markets as the Group, the Group may lose its differentiating position and be unable to originate loans in line with projected volumes and rates.

The Group faces competition from established providers of financial services, including large and medium-size banks, building societies, other specialist lenders and other financial institutions, many of which have greater scale and financial resources, stronger brand recognition, broader product offerings and more extensive distribution networks than the Group. While the Group believes that larger banks may be less willing or able to address the same lending market sub-sectors as the Group, and that customer preferences have created significant opportunities in these sub-sectors, these factors are subject to change, which could adversely affect the Group's business. Competitors may also engage in enhanced marketing activities which may result in the Group's customers refinancing their loans and mortgages with them.

The Group also faces potential competition from new market entrants, including other lenders with specialist lending capabilities, which may have an appetite for higher risk and/or may be willing to accept lower yields than the Group and may therefore offer products which are chosen by potential customers in preference to the Group's product offerings.

Any of the above factors could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is subject to risks relating to the conduct and operations of its third-party service providers, which may adversely impact credit quality and impairment of loans.

In addition to its business partners through whom the Group distributes its products, the nature of the Group's business exposes it to a number of different third parties whose failure to perform obligations owed to members of the Group could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

In particular, the Group's business is reliant on the major UK banks which act as clearing banks and payment services providers. For example, if a clearing bank fails to meet service levels agreed with the Group, borrowers may not receive funds lent by the Group as expected, causing such borrowers, in some instances, to be unable to complete property purchases. any such failures in service levels could give rise to financial loss and reputational damage which could cause harm to the Group and its business prospects. In addition, there can be no assurance that the fees which the clearing banks and payment services providers charge the Group will not rise. Any such outcome could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's hedging strategy may not be effective.

Fluctuations in interest rates or foreign exchange rates are influenced by factors outside of the Group's control and can adversely affect the Group's results of operations and profitability.

The Issuer manages interest rate risk (specifically duration risk) by active interest rate risk hedging. Any failure of the Group's hedging strategy could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Interest rate risk typically arises when income generated from the Group's loan assets is fixed whereas a proportion of the Group's liabilities are floating rate, meaning any fluctuation in market rates can impact net interest income. The Group matches assets and liabilities of the same basis and duration naturally where that is possible and uses interest rate derivatives where duration matching is not possible. There can, however, be no assurance that the Group's hedging strategy will be effective, particularly in unusual or extreme market conditions, or where customers behave materially differently than expected.

When executing interest rate hedging, the Group must make certain assumptions about the behaviour of borrowers and depositors, specifically the extent to which borrowers may pre-pay their loans, the extent to which depositors may seek early redemption of their deposits and the extent to which loans which are expected to be repaid are not repaid on time. The Group utilises historical and other data to assess how customers are likely to behave, however should borrowers and depositors behave materially differently (for example in extreme economic conditions) then the Group may find itself over- or under-hedged.

The Group relies on its IT systems and the IT systems of the Group's key business partners, which are subject to potential disruption or failure, including as a result of cyber-attacks and fraudulent activity.

The Group's operations are dependent on the effective application and operation of its IT systems and the IT systems of the Group's key business partners, which could potentially suffer significant disruptions or even failure. In the event of IT failure or disruption affecting the Group, the Group's backup systems are not, and are not intended to be, a full duplication of the Group's operational systems. Similarly, in the event of IT failure or disruption affecting the systems of one or more of the Group's key business partners on which the Group relies, there can be no guarantee that such systems will be able to be restored in full or in a timely fashion. Should a system failure or disruption occur, or should

an incident occur for which there is no backup, the Group could experience a material adverse effect on its reputation, business, results of operations, financial condition and/or prospects.

IT failures and disruption can be caused by cyber-attacks conducted by third-party actors and there have been several high-profile cases of successful cyber-attacks against financial institutions in recent years. The financial services sector continues to be the target of attempted cyber-attacks and has seen a rise in attack activity. As such, the Issuer and its vendors expect to continue to be targeted by such attacks in the future. Although the Group has measures in place which have historically prevented such attacks having a material adverse effect on the Group's operations (including backup systems and redundant data centres), there can be no guarantee that such measures will always be successful in detecting or preventing all attempts to compromise the Group's systems.

Any successful attack on the Group's IT systems or the IT systems of the Group's key business partners could, among other things, result in unauthorised access to, or modification, deletion and/or misappropriation of, information and/or data held by the Group or which relates to the Group's business and/or customers, which could materially disrupt the Group's operations, materially damage the Group's reputation and customers' trust in the Group (which may result in customers ceasing to utilise, or reducing their utilisation of, products offered by the Group), expose the Group to a risk of loss, fine, litigation and/or adverse regulatory findings and may require the Group to expend significant capital on remedial action. All of these and other consequences associated with a successful cyber-attack against the Group could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group may be subject to privacy or data protection failures, and its confidential information may be wrongfully appropriated, lost or improperly disclosed, stolen or processed in breach of data protection regulation.

The Group is subject to regulation regarding the use of personal data and therefore must comply with strict data protection and privacy laws, including the UK General Data Protection Regulation ("**UK GDPR**") and the Data Protection Act 2018. Such laws restrict and regulate how the Group processes personal information relating to customers and potential customers, including the use of that information for marketing purposes.

The Group controls, and processes, large amounts of personal customer data (including name, address and bank details) as part of its business. The Group is therefore exposed to the risk that it or any of the third-party service providers on which it relies might inadvertently process such personal data unlawfully or be affected by a data breach which results in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, such personal data in contravention of applicable data protection regulations.

Breaches of applicable data protection legislation by the Group or third-party data processors acting on the Group's behalf could materially damage the Group's reputation and its customers' trust in the Group (which may result in customers ceasing to utilise, or reducing their utilisation of, products offered by the Group); such breaches also expose the Group to the risk of regulatory proceedings, litigation and financial loss, including as a result of claims for compensation from data subjects and administrative fines which may be imposed by data protection regulators. Administrative fines for serious breaches of data protection laws can be significant – for example, although it takes a risk-based approach to enforcement action, the UK Information Commissioner has the power to impose fines of up to £17.5 million or 4 per cent. of the Group's annual global turnover (whichever is the greater) for serious breaches of UK GDPR and the Data Protection Act 2018. Any of these results could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Failure by the Group to manage change, including changes to its IT systems and/or the technology underlying the Group's products, could have a material adverse effect on the Group's business.

Effective change management is required to remain resilient, innovative and competitive, as well as to meet the Group's regulatory requirements. The Group regularly reviews its IT systems and makes changes to them where the Group identifies opportunities to enhance its internal processes and procedures and/or the service it provides to its customers.

Although the Group believes that it has processes in place to manage changes to the Group's IT systems effectively, there is a risk that the Group fails to do so. Any failure to effectively manage and/or implement changes to the Group's IT systems (including any transition to new IT systems) could result in material disruption to the Group's operations, failures in the Group's internal processes and controls, and could require the Group to expend significant capital on remedial action. Those and other consequences which may be associated with a failure to manage and/or implement changes to the Group's IT systems (including any transition to new IT systems) could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group may also fail to effectively innovate, for example, by failing to develop new products that are attractive to its business partners and end customers, or by failing to develop its lending platform to provide a premium customer experience which is attractive to end customers.

Any failure or delay in implementing the Group's change agenda or to innovate successfully could create delivery challenges and lead to disruptions in the Group's strategy and delivery of its objectives. From the Group's perspective, a failure to manage its change agenda may have a particularly negative impact on its competitiveness, particularly given the increasingly competitive landscape as a result of the entry of so-called 'fintech' companies into the market, and increases the risk of regulatory censure and reputation risk. For example, the Group's strategy relies on adapting to and developing new technology which, if it does not manage effectively, may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to operational risk resulting from inadequate or failed internal processes, fraud, systems failures or from external events.

Operational risk – the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events – is present across the Group's business. Sources of operational risk include, for example, historic or future fraud, errors by employees, failure to document transactions properly or to obtain proper authorisation, natural disasters or the failure of systems and controls, including those of the Group's suppliers.

Operational risks which crystallise could disrupt the Group's systems and operations, which could result in financial loss, regulatory censure, adverse customer outcomes, customer complaints, litigation and/or reputational damage. For example, a failure by the Group to properly conduct due diligence on the assets financed by the Group in an asset-based lending transaction could undermine the Group's ability to recover the value of the amount due to the Group if the relevant creditor defaults. Similarly, the Group, as a deposit taker, could be impacted if a systems failure prevents a significant number of payments being made, which could lead to the Group's financial stability being undermined.

Any operational failure, including one to which the Group does not respond in a way that is consistent with its corporate values, stakeholder expectations and applicable law, may cause reputational and/or financial harm, or give rise to customer complaints and/or litigation, and could have an adverse effect on the Group's reputation as well as on its business, results of operations, financial condition, prospects and/or stakeholder relations. If the Group's disaster recovery plans and procedures fail to respond adequately to catastrophic operational failures, the adverse effect of any such event may be amplified.

The Group is subject to risks relating to actual or alleged fraudulent activity carried out by its business partners, customers and third parties, and its reliance on information provided by business partners and customers which may be inaccurate or misleading.

The Group is exposed to many different customers and business partners. The Group's selection and screening processes with respect to its business partners and customers, as well as its internal relationship management processes, may not effectively identify if the Group's customers or business partners are engaging in fraudulent activity. Such fraudulent activity could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects, and any actual or alleged fraudulent activity may result in fines or other penalties and impact the Group's reputation and relationship with its stakeholders.

The Group is also exposed to risks relating to the fraudulent activity of third parties which adversely affects the Group's customers. The Group's internal processes and procedures may fail to prevent its customers from suffering loss as a result of the fraudulent activities of third parties, which may in turn expose the Group to financial loss and reputational damage. In addition, future regulatory changes requiring banks to take additional steps to prevent fraud or to compensate victims of fraud could increase the Group's costs and have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is also reliant on the accuracy and completeness of information it receives from its business partners, credit reference agencies and customers, which may ultimately be inaccurate, fraudulent or misleading, for example where customers have falsified or forged financial information to overstate salary or earnings and borrow more money than they could service.

The Group is subject to conduct risk, including the risk that its actions result in poor or unfair outcomes for the Group's customers.

Conduct risk is the risk that the Group's business strategy, the Group's culture and the manner in which the Group's business is run create unfair customer outcomes and detriment to customers and/or undermine market integrity. Conduct risk may arise where the Group: (i) fails to design, implement or adhere to appropriate policies and procedures; (ii) offers products, services or other propositions that do not meet the needs of customers or fail to perform in accordance with their intended design; or (iii) fails to communicate appropriately with customers. This risk may also arise where the Group fails to deal with complaints effectively, sells or recommends unsuitable products or solutions to customers, fails to provide them with adequate information to make informed decisions, or fails to do any of the foregoing on an ongoing basis after initial sales, among other things. Conduct risk can arise across three main areas of the Group's business: (i) product design; (ii) sale and distribution; and (iii) post sales and services. The Group is particularly exposed to such risks in its regulated lending and deposit-taking activities. A failure to deliver fair customer outcomes and to protect the integrity of the markets may lead to litigation, regulatory sanctions, financial loss and reputational damage for the Group.

UK regulated firms are expected to maintain effective processes to identify and manage conduct risk. In addition, the FCA's Consumer Duty (the "**Consumer Duty**") imposes an obligation upon the Group to ensure good outcomes for its retail consumers, with the FCA noting that Principle 12 of the FCA's Principles for Firms (introduced pursuant to the Consumer Duty) "*reflects the positive and proactive expectations we have of firm conduct, and our desire for firms to think more about customer outcomes and place customers' interests at the heart of their activities*". The UK's Financial Ombudsman Service (the "**FOS**") will consider the Group's compliance with regulatory requirements and expectations regarding conduct when determining what would have been fair and reasonable in all the circumstances of a case brought before it. The occurrence or continuation of one or more of the above mentioned risks by the Group or any of the Group's business partners, or any failure to manage one or more of such risks effectively, could result in significant costs of redress, litigation, adverse FOS rulings and/or damage to

the Group's reputation, any of which could have a material adverse effect on the Group's business, results of operations, stakeholder relationships, financial condition and/or prospects.

The Group's risk management framework, systems and processes, and related guidelines and policies, may prove inadequate to manage its risks, and any failure to properly assess, respond to or manage such risks could harm the Group.

The Group's approach to risk management requires senior management to make complex judgements, including decisions (based on assumptions about economic factors) about the level and types of risk that the Group is willing to accept to achieve its business objectives. These also include the maximum level of risk the Group can assume before breaching constraints determined by applicable law, including its regulatory capital and liquidity requirements. Given these complexities, and the dynamic environment in which the Group operates, the decisions made by senior management may be based on inaccurate assumptions, may not be appropriate and/or may not yield the results expected. In addition, senior management may be unable to recognise emerging risks for the Group quickly enough to take appropriate action in a timely manner.

The Group operates a "Three Lines" model for managing risk pursuant to which: (i) the Group's business lines and central functions have primary responsibility for the day-to-day management of risks and the implementation of mitigating controls in line with approved policies, frameworks, processes and procedures; (ii) the Group's risk function, which is independent of the Group's business lines and central functions, ensures that risks are identified, measured, monitored, controlled and reported by each business line and central function; and (iii) the Group's internal audit function conducts risk-based and general audits and reviews to provide assurance that the overall governance framework (including the risk governance framework) is effective and that policies and processes are in place and consistently applied. There is a risk that the Group's "Three Lines" model for managing risk may not be deployed correctly or used as intended, resulting in financial loss or increased expense to the Group.

If the Group is unable to effectively manage the risks it faces, its reputation, business, results of operations, financial condition and/or prospects could be materially adversely affected.

The Group is reliant on its reputation and the appeal of its brand to its business partners and customers. Any damage to the Group's reputation and appeal could harm the Group and its business prospects.

The success of the Group's strategy relies significantly on the reputation of the Group and its senior management, and on its customers and business partners, including brokers and other intermediaries. Any circumstance that causes real or perceived damage to the Group's brand may negatively affect the Group's relationships with its stakeholders, for example, business partners and customers, which could result in such business partners and/or customers ceasing to do business with the Group. Any loss of the Group's relationship with its key business partners or a significant loss of customers could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Potential reputational issues could arise in a wide range of circumstances, but key examples include: (i) any breach, or alleged breach, of applicable law or regulation (including in particular those which may attract significant publicity such as a breaches of the Group's regulatory capital and liquidity requirements, anti-money laundering, anti-bribery and anti-terrorist financing rules, or rules designed to protect consumers such as conduct and consumer credit laws); (ii) failing, or any alleged failure, to protect customer data (for example as a result of a significant data breach or cyber-attack); (iii) failing to execute lending transactions on time or failing to provide customers with access to their deposits on demand, in such a manner as to call the financial stability of the Group into question; and (iv) changing the terms of the Group's product offerings or pricing in a manner that may result in outcomes for customers which are unfair, or which are perceived to be unfair.

Any failure to address reputational issues appropriately and in line with the Group's values and purpose could make business partners and customers unwilling to do business with the Group, which could have a material adverse effect on its business, results of operations, financial condition and/or prospects and could damage its relationships with its stakeholders such as employees, regulators and Noteholders.

The Group is dependent on its models and analytical tools, and is exposed to the risk that such models and platforms may produce unintended outcomes.

The Group relies on models and analytical tools, such as its risk models, to conduct its business and monitor the performance and financial soundness of its business.

There is inherent risk associated with relying on such models and tools. The efficacy and reliability of such models and tools relies, among other things, on the assumptions and data used to support them. Such assumptions and data may be or may become inaccurate or out-of-date, and may fail to take into account events which were unforeseen at the time the relevant model or tool was designed or last updated (including, for example, unforeseen economic, political or market conditions or regulatory change). Weaknesses in, and failures of, the Group's models and tools may not be detected by the Group in a timely fashion or at all.

Once the Group has identified a weakness in, or failure of, its models or tools, or has determined that unforeseen economic, political or market conditions or regulatory action have resulted in a need to recalibrate its lending criteria or its risk appetite, the Group may be unable to update the relevant models and/or tools in a timely fashion. This could result in the Group advancing loans which are inconsistent with its then-current strategy and/or risk appetite or failing to identify a performance deficiency or financial deficiency (which, in either case, may be material) in its business. Conversely, weaknesses in, or failures of, the Group's models and tools may result in the Group turning down loan applications that would otherwise have been consistent with its then-current strategy and/or risk appetite.

If the Group advances loans which are inconsistent with its strategy and/or risk appetite, this may expose the Group to increased credit impairment risk, increased arrears and/or defaults and/or regulatory capital issues. Conversely, if the Group declines to advance loans which would otherwise be consistent with its strategy, this may result in the loss of potentially profitable opportunities.

Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group may not realise its anticipated benefits from past and future corporate acquisitions and may be exposed to liabilities within any businesses, including asset portfolios, acquired by the Group.

On 28 February 2022, Wesleyan Bank Limited ("**Wesleyan Bank**") was acquired by the Issuer (the "**Wesleyan Acquisition**") and the operations of Wesleyan Bank are now run within the Group as HTB Leasing & Finance. The Group continues to consider opportunities for strategic acquisitions.

The success of any acquisition, including the Wesleyan Acquisition, depends on, among other things, the Group's ability to integrate the businesses of the acquired companies in a manner that permits growth without materially disrupting customer relationships or diverting management's attention. There is a risk that the Group may not realise all or some of the benefits which it expects or expected to achieve in relation to a given corporate acquisition, or that it takes longer than anticipated to realise such benefits.

While the Group undertakes customary due diligence in relation to acquisitions, there may be risks which are not identified in the course of due diligence which arise after completion of an acquisition and which expose the Group to unanticipated loss, damage, liability or expense. Additionally, if the integration efforts or any reorganisations following the Group's acquisitions – in particular, significant

ones such as the Wesleyan Acquisition – are not successfully managed, including the occurrence or assumption of unknown or unanticipated liabilities or contingencies with respect to, among other things, customers, employees, suppliers, government authorities or other third parties, such acquisitions could result in loan losses, liabilities, loss of key employees, a loss of focus on business strategy, impairment of goodwill, disruption of the Group's ongoing business and management attention or inconsistencies in standards, controls, procedures and policies which could negatively impact the Group's ability to maintain relationships with customers and employees or to achieve the anticipated benefits of acquisitions. The Group may also be exposed to liabilities within any businesses, including any asset portfolios, which the Group may acquire. Any of these results could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's accounting policies and methodologies are important to ensure accurate reporting, and they require management to make estimates about matters that are uncertain.

Accounting policies and methodologies are fundamental to how the Group records and reports its financial condition and results of operations, and management must exercise judgement in selecting and applying many of these accounting policies and methods so that they comply with IAS UK.

The Group has identified certain accounting policies in the notes to its financial statements for the financial years ended 31 December 2023 and 31 December 2024 in respect of which significant judgement is required in determining appropriate assumptions and estimates when valuing assets, liabilities, impairments, commitments and contingencies. Such judgements and associated assumptions and estimates are based on historical experience and various other factors that are considered by management under the circumstances at the time, and may prove to be incorrect, which could lead to inaccuracies in the reported financial position and performance of the Group that could be material.

The Group may be required to make changes in accounting policies or restate prior period financial statements in the future. Any such changes or restatements could be material in nature and could result in the Group's results of operations as restated being materially different to those previously reported in relation to the relevant accounting period.

The Group's insurance coverage may not be adequate to cover all possible losses that it could suffer, and its insurance costs could increase in the future.

The Group's insurance policies do not cover all types of potential losses and liabilities which the Group may suffer and are subject to limits, exclusions and excesses; for example, certain types of risk and losses (including losses resulting from acts of war or certain natural disasters, and credit risk) are not economically insurable or generally insured. In addition, there may be new risks that the Group faces in the future which the Group cannot obtain insurance for on terms which it believes to be reasonable. There can be no assurance that the Group's insurance will be sufficient to cover the full extent of all losses or liabilities for which it is ultimately responsible and the Group cannot guarantee that it will be able to renew its current insurance policies on favourable terms, or at all, or that insurance premiums will not increase substantially.

Furthermore, the Group's insurance policies, in certain circumstances, could be void or voidable at the option of the insurer, for example, due to a failure by the Group to comply with their terms which could erode coverage or even negate cover. The Group's insurers may also seek to defend claims where the amount claimed is significant, which could result in delayed or reduced recovery, or no recovery, in respect of any insurance claim.

Accordingly, to the extent that the Group suffers loss or damage that is not covered by insurance or which exceeds its insurance cover, the Group's financial condition may be adversely affected as such loss or damage would then need to be funded from the Group's own financial resources.

The Issuer's sole shareholder exercises significant influence over the Group, its management and its operations.

As at the date of these Admission Particulars, the Issuer is wholly-owned by Hoggant Limited, a company majority owned by Hoggant L.P., which is itself majority owned by funds managed by Alchemy Special Opportunities (Guernsey) Limited ("**Alchemy**"). Alchemy is advised by Alchemy Special Opportunities LLP ("**ASO**"). Alchemy, through the votes it is able to exercise at general meetings of the Issuer, is able to exercise a significant degree of influence over the Group's operations and over the Issuer's shareholders' meetings, such as in relation to the declaration of dividends, the appointment and removal of members of the Issuer's board of directors, the approval of significant transactions entered into by the Group and changes in the Issuer's capital structure. This concentration of ownership and voting power may make some transactions more difficult or impossible without the support of Alchemy, even if such events are in the best interests of other stakeholders.

Alchemy looks to achieve returns for investors in its funds from private equity investments, such as in the Issuer, within certain timeframes. By their nature, private equity investors, such as Alchemy, rely on targeted 'exit' strategies to realise returns on their investments. No assurance can be given to Noteholders that Alchemy will continue to exercise voting power in the Issuer and the Group in the same way as has been the case since Alchemy managed funds first invested in the Issuer in 2014 or that Alchemy would not sell down some or all of its managed funds' investments to a new investor or new investors (as to which, please see "*Hampshire Trust Bank Plc – Recent developments*"). The Notes do not contain put rights for Noteholders, or rights for Noteholders to require the Issuer to mandatorily prepay the Notes, in the event of a change of control of the Issuer (or Alchemy or ASO) or in the event that either Alchemy (or any other future investor) sells down some or all of its managed funds' investments in the Issuer. Similarly, the Notes do not contain restrictions on the acquisition or disposal of businesses or assets by the Issuer or the Group. The Group may therefore be exposed to changes in its strategic direction if Alchemy managed funds were to sell down all or some of their investments in the future or a new investor or new investors were to acquire significant voting power over the Group. Any of these events or circumstances could have a material adverse effect on the Group's business, results of operations, financial conditions and/or prospects.

Risks related to the macroeconomic environment in which the Group operates

The Group's business and financial performance have been and will continue to be affected by general economic conditions in the UK and developments in the UK and global financial markets.

As the Group's operations are based entirely in the UK, the Group is significantly exposed to the condition of the UK economy. In particular, factors such as UK property prices, levels of employment, levels of business confidence, interest rates, inflation, the cost of living and changes in consumers' disposable income, can each have a material effect on the Group's lending customers' ability to service their debts to the Group and on demand for the Group's lending and savings products. In the event of disruption to the UK economy, the Group may be disproportionately affected when compared with banking groups whose operations are less concentrated in the UK.

For example, above-average inflation has been a key feature of the UK economy in recent years. Although the UK inflation rate has since fallen from its October 2022 high, as at the date of these Admission Particulars it remains above the Bank of England's target of 2 per cent. The tariffs imposed by the United States on certain goods, and any retaliatory measures, will likely increase inflationary pressures in the UK.

If inflation does rise further, this is likely to continue to put pressure on household budgets and disposable incomes and increase business costs. This may in turn increase the risk of increased arrears and/or defaults by affected customers and could reduce demand for the Group's savings products as disposable incomes are reduced. Similarly, the Group's SME customers will need to adjust to the higher

costs associated with recent changes arising from new laws enacted by the UK Government (including increasing the minimum wage for 18 to 20-year-olds and the increase in the rate of employers' national insurance contributions to 15 per cent. from April 2025), which could result in an increase in arrears in relation to, and defaults on, existing loans advanced by the Group and/or a reduction in demand for new loans offered by the Group.

Any future changes in UK Government policy, including (without limitation) the way in which UK property sales are taxed, could also lead to disruption and adverse impacts to the Group's business.

As well as domestic factors affecting the UK only, the Group is also exposed, directly and indirectly, to global and domestic geopolitical developments and volatility in the global economic and financial markets, both generally and as they specifically affect financial institutions. Global financial markets are subject to uncertainty and volatility created by a variety of factors. These factors include the actual, and anticipated, monetary and fiscal policies of current and future governments, expected or actual changes in key economic indicators in one or more jurisdictions (for example, gross domestic product, inflation and manufacturing activity), natural disasters, armed conflicts such as the war in Ukraine and the conflict in the Middle East, and uncertainty in global markets arising from actual or anticipated trade wars, for example the increase in U.S. tariff rates (and any corresponding retaliatory measures). Due to the integrated nature of global financial markets, issues affecting one market or part of a market outside of the UK can rapidly spread and cause uncertainty and volatility in other markets or parts of markets, including the UK.

Any and all such events described above could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, liquidity and capital position, as well as on its stakeholders, including its customers, borrowers, counterparties, employees and suppliers.

Adverse economic and market conditions may negatively impact the Group's lending divisions and overall business and financial performance, which could result in higher impairment charges and reduced lending opportunities for the Group.

A deterioration of economic and market conditions in the UK and/or prolonged volatility could have an overall material adverse effect on the Group's business, results of operations, financial condition and/or prospects. Conversely, improving economic and market conditions could also adversely affect the Group as improved financial circumstances of SMEs or individuals to whom the Group provides loans may lead to borrowers repaying or refinancing their loans sooner than expected, or financing their needs using existing cash resources rather than relying on debt provided by the Group. Any improvement in the Group's lending opportunities as a result of improved economic and market conditions may not offset the effects of early repayments or lost lending opportunities and, as a result, the Group's loan book may become smaller than anticipated. A small loan book may adversely impact the ability of the Group to achieve its growth targets, which in turn could have a material adverse effect on the Group's business results of operations, financial condition and/or prospects.

Changes in interest rates may negatively impact the net interest margin and profitability of the Group.

Net interest margin is one indicator of the Group's profitability and is a measure of the difference between the interest income that, on the one hand, is earned by the Group on the loans it advances and on other interest-bearing assets and, on the other hand, the interest which is paid by the Group in respect of its deposits and other sources of funding. Changes in interest rates are influenced by factors which are outside of the Group's control and could, in some circumstances, reduce the Group's interest income and net interest margin and, therefore, its profitability.

For example, when interest rates rise, the Group's net interest margin may decrease if this results in lower demand for the Group's lending products (resulting in less interest income) and higher demand for the Group's savings products (resulting in increased interest expense). However, the actual effect of

changing interest rates on the Group's net interest margin will turn on, among other things, the extent of any change, the effect of that change on customer behaviour (in terms of relative demand for the Group's lending and savings products) and the Group's ability, and the time required, to reprice its lending and savings products to respond to the change. There can be no guarantee that the Group will be able to respond adequately to changes in interest rates to protect its net interest margin.

Should any change in interest rates result in a reduction of the Group's net interest margin, this could have a material adverse effect on the Group's business, profitability, financial condition and/or prospects.

The Group's existing customers may be negatively affected by interest rate movements, which could in turn increase defaults, arrears and forbearance and reduce demand for the Group's loan products and have a material adverse effect on the Group.

Interest rates on the loan products offered by the Group may vary based on external benchmark rates.

Increases in such rates may result in larger monthly repayments for individuals and entities to whom the Group provides loans, which may in turn lead to increased defaults and therefore impairment charges. Such rates have generally trended upwards in recent years. As such, UK borrowers who are exposed to variable rate lending products, or who are now refinancing existing fixed rate products which previously offered lower interest rates, are experiencing borrowing costs which are much greater than those which may have been anticipated at the time those existing loans were drawn. There is a risk that such borrowers will not be able to bear those increased costs, which could increase default levels, arrears, forbearance and impairment charges suffered by the Group. These increased impairment charges may more than offset any increases in interest income, resulting in lower-than-expected profitability.

Similarly, increases in relevant benchmark rates may also negatively affect the Group's new lending opportunities by reducing demand for loan products. Individuals and SMEs are often less able, and may be less willing, to borrow when interest rates are high. The foregoing may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects, particularly in relation to the loan and savings products that the Group offers.

The Group could be negatively affected by any actual or perceived deterioration in the soundness of other financial institutions.

Given the high level of interdependence between financial institutions, the Group is and will continue to be subject to the risk of actual or perceived deterioration in the commercial and financial soundness of other financial services institutions. Within the financial services industry, the default by any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to a fall in confidence in the stability of similar institutions and in turn create liquidity problems, losses and/or defaults by such institutions because the commercial and financial soundness of many financial institutions may be, or perceived to be, closely related as a result of their credit, trading, clearing or other relationships. For example, the Group's ability to raise wholesale funds may decrease if there is a failure by other financial institutions.

Even the perceived lack of creditworthiness of, or questions about, a financial institution may lead to market-wide liquidity problems (as was the case following the insolvency of Lehman Brothers in 2008) and losses or defaults by the Group or by other institutions. This risk is sometimes referred to as "systemic risk" or "contagion" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses and banks with whom the Group interacts on a daily basis. Unmitigated systemic risk could have a material adverse effect on the Group's ability to raise new funding and liquidity as well as on its business, results of operations, financial condition and/or prospects.

Any actual or perceived deterioration in the soundness of other independent specialist banks may also affect perceptions of the commercial and financial soundness of the independent specialist banking sector as a whole, including the Group. This could also have a material adverse effect on the Group's ability to raise new funding and liquidity as well as on its business, results of operations, financial condition and/or prospects.

The Group is exposed to climate related physical risks and transition risks.

Many national governments have, through the UN Framework Convention on Climate Change process and Paris Agreement, and through United Nations Climate Change Conferences held in 2021, 2022, 2023 and 2024, made commitments to enact policies which support the transition to a lower carbon economy, limiting global warming to less than 1.5ºC and therefore mitigating the most severe physical effects of climate change.

Such policies may, however, have significant impacts; for example, increased regulation in the property sector may reduce the profitability of the businesses of some of the Group's clients and therefore affect their ability to repay existing loans and/or demand for its financial products and services. Similarly, expected changes to the energy performance certificate (EPC) regime will increase the costs of some landlords who are clients of the Group. The transition to a lower carbon economy could also lead to lower growth and productivity and increased transition risk for the Group.

The impact of climate risk on the Group's policies, customers, markets and products will be closely linked to the UK Government's climate policy and how other financial institutions embed climate risk in their business models. There is a potential impact to the Group relating to changes in laws, regulations, policies, obligations, government actions, and the Group's ability to anticipate and respond to such changes (which may be abrupt or unanticipated), including emission targets or carbon taxes, which may give rise to adverse regulatory, legal or market responses for the Group and impact its brand and reputation.

A failure to address stakeholder concerns on the potential impact of climate change or a failure by the Group to adequately respond to the transition to a low-carbon economy could have an adverse effect on the Group's reputation.

Conversely, if governments fail to enact policies which limit global warming, the Group's markets are particularly susceptible to 'physical' risks of climate change such as flood risk to mortgage portfolios and tightening energy efficiency standards affecting property exposures. These risks could also lead to impacts on the economy through business disruption, asset destruction and migration. This may drive market and credit losses for the Group through lower property and corporate asset values, "stranded assets", lower household wealth and lower corporate profits.

The occurrence or continuance of any of the above risks could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Risks relating to the legal and regulatory environment in which the Group operates

The Group's business is subject to substantial and changing laws and regulation.

The Group is subject to authorisation and regulation by governmental and regulatory bodies in the UK. The provision of financial services by the Group is heavily regulated and it must comply with numerous laws and regulations, in particular FSMA, secondary legislation thereunder, and rules made by the PRA and FCA. The scope and extent of the laws and regulations to which the Group is subject from time to time will change depending on the nature of the Group and the entities within it and the products that the Group offers to its customers. The Group may face enforcement action from regulators for any failure to comply with these regulations or with directions made by the regulators, and the FOS will

assess compliance with regulation when determining complaints brought before it. Regulatory compliance risk arises from a potential failure or inability to comply fully with the laws, regulations and codes applicable to the Group and its members. Financial institutions and their employees have also been subject to customer complaints and claims, and regulatory investigation and/or enforcement action, regarding undisclosed commissions and discretionary commission arrangements paid to intermediaries, mis-selling of financial products, adequacy of systems and controls, affordability of credit products sold to customers, handling of customers in arrears and conduct leading to customer detriment, and the mishandling of related complaints. These complaints and/or regulatory interventions have in some cases resulted in disciplinary action and/or requirements to amend sales processes, withdraw products and/or provide restitution or redress to affected customers.

The UK regulatory framework is subject to continuing change – which has increased following the so-called Edinburgh Reforms announced on 9 December 2022, and the coming into force of the Financial Services and Markets Act 2023 – and the Group will both be required to comply with these changes, and will need to ensure that it is able to exploit any efficiencies arising from advantageous regulatory changes. Any material failure to comply with existing or future applicable laws, regulations, rules and other guidance could result in litigation, investigations or enforcement actions that may lead to fines or suspension or termination of the Group's authorisations. In addition, such failure to comply, revocation of the Group's authorisations or any litigation, investigations or enforcement actions against the Group may damage the reputation of, or increase the compliance risk and conduct risk for, the Group. Any of these developments could have a material adverse effect on the Group's ability to conduct business and on the Group's results of operations, financial condition and/or prospects.

Further, the Group faces risks associated with an uncertain and changing legal and regulatory environment. Existing laws and regulations may be amended, or new laws and regulations may be introduced, which could affect the Group by:

- resulting in the need for increased operational and compliance resources, and increased costs in terms of both time and financial investment, to ensure compliance with the new or amended laws and regulations;

- restricting the customer base to which the Group's products or services can be offered restricting the products or services which the Group can provide; or restricting the way intermediaries are rewarded; or

- requiring the Group to modify its capital structure in order to align it with changing regulatory requirements.

Any of these results could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The FCA and PRA have, since 2023, been subject to a new requirement to advance a new "competitiveness and growth objective", of facilitating (subject to aligning with relevant international standards) "*(a) the international competitiveness of the economy of the United Kingdom (including in particular the financial services sector), and (b) its growth in the medium to long term*". It remains unclear how the regulators will interpret this new requirement, but there is a risk that this may entail further and potentially unexpected changes to the UK regulatory environment to which the Group may need to adapt quickly.

In addition, changes to the regulatory authorities' supervision of the Group may result in increased scrutiny of the Group's compliance with existing laws and regulation, which may further result in the Group needing to change its internal operations or undertake additional work to ensure compliance, at increased cost to the Group. This might occur, for example, if the FOS were to change its approach on a particular type of customer complaint which then had a wider impact on the Group's operations. High

levels of scrutiny of the treatment of customers by financial institutions from regulatory bodies, the press and politicians are likely to continue and the FCA may enforce the Consumer Duty (details of the application of which remain uncertain given its relatively recent introduction) in such a way as to require the Group to implement systems and processes which would demonstrate satisfactory compliance, at increased cost to the Group. There is a higher risk of this affecting the Group's deposit activities (and, to the extent the Group's business evolves to include the same, regulated lending activities).

Some of the Group's business is subject to the requirements of the Consumer Credit Act 1974 (the "**CCA**") and other consumer protection legislation and regulation, including (among others) the Consumer Rights Act 2015, that relate to the terms of consumer contracts, which often contain very detailed and highly technical requirements. While the Group considers that material non-compliance with the CCA and other consumer regulations is unlikely, there is a risk that the eventual outcome may differ.

Following the United Kingdom's departure from the European Union, the UK Treasury and regulators have been implementing a process of repealing and replacing retained EU rules and legislation (as set out in the Edinburgh Reforms), including the deferred revocation of all retained EU financial services law under the Financial Services and Markets Act 2023. As part of this process, there has been substantial consideration of areas in which the UK's regulatory regime might diverge from the analogous European regime. Whilst at present the UK regulators have indicated a general intent to remain aligned with the previous rules (and with the position in the European Union) there have already been certain divergences, such as with respect to bank remuneration or the matching adjustments regime for insurers; the Group may be subject to further changes in regulation as a result of this divergence which could increase the management time and cost required to achieve compliance.

Failure to comply with the wide range of laws and regulations which apply to, or may apply at some point in the future to, the Group could have a number of adverse consequences for the Group, including the risk of:

- substantial monetary damages, fines or other penalties, the amounts of which are difficult to predict and may exceed the amount of any provisions set aside to cover such risks in addition to potential injunctive relief;
- regulatory investigations, reviews, proceedings and enforcement actions;
- being required to amend sales processes, product and service terms and disclosures, withdraw products or provide redress or compensation to affected customers;
- the Group either not being able to enforce contractual terms as intended or having contractual terms enforced against it in an adverse way;
- civil or private litigation (brought by individuals or groups of individuals/claimants) in the UK and other jurisdictions (which may arise out of regulatory investigations and enforcement actions);
- criminal enforcement proceedings; and/or
- regulatory restrictions on the Group's business,

any or all of which: (i) could result in the Group incurring significant costs; (ii) may require provisions to be recorded in the Group's financial statements; (iii) could negatively impact future revenues from affected products and services; and (iv) could have a negative impact on the Group's reputation and the confidence of customers in the Group, as well as taking a significant amount of management time and resources away from the implementation of the Group's strategy. Regulatory restrictions could also

require additional capital and/or liquidity to be held. Any of these risks, should they materialise, could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

There remains a regulatory focus on the fairness of contract terms, sales practices and reward structures that financial institutions have used when selling financial products and the fair treatment of customers generally. The Consumer Duty has provided the FCA with a new tool for considering how firms approach consumer outcomes. Whilst the FCA has published substantial non-handbook guidance on its approach to the Consumer Duty and has publicly identified examples of good and bad practice for firms implementing the Consumer Duty, it remains unclear precisely how the FCA will use the Consumer Duty when supervising firms, or what the long-term impact of the Consumer Duty upon the Group will be. It is possible that the FCA's future application of the Consumer Duty will require the Group to invest additional management time and financial resources to achieve compliance.

Financial institutions (including the Group) may incur liability for past actions which are determined to have been inappropriate, for example, treatment of vulnerable customers, and any such liability incurred could be significant and have a material adverse effect on the Group's reputation, business, results of operations, financial condition and/or prospects. In addition to the above, failure to comply with applicable laws and regulations could result in the FCA and/or PRA cancelling or restricting the Group's regulatory authorisations altogether, thereby preventing it from carrying on its business.

Financial institutions (including the Group) may incur liability as a result of the historic use of discretionary commission arrangements in motor finance. The FCA is undertaking a market-wide consultation on the scope and implementation of a market-wide redress scheme but there remains significant uncertainty as to the scope, timing or effect of the scheme. In addition, claims based on unfair relationships could be brought in the courts outside of any FCA-mandated redress scheme and there is significant claims management company activity in this area.

Finally, there is continuing momentum behind Open Banking in the UK, with all nine of the original banking providers who were subject to the CMA's Retail Banking Market Investigation Order 2017 now having fully implemented the proposals in that Order. These included requiring those banks to enable personal customers and small businesses to share their data securely with other banks and third parties, in order to make it easier for customers to switch banks. The implementation of Open Banking reflects an ongoing concern of multiple UK governments to increase innovation and competition in the UK financial services sector. There can be no assurance that such or similar measures, regulatory requirements to take remedial action in this regard or other regulatory actions will not adversely affect the Group's business, results of operations, financial condition and/or prospects.

The Group's business is subject to substantial and changing prudential regulation.

The Group is subject to capital adequacy and liquidity requirements adopted by the PRA and implementing European or global standards. The prudential regime that applies to UK banks originally derived from EU legislation and is set out under:

- Regulation (EU) No 575/2013, as amended and as it now forms part of the domestic law of the UK pursuant to the EUWA, including as it has been amended by the laws of England and Wales (the "**UK CRR**");
- UK law and regulatory rules implementing Directive 2013/36/EU (as amended) (i.e., CRD IV) and Directive 2019/878/EU (i.e., CRD V);
- the PRA Rulebook and associated PRA guidance; and
- other relevant UK domestic law and regulation.

This framework implements standards set at an international level by the Basel Committee on Banking Supervision, including under the Basel III framework. As part of the UK's implementation of the Basel III standards, portions of the UK CRR were revoked, and the relevant requirements transcribed into the PRA Rulebook (and in some cases amended) effective as of 1 January 2022. The remaining Basel III standards (sometimes referred to as Basel 3.1) are currently intended to be implemented in a similar manner by 1 January 2027, in order to enable greater clarity to emerge regarding the similar process of implementation in the USA, with certain transitional periods in respect of particular provisions within Basel 3.1 terminating on 1 January 2030. The near-final rules which will implement Basel 3.1 are set out in the PRA's policy statements PS17/23 and PS9/24 – Implementation of the Basel 3.1 standards near-final part 1 and part 2. The implementation of these changes, or other changes introduced to the prudential framework that applies to UK banks may, either individually or in aggregate, result in changes or enhancements to prudential requirements in relation to the capital, leverage, liquidity and funding ratios and requirements of the Issuer and the Group. In particular, the Group is continuing to assess the impact of the UK's implementation of the Basel 3.1 standards upon its medium-to-long term resource allocation and capital composition in view of Basel 3.1's changes to the prudential treatment of lending to SMEs. These changes may impact how the Group complies with its future prudential requirements in unplanned ways. Furthermore, certain of the prudential requirements that apply to the Group take into account, among other factors, macroeconomic indicators and may increase if such macroeconomic indicators change, for example, risk-weighted asset inflation and countercyclical capital buffers.

Consequently, the Group faces risks associated with an uncertain and rapidly evolving prudential regulatory environment, pursuant to which it is required, among other things, to maintain adequate capital resources and to satisfy specified capital ratios at all times. Effective management of the Group's capital is critical to its ability to operate its business and to pursue its strategy. The Issuer's board of directors sets the internal target amount of capital for the Group by taking account of the directors' own assessment of the risk profile of the business, market expectations and regulatory requirements. If regulatory requirements as to capital levels increase, driven by, for example, new regulatory measures or views that the PRA may have as to the amount of capital the Group should retain, the Group may be required to increase its capital resources. The Group may in the future be required to increase capital resources following regulatory review. The Group may also need to increase its capital resources in response to changing market conditions or expectations. If the Group is unable to increase its capital, it may no longer comply with regulatory requirements or satisfy market expectations related to its capital strength and, as a result, its business, results of operations, financial condition and/or prospects could suffer a material adverse effect.

Any change that limits the Group's ability to effectively manage its balance sheet and capital resources effectively (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to raise capital or funding through wholesale markets as a result of adverse market conditions or otherwise) could affect the Group's liquidity and have a material adverse effect on its business, operations, financial condition and/or prospects. In addition, if the Group fails to meet its minimum regulatory capital requirements, this could result in regulatory or administrative actions or sanctions against it. As at 31 December 2024, the Group's common equity tier 1 ("**CET1**") ratio was 14.2 per cent. (31 December 2023: 14.1 per cent.) and its total capital ratio was 16.9 per cent. (31 December 2023: 17.4 per cent.).

Any perceived or actual shortage of capital held by the Group could result in actions by regulatory authorities, including public censure and the imposition of sanctions. Any of these outcomes may also affect the Group's capacity to continue its business operations, generate a sufficient return on capital, pay variable remuneration to staff, pay future dividends, pay the coupon on its Additional Tier 1 capital instrument or its Tier 2 capital instruments (including the Notes), raise capital in the markets or pursue acquisitions or other strategic opportunities, impacting future growth potential. If, in response to any

such shortage, the Group raises additional capital through the issuance of share capital or capital instruments, existing shareholders or holders of debt of a capital nature may experience a dilution of their holdings.

The Group may also experience a depletion of its capital resources through increased costs or liabilities incurred as a result of the crystallisation of any of the other risk factors described elsewhere in this section "*Risk Factors*".

Additionally, UK banks are required to meet a minimum requirement for own funds and eligible liabilities ("**MREL**") at all times. There is no common level of MREL applicable to all or a category of institutions; it is an institution-specific requirement, linked to the preferred resolution strategy for a particular bank. As at the date of these Admission Particulars, a modified insolvency is the preferred resolution strategy for the Group. The Bank of England sets MREL annually for all UK banks and MREL must be set on both an individual bank and group consolidated basis. The Group's current MREL requirement is set at a level equivalent to its minimum regulatory capital requirements excluding buffers (i.e. the sum of its Pillar 1 and Pillar 2A capital requirements), although this may change in line with the evolution of the Group's preferred resolution strategy. Any change in strategy will depend upon a number of factors being assessed by the Bank of England, but there is guidance that "*provision of fewer than around 40,000 to 80,000 transactional bank accounts […] is generally likely to indicate that a modified insolvency would be appropriate*". Material organic or inorganic Group growth may accelerate the transition away from a modified insolvency preferred resolution strategy. Please see further "*The Group's business is subject to the impact of changes to the UK resolution regime*".

The Group's MREL requirements depend on a number of factors, including (but not limited to) the size of the Issuer's balance sheet and any change in PRA or international policy that alters the ways risk-weighted assets or the exposure measure of the leverage ratio (should it become applicable) are assessed. Consequently, the MREL regime applicable to the Group in future periods, including the quantum and timing of future MREL requirements for the Group, are unknown and their impact uncertain. Compliance with MREL may delay, limit or restrict the execution of the Group's strategy and may have a material adverse effect on the Group's business, capital structure, financial condition, results of operations and/or prospects, and may increase compliance costs.

Although the Group is not currently subject to the Bank of England's Resolvability Assessment Framework ("**RAF**"), if it were to be in the future it would need to establish, at additional cost to the Group, a comprehensive compliance programme to respond to the three primary areas of the RAF (being: (i) Assessment & Disclosure; (ii) Resolvability Capabilities; and (iii) Assurance & Risk Management), which would need to be developed in a proportionate and considered manner. In particular, the Group would need to leverage its existing risk and operational resilience capabilities to ensure effective compliance with the RAF. The Group would become subject to the RAF following the Bank of England notifying the Group that its preferred resolution strategy was 'bail-in' or 'partial transfer', and would become subject to the most onerous aspects of the RAF (in particular the requirements to "carry out an adequate assessment of its preparations for resolution", to engage with the Bank of England regarding that assessment, and to have the Bank of England's comments on its resolvability published) at the point at which, on a consolidated basis, it held retail deposits equal to or greater than £50 billion.

The Group's business is subject to the impact of changes to the UK resolution regime.

Directive 2014/59/EU (as amended, "**BRRD**") provided an EU-wide framework for the recovery and resolution of credit institutions and investment firms, their subsidiaries and certain holding companies. The BRRD was implemented in the UK through a mixture of legislative provisions (including by way of amendments to the Banking Act 2009 (the "**Banking Act**")), new rules in the FCA Handbook and the PRA Rulebook, and amendments to HM Treasury's Special Resolution Regime Code of Practice.

Under the Banking Act, substantial powers are conferred on the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the FCA and (where applicable) HM Treasury, as appropriate as part of a special resolution regime ("**SRR**"). These powers enable the relevant UK resolution authority to implement resolution measures with respect to a UK bank or investment firm and certain of its affiliates that meet the definition of a "banking group company" (each a "**relevant entity**") in circumstances in which the relevant UK resolution authority is satisfied that resolution conditions are met. Such conditions include that a relevant entity is failing or is likely to fail to satisfy the threshold conditions defined in section 55B of FSMA. As at the date of these Admission Particulars, the preferred resolution strategy for the Group is modified insolvency but this could change over time.

The SRR consists of five stabilisation options: (a) private sector transfer of all or part of the business or shares of the relevant entity; (b) transfer of all or part of the business of the relevant entity to a "bridge bank" established by the Bank of England; (c) transfer to an asset management vehicle wholly or partly owned by HM Treasury or the Bank of England; (d) the bail-in tool (as described below); and (e) temporary public ownership (nationalisation). The SRR also includes a requirement for the UK resolution authority to write-down and convert capital instruments if the conditions to resolution are met, which may be implemented independently of, or in combination with, the exercise of a resolution tool (other than the bail-in tool, which would be used instead of the capital instruments write-down and conversion power). The stabilisation options are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the stabilisation options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns.

The bail-in tool involves allocating an entity's losses to its shareholders and unsecured creditors (including Noteholders) in a manner that (i) respects the hierarchy of claims in an ordinary insolvency and (ii) is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (known as the "no creditor worse off" safeguard). See also "*Various actions may be taken in relation to the Notes without the consent of the Noteholders*" below.

If the Bank of England were to exercise any of its powers under the UK resolution regime in relation to the Issuer, this may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes. The taking of any such actions could materially adversely affect the rights of Noteholders, and such actions (or the perception that the taking of such actions may be imminent) could materially adversely affect the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant UK resolution authority to exercise its resolution powers (including the bail-in tool) or to have that decision reviewed by a judicial or administrative process or otherwise. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders will have such a claim or, if they do, that they would thereby recover compensation promptly or equal to any loss actually incurred.

The Banking Act also provides for two insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Notes), powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the relevant UK resolution authority to dis-apply or modify laws in the UK (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

Although the Banking Act provides specific conditions to the exercise of any resolution powers and, furthermore, EBA guidelines published in August 2015 set out the objective elements for the resolution authorities to apply in determining whether an institution is failing or likely to fail, it is uncertain how the relevant UK resolution authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and/or other members of the Group and in deciding whether to exercise a resolution power. The relevant UK resolution authority is also not required to provide any advance notice to Noteholders of its decision to exercise any resolution power. Therefore, Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Group and the Notes.

Noteholders should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the relevant UK resolution authorities have assessed and exploited, to the maximum extent practicable, the resolution tools, including the write-down and conversion of capital instruments power. Accordingly, it is unlikely that investors in the Notes will benefit from such support even if it were provided.

At present, the preferred resolution strategy for the Group is modified insolvency, as part of which the Issuer would enter into a corporate insolvency process which is modified as necessary to ensure that the objectives of the resolution regime, notably safeguarding deposits protected by the FSCS and ensuring continuity of banking services, can be achieved despite the firm entering insolvency. Once such objectives were fully achieved, the procedure would revert to an ordinary insolvency process. The Group's preferred resolution strategy is assessed by the Bank of England on an ongoing basis; a transition away from a modified insolvency may occur:

(a) At the point at which the Group provides more than 40,000 to 80,000 transactional accounts, the Bank of England may consider that a "partial transfer" preferred resolution strategy would be more appropriate; under this strategy, the Group would be resolved through the Bank of England facilitating the transfer of part of the Group's business to a private sector purchaser or to a bridge bank (on a temporary basis pending onwards sale to a private sector purchaser), with the remaining portion of the Group placed into insolvency as necessary.

(b) The Bank of England may alternatively consider that a bail-in preferred resolution strategy could become appropriate. Under a bail-in resolution strategy, the Group would be resolved through the Bank of England which could impose losses on Noteholders (see "*Mandatory write-down and conversion of capital instruments may affect the Notes*" below).

The Bank of England has recently amended its approach to setting MREL. Notable changes include a higher threshold to be considered a bail-in firm with MREL requirements above minimum capital requirements ("**MCR**") and that partial transfer firms (ie those falling within (a) above) will no longer be required to meet MREL above the MCR. Under the revised MREL policy: the indicative lower threshold beyond which firms are considered too large to be put into modified insolvency has been increased from £15 billion in total assets to £25 billion. Firms with total assets in the range between £25 billion and £40 billion can be set either a partial transfer or bail-in preferred resolution strategy. The indicative upper threshold above which firms can generally expect to have a preferred bail-in strategy has been increased from £25 billion to £40 billion in total assets. The increase in these thresholds broadly reflect nominal growth over the period since the thresholds were originally set.

The Group is subject to statutory levies which may increase in future periods.

In the UK, the FSCS was established under FSMA and is the UK's statutory fund of last resort for customers of certain types of authorised financial services firms. The FSCS pays compensation to eligible customers if a relevant PRA or FCA authorised firm is unable, or likely to be unable, to pay claims against it (for instance, if an authorised bank is unable to pay claims by depositors). The FSCS is funded by levies on firms authorised by the PRA or the FCA.

There is a risk that the FSCS may place additional levies on all FSCS participants as a result of a shortfall arising out of claims. Any such levies may be significant amounts that may, as a result, have a material effect on the Group's profits. In common with other financial institutions which are subject to the FSCS, the Group also has a potential exposure to future levies resulting from the failure of other financial institutions and claims which arise against the FSCS as a result of such failure. There can be no assurance that there will not be any further claims against the FSCS and subsequent increased FSCS levies payable by the Group. Any such increases in the Group's costs and liabilities related to the levy may have a material adverse effect on its results of operations.

In addition, since March 2024, the Group has been subject to the Bank of England Levy, which was introduced to replace the Cash Ratio Deposit scheme as a means of funding the costs of the Bank of England's monetary policy and financial stability operations. The scope of application of the Bank of England Levy depends upon the size of a bank's liabilities base and is broadly similar to the Cash Ratio Deposit scheme, save that sums paid under the Bank of England Levy give rise to a charge against profit. The amount of the Bank of England Levy recognised by the Group during FY 2024 was £0.255 million. There can be no assurance that there will not be future increases in the Bank of England Levy payable by the Group. Any such increases in the Group's costs and liabilities relating to the Bank of England Levy may have a material adverse effect on its results of operations.

The Bank Resolution (Recapitalisation) Act 2025, which received Royal Asset on 15 May 2025, introduces a new option to support the continuity of banking services in failure by allowing for the recapitalisation of a failing firm. The funds needed for any recapitalisation will be provided by the FSCS and recouped via a levy on firms. This would support the sale of all, or part, of the firm to a private sector purchaser or a transfer to a bridge bank, where that is judged to be in the public interest. The Bank Resolution (Recapitalisation) Act 2025 expands the functions of the FSCS in relation to the failure of deposit takers, from making compensation payments to eligible depositors of failed firms to also making recapitalisation payments, where required to do so by the Bank of England acting as resolution authority, and levying firms to recoup those payments. Any such increases in the Group's costs and liabilities relating to The Bank Resolution (Recapitalisation) Act 2025 may have a material adverse effect on its results of operations.

The Notes are not protected liabilities under the FSCS and, moreover, are not guaranteed or insured by any government, government agency or compensation scheme of the UK or any other jurisdiction.

The Group is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporation and other taxes.

The Group's activities are subject to a range of UK taxes at various rates. Future actions by the UK Government to increase tax rates or to impose additional taxes would reduce the Group's profitability. For example, the combined UK tax rate (corporation tax rate plus bank corporation tax surcharge rate) on the profits of banks increased from 27 per cent. to 28 per cent. on 1 April 2023 and was maintained at 28 per cent. for the tax years commencing on 1 April 2024 and 1 April 2025. Similarly, on 6 April 2025, the rate of secondary (i.e., employer's) class 1 national insurance contributions ("**NICs**") increased by 1.2 percentage points to 15 per cent. and the secondary threshold for NICs decreased from £9,100 to £5,004, significantly increasing the cost of employer NICs. Revisions to tax legislation or to its interpretation, and the Group's ability to respond to such changes, might also affect the Group's business, results of operations, financial condition and/or prospects.

The Group takes certain tax decisions which are based on customary industry practice, independent tax advice, tax authority guidance and application of the Group's facts and circumstances to those present in certain case law, however, it is possible that the tax authorities will not agree with the positions taken by the Group. In addition, the Group is subject to periodic tax audits which could result in additional tax assessments (including interest and penalties) relating to the past. Any such assessments could be

material and could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Any failure to comply with financial crime regulations, including sanctions, tax evasion, anti-money laundering and anti-bribery regulations could have a material adverse effect on the Group.

The Group is subject to laws regarding financial crime, covering money laundering (including all predicate offences), the financing of terrorism, financial and economic sanctions, as well as laws that prohibit the Group and its employees and business partners (for example, brokers and other intermediaries and professional introducers) from facilitating tax evasion, bribery and corruption (including making improper payments or offers of payment to foreign governments and their officials and political parties for the purpose of obtaining or retaining business). Monitoring compliance with financial crime rules can put a significant financial burden on banks and other financial institutions and requires significant technical capabilities.

Although the Group relies on a regulatory change management process to identify and address changes in the regulatory environment, it cannot predict the nature, scope or effect of future regulatory requirements to which it might be subject or the manner in which existing laws might be administered or interpreted. Whilst the effective implementation and embedding of the Group's financial crime framework can lessen regulatory risk of penalties or enforcement, it cannot guarantee full prevention of financial crime, including actions committed by the Group's employees. If the framework is found to be ineffective, the Group might be held responsible, whether a financial crime act is committed or not. Any such event may have severe consequences, including litigation, sanctions, fines and reputational damage, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

Risks related to the Notes

The obligations of the Issuer in respect of the Notes are subordinated.

The Notes constitute unsecured and subordinated obligations of the Issuer.

On a Winding-Up, all claims in respect of the Notes will rank junior to all Senior Creditors. If, on a winding-up or dissolution of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Noteholders will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims that rank *pari passu* with the Notes, Noteholders will lose some (which may be substantially all) of their investment in the Notes. Further, investors in the Notes will not be entitled to exercise any rights of set-off against the Issuer in respect of the Notes.

Although the Notes may pay a higher rate of interest than securities which are not subordinated, there is a substantial risk that investors in the Notes will lose all or some of the value of their investment should the Issuer become insolvent or subject to any of the resolution, write-down or conversion powers in the Banking Act.

Noteholders are also subject to the provisions of the Banking Act relating to, *inter alia*, the write-down of capital instruments and the bail-in of liabilities as described under "*The Group's business is subject to the impact of changes to the UK resolution regime*".

The remedies available to Noteholders under the Notes are limited.

Noteholders may not at any time demand repayment or redemption of their Notes, although in a Winding-Up, the Noteholders will have a claim for an amount equal to the principal amount of the Notes plus any accrued interest.

The sole remedy in the event of any non-payment of principal or interest under the Notes, subject to certain conditions as described in Condition 8, is that the Trustee, on behalf of the Noteholders may, at its discretion, or shall (if it has been indemnified and/or secured and/or prefunded to its satisfaction) if so directed by an Extraordinary Resolution of the Holders or requested in writing by the holders of at least one-quarter of the aggregate principal amount of the outstanding Notes, institute proceedings for the winding-up of the Issuer and/or prove for any payment obligations of the Issuer arising under the Notes in any Winding-Up.

The remedies under the Notes are more limited than those typically available to the Issuer's unsubordinated creditors. For further details regarding the limited remedies of the Trustee and the Noteholders, see Condition 8.

There is no limit on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee.

There is no restriction on the amount of securities or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders during a winding-up or administration or resolution of the Issuer and may limit the Issuer's ability to meet its obligations under the Notes. The Issuer may also issue, in the future, subordinated liabilities which rank senior to the Notes.

The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK deposit taking institutions which are considered to be at risk of failing. The exercise of any of these actions in relation to the Group or the Issuer could materially adversely affect the value of any Notes.

The resolution powers of the relevant authorities under the SRR could be exercised in relation to the Group or the Issuer, which could materially adversely affect the value of the Notes, the rights of the Noteholders or the terms of the Notes. These powers and the SRR are described further in risk factor entitled "*The Group's business is subject to the impact of changes to the UK resolution regime*".

The determination that securities and other obligations issued by the Issuer (including the Notes) will be subject to exercise of powers under the Banking Act is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. This determination will also be made by the relevant authority and there may be many factors, including factors not directly related to the Issuer or the Group which could result in such a determination. In light of this inherent uncertainty and given that the relevant provisions of the Banking Act remain largely untested in practice, it will be difficult to predict when, if at all, the exercise of a loss absorption power may occur which would result in a principal write-off or conversion to other securities, including the ordinary shares of the Issuer. Moreover, as the criteria that the relevant authority will be obliged to consider in exercising any loss absorption power provide it with considerable discretion, holders of the securities issued by the Issuer (including Noteholders) may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the Issuer or the Group and the securities issued by the Issuer (including the Notes).

The relevant authorities may implement their powers prior to insolvency of the Issuer.

The purpose of the stabilisation options and the write-down and conversion power is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the stabilisation options may be exercised if (i) the relevant authority is satisfied that a relevant entity (such as the Issuer) is failing, or is likely to fail (including where the relevant entity is failing or likely to fail to meet the threshold conditions specified in FSMA), (ii) following consultation with the other authorities, the relevant authority determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will enable the relevant entity to satisfy those conditions, (iii) the authorities consider the exercise of the stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors) and (iv) the relevant authority considers that the specific resolution objectives would not be met to the same extent by the winding up of the relevant entity. It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated. For further information with respect to the exercise of the capital write-down tool, see "*Mandatory write-down and conversion of capital instruments may affect the Notes*".

The preferred resolution strategy for the Group is modified insolvency, as part of which the Issuer would enter into a corporate insolvency process which is modified as necessary to ensure that the objectives of the resolution regime, notably safeguarding deposits protected by the FSCS and ensuring continuity of banking services, can be achieved despite the firm entering insolvency. Once such objectives were fully achieved, the procedure would revert to an ordinary insolvency process.

Although the Banking Act provides for conditions to the exercise of any resolution powers, it is uncertain how the relevant authorities would assess such conditions in any particular situation. The relevant authorities are also not required to provide any advance notice to Noteholders of their decision to exercise any resolution power. Therefore, Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Notes.

Various actions may be taken in relation to the Notes without the consent of the Noteholders.

If the Issuer were made subject to the SRR, HM Treasury or the Bank of England may exercise extensive share transfer powers (applying to a wide range of securities) and property transfer powers (including powers for partial transfers of property, rights and liabilities) subject to certain protections in respect of the Issuer. Exercise of these powers could involve taking various actions in relation to any securities issued by the Issuer (including the Notes) without the consent of the Noteholders, including (among other things):

- transferring the Notes out of the hands of the holders;
- delisting the Notes;
- writing down (which may be to nil) the Notes or converting the Notes into another form or class of securities; and/or
- modifying or disapplying certain terms of the Notes, which could include modifications to (without limitation) the maturity date (which may be to extend the maturity date), the interest provisions (including reducing the amount of interest payable, the manner in which interest is calculated and/or the scheduled interest payment dates, including by suspending payment for a temporary period), and/or the redemption provisions (including the timing of any redemption options and/or the amount payable upon redemption), and may result in the disapplication of

rights for Noteholders under the terms of the Notes (including pursuant to Condition 8) or the effect thereof.

The relevant authorities may exercise the bail-in tool under the Banking Act to recapitalise a relevant entity in resolution by allocating losses to its shareholders and unsecured creditors (which include Noteholders) in a manner that (i) ought to respect the hierarchy of claims in an ordinary insolvency and (ii) is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (known as the "no creditor worse off" safeguard). In addition, even in circumstances where a claim for compensation is established under the "no creditor worse off" safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

The bail-in tool includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant entity under resolution and the power to convert a liability from one form or class to another. The exercise of such powers may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes.

The taking of any such actions could materially adversely affect the rights of Noteholders, and such actions (or the perception that the taking of such actions may be imminent) could materially adversely affect the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders will have such a claim or, if they do, that they would thereby recover compensation promptly or equal to any loss actually incurred.

Mandatory write-down and conversion of capital instruments may affect the Notes.

In addition to the stabilisation options which may be used in a resolution of an institution, the Banking Act requires that the relevant authorities permanently write-down, or convert into CET1 instruments, Tier 1 capital instruments and Tier 2 capital instruments (such as the Notes) at the point of non-viability of the relevant entity and before or together with the exercise of any stabilisation power.

For the purposes of the application of such mandatory write-down and conversion power, the point of non-viability is the point at which the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or that the relevant entity or the group will no longer be viable unless the relevant capital instruments are written down or converted or the relevant entity requires extraordinary public support without which, the relevant authority determines that, the relevant entity would no longer be viable.

Noteholders may be subject to write-down or conversion into equity on application of such powers (without requiring the consent of such Noteholders), which may result in such Noteholders losing some or all of their investment. The "no creditor worse off" safeguard would not apply in relation to an application of such powers in circumstances where resolution powers are not also exercised. The exercise of such mandatory write-down and conversion power under the Banking Act could, therefore, materially adversely affect the rights of holders of Notes, and such exercise (or the perception that such exercise may be imminent) could material adversely affect the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

A partial transfer of the Issuer's business may result in a deterioration of its creditworthiness.

If the Issuer were made subject to the SRR and, notwithstanding the Bank of England's current preferred resolution strategy for the Group which is a modified bank insolvency process, a partial transfer of its business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with the Issuer (which may include the Notes) may result in a deterioration in the creditworthiness of the Issuer and, as a result, increase the risk that it may be unable to meet its obligations in respect of the Notes and/or eventually become subject to administration or insolvency proceedings pursuant to the Banking Act. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders will have such a claim or, if they do, that they would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of these Admission Particulars, the relevant authorities have not made an instrument or order under the Banking Act in respect of the Issuer or any of its securities and there has been no indication that they will make any such instrument or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made.

The circumstances under which the relevant Authorities would exercise resolution powers are uncertain, which may affect the value of the Notes.

Beyond the goals of addressing banking crises pre-emptively and minimising taxpayers' exposure to losses (for example, by writing down relevant capital instruments before the injection of public funds into a financial institution), there is considerable uncertainty regarding the specific factors which the relevant authorities would consider in deciding whether to exercise the Banking Act resolution powers with respect to the relevant financial institution and/or securities, such as the Notes, issued by that institution. While the Banking Act provides some guidance as to how and when the resolution powers may be utilised by the relevant authorities, the Banking Act allows for discretion and there is no certainty as to how the relevant authorities will exercise any resolution powers with respect to a financial institution and/or securities issued by that institution. As there may be many factors, including factors outside of the Issuer's control or not directly related to it, which could result in such a determination, holders of the Notes may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such resolution powers.

Accordingly, the threat of resolution powers being used may affect trading behaviour, including prices and volatility, and, as a result, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities.

The Notes are not 'protected liabilities' for the purposes of any UK Government compensation scheme.

The FSCS established under the FSMA is the statutory fund of last resort for customers of authorised financial services firms paying compensation to customers if the firm is unable, or likely to be unable, to pay certain claims (including in respect of deposits) made against it (together "**Protected Liabilities**").

The Notes are not, however, Protected Liabilities under the FSCS and, moreover, are not guaranteed or insured by any government, government agency or compensation scheme of the UK or any other jurisdiction.

Noteholders may not require the redemption of the Notes prior to their maturity.

The Notes mature on 15 January 2036. The Issuer is under no obligation to redeem the Notes at any time prior thereto and the Noteholders have no right to require the Issuer to redeem or purchase any Notes at any time. Any redemption of the Notes prior to maturity and any purchase of any Notes by the Issuer will be subject to the Issuer obtaining prior Supervisory Permission from the Competent Authority (if and to the extent required pursuant to the Regulatory Capital Requirements at the relevant time) and to compliance with prevailing Regulatory Capital Requirements (as further described in Condition 6(*b*)), and the Noteholders may not be able to sell their Notes in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Notes. Accordingly, investors in the Notes should be prepared to hold their Notes for a significant period of time.

The Notes are subject to early redemption at the option of the Issuer during a specified period ending on the Reset Date and also upon the occurrence of certain tax and regulatory events.

Subject to the Issuer obtaining prior Supervisory Permission from the Competent Authority (if and to the extent required pursuant to the Regulatory Capital Requirements at the relevant time) and to compliance with prevailing Regulatory Capital Requirements (as further described in Condition 6(*b*)), the Issuer may, at its option, redeem all (but not some only) of the Notes at their principal amount plus unpaid interest accrued to (but excluding) the relevant redemption date (a) from (and including) 15 October 2030 to (and including) the Reset Date, (b) if 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and for these purposes, any Further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled or (c) upon the occurrence of a Tax Event or a Capital Disqualification Event that is continuing.

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Further, during periods when there is an increased likelihood, or perceived increased likelihood, that the Notes will be redeemed early, the market value of the Notes may be adversely affected.

If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether the events referred to above will occur and lead to circumstances in which the Issuer may elect to redeem the Notes, and if so whether or not the Issuer will satisfy the conditions, or elect, to redeem the Notes. The Issuer may be more likely to exercise its option to redeem the Notes in the period from (and including) 15 October 2030 to (and including) the Reset Date if the Issuer's funding costs would be lower than the prevailing interest rate payable in respect of the Notes. If the Notes are so redeemed, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Notes.

The Issuer may not be liable to pay certain taxes.

All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction (as at the date of these Admission Particulars, being the UK or any political subdivision or any authority thereof or therein having power to tax), unless the withholding or deduction is required by law. In that

event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject to certain customary exceptions) pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders in respect of payments of interest after the withholding or deduction shall equal the amounts which would have been receivable in respect of interest on the Notes in the absence of such withholding or deduction.

Potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the relevant Noteholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Notes, except as provided for in Condition 9.

In particular, the Notes do not provide for payments of principal to be grossed up in the event withholding tax of the Relevant Jurisdiction is imposed on repayments of principal. As such, the Issuer would not be required to pay any Additional Amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under the Notes and the market value of the Notes may be adversely affected.

The interest rate on the Notes will be reset on the Reset Date, which may affect the market value of the Notes.

The Notes will initially accrue interest at a fixed rate of interest to (but excluding) the Reset Date. From (and including) the Reset Date, however, the interest rate will be reset to the Reset Rate of Interest (as described in Condition 5). The Reset Rate of Interest could be less than the Initial Fixed Interest Rate, which could affect the amount of any interest payments under the Notes and so the market value of an investment in the Notes.

The Issuer may be substituted as principal debtor in respect of the Notes.

At any time, the Trustee may agree to the substitution in place of the Issuer as the principal debtor under the Notes of certain other entities, in each case subject to (i) the Issuer having obtained any requisite Supervisory Permission from the Competent Authority, (ii) the Trustee being satisfied that such substitution is not materially prejudicial to the interests of the Noteholders and (iii) to certain other conditions set out in the Trust Deed being complied with.

The terms of the Notes may be modified, or the Notes may be substituted, by the Issuer without the consent of the Noteholders in certain circumstances, subject to certain restrictions.

Following the occurrence of a Tax Event or a Capital Disqualification Event that is continuing, the Issuer may (subject to certain conditions) at any time substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or become (as applicable), Qualifying Tier 2 Securities, without the consent of the Noteholders.

Qualifying Tier 2 Securities must have terms not materially less favourable to holders than the terms of the Notes, as reasonably determined by the Issuer in consultation with an independent investment bank or financial advisor of international standing. However, there can be no assurance that, due to the particular circumstances of a holder of Notes, such Qualifying Tier 2 Securities will be as favourable to each investor in all respects or that, if it were entitled to do so, a particular investor would make the same determination as the Issuer as to whether the terms of the Qualifying Tier 2 Securities are not materially less favourable to holders than the terms of the Notes.

The Conditions and the Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions and the Trust Deed will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

In addition, the Trustee may agree, without the consent of the Noteholders, to make any modification to any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement that: (i) in the opinion of the Trustee, subject to the provisions of the Trust Deed, is not materially prejudicial to the interests of the Noteholders; or (ii) in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification shall be binding on the Noteholders.

Since the Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer.

The Notes will, upon issue, be represented by a Global Certificate that will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Notes are in global form, the payment obligations of the Issuer under the Notes will be discharged upon such payments being made by or on behalf of the Issuer to or to the order of the nominee for the common depositary. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the Notes. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Integral multiples of less than £100,000.

The denomination of the Notes will be £100,000 and integral multiples of £1,000 in excess thereof. Accordingly, it is possible that the Notes may be traded in the clearing systems in amounts in excess of £100,000 that are not integral multiples of £100,000. Should Certificates be required to be issued, they will be issued in principal amounts of £100,000 and higher integral multiples of £1,000 but will in no circumstances be issued to Noteholders who hold Notes in the relevant clearing system in amounts that are less than £100,000. Accordingly, any Noteholder who holds an amount which is less than £100,000 in principal amount of the Notes in its account with the relevant clearing system at the relevant time may not receive a Certificate (should Certificates be printed) in respect of such holding. Such a Noteholder would need to purchase a principal amount of Notes such that its holding amounts to £100,000 in order to receive a Certificate.

If Certificates are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

Change of law.

The Conditions will be governed by the laws of England. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of these Admission Particulars and any such change could materially adversely impact the value of any Notes affected by it. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes.

In addition, any changes in law or regulations that trigger a Tax Event or a Capital Disqualification Event would, subject to Condition 6(*b*), entitle the Issuer, at its option, to redeem all, but not some only of the Notes, as more particularly described under Conditions 6(*d*) and 6(*e*), respectively, or to substitute the Notes or vary the terms of the Notes so that they remain or become Qualifying Tier 2 Securities as provided under Condition 6(*f*).

Any such legislative and regulatory uncertainty could affect an investor's ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact on the Notes that one or more regulatory or legislative changes, including those described above, could have on the Notes.

Furthermore, the financial services industry continues to be the focus of significant regulatory change and scrutiny which may adversely affect the Group's business, financial performance, capital and risk management strategies. Such regulatory changes, and the resulting actions taken to address such regulatory changes, may have an adverse impact on the Group's performance and financial condition. It is not yet possible to predict the detail of such legislation or regulatory rulemaking or the ultimate consequences to the Group or the Noteholders, which could be material.

Noteholders agree to be bound by the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority.

In recognition of the resolution powers granted by law to the Relevant Resolution Authority, by acquiring the Notes, each Holder will acknowledge and accept that the amounts due in respect of the Notes may be subject to the exercise of UK Statutory Loss Absorption Powers and will acknowledge, accept, consent and agree to be bound by the effect of the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority, that may result in (i) the reduction of all, or a portion, of the amounts due in respect of the Notes; (ii) the conversion of all, or a portion, of the amounts due in respect of the Notes into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares or other securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes; (iii) the cancellation of the Notes or the amounts due in respect of the Notes; (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period. Each Noteholder will further acknowledge, accept, consent and agree to be bound by the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority.

Accordingly, UK Statutory Loss Absorption Powers may be exercised in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes, having payment on the Notes suspended for a period of time or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Relevant Resolution Authority may exercise UK Statutory Loss Absorption Powers without providing any advance notice to, or requiring the consent of, the Noteholders. In addition, under the Conditions, the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes is not a Default under the Notes or a breach or default thereunder, or an event of default or default for any purposes.

Risks related to the market generally

The secondary market generally.

The Notes represent a new security for which no secondary trading market currently exists and there can be no assurance that one will develop. If a market does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This will particularly be the case if Notes are issued to a single investor or a limited number of initial investors. Illiquidity may have a severely adverse effect on the market value of Notes.

If a market for the Notes does develop, the trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this risk factor, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Notes. Publicly traded bonds from time-to-time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them, and such volatility may be increased in an illiquid market. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition of the Issuer deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable to pay interest on the Notes in full, or of the Notes being subject to loss absorption under an applicable statutory loss absorption regime. In addition, the market price of the Notes may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer's control.

Any or all of such events could result in material fluctuations in the price of Notes which could lead to investors losing some or all of their investment.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them, or at a price that would provide it with a yield comparable to more conventional investments that have a developed secondary market.

Moreover, although the Issuer and any subsidiary of the Issuer can (subject to Supervisory Permission and compliance with prevailing Regulatory Capital Requirements, as described further at Condition 6(*b*)) purchase Notes at any time, they have no obligation to do so. Purchases made by the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

In addition, Noteholders should be aware of the prevailing credit market conditions (which continue at the date of these Admission Particulars), whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Although an application has been made for the Notes to be admitted to trading on the ISM, there is no assurance that such application will be accepted or that an active trading market will develop.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the

Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or sterling may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

Interest rate risks.

An investment in the Notes, which bear interest at a fixed rate (reset on the Reset Date), involves the risk that subsequent changes in market interest rates may adversely affect their value. The rate of interest will be reset on the Reset Date, and as such the reset rate is not pre-defined at the date of issue of the Notes; it may be different from the initial rate of interest and may adversely affect the yield of the Notes.

TERMS AND CONDITIONS OF THE NOTES

The following (excluding italicised paragraphs) is the text of the terms and conditions that, subject to completion and amendment, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Certificate.

The issue of the £55,000,000 8.125 per cent. Fixed Rate Reset Callable Subordinated Notes due January 2036 (the "**Notes**") of Hampshire Trust Bank Plc (the "**Issuer**") was authorised by a resolution of the Board of Directors of the Issuer passed on 22 September 2025 and a resolution of a sub-committee of the Board of Directors of the Issuer passed on 24 September 2025. The Notes are constituted by a trust deed (as amended and/or restated and/or supplemented from time to time, the "**Trust Deed**") dated 15 October 2025 between the Issuer and The Law Debenture Trust Corporation p.l.c. (the person or persons for the time being the trustee or trustees under the Trust Deed, the "**Trustee**") as trustee for the Holders (as defined below) of the Notes. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Notes. Copies of the Trust Deed and of the agency agreement (as amended and/or restated and/or supplemented from time to time, the "**Agency Agreement**") dated 15 October 2025 relating to the Notes between the Issuer, Citibank, N.A., London Branch as the initial principal paying agent (the person for the time being the principal paying agent under the Agency Agreement, the "**Principal Paying Agent**"), Citibank, N.A., London Branch as the initial agent bank (the person for the time being the agent bank under the Agency Agreement, the "**Agent Bank**"), Citibank, N.A., London Branch as the initial registrar (the person for the time being the registrar under the Agency Agreement, the "**Registrar**"), and the initial transfer agents named therein (the person(s) for the time being the transfer agent(s) under the Agency Agreement, the "**Transfer Agent(s)**" and, together with the Principal Paying Agent, the Agent Bank and the Registrar, the "**Agents**"), and the Trustee, are available for inspection by Holders by prior arrangement during usual business hours at the registered office of the Trustee (presently at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom) and at the specified offices of the Principal Paying Agent, the Registrar and each of the Transfer Agents or may be provided by email to a Holder requesting a copy subject to the Principal Paying Agent, the Registrar and each of the Transfer Agents (as applicable) being supplied by the Issuer with electronic copies and provision of proof of holding and identity from the Holder (in a form satisfactory to the relevant Agent or the Trustee as applicable). The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1 Form, Denomination and Title

(a) Form and Denomination

The Notes are in registered form and denominated and transferable in minimum principal amounts of £100,000 and integral multiples of £1,000 in excess thereof.

The Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2*(a)*, each Certificate shall represent the entire holding of Notes by the same Holder. Each Certificate shall be numbered serially with an identifying number which shall be recorded on the relevant Certificate and in the Register (as defined below).

(b) Title

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Note shall be deemed to be and may be treated as its absolute owner for

all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

In these Conditions, "**Noteholder**" or "**Holder**" means the person in whose name a Note is registered in the Register.

2 Transfers of Notes

(a) Transfer

A holding of Notes may, subject to Condition 2*(d)*, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a Noteholder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries in the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(b) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2*(a)* shall be available for delivery within three business days of receipt of a duly completed and executed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate(s) shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate(s) to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2*(b)*, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) Transfer Free of Charge

Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment by the transferring Noteholder of an amount sufficient to cover any stamp tax, duty or other governmental charges that may

be imposed in relation to the registration of such transfer (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(d) **Closed Periods**

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6*(c)*, (iii) after the Notes have been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

3 Status

The Notes constitute direct and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of Holders in respect of, or arising under, their Notes (including any damages awarded for breach of obligations in respect thereof) are subordinated as described in Condition 4.

4 Subordination

(a) **Winding-Up**

If a Winding-Up occurs, the rights and claims of the Holders (and of the Trustee on their behalf) against the Issuer in respect of, or arising under, each Note shall be for (in lieu of any other payment by the Issuer) an amount equal to the principal amount of the relevant Note, together with, to the extent not otherwise included within the foregoing, any other amounts attributable to such Note, including any accrued and unpaid interest thereon and any damages awarded for breach of any obligations in respect thereof, provided however that such rights and claims shall be subordinated as provided in this Condition 4*(a)* and in the Trust Deed to the claims of all Senior Creditors but shall rank (i) at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and (ii) in priority to (x) the claims of holders of all undated or perpetual subordinated obligations of the Issuer and any other obligations of the Issuer which rank or are expressed to rank junior to the Notes (including all subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital) and (y) the claims of holders of all classes of share capital of the Issuer.

(b) **Set-off**

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, netting, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes or the Trust Deed and each Holder shall, by virtue of its holding of any Note, be deemed, to the extent permitted under applicable law, to have waived all such rights of set-off, netting, counterclaim, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, netting, counterclaim, compensation or retention, such Holder

shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

(c) **Trustee**

Nothing contained in these Conditions or the Trust Deed shall in any way restrict the right of the Issuer to create, issue, incur, give or assume obligations or guarantees of obligations ranking in priority to, or *pari passu* with, or junior to, the obligations of the Issuer in respect of the Notes and if in the opinion of the Trustee any modification to the relevant provisions of the Trust Deed to permit such ranking is necessary or expedient the Trustee is hereby authorised without any consent or sanction of the Noteholders to concur with the Issuer in executing a supplemental trust deed effecting such modification.

5 Interest Payments

(a) **Interest Rate**

The Notes bear interest at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 5.

Interest shall, subject as provided in this Condition 5, be payable on the Notes in equal instalments semi-annually in arrear on each Interest Payment Date save that the first payment of interest, to be made on 15 January 2026, will be in an amount of £20.31 per Calculation Amount in respect of the period from (and including) the Issue Date to (but excluding) 15 January 2026, representing a short first interest period.

Where it is necessary to compute an amount of interest in respect of any Note, the relevant day-count fraction shall be determined on the basis of the number of days in the relevant period, from (and including) the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the date on which it falls due, divided by the product of (1) the actual number of days from (and including) the Accrual Date (or, in respect of any period prior to the first Interest Payment Date, from (and including) 15 July 2025) to (but excluding) the next following Interest Payment Date and (2) the number of Interest Periods normally ending in any year.

(b) **Interest Accrual**

The Notes will cease to bear interest from (and including) the due date for redemption thereof pursuant to Condition 6*(a)*, *(c), (d)* or *(e)* or the date of substitution thereof pursuant to Condition 6*(f)*, as the case may be, unless, upon surrender of the Certificate representing any Note, payment of all amounts due in respect of such Note is not properly and duly made, in which event interest shall continue to accrue on the Notes, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date. Interest in respect of any Note shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 5*(a)*

for the relevant period, rounding the resultant figure to the nearest penny (half a penny being rounded upwards). The amount of interest payable in respect of each Note, is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Note.

(c) **Initial Fixed Interest Rate**

For the Initial Fixed Rate Interest Period, the Notes bear interest at the rate of 8.125 per cent. per annum (the "**Initial Fixed Interest Rate**").

(d) **Reset Rate of Interest**

The Interest Rate will be reset (the "**Reset Rate of Interest**") in accordance with this Condition 5 on the Reset Date. The Reset Rate of Interest will be determined by the Agent Bank on the Reset Determination Date as the sum of the Reset Reference Rate and the Margin.

(e) **Determination of Reset Rate of Interest**

The Agent Bank will, as soon as practicable after 11.00 a.m. (London time) on the Reset Determination Date, subject to (where applicable) receipt from the Issuer of the bid and offered yield of the Benchmark Gilt as provided by the Reset Reference Banks and/or as determined by or on behalf of the Issuer, determine the Reset Rate of Interest in respect of the Reset Period. The determination of the Reset Rate of Interest by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(f) **Publication of Reset Rate of Interest**

The Agent Bank shall cause notice of the Reset Rate of Interest determined in accordance with this Condition 5 in respect of the Reset Period to be given to the Trustee, the Principal Paying Agent, the Registrar, each of the Transfer Agents, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 14, the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

If the Notes become due and payable pursuant to Condition 8*(a)*, the accrued interest per Calculation Amount and the Reset Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 5 but no publication of the Reset Rate of Interest need be made unless the Trustee otherwise requires.

(g) **Agent Bank**

The Issuer will, for so long as the Notes are outstanding, maintain an Agent Bank.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Agent Bank with another leading investment, merchant or commercial bank or financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Reset Rate of Interest in respect of the Reset Period as provided in Condition 5*(d)*, the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in London approved in

writing by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) **Determinations of Agent Bank Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Agent Bank, shall (in the absence of manifest error) be binding on the Issuer, the Agent Bank, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agents and all Holders and (in the absence of wilful default or gross negligence) no liability to the Holders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

6 Redemption, Substitution, Variation and Purchase

(a) **Final Redemption**

Unless previously redeemed, purchased and cancelled or (pursuant to Condition 6*(f)*) substituted, the Notes will be redeemed at their principal amount, together with accrued and unpaid interest on 15 January 2036 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) **Conditions to Redemption, Substitution, Variation and Purchase**

Any redemption or purchase of the Notes or substitution or variation of the terms of the Notes, in each case in accordance with Conditions 6*(c)*, *(d), (e)*, *(f)* or *(g)* is subject to (in each case if and to the extent required by the Regulatory Capital Requirements at the relevant time):

(i) the Issuer obtaining prior Supervisory Permission therefor;

(ii) in the case of any redemption or purchase of the Notes (other than any purchase or redemption prior to the fifth anniversary of the Reference Date pursuant to Condition 6*(g)* or Condition 6(*c*)*(ii)* respectively) prior to the Maturity Date, either: (A) the Issuer having replaced (or, on or before the relevant redemption or purchase date, replacing) the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds and, as applicable, eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any applicable buffer requirements) by a margin (calculated in accordance with prevailing Regulatory Capital Requirements) that the Competent Authority considers necessary at such time; and

(iii) in the case of any redemption prior to the fifth anniversary of the Reference Date, (A) in the case of redemption upon a Tax Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable by the Issuer as at the Reference Date, or (B) in the case of redemption upon the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably

foreseeable by the Issuer as at the Reference Date and the Competent Authority considering such change to be sufficiently certain; and

(iv) in the case of a purchase or redemption of the Notes prior to the fifth anniversary of the Reference Date pursuant to Condition 6*(g)* or Condition 6*(c)(ii)* respectively, either (i) the Issuer having, before or at the same time as such purchase, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (ii) in the case of a purchase pursuant to Condition 6*(g)* the relevant Notes being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements.

Any refusal by the Competent Authority to give its Supervisory Permission as contemplated above shall not constitute a default for any purpose.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Regulatory Capital Requirements permit the redemption, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6*(b)*, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 6 (other than redemption pursuant to Condition 6*(c)(i)*), the Issuer shall deliver to the Trustee (i) a certificate signed by two Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the terms of the relevant Qualifying Tier 2 Securities comply with the definition thereof in Condition 19 and (ii) in the case of a redemption pursuant to Condition 6*(d)* only, an opinion from a nationally recognised law firm or other tax adviser in the UK experienced in such matters to the effect that the relevant requirement or circumstance referred to in any of paragraphs (i) to (v) (inclusive) of the definition of "Tax Event" applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it) and the Trustee shall be entitled to treat and accept (and if so treated and accepted by the Trustee, shall be so treated and accepted by the Holders) such certificate (without further enquiry and without Liability to the Holders or any other person) and, where applicable, opinion as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Holders.

(c) **Issuer's Call Options**

(i) Subject to Condition 6(b), the Issuer may, by giving not less than 15 nor more than 60 days' notice to the Holders (in accordance with Condition 14), the Trustee, the Registrar and the Principal Paying Agent (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem all, but not some only, of the Notes at any time from (and including) 15 October 2030 (the "**First Call Date**") to (and including) the Reset Date at their principal amount, together with any unpaid interest

accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(ii) If, prior to giving the notice referred to below in this Condition 6(c)(ii), 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, then the Issuer may, subject to Condition 6(b), and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 14, the Trustee, the Registrar and the Principal Paying Agent (which notice shall be irrevocable and shall specify the date fixed for redemption) elect to redeem at any time all, but not some only, of the Notes at their principal amount, together with any unpaid interest accrued thereon to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(d) **Redemption Due to Taxation**

If, prior to the giving of the notice referred to in this Condition 6*(d)*, a Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 6*(b)* and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 14, the Trustee, the Registrar and the Principal Paying Agent (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any unpaid interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(e) **Redemption for Regulatory Purposes**

If, prior to the giving of the notice referred to in this Condition 6*(e)*, a Capital Disqualification Event has occurred and is continuing, then the Issuer may, subject to Condition 6*(b)* and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 14 the Trustee, the Registrar and the Principal Paying Agent (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any unpaid interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(f) **Substitution or Variation**

If a Tax Event or a Capital Disqualification Event has occurred and is continuing, then the Issuer may, subject to Condition 6*(b)* and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 14, the Trustee, the Registrar and the Principal Paying Agent (which notice shall be irrevocable and shall specify the date fixed for substitution or variation, as the case may be, of the Notes) but without any requirement for the consent or approval of the Holders, at any time (whether before or following the Reset Date) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities, and the Trustee shall (subject to the following provisions of this Condition 6*(f)* and subject to the receipt by it of the certificates of the Authorised Signatories and any applicable opinion

referred to in Condition 6*(b)* above and in the definition of Qualifying Tier 2 Securities) agree to such substitution or variation provided that such substitution or variation does not itself give rise to a right of the Issuer to redeem the varied or, as the case may be, substituted Notes. Upon the expiry of such notice, the Issuer shall either vary the terms of or substitute the Notes in accordance with this Condition 6*(f)*, as the case may be. The Trustee shall use its reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Tier 2 Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Qualifying Tier 2 Securities or the participation in or assistance with such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or expose it to additional liabilities or reduce its rights or protections. If, notwithstanding the above, the Trustee does not participate or assist as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in, as appropriate, Condition 6*(d)* or *(e)*.

In connection with any substitution or variation in accordance with this Condition 6*(f)*, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(g) **Purchases**

The Issuer and any of its Subsidiaries may, subject to Condition 6*(b)*, in those circumstances permitted by Regulatory Capital Requirements, purchase, hold or otherwise acquire, or procure others to purchase, hold or otherwise acquire beneficially for its account, Notes in any manner and at any price. The Notes so purchased, held or acquired, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of, *inter alia*, calculating quorums at meetings of the Noteholders or for the purposes of Condition 8*(c)*. No purchase of any Notes from any Holder may occur without the consent of such Holder.

(h) **Cancellation**

All Notes redeemed or substituted by the Issuer pursuant to this Condition 6 will forthwith be cancelled. All Notes held or purchased by or on behalf of the Issuer or any of its Subsidiaries may, at the option of the Issuer or such Subsidiary and subject to obtaining any Supervisory Permission therefor, be held, reissued, resold or surrendered for cancellation to the Registrar. Notes so surrendered shall be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(i) **Trustee Not Obliged to Monitor**

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 6 and will not be responsible to Holders for any loss arising from any failure by it to do so. Unless and until the Trustee has actual written notice of the occurrence of any event or circumstance within this Condition 6, it shall be entitled to assume that no such event or circumstance exists. The Trustee shall be entitled to

rely without further investigation and without liability as aforesaid on any certificate or opinion delivered to it in connection with this Condition 6.

7 Payments

(a) Method of Payment

(i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) in like manner as provided for payments of interest in paragraph (ii) below.

(ii) Interest on each Note shall be paid to the person shown in the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in pounds sterling by transfer to a pounds sterling account maintained by the payee with a bank in London.

(b) Payments Subject to Laws

Save as provided in Condition 9, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or regulations to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) Payments on Business Days

Payment is to be made by transfer to an account in pounds sterling, and payment instructions (for value the due date, or if that date is not a Business Day, for value the first following day which is a Business Day) will be initiated on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and following the date on which the relevant Certificate is surrendered.

(d) Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Business Day or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so).

8 Default

(a) Default

Subject to Condition 8(c), if the Issuer shall not make payment in respect of the Notes (in the case of payment of principal) for a period of seven days or more or (in the case of any interest payment or any other amount in respect of the Notes) for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in default (a "**Default**") under the Trust Deed and the Notes and the Trustee in its discretion may, or (subject to Condition 8*(c)*) if so requested by an Extraordinary Resolution

of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Notes then outstanding shall, notwithstanding the provisions of Condition 8*(b)*, institute proceedings for the winding-up of the Issuer.

In the event of a Winding-Up of the Issuer (whether or not instituted by the Trustee pursuant to the foregoing), the Trustee in its discretion may, or (subject to Condition 8*(c)*) if so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Notes then outstanding shall, prove and/or claim in such Winding-Up of the Issuer, such claim being as contemplated in Condition 4*(a)*.

(b) **Enforcement**

Without prejudice to Condition 8*(a)*, but subject to Condition 8(c), the Trustee may at its discretion and without notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions and the Trust Deed. Nothing in this Condition 8*(b)* shall, however, prevent the Trustee instituting proceedings for the winding-up of the Issuer and/or proving and/or claiming in any Winding-Up of the Issuer in respect of any payment obligations of the Issuer arising from the Notes or the Trust Deed (including any damages awarded for breach of any obligations) in the circumstances provided in Conditions 4*(a)* and 8*(a)*.

(c) **Entitlement of Trustee**

The Trustee shall not be bound to take any of the actions referred to in Condition 8*(a)* or *(b)* above against the Issuer to enforce the terms of the Trust Deed or the Notes or any other action under or pursuant to the Trust Deed unless (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(d) **Right of Holders**

No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer or prove or claim in any Winding-Up of the Issuer unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails or is unable to do so within 120 days and such failure or inability shall be continuing, in which case the Holder shall, with respect to the Notes held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Notes as set out in this Condition 8.

(e) **Extent of Holders' Remedy**

No remedy against the Issuer, other than as referred to in this Condition 8, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the

Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or under the Trust Deed.

9 Taxation

All payments of principal, interest and any other amount by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders of such amounts as would have been receivable by them in respect of payments of interest had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

(a) held by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of having some connection with the Relevant Jurisdiction otherwise than mere holding of such Note or by the mere receipt of amounts in respect of such Note; or

(b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring that any third party complies with, any statutory requirements or by making or procuring that any third party makes, a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Certificate representing the Note is presented for payment; or

(c) in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

References in these Conditions to interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings or covenants given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Notwithstanding any other provision of the Trust Deed, all payments of principal, interest and any other amount by or on behalf of the Issuer in respect of the Notes shall be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, regulations, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

10 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Meetings of Holders, Modification, Waiver and Substitution

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings (including by way of audio or video conference) of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) if directed in writing by Holders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Conditions (including, *inter alia*, the provisions regarding subordination referred to in Conditions 3 and 4, the terms concerning currency and due dates for payment of principal or interest payments in respect of the Notes and reducing or cancelling the principal amount of, or interest on, any Notes or varying the method of calculating the Interest Rate) and certain other provisions of the Trust Deed the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Notes for the time being outstanding. The agreement or approval of the Holders shall not be required in the case of any variation of these Conditions and/or the Trust Deed required to be made in the circumstances described in Condition 6*(f)* in connection with the variation of the terms of the Notes so that they become, alternative Qualifying Tier 2 Securities, and to which the Trustee has agreed pursuant to the relevant provisions of Condition 6*(f)*.

An Extraordinary Resolution passed at any meeting of Holders will be binding on all Holders, whether or not they are present (which, for these purposes, includes attendance via audio or video conference) at the meeting.

The Trust Deed provides that: (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding or (ii) consent given by way of electronic consents through the Relevant Clearing System(s) (in a form satisfactory to the Trustee) by or on behalf of the holder(s) of not less than 75 per cent. in principal amount of the Notes for the time being outstanding, shall in each case and for all purposes, be effective as an Extraordinary Resolution passed at a meeting of the Holders duly convened and held. Any resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) Modification of the Trust Deed and Conditions

The Trustee may concur with the Issuer to agree, without the consent of the Holders, to (i) any modification of these Conditions or of any other provisions of the Trust Deed or the Agency Agreement which in its opinion is of a formal, minor or technical nature or is made

to correct a manifest error, and (ii) any other modification to (except in relation to any modification referenced in the proviso to paragraph 3 of Schedule 3 of the Trust Deed), and any waiver or authorisation of any breach or proposed breach of, any of these Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. The Trustee may, without the consent of the Holders, determine that any Default should not be treated as such, provided that, in the opinion of the Trustee, the interests of Holders are not materially prejudiced thereby.

Any such modification, authorisation or waiver shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable. No modification to these Conditions or any other provisions of the Trust Deed shall become effective unless (if and to the extent required at the relevant time by the Competent Authority) the Issuer shall have given at least 30 days' prior written notice thereof to, and received Supervisory Permission therefor from, the Competent Authority (or such other period of notice as the Competent Authority may from time to time require or accept and, in any event, provided that there is a requirement to give such notice and obtain such Supervisory Permission).

(c) **Substitution**

The Trust Deed contains provisions permitting the Trustee, subject to the Issuer giving at least 30 days' prior written notice thereof to, and receiving Supervisory Permission therefor from, the Competent Authority (or such other period of notice as the Competent Authority may from time to time require or accept and, in any event, provided that there is a requirement to give such notice and obtain such Supervisory Permission) to agree, subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced by the substitution and subject to such amendments to the Trust Deed and such other conditions as the Trustee may require or as more fully described in the Trust Deed but without the consent of the Holders, to the substitution on a subordinated basis equivalent to that referred to in Conditions 3 and 4 of certain other entities (any such entity, a "**Substitute Obligor**") in place of the Issuer (or any previous Substitute Obligor under this Condition) as a new principal debtor under the Trust Deed and the Notes.

(d) **Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(e) **Notices**

Any such modification, waiver, authorisation, determination or substitution shall be binding on all Holders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Holders in accordance with Condition 14 as soon as practicable thereafter.

12 Replacement of the Notes

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 Rights of the Trustee

The Trust Deed contains provisions for the indemnification of, and/or the provision of security for, and/or pre-funding of, the Trustee and for its relief from responsibility.

The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Holders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise.

Conditions 3 and 4 apply only to amounts payable in respect of the Notes and nothing in Conditions 3, 4 or 8 shall affect or prejudice the payment of the costs (including legal fees), charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

The Trustee shall not be liable to the Issuer, the Holder or any other persons for any consequences of any application of UK Statutory Loss Absorption Powers (as provided in Condition 17(c) below) in respect of the Issuer or any of its Subsidiaries or affiliates or any Notes and shall not be required to take any action in connection therewith that would, in the Trustee's opinion, expose the Trustee to any Liability unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction; provided that nothing in this paragraph shall prevent any application of UK Statutory Loss Absorption Powers in respect of the Issuer or any of its Subsidiaries or affiliates or any Notes from taking effect.

14 Notices

Notices required to be given to the Holders pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the first weekday (being a day other than a Saturday or Sunday) after the date of mailing. The Issuer shall also ensure that all such notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders, but subject to any Supervisory Permission required, create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and

forming a single series with the Notes. Any further securities forming a single series with the Notes then outstanding shall be constituted by the Trust Deed or a deed supplemental to it.

16 Agents

The initial Principal Paying Agent, the Registrar and the Transfer Agents and their initial specified offices are listed below. They act solely as agents of the Issuer or the Trustee (as applicable) and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar and the Transfer Agents and to appoint replacement agents as additional or other Transfer Agents, provided that it will at all times maintain a Principal Paying Agent, a Registrar and a Transfer Agent.

The Issuer undertakes, whenever a function expressed in these Conditions to be performed by the Agent Bank falls to be performed, to appoint and (for so long as such function is required to be performed) maintain an Agent Bank.

Notice of any such termination or appointment and of any change in the specified offices of the Agents will be given to the Holders in accordance with Condition 14. If any of the Agent Bank, Registrar or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Agent Bank, Registrar or the Principal Paying Agent in relation to the Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Agent Bank, the Registrar, the Principal Paying Agent and the Holders.

17 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Notes or in relation to any non-contractual obligations arising in relation thereto and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Notes (including any legal action or proceedings relating to non-contractual obligations arising out of or in connection with them) ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England in respect of any such Proceedings.

Nothing in this Condition 17 prevents the Trustee or any Holder from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee and the Holders may take Proceedings (whether concurrent or not) in any number of jurisdictions.

(c) **Acknowledgement of UK Statutory Loss Absorption Powers**

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 17*(c)*, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Holder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(i) the effect of the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

(A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(C) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(D) the amendment or alteration of the Maturity Date of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority.

No repayment or payment of Relevant Amounts in respect of the Notes will become due and payable or be paid after the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Neither a reduction or cancellation, in part or in full, of the Relevant Amounts, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of the UK Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes will be a Default.

Upon the exercise of the UK Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Holders in accordance with Condition 14 as soon as practicable regarding such exercise of the UK Statutory Loss Absorption Powers. The Issuer will also deliver a copy of such notice to the

Trustee for information purposes. Any failure to deliver the notice in accordance with this paragraph will not affect the validity or enforceability of the UK Statutory Loss Absorption Powers.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999.

19 Definitions

In these Conditions:

"**Additional Amounts**" has the meaning given to it in Condition 9;

"**Agency Agreement**" has the meaning given to it in the preamble to these Conditions;

"**Agent Bank**" has the meaning given to it in the preamble to these Conditions;

"**Agents**" has the meaning given to it in the preamble to these Conditions;

"**Authorised Signatories**" means any two authorised signatories of the Issuer in accordance with the Trust Deed;

"**Business Day**" for the purposes of Condition 7, means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and where payment is to be made by transfer to an account maintained with a bank in pounds sterling, on which foreign exchange transactions may be carried on in pounds sterling in London and otherwise for these Conditions means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London;

"**Calculation Amount**" means £1,000 in principal amount;

A "**Capital Disqualification Event**" shall occur if the Issuer determines that there is a change (which has occurred or which is pending) in the regulatory classification of the Notes which becomes effective after the Reference Date and that results, or would be likely to result, in some of or the entire principal amount of the Notes ceasing to be included in the Tier 2 Capital of the Issuer or the Group and for the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the CRR (or any equivalent or successor provision) shall not comprise a Capital Disqualification Event;

"**Competent Authority**" means the Prudential Regulation Authority or such other or successor authority having primary supervisory authority with respect to prudential matters concerning the Issuer and/or the Group;

"**Conditions**" means these terms and conditions of the Notes, as amended from time to time;

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No. 648/2012 as amended and as it forms part of domestic law by virtue of the EUWA and as amended or replaced from time to time;

"**Directors**" means the directors of the Issuer;

"**EUWA**" means the European Union (Withdrawal) Act 2018 (as amended);

"**Group**" means the Issuer and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements) of which the Issuer is part from time to time;

"**Holder**" has the meaning given to it in Condition 1;

"**Initial Fixed Interest Rate**" has the meaning given to it in Condition 5*(c)*;

"**Initial Fixed Rate Interest Period**" means the period from (and including) the Issue Date to (but excluding) the Reset Date;

"**Interest Payment Date**" means 15 January and 15 July in each year, starting on (and including) 15 January 2026;

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"**Interest Rate**" means the Initial Fixed Interest Rate and/or the Reset Rate of Interest, as the case may be;

"**ISM**" means the International Securities Market of the London Stock Exchange plc;

"**Issue Date**" means 15 October 2025, being the date of the initial issue of the Notes;

"**Liability**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, fee, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any amount in respect of irrecoverable value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

"**Margin**" means 3.997 per cent.;

"**Maturity Date**" has the meaning given to it in Condition 6*(a)*;

"**Noteholder**" has the meaning given to it in Condition 1;

"**Notes**" has the meaning given to it in the preamble to these Conditions;

"**own funds instruments**" has the meaning given to it in the CRR;

"**pounds sterling**" or "**pence**" means the lawful currency of the United Kingdom;

"**Principal Paying Agent**" has the meaning given to it in the preamble to these Conditions;

"**Qualifying Tier 2 Securities**" means securities issued directly by the Issuer that:

(a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer), and provided that a certification to such effect (including as to such consultation) of two Authorised Signatories shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without further enquiry and without Liability to the Holders or any other person) prior to the issue or, as appropriate, variation of the relevant securities), and,

subject thereto, which (1) contain terms which comply with the then current requirements of the Competent Authority in relation to Tier 2 Capital; (2) include terms which provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Notes and do not provide for interest cancellation or deferral (provided that this paragraph (2) shall not preclude the inclusion of any provision analogous to Condition 17(c)); (3) rank *pari passu* with the ranking of the Notes; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption and (5) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been paid; and

(b) are (i) admitted to trading on the ISM or (ii) admitted to trading on another multilateral trading facility operated by a regulated recognised stock exchange within the meaning of section 987 of the United Kingdom Income Tax Act 2007 (as the same may be amended from time to time and any provision, statute or statutory instrument replacement the same from time to time) as selected by the Issuer and approved by the Trustee, such approval not to be unreasonably withheld or delayed or (iii) listed on a Recognised Stock Exchange at that time as selected by the Issuer and approved by the Trustee, such approval not to be unreasonably withheld or delayed;

"**Recognised Stock Exchange**" means a recognised stock exchange as defined in section 1005 of the United Kingdom Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

"**Record Date**" has the meaning given to it in Condition 7*(a)(ii)*;

"**Reference Date**" means the later of (i) the Issue Date and (ii) the latest date (if any) on which any further Notes have been issued pursuant to Condition 15;

"**Register**" has the meaning given to it in Condition 1*(b)*;

"**Registrar**" has the meaning given to it in the preamble to these Conditions;

"**Regulatory Capital Requirements**" means, at any time, any requirement contained in the laws, regulations, requirements, guidelines and policies of the (i) Competent Authority (whether or not having the force of law) and/or (ii) the United Kingdom, in each case relating to capital adequacy, leverage, minimum requirement for own funds and eligible liabilities and prudential (including resolution) supervision and applicable to the Issuer and/or the Group;

"**Relevant Amounts**" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and Additional Amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority;

"**Relevant Date**" means (i) in respect of any payment other than a sum to be paid by the Issuer in a Winding-Up of the Issuer, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment

is in fact made upon such surrender, and (ii) in respect of a sum to be paid by the Issuer in a Winding-Up of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

"**Relevant Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and/or interest on the Notes;

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any UK Statutory Loss Absorption Powers in relation to the Issuer;

"**Reset Date**" means 15 January 2031;

"**Reset Determination Date**" means the day falling two Business Days prior to the Reset Date;

"**Reset Period**" means the period from (and including) the Reset Date to (but excluding) the Maturity Date;

"**Reset Rate of Interest**" has the meaning given to it in Condition 5*(d)*;

"**Reset Reference Banks**" means five brokers of gilts and/or gilt-edged market makers selected by the Issuer;

"**Reset Reference Rate**" means in respect of the Reset Period, the percentage rate (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined by the Agent Bank on the basis of the Gilt Yield Quotations (which quotations are calculated by the Agent Bank using the bid and offered yields of the Benchmark Gilt provided (upon request by the Issuer) by the Reset Reference Banks to the Issuer at approximately 11.00 a.m. (London time) on the Reset Determination Date in respect of the Reset Period). If at least four Gilt Yield Quotations are determined, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of such Gilt Yield Quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three Gilt Yield Quotations are determined, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of the Gilt Yield Quotations. If only one Gilt Yield Quotation is determined, the Reset Reference Rate will be determined by reference to the rounded Gilt Yield Quotation. If no Gilt Yield Quotations are determined, the Reset Reference Rate will be 4.041 per cent, where:

"**Benchmark Gilt**" means, in respect of the Reset Period, such United Kingdom government security customarily used in the pricing of new issues with a similar tenor having a maturity date on or about the Maturity Date as selected by the Issuer on the advice of an investment bank of international repute; and

"**Gilt Yield Quotations**" means, with respect to a Reset Reference Bank and the Reset Period, the arithmetic mean (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) as determined by the Agent Bank of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of the Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank;

"**Senior Creditors**" means (i) creditors of the Issuer who are unsubordinated creditors of the Issuer; and (ii) creditors of the Issuer whose claims are or are expressed to be subordinated to the claims of other creditors of the Issuer (other than those whose claims are in respect of obligations which constitute, or would but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital or Tier 2 Capital or whose claims rank or are expressed to rank *pari passu* with, or junior to, the claims of Holders in respect of the Notes);

"**Subsidiary**" means each subsidiary undertaking (as defined under section 1159 of the Companies Act 2006) for the time being of the Issuer;

"**Substitute Obligor**" has the meaning given to it in Condition 11*(c)*;

"**Supervisory Permission**" means, in relation to any action, such supervisory permission (or, as appropriate, waiver) as is required therefor under the prevailing Regulatory Capital Requirements (if any);

A "**Tax Event**" will be deemed to have occurred if the Issuer determines that, as a result of a Tax Law Change:

(i) in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts;

(ii) the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of any payments in respect of the Notes (or its corresponding funding costs as recognised in the Issuer's financial statements) in computing its taxation liabilities or the amount or value of such deduction to the Issuer is materially reduced;

(iii) the Notes are, or will be, prevented from being treated as loan relationships for United Kingdom tax purposes; or

(iv) as a result of the Notes being in issue, the Issuer is not, or will not be, able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which it is or would otherwise be grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Issue Date of the Notes or any similar system or systems having like effect as may from time to time exist),

and, in any such case, the Issuer could not avoid the foregoing by taking measures reasonably available to it;

"**Tax Law Change**" means a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which such Relevant Jurisdiction is a party, or any change in the application of such laws by a decision of any court or tribunal that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions, which change or amendment (in each case) (a) (subject to be (b)) becomes effective on or after the Reference Date; or (b) in the case of a change in law, is enacted by United Kingdom Act of Parliament, or implemented by a statutory instrument that is enacted or issued, on or after the Reference Date;

"**Tier 1 Capital**" has the meaning given to it from time to time by the Competent Authority or the applicable prudential rules;

"**Tier 2 Capital**" has the meaning given to it from time to time by the Competent Authority or the applicable prudential rules;

"**Transfer Agent**" has the meaning given to it in the preamble to these Conditions;

"**Trust Deed**" has the meaning given to it in the preamble to these Conditions;

"**Trustee**" has the meaning given to it in the preamble to these Conditions;

"**UK Statutory Loss Absorption Powers**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the United Kingdom, relating to (i) Part 1 of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks or other financial institutions, as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, transferred or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

"**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland; and

"**Winding-Up**" means:

(i) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation, the terms of which reorganisation, reconstruction or amalgamation have previously been approved in writing by the Trustee or an Extraordinary Resolution and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions);

(ii) following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend; or

(iii) liquidation or dissolution of the Issuer or any procedure similar to that described in paragraph (i) or (ii) of this definition is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009 (as amended).

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL CERTIFICATE

Words and expressions defined in the Conditions or elsewhere in these Admission Particulars have the same meanings in this section. The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System.

The following is a summary of the provisions to be contained in the Trust Deed and in the Global Certificate which will apply to, and in some cases modify the effect of, the Conditions while the Notes are represented by the Global Certificate:

Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") and may be delivered on or prior to the original issue date of the Notes.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Security for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

Exchange of the Global Certificate

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the Relevant Clearing System.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(a) may only be made in part:

(i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg and either such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) upon or following any failure to pay principal or interest in respect of any Notes when it is due and payable,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the holder of the Notes represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer. Where the holding of Notes represented by the Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg and/or Euroclear.

Calculation of Interest

For so long as all of the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, interest shall be calculated on the basis of the aggregate principal amount of the Notes represented by the Global Certificate, and not per Calculation Amount as provided in Condition 5.

Payments

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which (notwithstanding Condition 7) shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

Notices

For so long as the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, notices may be given to the Noteholders by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to their respective accountholders in substitution for publication as required by the Conditions. Any notice shall be deemed to have been given on the date of delivery or publication which, in the case of communication through Euroclear and Clearstream, Luxembourg, shall mean the date on which the notice is delivered to Euroclear and Clearstream, Luxembourg.

Prescription

Claims against the Issuer in respect of any amounts payable in respect of the Notes represented by the Global Certificate will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the due date.

Meetings

For the purposes of any meeting of the Noteholders, the holder of the Notes represented by the Global Certificate shall be treated as being entitled to one vote in respect of each £1.00 in principal amount of the Notes.

Written Resolution and Electronic Consent

For so long as the Notes are in the form of a Global Certificate registered in the name of any nominee for one or more of Euroclear and Clearstream, Luxembourg or another clearing system, then, in respect of any resolution proposed by the Issuer or the Trustee:

(i) where the terms of the proposed resolution have been notified to the Noteholder through the Relevant Clearing System(s), each of the Issuer and the Trustee shall be entitled to rely upon

approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the Relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding ("**Electronic Consent**"). None of the Issuer or the Trustee shall be liable or responsible to anyone for such reliance; and

(ii) where Electronic Consent is not being sought, for the purpose of determining whether a written resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system(s) with entitlements to such Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**Relevant Clearing System**") and, in the case of (b) above, the Relevant Clearing System and the accountholder identified by the Relevant Clearing System for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the Relevant Clearing System (including Euroclear's EasyWay or Clearstream, Luxembourg's Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Euroclear and Clearstream, Luxembourg

References in the Global Certificate and this summary to Euroclear and Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved for the purposes of the Notes by the Trustee and the Registrar.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Group for general corporate purposes of the Group (which may include refinancing purposes) and to further strengthen the Group's regulatory capital base.

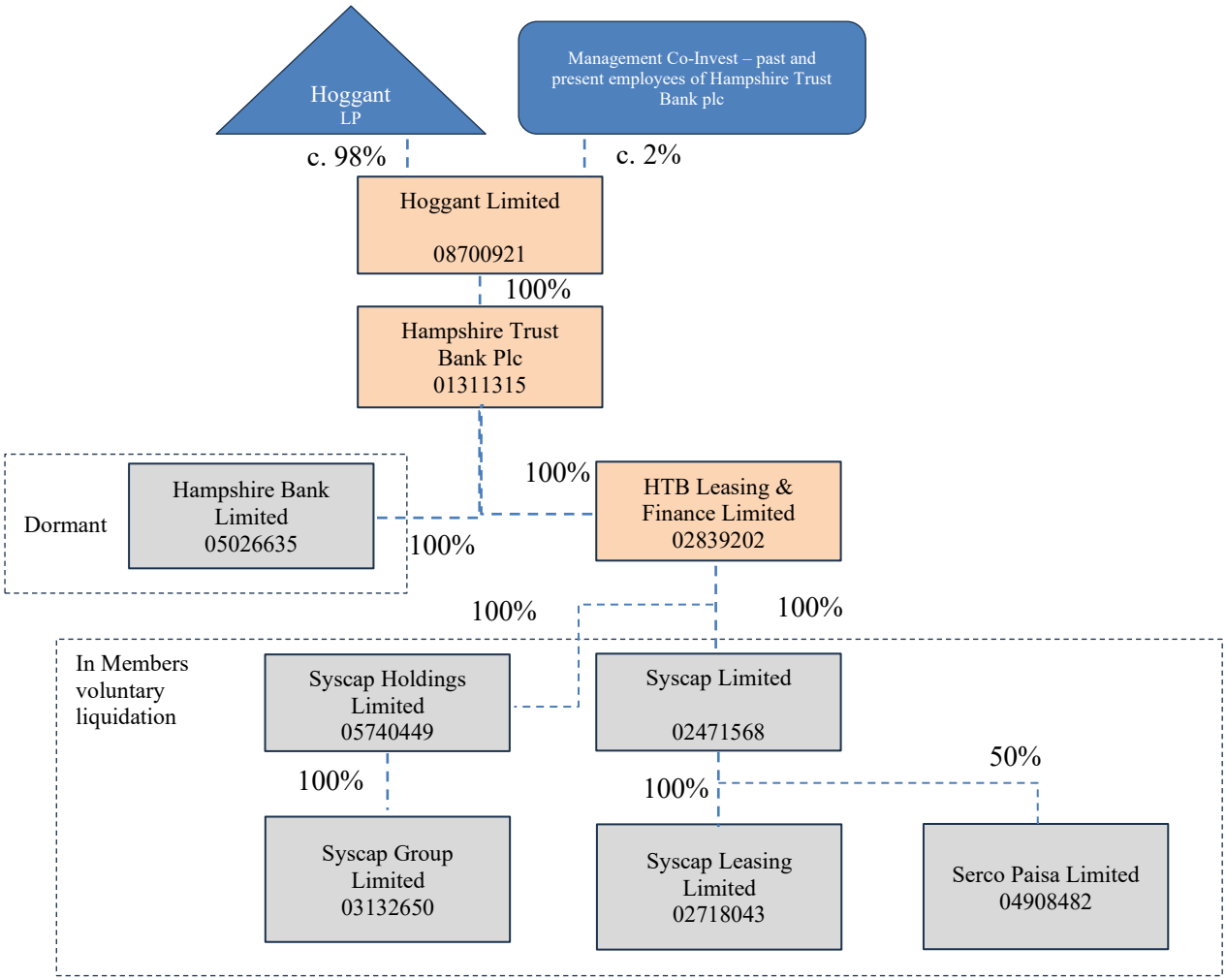
HAMPSHIRE TRUST BANK PLC

Hampshire Trust Bank Plc is a public limited company incorporated and registered in England and Wales under the Companies Act 2006 with company number 01311315. The Issuer's registered office and principal place of business is 80 Fenchurch Street, London EC3M 4BY. The Issuer is authorised by the PRA and regulated by both the PRA and the FCA.

The Issuer is the primary operating entity of a specialist banking group. The Group includes HTB Leasing & Finance Ltd (formerly known as Wesleyan Bank Limited) ("**HLF**"), a wholly-owned subsidiary of the Issuer.

The Issuer is a subsidiary undertaking of Hoggant Limited, a company majority owned by Hoggant L.P., which is itself majority owned by funds managed by ASO.

The Group's structure as at the date of these Admission Particulars is set out below.



Background

The Group was first established in 1977 and was acquired by ASO and relaunched in 2014. Since then, the Group has provided financing solutions to individuals and communities across the UK. The Group's principal activities are focused on providing finance and specialist solutions to its customers, including small and medium sized enterprises ("**SMEs**") and private individuals.

In 2022, the Issuer acquired Wesleyan Bank Limited from Wesleyan Assurance Society (the "**HLF Acquisition**"). Wesleyan Bank Limited's banking licence was surrendered in December 2024, and the remaining business was renamed HTB Leasing & Finance Ltd. This is in line with the Group's strategy to return Wesleyan Bank Limited's deposit taking licence and progressively migrate the capital to the Issuer's balance sheet.

The Group deploys specialist knowledge, bespoke technology and disciplined risk management to deliver tailored lending and deposit solutions to its customers. Since its transformation into a specialist property and business bank, the Group has recorded strong growth in scale, profitability and capital generation notwithstanding challenging macro-economic conditions. As at 31 December 2024, the Group's total assets stood at £5,386.7 million (31 December 2023: £4,157.0 million), reflecting significant growth year-on-year. The Group's headcount increased to 421 as at 31 December 2024 (31 December 2023: 408), supporting its expanding operations and customer base.

Business Activities

The principal activities of the Group are focused on the following divisions: Specialist Mortgages, Development Finance, Wholesale Finance and Savings.

Specialist Mortgages

The Specialist Mortgages division provides structured mortgage lending solutions tailored to professional landlords and property investors, including those with complex borrowing structures. Lending is offered via a panel of specialist brokers and covers the following products:

- **Buy-to-let mortgages**: including houses in multiple occupation (no maximum number of rooms), multi-unit freehold blocks (no maximum number of units), new-build flats, short-term and holiday lets (including properties leased via platforms such as "Airbnb"), serviced accommodation, and flats above commercial premises.

- **Semi-commercial mortgages**: where the residential element must comprise at least 50 per cent. of the total valuation and have separate access.

There is no limit on the number of borrowers, directors, or shareholders. The maximum loan size is £35 million, with terms up to 30 years and loan-to-value ratios of up to 77 per cent. gross of fees (75 per cent. net of fees). Arrangement fees range from 2 per cent. to 5 per cent. of the loan size, with an additional 1 per cent. for overseas borrowers or complex structures.

- **Short-term lending**: including flexible property finance solutions (i.e. bridging loans) tailored to professional landlords and property investors. This includes lending to individuals, limited companies (special purpose vehicles and limited liability partnerships), sole traders, partnerships, trusts, offshore entities, expats, and foreign nationals on residential, semi-commercial, commercial, development exit, land, and heavy refurbishment loans. These loans are available with terms from 6 to 24 months, for amounts between £100,000 and £10 million (up to £25 million for development exit), and may be rolled or serviced.

In 2024, the Specialist Mortgages division continued to strengthen its franchise, with the businesses balance sheet growing by 13.9 per cent. to £2,394.5 million (2023: £2,103.2 million).

In 2024, the Issuer announced its first ever public securitisation (the "**Winchester I Securitisation**"), which was backed by approximately £300 million of buy-to-let loans from the Specialist Mortgages division. The Specialist Mortgages division's growth in 2024 is net of the £300.2 million of customer loans securitised as part of the Winchester I Securitisation. Excluding the reduction in lending assets resulting from the Winchester I Securitisation, growth in 2024 would have been 28.1 per cent.

Development Finance

The Development Finance division provides bespoke funding solutions to well-established property developers and SME housebuilders across England and Wales. Lending is managed by a team of specialist lenders and includes:

- **Residential Development Finance**: these are loans available for new-build residential developments and refurbishment projects. Facilities may also support site assembly. Funding is available up to 65 per cent. of gross development value ("**GDV**").

- **Commercial Development Finance**: these are loans provided for pre-sold or pre-let commercial developments. Funding is available up to 65 per cent. of GDV for experienced commercial property developers.

- **Development Exit Finance**: these are loans available on recently completed residential stock to provide developers with additional time to sell. Funding is available up to 70 per cent. of GDV.

The maximum loan size is £35 million per customer.

In 2024, loans and advances to customers for the Development Finance division increased by 34.5 per cent. to £364.8 million (31 December 2023: £271.1 million).

Wholesale Finance

The Wholesale Finance division provides lending facilities to a range of non-bank finance companies, typically secured on their underlying loan receivables or assets. The Wholesale Finance division offers a number of key products, including Block Discounting, Structured Finance and Fund Finance:

- **Block Discounting**: this is wholesale lending facilities to asset finance and consumer car finance providers. Clients guarantee blocks of agreements from their books, and the Issuer advances funds at a discounted value aligned with the original agreement terms. Facilities range from £1 million to £25 million, with same-day pay-outs and flexible advance ratios. All asset types are considered. To qualify, clients must provide full-year accounts, latest management information, a portfolio report, and a detailed written description or CV of key individuals.

- **Structured Finance**: this is bespoke funding solutions to specialist and alternative finance businesses across the UK. Transactions are typically structured around receivables or asset-backed portfolios. Structured Finance transactions are tailored to the specific needs of each client and may vary in complexity depending on the asset class and operational structure.

- **Fund Finance** – this provides tailored financing solutions to debt and private equity funds, enabling them to optimise liquidity and support portfolio growth. Facilities are typically structured as revolving credit or term facilities, secured against fund commitments, underlying assets, or portfolio cashflows. Transactions are designed to align with the investment strategy

of each fund, providing flexibility in drawdown and repayment. Facility sizes and structures are bespoke, reflecting the profile and needs of the fund and its investors.

In 2024, the Wholesale Finance loan book increased by 19.3 per cent. to £347.6 million as at 31 December 2024 (31 December 2023: £291.4 million). This growth was supported by the roll-out of a new lending platform during 2024.

Savings

The Savings division provides a broad range of deposit products to personal, business, and institutional customers both directly and via third-party platforms. These include:

- **Personal Savings Accounts**:
    - **Easy Access Accounts**: these allow unlimited top-ups and withdrawals, with deposits ranging from £1 to £2.5 million.
    - **Notice Accounts:** these allow unlimited top-ups, while withdrawals are subject to the account's notice period. Deposits range from £1 to £2.5 million.
    - **Fixed Rate Accounts**: these offer guaranteed interest over a fixed term, with deposits from £1 to £2.5 million.
    - **Cash ISAs**: these are available as fixed rate or easy access tracker accounts, offering tax-free savings. Deposit limits range from £1 to £2 million.
- **Business Savings Accounts:**
    - **Easy Access Accounts**: these are designed for day-to-day liquidity needs, with deposits from £5,000 to £5 million.
    - **Notice Accounts**: these are suitable for planned withdrawals, with deposits from £5,000 to £5 million.
    - **Fixed Rate Accounts**: these provide guaranteed returns over a fixed term, with deposits from £5,000 to £5 million.
- **Specialist Savings Solutions:**
    - **Credit Union and Community Bank Deposits**: these are structured to support development projects across the UK, with products designed around the specific needs of these institutions. Deposits range from £100,000 to £5 million.
    - **Self-Invest Personal Pension ("SIPP") and Small Self-Administered Scheme ("SSAS") Pension Fund Deposits**: these products are structured to allow operators and administrators to invest funds on behalf of their clients. For both SSAS and SIPPs, deposits range from £25,000 to £5 million, but only one scheme is allowed per company for SSAS, capped at 11 people.
    - **Corporate Deposits**: these are tailored for larger businesses, offering competitive rates and relationship-based service. Includes flexible options such as easy access funds and longer-term bonds. Deposits range from £750,000 to £15 million.

In 2024, customer balances held in the Savings division grew by 39 per cent. On 17 May 2024, the Group launched a new cloud-based banking platform which aims to bring additional services to its Savings customers. The new platform offers self-service banking services, including the ability to open additional accounts, make payments and transfers online and for customers to update their personal details online.

During 2024 the Group ran off the HLF deposit book in its entirety.

Closed Lending Books

The Issuer formerly lent to customers through its Asset Finance and Commercial and Retail Finance divisions.

The Asset Finance division provided small to middle ticket leasing and hire purchase lending secured on vehicles and business assets. A decision was made in the final quarter of 2024 to cease new writing new business from this division. As at 31 December 2024, the Group's Asset Finance book stood at £327.4 million (31 December 2023: £384 million).

The Commercial and Retail Finance Division provided specialist acquisition finance to enable the purchase of professional practices, predominantly dentistry surgery and pharmacies as well as point of sale lending to retail customers. These portfolios were acquired by the Group as part of the HLF Acquisition and the assets associated with this division were put into run-off in 2022. As at 31 December 2024, the remaining book stood at £147.5 million (31 December 2023: £211.5 million).

Funding and Liquidity

Funding

The Group is predominantly funded by retail deposits sourced directly through online marketing and in product "best buy" tables, which form the core of its funding base and are serviced by an in-house team principally through an online portal. Funding is raised from customers depositing money in their savings account and from central bank facilities. The Group then uses these funds to lend to its customers. The Group's Treasury function manages the level of funding to ensure the Group can meet the demands of customers, creditors and regulators. The Group's funding strategy is designed to ensure a stable and diversified funding base, with a focus on capital efficiency and maintaining strong liquidity.

In 2024, customer deposits increased to £4,526.0 million as at 31 December 2024 (31 December 2023: £3,260.90 million), with the number of depositors increasing from 60,154 as at 31 December 2023 to 70,645 as at 31 December 2024.

The Issuer has previously issued two series of Tier 2 capital instruments, £30 million in 2018 and £25 million in 2023. In 2022, the Issuer issued £20 million of Additional Tier 1 capital instruments. These capital instruments support the Group's capital and funding position.

In addition to deposits, the Group successfully completed its inaugural public securitisation, the Winchester I Securitisation, in November 2024, which involved the sale of a circa £300 million pool of specialist mortgages, achieving full risk transfer and capital relief. The Winchester I Securitisation demonstrated the Group’s increasing capability to diversify its capital and funding options.

The Group also utilises central bank facilities, with drawn balances of £295 million at 31 December 2024 (31 December 2023: £353.8 million). This provides additional funding flexibility and supports lending to UK businesses. The Group currently expects to fully repay the amounts borrowed from the central bank by the end of 2025.

Liquidity

The Group maintains a diversified liquid asset portfolio, comprised of cash placed on deposit with the Bank of England, debt securities issued by sovereigns and UK covered bonds. The Group regularly stress tests its liquidity requirements against a number of scenarios and measures liquidity risk on a daily basis. Monthly reporting procedures are in place to update and inform senior management and the Group maintains a liquidity contingency plan which includes a number of mitigating actions available during a stress scenario. If required, the Group's liquid asset portfolio could be monetised quickly through repurchase agreements or outright sales.

The Group maintains liquidity ratios at levels in excess of the minimum regulatory requirements of 100 per cent. As at 31 December 2024, the Group's liquidity coverage ratio was 391.1 per cent. (31 December 2023: 388.6 per cent.) and its net stable funding ratio was 163.3 per cent. (31 December 2023: 147.7 per cent.).

The Group refreshes its Internal Liquidity Adequacy Assessment (ILAAP) on an annual basis which is approved by the Board (as defined below) and includes a suite of funding and liquidity metrics which are monitored continuously by management and presented to the Board on a monthly basis.

Capital

The Group's capital requirements are actively managed, with regulatory ratios being a key factor in the Group's planning processes and stress analysis. Below are the key metrics for the Group and the Issuer as at 31 December 2023 and 31 December 2024.

The principal committee at which the Group's capital is scrutinised and managed is the Asset and Liability Committee. The Issuer's board of directors (the "**Board**") and the Board Risk Committee also receive capital metrics, monthly forecasts of capital positions and commentary on capital risk. The Group refreshes its Internal Capital Adequacy Assessment Process ("**ICAAP**") on an annual basis, including a four-year forecast of the Group's capital position.

The ICAAP is used to inform the future capital strategy and is submitted to the PRA following Board scrutiny and approval. Periodic shorter-term forecasts are also undertaken to understand and respond to variations in actual performance against capital plans.

The Group monitors its key capital metrics monthly, these include its CET1 ratio, surplus of capital resources over capital requirements and leverage ratio, and these allow the Issuer to be able to effectively manage its capital resources.

	Group 2024	**Issuer 2024**	**Group 2023**	**Issuer 2023**
Available own funds (*£ '000*)				
Common Equity Tier 1 capital	337,045	300,589	292,674	243,719
Tier 1 capital	354,075	317,619	309,704	260,749
Total capital	399,206	362,750	360,845	311,890
Risk-weighted exposure amounts (£)				
Total risk-weighted exposure amount	2,367,808	2,207,947	2,077,212	1,830,864
Capital ratios (*as a percentage of risk-weighted exposure amount*)				
Common Equity Tier 1 ratio	14.2%	13.6%	14.1%	13.3%
Tier 1 ratio	15.0%	14.4%	14.9%	14.2%
Total capital ratio	16.9%	16.4%	17.4%	17.0%
Additional own-funds requirements based on SREP				
Additional CET1 SREP requirements	0.57%	0.39%	0.57%	0.39%
Additional AT1 SREP requirements	0.19%	0.13%	0.19%	0.13%

Additional T2 SREP requirements	0.25%	0.18%	0.25%	0.18%
Total SREP own-funds requirements	9.01%	8.70%	9.01%	8.70%
Combined buffer requirement (*as a percentage of risk-weighted exposure amount*)				
Capital conservation buffer	2.5%	2.5%	2.5%	2.5%
Institution-specific countercyclical capital buffer	2.0%	2.0%	2.0%	2.0%
Combined buffer requirement	4.5%	4.5%	4.5%	4.5%
Overall capital requirements	13.51%	13.20%	13.51%	13.20%
CET1 available after meeting total SREP own-funds requirements	7.85%	7.73%	8.15%	7.72%
Leverage ratio				
Leverage ratio total exposure measure (£)	3,962,928	3,925,344	3,633,786	3,491,694
Leverage ratio	8.9%	8.1%	8.5%	7.5%

Board

The Board is comprised of six independent non-executive directors (including the chairman), two shareholder non-executive directors and two executive directors. The Board approves the strategy and direction of the Group, including setting its policies and risk appetite, monitoring risk management, financial performance and reporting. The Board's composition is regularly reviewed to ensure an appropriate mix of skills, experience, and independence.

The directors, their position in the Group and the principal business activities of each director outside of the Group are set out below.

Name	Position	Principal outside activities
Robert Sharpe	Chairman (Independent Non-Executive Director)	Chairman of Metro Bank plc
Matthew Wyles	Chief Executive Officer	N/A
Kathryn Winup	Chief Financial Officer	N/A
Richard Sommers	Independent Non-Executive Director	Non-Executive Director of Bank of Ireland (UK) plc
Julia Warrack	Independent Non-Executive Director	Non-Executive Director of Zempler Bank Non-Executive Director of EQT Non-Executive Director of Ruler Bidco SARL
Martyn Scrivens	Independent Non-Executive Director	Non-Executive Director at Somerset NHS Foundation Trust Non-Executive Director at Symphony Healthcare Services Chair of the Audit Committee of the Ardonagh Group

Name	Position	Principal outside activities
Dominic Slade	Non-Executive Director	Managing Partner of Alchemy Partners LLP
Richard Price	Non-Executive Director	None
Helen Beck	Independent Non-Executive Director	Non-Executive Director of Picton Property Income Limited
		Non-Executive Director of Funding Circle Holdings PLC
		Non-Executive Director of St James Place plc
Clare Goldie-Scot	Independent Non-Executive Director	Independent Governance Co Member of Scottish Widows
		Non-Executive Director of Bank of Ireland UK PLC

Conflicts of interest

Dominic Slade and Richard Price were appointed to the Board by ASO pursuant to its rights under the Articles of Association of the Issuer, which could present a potential conflict of interest in circumstances where the interests of the Issuer and ASO are not, or may not, be aligned. Any conflicts that arise are considered and approved on a case-by-case basis.

None of the other directors of the Issuer has any actual or potential conflict between their duties to the Issuer and their private interests or other duties as listed above.

Board Committees

The Board has established various committees to which it has delegated relevant authority, with each committee operating under formal terms of reference and reporting regularly to the Board. Each committee supports the Board in fulfilling its responsibilities for governance, risk management, financial oversight, and succession planning, ensuring the Group operates to the highest standards of corporate governance.

The principal committees are the Audit Committee, the Board Risk Committee, the Nominations Committee and the Remuneration Committee. These committees are comprised solely of non-executive directors and are each chaired by an independent non-executive director.

Audit Committee

The Audit Committee oversees the effectiveness of the Group's internal control environment, monitors the integrity of the financial statements and risk management systems, and considers compliance monitoring programmes. The Audit Committee meets at least quarterly and is responsible for compliance with accounting policies, ensuring an effective system of internal control, and overseeing and monitoring whistleblowing. The Committee recommends the appointment of both internal and external auditors and approves annual audit plans.

Board Risk Committee

The Board Risk Committee is responsible for oversight of the Group's principal risks, including reviewing, challenging, and recommending to the Board the aggregate risk profile, including performance against risk appetite for all risk types. The Board Risk Committee oversees the development, implementation, and maintenance of the risk management framework, compliance with relevant regulations and law, and the proper functioning of risk controls within the Group.

Nominations Committee

The Nominations Committee is responsible for considering and making recommendations to the Board in respect of appointments to the Board and its committees, as well as the membership and chair of subsidiary boards and their committees. The Nominations Committee oversees the establishment and implementation of an effective succession plan for the Board and senior management.

Remuneration Committee

The Remuneration Committee is responsible for overseeing the establishment and implementation of remuneration policy for employees and directors which is designed to support the long-term sustainable success, business strategy, mission, culture and values of the Group, as well as promoting effective risk management and compliance with applicable legal and regulatory requirements.

Senior Management

The Chief Executive Officer is responsible for the day to day running of the Group's business, supported by the Group Executive Committee. The Group Executive Committee is responsible for proposing strategy to the Board and implementing the approved strategy. The Group Executive Committee is comprised of the following individuals:

Name	Position
Matthew Wyles	Chief Executive Officer
Kathryn Winup	Group Chief Financial Officer
Yogesh Patel	Group Chief Operating Officer
Charles McDowell	Group Chief Commercial Officer
Paul Collyer	Group Chief Risk Officer
Andrew Fox	Group Chief People Officer

The Group Executive Committee is supported by a number of sub-committees, as set out in the structure chart below.



Material Contracts

There are no material contracts that have been entered into other than in the ordinary course of the Issuer's business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders under the Notes.

Recent developments

On 16 September 2025, Hoggant L.P. signed an agreement with a US-based asset manager (the "**Investor**") pursuant to which that Investor will acquire a minority shareholding in Hoggant Limited (the "**Transaction**"). Under the terms of the transaction documents, the Investor will have a right, for so long as it maintains at least a 10 per cent. shareholding in Hoggant Limited, to nominate one full voting member to the Board (subject to the regulatory approval process). Funds managed by Alchemy will remain majority shareholders in Hoggant Limited. Completion of the Transaction is subject to customary regulatory approvals.

TAXATION

General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer or further issues of securities that will form a single series with the Notes, and do not address the consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the Conditions). Any Noteholders who are in doubt as to their own tax position should consult their professional advisers. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes.

United Kingdom

The comments in this part are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs), in each case as at the date of these Admission Particulars. They relate only to United Kingdom withholding tax on payments of interest (as such term is understood for the purposes of United Kingdom tax law). They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who hold their Notes as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Notes are attributable) and are the absolute beneficial owners thereof. (In particular, Noteholders holding their Notes via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof.) Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Noteholders. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Interest on the Notes

While the Notes are and continue to be admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange within the meaning of Sections 987 and 1005 Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. The ISM is a multilateral trading facility operated by a regulated recognised stock exchange (the London Stock Exchange) for these purposes.

In addition to the exemption set out above, interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business.

In all other cases, interest which has a United Kingdom source may fall to be paid by the Issuer under deduction of income tax at the basic rate (currently 20 per cent.) unless: (i) another relief applies under domestic law; or (ii) the Issuer has received a direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If interest were paid under deduction of United Kingdom income tax (e.g. if the Notes lost their admission to trading), Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 11 of the Notes or otherwise and does not consider the tax consequences of any such substitution.

United States

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of FATCA to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Moreover, Notes that are not treated as equity for U.S. federal income tax purposes and that have a defined term that are not issued more than six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding in respect of foreign passthru payments unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from outstanding Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including outstanding Notes issued during the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay Additional Amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Sole Manager has, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 13 October 2025, agreed to subscribe the Notes at the issue price of 100 per cent. of their principal amount less a combined management and underwriting commission, subject to the provisions of the Subscription Agreement. The Issuer will also reimburse the Sole Manager in respect of certain of its expenses, and has agreed to indemnify the Sole Manager against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States to persons other than U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**") in offshore transactions in reliance on, and in compliance with, Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

The Sole Manager has represented, warranted and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes, within the United States or to, or for the account or benefit of, U.S. persons (the "**distribution compliance period**"), except in accordance with Regulation S of the Securities Act. The Sole Manager has agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

The Sole Manager has represented, warranted and agreed that:

(a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if it were not an authorised person, apply to the Issuer.

Prohibition of Sales to UK Retail Investors

The Sole Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or both) of the following:

(a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Prohibition of Sales to EEA Retail Investors

The Sole Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or both) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

The Sole Manager has agreed that it will comply, to the best of its knowledge and belief, with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes these Admission Particulars or any related offering material.

This document does not constitute an offer and may not be used for the purposes of any offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised.

None of the Issuer or the Sole Manager represents that the Notes may at any time lawfully be sold in or from any jurisdiction in compliance with any applicable registration requirements or pursuant to an exemption available thereunder or assumes any responsibility for facilitating such sales.

Persons into whose hands these Admission Particulars come are required by the Issuer and the Sole Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish these Admission Particulars or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

1. An application will be made to the London Stock Exchange for the Notes to be admitted to trading on the ISM. The ISM is not a UK regulated market within the meaning of UK MiFIR. Such admission to trading is expected to be effective on or immediately following the Issue Date.

2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 22 September 2025, and by a resolution of a sub-committee of the Board of Directors of the Issuer passed on 24 September 2025.

3. There has been no significant change in the financial or trading position of the Issuer or the Group and no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2024.

4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of these Admission Particulars which may have or have had in such period or in the recent past had, significant effects on the financial position or profitability of the Issuer or the Group.

5. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 318967679. The International Securities Identification Number (ISIN) for the Notes is XS3189676797.

   The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

6. The Legal Entity Identifier code of the Issuer is 21380013V6JI2T3MOG16.

7. Based upon an issue price of 100 per cent. of the principal amount of the Notes, the yield of the Notes for the period from (and including) the Issue Date to (but excluding) the Reset Date, is 8.130 per cent. per annum, payable on a semi-annual basis. The yield is calculated at the Issue Date and is not an indication of future yield.

8. For so long as the Notes remain outstanding, copies of the following documents will be available on the website of the Issuer at *https://www.htb.co.uk/investor-relations/*:

   (a) the Trust Deed (which includes the form of the Global Certificate);

   (b) the Agency Agreement;

   (c) the Articles of Association of the Issuer;

   (d) a copy of these Admission Particulars together with any supplement to these Admission Particulars; and

   (e) the Information Incorporated by Reference.

9. KPMG LLP, of 15 Canada Square, Canary Wharf, London E14 5GL (registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales), have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer prepared in accordance with UK adopted international accounting standards for the years ended 31 December 2023 and 31 December 2024.

   PricewaterhouseCoopers LLP, of 1 Embankment Place, London WC2N 6RH (registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales), were appointed on 15 July 2025 by the Issuer as auditor in respect of the year ending 31 December 2025.

10. The Sole Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. The Sole Manager and its affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

    In addition, in the ordinary course of their business activities, the Sole Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Those of the Sole Manager and its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to Issuer consistent with their customary risk management policies. Typically, the Sole Manager and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Sole Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE ISSUER

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To the Sole Manager and the Trustee as to English law

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AUDITORS OF THE ISSUER (FROM 15 JULY 2025)

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